IRVIN CORLEY, JR.
DIRECTOR
(313) 224-1076

City of Detroit

CITY COUNCIL

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: irvin@cncl.ci.detroit.mi.us

ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Director ICJ.

DATE: April 30, 2008

RE: Chrysler's 2008 PA 198 Tax Abatement Request **(Recommend Approval),** ***Line Item 11 on today's Planning and Economic Development Standing Committee Agenda***

Before the Planning and Economic Development Standing Committee is a PA 198 Industrial Facilities Tax Exemption request from the Chrysler, LLC. The purpose of this report is to focus on the merits of the 198 tax abatement request.

I want to personally thank Mr. Patrick Lindsey of Chrysler in getting responses to my many questions on the abatement request. The responses were extremely helpful in formulating an opinion on the abatement proposal.

For Council's edification and the Clerk's records, Appendix A represents a package from the Planning and Development Department (PDD) containing discussion notes on Chrysler's abatement request and a copy of Chrysler's application for Industrial Facilities Tax Exemption Certificate, with attachments, including a detailed description of the personal property investment for which Chrysler is seeking a tax abatement. Appendix B represents my initial report containing questions on Chrysler's abatement request. And, Appendix C represents Chrysler's responses to my questions raised in my initial report as well as follow up questions, with ancillary information.

Project Description

Investment and Project Rationale

Chrysler anticipates spending a total of **$373 million** in real and personal property to expand the Jefferson North Assembly Plant in Detroit. Of this investment, **$280.6 million** would be spent on personal property (machinery and equipment), for which Chrysler is seeking a 198 tax abatement. This means that Chrysler is not seeking tax incentives from the City on the remaining **$92.4 million** investment at the plant.

If your Honorable Body approves the abatement, Chrysler would begin construction and installation of the real and personal property in July 2008 and complete the project by June 2010.

The Chrysler personal property investment involves the acquisition of machinery and equipment to manufacture and assemble the next generation Jeep Grand Cherokee sport utility truck at the Jefferson North Assembly Plant to replace the existing model. In addition, two new future models would be manufactured and assembled at the same plant. The machinery and equipment investment would also provide improved quality, flexibility and capacity at the plant to keep the plant competitive.

In order words, this investment would help Chrysler to be more competitive in the global auto market place. More specifically, this investment would afford Chrysler the flexibility to make up to at least four different models from the same assembly production line at the Jefferson North Assembly Plant. This provides Chrysler the ability to respond to market demands more quickly and efficiently, while minimizing investment, maintenance and changeover loss. For Council's edification, Chrysler utilizes flexible manufacturing at its Sterling Heights, Toledo North and Windsor assembly plants. Ford, GM, Toyota, and Honda also use flexible manufacturing production systems.

Job Creation

Chrysler anticipates this proposed project at the Jefferson North Assembly Plant would create 419 permanent jobs.

Chrysler currently employs 1,531 workers at the Jefferson North Assembly Plant.

Chrysler currently runs one shift at the Jefferson North Assembly Plant. After Chrysler's proposed investment, two shifts could operate at this plant based on market conditions. If two shifts are required, the level of employment at Jefferson North could reach approximately 2,500.

To illustrate the impact of the vagaries of the automobile industry on the Jefferson North Assembly Plant, this plant employed 2,547 people as of December 31, 2007. This means the workforce shrunk by 1,016 employees to get to the current level of 1,531. Obviously, Chryslers' planned investment at the plant, with the help of the abatement, would help bring employment levels closely back to the 2007 levels.

For Council's edification, Chrysler employed 3,029 workers at the Jefferson North Assembly Plant in 2004, 3,051 in 2005 and 2,779 in 2006.

198 Tax Abatement Request and Cost/Benefit Analysis

Chrysler seeks a 12-year 198 tax abatement on the personal property investment of approximately $280.6 million. However, it is important to reiterate that Chrysler plans on spending a total of $373 million in real and personal property at the Jefferson North Assembly Plant, and Chrysler is not seeking an abatement on the remaining investment of $92.4 million. The cost/benefit analysis follows:

Chrysler 198 abatement request **cost** over 12 years (1):

Taxing Unit		
- City of Detroit	$10,166,000	
- Detroit Public School	4,662,000	
- Detroit Library	2,734,000	
- Wayne County	4,351,000	
- WC3 and Intermediate Sch Districts	888,000	
Total	$22,801,000	$22,801,000

Chrysler 198 abatement request **benefits** over 12 years:

- 50% property taxes captured by taxing jurisdictions (2)	$22,801,000
- Property taxes captured by taxing jurisdictions on additional personal property investment not subject to tax abatement (2)	4,599,000
- Property taxes captured by taxing jurisdictions on additional real property investment not subject to tax abatement (2)	300,000
- Income tax revenue (3)	4,787,000
Total	$32,487,000
Net benefits over costs from 198 abatement request	**$9,686,000**

(1) Note: taxing jurisdictions lose 50% of the property taxes under the 198 abatement program.

2) The Jefferson North Assembly Plant is located within a Local Finance Development Authority Tax Increment Financing District. Therefore, the TIF district captures tax increment property taxes from the plant to pay debt service on outstanding LDFA bonds. Once the bonds are paid off, any property tax revenues would flow to the taxing jurisdictions, primarily to the City of Detroit.

(3) Income tax revenue based on average of 400 new jobs at $959 average salary per week for 12 years. This revenue flows directly to the City of Detroit.

As can be seen, over the 12-year abatement period, the Jefferson North Assembly Plant project of $373 million is estimated to generate $9.69 million more in property and income taxes than the cost of the 198 abatement.

This is very positive for the City of Detroit.

Other Chrysler Investments at the Jefferson North Assembly Plant

For Council's edification, Chrysler has spent a cumulative $775. 6 million in **non-abated** personal property at the Jefferson North Assembly Plant since the facility was built in 1992. This was generally spent on new machinery and equipment upgrades. In 2007, $16.4 million was spent on personal property for which tax abatement was not sought.

This illustrates Chrysler continual commitment to keeping the Jefferson North Assembly Plant a state-of-the-art facility in order to remain competitive in a challenging market place. It is great to have such a facility located in the City of Detroit.

Other Outstanding Chrysler 198 Tax Abatements

Appendix C-Attachment A shows nine active Detroit abatements associated with Chrysler under the 198 abatement program.

Council approved an abatement supporting a $503.2 million investment in machinery and equipment at Jefferson North Assembly in 1997. Council also approved an abatement supporting a $241.2 million investment in machinery and equipment at Jefferson North Assembly in 2003. Both projects involved the production of the Jeep Grand Cherokee and Jeep Commander brands.

Council should note that Chrysler has seven plants located in the City of Detroit. The number would be eight if the McGraw Glass Plant were not closed in November 2003 due to competitive pressures. Amongst the plants, Council approved 198 abatements supporting investments at Jefferson North Assembly (2 abatements), McGraw Glass (1 abatement), New Mack Engine (2 abatements), Mack II Engine (1 abatement) and Detroit Axle (3 abatements).

The abatements approved supported $2.38 billion in machinery and equipment investments made by Chrysler at the various plants. In addition, $13.2 million in furniture and fixtures were spent, too, to support the various projects.

Chrysler's overall commitment to Detroit has been admirable.

Chrysler's Economic Impact on the City of Detroit

Chrysler's Presence in Detroit

Appendix C-Attachment D provides the 2007 economic impact of Chrysler's presence in the City of Detroit from its seven locations in the City. The following are highlights:

• Total current employment in Detroit	7,862
• Payroll in Detroit	$894.3 million
• Payroll taxes withheld in Detroit City Council	$ 16.5 million
• City of Detroit residents (both active and retired)	14,561
• Support for Detroit Organizations	$ 8.3 million
• Real and Personal Property taxes paid to Detroit	$ 42.6 million

Spending on Goods and Services and Minority Business Spending

Appendix C-Attachment C provides information on Chrysler minority supplier spending in 2007. Highlights include:

- Total Chrysler spending with Detroit-based businesses is $1.3 billion. Total Detroit-based suppliers are 201.
- Total Chrysler spending with Minority Business Enterprises in Detroit is $132 million. Total Detroit MBE suppliers are 36.
- Total construction contracts for Jefferson North Assembly Plant project is $22.5 million, of which $5.5 million is committed to MBE's.

Community Involvement at Jefferson North Assembly Plant

Appendix C-Attachment E shows Chrysler's involvement with the community through the Jefferson North Assembly Plant operations.

Chrysler has been involved with approximately 40 organizations/initiatives in the City of Detroit through Jefferson North Assembly Plant employee efforts. Some organizations, just to name a few, include American Red Cross Blood Drive, Paint the Town, Thanksgiving Food Drive, Detroit Eastside Community Collaborative, Morningside Beautification and Project Playscape II-John C. Clark Elementary.

Chrysler's Commitment to Executive Orders and City's Workforce Development Department

Chrysler has indicated it will use commercially reasonable efforts to support the goals set forth in EO 2007-1 and 2003-04. In addition, the company is presently represented on the Detroit Workforce Development Board and, as in the past, will with DWDD to inform City residents of employment opportunities at Chrysler for qualified applicants.

Recommendation

I recommend that your Honorable Body approve Chrysler's 198 abatement 12-year request to support its $280.6 million personal property (machinery and equipment) investment at the Jefferson North Assembly Plant for the following reasons:

1. Chrysler's total investment of $373 million at the plant would generate $9.7 million (in real and personal property taxes and income taxes through the hiring of at 400 new employees) more than the cost of the abatement.
2. Chrysler is willing to spend $92 million more in real and personal property without receiving tax incentives.
3. The investment could possibly add up to 950 jobs, leading to a second shift at the plant.
4. Chrysler has shown a tremendous commitment to the City of Detroit, based on $2.4 billion in machinery and equipment investments amongst its seven plants located in the City of Detroit.
5. Chrysler's presence in Detroit has meant almost 8,000 in current jobs, a little over 14,500 in active and retired employees who live in Detroit, substantial generation of property and income taxes for the City, and sizable support for Detroit-based and minority businesses and Detroit organizations.
6. Chrsyler's commitment to Executive Orders 2007-1 and 2003-04, with continual commitment to hire City residents by working with the Detroit Workforce Development Department.

The Planning and Development Department will be presenting a resolution for Council's consideration adopting the 12-year abatement for Chrysler's Jefferson North Assembly Plant I believe during today's session per the Planning and Economic Development Standing Committee meeting.

