



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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DATE: August 26, 2003

TO: Michigan Economic Growth Authority

FROM: James Donaldson, Vice President
Michigan Business Development

SUBJECT: Briefing Memo – Fisher & Company
Standard Credit

COMPANY NAME AND ADDRESS:

Fisher & Company
33200 Freeway Drive
St. Clair Shores, MI 48082

HISTORY OF COMPANY:

Fisher & Company began as a horse-drawn carriage shop in Norwalk, Ohio in the late 1800's. In the early 1900's, the Fishers moved to Detroit to work in the first "horseless carriage" body shops. In 1908 they formed Fisher Body Company, later renamed the Fisher Body Corporation. After years of growth and innovation, the corporate identity was changed to Fisher & Company, Incorporated. The new Corporation consists of Fisher Corporation and Fisher Dynamics. Fisher & Company is the leading supplier of seating mechanisms to the automotive industry. Customers include Ford, General Motors, Daimler-Chrysler, Isuzu, Mazda and Honda.

PROJECT DESCRIPTION:

The project will allow for construction of a world-class metal fabrication facility at a site in the city of Sterling Heights and the purchase of large metal stamping presses and welding stations. The facility will initially consist of one building of approximately 75,000 square feet, but additional acreage will be acquired to eventually accommodate over 180,000 square feet of manufacturing space. The first building in the complex will be constructed and equipment will be installed from 2004 through 2006.

If Fisher selects Michigan, the project is expected to result in the creation of 181 jobs over the first five years with an average weekly wage of \$942. Fisher will also invest \$21 million in the construction of the new facility and purchase of manufacturing equipment.

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BENEFIT TO STATE:

According to the economic analysis done by the University of Michigan utilizing Regional Economic Models, Inc. software, we estimate that this facility will generate a total of 379 jobs in the state by the year 2019. Total state government revenues through the year 2019, net of MEGA costs and adjusted for inflation, would be increased by \$16.1 million (2003 dollars) due to the presence of this facility.

BUT FOR:

As part of the company's decision-making process, Fisher compared the costs of a new location in Sterling Heights versus an expansion of their facility in Tennessee. The company faces higher wages, benefits and taxes in Michigan. This differential is estimated to be approximately \$1.5 million per year once the project is fully staffed.

OTHER STATE AND LOCAL ASSISTANCE:

The State of Michigan will offer an abatement of 50 percent of the six-mill State Education Tax for a length of time to match the local property tax abatement. The value of this abatement is estimated at \$111,000.

The City of Sterling Heights is expected to approve a 50 percent abatement of the company's new real and personal property taxes for 11 years at their September 16, 2003 city council meeting. This tax abatement has an estimated value of \$778,000.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for 13 years for up to 181 net new employees.