



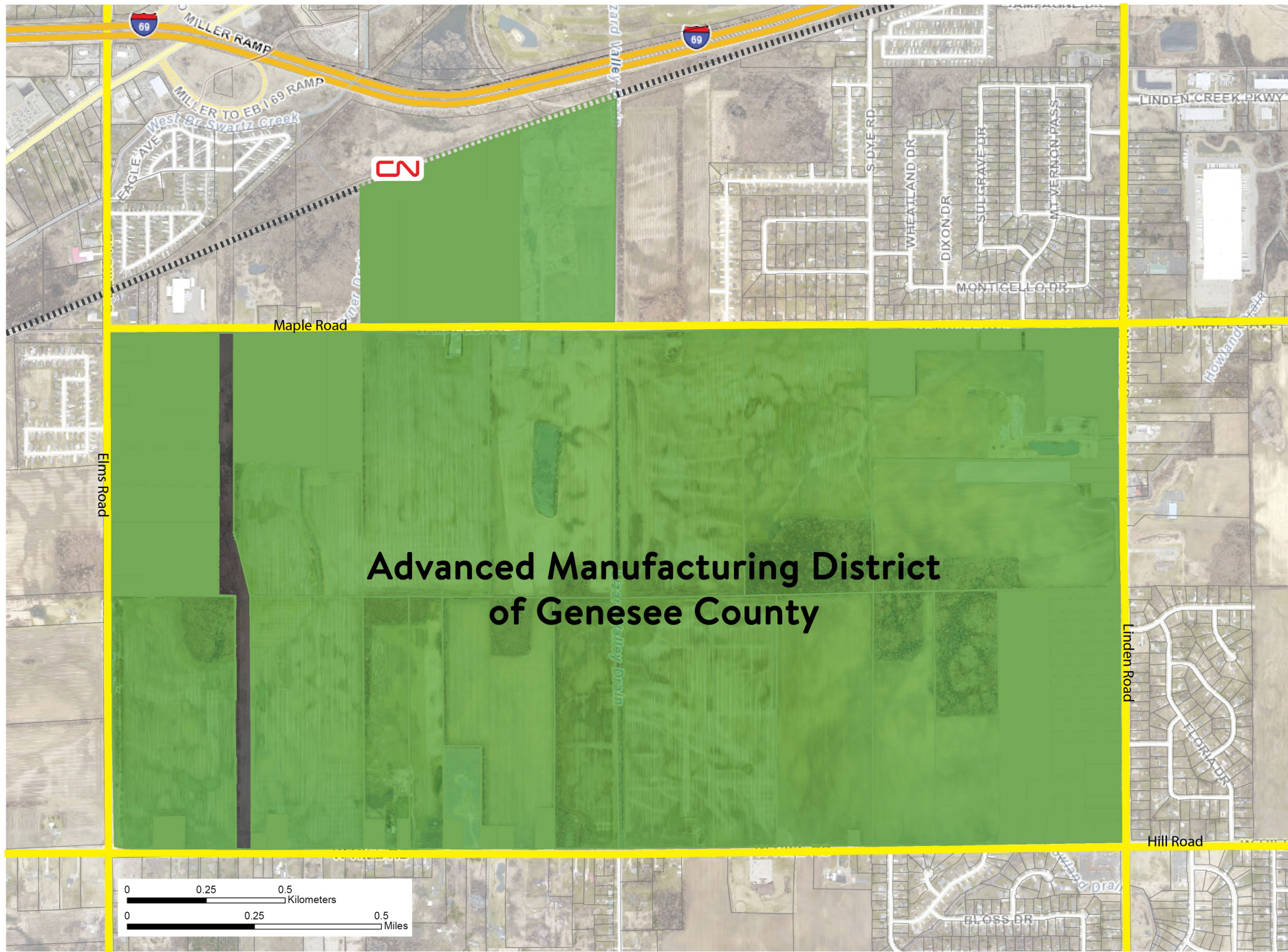
DevelopFlintandGenesee.org

Flint & Genesee County is poised for major growth.

