



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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Date: June 25, 2009
To: Michigan Economic Growth Authority
From: Valerie Hoag, Director
Packaging Team
Subject: Briefing Memo – General Motors Corporation
Retention MEGA Credit

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COMPANY NAME

General Motors Corporation
MC 482-B38-C96
200 Renaissance Center
Detroit, Michigan 48265

HISTORY OF COMPANY

General Motors Corporation (GM), founded in 1908, manufactures and markets automobiles, automotive systems, engines, heavy-duty automatic transmissions and component parts worldwide. GM is headquartered in Detroit and employs about 252,000 people globally and sells and services vehicles in some 140 countries.

PROJECT DESCRIPTION

General Motors is evaluating its overall product portfolio and their need for new products. As a part of the company's evaluation they are considering Orion Assembly for a new small car manufacturing program. In addition to this program General Motors' additional Michigan manufacturing facilities are being considered for additional investment to support new and on-going operations.

The proposed project is the retention of all General Motors current manufacturing in the State of Michigan, including the Orion Assembly Plant in Lake Orion. Oakland County (an up to \$700 million investment and the retention of 1,500 jobs). The average weekly wage for the retained jobs will be \$650. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

BENEFIT TO STATE

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will create and retain a total of 84,390 jobs in the state by the year 2029. Total state government revenues through the year 2029, net of MEGA costs, would be increased by \$7.9 billion (current dollars) due to the presence of this expansion.

BUSINESS CASE

Other North American locations are being considered for the proposed investments including Janesville. Wisconsin and Spring Hill. Tennessee, both of whom are competing for the new small car platform. The investments proposed by GM represent new technology and changes that will spearhead the next generation of vehicle and powertrain development at General Motors.