

## MEMORANDUM

**Date:** January 18, 2011  
**To:** Michigan Economic Growth Authority  
**From:** Stacy Bowerman, Project Specialist  
Packaging Team  
**Subject:** Briefing Memo – Macprofessionals, Inc.  
High Technology MEGA Credit

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### COMPANY NAME

Macprofessionals, Inc.  
25775 Meadowbrook Road  
Novi, Michigan 48375

### HISTORY OF COMPANY

Macprofessionals, Inc. (“Macprofessionals”), established in 2000, is a Novi-based technology integration company. The company has the largest staff of Apple-certified technicians in the United States. Macprofessionals services Apple products and all other computer systems with distinct divisions in education, video and film, enterprise, professional services, training, inventory management, hardware center, contract placement and help desk. In 2008, Macprofessionals was awarded the Apple Partner of the Year Award and the Apple Authorized Service Provider Commitment of Excellence Award.

Macprofessionals currently has 61 full-time employees in Michigan.

### PROJECT DESCRIPTION

Macprofessionals is experiencing significant growth in their hardware/software service operations as large corporations transition from PC to Apple computer systems. The company’s education division, which offers interactive classroom technology solutions, is also expanding due to an increase in demand. The company’s current location will not support this growth due to space constraints. Macprofessionals has identified an existing facility in the City of Novi, Oakland County that has sufficient office and warehouse space to support the company’s current operations, as well as their expected increase in engineers and office staff.

Macprofessionals plans to invest approximately \$2.2 million and create up to 119 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs is anticipated to be \$676. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost. The effect on other Michigan businesses in the same industry was taken into consideration when recommending the amount and length of this tax credit.

**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 209 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs, would be increased by \$2 million (current dollars) due to the presence of this facility.

**BUSINESS CASE**

Macprofessionals is also considering Austin, Texas for this project. By staying in Michigan, the company is farther away from their main supplier, Apple, which puts them at a disadvantage with their largest competitor, which is based on the west coast. In addition to being closer to its main supplier, a Texas location would bring the company closer to its growing customer base. The company has seen significant growth in the southwest region and expects this trend to continue. Having a Texas location would reduce costs for travel expenses, since the company has a large staff of engineers that frequently travel to their clients' sites. The MEGA tax credit will help offset the higher travel expenses allowing the company to stay and grow in Michigan.

**OTHER STATE AND LOCAL ASSISTANCE**

The City of Novi is supportive of this project and has paid the MEGA application fee in the amount of \$5,000.

**QUALIFYING HIGH-TECHNOLOGY ACTIVITY**

The company is a qualified high-technology business, whose primary business activity is Advanced Computing, as defined in the Act.

The company is not qualifying with the 10 percent research and development requirement.

**RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for five years for up to 119 net new employees in excess of the company's established base of 61.