



## MEMORANDUM

**TO:** Delegates of the Michigan Strategic Fund ("MSF") Board for the Michigan Business Development Program

**FROM:** Marcia Gebarowski, Development Finance Manager

**DATE:** August 29, 2012

**SUBJECT:** Approval of Michigan Business Development Request for \$200,000 Performance-based Grant to:

Mayser Polymer USA, Inc. ("Applicant" or "Company")  
4812 Dewitt Road  
Canton, Michigan 48188  
www.mayser.us

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### MBDP PROGRAM AND ITS GUIDELINES

On December 21, 2011, the MSF Board approved the Michigan Business Development Program ("MBDP") and its guidelines. The primary intended objective of the MBDP is to provide incentives to businesses that create qualified jobs, make qualified investments, or a combination of both, in Michigan.

### SOURCE OF INFORMATION

It is the role of the Development Finance staff ("MEDC Staff") to review for eligibility, completeness, and adherence to MBDP guidelines, the information provided by the applicant and to manage the MSF's investment. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from materials submitted by the applicant, and, as applicable, from other relevant third party sources utilized by MEDC staff.

### HISTORY OF THE APPLICANT

Mayser is an international tier II company with core competencies in the sectors of headwear, foam technology, molding and safety technology. Mayser GmbH created Mayser Polymers USA, Inc. in 2008 as their first North American presence, primarily to respond to their North American automotive customers. Mayser Polymers USA currently operates as an R&D and sales facility in Michigan. The company has recently expanded their US auto customer base to become a tier I supplier to a number of OEM's.

The Applicant has not received any incentives from the MSF previously.

Michigan Economic Development Corporation

00 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org

### **PROJECT DESCRIPTION**

The Applicant plans to expand their operations to include light assembly of their anti-pinch sensors in Canton Township, make investments and create jobs related to the assembly of auto components.

- a) The Applicant is a “Qualified Business”, as defined in MCL 125.2088r(9)(b), that is located and operates in Michigan.
- b) The project will be located in Canton Township. The township has offered a “staff, financial, or economic commitment to the project” in the form of a three year PA 198 tax abatement on real and personal property improvements. The estimated value of this incentive is approximately \$68,000.
- c) The Applicant has demonstrated a need for the funding based on higher wages to locate assembly operations in southeast Michigan compared to leaving assembly operations in Germany.
- d) The Applicant plans to create 50 Qualified New Jobs above a statewide base employment level of 12.
- e) Pursuant to the program guidelines, the following was taken into consideration for the proposed project: this attraction company indicates that investment will begin in 2012 and job ramp-up will begin in 2013, and the project results in a positive ROI for Michigan

### **INCENTIVE OPPORTUNITY**

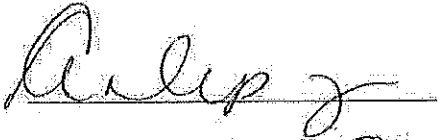
This project involves the creation of 50 Qualified New Jobs as a result of the Project, and a capital investment of up to \$3.9 million in Canton Township. The requested incentive amount from the MSF is \$200,000 in the form of a performance-based grant. Please see below for more information on the recommended action.

### **RECOMMENDATIONS**

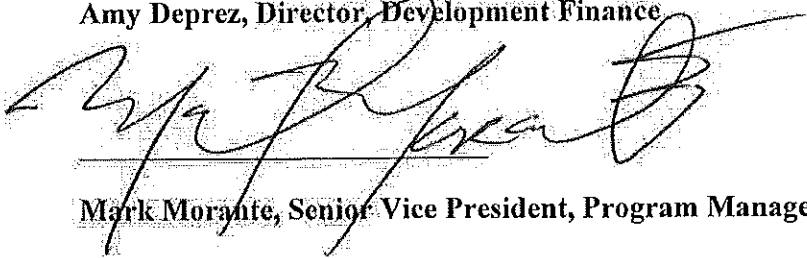
MEDC Staff recommends (the following, collectively, “Recommendation”):

- a) Approval of the MBDP Proposal as outlined in the attached term sheet (collectively, “MBDP Proposal”);
- b) Closing the MBDP Proposal, subject to available funding under the MBDP at the time of closing (“Available Funding”), satisfactory completion of due diligence, (collectively, “Due Diligence”), finalization of all MBDP transaction documents, and further subject to the following terms and conditions:
  - a. Commitment will remain valid for 90 days with approval for MSF Fund Manager to extend the commitment an additional 30 days.