- The Flint & Genesee community is one of makers and doers! We put the world on wheels. As a result, there are a lot of good reasons for companies to invest here.
- The **Advanced Manufacturing District of Genesee County** is Michigan's premier 1,300+ acre site located in the heart of Genesee County in Mundy Charter Township.
- This site puts Michigan in the game to attract a large-scale advanced manufacturer that will:
 - ✓ Create thousands of new jobs
 - ✓ Pump millions of dollars into our local economy
 - ✓ Provide more opportunities for young people

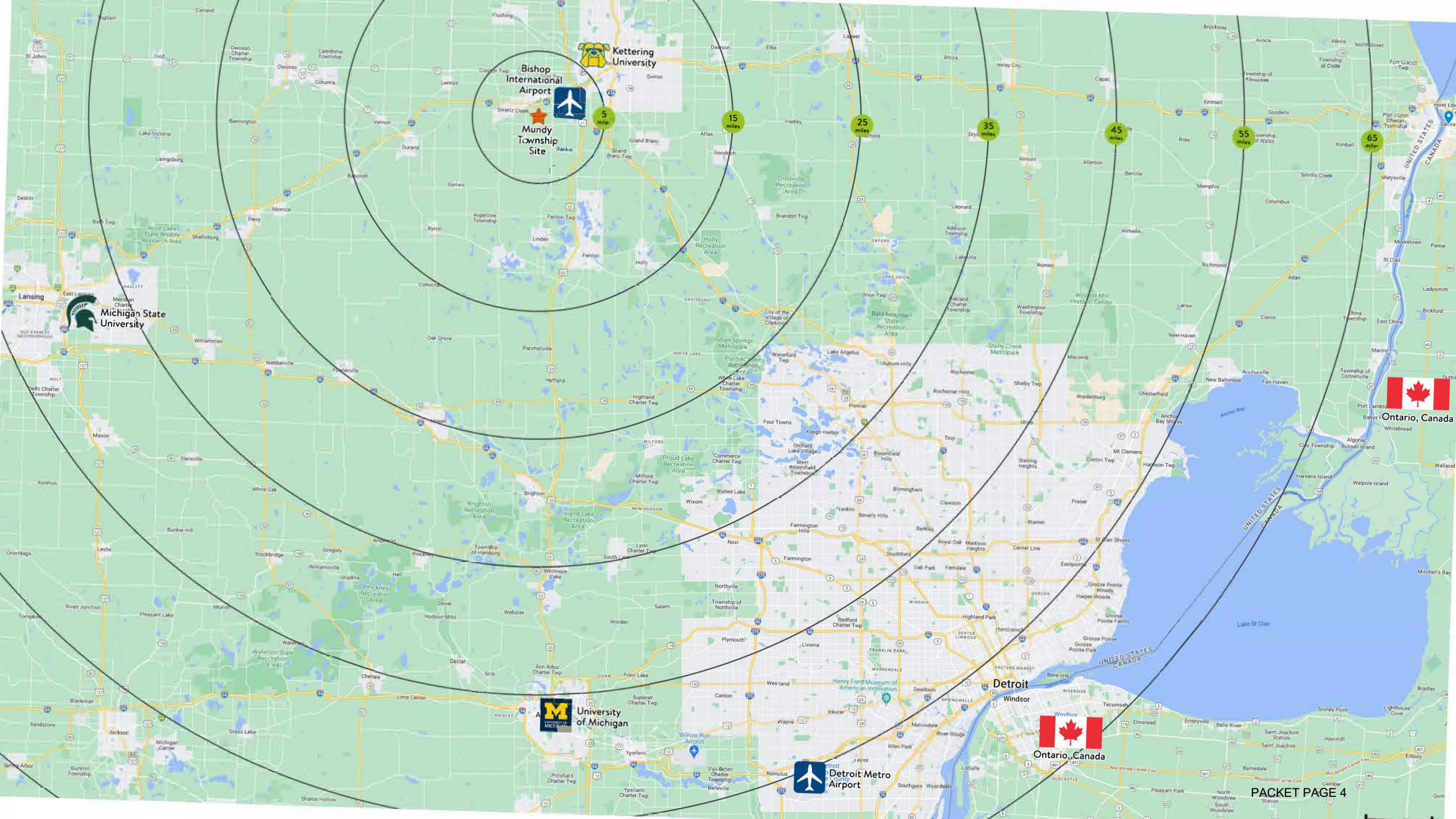


1388 acres



Advanced Manufacturing District of Genesee County





Bishop International Airport
Mundy Township Site

Kettering University

Michigan State University

University of Michigan

Detroit Metro Airport

Detroit

Windsor
Ontario, Canada

Reasons for companies to invest:

- **Established zoning enabling advanced manufacturing uses on day one**
- **Robust infrastructure:**
 - Three freeways: I-69, I-75, and US 23
 - 7 interstate exits within 5 miles
 - Adjacent to CN rail line
 - Around the corner from Bishop International Airport
 - Strong access to gas & electricity
 - Unmatched water & sewer capabilities
- **Access to talented and diverse workforce:**
 - Unparalleled talent pool of over 2 million people from Saginaw to Lansing to Detroit with manufacturing and innovation in the DNA
 - Access to some of the best Kettering, UM-Flint, and Mott Community College in town and three R1 Universities within a one-hour drive.
- **Community leadership adept at working with industry and anxious to get to work**

A Look at Some of Our Supporters



The Advanced Manufacturing District: A WIN for local community

- ✓ Increased tax revenues
