



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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DATE: September 23, 2008

TO: Michigan Economic Growth Authority

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SUBJECT: Briefing Memo – NYX, Inc.
Standard MEGA Credit

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COMPANY NAME:

NYX, Inc.
36800 Plymouth Road
Livonia, MI 48150

HISTORY OF COMPANY:

NYX, Inc., headquartered in Livonia, Michigan, has been under its current ownership since 1989. The company is a minority owned market leader in automotive interior and under-hood products and solutions. NYX is a five-time GM supplier of the year, and recently responsible for the design and supply of the majority of the interior for the Saturn Aura and Chevy Malibu. In 2007, NYX, Inc. had annual sales of \$249 million, up from \$100 million in 2000.

NYX, Inc. currently has 1,090 full-time employees in Michigan.

PROJECT DESCRIPTION:

NYX anticipates opening a new corporate office and technology center, along with a manufacturing operation. The company has located an existing facility in the City of Livonia in Wayne County for this expansion. The facility, a former GM warehouse, has approximately 254,000 square feet of office and warehouse space. The facility will be refurbished to expand and improve existing office space, as well as add considerable manufacturing infrastructure.

The company plans to make a total capital investment of \$21.7 million related to this project. The project will create 168 qualified new jobs paying an average weekly wage of \$713. The company will also offer healthcare benefits, and pay a portion of those healthcare costs.

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 390 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 \$5.4 million (2008 dollars) due to the presence of this expansion.

BUSINESS CASE:

Alternatively, NYX is considering Indiana and Tennessee for this expansion. The company's existing Indiana operation is operating at approximately 50% capacity and an expansion would require a much lower capital investment. In addition, average wages in Indiana and Tennessee are typically 10% lower than wages in Michigan. Both states have also offered competing incentive packages.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Livonia supports this project and anticipates approval of a 12-year personal property tax abatement under PA 198. The city also plans to create an Obsolete Property Rehabilitation District for this project.

RECOMMENDATION:

Based on the factors described above, the Michigan Economic Development Corporation Recommends a 100 percent standard employment tax credit for six years, for up to 168 net new jobs in excess of the company's four quarter average of 1,206 employees.