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## Spanish firm to bring in 400 jobs

Tax cuts seal deal in metro Detroit

September 19, 2007

BY JEWEL GOPWANI and ALEJANDRO BODIPO-MEMBA  
FREE PRESS BUSINESS WRITERS

In a victory for Michigan's battered job market, an aerospace company from Spain said Tuesday that it plans to create 400 jobs in the next five years by opening a new engineering center in metro Detroit.

Grupo Aernnova, which designs and makes aircraft parts, chose Pittsfield Township, just south of Ann Arbor, as the site of its first U.S. operations. It chose Michigan over pitches from Atlanta and Austin, Texas, among other suitors.

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Grupo Aernnova's new engineering center is one of eight projects that won state tax breaks Tuesday. The projects are aimed at bringing more than 1,700 jobs to Michigan and serve as a boon for a struggling Michigan economy that has seen several companies move their operations out of state.

It is also the latest evidence that Michigan -- armed with a large population of engineers coping with a downsizing North American auto industry -- has a future in the aerospace.

"This is exactly the kind of company that we want to attract because of the tremendous opportunities for the state and for our students," said University of Michigan President Mary Sue Coleman, who helped recruit the company.

The biggest draws for Grupo Aernnova, based in Vitoria, Spain, were the state's abundance of mechanical engineers, state and township tax incentives and the stream of engineering talent from local universities.

Grupo Aernnova plans to open the center late this year and by February, employ 200 people, mostly in engineering positions that pay an average salary of about \$62,400. In the next 15 years, the company expects to have a total of 600 jobs at the center.

"We need good engineers with good backgrounds that want to stay here," said Juan Carlos Ortiz, managing director of U.S. operations.

As part of the pitch for metro Detroit, Michael Finney, chief executive officer of the economic development group Ann Arbor Spark, tallied the number of mechanical engineers within a 35-minute commute of the college town and compared them to other cities Grupo Aernnova was considering.

Metro Detroit boasted more than 15,000 engineers, compared with fewer than 2,000 in Austin and Atlanta, the other two finalists.

"Just the sheer numbers suggest that you're going to have an easier time with recruitment," Finney said.

The announcement is a victory for Finney's and other Ann Arbor groups, which have been working to recover from January's surprise announcement that Pfizer would close its operations in the area and shed 2,000 jobs.

The center will focus on supporting the commercial aerospace structural requirements of large U.S. and European aircraft manufacturers. The long-range plan, he added, would be to support the U.S. aerospace military programs.

The company works with both metal and high-strength composite plastics, most notably used on the upcoming Boeing 787.

"Aernnova's decision to choose Michigan shows we can compete and win the fight for new investment and new jobs," Gov. Jennifer Granholm said in a statement.

The Michigan Economic Growth Authority board has approved a tax credit of more than \$18.5 million over 15 years to win the center. Pittsfield Township is considering a 12-year abatement worth \$304,000.

Aernnova's choice of Michigan is a sign that the state can focus the engineering talent and manufacturing capacity the auto industry no longer needs to grow its small presence in the \$184-billion aerospace industry.

Craig Wolff, vice president of the Michigan Aerospace Manufacturers Association, called the state's aerospace industry "infinitesimal." His association has 12 members, mostly auto suppliers, that are seeking aerospace business.

"For what we can do, the types of facilities that we have, the capacity that we have available, we think we can be a game changer for an incredibly constrained industry," he said.

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**Details at a glance**

**Company:** Grupo Aernnova SA. It designs and makes parts for the aerospace industry, including for the Boeing 787.

**Where it plans to open an engineering center in Southfield Township.**

**How many jobs:** 200 by February, up to 400 in five years and 600 total in the next 15 years.

**Average salary:** \$62,400 for engineering jobs.

**Revenue:** \$500 million in 2006.

**Employees worldwide:** 3,100.

**How to apply:** E-mail the company's human resources department at [rh@aernnova.com](mailto:rh@aernnova.com).

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**CDE**

I understand that the immediate reaction is 400 jobs is irrelevant when you think how many jobs we lost, but these aren't jobs that are paying \$20/hour and succumb to the global marketization of everything that is low-skilled, except for retail and restaurants. More than likely, these are jobs that are going to pay from \$60,000 - \$150,000. One engineering job at this company is more powerful than two manufacturing jobs at the local tool-and-dye shop. My heart hurts for those that lose their jobs, manufacturing or pfizer/vw employees, but these jobs put us back on track to growing a diverse & attractive economy for current and possible Michigan residents. Between this, Google, BASF and Toyota's expansion, and companies with growth like Realtime Technology & Pushtwentytwo it seems as if Michigan is starting to head in the right direction. This company picked us over Austin and Atlanta, that says a lot considering that they are both booming-metropolitan regions that are typically much more tax-friendly to businesses. We, Michigan residents, are hardy folk and we will prevail!

Posted: Wed Sep 19, 2007 10:24 am

**Juggalotus**

So wait a second. It was a tax BREAK (not an INCREASE) that got this company to locate here? I thought higher taxes were supposed to stimulate the economy, not lower ones.

Posted: Wed Sep 19, 2007 10:04 am

**calvin3**

right back at ya hot thang 😊

Posted: Wed Sep 19, 2007 8:35 am

**paf**

Buenos dias, calvin3!! 😊

Posted: Wed Sep 19, 2007 8:23 am

**calvin3**

gimme a bud-lite holmes and a job 🙄

Posted: Wed Sep 19, 2007 8:11 am

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**Others who received tax deals**

Here are other projects awarded tax abatements by the state:

- **Credit Acceptance Corp.:** \$4.6-million tax credit over 7 years to increase its Southfield headquarters by 506 jobs.
- **Azure Dynamics Corp. of Canada:** \$1.7-million tax credit over 7 years for the maker of hybrid powertrain systems to move its headquarters to Oak Park, bringing and creating 125 jobs.
- **MARS Advertising Prize Logic LLC:** \$1.9-million tax credit over 10 years to locate this newly formed joint venture and 150 jobs in Southfield.
- **Granvic Investments LLC:** \$388,000, 7-year tax credit to expand the plastics company's Standish operations, creating 75 jobs.
- **Sysco Food Services of Detroit LLC:** \$2.2-million tax credit over 9 years to expand Canton facility, creating 130 jobs.
- **Thunder Bay Development LLC:** \$1.8-million tax credit over 7 years to buy and upgrade a plant in Alpena, creating 150 jobs.
- **Genesee County Land Bank Authority:** \$20.6-million grant that directs tax money to prepare tax-reverted county land for new development.

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