

Hess Industries, Inc.
Summary Estimates
(All monetary estimates in 2006 dollars)

TOTAL JOBS CREATED (as of 2011)	142
Direct	131
Spin-off (includes Indirect Jobs)	11
NET POSITIVE STATE REVENUE IMPACT	\$2,072,000
Revenue foregone	\$1,499,000
Revenue gain	\$3,571,000
Personal income generated over life of MEGA agreement	\$46,346,000
Statewide employment multiplier (average, 2007-11)	1.05
Average Weekly Wage of Direct Jobs (as reported by the company at time of application)	\$936

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

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2011	Total
Total Employment	30	132	137	140	140	142	
Manufacturing	3	50	50	50	49	49	
Non-Manufacturing	27	82	87	90	91	93	
Retail Trade	4	14	14	15	15	15	
Services	9	50	51	51	52	52	
Other	14	18	22	24	24	26	
In Current Dollars (Thousands):							
Personal Income	\$1,282	\$7,996	\$9,033	\$9,735	\$10,350	\$10,960	\$49,356
Gross State Revenue	99	616	696	750	797	844	3,802
Mega Cost	0	292	311	321	331	342	1,597
State Revenue Net of MEGA Cost*	\$99	\$324	\$385	\$429	\$466	\$502	\$2,205
Adjusted for Inflation (Thousands of 2006 Dollars):							
Personal Income	\$1,282	\$7,830	\$8,665	\$9,148	\$9,530	\$9,891	\$46,346
Gross State Revenue	99	603	668	705	734	762	3,571
Mega Cost	0	285	299	302	305	308	1,499
State Revenue Net of MEGA Cost*	\$99	\$318	\$369	\$403	\$429	\$454	\$2,072

* 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.