
**REQUEST FOR TOOL AND DIE
DESIGNATION**

**URGENT PLASTIC SERVICES
2777 PRODUCT DRIVE
ROCHESTER HILLS, MICHIGAN 48309
248-852-8999**

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2777 PRODUCT DRIVE
ROCHESTER HILLS, MICHIGAN 48309**

1. Cover Letter
2. Senator Bishop Correspondence
3. Financial Analysis
4. United Tooling Coalition Members



(All Correspondence) 2547 Product Drive
(Manufacturing Address) 2777 Product Drive
Rochester Hills, Michigan 48309

Phone 248.852.8999
Fax 248.852.8998

September 23, 2008

Mayor of Rochester Hills and City Council
1000 Rochester Hills Drive
Rochester Hills, MI 48309

Re: Tool and Die Collaborative

The purpose of this correspondence is to provide members of City Council and yourself information regarding Urgent Plastic Services ("UPS") relative to its request for a Tool and Die designation under the Michigan Renaissance Zone Act, Public Act 376 of 1996.

OPERATIONS:

UPS located at 2777 Product Drive is a tool and die manufacturer of plastic and metal tooling and components servicing primarily the automotive industry... We have been a taxpayer in the city for 15 years and presently employ 68 individuals. A majority (60%) of our customer base is with Tier 1 and Tier II suppliers. Many of these companies in turn work directly with the Original Equipment Manufacturers. Historically this industry has accounted for approximately 75-80 percent of our revenue. As with other tool and die companies we have experienced an erosion of market share due to lower cost suppliers (off-shore) and non-traditional sources such as production houses. While most of our business continues to be with the domestic automakers we are slowly making inroads with Honda, Nissan, Toyota and others. To replace the loss of automotive revenue UPS continues to identify other alternatives within the emerging markets such as aerospace, telecommunications, Department of Defense, alternative energy and renewable energy.

FINANCIAL INFORMATION:

Due to economic challenges presented by the auto industry, sales for UPS have fluctuated from a high of \$14.8M to a low of \$7.5 M, a reduction of 50%. In addition net profit, for this same period, has decreased from \$494K to approximately \$56K. As a result our workforce has declined 10 percent over the last 2 years. Furthermore, we have also eliminated our company match on 401k plans, temporarily reduced hourly wages and placed restrictions on the number of hours worked for all employees. Because of these financial challenges and the uncertainty of the economy UPS has limited its capital investment in operations. Should UPS be granted a T&D designation, from the city of Rochester Hills, our savings would be used to re-invest in equipment and facilities improvements to support the emerging markets as well as hire additional workers.

INTANGIBLES:

During our existence in Rochester Hills Michigan, UPS has never asked or required assistance from the city. We firmly believe that as a private enterprise it is our responsibility to be successful in our business. We have consistently contributed to local charities and schools with the understanding that our future lies with a sound education for our children. In addition, 6 percent of our workforce resides in the city and over 45 percent in Oakland County. Furthermore, several of our suppliers and customers have operations in the city and county and continue to be important partners for us. Lastly, Alan Peterson (Vice-President) is scheduled to join the Automation Alley Trade Mission to Brazil in October 2008.

Urgent Plastic Services has been a successful member of the Rochester Hills family for a long period of time. It is our intention to continue this relationship for the long term. As such we ask for your consideration in approving a 10 year Tool and Die designation for our operation. We thank you in advance for your consideration.

Sincerely,



Keith R. Chene, Treasurer / C.F.O.



Michigan Senate

Michael D. Bishop

State Senator

Senate Majority Leader

12TH DISTRICT

LANSING OFFICE: (517) 373-2417

TOLL-FREE: (877) 9-BISHOP (24-7467)

FAX: (517) 373-2694

E-MAIL: senmbishop@senate.michigan.gov

June 9, 2008

Mayor of Rochester Hills and City Council

1000 Rochester Hills Drive
Rochester Hills, MI 48309

Re: Urgent Plastic Services

I am writing to request that the Mayor and Rochester Hills City Council give Urgent Plastic Services favorable consideration when reviewing their proposal to designate their operation a Tool and Die Recovery Zone.

Urgent Plastic Services is part of the 3-Dimensional Services Group which employs over 200 people in three locations, two which are located in Rochester Hills. The Michigan Recovery Zone Program helps business thrive by creating an advantageous environment in which to locate and conduct operations. Designated businesses within a Recovery Zone are exempt from taxes. The Michigan Department of Treasury, however, reimburses educational institutions and libraries within the Recovery Zone for lost revenue to ensure funding for these entities remains secure.

While designation of a Recovery Zone requires that a city or township must waive taxes for a certain number of years, it also attracts business development and greater opportunities for employment for businesses faced with growing competition from other states and other countries. By supporting Urgent Plastic Services participation in the Michigan Tool and Die Recovery Zone, the Mayor and Rochester Hills City Council will be supporting Michigan business as a whole.

Thank you for your thoughtful consideration of my request. Should you have any further questions or concerns, or if I can provide you with any further information, do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink that reads "Michael D. Bishop".

Michael D. Bishop
Senate Majority Leader
State Senator, 12th District

Oakland Technologies LLC/United Plastic Services

Taxing Entity	Millage Rate	2007 tax liability	Reimbursed by State	Continued tax liability	Taxes Impacted
City/twp/vlg - operating	9.71	\$ 49,435.96			\$ 49,435.96
City/twp/vlg - other servies		\$ -			XX
City/twp/vlg - DEBT		\$ -		XX	
School - SET	6	\$ 30,560.04	\$ 30,560.04		
County Operating and Parks	4.43	\$ 22,571.13			\$ 22,571.13
Huron-Clinton Parks	0.21	\$ 1,093.03		XX	\$ 1,093.03
Library		\$ -	XX		
Avondale School Operating	18	\$ 91,680.12	\$ 91,680.12		
Avondale School Debt	7.59	\$ 38,676.79		\$ 38,676.79	
Community College	1.59	\$ 8,069.89	\$ 8,069.89		
Intermediate School District (ISD)	3.37	\$ 17,159.46	\$ 17,159.46		
ISD Vocational Ed		\$ -	XX		
ISD Special Ed		\$ -	\$ -		
TOTALS:	50.9	\$ 259,246.42	\$ 147,469.51	\$ 38,676.79	\$ 73,100.12

NOTES:

Yellow column: taxes reimbursed by the State of Michigan General Fund

Green Column: Taxes company will continue to pay

UNITED TOOLING COALITION

Mr. Jay Barron

www.utc.com

United Tooling Coalition was approved as a Tool and Die Collaborative on December 16, 2004, effective January 1, 2005. . Its term is 15 years with a maximum time period of 2019. Members of the collaborative, location and approved term are outlined below.

<u>NAME:</u>	<u>LOCATION</u>	<u>TERM</u>
1. Accu-Mold	Portage	15 years
2. Custom Design	Portage	15 years
3. Enterprise Tool and Die	Grandville	13 years
4. Lansing Tool and Engineering	Lansing	15 years
5. Master Precision	Greenville	15 years
6. Mol-Son Inc.	Matawan	15 years
7. Northwest Tool and Die	Grand Rapids	13 years
8. Paragon Die and Engineering	Grand Rapids	15 years
9. Precise Engineering	Lowell	15 years
10. Richard Tool and Die	New Hudson	10 years
11. Trimline Tool	Grandville	15 years
12. Detail Technologies	Wyoming	15 years
13. Miller Tool and Die	Jackson	15 years
14. Peterson Jig & Fixture	Rockford	15 years
15. Precision Mold and Engineering	Benton Harbor	15 years