Attachments

cc: Council Divisions
Auditor General's Office
Patrick O. Lindsey, Senior Manager, State Relations-Chrysler
Douglass Diggs, Planning and Development Department Director
Clinton Griffin, PDD-Development Specialist
Art Papapanos, Authorized Agent-Local Development Finance Authority
Norman White, Chief Financial Officer
Pamela Scales, Budget Director
Kerwin Wimberly, Mayor's Office

ICJ:I\CORLEY\Chrysler 198 Abatement Request April 2008.doc

Appendix A

Appendix A

CITY OF DETROIT
PLANNING & DEVELOPMENT DEPARTMENT

PLANNING AND ECONOMIC DEVELOPMENT STANDING COMMITTEE

Planning & Economic Development Standing Committee
Referred to Committee:
LINE ITEM# 15 Date: 2-20-08
Disposition Refer to Fiscal BB 2 wks. Set Disc

January 22, 2008

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Request for discussion regarding the approval of an Industrial Facilities Tax Exemption application from the Chrysler, LLC, in accordance with Public Act 198 of 1974. (Petition #2158)

Honorable City Council:

Representatives of the Planning & Development and Finance Departments have reviewed the application of the following company, which requests City approval of an Industrial Facilities Tax Exemption Certificate.

Based on discussions with the company and the examination of the submitted application, we are convinced this company meets the criteria for tax relief as set forth by Public Act 198 of 1974.

COMPANY:	Chrysler, LLC	
ADDRESS:	2101 Conner Avenue	
LOCATED IN:	Industrial Development District # 101	
TYPE OF BUSINESS:	Automotive manufacturing	
INVESTMENT AMOUNT:	Real Property	$ 0
	Personal Property	$ 280,623,000.00
	Total	$ 280,623,000.00
EMPLOYMENT:	Existing	—
	New hires	419
	Total	—

We request that a discussion be held for the purpose of considering City approval of an Industrial Facilities Exemption Certificate.

DETROIT CITY CLERK
2008 FEB -6 P 2:01

Respectfully submitted,

Douglass J. Diggs
Director of Development Activities

DJD/CG/cg
cc: K. Wimberley, Mayor's Office
C. Nyeche
B. Watkins
P. Lindsey

KWAME M. KILPATRICK, MAYOR

NOTES FOR CITY COUNCIL DISCUSSION
APPROVAL FOR AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
Petition # 2158
Wednesday, March 19, 2006 @ 10:15am

APPLICANT: Chrysler LLC

ADDRESS: 2101 Conner Avenue
Detroit, Mi

REPRESENTED BY: Mr. Patrick Lindsey

TYPE OF BUSINESS AND INVESTMENT: A major automotive parts manufacture and supplier. Recently acquired machinery and equipment to provide improved quality, flexibility and plant capacity.

INVESTMENT AMOUNT:	Real Property	$ 0
	Personal Property	$ 280,623,000.00
	Total	$ 280,623,000.00

PETITIONER'S NEED: Cost Reduction

EMPLOYMENT:	Existing	TBD
	Anticipated	419
	Total	TBD

STARTING DATE OF PROJECT: July 2008

ANTICIPATED COMPLETION DATE: June 2010

LAND USE CONSIDERATIONS: Current Zoning is M2 (Industrial)

RIPPLE EFFECT: The Detroit job stability and tax bases are being improved

ENVIRONMENTAL CONSIDERATIONS: The Company is in compliance with EPA, MDEQ, and OSHA requirements.

AFFIRMATIVE ACTION: The Company received clearance from the Human Rights Department.

LAND: Remains fully taxable.

CITY TAXES: Are paid current.

Michigan Department of Treasury
1012 (Rev. 3-07)

#2158

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▸ Date received by Local Unit
STC Use Only	
▸ Application Number	▸ Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

▸ 1a. Company Name (Applicant must be the occupant/operator of the facility) Chrysler LLC	▸ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3710	
▸ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 2101 Conner Avenue, Detroit, MI 48215	▸ 1d. City/Township/Village (indicate which) Detroit	▸ 1e. County Wayne
▸ 2. Type of Approval Requested ☒ New (Sec. 2(4)) ☐ Transfer (1 copy only) ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(1)) ☐ Research and Development (Sec. 2(9))	▸ 3a. School District where facility is located Detroit	▸ 3b. School Code 82010
	4. Amount of years requested for exemption (1-12 Years) Twelve (12) Years from completion of construction	

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

This proposed project encompasses the acquisition of machinery and equipment to manufacture and assemble the next generation Jeep Grand Cherokee sport utility truck at the Jefferson North Assembly Plant. This new model replaces the existing Jeep Grand Cherokee and will add two new future models to be manufactured and assembled in the same plant. The machinery and equipment to be acquired will provide improved quality, flexibility and capacity for the plant.

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▸ $0.00 Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation plus total costs	▸ $280,623,000.00 Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▸ $280,623,000.00 Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▸			▸ ☐ Owned ☐ Leased
Personal Property Improvements ▸	7/1/08	6/30/10	▸ ☒ Owned ☐ Leased

▸ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☐ Yes ☐ No

▸ 9. No. of existing jobs at this facility that will be retained as a result of this project.	▸ 10. No. of new jobs at this facility expected to create within 2 years of completion 419

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of valuation for the entire plant rehabilitation district and obsolescence statement for property. The SEV data below must be as of December 31 of the year prior to the rehabilitation.

a. SEV of Real Property (excluding land) _____

b. SEV of Personal Property (excluding inventory) _____

c. Total SEV _____

▸ 12a. Check the type of District the facility is located in:

☒ Industrial Development District ☐ Plant Rehabilitation District

▸ 12b. Date district was established by local government unit (contact local unit) 12/9/86	▸ 12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☒ No

2007 OCT 2 PM 3:20 DETROIT CITY CLERK

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
John DiMaggio	(248) 512-1434	(248) 512-5858	jd137@chrysler.com
14a. Name of Contact Person	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
Bill Barrett	(248) 512-5771	(248) 512-5858	wfb21@chrysler.com
▸ 15a. Name of Company Officer (No Authorized Agents)			
Paul L. Wolff			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
PLWolff		(248) 512-5858	10/11/07
▸ 15e. Mailing Address (Street, City, State, ZIP Code)		15f. Telephone Number	15g. E-mail Address
1000 Chrysler Dr., CIMS 485-12-30, Auburn Hills, MI 48326		(248) 512-3113	plw9@chrysler.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▸ 16. Action taken by local government unit

- ☐ Abatement Approved for _____ Years (1-12)
  - After Completion ☐ Yes ☐ No
- ☐ Denied (Include Resolution Denying)

16a. Documents Required to be on file with the Local Unit
Check or Indicate N/A if Not Applicable

- ☐ 1. Notice to the public prior to hearing establishing a district.
- ☐ 2. Notice to taxing authorities of opportunity for a hearing.
- ☐ 3. List of taxing authorities notified for district and application action.
- ☐ 4. Lease Agreement showing applicants tax liability.

16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:
Check or Indicate N/A If Not Applicable

- ☐ 1. Original Application plus attachments, and one complete copy
- ☐ 2. Resolution establishing district
- ☐ 3. Resolution approving/denying application.
- ☐ 4. Letter of Agreement (Signed by local unit and applicant)
- ☐ 5. Affidavit of Fees (Signed by local unit and applicant)
- ☐ 6. Building Permit for real improvements if project has already begun
- ☐ 7. Equipment List with dates of beginning of installation
- ☐ 8. Form 3222 (if applicable)
- ☐ 9. Speculative building resolution and affidavits (if applicable)

16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▸ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▸ LUCI Code	▸ Begin Date Real	▸ Begin Date Personal	▸ End Date Real	▸ End Date Personal

EXHIBIT A

DAIMLERCHRYSLER CORPORATION
JEFFERSON NORTH ASSEMBLY PLANT

REAL PROPERTY LEGAL DESCRIPTION

Parcel I: Land in the City of Detroit, County of Wayne, State of Michigan, being all of Lots 11 thru 46, both inclusive, part of Lots 1 thru 10, both inclusive, the reversionary interests in Gladwin Ave., 50 feet wide, and the Public Alleys adjoining said lots, all of "Fournier's Subdivision" of part of Private Claims 26 as recorded in liber 23, page 99 of Plats, Wayne County Records; also all of Lots 1 thru 12, both inclusive, the reversionary interests in the Westerly one half of Gladwin Ave., 50 feet wide and the Public Alley adjoining said lots, all of "DeBusscher Subdivision" of part of Private Claim 26 lyrin between Mack Avenue and Goethe Avenue (sic), as recorded in liber 46, page 39 of Plats, Wayne County Redords (sic,N also all of Lots 1 thru 14 both inclusive, the reversionary interests in Westerly one half of Gladwin Ave., 50 feet wide and the Public Alley adjoining said Lots, all of "East Side Subdivision" of part of Private Claim 26, as recorded in liber 30, page 75 of Plats, Wayne County Records; also all of Lots 1 thru 25 both inclusive, the reversionary interest in Gladwin Ave., 50 feet wide and the Public Alley adjoining said Lots, all of "Addition to Seymour and Troester's Gladwin Park Subdivision" of part of Private Claim 26, as recorded in liber 28, page 90 of Plats, Wayne County Records; also all of Lots 1 thru 140, both inclusive, all of Lot A, the reversionary interests in Goethe Ave., 60 feet wide Charlevoix Ave., 60 feet wide, Gladwin Ave., 50 feet wide and the Public Alleys adjoining said Lots all of "Seymour and Troester's Gladwin Park Subdivision" of part of Private Claim 26, as recorded in liber 27, page 8 of Plats, Wayne County Records; also part of Private Claim 26 and the reversionary interests in How Court 40 feet wide and Gladwin Ave., 50 feet wide; also all of Lots 13 thru 61, both inclusive, part of Lots 1 thru 12, both inclusive, the reversionary interests in Hillger Ave., 70 feet wide and the Public Alleys adjoining said lots, all of "Corby and Rivard's Subdivision" of part of Private Claim 641, lying South of Mack Avenue, as recorded in liber 26, page 33 of Plats, Wayne County Recrods (sic,N also, all of Lots 57, 61 thru 89, both inclusive, 93 thru 120, both inclusive, 124 thru 143, both inclusive, part of Lots 58, 60, 90, 92, 121 and 123, the reversionary interests in Goethe Ave., 60 feet wide, Charlevoix Ave., 60 feet wide, Vernor Highway 60 feet wide, the Westerly one half of Hillger Ave., 70 feet wide and the Public Alley adjoining said Lots all of "Hillger's Subdivision" of the Northerly part of the Southerly 19.694 acres of the West 1/2 of Private Claim 641 North of Jefferson Avenue, as recorded in liber 23, page 95 of Plats, Wayne County Records; also part of Lots 1, 6 thru 24, 28, 29 all of Lots 30 thru 56, the reversionary interests in the Westerly one half of Hillger Ave., 70 feet wide and the Public Alleys adjoining said Lots all of "Hillger's Subdivision" of the Southerly 1677 feet of the Southerly 19.694 acres of the West 1/2 of Private Claim 641 North of Jefferson Avenue, as recorded in liber 23, page 77 of Plats, Wayne County Records; also part of Lot 22, and 54, all of Lots 1 thru 125, both inclusive, Block 2, all of Lots 1 thru 150, both inclusive of Block 3, all of Lots 1 thru 140 both inclusive of Block 4, all of Lots 1 thru 22, both inclusive, 26 thru 107, both inclusive, 117 thru 124 both inclusive, 126 thru 207, both inclusive, part of Lots 23, 24, 25, 108, 109, 116, 208, 209, and 125 of Block 5, and the reversionary interests in the Easterly one half of Hillger Ave., 70 feet wide, all of Lycaste Ave., 60 feet wide, Hart Ave., 60 feet wide, Goethe Ave., 60 feet wide Charlevoix Ave., 60 feet wide, Vernor Highway 60 feet wide, Kercheval Ave., 80 feet wide and all of the Public Alleys adjoining said Lots, all in "hart Farm Subdivision" of part of Private Claims 641, 638 and 687, as recorded in Liber 24, Page 53 of Plats, Wayne County Records; also part of Private Claims 641; also part of Lots 7, 8 and 9 and the re
versionary interests in Charlevoix Ave., 60 feet wide, Bernor Highway 60 feet wide and the Public Alleys adjoining said Lots all of "Subdivision of the front of Private Claim 392", as recorded in Liber 1, Page 167 of Plats, Wayne County Records; also part of Lots 14 and 16 thru 18 both inclusive, the reversionary interests in Vernor Highway 60 feet wide, Kercheval Ave., 80 feet wide