- ✓ Additional community investment
- ✓ More revenue for small business
- ✓ More people moving to Michigan and Genesee County
- ✓ Partnerships with CTE programs
- ✓ Job opportunities for graduates
- ✓ Investment in local transportation

ADVANCED MANUFACTURING DISTRICT OF GENESEE COUNTY

SOAR PERFORMANCE-BASED GRANTS

- \$250M reimbursement-based site readiness grant with performance milestones including:
 - Copies of all purchase agreements & land option agreements to be provided to and reviewed by MEDC prior to executing within the first Milestone
 - With the exception of Milestone 1, disbursements made only after at least 70% of grant funds disbursed under previous milestone expended or encumbered
 - Clawback provisions included in terms
- Development within the AMD will be subject to the overlay district design standards set forth in the Mundy Charter Township Zoning Ordinance.
 - Site already zoned for heavy industrial use

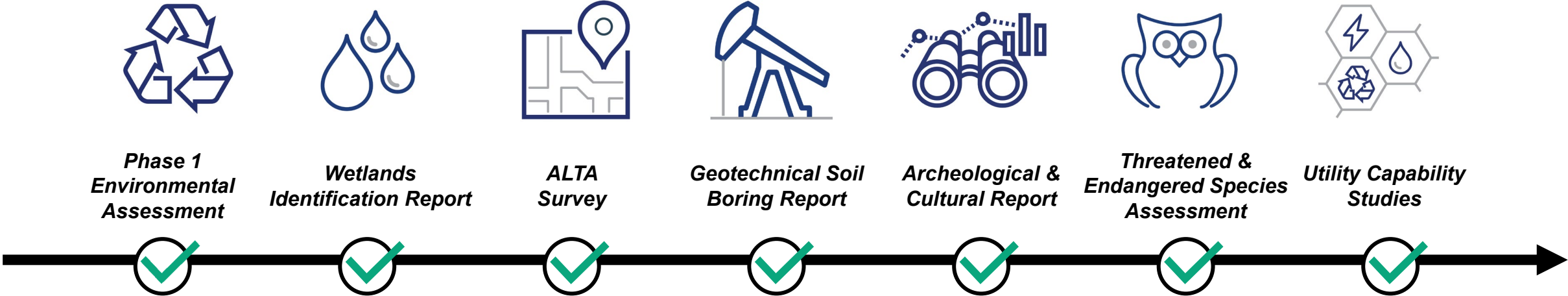
KEY IMPACTS

- Potential to drive a 120% increase in pop. growth for the region over 25-years
- Continues to accelerate a transformation in the region that has attracted \$1B+ in manufacturing investment in recent years
- Fast tracking site readiness on one of the last remaining 1,000+ acre sites in Great Lakes Region
- Positions Michigan to secure significant federal investments from programs like CHIPS Act with finite time and limited dollars left to award
- Residents in the region support developing a major manufacturing project in Mundy Township by a 72-22 margin

Appendix

COMPREHENSIVE SITE READINESS ACTIVITIES

A thorough round of site due diligence completed, encompassing environmental assessments, soil analysis, and utility evaluations – no red flags.



