



Van Buren Charter Township

FOR IMMEDIATE RELEASE

May 19, 2015

PRESS RELEASE

MICHIGAN TOWNSHIP FILES SUIT AGAINST VISTEON CORPORATION

Van Buren Township Ask Federal Court To Order Company To Uphold Its Commitment to Taxpayers

VAN BUREN TOWNSHIP, Mich. May 19, 2015 - Van Buren Charter Township, Michigan has filed a complaint in the United States Bankruptcy Court For The District of Delaware against Visteon Corporation, which is headquartered in the Township. The Township is a semi-rural community in western Wayne County, consisting of approximately 28,000 residents. Visteon is one of the world's largest automotive parts supply companies.

In its complaint, the Township asks the Court to find that Visteon Corporation breached its contract with the Township. In that contract, the global auto parts supplier committed that there would be no payment shortfall under the bonds issued by the Township's Local Development Finance Authority (LDFA) to develop Visteon's world headquarters complex. The LDFA's issuance of tax-exempt bonds was an integral component of Visteon's construction of its World Headquarters and a sign of the Township's commitment to Visteon. However, because Visteon has failed to uphold its commitment to the Township, reached as part of the company's successful emergence from bankruptcy, the Township faces a shortfall in the next two to three years, even with anticipated bond refinancing.

For example, the Township's request for payment to address the looming shortfall of more than \$29 million was met with at least one Visteon offer

of approximately \$6,000, according to the complaint. In 2013, Visteon earned \$690 million on revenues of more than \$7 billion. As stated in the complaint, “...under the terms of the agreement, Visteon is contractually obligated to negotiate with the Township in good faith to determine the amount of the shortfall and to make up any shortfall on the Bond debt service payments.”

Ultimately, Van Buren Township taxpayers could be responsible for the unpaid shortfall if Visteon does not accept or is not compelled by the Court to uphold its responsibility.

“After two years of asking for a good faith dialogue, filing this lawsuit was the Township’s last resort in an effort to require Visteon to keep its promises to our community,” said Van Buren Township Supervisor Linda Combs. “We are in the process of evaluating our opportunities for local development to increase tax revenues and to make budgetary decisions to free up cash in case of a shortfall. Other options could be to spend Township funds to cover the shortfall, enact a millage to raise taxes to cover the shortfall, or default on the debt, which would lead to financial chaos for the Township. It’s in the best interest of our taxpayers to put this case in front of the Court.”

Van Buren Charter Township vs. Visteon Corporation may be reviewed at Case # 15-50312-CSS.

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