

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION



MEMORANDUM

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DATE: February 13, 2007
TO: Michigan Economic Growth Authority
FROM: Jim Donaldson, Vice President
Business Development
SUBJECT: Briefing Memo – Landon IP, Inc.
High-Technology MEGA Credit

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COMPANY NAME AND ADDRESS:

Landon IP, Inc.
1700 Diagonal Road, Suite 450
Alexandria, VA 22314

HISTORY OF COMPANY:

Landon IP is a rapidly growing company that specializes in professional patent and trademark searches, patent analytics and business intelligence. The company has a long and rich history in the retrieval, search, and analysis of patent and trademark information dating back to 1949. The company monitors patents, trademarks, corporations, inventors, and industries and provides technical consulting to major corporations and law firms worldwide. Headquartered in Alexandria, Virginia, Landon IP has approximately 105 employees serving over 9,000 clients.

PROJECT DESCRIPTION:

Landon IP, Inc. proposes to open an office in Southfield, Michigan, to employ professional engineers and scientists. These individuals will conduct complex patent analysis in the areas of mechanical engineering, chemical engineering, chemistry, electronics and electrical engineering, and medical devices.

The proposed operation will be new to Michigan, but will represent an expansion of Landon IP's existing operation in Alexandria, Virginia. Landon IP expects to hire up to 299 new employees over the next six years at an average weekly wage of \$1,436. Capital investment for this project is expected to be approximately \$3.9 million, including lease of a building, leasehold improvements, furniture, fixtures, computers, and IT equipment.

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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 269 jobs in the state by the year 2011. Total state government revenues through the year 2011, net of MEGA costs and adjusted for inflation, would be increased by \$1.6 million (2007 dollars) due to the presence of this facility.

BUSINESS CASE:

Landon IP does a significant amount of work for biochemical and pharmaceutical companies in Michigan, as well as outside of Michigan. However, there are very few biochemists in southeast Michigan in search of employment. Landon IP is considering Palo Alto, California, as another possible location for the project because of its close proximity to Stanford University which will provide access to a full complement of professional staff that could be hired in large numbers. Palo Alto will also provide more accessible contact with Landon IP's customers, many of whom are located in Palo Alto, San Francisco, San Jose, and surrounding areas.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Southfield has proposed a 100 percent abatement under PA328 for 7 years. The estimated value of this abatement is \$97,000.

QUALIFYING HIGH TECHNOLOGY ACTIVITY:

The company is a qualified high-technology business, whose primary business activity is product research and development, as defined in the Act.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for 5 years, for up to 299 net new employees.