Notes	Complete	Complete	Synthesizing field data collected	Complete	Complete	Complete	Complete; can provide additional data as needed
Firms	AKT Peerless	ASTI Environmental	Rowe Engineering	Construction Testing Services	Kidorf Preservation Consulting	ASTI Environmental	N/A



Talent pool | Existing talent pool will meet key needs on day 1

An advanced manufacturer has access to strong talent pool with relevant experience within 60 min. drive from site...

~690k

employed in relevant fields

Architecture and engineering

- ~64k (Job density¹ 2.1x more than US avg.)

Assembler and production

- ~140k (Job density 1.4x more than US avg.)

Business operations

- ~110k (Job density on par with US avg.)

Administrative support

- ~222k

Construction and extraction

- ~57k (Job density on par with US avg.)

\$8k

lower salaries than national average

...with Detroit MSA offering a strong workforce for Assembler, Production, and Tech talent

A top 10 MSA for Labor Force Readiness for semiconductor industry (#6 – Detroit)

In Detroit MSA alone, employer can access...



Assembler and Production talent

- **~201k workers**
- Detroit MSA **ranked #1** in the US for Assembler and Production jobs¹
- **24pp lower turnover rate** (52% vs US avg. of 76%)



Tech talent

- **Over 191k** regional tech labor force
- **Ranked #3** for tech talent quality and cost²
- **7pp lower turnover rate** (32% vs US avg. of 39%)

1. Job density determined by comparing jobs per square mile in Zip codes with in 60-mile radius versus averages in zip codes nationally; 2. Detroit Regional Partnership; 2. Detroit Metro Ranking of Top U.S. Tech Markets (2020)
Source: Lightcast Report 2023; DRP; Flint & Genesee Economic Alliance



Talent | Strong talent base, bolstered by cutting edge advanced manufacturing education and workforce development

The region has education and workforce assets to meet employer needs...

Highly-skilled talent pool

- Access to ~690k workers with advanced manufacturing experience with salaries \$8k lower than national average
- Detroit MSA has 6th highest semiconductor labor force readiness

Strong talent pipeline

- Compared to peer states, MI produces more engineers and computer scientists per capita
- Local institutions are committed expanding the local talent pipeline
- Local higher ed institutions are committed to co-developing tailored curriculum to meet employer needs

