



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

**MEMORANDUM**

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
CONTACT CENTER  
517 373 9808

WWW.MICHIGAN.ORG

**DATE:** May 18, 2004  
**TO:** Michigan Economic Growth Authority  
**FROM:** James Donaldson, Vice President  
Michigan Business Development  
**SUBJECT:** Briefing Memo – Quicken Loans, Inc.  
Standard Credit

**EXECUTIVE COMMITTEE**

**MATTHEW P. CULLEN**  
Chair  
General Motors

**PHILIP H. POWER**  
Vice Chair  
HomeTown Communications  
Network

**DONALD E. JAKEWAY**  
President & CEO

**RICHARD E. BLOUSE JR., CCE**  
Detroit Regional Chamber

**FACUNDO BRAVO**  
Uni Boring Co., Inc.

**JOHN W. BROWN**  
Stryker Corporation

**DR. DAVID E. COLE**  
Center for  
Automotive Research

**JOANN CRARY**  
Saginaw Future Inc.

**STEVEN K. HAMP**  
The Henry Ford

**LAYDEN H. HARRIS**  
EDF Ventures

**PAUL HILLEGONDS**  
Detroit Renaissance

**DAVID HOLLISTER**  
Michigan Department of  
Labor & Economic Growth

**GEORGE JACKSON JR.**  
Detroit Economic Growth  
Corporation

**MICHAEL J. JANDERNOA**  
Bridge Street Capital  
Partners, LLC.

**MAYOR ROBERT B. JONES**  
City of Kalamazoo

**BIRGIT M. KLOHS**  
The Right Place, Inc.

**DR. IRVIN D. REID**  
Wayne State University

**S. MARTIN TAYLOR**  
DTE Energy Company

**MARY TORGOW**  
Sterling Group

**PETER S. WALTERS**  
Guardian Industries Corp.

**COMPANY NAME AND ADDRESS:**

Quicken Loans, Inc.  
20555 Victor Parkway  
Livonia, Michigan 48152

**HISTORY OF COMPANY:**

Quicken Loans, Inc. originally Rock Financial Corporation was founded in 1985 by Daniel Gilbert. In 1999, Intuit purchased Rock Financial and the company was renamed Quicken Loans. In June 2002, the company was repurchased back from Intuit. Today, Quicken Loans is a leading provider of direct-to-consumer home loans, offering mortgages in all 50 states. The company, headquartered in Livonia, currently has 1,380 employees in Michigan.

**PROJECT DESCRIPTION:**

Quicken Loans is growing and the company needs to increase the size of its web-based sales force and associated technology support. This expansion would allow Quicken to continue to pioneer technological advances in mortgage lending services. The company would lease 100,000 square feet of space in Troy to accommodate the growth. The project would lead to the creation of 400 jobs in the first year of the project and up to 1,200 over three years. The new positions would pay an average weekly wage of \$931.

The project would require an investment of \$29.1 million, including \$14.0 million for capitalized lease costs and \$15.1 million for new computer hardware, servers and office furniture. Operations would begin in January 2005.

Quicken Loans, Inc.  
Briefing Memo  
May 18, 2004  
Page Two

**BENEFIT TO STATE:**

According to the economic analysis done by the University of Michigan, we estimate that this facility will create a total of 5,895 jobs in the state by the year 2009. We also estimate that the project would create total state government revenues through the year 2009, net of MEGA cost and adjusted for inflation, of \$280.9 million (2004 dollars) due to the location of this facility.

**BUT FOR:**

Quicken Loans performed a comprehensive analysis of potential sites evaluated on the availability of qualified personnel, cost-effectiveness of the overall business environment, response to marketplace demands, taxing structure and incentives. The focus on locations was narrowed to Troy and multiple sites in Nevada. The company found that sites in Nevada offered significant tax savings compared to Michigan. Estimates comparing the taxing structure of Michigan and Nevada showed Michigan at a major disadvantage to Nevada, costing the company an estimated \$6 million per year. In addition to the tax savings, Quicken would also be able to better serve their markets on the west coast if they were two additional time zones to the west.

**OTHER STATE AND LOCAL ASSISTANCE:**

The City of Troy approved a contribution of \$200,000 for roadwork, landscaping and lighting on Tower Drive on May 3, 2004.

**RECOMMENDATION:**

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for four years, for up to 1,200 net new employees, and a 100 percent business activity credit for six years.