and the Public Alleys in said Lot 12 all of "Plan of Subdivision of Private Claims 385 and 386 for the heirs of the late H. Connor of Gross POinte, as recorded in Liber 49, Page 494 of Deeds, Wayne County Records; also all of Lots 1 and 2 of "American Motors Subdivision No. 1" of parts of Private Claims 385, 386 and 388, as recorded in Liber 87, Page 48 of Plats, Wayne County Records; also all of Lots 3 and 4 of "American Motors Subdivision No. 2" of part of Private Claims 385, 386 and 388, as recorded in Liber 87, Page 49 of Plats, Wayne County Records; also all of Lots 1 thru 31, both inclusive, the reversionary interests in Corey Ave., 50 feet wide and the Public Alleys adjoining said Lots all of "Danziger and Skinner's Subdivision" of the part of Lot 15 of H. Connor Estates, Private Claim 385 and 386 between Jefferson and Kercheval Avenues, as recorded in Liber 26, Page 29 of Plats, Wayne County Records; also part of Private Claim 388 and the reversionary interests in Kercheval Ave., 80 feet wide and Vernor Highway 60 feet wide, in said Private Claim 388, all being more particularly described as follows: Beginning at the intersection of the Easterly line of Lycaste Ave., 60 feet wide, with the Northerly line of Jefferson Ave., 120 feet wide, at the Southwesterly corner of Lot 55 of Block 1 of the above mentioned "Hart Farm Subdivision" as recorded in Liber 24, Page 53 of Plats, Wayne County Records; thence along the Northerly line of Jefferson Ave., 120 feet wide North 63 (degrees) 24' 50" East, 802.37 feet; thence North 78 (degrees) 39' 47" East 356.40 feet; thence North 26 (degrees) 08; 40" West along the easterly line of Corey Ave., 50 feet wide, 985,38 feet to the Southerly line of Kercheval Ave., 80 feet wide; thence North 61 (degrees) 44' 37" East along the Southerly line of Kercheval Ave., 240.76 feet; thence North 28 (degrees) 15' 23" West, perpendicular to the Southerly line of Kercheval Ave., 80.00 feet to the Northerly line of Kercheval Ave.; thence along the existing property line of the Chrysler Corporation, North 25 (degrees) 48' 01" West 541.74 feet, North 64 (degrees) 04' 12" East, 198.70 feet, North 25 (degrees) 36' 38" West, 181.10 feet to the Southerly line of Vernor Highway, 60 feet wide, North 64 (degrees) 04' 12" East, along the Southerly line of Vernor Highway, 407.01 feet, and South 25 (degrees) 40' 57" East, 698.27 feet to the Northerly line of Kercheval Ave.; thence South 28 (degrees) 15' 23" East, perpendicular to the Northerly line of Kercheval Ave., 80.00 feet to the Southerly line of Kercheval Ave.; thence North 61 (degrees) 44' 37" East along the Southerly line of Kercheval Ave., 351.08 feet to the Westerly line of Conner Ave., 86 feet wide; thence North 25 (degrees) 53' 53" West along the Westerly line of Conner Ave., 1753.07 feet to the Southerly line of Charlevoix Ave., 60 feet wide; thence along the Southerly line of Charlevoix Ave., South 63 (degrees) 31' 20" West, 1394.50 feet; thence South 02 (degrees) 34' 29" East, 55.78 feet; thence South 63 (degrees) 31' 20" West, 117.00 feet; thence North 25 (degrees) 48' 01" West 2403.29 feet to a line 50.00 feet ojf (sic) Conner Lane, North 25 (degrees) 48' 01" West 2403.29 feet to a line 50.00 feet Southerly of and parallel to the construction center line of the Mack Ave., being the center line of proposed Mack Ave., 100 feet wide; thence along said line South 53(degrees) 07' 30" West, 1073.71 feet to a point of curve; thence 197.63 feet on the arc of a curve to the left with a radius of 2815.00 feet, a delta angle of 04 (degrees) 01' 21" and a long chord which bears South 51 (degrees) 06' 50" West, 197.59 feet to the Southerly line of Mack Ave., 120 feet wide (as widened March 6, 1928,N thence along the Southerly line of Mack Ave., 120 feet wide South 44 (degrees) 38' 55" West, 490.74 feet to the Easterly line of St. Jean Ave., 66 feet wide; thence along the Easterly line of St. Jean Ave., South 26 (degrees) 01' 15" East, 1113.74 feet and South 25 (degrees) 56' 01" East, 2727.88 feet to the intersection with the Northerly line of Kercheval Ave., 80 feet wide; thence along the Northerly line of Kercheval Ave., North 61 (degrees) 44' 37" East, 893.09 feet to the Easterly line of Lycaste Ave., South 25 (degrees) 55' 08" East, 938.38 feet to the Northerly line of Jefferson Ave., and the point of beginning, containing 10,238,488 square feet of 235.0433 acres more or less.

P:\prop_tax\PLANTS\ASSEMBLY\JNAP\JNAP legal.doc

EXHIBIT B
2010-2011 W-SERIES INVESTMENT
JEFFERSON NORTH ASSEMBLY
ASSET LISTING

System Type	Description	Project Amount	Start Install	Finish Install
PAINT SHOP				
Paint Systems	PAINT ENGINEERING SUPPORT	$ 5,530,000	7/1/08	6/30/10
Paint Systems	PAINT UPGRADE SEALER ROBOTS	$ 6,200,000	7/1/08	12/31/09
Paint Systems	AUTOMATION PAINT SHOP	$ 6,000,000	7/1/08	12/31/09
Paint - Spraying Equip	UPGRADE POWDER PAINT AUTOMATION	$ 350,000	7/1/08	12/31/09
Booths/Ovens	UPGRADE BASE COAT/CLEAR COAT	$ 660,000	7/1/08	6/30/09
Phosphate/Uniprime Sys	UPGRADE PHOSPHATE SYSTEM	$ 578,000	7/1/08	6/30/09
Phosphate/Uniprime Sys	UPGRADE E-COAT SYSTEM	$ 72,000	7/1/08	6/30/09
Paint Systems	INSTALLATION	$ 5,610,000	7/1/08	12/31/09
Paint Systems	Modify tunnels, change line spacing	$ 1,871,000	7/1/08	6/30/09
Paint Systems	Lengthen 5 ovens, implement rapid repair deck	$ 12,350,000	7/1/08	12/31/09
PAINT SHOP TOTAL		$ 39,221,000		
CONVEYOR SYSTEM				
Conveyors	T/C/F ENGINEERING AND SUPPORT	$ 13,590,000	7/1/08	6/30/10
Conveyors	AAME SUPPORT - GENERAL	$ 5,250,000	7/1/08	6/30/10
Conveyors	PALLETS & SKIDS	$ 25,570,000	7/1/08	12/31/09
Conveyors	I.P. CONVEYOR SYSTEM & CARRIER	$ 5,245,000	7/1/08	6/30/09
Conveyors	CONVEYOR SYSTEM & CARRIERS	$ 8,000,000	7/1/08	6/30/09
Conveyors	BIW Conveyor OAL Change	$ 308,500	7/1/08	6/30/09
Conveyors	Paint Conveyor OAL Change	$ 9,943,500	7/1/08	6/30/09
Conveyors	TCF Conveyor OAL Change	$ 5,498,800	7/1/08	6/30/09
Conveyors	Reprocessing, architectural & conveyor engineering:	$ 6,761,200	7/1/08	6/30/10
CONVEYOR TOTAL		$ 80,167,000		
TRIM-CHASSIS-FINAL				
Chassis/Engine Insertion	UPGRADE CHASSIS SYSTEMS	$ 16,480,000	7/1/08	12/31/09
Chassis/Engine Insertion	UPGRADE ENGINE LINE SYSTEM	$ 2,477,000	7/1/08	12/31/09
Door Install	UPGRADE DOOR SYSTEMS	$ 2,598,000	7/1/08	12/31/09
Evacuation & Fill Equip	UPGRADE FLUID FILL SYSTEMS	$ 5,085,000	7/1/08	12/31/09
Mechanical Assist	INTERIOR TRIM UPGRADES	$ 5,086,000	7/1/08	12/31/09
Mechanical Assist	UPGRADE FINAL LINE SYSTEM	$ 7,603,000	7/1/08	12/31/09
Tire Mounting/Inflating	UPGRADE TIRE AND WHEEL SYSTEMS	$ 2,500,000	7/1/08	12/31/09
General Assembly	Wheelbase change in decking, respace all areas	$ 5,950,000	7/1/08	12/31/09
General Assembly	TCF Truss Remediation:	$ 2,200,000	7/1/08	12/31/09
TRIM-CHASSIS-FINAL TOTAL		$ 49,979,000		
BODY-IN-WHITE				
Auto Respot	PANEL LINE UPGRADES	$ 6,632,000	7/1/08	12/31/09
Aperture	BODY SIDE INNER SYSTEMS	$ 9,559,000	7/1/08	12/31/09
Aperture	BODY SIDE OUTER SYSTEMS	$ 29,677,000	7/1/08	12/31/09
Framing	ROOF FRAMING SYSTEM	$ 13,388,000	7/1/08	12/31/09
Auto Respot	UNDERBODY UPGRADES	$ 23,564,000	7/1/08	12/31/09
Framing	INNER & OUTER FRAMING SYSTEMS	$ 22,396,000	7/1/08	12/31/09
	Additional welds, multiple PLPs	$ 1,740,000	7/1/08	12/31/09
BODY-IN-WHITE TOTAL		$ 106,956,000		
INFORMATION TECHNOLOGY				
Sys Control Computer	P&I ITM SYSTEMS - GENERAL	$ 1,500,000	7/1/08	12/31/09
Sys Control Computer	GENERAL SYSTEMS INTEGRATION	$ 2,800,000	7/1/08	6/30/10
IT EQUIPMENT TOTAL		$ 4,300,000		
	INVESTMENT TOTALS BY AREA			
	PAINT SHOP	$ 39,221,000		
	CONVEYOR	$ 80,167,000		
	T-C-F	$ 49,979,000		
	B-I-W	$ 106,956,000		
	ITM	$ 4,300,000		
	TOTAL INVESTMENT	$ 280,623,000		

EXHIBIT C
ATTACHMENT TO FORM 1012

AFFIDAVIT FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

CHRYSLER LLC
JEFFERSON NORTH ASSEMBLY PLANT
DETROIT, MICHIGAN

I, Robert A. Florian, Sr. Manager, Advanced Manufacturing Engineering of Chrysler LLC for Jefferson North Assembly Plant, located at 2101 Conner Avenue, Detroit, Michigan, hereby affirm that, to the best of my knowledge and belief, the earliest of either the construction of equipment foundations or installation of new machinery and equipment identified on the attached "Exhibit B" is scheduled to commence on or about July 1, 2008.