Robust recruitment and training

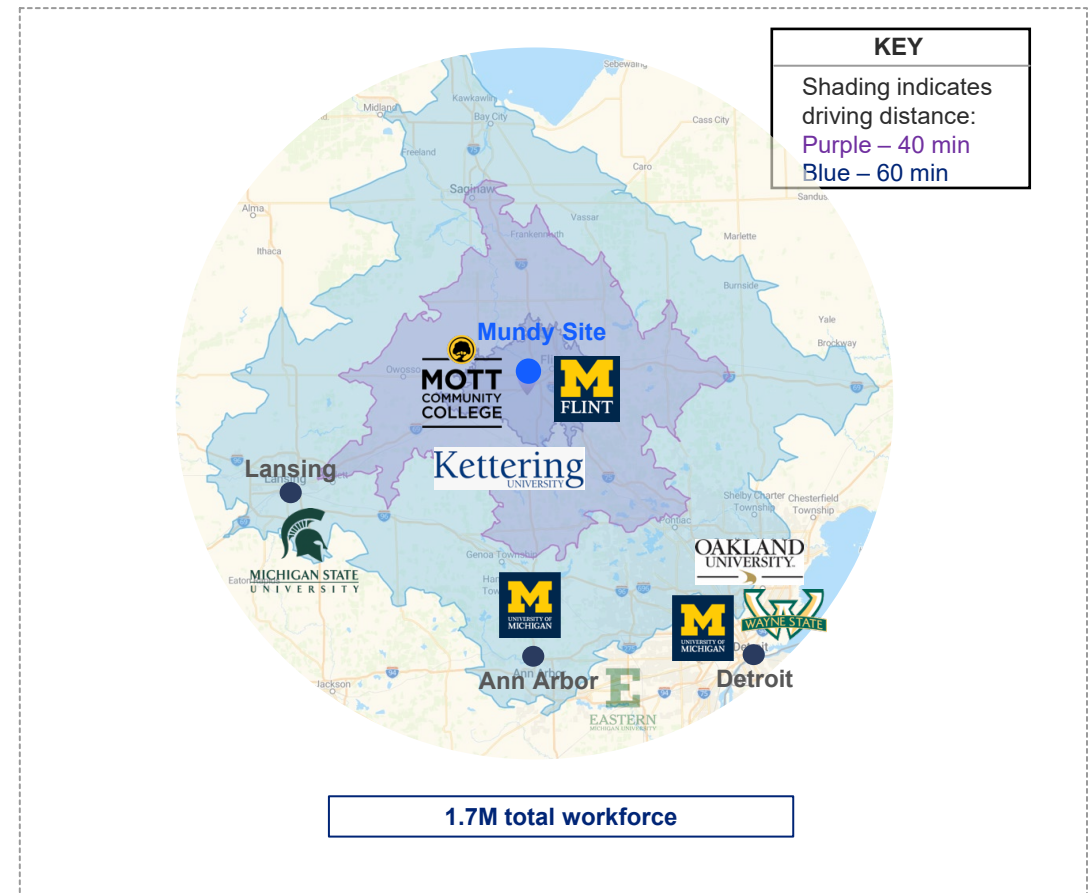
Several programs aimed at:

- Workforce education and training (e.g., MI Reconnect, Flint Promise, Michigan Works!, MCC Worker Promise)
- Talent attraction and placement (e.g., MEDC TAT, Make Your Move Flint & Genesee)

Deep dives to follow

In appendix




...all within 60 min. drive from the site





Talent pipeline | Local schools will partner with employers to meet needs

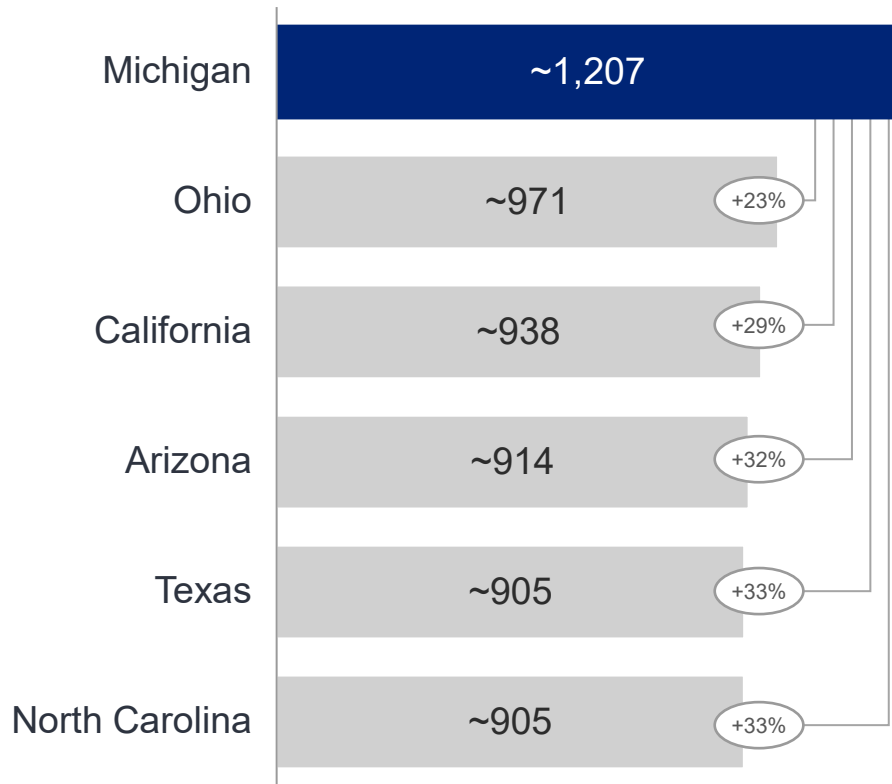
Mott Community College, UM-Flint, and Kettering University **create a uniquely complementary ecosystem** whereby each institution fulfills a different role across the **spectrum of education and skill requirements from local employers**

