Hyundai Plans MI Testing Facility

David Runk, Associated Press

DETROIT (AP) — Hyundai Motor Co. announced plans Tuesday to build a Michigan testing facility to help examine the effects of extreme hot and cold temperatures for vehicle development, a project that Gov. Rick Snyder said illustrates the kind of help the state can provide to encourage business expansion.

The new testing facility announced at the North American International Auto Show in Detroit will be built at the South Korean automaker's Hyundai America Technical Center in Washtenaw County's Superior Township, near Ann Arbor.

Hyundai said it will spend $15 million on the facility and other upgrades, and 50 full-time jobs will be added in the coming years.

"This investment ... reinforces Hyundai and Kia's commitment to U.S. vehicle development and American jobs," Dr. Cho, president of the technical center, said in a statement.

To secure the deal, the state agreed to spend $2.5 million to build a power substation that would improve service to the testing facility. The funding for it is similar to a loan, and is to be paid back by Superior Township, which will collect more property taxes because of the expansion, according to the Michigan Economic Development Corp.

The Michigan Strategic Fund must approve the use of state money for the project.

The technical center opened in 2005 and has about 170 employees. The promise of about $28 million in state and local tax breaks when Democrat Jennifer Granholm was governor helped persuade Hyundai in 2003 to relocate and expand the technical center in Michigan instead of locating in Alabama.

Snyder, a Republican, has supported largely eliminating the future use of such tax breaks for specific companies in return for lower tax rates for most. He said Tuesday's announcement about the technical center, which he noted is located near his own home, shows Michigan's leadership in industrial engineering, research and design.

"We are going to continue that legacy," Snyder said.

The technical center is the design, technology and engineering arm for all North American models of Hyundai-KIA Motors Group.

The deal was announced after Snyder and Lt. Gov. Brian Calley toured the show on the second day of media previews. Snyder also met with U.S. Energy Secretary Steven Chu and U.S. Commerce Secretary John Bryson, as well as auto executives.

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