



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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DATE: October 14, 2008

TO: Michigan Economic Growth Authority

FROM: Val Hoag, Director *UJH*  
Portfolio Management & Packaging

Amy Deprez, Project Manager  
Portfolio Management & Packaging

SUBJECT: Briefing Memo – EPC – Columbia, Inc. (Look-Back)  
Standard MEGA Credit

COMPANY NAME:

EPC – Columbia, Inc. (Engineered Plastic Components)  
4000 Waco Road  
Columbia, Missouri 65202

HISTORY OF COMPANY:

EPC – Columbia, Inc. (Engineered Plastic Components) is a 15 year old thermal plastic injection molding company with corporate headquarters located in Grinnell, Iowa. EPC primarily supplies parts to the automotive and appliance industries. The company is a recognized minority supplier that currently has four other manufacturing plants located at Grinnell and Kalona, Iowa; Columbia, Missouri; and Rantoul, Illinois.

The company had no associates in Michigan prior to the look-back period established at September 2, 2008.

PROJECT DESCRIPTION:

EPC plans to expand their operations into Michigan and establish a Michigan presence. The company has identified a facility in the City of St. Clair that would fit their purposes. The project would result in the creation of about 250 employees over the next five years, paying an average weekly wage of \$446 and would include a capital investment of over \$8 million. The capital investment includes lease costs and an initial purchase of existing machinery for \$3 million, followed by additional M&E over the remaining five years.

The company will also offer health care benefits and pay a portion of the benefit costs.

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**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 822 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs and adjusted for inflation, would be increased by \$12.6 million (2008 dollars) due to the presence of this facility.

**BUSINESS CASE:**

EPC has open capacity to produce the work associated with this project at their established plants in Illinois, Missouri and Iowa. The company has identified business taxes and training funds as areas of concern over the competing sites.

**OTHER STATE AND LOCAL ASSISTANCE:**

The Macomb / St. Clair County Michigan Works office is supportive of this project and has approved new employee training assistance through St. Clair County Community College valued at \$49,995. In addition, the organization will work with EPC to identify possible on the job training funds that would further support the project.

Further, the Economic Development Alliance of St. Clair County is working with the company and the City of St. Clair to transfer any existing property tax abatements to EPC.

**RECOMMENDATION:**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent standard look-back employment tax credit for 7 years, for up to 250 net new employees.

- The look-back period will be established as of September 2, 2008, employees hired after the establishment of the look-back period will count as qualified new jobs provided that they meet all the requirements outlined in the MEGA Credit Agreement.