	Certificates & associate degrees	4-year degrees and beyond	
	 Mott Community College	 UM-Flint College of Innovation and Technology (CIT)	 Kettering University
Description	117 degree and certificate pathways for ~7.7k students ¹ ; majority of alums stay local	Established in 2021, CIT aims to co-develop its curriculum in partnership with employers	Ranked 12 th best undergrad engineering in US and 3 rd best value college in MI
Engagement with employers	Partners with employers to design curriculum aimed at upskilling workers through CTE ² and workforce development programs Leverages state funds , namely the MNJTP ³ , to offer tailored training for an employer	Applies Polytechnic model to degree programs aimed at developing the workforce for the 21 st century As a newly-established college, it is uniquely suited and committed to partnering with employers to develop custom degree programs	Offers engineering programs best suited for roles in advanced manufacturing (e.g., industrial, manufacturing, electrical and computer engineering) Delivers hands-on education through its co-op program along with its 400+ employer partners
	"We can design the right programs to address talent demands for any industry" - Robert Matthews, Associate VP of Workforce, Econ Development	"As a new college, we have the flexibility to design our programs specifically to meet an employer's needs" - Debasish Dutta, Fmr Chancellor	"The institutions in Flint are capable of producing a workforce at a high level.[...] The whole spectrum is here" - Dr. Robert McMahan Jr., President
Example fulfilled roles	<ul style="list-style-type: none"> Line worker Technician Mechanic 	<ul style="list-style-type: none"> Data analyst Software engineer 	<ul style="list-style-type: none"> Electrical engineer Mechanical engineer Material scientist Manufacturing engineer



Talent pipeline | MI's best-in-class engineering schools produce high-quality, diverse tech talent

Compared to peer states, MI produces more engineers and comp scientists per 1M¹



Flint & Genesee community can tap into top ranked schools in the region focused on producing diverse talent

	<ul style="list-style-type: none"> • Offers 117 degree and certificate pathways • Has adult education programs to improve literacy and GED prep • Provides training programs in partnership with employers
	<ul style="list-style-type: none"> • Participates in the Flint Promise, a "last dollar" scholarship for residents who finished high school in Flint • Launched College of Innovation & Technology, a degree and training program in applied technology fields
	<ul style="list-style-type: none"> • Ranked #1 college in the Midwest for career prep by students • Offers co-op program with ~500 employer partners enabling students to gain full-time work experience
	<ul style="list-style-type: none"> • #1 supply chain program in the country • Operates FRIB² as a user facility for Department of Energy • Has world's 1st superconducting cyclotron for chip testing
	<ul style="list-style-type: none"> • #7 engineering program and #2 industrial engineering program in the country • #1 in public university research volume for 11 consecutive years • \$1.25B raised since 1998 related to semiconductor research
<p>Other large schools for talent in the area</p>	

1. Based on 2020 IPEDS Data; per capita (per million residents) comparisons adjusted for estimated number of students who live out-of-state and are 100% distance education; 2. FRIB – Facility for Rare Isotope Beams
 Source: IPEDS; USNews; Niche.com; University websites; [WSJ](http://WSJ.com)

FAST FACTS

- Funds are not given all at once, or before performance milestones are met
- Disbursed funds all have financial and legal requirements that must be met, before and throughout terms of the contract
- MEDC compliance experts track metrics under the contract agreement terms for every project, and at every step in the process
- Each contract requires repayment of funds if contract terms are not met

