



## MEMORANDUM

**Date:** February 15, 2011

**To:** Michigan Economic Growth Authority

**From:** Robert Wilson, Project Specialist  
Packaging Team

**Subject:** Briefing Memo – Merit Technologies Worldwide, LLC  
Standard MEGA Credit

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### COMPANY NAME

Merit Technologies Worldwide, LLC  
13341 Quincy Street  
Holland, Michigan 49424

### HISTORY OF COMPANY

Merit Technologies Worldwide, LLC, (“Merit”) is a manufacturer of hot stamped metal parts for the auto industry. Merit was formed in January 2011. GNS Co., Ltd. in Korea, Merit’s parent company, purchased the assets of Walway Enterprises in Holland, Michigan in 2009 and their name was changed to GNS America. The owners of GNS America created Merit as a new entity to manufacture hot stamping metal parts.

Merit currently does not have any employees in Michigan, while GNS America has 49 employees in Michigan.

### PROJECT DESCRIPTION

Merit will open a hot stamping operation in the Charter Township of Canton, Wayne County. This facility will produce parts primarily for the auto industry. Hot stamp metal components add strength and reduce weight in vehicles over traditional stamped parts. The operation will be a newly formed company created exclusively to produce hot stamped parts. The demand for hot stamped parts is so great, there is no excessive capacity in the industry and there is room for growth for all hot stamping companies in Michigan.

The company plans to invest approximately \$16,888,000 and create 89 jobs over the next five years, with 60 jobs projected in year 1 of the credit, as a result of this project. The average weekly wage for the newly created jobs is anticipated to be \$815. 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 310 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs, would be increased by \$3,768,818 (current dollars) due to the presence of this facility.

**BUSINESS CASE**

Merit evaluated the proposed investment relative to sites in northern Indiana where they identified a cost gap including lower labor rates, lower lease costs, and lower electrical rates in Indiana. The MEGA tax credit will help in part to offset the disadvantages associated with a Canton Charter Township, Michigan location.

**OTHER STATE AND LOCAL ASSISTANCE**

Canton Charter Township is supportive of this project and anticipates approval of tax abatement under PA 328 of 1998. The estimated value of this incentive is not known at this time.

**RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 75 percent standard employment tax credit for 5 years for up to 89 net new employees in excess of the company's established base of 49.