



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
ASSISTANCE CENTER
517 373 9808

WWW.MICHIGAN.ORG

DATE: July 15, 2008
TO: Michigan Economic Growth Authority
FROM: Val Hoag, Director
Portfolio Management & Packaging

WPH

Greg West, Project Specialist
Business Development and Attraction

SUBJECT: Briefing Memo – Technology Associates, Inc., DBA Ranal, Inc.
High-Technology MEGA Credit

COMPANY NAME AND ADDRESS:

Technology Associates, Inc., DBA Ranal, Inc.
2851 High Meadow Circle, Suite 120
Auburn Hills, Michigan 48326

HISTORY OF COMPANY:

Ranal, Inc. is a tier one supplier to many OEM's for a variety of engineering products. In addition, Ranal, Inc. provides product design, processing, tool design, software design, simulation and staffing services for many other industries. Ranal, Inc. has the unique ability to design the product and determine the assembly sequence while considering the dimensional relationship for manufacturing.

Ranal, Inc. is located in Auburn Hills and has been in the engineering services business since 1992. In that time, the company has grown to 83 engineers. Ranal, Inc.'s business plan calls for future expansion through continued customer support, strategic alliances and acquisitions.

Ranal currently has 83 employees in Michigan.

PROJECT DESCRIPTION:

The proposed project includes the leasing of additional space at their current location in Auburn Hills to accommodate growth and future new contracts. Upgrades to the facility include improvements in computer hardware, furniture/fixtures and phone systems. This expansion will allow for the continued growth of their existing operations and means Ranal, Inc. will be able to offer customers a full compliment of engineering services, from product design through start up to support at manufacturing facilities. Total investment over five years will be approximately \$2.5 million. This project creates 84 new jobs with an average weekly wage of \$1,259. The company will also offer health care benefits and pay a portion of the benefit costs.

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN
Chair
General Motors Corporation

PHILIP H. POWER
Vice-Chair
The Center for Michigan

JAMES C. EPOLITO
President and CEO

RICHARD E. BLOUSE JR., CCE
Detroit Regional Chamber

JOHN W. BROWN
Stryker Corporation

DR. DAVID E. COLE
Center for
Automotive Research

KEITH W. COOLEY
Michigan Department of
Labor & Economic Growth

JOANN CRARY
Saginaw Future Inc.

DR. HAIFA FAKHOURI
Arab American and
Chaldean Council

STEVEN K. HAMP
Hamp Advisors, LLC

HAYDEN H. HARRIS
EDF Ventures

PAUL HILLEGONDS
DTE Energy Company

FREDERICK W. HOFFMAN
Chrysler, LLC

GEORGE W. JACKSON JR.
Detroit Economic
Growth Corporation

MICHAEL J. JANDERNOA
Bridge Street Capital
Partners, LLC.

BIRGIT M. KLOHS
The Right Place, Inc.

F. THOMAS LEWAND
Bodman LLP

DR. IRVIN D. REID
Wayne State University

MICHAEL B. STAEBLER
Pepper Hamilton LLP

DENNIS R. TOFFOLO
Oakland County

PETER S. WALTERS
Guardian Industries Corp.

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 167 jobs in the state by the year 2015. Total state government revenues through the year 2015, net of MEGA costs and adjusted for inflation, would be increased by \$2.4 million (2008 dollars) due to the presence of this facility.

BUSINESS CASE:

Alternatively, the company is considering Bangalore and Pune, India, Montreal, Canada, and Oppenheim, Germany as possible locations for this project. Critical competitive disadvantages faced by Ranal, Inc. are the estimated tax impact, in direct comparison to tax structures at the other sites, and the labor costs are lower at the other sites being considered. In Michigan's favor is the availability of technical expertise and the proximity to the domestic OEM technical centers

OTHER STATE AND LOCAL ASSISTANCE:

Oakland County anticipates making up to \$75,000 in federal training funds under the Workforce Investment Act (WIA) for this project.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY:

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

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent high-technology employment tax credit for seven years, for up to 84 net new employees.