Robert A. Florian

Subscribed and sworn before me on this 5th day of October, 2007.

Notary

KATHERINE M. MUZYK
Notary Public, Macomb County, Michigan
Acting in Oakland County
My Commission Expires October 22, 2010

My commission expires: _____

EXHIBIT D

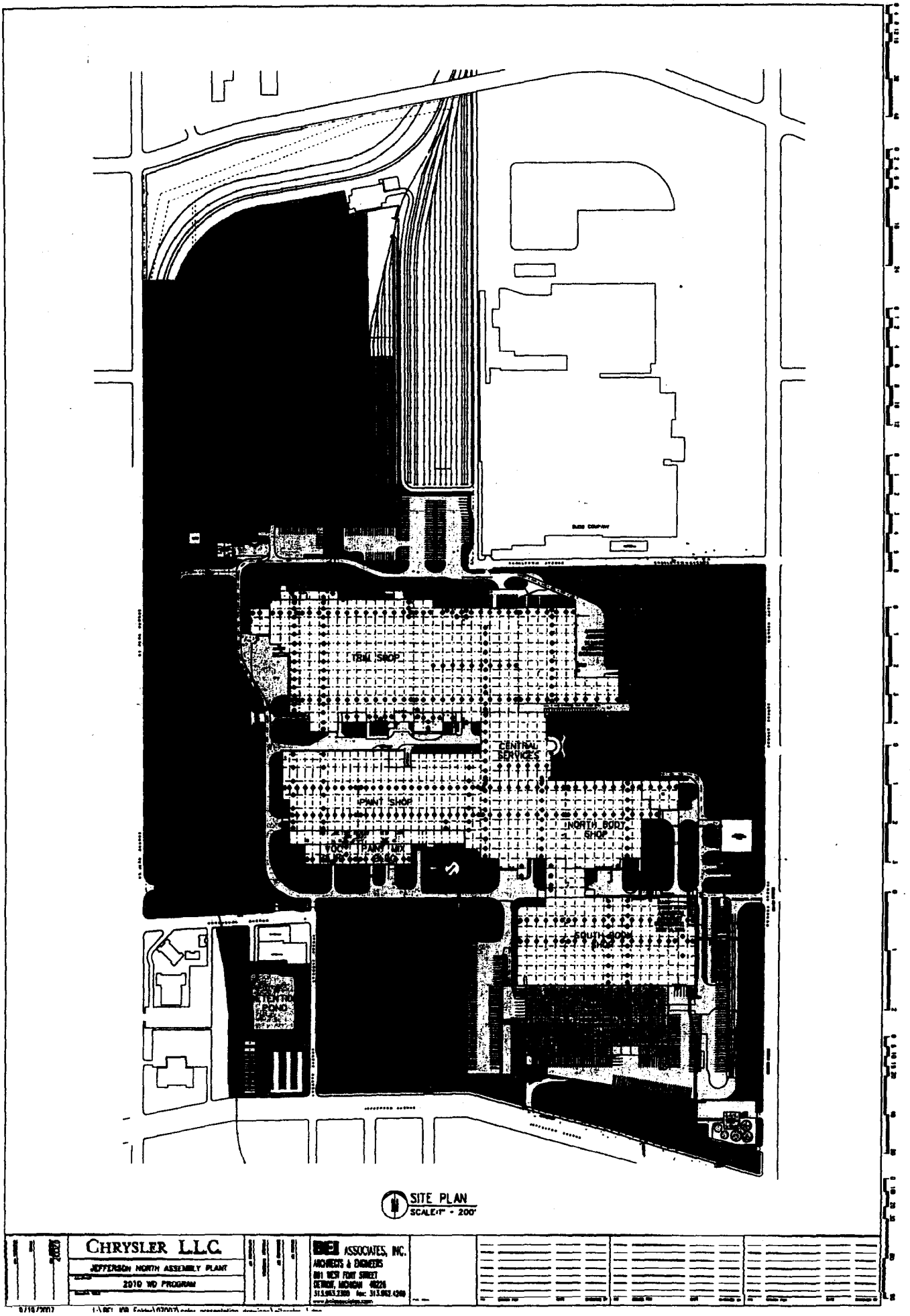
TRIM SHOP
CENTRAL SERVICES
PAINT SHOP
NORTH BODY SHOP
SOUTH BODY SHOP
SITE PLAN
SCALE:1" = 200'
CHRYSLER L.L.C.
JEFFERSON NORTH ASSEMBLY PLANT
2010 WD PROGRAM
BEI ASSOCIATES, INC.
ARCHITECTS & ENGINEERS
801 WEST FORT STREET
DETROIT, MICHIGAN 48226

EXHIBIT E

Law Department

December 8, 1986

Honorable City Council:

Re: City of Detroit Community & Economic Development Department. (Petition No. 779—Chrysler City Project). Request to establish an Industrial Development District.

Submitted herewith is a resolution establishing an Industrial Development District in the area of Chrysler City Project according to the provision of Act No. 198 of the Public Acts of 1974, as amended.

Respectfully submitted,
PETER W. MACUGA II
Sprv. Asst. Corp. Counsel

Approved:
By: ABIGAIL ELIAS
Deputy Corporation Counsel

By Council Member Ravitz:

Whereas, Pursuant to Act No. 198 of the Public Acts of 1974, as amended, this City Council has the authority to establish "Industrial Development Districts" within the boundaries of the City of Detroit; and

Whereas, City of Detroit Community & Economic Development Department (Petiton No. 779) has petitioned this Council to establish an Industrial Development District in the area of Chrysler City Project, more particularly described in Exhibit A attached hereto; and

Whereas, On the 9th day of December, 1986 at 10:40 a.m. in the City Council Committee Room 13th Floor, City-County Building, a public hearing was held on the question of the establishment of this Industrial Development District at which time any owners of real property within the proposed district and any other resident or taxpayer of the City of Detroit had an opportunity to be heard; and

Whereas, Written notice of this public hearing was given by certified mail to the owners of all real property within the proposed Industrial Development District;

Now Therefore Be It

Resolved, That the property referred to above and more particulary described in Exhibit A attached hereto is hereby established as an Industrial Development District for purposes of Act No. 198 of the Public Acts of 1974, as amended; and be it further

Resolved, That the said Industrial Development District is hereby designated as City of Detroit Industrial Development District No. 101.

Approved:
By: ABIGAIL ELIAS
Deputy Corporation Counsel

EXHIBIT "A"

Land in the City of Detroit, County of Wayne, State of Michigan described as follows:

Property bounded by East Jefferson between Conner and Hilger, Hilger between E. Jefferson and Kercheval, Kercheval between Hilger and St. Jean, St. Jean between Kercheval and Mack, Mack between St. Jean and Conner Lane, Conner Lane between Mack and Charlevoix, Charlevoix between Conner Lane and Conner, Conner between Charlevoix and E. Jefferson.

Adopted as follows:

Yeas — Council Members Cleveland, Collins, Eberhard, Hood, Kelley, Mahaffey, Peoples, Ravitz, and President Henderson — 9.

Nays — None.

Approved by City Council at Regular Session Wed. Dec. 10, 1986

Detroit Legal News Mon. Dec. 15, 1986

Appendix B

Appendix B

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
DIRECTOR
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: irvin@cncl.ci.detroit.mi.us

ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

Revised

TO: Patrick Lindsey
Senior Manager-State Relations, External Affairs & Public Policy, Chrysler, LLC

FROM: Irvin Corley, Jr., Director
Detroit City Council Fiscal Analysis Division

DATE: March 5, 2008

RE: Questions on Chrysler's 2008 PA 198 Tax Abatement Request

Mr. Lindsey, per our last conversation, thank you for your willingness to provide the Honorable Detroit City Council an informational package describing in more detail Chrysler's need for a PA 198 tax abatement on the company's proposed personal property investment of $280.6 million.

However, I thought it would be beneficial to you to provide my questions on this request that could possibly be addressed in your informational package. My questions follow:

Our database of PA 198 tax abatements indicates there are eight (8) outstanding abatements associated with Chrysler, as listed below:

198 Abatement Certificate Number	Company	Original Investment	2004 Investment	Proj Jobs Retained	Proj Jobs Created	Proj Jobs Total	Actual Jobs 2004	Actual Jobs 2005	Actual Jobs 2006
97-192	Chrysler	$475,820,000	$475,820,000	950	0	950	1,065	967	902
97-640	Chrysler	$157,959,000	$160,216,167	1,374	0	1,374	2,083	2,108	1,699
97-641	Chrysler	$119,030,300	Unavailable	900	0	900	Unavailable	Unavailable	Unavailable
97-642	Chrysler	$464,940,327	$368,239,222	4,010	0	4,010	3,029	3,051	2,808
98-670	Chrysler	$474,500,000	$390,623,890	600	0	600	740	763	758
00-693	Chrysler	$274,000,000	Unavailable	950	0	950	Unavailable	Unavailable	Unavailable
02-250	Chrysler	$80,060,500	$72,220,650	794	0	794	2,083	2,108	1,699
03-574	Chrysler	$241,167,000	Unavailable	2,690	0	2,690	Unavailable	Unavailable	Unavailable

08-proposed	**Chrysler**	**$280,623,000**	**n/a**	**0**	**419**	**419**	**n/a**	**n/a**	**n/a**
Total Investment		$2,568,100,127							

If City Council approved the abatement that is currently before them, the abatements given Chrysler over the last 11 years would support over $2.57 billion in personal property (machinery and equipment) investment for the Detroit plant locations. This significantly supports Chrysler's commitment to the City of Detroit.

