

## MEMORANDUM

**DATE:** March 17, 2009

**TO:** Michigan Economic Growth Authority

**FROM:** Amy Deprez, Packaging Team Manager  
Portfolio Management & Packaging

Joshua Hundt, Project Specialist  
Portfolio Management & Packaging

**SUBJECT:** Briefing Memo – Secure-24, Inc.  
High Technology MEGA Credit

### COMPANY NAME:

Secure-24, Inc.  
Southfield TechneCenter  
21420 Melrose Avenue  
Southfield, Michigan 48075

### HISTORY OF COMPANY:

Secure-24, Inc. became incorporated in Michigan in 2001, and since then has grown rapidly. The company is a premier provider of managed hosting, disaster recovery, and managed services for mid to large-sized companies for mission critical applications. They provide all manner secure data hosting allowing companies to focus on their core business. Secure-24 is the fastest growing IT company in the State of Michigan and the thirteenth fastest growing IT company in the nation.

Secure-24, Inc. currently has 79 employees in Michigan, all in Southfield.

### PROJECT DESCRIPTION:

Secure-24 is considering expanding its presence in the City of Southfield in Oakland County. The company plans to lease an office building, which will allow state of the art managed hosting, disaster recovery and managed services for new and existing clients. The new facility will also be the headquarters for Secure-24, Inc.

Secure-24 plans to invest approximately \$3.7 million and create 263 new jobs paying an average weekly wage of \$1,033 as a result of this project. The company will also offer medical benefits and pay a portion of the benefit 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 XX jobs in the state by the year 20XX. Total state government revenues through the year 20XX, net of MEGA costs, would be increased by \$XX million (current dollars) due to the presence of this facility.

**BUSINESS CASE:**

Secure-24, Inc. is also considering Toledo, Ohio for this project. Wages and taxes are projected to be lower for this project in Toledo as opposed to expanding in Southfield.

**OTHER STATE AND LOCAL ASSISTANCE:**

The City of Southfield is supportive of this project and anticipates approval of a property tax abatement under PA 328 of 1998 within the next 60-90 days. The approximate value of this incentive is not known at this time.

**QUALIFYING HIGH-TECHNOLOGY ACTIVITY:**

Secure-24, Inc. is a qualified high-technology business, whose primary business activity is advanced computing, 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 10 years for up to 263 net new employees in excess of the company's established base of 79.