



## Department of Commerce and Economic Opportunity

Rod R. Blagojevich, Governor / Jack Lavin, Director

For Immediate Release  
03/17/2003

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### **Mitsubishi Motors To Expand Normal Manufacturing Plant** *Governor Calls It A "Shot In The Arm" To Economy*

NORMAL, ILL – Heralding it as an economic "shot in the arm" for Illinois, Gov. Rod R. Blagojevich today joined executives and union workers at Mitsubishi Motors North America, Inc. in announcing a \$200 million expansion of the company's car manufacturing plant here that will create an estimated 300 new jobs.

"As I noted in my State of the State address, job creation is the most important thing we can do to move this state forward," Blagojevich said. "This decision provides our economy with a tremendous shot in the arm. The incentives offered by the state have resulted in a commitment from Mitsubishi that will keep the company building cars in the Normal area for a long time to come.

"This is the type of state-business cooperation that is so necessary to help Illinois create high-paying jobs for the hard working men and women of this state. I want to thank Mitsubishi for once again demonstrating its confidence in Illinois and its workforce."

The governor said that the expansion will provide millions of dollars worth of benefits in terms of manufacturing and construction jobs, higher taxes and increased sales for material and service providers at a minimal cost to the state.

"At a time when some companies are closing plants, cutting shifts, trimming their workforce and moving manufacturing jobs to other countries, Mitsubishi Motors North America is increasing its commitment in North America, committed to extending its legacy of investment and participation in Illinois," said Rich Gilligan, Mitsubishi Motors North America's Manufacturing Division president and chief operating officer. "Today's announcement not only represents where Mitsubishi Motors is going as a company, it underscores our successful, still growing partnership with the people of Illinois."

Once the plant expansion is complete, new and indirect jobs are expected to annually generate more than \$50 million in personal income and more than \$5 million in state and local taxes. Plant construction is projected to create nearly 500 jobs and about 900 indirect jobs, and bring in \$8 million in state and local taxes every year.

The state's incentive package to Mitsubishi totals \$22 million over 12 years and includes funds for job training, financing, tax credits and savings, and road improvements.

The \$18.5 million in tax credits and savings would come through the Department of Commerce and Economic Opportunity's (DCEO) Economic Development for a Growing Economy (EDGE) program and DCEO's Illinois Enterprise Zone program.

About \$1.8 million will be provided through the state's motor fuel tax fund for road improvements and DCEO will award \$1.5 million toward the financing of land, construction and site preparation and the purchase of machinery and equipment. In addition, \$300,000 would be used in fiscal year 2005 to help Mitsubishi train the 300 new employees who will work in the plant.

Mitsubishi officials said the plant expansion, which is scheduled to get underway in April and be completed in 2004, will support the production of the sports utility vehicle Endeavor and other future Mitsubishi products, including the next-generation Galant.

Mitsubishi broke ground on the original Normal facility in 1987 and has invested more than \$2.4 billion in property and equipment improvements in establishing one of the most technologically advanced manufacturing plants in the world. This latest expansion will add 400,000 square feet to its current plant size of 2.5 million square feet.

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