



# MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

## MEMORANDUM

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
ASSISTANCE CENTER  
517 373 9808

WWW.THEMEDC.ORG

**DATE:** October 14, 2008  
**TO:** Michigan Economic Growth Authority  
**FROM:** Val Hoag, Director *VH*  
Portfolio Management & Packaging

Amy Deprez, Project Manager  
Portfolio Management & Packaging

**SUBJECT:** Briefing Memo – JCIM US, LLC  
Standard MEGA Credit

**EXECUTIVE COMMITTEE**  
MATTHEW P. CULLEN  
Chair  
Rock Enterprises

PHILIP H. POWER  
Vice-Chair  
The Center for Michigan

JAMES C. EPOLITO  
President and CEO

RICHARD E. BLOUSE JR., CCE  
Detroit Regional Chamber

JOHN W. BROWN  
Stryker Corporation

DR. DAVID E. COLE  
Center for  
Automotive Research

KEITH W. COOLEY  
Michigan Department of  
Labor & Economic Growth

JOANN CRARY  
Saginaw Future Inc.

DR. HAIFA FAKHOURI  
Arab American and  
Chaldean Council

STEVEN K. HAMP  
Hamp Advisors, LLC

PAUL HILLEGONDS  
DTE Energy Company

FREDERICK W. HOFFMAN  
Chrysler, LLC

GEORGE W. JACKSON JR.  
Detroit Economic  
Growth Corporation

MICHAEL J. JANDERNOA  
Bridge Street Capital  
Partners, LLC

BIRGIT M. KLOHS  
The Right Place, Inc.

F. THOMAS LEWAND  
Bodman LLP

DR. IRVIN D. REID  
Wayne State University

MICHAEL B. STAEBLER  
Pepper Hamilton LLP

DENNIS R. TOFFOLO  
Oakland County

PETER S. WALTERS  
Guardian Industries Corp.

TODD A. WYETT  
Versa Development, LLC

### COMPANY NAME:

JCIM US, LLC  
45000 Helm Street  
Plymouth, Michigan 48170

### HISTORY OF COMPANY:

JCIM US, LLC, which began operations in July 2008, is an automotive supplier with annual sales estimated to be over \$1 billion dollars. The primary components supplied by JCIM are plastic injected molded products; for example, interior consoles of automobiles. Major OEMs are the primary customers of JCIM US, LLC, including General Motors, Ford, Chrysler, and Toyota. JCIM, LLC is the parent company of JCIM US, LLC and was formed in April of 2008.

Currently, the company has 3,647 associates in Michigan, however with the already announced closures and anticipated reductions at non-project sites the sustainable employment base will be set at 2,890. No reductions are expected at any of the project sites.

### PROJECT DESCRIPTION:

JCIM US, LLC acquired the Plastech facilities July 1, 2008, and is currently in the process of setting its long term footprint in North America. In doing so, the company is reviewing the operations of all of its facilities throughout North America and has identified five Michigan facilities for potential growth including: Frenchtown 1 and 2, Romulus, Lansing, and Port Huron. This growth results from an increase in volume as a result of the transfer of machinery and equipment from out of state facilities to Michigan.

As a result of the expanded operations at the project sites, JCIM will create approximately 325 new jobs, paying an average weekly wage of \$475 and will make a capital investment of about \$4 million. The company will also offer health care benefits and pay 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 1,124 jobs in the state by the year 2018. Total state government revenues through the year 2018, net of MEGA costs and adjusted for inflation, would be increased by \$30.2 million (2008 dollars) due to the presence of this facility.

**BUSINESS CASE:**

JCIM US, LLC is considering its entire North American footprint and, as such, Michigan is competing for the expansion against Kentucky and Alabama. Generally, labor costs are lower in both of the alternative states, however Michigan's skilled workforce is a draw and JCIM desires to have Michigan facilities as a vital part of its long term footprint. JCIM is looking to help mitigate the cost difference through the use of the tax credits.

**OTHER STATE AND LOCAL ASSISTANCE:**

The City of Romulus supports this project and anticipates approval of a property tax abatement transfer from Plastech to JCIM US and is working with the company to identify any additional new abatement opportunities. Approval of the transfer is expected to take place within 90 days of the MEGA Board meeting.

The remaining communities of Lansing, Port Huron and Frenchtown are also supportive of this project and are anticipated to offer JCIM transfers of any existing tax abatements that are currently in place.

**RECOMMENDATION:**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent standard employment tax credit for 10 years, for up to 325 net new employees, over the statewide employment base of 2,890.

- Provided that each project facility maintains a minimum of 51% of the current facility employment throughout the duration of the credit. Failure to do so will result in the remaining portion of the credit years being voided.