

Alabama's Largest Incentives Packages in Last 20 Years

Primary source: Good Jobs First*

Airbus

City: Mobile
Project: Aircraft assembly plant
Year: 2012
Subsidy Value: \$158.5 m
Jobs/Trainees: 1,000
Capital Invested: \$600 m

Source of Data: The subsidy value and breakdown as well as the job and investment projections come from: Ellen Mitchell, "Incentives: What it took to land Airbus," *Mobile Press-Register*, July 4, 2012 and "Incentives approved for Airbus project," *Birmingham News*, July 13, 2012.

Notes: The state portion of the package was about \$125 million in cash and tax credits, while the city, county and Mobile Airport Authority contributed about \$33 million, much of it for site preparation and construction.

Boeing

City: Decatur
Project: Rocket production facility
Year: 1997
Subsidy Value: \$150 m
Jobs/Trainees: 2,300
Capital Invested: \$400 m

Source of Data: The subsidy value as well as the jobs and investment projections came from: Stan Diel, "Boeing to get \$150 million in breaks," *Birmingham News*, Oct. 8, 1997.

Notes: The package included a franchise tax exemption worth \$48 million over 20 years; a property tax worth \$22 million over 10 years; state corporate tax credits worth \$25 million to \$40 million; plus tens of millions more in infrastructure and training assistance.

Daimler

Project: Auto plant
Year: 2009
Subsidy Value: \$100 m
Jobs/Trainees: 1,000
Capital Invested: \$290 m

Source of Data: The value and detail of the subsidy package are taken from: Dawn Kent, "C-Class tax abatements OK'd,"

Birmingham News, July 22, 2011. See also: "Vance to make new C-Class," *Birmingham News*, Dec. 3, 2009.

Notes: The 2009 subsidy package was assembled by the state and local governments for relocating Mercedes-Benz sedan production from Germany to Alabama. The package included: \$10 million in cash grant from the state; a \$10 million cash grant from the local governments, \$15 million in tax abatements; and \$65 million for job training.

Honda

City: Talladega
Project: Automobile assembly plant
Year: 1999
Subsidy Value: \$158 m
Jobs/Trainees: 1,500

Source of Data: The value and the breakdown of the subsidy package and the job projection are taken from: Jay Reeves, "Honda gets \$95 million less in incentives than Mercedes," *The Associated Press State & Local Wire*, May 7, 1999.

Notes: The \$158 million subsidy package included \$102.7 million for site preparation and worker training and \$55.6 million in property tax abatements. In 2002, Honda received nearly \$90 million for an expansion.

Honda

City: Talladega
Project: Automobile assembly plant
Year: 2002
Subsidy Value: \$89.7 m
Jobs/Trainees: 2,000
Capital Invested: \$425 m

Source of Data: The value and the breakdown of the subsidy package, as well as the job and investment projections are taken from: Phillip Rawls, "Honda incentive package has lowest cost per job," *The Associated Press State & Local Wire*, July 10, 2002.

Notes: The subsidy package included \$11.5 million from the city and the county for site preparation and water and sewer improvements; \$45.1 million from the state for worker

training and site improvements; and \$33.1 million in state and local tax breaks over 20 years.

Hyundai

City: Montgomery
Project: Automobile assembly plant
Year: 2002
Subsidy Value: \$234.6 m
Jobs/Trainees: 2,000
Capital Invested: \$1 billion

Source of Data: The value of the subsidy package, the jobs and investment projection are taken from: Michael Tomberlin and Kristi Lamont Ellis, "Hyundai Incentives: \$252.8 Million," *Birmingham News*, April 5, 2002. See also: Mike Cason, "Incentives cost \$252.8 million," *The Montgomery Advertiser*, April 5, 2003.

