

### 3 Key Messages

1. Grateful for the hard work and hours legislative leadership and staff have put into these bills
2. Time is of the essence: the competition is stronger than ever, and the very core of our economic identity is at stake
3. These bills put Michigan in a strong position to win transformational projects that will bring long-term economic opportunity and security to regions and communities across the state.

#### Message 1: Grateful for your public service

- We are moving mountains, together. We are where we are today because of the might of Team Michigan, including the hard work and countless hours spent by legislative leadership and staff to put these bills forward in both the House and the Senate.
  - Special thanks to [GREG TO ADVISE] for their steadfast leadership on these efforts critical to growing our economy and creating economic opportunities for Michiganders.
- These bills put our competitors on notice: when it comes to economic development efforts, Michigan works together to secure the future of our state.

#### Message 2: Time is of the Essence

- Let there be no doubt: now is the time for Michigan to make strategic investments in our economy by building the tools that will secure transformational projects here in our state.
- We can choose to lead the charge, or we can choose to cede generational investments to our competitors – but we must choose now. And I think we must choose to lead, and to win.
- Why now:
  - Given the unprecedented acceleration of capital announcements, the next 15 months could decide the next 20 years for a generation of economic opportunity for our state.
    - Generational investments that will anchor where the transition from ICE to EV manufacturing takes place – and Michigan's does not have a guaranteed home court advantage
  - 11 projects in MEDC's pipeline today, representing more than \$74 billion in capital expenditure investment and more than 27,000 direct jobs that require programs like the ones in these bills to secure.
  - Our competitors are not waiting:
    - ADD IN NC MEGA SITE INFO
    - The Kentucky legislature passed a bill creating a \$400M fund to support major manufacturing projects as well as \$250 million in forgivable loans and \$36 million in training grants for Ford's \$5.8 billion investment in BlueOval SK Battery Park
    - Ultium investments of approximately \$2 billion each in battery assembly sites in Tennessee and Ohio received incentives of \$50-\$60 million in upfront grants and 15-30 years of 60-75% tax abatement.
    - In Canada, federal and provincial contributions of \$295 million each supported Ford's \$1.8 billion investment to build multiple EV models and install a battery pack assembly line the company's Oakville Assembly Plant in Ontario.
- The Stake are High
  - More than 300,000 Michigan jobs across the state, including 200,000 automotive manufacturing jobs are at stake by 2031.
  - Current pipeline projects in related industries could:

- Generate employment nearly equal to overall economic growth in MI from 2014-2019
- Create nearly 15,000 jobs in state's supply chain

**Message 3: These bills take Michigan from a significant competitive disadvantage to putting the state in the strongest possible position to win transformational projects**

- Enabling Team Michigan to land transformational requires competitive and flexible economic development tools and investment for business retention and attraction to complement Michigan's undeniable strengths as a state.
  - Globally recognized talent base
  - Long-standing heritage in manufacturing
  - Affordable cost of living + Pure Michigan quality of life
- These bills deliver those tools
- Flexibility remains critical
  - Every project is different, and we want to be able to ensure we have transparency and accountability while also being able to put together tailored, flexible project proposals that put Michigan in the best position to succeed long-term.
- **Site Readiness supports business attraction efforts in both rural and urban areas**
  - [SB 770/HB 5603](#) creates a strategic site readiness program to provide grants, loans, and other economic assistance for the purpose of creating investment-ready sites to attract and promote investment in this state.
  - Site availability and readiness have risen quickly as key deciding factors for companies when considering future growth and expansion opportunities. As we work to win projects across multiple industries in both rural and urban areas, this program will ensure that Team Michigan can increase our inventory of sites, particularly large sites, to support projects today and in the coming years.
- **Michigan must create a new "home court" advantage.**
  - [SB 771/HB 5604](#) creates a critical industry investment fund that will allow Michigan to make game-changing investments to businesses that will be critical to closing deals and creating and preserving qualified jobs in the state while generating significant capital investment.
    - Michigan currently ranks last among our major competitor states and provinces for investment tools that de-risk project economics.
- Winning transformational projects in the state helps create opportunities for growth and success for small businesses, including:
  - Protecting and growing jobs
  - Ongoing customers for small and medium sized businesses
  - Growing small and microbusinesses that rely on our auto, EV and semiconductor industry/supply chain for their own success
  - Population growth
  - More vibrant communities

**In closing:**

- Thank you for your time, and for the work in getting us here today to talk about these critical bills.