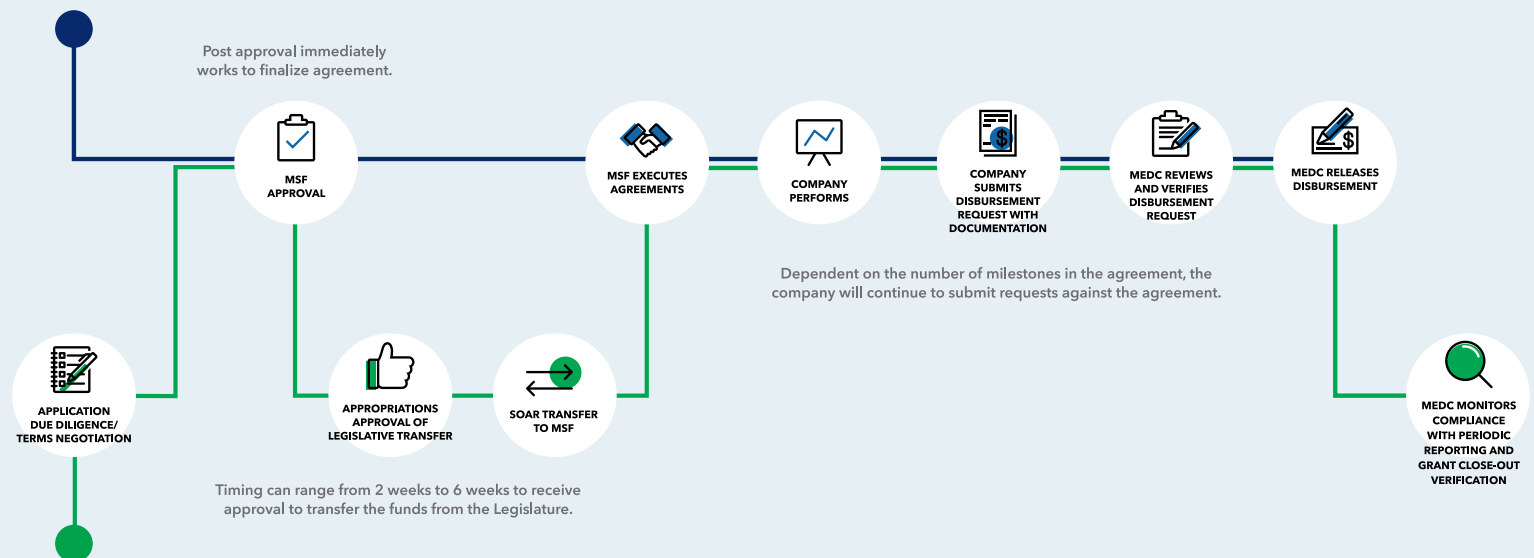
The MSF Approval Process: Thorough, Measured and Accountable

The MEDC Compliance team monitors the flagship Business Development and Community Revitalization Programs. Each program has a process for ensuring compliance with the terms and conditions of their agreement. In addition to requirements that must be satisfied before funds can be disbursed, agreements include annual progress reports that allow MEDC staff to monitor compliance after or between disbursements. Funding is not disbursed in a lump sum and is delivered contingent on performance milestones.

- All MSF incentive agreements are performance-based. Funds cannot and do not move until the awardee can demonstrate that they have met MEDC's requirements for disbursement. The compliance process for each of these programs does not rely solely on awardee certification, meeting performance milestones, and compliance with the agreement. It also includes a robust audit and verification process under which the Compliance manager reviews supporting documentation to confirm performance.
- All agreements include an 'access to records' provision authorizing the MSF, MEDC, DTMB, the Chief Compliance Officer, and the Office of the Auditor General to access the awardee's books and records during the term of the agreement and for a period of at least three years after the expiration of the agreement. This ensures key stakeholders have access to monitor and ensure compliance of awards. This provision is in all MSF incentive agreements, including the CIP and SSRP agreements.
- The Compliance Team has instituted a similarly strong audit and verification process for projects awarded under the SOAR process. Both the CIP and SSRP awards are performance-based, and funds are only disbursed after the MEDC Compliance manager verifies that the awardee has satisfied the terms and conditions of the agreement for that particular disbursement. SOAR projects have an additional annual compliance certification that awardees must submit and these programs all must undergo additional program compliance through the Office of the Auditor General
- Contractual agreements protect the State of Michigan with claw back provisions that require the recipient to repay money to the state if there are unremedied breaches of contractual terms.