Notes: The state portion of the \$234.6 million package included \$76.7 million in corporate income tax credits and property tax abatements, \$54.8 million for worker training, \$54 million for land and infrastructure, \$10 million for advertising, and other subsidies worth \$18.1 million. The local portion included \$21 million for improvements to water and sewer lines at the site. The subsidy package equaled to \$117,317 per job. In addition to the public subsidies, Hyundai received \$18.2 million in private incentives from utility and railroad companies. In 2011, the company announced a \$173 million expansion for which it received sales and property tax abatements and \$3.25 million in cash (Dawn Kent, "Hyundai expanding engine plant; Company plans to add 214 jobs, invest \$173 million," *Birmingham News*, May 17, 2011).

Mercedes-Benz

Project: Automobile assembly plant
Year: 1993
Subsidy Value: \$238 m

Source of Data: The value of the subsidy package and the breakdown are taken from: Jerry Underwood, "Some fear Alabama paid too dear a dowry to woo plant," *Birmingham News*, Sept. 30, 1993.
Notes: The package included site

preparation and infrastructure costs of \$95 million; \$90 million for training costs; \$43 million in state tax credits; and \$10 million in other incentives. A contribution of \$15 million from private sector sources is not included in the total.

Mercedes/DaimlerChrysler

City: Tuscaloosa
Project: Expansion of automobile assembly plant
Year: 2000
Subsidy Value: \$119.3 m
Jobs/Trainees: 2,000
Capital Invested: \$600 m

Source of Data: The value and the breakdown of the subsidy package and the job and investment projections were taken from: Russell Hubbard, "Incentive price tag: \$119 million project will cost \$60,000 for each job in taxpayers subsidies," *Birmingham News*, August 29, 2000.

Notes: The \$119.3 million subsidy package for Mercedes-Benz expansion included state and local subsidies: \$54.2 million in corporate income tax credits and reductions on property taxes and sales and use taxes; \$37 million for workers training; \$14.4 million for site preparation and construction; and \$10 million for road improvements. The remaining amount of \$3.7 million was not specified. The company originally received a \$238 million subsidy package for the facility in 1993.

ThyssenKrupp

City: Mobile
Project: Steel plant
Year: 2007
Subsidy Value: \$1 billion
Jobs/Trainees: 2,000
Wage Data: \$58,037
Wage Data Type: Average annual salary
Capital Invested: \$5 billion

Source of Data: The value of the subsidy package, the jobs and investment projections, and the wage data are taken from: Jeff Amy, "Incentives Pass \$1B for ThyssenKrupp Plant," *Mobile Register*, April 28, 2011.

Notes: In 2011, Mobile County voted to increase tax abatements for ThyssenKrupp from \$444 million to \$612 million (\$487 million in property tax abatements and \$125 million in sales taxes abatements) over 20 years based on a new investment level of \$5 billion. The subsidy package also included \$461 million in workforce training and an unspecified amount of investment tax credits. To lure the company to the state, the Alabama Legislature extended the length of property tax abatements for large industrial projects from 10 to 20 years and the length of investment tax credits from 20 to 30 years. In May 2012, the company announced it wanted to sell the plant; the buyer will be picked by the end of September 2013 and the subsidies will transfer to the new owner. (Katherine Sayre, "ThyssenKrupp may sell Mobile mill," *Birmingham News*, May 16, 2012; Ellen Mitchell, "Top bidders emerge for ThyssenKrupp plant," *WSJ reports*," *Mobile Register*, Jan. 18, 2013).

Trico Steel

(now owned by Nucor)
City: Decatur
Project: Steel mill
Year: 1995
Subsidy Value: \$85 m
Jobs/Trainees: 300
Capital Invested: \$450 m

Source of Data: The subsidy value and the job and investment projections came from: Christopher Bell, "Alabama offers Mercedes-like Deal to lure Decatur steel plant," *Huntsville Times*, Jan. 5, 1995.

Notes: Trico — at the time of the deal a joint venture of LTV, Sumitomo Metal Industries and British Steel — received property tax abatements, free land, state income tax credits, job training funds and other subsidies. As it headed for bankruptcy in 2001, Trico closed the mill, which was sold to Nucor.

*Source: Good Jobs First, a national policy resource center and its Megadeals nationwide database.