

Adaptive Material, Inc.
Economic and Fiscal Effects on Michigan - Net Benefits with the Incentive Package

Economic/Fiscal Indicator	2007	2008	2009	2010	2011	2012	2013	2014	Total
Total Employment	6	17	41	77	118	182	186	187	
Manufacturing	0	0	0	1	1	1	1	0	
Non-Manufacturing	6	17	41	76	117	181	185	187	
Retail Trade	1	1	3	6	9	13	13	13	
Services	2	14	33	62	95	149	149	149	
Other	3	2	5	8	13	19	23	25	
In Current Dollars (Thousands):									
Personal Income	\$305	\$702	\$2,350	\$4,272	\$6,561	\$9,735	\$10,830	\$11,660	\$46,415
Gross State Revenue	23	54	181	329	505	750	834	898	3,574
Mega Cost	0	12	52	96	134	184	192	201	871
State Revenue Net of MEGA Cost*	\$23	\$42	\$129	\$233	\$371	\$566	\$642	\$697	\$2,703
Adjusted for Inflation (Thousands of 2007 Dollars):									
Personal Income	\$305	\$685	\$2,229	\$3,940	\$5,886	\$8,503	\$9,216	\$9,675	\$40,439
Gross State Revenue	23	53	172	303	453	655	710	745	3,114
Mega Cost	0	12	49	88	120	161	163	167	760
State Revenue Net of MEGA Cost*	\$23	\$41	\$123	\$215	\$333	\$494	\$547	\$578	\$2,354

* 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.