

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 – VC Regional Assembly & Manufacturing LLC
Standard Credit

COMPANY NAME AND ADDRESS:

VC Regional Assembly & Manufacturing LLC
One Village Center Drive
Van Buren Township, Michigan 48111

HISTORY OF COMPANY:

VC Regional Assembly & Manufacturing LLC (VC RAM) is a wholly-owned subsidiary of Visteon Corporation. Visteon was spun off from Ford Motor Company in 2000 and is a leading global supplier of automotive systems, modules and components to global vehicle manufacturers and the automotive aftermarket.

VC RAM is a new company making interior products. The plant will be a center of excellence employing state-of-the-art technologies and Visteon proprietary processes to manufacture interior components for the automotive industry. This facility will serve as a regional manufacturing facility that will provide parts to sequencing centers in Michigan and other states that serve the automotive manufacturing plants in the midwest.

PROJECT DESCRIPTION:

The company is considering a new manufacturing facility in Highland Park, Michigan or Tiffin, Ohio that requires an investment of approximately \$35 million. VC RAM expects to create 200 new jobs as a result of the project by the end of 2008. 175 jobs will be for a regional manufacturing facility and the remaining 25 for a sequencing operation that will serve DCX operations in southeast Michigan. These new positions will pay an average starting weekly wage of \$620 with production wages starting at \$9.00 per hour and moving to approximately \$11.00 by 2010. In addition, the company will offer a benefit package that includes medical, dental, prescription, and disability coverage as well as a 401K plan.

BENEFIT TO STATE:

According to the economic analysis done by the MEDC staff utilizing Regional Economic Models, Inc. software, it is estimated that this facility will create a total of 353 jobs in the state by the year 2014. We also estimate that the project would increase total state government revenues through the year 2014, net of MEGA cost and adjusted for inflation, of \$9.9 million (2007 dollars) due to the location of this facility.

BUT FOR:

The company has considered several scenarios, but has narrowed the choice to Tiffin, Ohio or Highland Park. Business costs in Ohio and Michigan are approximately the same. The state of Ohio, however, has offered incentives to locate the facility in Tiffin that include job creation tax credits worth more than \$1 million, a direct, low-interest loan, and recruitment and training assistance worth approximately \$270,000.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Highland Park is offering a PA198 real property tax abatement for 10 years for new real investment and a 10 year PA328 100% abatement of personal property taxes for new equipment investment at this new facility. These abatements are expected to be approved by February 19, 2007.

RECOMMENDATION:

The Michigan Economic Development Corporation recommends a 100 percent employment tax credit for seven years, for up to 175 net new jobs.