My records show that the above abatements relate to the following locations:

198 Abatement Certificate Number	**Company**	**Detroit Plant Location Abatement Relates to**	**Actual Level of Employment**	**When Emp. Information was provided**	**Products Offered at Location**
97-192	Chrysler	**Mack Avenue Engine Plant I,** 4000 St. Jean Avenue (Phase 1)	613	July 2007	4.7-liter V-8 Engines-Jeep Grand Cherokee, Jeep Commander, Dodge-Durango, Dakota, Ram
97-640	Chrysler	**Detroit Axle Plant,** 6700 Lynch Rd.	1,646	July 2007	**Rear Drive Axles:** Dodge-Dakota, Durango, Ram, Nitro, Chrysler Aspen, Jeep-Liberty, Grand Cherokee. **Front Drive Axles:** Dodge-Ram, Dakota, Durango, Chrysler Aspen, Jeep Grand Cherokee. **Differentials:** Chrysler 300, Dodge-Magnum, Charger.
97-641	Chrysler	**McGraw Glass Plant,** 9400 McGraw	n/a-plant is closed	n/a-plant is closed	n/a-plant is closed. The plant formerly made windshields and window glass for most Chrysler cars and trucks.
97-642	Chrysler	**Jefferson North Assembly Plant,** 2101 Conner Street	2,400	February 2007	Jeep Grand Cherokee and Jeep Commander
98-670	Chrysler	**Mack Avenue Engine Plant II,** 4500 St. Jean Avenue	662	July 2007	3.7-liter V-6 Engines-Jeep Grand Cherokee, Jeep Commander, Jeep Liberty, Dodge-Durango, Dakota, Ram
00-693	Chrysler	**Mack Avenue Engine Plant I,** 4000 St. Jean Avenue (Phase 2)	613	July 2007	4.7-liter V-8 Engines-Jeep Grand Cherokee, Jeep Commander, Dodge-Durango, Dakota, Ram
02-250	Chrysler	**Detroit Axle Plant,** 6700 Lynch Rd.	1,646	July 2007	See 97-640 abatement above.
03-574	Chrysler	**Jefferson North Assembly Plant,** 2101 Conner Street	2,400	February 2007	Jeep Grand Cherokee and Jeep Commander
08-proposed	**Chrysler**	**Jefferson North Assembly Plant,** 2101 Conner Street	2,400	February 2007	Jeep Grand Cherokee and Jeep Commander

I note, too, that Chrysler has two (2) other plants in Detroit that do not have any abatements associated with them at this time.

n/a-no abatement at present time	Chrysler	**Conner Avenue Assembly Plant,** 20000 Conner Avenue	115	July 2007	Dodge Viper SRT10 Coupe & Roadster and V-10 Engine
n/a-no abatement at present time	Chrysler	**Mt. Elliott Tool & Die Plant,** 3675 East Outer Drive	290	July 2007	Stamping Dies, Checking Fixtures, and Stamping Fixtures.

1. Per the 198 Industrial Facilities Exemption Certificate (IFEC) agreement for the 97-192 abatement for the Mack Avenue Engine Plant I, Chrysler promised the retention of 950 jobs at both the Mack Engine Plant I and the Mound Road plant. What is the current number of employees at these plants, and if lower than 950 please provide the reason why.

2. Per the 198 IFEC agreement for the 98-670 abatement for the Mack Avenue Engine Plant II, Chrysler promised the retention of 600 jobs at both the Mack Engine Plant II and the Mound Road plant. What is the current number of employees at these plants, and if lower than 600 please provide the reason why.

3. Please provide the current level of employees at the Detroit Axle Plant.

4. 198 abatement 97-641 relates to the McGraw Glass Plant facility. How much in personal property was actually invested at this plant? Is the McGraw Glass Plant now closed? If so, when did it close and why did it close? Is the machinery and equipment associated with this plant now obsolete/dysfunctional, or is Chrysler still benefiting from the abatement on this machinery and equipment even though the plant is closed?

5. What was the actual level of personal property investment at the Mack Avenue Engine Plant I under the phase 2 program under the 00-693 198 abatement?

6. Chrysler requested for a 198 abatement for a $53 million personal property investment to be made at the Detroit Axle Plant in 2006. My 198 abatement database does not include this abatement. If Council approved this abatement, what is the abatement certificate number, the current level of investment in personal property under this abatement, and the number of jobs retained and created, if any, that were promised. Please provide a copy of the abatement application and supporting documentation supporting this abatement if it was approved. In addition, please list any other abatements currently outstanding that relate to Chrysler plants located in the City of Detroit, and provide any support documentation.

7. Please provide the current level of employees at the Jefferson North Assembly Plant. In addition, please provide the number of Detroiters, the number of minorities, and the number of women. Please provide an official EEO contract compliance report that supports this.

8. What was the actual level of personal property investment at the Jefferson North Assembly Plant under the 03-574 198 abatement? In addition, please provide the level of any new investment in real and personal property made at Jefferson North without the aid of local tax incentives.

9. The 03-574 abatement represents the last abatement for the Jefferson North Assembly Plant supporting a personal property investment of $241,167,000. This investment encompassed the acquisition of machinery and equipment to manufacture and assemble the next generation Jeep Grand Cherokee truck at this plant. The machinery and equipment acquired would also provide improved quality, flexibility and capacity for the plant. What is the life cycle of the existing Jeep Grand Cherokee truck?

10. The 2008 198 abatement currently before City Council supports the proposed personal property investment of $280,623,000 representing the acquisition of machinery and equipment to manufacture and assemble the next generation Jeep Grand Cherokee sport utility truck at the Jefferson North Assembly Plant. This new model would replace the existing Jeep Grand Cherokee and will add two new future models to be manufactured and assembled in the same plant. The machinery and equipment to be acquired would provide improved quality, flexibility and capacity for the plant. Since this abatement request is five (5) years after the last abatement request at Jefferson North (however, it probably took a couple of years to install and implement the new machinery and equipment planned in 2003), would this next Jeep Grand Cherokee fully replace the existing one that is currently being built at Jefferson North? What is the projected life cycle of this next generation Jeep Grand Cherokee truck? What two new future models are planned to be manufactured at Jefferson North, when would these models come out, and what are the life cycles of these models? In addition, how would this $280.6 million personal property investment make Jefferson North more competitive in the current market place? How many shifts are currently running at Jefferson North? How many shifts would be running if Council approves this abatement supporting this investment?

11. Please provide the following information that would extremely help me to do a cost/benefit analysis of this 198 tax abatement request.

    a. The anticipated property tax savings in the first year and over the 12-year period of the abatement by not paying 50% of the property taxes (City, County and Schools) under the 198 abatement program on the proposed $280.6 million personal property investment. In addition, any property tax

savings under the new Michigan Business Tax legislation (PA 145 of 2007), which offers an industrial personal property tax exemption for industrial businesses located in Michigan.

b. Any additional investment (both real and personal property) Chrysler would make under this project without the assistance of local tax incentives.
c. The gross and net new property tax revenue (City, County and Schools) that would be generated from the total investment in this project.
d. Anticipated project commencement date and estimated completion date of the project.
e. The rationale why this abatement request does not promise any number of jobs retained.
f. This abatement request does promise 419 new jobs. Please provide the average salary and projected annual income tax revenue from these new jobs. In addition, please provide projected number of new jobs for Detroiters, minorities and women.
g. The projected expenditures on goods and services provided by Detroit based businesses?
h. In terms of Chrysler's presence in the City of Detroit, what is the 1) total current employment in the City; 2) the total annual payroll in Detroit; 3) the total annual property taxes (City, County, Schools); 4) the number of active and retired Chrysler employees residing in the City; and 5) the total estimated income tax revenues after one, five and 12 year(s) of project completion.

12. Please describe what the Jefferson North Assembly Plant has done for the community, in terms of apprenticeship programs, neighborhood beautification projects, philanthropic contributions, etc.

13. As it relates to the proposed personal property investment in the Jefferson North Assembly Plant, please describe Chrysler's commitment to use commercially reasonable efforts to comply with the goals set forth in Executive Order No. 2007-1:Utilization of Detroit Residents on Publicly Funded Construction Projects and Executive Order No. 2003-04: Utilization of Detroit Headquartered Businesses and Detroit Based Businesses for City of Detroit Contracts. A copy of these executive orders is attached.

14. In connection with the executive orders described above, please explain Chrysler's plan to work with the City's Detroit Workforce Development Department to provide qualified City residents with the opportunity to fill temporary construction worker jobs and regular full-time jobs created by the Jefferson North Assembly Plant proposed personal property investment project.

Thank you very much for your responses to these questions. I believe a discussion will be set on this 198 abatement request in the Planning and

Economic Development Standing Committee meeting this Wednesday on March 5th.

If you think you need more time to respond to my questions, please let Clinton Griffin in Planning and Development Department know so that the discussion could be held at a later date.

cc: Detroit City Council
Council Divisions
Auditor General's Office
Douglass Diggs, Planning and Development Department Director
Clinton Griffin, PDD-Development Specialist
Art Papapanos, Authorized Agent-Local Development Finance Authority
Norman White, Chief Financial Officer
Pamela Scales, Budget Director
Kerwin Wimberly, Mayor's Office

ICJ:I\CORLEY\Questions on Chrysler 198 Abatement Request 2008.doc

EXHIBIT A

Kwame M. Kilpatrick, Mayor
City of Detroit
Executive Office

Coleman A. Young Municipal Center
2 Woodward Ave., Suite 1126
Detroit, Michigan 48226
Phone 313•224•3400
Fax 313•224•4128
www.ci.detroit.mi.us

EXECUTIVE ORDER NO. 2007-1

TO: **ALL BOARDS, COMMISSIONS, DEPARTMENT DIRECTORS, CITY COUNCIL MEMBERS AND THE CITY CLERK**

SUBJECT: **UTILIZATION OF DETROIT RESIDENTS ON PUBLICLY-FUNDED CONSTRUCTION PROJECTS**

DATE: **SEPTEMBER 10, 2007**

It is the policy of this Administration to encourage and maximize the utilization of Detroit residents on publicly-funded construction projects. An important component of the economic revitalization of Detroit is the employment of Detroit residents.

This Executive Order directs City departments and agencies to implement specific residency requirements on all construction projects funded, in whole or in part, by the City, and applies to those funded by state or federal funds to the extent permitted by law.

