



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

**MEMORANDUM**

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**Date:** June 16, 2009  
**To:** Michigan Economic Growth Authority  
**From:** Amy Deprez, Manager  
Packaging Team  
Greg West, Project Specialist  
Packaging Team  
**Subject:** Briefing Memo – Dexter Research Center, Inc.  
High-Technology MEGA Credit

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**COMPANY NAME**

Dexter Research Center, Inc.  
7300 Huron River Drive, Suite 2  
Dexter, MI 48130

**HISTORY OF COMPANY**

Dexter Research Center, Inc. (DRC), founded in 1977, designs and manufactures thermopile-based solutions. They are currently the only US-based thermopile detector manufacturer. Thermopile based solutions include high-quality, high-output Bismuth-Antimony thin film and silicon-based infrared-sensing thermopile detectors. The detectors measure infrared energy and are included in products for scientific research, automotive, aerospace, home appliances, security systems, and medical equipment. The company offers standard detectors, customized detectors and can also provide integrated modules for a complete sensing subsystem.

DRC currently has 58 full-time employees in Michigan.

**PROJECT DESCRIPTION**

For the project, DRC will focus on a new product development effort to launch new components and modules, including a presence sensor module, array technology for government and commercial applications and investigation into potential business applications for new markets. In order to house the anticipated growth, the company will have to expand and upgrade their current facility in Dexter, Washtenaw County. In addition, they will need to hire additional staff, including research and development, sales and general administrative, managerial and manufacturing.

DRC will invest approximately \$2.97 million and create 47 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$691. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

### **BENEFIT TO STATE**

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will generate a total of 169 jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by \$3.2 million (current dollars) due to the presence of this facility.

### **BUSINESS CASE**

DRC is also considering locations in Toledo, Ohio and Waltham, Massachusetts for this expansion. The company has a financial interest in a key supplier located in Toledo. This supplier is a producer of raw materials used in the manufacture of the new products being developed by DRC. Locating in close proximity to this supplier would allow greater quality control and direction. The supplier also has space at their facility which would accommodate DRC's needs. Locating at the same facility would save significant renovation costs of at least \$250,000. In addition, the company would not incur the equipment costs to set up a clean room or other specific laboratory facilities at the Dexter location, saving an additional \$150,000. It would also save significant travel costs from Dexter to Toledo.

### **OTHER STATE AND LOCAL ASSISTANCE**

Webster Township is supportive of this project and anticipates approval of local tax abatements. The estimated value of this incentive is not known at this time.

### **QUALIFYING HIGH-TECHNOLOGY ACTIVITY**

The company is a qualified high-technology business, whose primary business activity is Electronic Device Technology, as defined in the Act.

### **RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 70 percent high-technology employment tax credit for seven years for up to 47 net new employees in excess of the company's established base of 62.