

**AVL Powertrain Engineering, Inc.**  
**Summary Estimates**  
(All monetary estimates in 2006 dollars)

<b>TOTAL JOBS CREATED (as of 2018)</b>	157
Direct	125
Spin-off (includes Indirect Jobs)	32
<b>NET POSITIVE STATE REVENUE IMPACT</b>	\$2,143,000
Revenue foregone	\$3,563,000
Revenue gain	\$5,706,000
Personal income generated over life of MEGA agreement	\$74,080,000
Statewide employment multiplier (average, 2011–18)	1.18
Average Weekly Wage of Direct Jobs (as reported by the company at time of application)	\$1,238

**AVL Powertrain Engineering, Inc.  
Economic and Fiscal Effects on Michigan - Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2015	2016	2017	2018	Total
<b>Total Employment</b>										
Manufacturing	23	27	52	80	107	148	151	154	157	
Non-Manufacturing	2	1	2	3	3	4	4	4	4	
Retail Trade	21	26	50	77	104	144	147	150	153	
Services	3	2	4	6	8	11	11	11	12	
Other	6	18	37	55	74	97	98	100	102	
	12	6	9	16	22	36	38	39	39	
<b>In Current Dollars (Thousands):</b>										
Personal Income	\$946	\$1,129	\$2,258	\$3,540	\$5,005	\$9,613	\$10,310	\$11,170	\$12,080	\$86,996
Gross State Revenue	73	87	174	273	385	740	794	860	930	6,699
Mega Cost	0	63	134	207	285	440	462	487	513	4,165
State Revenue Net of MEGA Cost*	\$73	\$24	\$40	\$66	\$100	\$300	\$332	\$373	\$417	\$2,534
<b>Adjusted for Inflation (Thousands of 2006 Dollars):</b>										
Personal Income	\$946	\$1,106	\$2,166	\$3,326	\$4,609	\$8,013	\$8,425	\$8,948	\$9,488	\$74,080
Gross State Revenue	73	85	167	257	355	617	649	689	730	5,706
Mega Cost	0	61	129	195	263	367	378	390	403	3,563
State Revenue Net of MEGA Cost*	\$73	\$24	\$38	\$62	\$92	\$250	\$271	\$299	\$327	\$2,143

\* 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.*