



MEDIA RELEASE

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FOR IMMEDIATE RELEASE
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Sale preserves jobs and vital tax revenue

CHRYSLER GROUP LLC ACCEPTS CITY'S INCENTIVE PROPOSAL AND PURCHASES STERLING HEIGHTS ASSEMBLY PLANT

STERLING HEIGHTS, MICHIGAN – City officials are commending Chrysler Group LLC's decision to purchase the Sterling Heights Assembly Plant (SHAP), a move that will preserve 1,200 jobs and \$2.6 million in vital tax revenue to Sterling Heights.

The purchase follows a nearly year-long effort by city officials, state and federal leaders and the Sterling Heights Automotive Task Force to keep the plant open following the announcement last April that the facility would be closed at the end of 2010 as part of Chrysler bankruptcy proceedings.

"It's gratifying to see that the city's efforts have had a positive impact on this plant's future," said Mayor Richard Notte. "A year ago we were shocked with the announcement that SHAP would close. Thanks to a lot of hard work, we now have hope and a great opportunity to keep SHAP operational well beyond the original closing date in 2010. While there is much more work necessary to cement a long-term commitment from Chrysler, purchasing the facility is a major first step."

The plant, a mainstay in the city since 1983, has an enormous impact on the city that goes beyond its own employment and tax revenue figures. Surrounding parts suppliers and merchants rely on the plant for their livelihoods, while the nearby Sterling Heights Stamping Plant produces parts for SHAP.

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“SHAP’s employees provide critical support for our restaurants, retailers and housing market as well as its adjacent stamping plant,” said City Manager Mark D. Vanderpool. “The regional economic impact of SHAP is more than \$300 million annually, and loss of the plant would have created a huge void in the middle of our industrial corridor, which would have been difficult and very costly to fill in these tough economic times.”

As an incentive to the automaker, the Sterling Heights City Council recently approved the transfer of two existing tax abatements for Chrysler’s Sterling Heights Assembly Plant (SHAP) contingent upon the sale of the plant. The plant currently produces the Dodge Avenger and Chrysler Sebring.

The sale also means that Chrysler will remain as the city’s largest taxpayer. With 10,000 automotive related jobs in Sterling Heights, the automotive industry remains an essential part of the city’s economy, Vanderpool added.

Over the past year the city has been very active on the automotive front by helping to create a national coalition consisting of communities in Michigan, Ohio, Indiana, Missouri, Louisiana, Wisconsin and others. The Mayor’s and Municipalities Automotive Coalition (MMAC) supported legislation favorable to the domestic auto manufacturers knowing the industry’s impact on main street America. The City Council also created the Sterling Heights Automotive Task Force with membership consisting of legislators, regional business leaders, the Michigan Economic Development Corporation (MEDC) and the Governor’s Office.

“I have no doubt that the proactive efforts to protect the city’s automotive assets played an important role in Chrysler’s decision to continue production at SHAP and purchase the facility out of bankruptcy,” said Wayne Ohemke, president of the Sterling Heights Regional Chamber of Commerce and Industry. “I commend the city and Auto Task Force for their outstanding efforts. This is a huge victory for Southeastern Michigan.”

For more information, contact Community Relations at (586) 446-CITY (2489).