



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: June 16, 2009

To: Michigan Economic Growth Authority

From: Amy Deprez, Manager
Packaging Team

Ken Murdoch, Project Specialist
Packaging Team

Subject: Briefing Memo – Holland Awning Company
d/b/a/ Integrated Fabric Resource
Standard MEGA Credit

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COMPANY NAME

Holland Awning Company d/b/a Integrated Fabric Resource
13875 Chicago Drive
Zeeland, MI 49423

HISTORY OF COMPANY

Integrated Fabric Resource is a custom designer and manufacturer of fabric based packaging products and systems. These products are sold to companies who install them into shipping containers. Ninety-five percent of the company's current business is with the automotive industry.

Integrated Fabric Resource currently has 88 total employees in Michigan.

PROJECT DESCRIPTION

Integrated Fabric Resource has entered into a joint venture agreement with Environmental Packaging Technologies (EPT) to produce flexi-tanks and associated products for shipping bulk liquids in small and large containers, as well as dry liners for shipping bulk dry materials. Integrated Fabric Resource will be expanding their existing Holland Charter Township operation to accommodate this project.

Total investment for Integrated Fabric Resource over five years will be approximately \$3.7 million as a result of this project. This project will also create 270 new jobs with an average weekly wage of \$490. The company offers health care benefits and pays a portion of the benefit costs.

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 510 jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by \$8.9 million (current dollars) due to the presence of this facility.

BUSINESS CASE

Currently there are no flexi-tanks made in the United States. All existing producers are offshore. China has advantages over Michigan with their lower cost structure and proximity to the Asian market.

OTHER STATE AND LOCAL ASSISTANCE

Holland Charter Township is supportive of this project and anticipates the approval of PA 198 property tax abatements within 90 days. The estimated value of this incentive is not known at this time.

RECOMMENDATION

Based on the factors described above, the Michigan Economic Development Corporation recommends a 90 percent standard employment tax credit for seven years, for up to 270 net new employees over the established employment base of 101.