

**Systems Technology Group, Inc.
Economic and Fiscal Effects on Michigan - Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Total Employment	59	123	236	334	536	540	543	545	544	544	
Manufacturing	1	2	4	5	7	5	4	3	1	0	
Non-Manufacturing	58	121	232	329	529	535	539	542	543	544	
Retail Trade	5	10	20	28	45	45	45	44	44	43	
Services	16	33	65	94	153	155	158	159	160	163	
Other	37	78	147	207	331	335	336	339	339	338	
In Current Dollars (Thousands):											
Personal Income	\$2,686	\$5,951	\$11,900	\$17,850	\$29,720	\$32,200	\$34,390	\$36,100	\$37,690	\$39,460	\$248,100
Gross State Revenue	207	458	916	1,374	2,288	2,479	2,648	2,780	2,902	3,038	19,102
Mega Cost	89	177	352	494	803	838	876	916	480	504	5,530
State Revenue Net of MEGA Cost*	\$118	\$281	\$564	\$880	\$1,485	\$1,641	\$1,772	\$1,864	\$2,422	\$2,534	\$13,572
Adjusted for Inflation (Thousands of 2005 Dollars):											
Personal Income	\$2,623	\$5,691	\$11,147	\$16,380	\$26,725	\$28,379	\$29,711	\$30,575	\$31,294	\$32,119	\$214,797
Gross State Revenue	202	438	858	1,261	2,057	2,185	2,288	2,355	2,410	2,473	16,539
Mega Cost	87	170	329	453	722	739	757	776	399	411	4,843
State Revenue Net of MEGA Cost*	\$115	\$268	\$529	\$808	\$1,335	\$1,446	\$1,531	\$1,579	\$2,011	\$2,062	\$11,696

* 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.