

## Governor candidate Rinke: Whitmer 'overpaid' in \$666 million tax incentive deal for GM

CHAD LIVENGOOD  

 TWEET

 SHARE

 SHARE

 EMAIL

 REPRINTS  PRINT



LANSING — Republican gubernatorial candidate Kevin Rinke took aim Thursday at Democratic Gov. Gretchen Whitmer's economic development deal with [General Motors Co.](#) in a speech just miles away from the site of a planned electric vehicle battery plant the automaker intends to build with state taxpayer subsidies.

In a speech before members of the Michigan Economic Developers Association, Rinke was critical of the Whitmer administration awarding GM \$666.1 million in grants for pledging a \$6.5 billion capital investment in electric vehicle manufacturing in Michigan, including a [planned \\$2.5 billion EV battery plant](#) in Delta Township west of Lansing.

"I believe Gretchen Whitmer overspent because she needed a win," Rinke said at an in-person MEDA meeting at the [Lansing Center](#).

The total value of GM's tax incentives and abatements is estimated at \$824 million. That figure includes a \$600 million in cash grants for GM and South Korea-based LG Energy Solution, through a joint-partnership called Ultium Cells LLC, and a \$66.1 million grant for Lansing Economic Area Partnership to pay for utility upgrades for the new EV plant GM and LG intend to construct.

GM's tax incentive package for the \$6.5 billion investment mirrored the \$884 million in tax incentives [Tennessee shelled out](#) to [Ford Motor Co.](#) for the Dearborn-based automaker's "Blue Oval city" EV manufacturing complex.

In December, Michigan's Republican-controlled Legislature appropriated [\\$1 billion from surplus tax revenue](#) for Whitmer's Michigan Economic Development Corp. to use to woo large-scale industrial developments. At the time, GM was already going public with plans to [potentially build a battery plant west of Lansing](#) and [expand its Orion Township plant](#).

Negotiations between state officials and GM company leaders were already well underway at the time as lawmakers got briefed on major economic development projects the MEDC was pursuing [after signing non-disclosure agreements](#), which have been since lifted for the GM deal.

"Gov. Whitmer brought Republicans and Democrats together to ensure that Michigan has the tools to attract new business to the state and continue to grow our economy, resulting in an historic investment from General Motors that will keep Michigan on the cutting edge of auto manufacturing," Whitmer campaign spokeswoman Maeve Coyle said Thursday.

Coyle noted two of Rinke's Republican gubernatorial rivals, Tudor Dixon and Garrett Soldano, also have opposed the creation of "thousands of good-paying jobs" through the GM deal.

The \$666.1 million in cash subsidies for GM-LG totals \$166,525 for each of the maximum 4,000 new jobs the automaker has pledged to create between the two plants in Oakland and [Eaton](#) counties.

In Orion Township, GM said the new assembly plant jobs would pay an average wage of \$27 an hour, or \$56,160 annually. In Eaton County, west of Lansing, the battery plant jobs will pay an average hourly wage of \$22.50, or \$46,800 annually, according to the MEDC.

Former Detroit police chief James Craig, another Republican candidate for governor, also spoke Thursday at the MEDA meeting in Lansing.

Craig told reporters he supports tax incentives, but would dole them out "in a more equitable way."

"I can't speak specifically to that incentive (for GM), if that was the right amount," Craig said. "I don't know how long General Motors was negotiating, were they going to do it anyway. But I do support incentives to keep businesses ... (and) having locations that are shovel-ready."

Rinke said he faults Whitmer's approach to giving GM the massive taxpayer subsidies package, "not the fact that we provided an incentive."

"If the governor wants to take credit for sealing the deal, the governor should be the one that gets the grief for overpaying," Rinke told reporters after the speech.

Rinke, the former owner of Rinke Automotive Group who [made a fortune in the auto dealership business](#), speculated that GM made a business decision months before the Legislature created the new \$1 billion fund to invest in a battery plant in the Lansing area, where the company has two existing vehicle assembly plants.

"I haven't talked to Mark or Mary about it, but I have a suspicion that GM was coming no matter what," Rinke said, referring to GM President [Mark Reuss](#) and CEO [Mary Barra](#).

Rinke also urged caution on the proliferation of EVs, arguing they still require energy primarily generated from fossil fuels – natural gas – to eliminate carbon-emitting internal combustion engines.

"It's a form of socialization with electric vehicles that goes into the production because of the subsidies," Rinke said.

He noted EVs require far fewer parts than internal combustion engines.

"I think there's going to be a transition in the coming years, if, in fact, electric vehicles are the future," Rinke said.

Speaking to reporters, Rinke said he signed a non-disclosure agreement for a major economic development initiative that would total \$3 trillion over 10 years in Michigan. He gave scant details about the claim, citing the NDA, or what kind of development could total that figure, which amounts to nearly 500 times GM's EV investment in Michigan.

"Think of a \$3 trillion investment with people moving to the state because that is what is required to work in this emerging area," Rinke said. "And it's critical for the federal government, it's critical for our country and ... the best part about it is it's 99 percent private business."

"If I talk about it I identify the companies and potentially would get into their intellectual property," Rinke added. "I can't talk about it now, but I don't throw it out lightly."