



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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Date: August 18, 2009
To: Michigan Economic Growth Authority
From: Amy Deprez, Manager
Packaging Team
Marcia Gebarowski, Project Specialist
Packaging Team
Subject: Briefing Memo –Mossberg Precision Diagnostics, LLC
High-Technology MEGA Credit

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COMPANY NAME

Mossberg Precision Diagnostics, LLC
3308 Covington Road
Kalamazoo, MI 49001

HISTORY OF COMPANY

Mossberg Precision Diagnostics, LLC is a start-up health care manufacturing company established by Mossberg & Company, located in South Bend Indiana. This new company will develop new product, formulate and package consumable products such as reagents and stains for pathology and cytology laboratory testing.

Mossberg Precision Diagnostics, LLC does not have a Michigan presence currently.

PROJECT DESCRIPTION

Mossberg Precision Diagnostics, LLC is considering locating its start-up operations in the City of Kalamazoo. The company will lease a facility where they will ramp up their operations of developing and manufacturing consumable healthcare products. In addition to stains and reagents, the company will also offer microscope slides, cover glasses, cassettes and mounting mediums.

Mossberg Precision Diagnostics, LLC will invest approximately \$1.5 million and create 35 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$948. The company also offers healthcare benefits, and plans to 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 110 jobs in the state by the year 2018. Total state government revenues through the year 2018, net of MEGA costs, would be increased by \$3,616,421 (current dollars) due to the presence of this facility.

BUSINESS CASE

The state of Indiana has offered an aggressive incentive package to keep this new business located near their parent company, Mossberg & Company, which is located in South Bend, Indiana. The parent company can also house the ramp-up operations for Mossberg Precision Diagnostics, LLC in their facility at no costs as well as allow for job sharing with parent company employees.

OTHER STATE AND LOCAL ASSISTANCE

The City of Kalamazoo supports this project and will provide a six-year 50% property tax abatement on all real property as well as a three-year 50% tax abatement on personal property relative to this project. The value of this abatement exceeds \$86,450.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY

The company is a qualified high-technology business, whose primary business activity is Medical Device 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 ten years for up to 35 net new employees in excess of the company's established base of 0.