



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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DATE: July 15, 2008  
TO: Michigan Economic Growth Authority  
FROM: Val Hoag, Director *VOH*  
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SUBJECT: Briefing Memo – Michigan Institute of Aeronautics, Inc.  
High-Technology MEGA Credit

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COMPANY NAME AND ADDRESS:

Michigan Institute of Aeronautics, Inc.  
47884 D Street  
Belleville, Michigan 48111

HISTORY OF COMPANY:

The Michigan Institute of Aeronautics, Inc. (MIA) was founded in 1969 in Southeast Michigan. MIA is a private postsecondary institution that provides training in aviation maintenance technician programs. The institute is one of the largest aviation maintenance technician schools in the nation.

In 2007 MIA formed the Power Technology Institute for training in the power industry. The Power Technology Institute currently has 67 students and is expected to grow to over 600 full time students over the next five years.

The Michigan Institute of Aeronautics, Inc. currently employs 64 people in Michigan.

PROJECT DESCRIPTION:

The proposed project will be the expansion of the Michigan Institute of Aeronautics, Inc. with a new campus in Huron Township. The focus of the new location will be training and research in the alternative energy sector. The students at the new campus will be trained in the power industry to become technicians or dispatchers.

The proposed project will add 50 new employees in the first year and 103 new employees in the next five years. The average weekly wage is \$821. The company will also offer healthcare benefits, and pay a portion of the benefit costs. The company will make a total capital investment of \$4.6 million for this project.

**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 145 jobs in the state by the year 2014. Total state government revenues through the year 2014, net of MEGA costs and adjusted for inflation, would be increased by \$1.3 million (2008 dollars) due to the presence of this expansion.

**BUSINESS CASE:**

Houston, Texas is the other location being considered for this project. The State of Texas is providing funds to post secondary institutions through the Texas Work Force Commission for the training of energy related technicians and engineers, as well as an initial grant of \$3 million for capital expenditures. Houston is viewed by many energy companies as the gateway to Central and South America, which have tremendous energy needs and demands.

There is a cost gap of over \$3.6 million over five years between New Boston, Michigan and Houston, Texas mainly related to building and utility costs.

**STATE AND LOCAL ASSISTANCE:**

Wayne County has a commitment to undertake reconstruction of Sibley road near the new Michigan Institute of Aeronautics campus. The project includes construction of a four lane boulevard along with traffic signals at key intersections. The reconstruction will cost \$7,000,000.

A property tax abatement under PA 198 of 1974 was not available for this project.

**QUALIFYING HIGH-TECHNOLOGY ACTIVITY:**

T the new location, the company is a qualified high-technology business, whose primary business activity is Alternative Energy Technology, as defined in the Act.

**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 103 new jobs.