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State's \$62 Million Investment Package Will Save Nearly 2,000 Jobs, Boost Illinois' Automotive Industry

CHICAGO –

October 28, 2010. Governor Pat Quinn today announced that Chrysler Group LLC is planning to invest \$600 million over the next three years to expand its Belvidere Assembly Plant and prepare it for production of future vehicles. The state is providing a \$62.1 million business investment package to save 1,950 permanent jobs and generate 700,000 construction hours. Governor Quinn proposed, helped to pass and signed legislation into law in December to expand the EDGE tax credit to benefit the auto industry, which was critical to Chrysler's decision to stay and expand in Illinois.

"Illinois has some of the best and most productive workers in the nation, so it's no wonder Chrysler has chosen to remain in Illinois for the production of future vehicles," said Governor Quinn. "This significant investment will save nearly 2,000 Illinois jobs and is a clear indication that Illinois is continuing our economic recovery."

The state's investment will help Chrysler build a 638,000 square-foot body shop, in addition to installing new machinery, tooling and material handling equipment. Work began this summer, and the project is expected to be completed next year.

The improvements will facilitate the production of the next generation of Chrysler vehicles in 2012, incorporating advanced components and systems technologies. The Belvidere facility currently produces the Dodge Caliber, Jeep® Compass and Jeep Patriot.

The Illinois Department of Commerce and Economic Opportunity (DCEO) is administering the state's business investment package. The package consists of EDGE tax credits, Employer Training Investment Program (ETIP) job training funds that will help enhance the skills of the company's workforce, and Large Business Development Program funds for capital improvements.

Chrysler will also benefit from being located in an Enterprise Zone. The enhanced EDGE tax credit enables auto manufacturing companies, which are among Illinois' largest group of employers, to retain employee income tax withholdings as an alternative to the current EDGE corporate tax credit and reinvest those funds into operations that create more jobs.

"Governor Quinn has stood by Chrysler since day one because he knows how important this company is to Illinois and the people of this region," said DCEO Director Warren Ribley. "Today, we are seeing the benefits of our investments as we help usher in a new era of manufacturing excellence in Illinois."

Illinois leads the Midwest in job creation with more than 50,000 jobs being added this year, including more than 10,000 manufacturing jobs. Illinois' economic growth in 2010 also nearly doubles the nation.