



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

**MEMORANDUM**

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**Date:** June 16, 2009  
**To:** Michigan Economic Growth Authority  
**From:** Amy Deprez, Manager  
Packaging Team  
Marcia Gebarowski Project Specialist  
Packaging Team  
**Subject:** Briefing Memo – Energetx Composites, LLC  
High-Technology MEGA Credit

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**COMPANY NAME**

Energetx Composites, LLC  
775 E 40<sup>th</sup> Street  
Holland, Michigan 49423

**HISTORY OF COMPANY**

Energetx Composites, LLC is a manufacture of composite assembly. They use high-fiber alignment and high-fiber fraction to make high-fiber reinforced parts with the least amount of materials. The company was formed in 2008, a spin-off of S2 Yahts, Inc, as a supplier of blades and other large components to wind turbine OEMs. Energetx will use the proven technology of composite manufacturing and assembly for the wind industry that S2 Yahts, has used in the marine industry for the past thirty years. Energetx also provides engineering, design, and other project management services to their customers.

Energetx Composites, LLC currently has 4 employees in Michigan.

**PROJECT DESCRIPTION**

Energetx plans to ramp up production to manufacture utility scale wind turbine blades and other composite parts for the wind energy industry. They will begin producing blades in a leased facility in Holland, Michigan in 2009. As operations ramp up, a new facility will be built in Holland dedicated to the manufacturing and shipment of these large turbine components.

Energetx will invest approximately \$37 million in new building construction and machinery and equipment as a result of this project. In addition, the company will create 1,068 jobs over the next five years paying an average weekly wage of \$585. 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 retain a total of 2,599 jobs in the state by the year 2024. It is also estimated that the project would maintain total state government revenues through the year 2024, net of MEGA costs, of \$189 million (current dollars) due to the retention of this facility.

### **BUSINESS CASE**

Energetx has been courted by states including Texas and Ohio who have been very interested in bringing a blade supplier to their state. Michigan's RPS is not as strong as other states, decreasing the demand for wind components for use in the state.

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

The MEDC is prepared to recommend support of a Renewable Energy Renaissance Zone for the construction of a dedicated facility for the company, contingent upon a successful application process, availability of an RERZ and MSF Board approval.

The City of Holland is supportive of this project and anticipates approval of a PA 328 property tax abatement, within the next 90 days.

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

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

### **RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for 15 years for up to 1,068 net new employees in excess of the company's established base of 4.