

The background is a dark blue field filled with various shades of blue and black gears of different sizes, some overlapping. On the left side, there is a vertical strip with a colorful, abstract, and somewhat pixelated pattern in shades of orange, yellow, and brown.

# Presentation to Members of the Mississippi Senate and House of Representatives

Monday, November 6, 2000

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# Advantage Mississippi Initiative



# Super Project

# Investment

- State's Investment

Investment In The Company	\$180 Million
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Investment In The Community	\$115 Million
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Total	\$295 Million
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- Company's Projected Investment

Investment In Buildings	\$210 Million
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Investment in Equipment	\$690 Million
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Total	\$900 Million
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## State's Investment In The Company - \$180 Million

- Primarily through workforce training (investing in our people)
  1. Almost 50% of our investment is dedicated to recruitment, screening, training, and retraining
  2. More than 1/3 is for site related improvements and acquisition.

Offset transportation cost penalties in the rail rates at the site.



# State's Investment In The Community \$115 Million

- Infrastructure

1. More than 51% dedicated to public access. (This will open the entire area to future growth and will be maintained by MDOT.
2. 20% will support water availability and wastewater treatment. – sized for future growth.
3. 20% used to enhance our university program offerings to position ourselves as the auto-engineering center of excellence.

Joint marketing to support our common goal to promote the community and state



# Return on Investments

- Tangible
- Intangible



## Tangible

- 4000 direct jobs
- \$160 Million annual payroll
- 26,400 indirect jobs
  - Contractors
  - Suppliers
  - Construction
  - Service Industry
- 26,400 total new jobs
- Potential for federal reimbursement from the Federal Government



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## Intangible Benefits

- Image
- Opportunity
- Credibility

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# Legislation

## Section 1. and Section 2

- Amend Economic Dev. Reform Act (Jobs Tax Credits)
- Define Super Project
- For Super Projects, allow \$5,000 per job per year for 20 years
- Allows 5 year carry forward
- Allows credits against any tax liability(50% presently)
- Allows \$1,000 credit per job for “integrated suppliers” (\$500 presently)



## **Section 3**

- Amend Ad valorem Exemptions (27-31-1)

- For super project, allow property tax exemption for “vendor tooling”. Defines “vendor tooling” as being owned by car manufacturer and used by a supplier.

## **Section 4 and Section 5**

- Authority of city and county

- Give county and city the authority to contract and to bind future boards against special levies unless generally applied and to bind future boards as to 10-year exemptions for suppliers.



## Sections 6, 7, 8, 9, and 10

- Amend Major Impact Authority. (57-75-5 et seq.)

- Makes \$295 Million available for infrastructure.
- Define project as “Project”--\$750,000,000 and 3,000 jobs.
- Grant Quick Take for projects including mineral interests.
- Allow relaxed bid requirements and allow design build for project.
- Allow MEIA to warrant by contract the site preparation.
- Provide funds for vehicle preparation area. (\$17 mil)
- Allow bond proceeds to reimburse MDA for costs to date on project.
- Define project area for ancillary projects as entire state.



## **Sections 11 and 12**

- Conforms Immediate Possession Law (11-27-81 and 85)

## **Section 13**

- Conforms State Bid Law (31-7-13)

## **Section 14 and 15**

- Amend Industrial Sales and Use Tax Exemptions (27-65-101)
- For super project, allow exemption for component building materials and equipment, repair parts and services and replacements, etc., including utilities used in motor vehicle manufacturing process.

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## Section 16 and 17

- Amend Advantage Jobs Act (withholdings rebate)
- Define super project as \$750,000,000 and 3,000 jobs, which pay 150% of average.
- For Super Project, allow additional 15 years for rebate payments if company meets definition (investment, jobs and salary) within a certain period.

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## **Section 18**

- Conforms Annexation Law (21-1-59)

## **Section 19**

- Amends License Plate Law (27-19-309)
- Sets amount annual fee for dealers tags for project.

## **Section 20 and 21**

- Amends Motor Vehicle Commission Law (63-17-55)
- Allows project to lease or sell cars outside commission law.

# Number of Assembly Plants by State 1997







# Comparative State Experience

## Automobile & Truck Assembly Plants in the Southeast

STATE	COMPANY	YR OPENED	PRODUCTION	EMPLOYMENT
Alabama	*Mercedes Benz	1997	80,000	3,900 (IPROJECTED)
	Honda	2002	120,000	2,000
Georgia	Ford	1915	247,820	2,700
	GM	1947	282,673	2,600
Kentucky	Toyota	1989	431,811	6,000
	*Ford	1955	226,778	2,200
	*Ford	1968	375,941	3,700
	GM	1982	24,673	1,100
Louisiana	*Com	1982	149,324	2,500
North Carolina	*Volvo (Freightliner)		23,521	
	Volvo (Freightliner)		18,462	
South Carolina	BMW	1994	62,943	3,500
	Mach		15,496	
	Volvo		10,665	
	(Freightliner)			
Tennessee	*Nissan	1983	398,308	6,000
	Saturn	1985	271,471	8,319
	*Peterbuilt		10,887	
Virginia	*Ford	1925	233,600	1,600
<b>MISSISSIPPI</b>		<b>2002</b>	<b>250,000</b>	<b>4,000</b>

\*TRUCK ASSEMBLY FACILITIES



# Summary

