



# MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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## MEMORANDUM

**DATE:** April 15, 2003  
**TO:** Michigan Economic Growth Authority  
**FROM:** James Donaldson, Vice President  
Michigan Business Development  
**SUBJECT:** Briefing Memo – Grupo Antolin Michigan  
Standard Credit

### COMPANY NAME AND ADDRESS:

Grupo Antolin Michigan  
1402 Rankin Street  
Troy, Michigan 48103

### HISTORY OF COMPANY:

Grupo Antolin is a privately held company founded in the early 1950's by the Antolin brothers in Burgos, Spain. Today it is a significant Tier One supplier to the global automotive market. Currently the company has 55 locations world wide with 38 manufacturing, 12 assembly and logistic centers, and five Technical Centers (the most recent in Troy, MI). They are also a minority partner in an assembly and sequencing center in Wayne, MI.

### PROJECT DESCRIPTION:

The company is proposing to establish a new subsidiary, Grupo Antolin Michigan, which will be a supplier of automotive interior trim components and systems to the automotive industry. Initially these will include modular overhead systems, headliners substrates, sun visors and related components. This activity could grow into other commodities for the interior/exterior of the vehicle as well. Initially major customers will be General Motors and Ford, although the company hopes to supply product to other OEMs from this location.

The company is considering use of a former Lear Seating facility in Marlette, or an expansion of their plant in Silao, Mexico.

If Grupo Antolin selects Michigan, the project is expected to result in the creation of approximately 214 jobs over the first five years with an average weekly wage of \$546.

Briefing Memo  
Grupo Antolin Michigan  
April 15, 2003  
Page Two

**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 566 jobs in the state by the year 2013. Total state government revenues through the year 2013, net of MEGA costs and adjusted for inflation, would be increased by \$23.8 million (2002 dollars) due to the presence of this facility.

**BUT FOR:**

As part of the company's decision-making process, Grupo Antolin compared the costs of the project in Marlette and at their facility in Mexico. In Michigan, the company faces higher labor and facilities costs, partially offset by higher transportation costs from the facility in Mexico. This differential is estimated to be approximately \$2 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 \$127,974.

Water connections to the plant may need to be improved to provide adequate fire suppression. Final estimates have not been received, but there is the potential for a small CDBG grant to meet these needs.

The City of Marlette has approved a 50 percent abatement of the company's new real and personal property taxes for twelve years at their April 7, 2003 meeting. The Marlette tax abatement has an estimated value of \$974,232.

**RECOMMENDATION:**

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for 10 years and a 100 percent business activity tax credit for three years, for up to 214 net new employees.