

**The Economic Effects on Michigan of
the Spartan Motors Chassis, Inc., Facility Expansion Decision**

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Adjusted for inflation, these numbers in 2004 dollars would be \$65.1 million in 2009 and \$70.2 million in 2014.

The gain in economic activity results in higher state government revenues. We estimate that in 2009, the first year of full operations, the expanded facility would generate \$6,690,000 in additional gross state government revenue, and that the MEGA package would provide a \$629,000 incentive to Spartan Chassis Motors, Inc. Thus, the Spartan Chassis Motors, Inc., expansion would increase state government revenues in 2009 by \$6,061,000, net of MEGA incentive costs.

Over the period 2004 to 2014, gross state government revenue is projected to increase by \$62,274,000 (in current dollars) due to the expansion of Spartan Motors Chassis, Inc. The MEGA incentive package for Spartan Motors Chassis, Inc., is forecast to cost \$5,873,000 over the period, resulting in a net increase in state government revenue of \$56,401,000. Adjusted for inflation, the total net increase in state government revenue from 2004 to 2014 would be \$42,013,000 in 2004 dollars.

None of these estimates 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.