

**Economic and Fiscal Effects on Michigan of the Detroit Diesel Corporation Facility Retention
Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2013	2015	2017	Total 2006-2017
Total employment	71	259	721	1,057	1,395	1,619	1,557	1,531	—
Manufacturing	10	36	267	431	573	704	690	681	—
Nonmanufacturing	61	223	454	626	822	915	867	850	—
Retail trade	8	31	94	138	178	196	181	173	—
Services	25	92	177	242	286	289	263	257	—
Other	28	100	183	246	358	430	423	420	—
In current dollars (thousands):									
Personal income	3,800	14,700	43,500	69,000	96,300	134,600	141,500	148,900	1,179,900
Gross state revenue	292	1,130	3,345	5,306	7,406	10,351	10,881	11,450	90,734
MEGA cost	0	0	192	334	463	649	710	782	5,710
State revenue net of MEGA cost*	292	1,130	3,153	4,972	6,943	9,702	10,171	10,668	85,024
Adjusted for inflation (thousands of 2005 dollars):									
Personal income	3,192	11,439	33,794	51,669	70,344	91,632	93,389	95,852	810,223
Gross state revenue	246	880	2,599	3,973	5,410	7,047	7,182	7,371	62,306
MEGA cost	0	0	149	250	338	442	469	503	3,904
State revenue net of MEGA cost*	246	880	2,450	3,723	5,072	6,605	6,713	6,868	58,402

*These estimates do not include any state government revenue losses due to the Investment Tax Credit.

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 is generally based on the average of direct and indirect jobs created over the course of the incentive. The denominator of the employment multiplier represents the direct jobs created by the end of the incentive.

Indirect Jobs – The spin-off jobs that are generated from two sources: increased purchases from Michigan suppliers; and spending by people who receive income due to the increased economic activity. Indirect jobs created after major investment activity has been completed are likely to have a permanent impact on the economy. Some indirect jobs are generated by investment activity, but almost all of these jobs are temporary.

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.