

STATE SENATOR • MARTHA G. SCOTT • 2ND DISTRICT

Scott Press Release

P.O. Box 30036 • Lansing • Michigan • 48909-7536 • 517-373-7748 • Fax: 517-373-1387
E-mail: senmscott@senate.michigan.gov • www.senate.mi.gov/scott



FOR IMMEDIATE RELEASE
Feb 3, 2009

Contact: Sen Martha G. Scott
Phone: (517) 373-7748

STATE APPROVES \$9.7 MILLION TAX CREDIT FOR DETROIT INDUSTRIAL EXPANSION

Project will create 943 jobs

LANSING, Michigan - The Michigan Economic Growth Authority (MEGA) Board today approved a \$9.7 million, 10-year tax credit for Metal and Welding Industries of Detroit for a \$36 million expansion expected to create 943 jobs, State Senator Martha G. Scott (D-Highland Park) announced.

The Standard Employment Tax Credit is valued at \$9,725,320 over 10 years. Metal and Welding Industries is a metal fabrication company which has traditionally supplied to automotive industry. The expansion will allow it to diversify into the aerospace and defense sectors. The proposed project is expected to result in \$36 million in investment and create 943 total jobs, including 501 directly by the company. The company chose Michigan over a competing site in Texas.

“This project is a great example of how Michigan industry can adapt and diversify to meet the needs of our changing world,” Senator Scott said. “I commend the Michigan Economic Growth Authority for its part in bringing this expansion to Detroit.”

Metal and Welding Industries is located at 20101 Hoover Road in Detroit. The proposed project has two components. The first is related to a contract for a military material handling vehicle and the second is related to the addition of a gantry mill that will be the largest of its kind in the world. This gantry mill will help Metal and Welding Industries continue its diversification efforts into the aerospace and alternative energy fields.

The project includes a combination of renovations to an existing facility, as well as the purchase and renovation of a new facility. As a result of this project, approximately 501 jobs will be created over the next five years with an average weekly wage of \$739 and will include an investment of \$36 million. The company also will offer healthcare benefits and pay a portion of the benefit cost.

It is estimated that this facility will generate a total of 943 jobs in the state by the year 2018. Total state government revenues through the year 2018, net of MEGA costs, would be increased by \$25.7 million due to the presence of this expansion.

The City of Detroit supports this project and has approved a property tax abatement.

The Michigan Economic Development Corporation has approved job training funds for this project through the Economic Development Job Training program. Assuming that at least 418 people are trained, the company can receive a training grant of up to \$313,500.

Metal and Welding Industries, founded by its current owners in 1998, is a metal fabrication company that has traditionally been an automotive supplier. The company has recently begun to diversify into the aerospace and defense fields. The company currently has 356 employees in Michigan.

For more information, please visit www.themedc.org.

#

Senator Scott represents the 2nd Senate District, which includes areas of Detroit and the cities of Hamtramck, Harper Woods, Highland Park and all of the Grosse Pointes. She serves on the Senate Appropriations Committee.