All City of Detroit project construction contracts shall provide that at least **fifty-one percent (51%)** of the workforce must be bona-fide Detroit residents. In addition, Detroit residents shall perform **fifty-one percent (51%)** of the hours worked on the project. Workforce and project hours shall include work performed by Detroit residents in the various job categories: officials and managers, supervisors and forepersons, professionals, technicians, sales workers, office and clerical, skilled trades, craft workers, operators, laborers, service workers, apprentices, and on-the-job training positions.

Failure to meet the Detroit resident workforce requirement, including project hours, will result in the following monthly financial penalties:

Financial Penalties

Detroit Resident Hours	Monthly Recruitment Fee
45% - 50%	3%
40% - 44%	7%
30% - 39%	10%
0% - 29%	15%

Developers, general contractors, prime contractors and sub-contractors are required to pass the requirements of this Executive Order down to all lower-tier contractors. However, it is the sole responsibility of the entity contracting with the City of Detroit to require all of their contractors to comply with the City of Detroit requirement to utilize fifty-one percent (51%) of Detroit residents on construction projects. In reaching the Detroit residency requirement, local union halls may be utilized, however, the City of Detroit Workforce Development Department and/or its designee shall be the first source utilized to recruit and hire Detroit residents, where Detroit residents are unavailable at the local union halls. **Failure to meet the requirements of this Executive Order will constitute a breach of contract and may result in immediate termination of the contract.**

At the option of the City of Detroit, any developer, general contractor, prime contractor, sub-contractor, or lower-tier contractor that is deficient in the utilization of Detroit residents may be barred from doing business with the City of Detroit for one (1) year. In addition, the City of Detroit reserves the right to re-bid the contract, in whole or in part, and/or hire its own workforce to complete the work.

All construction contracts, construction contract amendments, change orders, and extensions shall include the terms of this Executive Order. The Human Rights Department shall have the responsibility for preparing administrative guidelines, monitoring, and enforcing the provisions of this Executive Order.

This Executive Order supersedes Executive Order No. 22 issued by Mayor Coleman A. Young on August 29, 1983. This executive order is effective November 1, 2007.

Kwame M. Kilpatrick
Mayor

KWAME M. KILPATRICK, MAYOR
CITY OF DETROIT
EXECUTIVE OFFICE

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1126
DETROIT, MICHIGAN 48226
PHONE 313-224-3400
FAX 313-224-4128
WWW.CI.DETROIT.MI.US

EXECUTIVE ORDER NO. 2003-4

TO: ALL BOARDS, COMMMISSIONS, DEPARTMENT DIRECTORS, CITY COUNCIL MEMBERS AND THE CITY CLERK

FROM: KWAME M. KILPATRICK, MAYOR

RE: UTILIZATION OF DETROIT HEADQUARTERED BUSINESSES AND DETROIT BASED BUSINESSES FOR CITY OF DETROIT CONTRACTS

DATE: October 14, 2003

It is the policy of this administration to encourage and increase the utilization of Detroit Headquartered Businesses and Detroit-Based Businesses. An important component of the economic revitalization of Detroit is the utilization of Detroit Headquartered Businesses and Detroit Based Businesses in the City of Detroit's contracting. The City government is a major purchaser of goods and services. A substantial percentage of the City of Detroit's budget will be used to purchase goods and services to meet the needs of Detroit and its citizens.

This Executive Order directs City departments and agencies to implement specific purchasing goals for the utilization of Detroit Headquartered Businesses and Detroit Based Businesses. The goal of this administration is to award thirty percent (30%) of the total dollar value of City contracts to Detroit Headquartered Businesses and Detroit-Based Businesses. The ability of individual departments to achieve this goal may vary as a function of the types of goods and services required and the availability of Detroit Headquartered Businesses and Detroit-Based Businesses to perform any given contract. However, all departments shall make their best efforts to meet this goal. All city departments and agencies are directed to review their contracting practices and procedures for the implementation of this Executive Order.

The Purchasing Ordinance, Detroit City Code Section 18-5-2, provides equalization factors to be applied to the bids of Detroit Headquartered Businesses and Detroit-Based Businesses. All city departments and agencies shall encourage such businesses to participate in the bidding for their contracts.

The Purchasing Ordinance, Detroit City Code Section 18-5-33, provides that professional services contracts are to be open to competition utilizing requests for proposals, requests for qualifications or requests for quotations. It provides that a firm's status as a Detroit-Based Business, Joint Venture, or Mentor Venture shall be one of the evaluation criteria used to select professional service contractors. All city departments and agencies shall encourage such businesses to participate in the bidding for their professional services contracts.

One of the goals of this Executive Order is to encourage more Detroit Based Businesses to locate their headquarters in Detroit. That will be an important part of the economic revitalization of Detroit.

For the purposes of this Executive Order "Headquarters" and "Detroit Based" shall have the definitions assigned to them in Section 18-5-1 of the 1984 Detroit City Code.

This Executive Order supersedes Executive Order No. 4 issued by Mayor Dennis Archer on October 28, 1994.

This Executive Order shall take effect on November 1, 2003.

Kwame M. Kilpatrick
Mayor

Appendix C

Appendix C

CHRYSLER

March 18, 2008

Chrysler LLC

Mr. Irvin Corley
Director, Fiscal Analysis Division
Detroit City Council
2 Woodward Ave., Suite 218
Detroit, MI 48226

Dear Mr. Corley,

Per your request, attached is the information you requested regarding Chrysler's planned $373 million expansion of the Jefferson North Assembly Plant. This project calls for the installation of $280.6 million in machinery and equipment at the plant, for which we request consideration for tax abatement under PA 198.

Included in the information provided are the responses to the questions posed in your letter dated March 5, 2008, as well as other detailed information regarding this project and Chrysler's presence in and economic impact on the City of Detroit. We hope that this information fully addresses your questions and leads to your and Council's support our abatement application.

If you have further questions, please call me at (248) 512-3358. Thank you for your consideration.

Sincerely,

Patrick O. Lindsey,
Senior Manager, State Relations

cc: Detroit City Council
Douglas Diggs, Director – Planning and Development Dept.
Clinton Griffin, Specialist – Planning & Development Dept.
Norman White, Chief Financial Officer – City of Detroit
Kerwin Wimberly, Mayor's Office
Art Papapanos, Authorized Agent – Local Development Finance Authority
Bill Barrett, Senior Manager – Property Tax, Chrysler LLC
John DiMaggio, Manager – Property Tax, Chrysler LLC

Chrysler LLC
1000 Chrysler Drive, CIMS 485-10-95
Auburn Hills, MI 48326-2766

CHRYSLER

Detroit City Council

Planning & Economic Development Committee

Public Discussion
March 19, 2008

Chrysler LLC
Industrial Facilities Exemption
Certificate Application #2158

Expansion Project for
Jefferson North Assembly Plant
2101 Conner Ave.
Detroit, MI 48214

Responses to Questions – Chrysler PA 198 Petition #2158
Jefferson North Assembly Plant Expansion

1. ***Per the 198 Industrial Facilities Exemption Certificate (IFEC) agreement for the 97-192 abatement for the Mack Avenue Engine Plant I, Chrysler promised the retention of 950 jobs at both the Mack Engine Plant I and the Mound Road plant. What is the current number of employees at these plants, and if lower than 950 please provide the reason why.***

2. ***Per the 198 IFEC agreement for the 98-670 abatement for the Mack Avenue Engine Plant II, Chrysler promised the retention of 600 jobs at both the Mack Engine Plant II and the Mound Road plant. What is the current number of employees at these plants, and if lower than 600 please provide the reason why.***

   There are currently a total of **1250** employees at the Mack Engine Complex. Please note that the Mound Road Engine Plant ceased operations in December 2002 and the majority of the employees from that facility were integrated into the workforce at the plants in the Mack Engine Complex.

   As with the workforce at all of our facilities, manpower levels fluctuate to meet market demand for vehicles. The workforce at the Mack Engine Complex is currently at the level necessary to meet the existing production needs for the engines produced at these plants.

3. ***Please provide the current level of employees at the Detroit Axle Plant.***

   The current employment level at the Detroit Axle Plant is **1189** (hourly and salary)

4. ***198 abatement 97-641 relates to the McGraw Glass Plant facility.***

   a. ***How much in personal property was actually invested at this plant?***

      $105,782,224

   b. ***Is the McGraw Glass Plant now closed?***

      Yes

   c. ***If so, when did it close and why did it close?***

      McGraw Glass closed in November 2003. The company and UAW jointly recognized that competitive pressures had adversely affected several of our facilities, including McGraw Glass, which was losing approximately $100M/year at that time. The company and UAW jointly agreed to close McGraw Glass in the terms of the 2003-2007 collective bargaining agreement.

d. ***Is the machinery and equipment associated with this plant now obsolete/dysfunctional, or is Chrysler still benefiting from the abatement on this machinery and equipment even though the plant is closed?***

Once the decision was made to close the plant, the machinery and equipment was made available and sold through Dove Bid. The items that were deemed obsolete/dysfunctional and/or not sold were scrapped for 5 cents on the dollar.

5. ***What was the actual level of personal property investment at the Mack Avenue Engine Plant I under the phase 2 program under the 00-693 198 abatement?***

$274,875,165

6. ***Chrysler requested for a 198 abatement for a $53 million personal property investment to be made at the Detroit Axle Plant in 2006. My 198 abatement database does not include this abatement. If Council approved this abatement, what is the abatement certificate number, the current level of investment in personal property under this abatement, and the number of jobs retained and created, if any, that were promised. Please provide a copy of the abatement application and supporting documentation supporting this abatement if it was approved. In addition, please list any other abatements currently outstanding that relate to Chrysler plants located in the City of Detroit, and provide any support documentation.***

The abatement approved in 2006 for the Detroit Axle Plant was **IFT 2006-116**. The level of investment in personal property under this abatement is **$56,588,096** and the number of jobs it retained was **102**. A copy of this abatement application and supporting documentation is attached. All other active abatements with the City of Detroit are listed on **Attachment A – Active Detroit Abatements.**

7. ***Please provide the current level of employees at the Jefferson North Assembly Plant. In addition, please provide the number of Detroiters, the number of minorities, and the number of women. Please provide an official EEO contract compliance report that supports this.***

Current employment at JNAP is **1531**.

See **Attachment B - EEO #1**, dated 12/31/07. This is the latest report for JNAP filed with the City of Detroit.

8. ***Jefferson North Assembly Plant:***
   a. ***What was the actual level of personal property investment at the Jefferson North Assembly Plant under the 03-574 198 abatement?***

   $225,028,413

b. ***In addition, please provide the level of any new investment in real and personal property made at JNAP without the aid of local tax incentives.***

Chrysler is investing **$15-20 million** in real property for this expansion without request for tax abatement. All past real property investments at JNAP were made without tax abatement. Chrysler has only sought tax abatements on personal property at this facility. Additionally, Chrysler has spent **$775,636,065** this year in non-abated personal property at JNAP. For 2007, **$16,437,328** was invested in personal property at JNAP without tax abatement.

