



MEMORANDUM

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
CONTACT CENTER
517 373 9808

WWW.MICHIGAN.ORG

DATE: September 18, 2007
TO: Michigan Economic Growth Authority
FROM: Mark Morante, Vice President *nm*
Development Finance

Steve Haakenson, Program Specialist
Development Finance

SUBJECT: Briefing Memo – MARS Advertising Prize Logic, LLC
High-Technology MEGA Credit

COMPANY NAME AND ADDRESS:

MARS Advertising Prize Logic, LLC
25200 Telegraph Road, 5th Floor
Southfield, MI 48034-7496

HISTORY OF COMPANY:

MARS Advertising Prize Logic LLC (Joint Venture) is a joint venture formed between Mars Advertising Inc. (MARS) and Prize Logic, LLC focusing on its business activity of on-line advertising. The new initiative will be led by MARS.

MARS was founded in 1973 in Southfield, Michigan and currently has approximately 360 employees in 12 offices nationwide, with 192 employees working at its headquarters in Southfield. They are a promotion and marketing agency specializing in retail marketing for some of the largest consumer packaged goods companies in the world. MARS provides services ranging from in-store sampling and mobile marketing to sweepstakes/contests and web-based promotions.

PROJECT DESCRIPTION:

The Joint Venture is poised to make a major investment into the web-based promotions business, which will focus on online advertising.

The company is proposing to establish this new enterprise at MARS' current facility in the City of Southfield. As a result of the new initiative, the company anticipates making an investment of approximately \$1.7 million over 4 years, and creating approximately 150 new high-tech jobs over 10 years at the Joint Venture and MARS with an average weekly wage of \$1,117.

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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 project will create a total of 297 jobs in the state by the year 2017. Total state government revenues through the year 2017, net of MEGA costs and adjusted for inflation, would be increased by \$5.4 million (2007 dollars) due to the presence of this facility.

BUSINESS CASE:

The company is also considering locating their operations to Bentonville, Arkansas due to its close proximity to a major client.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Southfield has approved a local property tax abatement under Public Act 328 of 1998 for 3 years on new personal property. This abatement has an estimated value of \$18,000.

QUALIFYING HIGH TECHNOLOGY ACTIVITY:

The proposed enterprise is a qualified high-technology business, whose primary business activity is advanced computing used in the design and development of data communications, as defined in the Act.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent high technology employment tax credit for ten years, for up to 150 net new jobs. However, the Company may only claim the credit for years eight, nine, and ten in which it has more than 100 net new jobs.