

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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MEMORANDUM

DATE: February 13, 2007
TO: Michigan Economic Growth Authority
FROM: James Donaldson, Vice President
Michigan Business Development
SUBJECT: Briefing Memo – TechSmith Corporation
High-Technology MEGA Credit

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COMPANY NAME AND ADDRESS:

TechSmith Corporation
2405 Woodlake Drive
Okemos, Michigan 48864

HISTORY OF COMPANY:

Founded in 1987, TechSmith is the world's leading provider of screen capture and recording software for individual and professional use. Its products are used globally to capture content from computer screens in ways that help users to communicate more clearly, create engaging presentations for diverse audiences, and analyze product usability and customer experience. More than 7 million people in 37 countries use TechSmith software. Customers include Fortune 500 companies, educational institutions, and government agencies, as well as small business and home PC users.

The company currently has 112 employees at its offices in Meridian Charter Township.

PROJECT DESCRIPTION:

TechSmith is currently housed in three separate facilities in Okemos, Michigan. The company is in need of one large facility that will not only house all of its current employees, but will also allow for future growth. The company would like to build a world headquarters building and has identified a potential site in the University Corporate Research Park in the City of Lansing.

TechSmith expects to add at least 75 new jobs over the next five years, at an average weekly wage of \$878. Capital investment for this project is expected to exceed \$18 million, including construction of a new facility, furniture and fixtures and new computer equipment.

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 105 jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs and adjusted for inflation, would be increased by \$2.7 million (2006 dollars) due to the presence of this facility.

BUSINESS CASE:

As with nearly any software company these days, the physical location of their facility no longer matters. TechSmith has been courted by several states for this project, including Indianapolis, Indiana. Indiana and the Indianapolis region outlined a very generous incentives package valued in excess of \$5.4 million in order to offset TechSmith's costs to relocate operations in the Indianapolis region.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Lansing will make space available within its SmartZone for the new facility, and has offered a 100% abatement of personal property taxes related to this project for a period of 12 years. The estimated value of this abatement is \$693,000.

QUALIFYING HIGH TECHNOLOGY ACTIVITY:

The company is a qualified high-technology business, whose primary business activity is advanced computing, as defined in the Act.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for 10 years, for up to 75 net new employees.