9. ***The 03-574 abatement represents the last abatement for the JNAP supporting a personal property investment of $241,167,000. This investment encompassed the acquisition of machinery and equipment to manufacture and assemble the next generation Jeep Grand Cherokee truck at this plant. The machinery and equipment acquired would also provide improved quality, flexibility and capacity for the plant. What is the life cycle of the existing Jeep Grand Cherokee truck?***

Vehicle life cycles are dependent on a variety of factors, such as market demand, technology advances, and regulatory requirements and other variables. We cannot predict the life cycle of a particular vehicle.

10. ***The 2008 198 abatement currently before City Council supports the proposed personal property investment of $280,623,000 representing the acquisition of machinery and equipment to manufacture and assemble the next generation of sport utility vehicle(s) at JNAP. This new model would replace the existing Jeep Grand Cherokee and may potentially add up to two (2) new future models to be manufactured and assembled in the plant. The machinery and equipment to be acquired would provide improved quality, flexibility and capacity for the plant.***

a. ***Since this abatement request is five (5) years after the last abatement request at JNAP (however, it probably took a couple of years to install and implement the new machinery and equipment planned in 2003), would this next generation sport utility vehicle fully replace the existing vehicle that is currently being built at Jefferson North?***

Chrysler is currently investigating various options for its long-term manufacturing strategy, which includes JNAP. Our **$373 million** investment at the plant provides the potential of manufacturing a new generation of vehicles at this facility.

b. ***What is the projected life cycle of this next generation Jeep Grand Cherokee truck?***

Vehicle life cycles are dependent on a variety of factors, such as market demand, technology advances, and regulatory requirements. We cannot accurately predict the life cycle of a particular vehicle.

c. ***What future models are planned to be manufactured at JNAP, when would these models come out, and what are the life cycles of these models?***

We cannot confirm future products, plant capacities, or production or sales volumes at this time. Vehicle life cycles are dependent on a variety of factors, such as market demand, technology advances, and regulatory requirements. We cannot accurately predict the life cycle of a particular vehicle.

d. ***In addition, how would this $280.6 million personal property investment make Jefferson North more competitive in the current market place?***

The globalization of the automotive industry has led to an increasingly competitive marketplace for vehicle sales. Capital investments are necessary in order for Chrysler to remain competitive, as acquiring world-class equipment and technology makes it possible for us to produce quality vehicles and components more efficiently and effectively.

The **$373 million** investment at JNAP will be used to expand the facility and install machinery and equipment to improve the plant's quality, flexibility, and capacity, thus keep the plant competitive. The plant will have the increased capability to produce multiple vehicles in a cost-efficient manner.

e. ***How many shifts are currently running at Jefferson North? How many shifts would be running if Council approves this abatement supporting this investment?***

There is currently one shift running at JNAP. After this investment, we anticipate that the plant will operate two shifts, dependent on market conditions and other factors.

11. ***Please provide the following information that would be extremely helpful for me to do a cost/benefit analysis of this 198 tax abatement request.***

a. ***The anticipated property tax savings in the first year and over the 12-year period of the abatement by not paying 50% of the property taxes (City, County and Schools) under the 198 abatement program on the proposed $280.6 million personal property investment.***

Over a 12-year abatement period, Chrysler anticipates an overall personal property tax savings of approximately $22.8 million using the estimated City of Detroit tax rate. Equal amounts in increased tax revenues would be received by each entity as well. The breakdown is as follows:

ESTIMATED INCREASED TAX REVENUES OVER 12 YEAR ABATEMENT PERIOD

Taxing Unit	Amount
City of Detroit	$10,166,305
School Debt	$4,662,275
Garbage/Library	$2,734,065
Wayne County	$4,350,398
WCCCD	$888,307
	$22,801,350

b. Any additional investment (both real and personal property) Chrysler would make under this project without the assistance of local tax incentives.

Chrysler will invest **$15-20 million** in real property improvements at the plant without seeking tax abatement.

c. The gross and net new property tax revenue (City, County and Schools) that would be generated from the total investment in this project.

$22.8 million.

d. Anticipated project commencement date and estimated completion date of the project.

Start Date: July 1, 2008 *End Date:* June 30, 2010

e. The rationale why this abatement request does not promise any number of jobs retained.

See response to 11f.

f. This abatement request does promise 419 new jobs. Please provide the average salary and projected annual income tax revenue from these new jobs. In addition, please provide projected number of new jobs for Detroiters, minorities and women.

JNAP is currently running one shift - 1531. Project plans call for a two-shift operation, requiring a workforce of approximately 2500.

g. The projected expenditures on goods and services provided by Detroit based businesses?

For 2007, total Chrysler spending with Detroit-based businesses was **$1.3 billion**; of that total, **$132 million** was spent with minority business enterprises (MBE's). Total construction contracts for JNAP project is **$22.5 million**, of which **$5.5 million** is committed to MBE's. See **Attachment C – 2007 Chrysler Minority Supplier Spending**.

h. In terms of Chrysler's presence in the City of Detroit, what is the 1) total current employment in the City; 2) the total annual payroll in Detroit; 3) the total annual property taxes (City, County, Schools); 4) the number of active and retired Chrysler employees residing in the City; and 5) the total estimated income tax revenues after one, five and 12 year(s) of project completion.

See **Attachment D – Chrysler Presence in Detroit 2007.**

12. ***Please describe what the Jefferson North Assembly Plant has done for the community, in terms of apprenticeship programs, neighborhood beautification projects, philanthropic contributions, etc.***

    See **Attachment E – JNAP Community Service**.

13. ***As it relates to the proposed personal property investment in the Jefferson North Assembly Plant, please describe Chrysler's commitment to use commercially reasonable efforts to comply with the goals set forth in Executive Order No. 2007-1: Utilization of Detroit Residents on Publicly Funded Construction Projects and Executive Order No. 2003-04: Utilization of Detroit Headquartered Businesses and Detroit Based Businesses for City of Detroit contracts. A copy of these executive orders is attached.***

    Chrysler will use commercially reasonable efforts to support the goals set forth in EO 2007-1 and 2003-04. **Attachments C, D, and E** demonstrate Chrysler's continued and substantial commitment to Detroit and the company's significant economic and social impact on the City.

14. ***In connection with the executive orders described above, please explain Chrysler's plan to work with the City's Workforce Development Department to provide qualified City residents with the opportunity to fill temporary construction worker jobs and regular full time jobs created by the Jefferson North Assembly Plant proposed personal property investment project.***

    Chrysler is presently represented on the Detroit Workforce Development Board and, as in the past, will work with DWDD to inform city residents of employment opportunities at Chrysler for qualified applicants.

Attachment A – Active Detroit Abatements

	IFEC #	Start	Expires
Jefferson North Assembly (4012)			
Investment: $ 503,244,000 M&E	97-642	12/30/1998	12/30/2010
$ 1,290,000 F&F			
Investment: $ 241,167,000 M&E	2003-574	12/30/2003	12/30/2015
McGraw Glass Plant (5404)			
Investment: $ 118,571,217 M&E	97-641	12/30/1998	12/30/2010
$ 459,083 F&F			
New Mack Engine Plant (5207)			
Investment: $ 475,820,000 M&E	97-192	12/30/1997	12/30/2011
$ 11,412,500 F&F			
Investment: $ 274,000,000 M&E	00-693	12/31/2000	12/30/2014
Mack II Engine Plant (5208)			
Investment: $ 474,500,000 M&E	98-670	12/30/1998	12/30/2012
Detroit Axle (5304)			
Investment: $ 157,969,000 M&E	97-640	12/30/1999	12/30/2011
Investment: $ 80,060,500 M&E	2002-250	12/31/2002	12/30/2015
Investment: $ 53,246,800 M&E	2006-116	12/31/2006	12/30/2018

ATTACHMENT B

City of Detroit--Human Rights Department
Employer's Federal EEO & Detroit Resident Employment Data Report # 1 As of December 31, 2007

	ENTER MOST CURRENT FULL TIME (JOB #1 PART & FULL) EMPLOYEE/CONTRACTOR AMOUNTS FOR COLUMNS BELOW BY JOB CATREGORY THEN TOTAL											
		MALES REGARDLESS OF RESIDENCY					FEMALES REGARDLESS OF RESIDENCY					
JOB # & CATEGORIES	*ONLY DETROIT RESIDENTS THIS COLUMN DO NOT ADD TO COLUMN K	WHITE NOT OF HISPANIC ORIGIN A	BLACK NOT OF HISPANIC ORIGIN B	HISPANIC C	ASIAN OR PACIFIC ISLANDER D	AMERICAN INDIAN OR ALASKA NATIVE E	WHITE NOT OF HISPANIC ORIGIN F	BLACK NOT OF HISPANIC ORIGIN G	HISPANIC H	ASIAN OR PACIFIC ISLANDER I	AMERICAN INDIAN OR ALASKA NATIVE J	TOTAL WORKERS SUM COLUMNS A THRU J K
1 Owner/Official Board/Agents	1	2	2	0	0	0	2	1	0	0	0	7
2 Manager/Super Foreman	2	21	7	1	2	0	3	1	1	0	0	36
3 Professional	12	57	36	2	1	0	5	7	0	2	0	110
4 Technician	1	8	0	0	1	0	1	4	0	0	0	14
5 Sales Worker	0	0	0	0	0	0	0	0	0	0	0	0
6 Office & Clerical	3	3	1	1	0	0	5	4	0	0	0	14
7 Craft Worker (Skilled)	22	264	42	1	2	1	5	2	0	0	0	317
8 Operative (Semi-Skilled)	700	497	718	31	8	6	126	462	8	1	3	1860
9 Laborer (Unskilled)	105	31	139	2	0	2	2	13	0	0	0	189
10 Service Worker	0	0	0	0	0	0	0	0	0	0	0	0
11 Apprentices Trainees	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	846	883	945	38	14	9	149	494	9	3	3	2547

***Detroit Residents May Be Randomly Contacted Via Mail, Phone and Employer's Records Reviewed To Verify Resident Information**

Does company perform construction services excluding consultant/equipment/product rentals & sales; where size of workforce is project/craft driven and temporary? YES ____ NO _____

Chrysler LLC. (Jefferson North Assembly)
Name of Company

Employer's Tax ID #

Certificate/Contract #

Signature & Title of Official:

Print Name

Date

2101 Conner Street
Address

Detroit, MI
City/State

48215
Zip

Phone

Revised 11-2007

ATTACHMENT C

2007 Chrysler Minority Supplier Spending

Detroit

- Total Chrysler spending with Detroit-based businesses is **$1.3 billion**
- Total Chrysler spending with Minority Business Enterprises in Detroit is **$132 million**
- Total Detroit-based suppliers: **201**
- Total Detroit MBE suppliers: **36**

Asian Pacific	3
African American	28
Native American	4
Hispanic	1

- JNAP Expansion Project --total construction contract spending is **$22.5 million**; **$5.5 million** of these contracts committed to MBE's.