**APPROVAL AUTHORITY – MBDP SUPPORT MEMO**  
**Michigan Economic Development Corporation**



**Amy Deprez, Director, Development Finance**

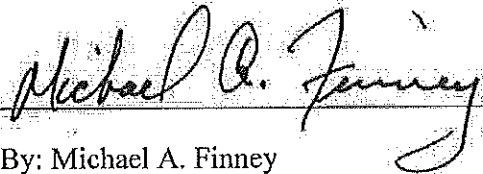


**Mark Morante, Senior Vice President, Program Management**

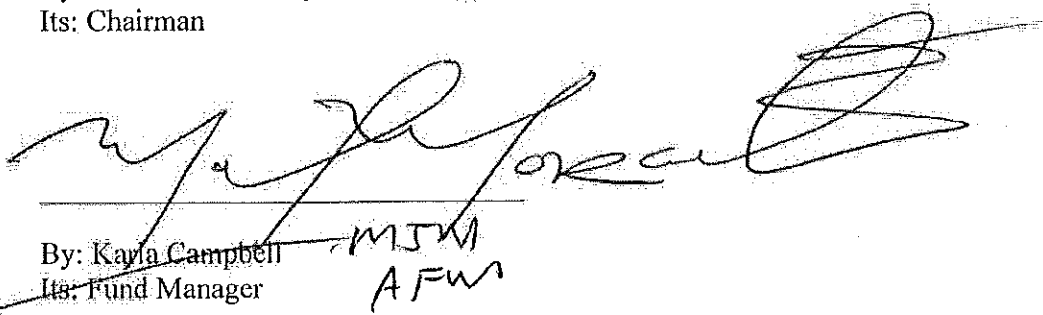
The Recommendation is approved subject to Available Funding and Completion of Due Diligence, and execution of all MBDP transaction documents, all in accordance with the MBDP and its guidelines:

Note: To utilize the delegation authority granted by the MSF Board, the approval of the Chairperson, and either the MSF Fund Manager of the MSF State Treasurer Director, are required for this commitment under the MBDP:

**Michigan Strategic Fund**



By: Michael A. Finney  
Its: Chairman



MSM  
AFW

By: Karla Campbell  
Its: Fund Manager

N/A

By: Andy Dillon, State Treasurer  
Its: Director



**MICHIGAN BUSINESS DEVELOPMENT PROGRAM  
Performance Based Grant - Term Sheet**

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: 8/20/2012

1. **Company Name:** Mayser Polymer USA, Inc. ("Company" or "Applicant")
2. **Company Address:** 4812 DeWitt Road  
Canton, Michigan 48188
3. **Project Address ("Project"):** 4812 DeWitt Road  
*If different than above:* Canton, Michigan 48188
4. **MBDP Incentive Type:** Performance Based Grant
5. **Maximum Amount of MBDP Incentive:** Up to \$200,000 ("MBDP Incentive Award")
6. **Base Employment Level:** 12  
The number of jobs currently maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company's statewide employment level in Michigan prior to the proposed project. The Base Employment Level, including identification of the Company data used to establish this level, shall be included in the final MBDP Incentive Award agreement ("Agreement") between the MSF and the Company.
7. **Total Qualified New Job Creation:** 50  
*(above Base Employment Level)*  
The minimum number of total Qualified New Jobs the Company shall be required to create in Michigan (above the Base Employment Level), in addition to satisfying other milestones if applicable, to be minimally eligible to receive the full amount of the MBDP Incentive Award. Each Qualified New Job must be performed for consideration by a Michigan resident (whose Michigan income taxes are withheld as required),