

# **GM Received \$17M In TN Grants Before Moving Jobs To MI**

NASHVILLE, Tenn. (AP) — General Motors received nearly \$17 million in job-training grants from the state of Tennessee nearly three years ago, tapping an unexpected source of cash at a time the automaker teetered on the brink of collapse, according to a published report.

Those grants made GM the biggest single recipient of cash for job training from the Tennessee Department of Economic and Community Development, according to a database obtained by The Tennessean.

Most of the infusion came in the week after GM executives disclosed the cash crisis that ultimately led to a federal bailout.

The grants were part of the FastTrack incentive package that helped Tennessee bring production of the Chevy Traverse to GM's Spring Hill plant. The grants were meant to train thousands of new workers who would hold down high-paying jobs for decades. But most of those jobs are no longer in Tennessee, as GM shifted production of the Traverse to Lansing, Mich., in 2009.

More than \$250 million in incentives have been awarded for economic development through FastTrack and related programs, according to a database of more than 3,800 transactions dating back to 1999 and released by the department recently. Of that, \$78 million has gone directly to companies for job training.

GM is not the only company to receive FastTrack job training grants, only to later pull back its presence in Tennessee. Goodyear Tire & Rubber Co. and Peterbilt Motors Co. also rank among the top 15 recipients of job training awards in that span; both have since laid off hundreds of workers, the Nashville newspaper reported.

But no company received as much money, in as short a time and while facing as dire circumstances as did GM.

The Traverse project was meant to preserve 4,000 jobs at Spring Hill, with wages starting around \$28 an hour.

While no cars are assembled there now, about 1,200 people still work at the site, painting, producing components and building engines for other vehicles, at salaries comparable to those received by assembly line workers. Part of the plant also is in the process of being converted to a training facility for laid-off GM employees and others who are out of work.

## **GM Received \$17M In TN Grants Before Moving Jobs To MI**

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

But the main assembly line remains on "standby," meaning it would be reopened if GM were to need another plant in the future. Although equipment and tools specific to the Traverse have been moved, the line remains among the most modern that GM owns, making it a leading candidate if the company were to add another car to its lineup.

Some still see benefits from the Traverse project.

"It allowed people to continue to have a job," said Brandom Gengelbach, president of the Maury County Chamber and Economic Alliance. "It's easy to look back and say it wasn't for very long, but there were a lot of things that came along. ... That wasn't exactly something you could foresee."

The state disbursed its first grant for the Traverse project, \$5.6 million, only five days after GM executives disclosed in November 2008 that the company faced bankruptcy if it did not receive an infusion of cash.

The company received an additional \$8.7 million from the economic development department two days later. And in March 2009, GM received two awards totaling \$2.6 million.

GM spokeswoman Andrea Hales said there was no connection between the timing of the job training grants and the company's cash crisis.

The incentives had been agreed to in late 2007, part of a package of tax breaks and other subsidies meant to support GM as it spent \$690 million to retool its Spring Hill plant, which had produced Saturn vehicles for nearly two decades.

**Source URL (retrieved on 12/28/2014 - 3:49am):**

<http://www.impomag.com/news/2011/08/gm-received-17m-tn-grants-moving-jobs-mi>