

Karl Schmidt Unisia, Inc.
Economic and Fiscal Effects on Michigan - Net Benefits with the Incentive Package

Economic/Fiscal Indicator	2007	2008	2009	2010	2011	2012	2013	2014	Total
Total Employment	84	102	161	243	348	351	353	353	
Manufacturing	2	1	2	2	3	2	1	1	
Non-Manufacturing	82	101	159	241	345	349	352	352	
Retail Trade	10	10	17	26	36	36	36	36	
Services	57	78	123	186	264	264	264	264	
Other	15	13	19	29	45	49	52	52	
In Current Dollars (Thousands):									
Personal Income	\$4,700	\$6,470	\$10,860	\$17,550	\$26,520	\$28,380	\$30,330	\$32,040	\$156,850
Gross State Revenue	362	498	836	1,351	2,042	2,185	2,335	2,467	12,076
Mega Cost	98	165	273	446	678	708	739	774	3,881
State Revenue Net of MEGA Cost*	\$264	\$333	\$563	\$905	\$1,364	\$1,477	\$1,596	\$1,693	\$8,195
Adjusted for Inflation (Thousands of 2007 Dollars):									
Personal Income	\$4,700	\$6,318	\$10,303	\$16,184	\$23,791	\$24,787	\$25,810	\$26,586	\$138,479
Gross State Revenue	362	486	793	1,246	1,832	1,908	1,987	2,047	10,661
Mega Cost	98	161	259	411	608	618	629	642	3,426
State Revenue Net of MEGA Cost*	\$264	\$325	\$534	\$835	\$1,224	\$1,290	\$1,358	\$1,405	\$7,235

* 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.