



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

DATE: February 3, 2009
TO: Michigan Economic Growth Authority
FROM: Amy Deprez, Packaging Manager
Marcia Gebarowski, Project Specialist
SUBJECT: Briefing Memo - Great Lakes Towers LLC
Standard MEGA Credit

COMPANY NAME:
Great Lakes Towers LLC
23253 Wagonwheel Drive
Brownstown, MI 48183

HISTORY OF COMPANY:
In early 2008, a small team of people began to plan for a new business venture in the steel industry. The team researched options of producing cold-rolled and galvanized steel or steel plate. When looking into the products that use steel plate, the team discovered wind towers. As the team looked further into the wind industry, they became increasingly convinced of its attractiveness due to federal and state mandates for more sources of alternative energy and the desire to reduce greenhouse gases. They foresee a short supply of wind turbine components in the U.S. as a result of increasing demand worldwide. In May of 2008, Great Lakes Towers was formed to address this increasing demand.

Great Lakes Towers LLC currently has 0 employees in Michigan.

PROJECT DESCRIPTION:
Great Lakes Towers is a new wind turbine tower manufacturing company that plans to locate their first site at the Port of Monroe in Monroe, Michigan. A new custom built 900'x100' manufacturing facility will be built at the Port of Monroe where the wind turbines will be manufactured and shipped to customers. The land dedicated for this project totals approximately 40 acres. The company intends to be in full production by 2010 and may branch out to make additional wind turbine components in the future.

Total investment for Great Lakes Towers over five years will be approximately \$19 million. This project will create 152 new jobs with an average weekly wage of \$1,041. The company will also offer health care benefits and pay a portion of the benefit costs.

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**BENEFITS 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 create a total of 290 jobs in the state by the year 2018. We also estimate that the project would create total state government revenues through the year 2018, net of MEGA cost, of \$8.4 million (current dollars) due to the creation of these new jobs.

**BUSINESS CASE:**

Alternatively, this company has been given an offer from the State of Ohio including low interest loans to locate at the Port of Toledo. The site at the Port of Monroe also requires more site prep work including dock and rail repairs that the company will have to finance.

**OTHER STATE AND LOCAL ASSISTANCE:**

**Property Tax Abatement (PA 198):** The City of Monroe anticipates approval of the abatement of 50% of real property for up to 12 years. The value of this abatement is not known at this time. Approval of the abatement is anticipated within the next 90 days.

**Choose Michigan:** The Michigan Economic Development Corporation anticipates Michigan Strategic Fund (MSF) approval of a \$5 million loan in the form of a convertible note. Funds made available by this loan will be made available to the company through a series of negotiated milestones.

**Brownfield Redevelopment MBT Credit:** As part of the overall incentives offered to this project, we anticipate requesting approval of a Brownfield Redevelopment MBT Credit of up to 20 percent for the eligible investment made by Great Lakes Towers in constructing their facility on an eligible site. At this time we estimate the 20% credit to be \$3.8 Million. This request for approval will be brought to the MEGA Board at a later date.

**MEGA/DEQ Tax Increment Financing:** Additionally, in support of this project we anticipate requesting approval of a Michigan Department of Environmental Quality (MDEQ) and MEGA TIF on the eligible activities related to the clean-up and remediation of the contamination on the property as outlined in the Act 381 Workplan. The state portion of this is not known at this time, but we estimate the MEGA TIF eligible activities to be \$4.1 Million

**RECOMMENDATION:**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent 10 year standard employment tax credit for up to 152 net new employees, over the company's employment base of 0.