



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
CONTACT CENTER  
517 373 9808

WWW.MICHIGAN.ORG

DATE: June 15, 2004  
TO: Michigan Economic Growth Authority  
FROM: James Donaldson, Vice President  
Michigan Business Development  
SUBJECT: Briefing Memo – Guardian Fiberglass, Inc.  
Standard Credit

COMPANY NAME AND ADDRESS:

Guardian Fiberglass, Inc.  
1000 East North Street  
Albion, Michigan 49224

HISTORY OF COMPANY:

Guardian Fiberglass is a manufacturer of fiberglass insulation for residential and commercial buildings. Guardian Fiberglass currently operates plants in Michigan, Mississippi, West Virginia, and Arizona. The company currently employs 224 at its Albion plant, which was opened in 1981 as the company's first fiberglass plant. The company's parent, Guardian Industries, employs a total of 1,543 in the state and is headquartered in Auburn Hills.

PROJECT DESCRIPTION:

Guardian Fiberglass is proposing an expansion of its Albion plant, which currently has 224 employees. The new line would begin operations in mid-2006, and would produce fiberglass insulation for sale to independent lumber yards and building materials centers.

The company would add 123 new positions in the first year of the project and up to 150 new positions by the fifth year of the project. The new positions would pay an average weekly wage of \$583.

The project would require an investment of \$26.5 million to renovate and expand the existing building and to purchase manufacturing equipment. The company will also invest \$5 million at their plant in Mississippi to accommodate this expansion. Construction on the new facility would begin this fall, with construction completed by June of 2006.

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN

Chair

General Motors

PHILIP H. POWER

Vice-Chair

HomeTown Communications  
Network

RICHARD E. BLOUSE JR., CCE

Detroit Regional Chamber

JOHN W. BROWN

Stryker Corporation

DR. DAVID E. COLE

Center for

Automotive Research

JOANN CRARY

Saginaw Future Inc.

DR. HAIFA FAKHOURI

Arab American and Chaldean  
Council

STEVEN K. HAMP

The Henry Ford

HAYDEN H. HARRIS

EDF Ventures

PAUL HILLEGONDS

Detroit Renaissance

DAVID HOLLISTER

Michigan Department of  
Labor & Economic Growth

GEORGE JACKSON JR.

Detroit Economic Growth  
Corporation

MICHAEL J. JANDERNOA

Bridge Street Capital  
Partners, L.L.C.

MAYOR ROBERT B. JONES

City of Kalamazoo

BIRGIT M. KLOHS

The Right Place, Inc.

DR. IRVIN D. REID

Wayne State University

RICHARD SHOEMAKER

UAW International

S. MARTIN TAYLOR

DTE Energy Company

GARY TORGOW

Sterling Group

PETER S. WALTERS

Guardian Industries Corp.



Guardian Fiberglass Inc.  
Briefing Memo  
June 15, 2004  
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 create a total of 288 jobs in the state by the year 2017. We also estimate that the project would create total state government revenues through the year 2017, net of MEGA cost and adjusted for inflation, of \$10.9 million (2004 dollars) due to the location of this facility.

**BUT FOR:**

The company is also considering the Waco, Texas area for this project. Texas is offering an incentive package that includes tax credits, tax abatements, and free land. Texas is the company's largest market, making this location particularly attractive. The company expects to spend an additional \$2.6 million per year for freight from Michigan versus a Texas location.

**OTHER STATE AND LOCAL ASSISTANCE:**

The City of Albion is expected to approve a 100 percent abatement of the company's new personal property taxes for ten years at their June 21, 2004 city council meeting. This tax abatement has an estimated value of \$4,201,000.

**RECOMMENDATION:**

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for 12 years, for up to 150 net new employees.