



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
CONTACT CENTER  
517 373 9808

WWW.MICHIGAN.ORG

**MEMORANDUM**

**DATE:** April 13, 2004  
**TO:** Michigan Economic Growth Authority  
**FROM:** Jim Donaldson, Vice President  
Business Development  
**SUBJECT:** Briefing Memo – ICG Berrien, Inc.  
Standard Credit

**EXECUTIVE COMMITTEE**  
MATTHEW P. CULLEN  
Chair  
General Motors

PHILIP H. POWER  
Vice Chair  
HomeTown Communications  
Network

DONALD E. JAKEWAY  
President & CEO

RICHARD E. BLOUSE JR., CCE  
Detroit Regional Chamber

SACUNDO BRAVO  
Uni Boring Co., Inc.

JOHN W. BROWN  
Stryker Corporation

DR. DAVID E. COLE  
Center for  
Automotive Research

JOANN CRARY  
Saginaw Future Inc.

STEVEN K. HAMP  
The Henry Ford

JAYDEN 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, LLC.

MAYOR ROBERT B. JONES  
City of Kalamazoo

MARGIT M. KLOHS  
The Right Place, Inc.

DR. IRVIN D. REID  
Wayne State University

M. MARTIN TAYLOR  
DTE Energy Company

MARY TORGOW  
Sterling Group

ETER S. WALTERS  
Guardian Industries Corp.

**COMPANY NAME AND ADDRESS:**

ICG Berrien, Inc.  
9864 Church Street  
Bridgman, Michigan 49106

**HISTORY OF COMPANY:**

ICG Berrien, Inc. is a newly formed, wholly owned subsidiary of ICG Castings, Inc. ICG Castings, Inc. was formed in November 2003, when Wynnchurch capital purchased the assets of Inverness Castings Group in a Chapter 11 bankruptcy sale process. The company manufactures highly engineered aluminum die cast components, primarily for the automotive and appliance industries. Currently, ICG Castings has 243 employees in Dowagiac, where the company has been in existence since 1956.

**PROJECT DESCRIPTION:**

ICG Castings has gained additional contracts and further growth is not possible at their existing Dowagiac location. In order to fulfill the contracts they have been awarded, the company is considering a second aluminum die casting operation in an existing building in the City of Bridgman. The company would purchase a 140,000 square foot building, adding 75 new jobs in the first year of the project and 240 jobs over the next four years. The new positions will pay an average weekly wage of \$510.

Total capital investment for the project would be approximately \$12.5 million over five years, including \$2.0 million in building costs, and \$10.5 million for new machinery and equipment.



Briefing Memo  
ICG Berrien, Inc.  
April 13, 2004  
Page Two

**BENEFIT TO STATE:**

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, we estimate this facility will generate a total of 341 jobs in the state by the year 2014. Total state government revenues through the year 2014, net of MEGA costs and adjusted for inflation, would be increased by \$11.0 million (2004 dollars) due to the presence of this facility.

**BUT FOR:**

As part of the company decision-making process, ICG Berrien compared the costs of the project in Bridgman to Oshkosh, Wisconsin. After a comprehensive analysis, the major cost gaps identified by the company were for building costs and personal property taxes. The investment group which owns ICG Castings has a 400,000 square foot building available in Wisconsin. By locating in this building, the company could save approximately \$2.0 million in building acquisition and renovation costs. In addition, Wisconsin does not have personal property taxes assessed on manufacturing machinery.

**OTHER STATE AND LOCAL ASSISTANCE:**

The state of Michigan will provide the company with an Economic Development Job Training (EDJT) grant of \$500 for each of the first 150 production workers, or up to \$75,000.

The City of Bridgman is proposing a 50 percent abatement of the company's new personal property and real property improvements for 12 years, pending final adoption by the City of Bridgman. The value of the abatement is estimated at \$396,100. Final tax abatement approval is expected by June 2004.

In addition, Berrien County has agreed to provide the company with a loan up to \$2.5 million in support of this project.

**RECOMMENDATION:**

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for ten years, for up to 240 net new employees.