

**American Systems Technology, Inc.**  
**Economic and Fiscal Effects on Michigan - Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2005	2006	2007	2008	2009	2010	2011	2012	Total
<b>Total Employment</b>	4	21	46	77	122	170	173	176	
Manufacturing	1	0	1	1	2	3	2	2	
Non-Manufacturing	3	21	45	76	120	167	171	174	
Retail Trade	1	3	6	9	14	20	20	20	
Services	2	15	32	55	86	120	121	123	
Other	0	3	7	12	20	27	30	31	
<b>In Current Dollars (Thousands):</b>									
Personal Income	\$183	\$1,373	\$3,296	\$5,829	\$9,369	\$13,550	\$14,680	\$15,720	\$64,000
Gross State Revenue	14	106	254	449	721	1,043	1,130	1,210	4,927
Mega Cost	0	66	152	268	424	608	634	663	2,817
State Revenue Net of MEGA Cost*	\$14	\$40	\$102	\$181	\$297	\$435	\$496	\$547	\$2,110
<b>Adjusted for Inflation (Thousands of 2005 Dollars):</b>									
Personal Income	\$183	\$1,341	\$3,152	\$5,460	\$8,598	\$12,184	\$12,938	\$13,581	\$57,437
Gross State Revenue	14	104	243	421	662	938	996	1,045	4,423
Mega Cost	0	65	145	251	389	547	559	573	2,529
State Revenue Net of MEGA Cost*	\$14	\$39	\$98	\$170	\$273	\$391	\$437	\$472	\$1,894

\* 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 indirect 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 indirect) for every direct job introduced constitutes the employment multiplier. The numerator of the employment multiplier equals the number of jobs (direct and indirect) 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.

**Indirect 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.

**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.

**Total Employment Effects** - Direct jobs created at the facility itself plus indirect 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.*

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**Fiscal Effects on Michigan - Net Benefits with the Incentive Package**  
Thousands of Current Dollars

Year	Gross State Revenue	MEGA Costs	Net State Revenue
2005	14	0	14
2006	106	66	40
2007	254	152	102
2008	449	268	181
2009	721	424	297
2010	1,043	608	435
2011	1,130	634	496
2012	1,210	663	547