

**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

**MEMORANDUM**

**DATE:** March 13, 2007  
**TO:** Michigan Economic Growth Authority  
**FROM:** Mark Morante, MEDC *MM*  
**SUBJECT:** Briefing Memo – MBtech Autodie, LLC  
Retention Credit

**COMPANY NAME AND ADDRESS:**

MBtech Autodie, LLC  
44 Coldbrook, NW  
Grand Rapids, Michigan 49503

**HISTORY OF COMPANY:**

MBtech Autodie is a tool and die company located in the City of Grand Rapids. MBtech Autodie supplies the automotive industry with stamping dies for sheet metal parts and tryout and repair services for stamping dies. MBtech is a wholly owned subsidiary of DaimlerChrysler North American Holdings.

MBtech purchased the assets of Autodie in November 2006 from Comau Pico, who had previously made the decision to sell Autodie or liquidate the business if a buyer could not be found.

**PROJECT DESCRIPTION:**

MBtech Autodie has proposed to continue to operate the business with a similar product line, and retain up to 271 jobs at the facility, paying an average weekly wage of \$960.

The company anticipates investments of up to \$5.4 million to upgrade the existing operation. MBtech brings strong experience in the industry, and under their leadership MBtech Autodie will implement lean manufacturing techniques. The company hopes to make MBtech Autodie a globally competitive tool and die company and expand the business to the full potential afforded by the size of the building and assortment of equipment.

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**BENEFITS 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 retain a total of 422 jobs in the state by the year 2015. It is also estimated that the project would maintain total state government revenues through the year 2015, net of MEGA cost and adjusted for inflation, of \$10.7 million (2007 dollars) due to the retention of this facility.

**BUT FOR:**

Without the purchase by MBtech in November 2006, Autodie International would have been closed and liquidated, and the company's 271 employees would have been terminated.

**OTHER STATE AND LOCAL ASSISTANCE:**

The City of Grand Rapids has approved a 6-year Redevelopment Renaissance Zone for the MBtech Autodie, LLC facility located in Grand Rapids. Based on the tax information provided by the company, the MEDC estimates the value of the Renaissance Zone to be \$1.1 million.

**RECOMMENDATION:**

The Michigan Economic Development Corporation recommends a retention employment tax credit for eight years for up to 271 retained jobs, earned based on the following schedule:

- No credit will be earned in tax years where fewer than 200 jobs are retained.
- If at least 200 jobs are retained, 100 percent credit will be earned on the first 150 retained jobs and 50 percent credit will be earned on jobs in excess of 150, up to 271 retained jobs.
- Credits are subject to repayment if the terms of the agreement are not met.