



## MEMORANDUM

**Date:** January 18, 2011

**To:** Michigan Economic Growth Authority

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

**Subject:** Briefing Memo – Middleby Marshall Holding LLC  
d/b/a NU-VU Food Service Systems  
Rural MEGA Credit

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### COMPANY NAME

Middleby Marshall Holding LLC d/b/a NU-VU Food Service Systems  
5600 13<sup>th</sup> Street  
Menominee, Michigan 49858

### HISTORY OF COMPANY

Middleby Marshall Holding LLC d/b/a NU-VU Food Service Systems (NU-VU) is a manufacturer of commercial foodservice equipment. NU-VU manufactures ovens, proofers, oven/proofers, cabinets, and racks. Their customer base includes chain restaurants, such as, Subway, Golden Corral, Cousin Subs, Jersey Mike's, and Casey's.

The NU-VU product line moved to Menominee, Michigan in 1978. As of 2005, NU-VU is a subsidiary of The Middleby Corporation (Middleby), which is publically traded under MIDD. Middleby is a worldwide manufacturer of restaurant and foodservice cooking equipment. Middleby currently markets its products under twenty-seven different product lines.

The company currently has 52 employees in Michigan.

### PROJECT DESCRIPTION

NU-VU will purchase the assets of Doyon and manufacture their product line at their Menominee facility. Doyon was a commercial foodservice product line directed at the baking market. Doyon's products included ovens, proofers, oven/proofers, pizza ovens, and baking accessories. Doyon was purchased by Middleby in December of 2009 and Middleby is relocating the manufacturing of the Doyon product line from Canada to the City of Menominee, Menominee County.

Menominee County has a population of less than 90,000, which qualifies this project for consideration under the Rural MEGA incentive.

The company plans to invest approximately \$950,000 and create 40 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs is anticipated to be \$435. 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 69 jobs in the state by the year 2013. Total state government revenues through the year 2013, net of MEGA costs, would be increased by \$471,799 (current dollars) due to the presence of this facility.

#### **BUSINESS CASE**

NU-VU evaluated the proposed investment relative to sites in Burlington, Vermont and Elgin, Illinois where they identified a cost gap including higher transportation costs for raw materials and the distribution of finished products. The MEGA tax credit will help in part to offset the disadvantages associated with a Menominee, Michigan location.

#### **OTHER STATE AND LOCAL ASSISTANCE**

The City of Menominee 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 rural employment tax credit for 3 years for up to 40 net new employees in excess of the company's established base of 52.