



## MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

# MEMORANDUM

**Date:** May 19, 2009

**To:** Michigan Economic Growth Authority

**From:** Amy Deprez, Manager  
Packaging Team

Joshua Hundt, Project Specialist  
Packaging Team

**Subject:** Briefing Memo – Essen Instruments, Inc.  
High-Technology MEGA Credit

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### COMPANY NAME

Essen Instruments, Inc.  
1156 Oak Valley Drive  
Ann Arbor, MI 48108

### HISTORY OF COMPANY

Essen Instruments, located in Pittsfield Charter Township, is a privately held company that was incorporated in 1999. The company's field of expertise is in the invention, manufacture, and distribution of pre-clinical cell based research tools. To date their inventions have generated over one billion dollars in life science instrumentation equipment sales.

Beginning in 2005, Essen Instruments, Inc. began selling their technologies directly to the marketplace. The customers for these products are large pharmaceutical and bio-technology companies engaged in pre-clinical cell-based drug research and academic and small biotech research firms.

Essen Instruments, Inc. currently has 24 employees in Michigan.

### PROJECT DESCRIPTION

The proposed project will be a new Discovery Services Unit to build a team of contract research scientists, technicians, and instrument operators in Pittsfield Charter Township, Washtenaw County. The business unit will capitalize on the growing development model for large pharmaceutical companies to outsource various drug discovery research endeavors as opposed to running the experiments in-house.

Essen Instruments, Inc. will invest approximately \$3.1 million and create 43 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$767. 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 244 jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by \$4.5 million (current dollars) due to the presence of this facility.

**BUSINESS CASE**

The company also considered the San Jose – San Francisco Bay area of California for this project. The company's president and top sales person are already located in California, and that area is home to the number two bioscience research cluster in the world.

**OTHER STATE AND LOCAL ASSISTANCE**

Pittsfield Charter Township is supportive of this project and plans to reimburse Essen Instruments for the application fee related to this project.

**QUALIFYING HIGH-TECHNOLOGY ACTIVITY**

The company is a qualified high-technology business, whose primary business activity is biotechnology, 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 seven years for up to 43 net new employees in excess of the company's established base of 25.