



MEMORANDUM

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DATE: June 17, 2008  
TO: Michigan Economic Growth Authority  
FROM: Val Hoag, Director  
Portfolio Management & Packaging *VH*

Amy Deprez, Program Manager  
Portfolio Management & Packaging

SUBJECT: Briefing Memo – Venchurs, Inc.  
Standard Credit

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COMPANY NAME:  
Venchurs, Inc.  
800 Liberty Street  
Adrian, Michigan 49221

HISTORY OF COMPANY:

Venchurs, Inc. was established in 1973 by John Wyatt, Sr. and is currently a Minority Business Enterprise owned by the Wyatt family, with Jeff Wyatt as CEO and Chairman. The company is located in Adrian and provides services to the Automotive and Construction-Agriculture Industries with expertise in Package Design, Single-Piece, Break Bulk and Complex Kit Packaging. Venchurs' ability to perform Light Assembly & Disassembly, including Powertrain Units, and the proven knowledge base in Warehouse and Distribution are valuable resources for customers. Current customers include CNH, Chrysler, Ford, General Motors, Nissan, Visteon and Toyota.

Started in 2006, Venchurs Global is also headquartered in Adrian, with sales & engineering offices located in Washington D.C. and Beijing, China. Approved as a Tier One Supplier, Venchurs Global provides the Automotive and Construction-Agriculture Industries with Global Sourcing opportunities while securing the Logistics.

The company currently employs 122 people in Michigan.

PROJECT DESCRIPTION:

Venchurs, Inc. is looking to expand its operations with Toyota, BMW, Ferrari and Ford Customer Service Division with several potential new programs. The company would like to remain in Adrian and manage current and future development and growth at this location, including a potential paint project that would require additional investment beyond the scope of this application.

The proposed expansion at the company's existing facilities in Adrian would require a capital investment of \$21 million and would result in the creation of 106 new jobs paying an average weekly wage of \$564. The company will also offer health care benefits and pay a portion of the benefit costs.

**BENEFITS 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 create a total of 152 jobs in the state by the year 2015. We also estimate that the project would create total state government revenues through the year 2015, net of MEGA cost and adjusted for inflation, of \$2.7 million (2008 dollars) due to the creation of these new jobs.

**BUSINESS CASE:**

Alternatively, the company is considering Indiana for the related programs. The company has been unable to locate a ready building in Michigan that suits their requirements and would need to expand its current location, as well as undertake additional new construction on an adjacent site to accommodate the growth. Indiana has offered a leased building at 1/10<sup>th</sup> the cost of expanding in Michigan and also offers tax savings for the company.

**STATE AND OTHER LOCAL ASSISTANCE:**

The City of Adrian is supportive of this expansion and has indicated that they will support a P.A. 198 Personal Property Tax abatement on real and personal property for a term of up to 12 years. Assuming future abatements are applied for and supported, the estimated value to the company is \$3 million.

In addition, the community is supportive of approving a Brownfield Redevelopment MBT Credit with an estimated value of approximately \$3 million.

Also, South Central Michigan Works! is supportive of this expansion and has identified several resources available to the company, including On The Job training and, depending on availability, Incumbent Worker Training funds.

**RECOMMENDATION:**

Based on the factors described above, the Michigan Economic Development Corporation recommends a 100 percent employment tax credit for seven years, for up to 106 net new employees.