



Friday, September 26, 2008

GM's new Flint engine plant called area catalyst

Robert Snell / The Detroit News

FLINT -- General Motors Corp.'s \$370 million plant that will produce two new fuel-efficient engines -- including one for the Chevrolet Volt -- could be a catalyst to draw others to the area to research and develop advanced automotive technology.

The new plant, which was announced Thursday, also will build a separate engine for the Chevy Cruze small car and could spur millions in additional investment as automotive scientists, researchers and competitors hurry to open nearby.

"It's a natural fit that these jobs come to the region," said Scott Watkins, a technology expert with Anderson Economic Group LLC. "This is exactly the type of investment Michigan should be attracting."

An industry-wide race to develop electric and other vehicles relying on alternative propulsion technologies could reinvigorate the region. The Volt, which relies on a lithium-ion battery pack that will let commuters travel up to 40 miles on electric power alone, is only one potential magnet.

Chrysler LLC this week promised to introduce its own electric car by 2010 and Tesla Motors also is building an electric sports car that is being researched and developed in Rochester Hills.

UAW Vice President Cal Rapson, who attended Thursday's announcement in Flint, said he hopes suppliers and others will move into the region to be near the exclusive North American home of the Volt engine. And if the Volt is successful, more jobs could be coming.

"Depending on how it goes, it could be up to 700 jobs" at the Flint plant, he said.

GM is receiving more than \$265 million in tax incentives from the state and local governments to build the Volt. Flint is providing tax breaks including a 100 percent abatement of personal property taxes through 2033, as well as other incentives. The once-thriving company town has lost about 50,000 GM jobs since the automaker's heyday, but the Volt is expected to play a key role in the automaker's future.

"GM is here to stay and today we celebrate the latest evidence," Wagoner said to a crowd in Flint that included Gov. Jennifer Granholm, local officials, GM executives and workers from UAW Local 599.

The new Flint plant will produce a 1.4-liter turbo engine for the Cruze that will debut next year and get about 40 miles per gallon, and a 1.4-liter naturally aspirated engine for the Volt.

The engines are part of an approach by GM to double global production of small four-cylinder engines by 2011.

A third of all GM engines made in North America in 2011 will be four-cylinder and 21 percent of those will be turbocharged -- seven times the number of four-cylinder turbo engines made today.

GM will start building the 552,000-square-foot plant next month with production starting in 2010. The investment is expected to retain about 300 hourly jobs. About 6,000 workers are employed today at five GM facilities in Flint.

The Flint plant is a slice of the \$838 million GM will spend producing the Volt, seen by analysts and executives as a key to helping the automaker combat record-high gas prices and a consumer shift away from once-profitable trucks and sport utility vehicles to cars and crossovers.

The Volt's engine kicks in after its battery is drained by about 70 percent to sustain the battery's remaining charge to keep the car running for several hundred miles beyond the 40 miles of electric-only power.

The Volt, which still must withstand engineering and product testing, is expected to be available in November 2010 and cost as much as \$40,000.

It will be assembled in GM's Detroit/Hamtramck plant and ancillary work will stretch from Bay City to Pontiac and Warren.

You can reach Robert Snell at (313) 222-2028 or rsnell@detnews.com.

Find this article at:

<http://www.detnews.com/apps/pbcs.dll/article?AID=/20080926/AUTO01/809260338>

Check the box to include the list of links referenced in the article.

© Copyright 2008 The Detroit News. All rights reserved.