

AVL Powertrain Engineering, Inc.
Summary Estimates
(All monetary estimates in 2006 dollars)

TOTAL JOBS CREATED (as of 2018)	157
Direct	125
Spin-off (includes Indirect Jobs)	32
NET POSITIVE STATE REVENUE IMPACT	\$2,143,000
Revenue foregone	\$3,563,000
Revenue gain	\$5,706,000
Personal income generated over life of MEGA agreement	\$74,080,000
Statewide employment multiplier (average, 2011–18)	1.18
Average Weekly Wage of Direct Jobs (as reported by the company at time of application)	\$1,238

**AVL Powertrain Engineering, Inc.
Economic and Fiscal Effects on Michigan - Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2015	2016	2017	2018	Total
Total Employment										
Manufacturing	23	27	52	80	107	148	151	154	157	
Non-Manufacturing	2	1	2	3	3	4	4	4	4	
Retail Trade	21	26	50	77	104	144	147	150	153	
Services	3	2	4	6	8	11	11	11	12	
Other	6	18	37	55	74	97	98	100	102	
	12	6	9	16	22	36	38	39	39	
In Current Dollars (Thousands):										
Personal Income	\$946	\$1,129	\$2,258	\$3,540	\$5,005	\$9,613	\$10,310	\$11,170	\$12,080	\$86,996
Gross State Revenue	73	87	174	273	385	740	794	860	930	6,699
Mega Cost	0	63	134	207	285	440	462	487	513	4,165
State Revenue Net of MEGA Cost*	\$73	\$24	\$40	\$66	\$100	\$300	\$332	\$373	\$417	\$2,534
Adjusted for Inflation (Thousands of 2006 Dollars):										
Personal Income	\$946	\$1,106	\$2,166	\$3,326	\$4,609	\$8,013	\$8,425	\$8,948	\$9,488	\$74,080
Gross State Revenue	73	85	167	257	355	617	649	689	730	5,706
Mega Cost	0	61	129	195	263	367	378	390	403	3,563
State Revenue Net of MEGA Cost*	\$73	\$24	\$38	\$62	\$92	\$250	\$271	\$299	\$327	\$2,143

* These estimates do not include any state government revenue losses due to the Investment Tax Credit, the Renaissance Zone Credit or the property tax abatement.

REMI Terms and Definitions

Benefits estimated by the model: the total number of jobs created in Michigan (by major industry, including spin-off jobs), and the associated personal income and state government revenue generated due to the gain in economic activity resulting from the project.

Direct jobs: the jobs created at the project facility itself, as estimated at the end of the incentive period.

Employment multiplier: the total number of jobs created (direct plus spin-off) for every direct job introduced constitutes the employment multiplier. The numerator of the employment multiplier equals the number of jobs (direct and spin-off) created on average over the incentive period when the facility is at full operations. The denominator of the employment multiplier represents the direct jobs created yearly over the same period.

Personal income: the income of Michigan residents from all sources, after deduction of contributions to social insurance programs but before deduction of income tax and other personal taxes.

Spin-off jobs: Spin-off jobs are generated from two sources: increased purchases from Michigan suppliers; and spending by people who receive income due to the increased economic activity.

Total employment effects: direct jobs created at the facility itself plus spin-off jobs, as estimated at the end of the incentive period.

REMI estimates do not include the nonmeasurable effects that would produce additional economic and fiscal benefits for Michigan, such as the intangible advantages of influencing other location and expansion decisions.