

## MEMORANDUM

**DATE:** January 22, 2009

**TO:** Michigan Economic Growth Authority

**FROM:** Amy Deprez, Packaging Team Manager  
Portfolio Management & Packaging

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Portfolio Management & Packaging

**SUBJECT:** Briefing Memo – Metal and Welding Industries, Inc.  
d/b/a W Industries  
Standard MEGA Credit

### COMPANY NAME:

Metal and Welding Industries Inc. d/b/a W Industries  
20101 Hoover Road  
Detroit, MI 48205

### HISTORY OF COMPANY:

Metal and Welding Industries, Inc. (d/b/a W Industries), founded by its current owners in 1998, is a metal fabrication company that has traditionally been an automotive supplier. The company has recently begun to diversify into the aerospace and defense fields.

In addition to Metal and Welding Industries, Inc., three additional related entities are involved in this project: W Industrial, Inc., W Aerospace, Inc., and W Finishing, Inc. All of these entities are one hundred percent owned and controlled by Metal and Welding Industries, Inc.

The company currently has 356 employees in the Michigan.

### PROJECT DESCRIPTION:

The proposed project has two components. The first component is related to a contract for a military material handling vehicle. The second component of the project is related to the addition of a gantry mill that will be the largest of its kind in the world. This gantry mill will help Metal and Welding Industries continue its diversification efforts into the aerospace and alternative energy fields.

The proposed project will be located in the City of Detroit. The project will include a combination of renovations to an existing facility, as well as the purchase and renovation of a new facility. As a result of this project, approximately 501 jobs will be created over the next five years with an average weekly wage of \$739 and will include an investment of \$36 million. The company will also offer healthcare benefits and pay a portion of the benefit cost.

**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 XX jobs in the state by the year 20XX. Total state government revenues through the year 20XX, net of MEGA costs and adjusted for inflation, would be increased by \$XX million (2008 dollars) due to the presence of this expansion.

**BUSINESS CASE:**

Metal and Welding Industries, Inc. is also considering a location in Texas for the proposed expansion. The primary customer for the material handling vehicle is located in Texas and would like their supplier base to be there as well. Wages are also higher in Michigan as opposed to the location in Texas.

**OTHER STATE AND LOCAL ASSISTANCE:**

The City of Detroit supports this project and has approved a property tax abatement under PA 198 of 1974.

The Michigan Economic Development Corporation has approved job training funds for this project through the Economic Development Job Training program. Assuming that at least 418 people are trained the company can receive a training grant of up to \$313,500.

**RECOMMENDATION:**

Based on the factors described above, the Michigan Economic Development Corporation Recommends a 100 percent standard employment tax credit for 10 years for up to 501 new jobs created in excess of the company's established employment base of 383.