



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

**MEMORANDUM**

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
ASSISTANCE CENTER  
517 373 9808

WWW.THEMEDC.ORG

**DATE:** December 15, 2009  
**TO:** Michigan Economic Growth Authority  
**FROM:** Karla Campbell, MEGA  
Program Administration  
**SUBJECT:** General Motors of Michigan, LLC (a/k/a General Motors, LLC)  
Second Amendment of Global Solutions Project

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**COMPANY NAME**

General Motors of Michigan, LLC (a/k/a General Motors, LLC)  
200 Renaissance Center  
Detroit, Michigan 48265

**BACKGROUND**

On June 25, 2009, by Resolution 2009-116, the Michigan Economic Growth Authority (MEGA) approved a Retention Credit for all existing Retention projects, as well as the opportunity to keep the Orion facility here in Michigan. At that time, the project encompassed 17 facilities.

**PURPOSE OF REQUEST**

Since Resolution 2009-116 was approved, General Motors of Michigan, LLC (a/k/a General Motors, LLC) (General Motors) (GM) has asked that we consider adding their headquarters, located in the Renaissance Center in Detroit, to this global strategy. Along with this additional facility, General Motors also has changed their name from General Motors Corporation to General Motors of Michigan LLC (a/k/a General Motors, LLC) and has a new EIN.

On November 17, 2009, the MEGA Board approved Resolution 2009-201 to add the Detroit Renaissance Center to the Global Solutions project, provided that the company maintains a minimum of 2,500 employees at that facility and further that the maximum number of Qualified Retained Jobs at the Detroit Renaissance Center is 2,500. With this amendment, the overall maximum number of Qualified Retained Jobs that could be claimed for the entire Global Solutions MEGA (including all 18 facilities) was 22,500.

The Company did not want to retain a minimum of 2,500 employees at the Detroit Renaissance Center and requested another amendment to the GM Global Solutions Project MEGA. The Company has agreed to retain 2,000 direct GM employees and other employees that are located at the Renaissance Center through contracts or partnerships with General Motors at the Detroit Renaissance Center. The MEGA Credit will only be on the direct employees; however, the Company will be responsible for reporting the number of other employees located at the Renaissance Center on an annual basis.

## RECOMMENDATION

The MEDC recommends the following:

1. The MEGA Board amends Resolution 2009-201 to reduce the number of Qualified Retained Jobs from 2,500 to 2,000 GM employees and other employees through contractual and shared services with other partners at the Renaissance Center at the Detroit Renaissance Center;
2. The Tax Credit can only be claimed on the actual GM full-time employees;
3. The overall maximum number of jobs that can be claimed on the Global Solutions MEGA is 21,000;
4. The maximum amount of the credit on the Renaissance Center portion of the credit is capped at \$50 million over the life of the credit.
5. All of the terms in the previous resolutions for the MEGA Retention Tax Credit related to the Global Solutions project remain in effect.

**OTHER STATE AND LOCAL ASSISTANCE**

Currently a number of existing locations have property tax abatements under PA 328 of 1998. Additionally, Lake Orion Township is supportive of a 25-year property tax abatement under PA 328 of 1998 and a 12-year property tax abatement under PA 198 of 1974. The community is also offering a future water/sewer credit of up to \$1 million.

For the Lake Orion project, Oakland County is offering up to \$1.5 million for employee recruitment, screening and assessment through the Oakland County Michigan Works program and the Department of Energy, Labor, and Economic Growth has offered job training funds of up to \$135 million for qualified employee training activities.

**RECOMMENDATION**

Based on the factors described above, the Michigan Economic Development Corporation recommends up to a 100 percent retention employment tax credit for 20 years for up to 20,000 retained employees at the at General Motors manufacturing facilities in the State. The company must maintain statewide manufacturing employment threshold of at least 8,000 employees and set aside their nine existing MEGAs that have been awarded before 2009.