

## 2010 General Motors LLC f/k/a Powertrain \$814,700,000 INDUCEMENT RESOLUTION

### HIGHLIGHTS

Eligibility: NAICS Section - **33**—  
Manufacturing

### COMPANY INCENTIVES

- Phase I—Sales tax savings \$800,000.
- Phase II—Sales tax savings \$880,000.
- Modification and continuation of custom payment-in-lieu-of-tax agreement.



Project Title: 2010 General Motors Corporation  
GM Powertrain Group

Project Address: 2995-2999 River Road  
Tonawanda, New York 14150  
(Kenmore TTN UFSD)

SIC/NAICS: 3713/336211

### Agency Request

Sales tax, mortgage recording tax and real property tax exemption in connection with the construction and/or renovation and equipping and acquisition and acquisition and installation of machinery and equipment and personal property for manufacturing and related purposes.

Existing Building Renovation	\$ 17,800,000
Manufacturing Equipment	700,000,000
Soft Costs	26,300,000
Other, IT, Utilities, etc.	70,600,000
 Total Projects Costs	 \$814,700,000

The figure above represents 2 phases of GM’s expansion plans. In addition to the 2.2 and 2.5 litre engines (Phase I) the potential exists to add the production of an additional engine line at the plant (Phase II).

### Company Description

Founded in 1908, General Motors is one of the world’s largest automotive corporations and full-line vehicle manufacturers. GM Motors LLC, CETC (f/k/a/ Powertrain) operates and coordinates a global network to design, develop, integrate and build powertrains for General Motors, LLC worldwide.

### Project Description

New Machinery and equipment and building modifications will enable the production of the 2.2 and 2.5 litre engines at the plant.

The potential also exists that the Tonawanda plant may obtain the production of a potential new engine product; namely a new line of eco-friendly V-6 and V-8 engines.

### Project Justification

# 2010 General Motors LLC/ f/k/a Powertrain

General Motors, LLC operates in an intensely competitive global environment. The company is committed to providing quality, competitive vehicle products to the market. In order to provide a competitive business case internally, GM must demonstrate that they have explored all viable opportunities for reduction of implementation and ongoing operational costs. Additionally, they must demonstrate that a competitive search was conducted to ascertain the most viable location. Currently, other alternatives being considered are the Michigan plant, which has in the past offered a competitive incentive package to support proposed investment.

While overall employment at the site has decreased since our first involvement in 1997, upgrades and investment in the plant over the past several years have positioned the Tonawanda plant for consideration of a potential new engine product.

## Project Incentives

Modification and continuation of a custom payment-in-lieu-of-tax (“PILOT”) agreement.

## Project Benefit

The project is anticipated to retain 654 employees.

## Employment

Current:  
654

Projected (2 Years)  
1,184

## Project History

- 4/8/2010 Public hearing held. Transcript attached.
- 4/12/2010 Inducement Resolution presented to Board of Directors authorizing adoption of a Negative Declaration in accordance with SEQRA.
- 4/12/2010 \$814,700,000 Lease/Leaseback Inducement Resolution presented to Board of Directors.

## Past GM Projects' History

1997 \$293,000,000 Lease closed. This project involved plant modifications, construction of building additions totalling approximately 150,000 sq. ft., purchase of machinery and equipment and other site work to facilitate manufacturing GM's L850 engines and improve plant efficiencies.

2002 \$500,000,000 Lease closed. This project included the demolition of Plant #5 at the Tonawanda facility, the acquisition of approximately 12.4 acres of land and construction of an approximately 730,000 sq. ft. plant and related roads and site improvements. This project enabled GM to manufacture the L6 engine and improve plant efficiencies.

2007 \$25,000,000 Lease closed. This project included the acquisition and installation of machinery and equipment and the interior renovation and modernization of a 600,000 +/- square foot existing facility (also known as Building #5) to accommodate new machinery and equipment, all to be used for manufacturing and related purposes. In addition a sales tax exemption for materials purchased for incorporation in the project having an approximate cost of \$21,000,000 was also granted.