- It is my goal to make Michigan the #1 four-season economy in North America – and these programs give us the vital momentum we need to win transformational projects and build that championship economy right here in Michigan.
- That, in turn, ensure Michiganders all across the state have the best possible opportunity for economic growth for themselves and their families.

## Q&A

### **Do we really need this much money?**

- Michigan has witnessed an unprecedented amount of interest in transformational economic development opportunities over the past several months and we continue to be at or near the top of the consideration list for each of the four major projects in our pipeline today.
- In recent weeks it has become all too clear that even with the competitive advantages Michigan offers – including one of the top skilled workforces in the country and our Pure Michigan quality of life – that we need to continue to strengthen the toolbox that will allow Michigan to retain and win the transformational projects to secure long term economic strength.
  - There is no better time, with a generational investment of federal dollars in the state through ARPA.

### **Why do you need these specific tools?**

- **Flexibility remains critical:** every project is different, and we want to be able to ensure we have transparency and accountability while also being able to put together tailored, flexible project proposals that put Michigan in the best position to succeed long-term. Important to have flexible cash-based tools to make it easy for companies to do business in MI compared to other states.
- **Our competitors are not waiting** and are already offering tools similar to these that are helping them attract businesses away from Michigan to other states.
  - Many states can offer significant upfront cash to help defray company costs until site construction is complete and also have tax incentive programs similar to EOP for job creation. We are currently the only state among our competitive set that does not have this type of tool.
  - We need to evolve and adapt to compete with what our competitors are offering companies to strengthen our chances for bringing these companies – and their jobs, investment, and growth opportunities – here to MI.
- **Site Readiness supports business attraction efforts in both rural and urban areas** and has quickly risen as a key deciding factor for companies when considering future growth and expansion opportunities.

### **Why do we need to support incentives like these?**

- These tools help us de-risk a company's decision to invest in Michigan, the same way that other states' tools do.
- Emphasize that MEDC understands it's responsible for being good stewards of public dollars. We have many transparency/due diligence measures in place to ensure we are making the best economic decisions for the people of MI.

### **Are we just incentivizing companies that wouldn't really leave MI either way?**

- We have a rich concentration of global companies with global footprints in the state, but we have already seen some of these companies choose to take their latest projects elsewhere because other states are actively courting them.
  - We cannot take for granted that they will stay in Michigan if we aren't keeping up with our competitors.

**IF ASKED about Good Jobs for Michigan/Employment Opportunity Program:**

*Background: Senate Bill 615 has been passed out of committee and now awaits action on Senate Floor. HB 5425 has been introduced and referred to the Committee on Commerce and Tourism.*

- MEDC Strategic Objective is to enable long term economic opportunity for all Michiganders; making sure economic development matters around dinner tables and in homes throughout the state.
- We are excited about the possibility of getting a critical tool like the Employment Opportunity Program back in our arsenal as we face a once-in-a-generation opportunity to transform Michigan's economy for decades to come.

**What kind of need exists for the R&D tax credit?**

- Creating a statutory credit eliminates the need for pre-approvals and continues to build Michigan's reputation as a state with a business-friendly environment that takes a whole-of-government approach to business retention and attraction.
- Our top competitors in the region, including Illinois, Indiana and Ohio, as well as Georgia, Texas and South Carolina all offer R&D tax credits. In fact, Michigan is one of only 13 states that offer no tax credit to retain and grow R&D efforts in the state.
  - Michigan has not had an R&D credit since 2012.

**Why aren't we identifying specific industries to invest in for the critical industry fund?**

- Business trends and climates evolve over time – i.e., today the semiconductor industry is a rapidly growing sector that Michigan has an incredible opportunity to play a central role in that wasn't as relevant even a year ago.
- As the MEDC works to remain nimble to support these critical industries achieving success in the state, we appreciate having the flexibility afforded through this legislation as written to ensure we can adapt and respond to economic trends and continue making a strong case for Michigan as a place for doing business.