Wayne County

- Total Chrysler spending in Wayne County: **$3.7 billion**
- Total Chrysler spending with MBE's in Wayne County: **$289 million**
- Total Wayne County Suppliers: **632**
- Total MBE Suppliers in Wayne County: 65

Asian Pacific	10
African American	37
Asian Indian	4
Native American	6
Hispanic	8

Total 2007 MBE Spending

- Chrysler total MBE purchase for 2007 is **$4.8 billion**
- Chrysler total Tier I MBE purchase for 2007 is **$2.5 billion**
- MBE's overall total **250** suppliers

Asian Pacific	35
African American	110
Asian Indian	54
Native American	14
Hispanic	37

ATTACHMENT C

2007 Chrysler Minority Supplier Spending

Chrysler LLC Increases Purchases From Minority Suppliers in 2007

Auburn Hills, Mich., Tue, Mar 11, 2008 - Chrysler LLC announced today that it spent $4.8 billion with minority suppliers in 2007, representing 15.5 percent of its total purchasing and an increase of $900 million from the previous year. In the last nine years, the Company has increased the amount spent with minority suppliers by 182 percent, from $1.7 billion in 1998 to $4.8 billion in 2007. This significant increase reinforces Chrysler's long-term commitment to the economic development and growth of its minority suppliers.

"Given the tremendous cost pressures facing the industry as a whole, it is heartening to see minority suppliers continue to increase their share of Chrysler business year-over-year," said John Campi, Executive Vice President – Global Sourcing, Chrysler LLC. "Moving forward, it is imperative that Chrysler and all of its suppliers work together to collaborate on innovations and wring cost out of the supply chain. Our ability to reach these goals together and weather the economic challenges will, in some large measure, determine our future success."

The company's diversity supplier development initiatives extend to its Tier 1 and Tier 2 supplier base. Tier 1 suppliers are expected to source at least nine percent of their procurement through qualified minority suppliers during the 2008 calendar year.

"With the entire automotive industry facing tough economic challenges, Chrysler has never wavered in its commitment to diversity" said Jethro Joseph, Senior Manager – Diversity Supplier Development, Chrysler LLC. "Success takes a team effort and our employees and supply base continue to hold themselves accountable to achieve diversity."

Since 1983, Chrysler has purchased more than $38 billion from minority-owned companies and has developed a number of programs to build its minority supplier base. Chrysler continues to support several organizations geared to assisting Tier 1 suppliers achieve their minority sourcing goals, including the National Minority Supplier Development Council (NMSDC) and the Canadian Aboriginal Minority Supplier Council (CAMSC).

In 2007, Chrysler launched its Diverse Employee Initiative that aims to recognize and reward suppliers who demonstrate a commitment to diversity in their hiring processes.

About Chrysler's Minority Programs:

Supplier Diversity Web Site
Introduced in 2005, the Company's Supplier Diversity Web site (https://app.suppliergateway.com/chrysler) is designed to identify and register potential suppliers. For minority-owned suppliers, it serves as a resource to build relationships and understand specific procurement requirements. For Chrysler, it captures suppliers' capabilities and experience, and helps identify potential suppliers for specific procurement needs.

Matchmaker
In 2000 Chrysler developed the Matchmaker program, which, since its inception, has generated more than $1.3 billion in new business opportunities. The Matchmaker program was designed to pair minority and Tier 1 suppliers and encourages networking and the development of long-term partnerships.

ATTACHMENT C

2007 Chrysler Minority Supplier Spending

Honors and Awards

2007

- 2007 Top Diversity Advocate (J. Joseph) – DiversityBusiness.com
- 2007 Advocate of the Year (R. Hammer) – Michigan Hispanic Chamber of Commerce
- 2007 Corporation of the Year – Michigan Hispanic Chamber of Commerce
- 2007 Corporate Buyer of the Year (J. Pawlik) – Michigan Minority Business Development Council
- 2007 Corporation of the Year – Wisconsin Supplier Development Council
- 2007 Top 50 Corporation for Diversity – DiversityINC Magazine
- 2007 Top 50 Corporation for Diversity – DiversityBusiness.com

2006

- 2006 Corporation of the Year – National Minority Supplier Development Council
- 2006 Global Link President's Recognition – National Minority Supplier Development Council
- 2006 Corporation of the Year – N. Ohio Minority Business Council
- 2006 Corporate Pacesetter Award – N. Ohio Minority Business Council
- 2006 Corporation of the Year – Canadian Aboriginal Minority Supplier Council
- 2006 President's Award of Outstanding Achievement (M. Hails) – Canadian Aboriginal Minority Supplier Council
- 2006 Corporation of the Year – Michigan Minority Business Development Council
- 2006 Corporate Advocate of the Year (R. Hammer) - Michigan Minority Business Development Council
- 2006 100 Men Impacting Supplier Diversity (T. Sidlik) – Minority Business News
- 2006 100 Men Impacting Supplier Diversity (J. Joseph) – Minority Business News
- 2006 100 Women Impacting Supplier Diversity (D. Harris) – Women's Enterprise Magazine
- 2006 Corporate Advocate of the Year (J. Taylor) – Native American Business Alliance
- 2006 Corporation of the Year – Asian Pacific American Chamber of Commerce
- 2006 Top 50 Corporations for Diversity – DiversityINC Magazine
- 2006 Top 50 Corporations for Supplier Diversity – Hispanic Trends Magazine
- 2006 Top 50 Corporations for Supplier Diversity – DiversityBusiness.com

ATTACHMENT D

CHRYSLER LLC

Presence in Detroit

2007

Total Current Employment In Detroit *Total hourly and salary employees, March 2008*		**7,862**
Payroll In Detroit *2007 Gross Federal Taxable Wages of Chrysler Employees*		**$ 894.3 million**
Payroll Taxes Withheld In Detroit *2007 Withholding Tax Submitted to Detroit for Chrysler Employees*		**$ 16.5 million**
CHRYSLER LLC		
City of Detroit Residents		
Active CHRYSLER Employees	3,845	
CHRYSLER retirees	7,667	
Surviving spouses receiving pensions	2,439	
Vested Deferred Retirees	475	
Vested Deferred Surviving Spouses	135	
		14,561
Wayne County Residents		
Active CHRYSLER Employees	8,923	
CHRYSLER retirees	11,983	
Surviving spouses receiving pensions	3,846	
Vested Deferred Retirees	806	
Vested Deferred Surviving Spouses	210	
		25,768
Support for Detroit Organizations - 2007:		
The Chrysler Foundation	$ 7,488,345	
Corporate Contributions	$ 788,229	
		$ 8.28 million
2007 Property Taxes Paid to Detroit *Total 2007 Real and Personal Property Taxes*		**$ 42.57 million**

ATTACHMENT E
Jefferson North Assembly Plant - Community Involvement

- **American Red Cross Blood Drive**
- **Put a Smile on a Child's Face**: JNAP employees donated Christmas presents to 120 under privileged children.
- **March for BABIES** (March of Dimes)
- **Chrysler Foundation Grants** ($30,000 annually)
- **Paint the Town** – July
- **3 DAY Brest Cancer Awareness Walk**
- **Thanksgiving Food Drive**
- **Capuchin Community Center Food Nutrition Cooking Workshop**
- **Girl Scouts** (Bagley and Carsens Elementary School)
- **Safe Streets** (Northwestern High School)
- **Junior Achievement** (Carsens Elementary)
- **United Way of Southeastern Michigan**
- **Neighborhood Mentor Program**
- **CACTUS**
- **Detroit Eastside Community Collaborative** – Conner Creek Greenway Project
- **Special Olympic of Michigan 2001-** Poly-Hockey Invitational
- **Morningside Beautification**
- **North American International Auto Show**
- **Wolverine Human Services**
- **S.C.O.R.E –** Program at Southeastern High School of Technology
- **Detroit School Reaching Higher "Konscious Kids" Program**
- **Spectrum Human Services, Inc. – (JADE Day Treatment Program)**
- **Detroit Rescue Mission "Genesis House III"**
- **Empowerment Zone Coalition – "Youth on the Move Program"**
- **Detroit Public Schools "Project Playscape II" - John C Clark Elementary**
- **Delray House Community Center: Playscape 2007**
- **Detroit Institute for Children – "Fireworks Picnic Fundraiser"**
- **Eastside Emergency Center - (Homeless Shelter)**
- **Art Center Music School, Inc.**
- **UAW New York City Disaster Relief**
- **Focus: HOPE**
- **Career Days**
- **-Thurgood Marshall Elementary**
- **-Ronald McNair Middle School**
- **Myles Davis Fund – (Contributed to fund for purchase of Prosthetic Leg)**
- **Winter Blast/Super Bowl Volunteers**
- **Michigan State Fair Volunteers**
- **International Jazz Fest Volunteers - September**

Response to Corley Questions, 03/20/2008

1. **Response to question 6: I didn't get the copy of abatement IFT 2006-116 application and supporting documentation associated with Detroit Axle. Please provide.**

   A copy of IFT 2006-116 has been faxed to your office on 3/31/08; a hardcopy has been sent to you as well.

2. **Response to question 7: you state that current employment at Jefferson North Assembly Plant is 1,531; but the EEO#1 report attached shows a total of 2,547, a difference of 1,016. Please explain the difference.**

   The submitted EEO-1 Report was dated 12/31/07, the most recent one filed with the City of Detroit for the Jefferson North Assembly Plant and notes the manpower at that time. The current number reflects the recent manpower reductions at the plant.

3. **Response to question 8.b.: you stated that Chrysler has spent $775,636,065 at Jefferson North this year. Do you mean cumulatively? If this is in just one year, this is super fantastic! What generally was this spent on?**

   $775,636,065 million represents the cumulative investment that Chrysler has made in non-abated personal property at the Jefferson Assembly Plant since the facility was built in 1992. This was generally spent on new machinery and equipment upgrades. In 2007, $16,437,328 was spent on personal property for which tax abatement was not sought.

4. **Response to question 11.c: what I mean is the total property taxes you anticipate paying on the total investment of $373 million, net of the abatement. I'm assuming the amount would exceed $22.8 million.**

   If the IFEC is approved, Chrysler anticipates paying yearly taxes of $27.4M for personal property and $300,000 for real property for the $373M expansion of JNAP.

Salary and Income Tax Information:

The projected average weekly salary of new employees at JNAP is $959/week, which should generate approximately $947,492 in additional annual income tax revenue to the City of Detroit (based on 950 additional jobs).