MSF APPROVAL PROCESS

Traditional



SOAR-related

About the Advanced Manufacturing District of Genesee County

Located in Mundy Township, the 1,000-acre **Advanced Manufacturing District** of Genesee County is an incredible opportunity to create thousands of good-paying, high-skill jobs and pump millions of dollars of new revenue into our community.

Attracting Thousands of Jobs to Flint & Genesee



- ✓ Our community and small business owners have been hit hard by the pandemic, high inflation, and decades of job loss.
- ✓ An advanced manufacturing project in Genesee County will help turn around our local economy and create good-paying, blue-collar jobs.

Boosting Our Local Economy, Generating Revenue, and Investing in Our Community

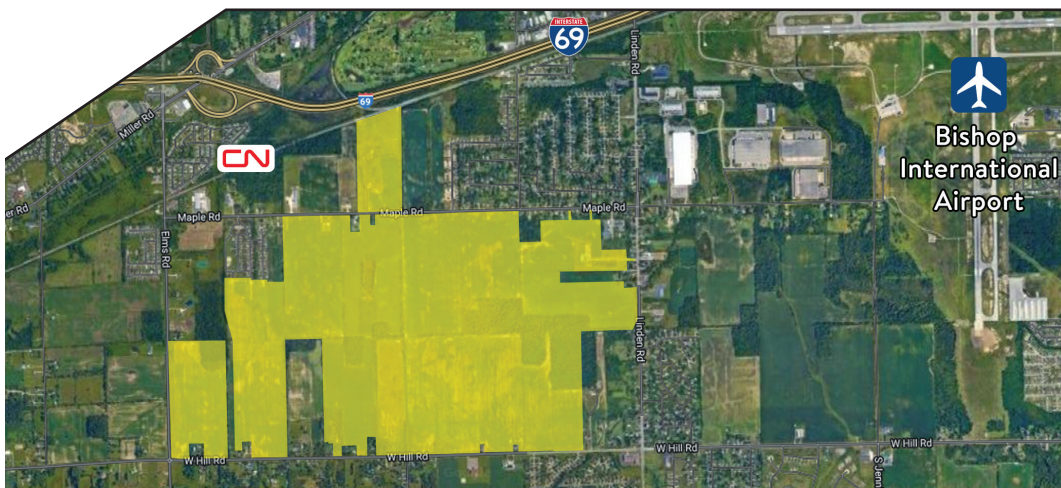


- ✓ An advanced manufacturing project will generate more revenue for our community and region, supporting schools, roads, and public safety.
- ✓ It will also be a magnet for billions of dollars of new capital investment, sparking new small businesses across our region.

Creating Opportunities for Young and Future Generations



- ✓ A new advanced manufacturer will provide access to good-paying, high-quality jobs that will allow young people to remain here instead of having to move elsewhere in Michigan or another state.
- ✓ Investing in advanced manufacturing helps bring our supply chain back to the United States, bringing back jobs that have been lost to foreign companies and ensuring that our country is less reliant on foreign countries like China, which helps protect our national security.



To learn more about the Advanced Manufacturing District of Genesee County, please visit DevelopFlintandGenesee.org/AMD

WE SUPPORT JOBS IN GENESEE COUNTY!



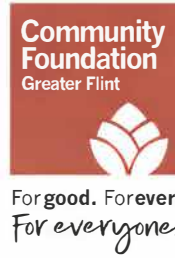
The **Advanced Manufacturing District (AMD)** of Genesee County has the potential to create thousands of local jobs and bring our supply chain back to the U.S.

A growing number of local voices are supporting this important effort which will create good-paying, blue-collar jobs and pump millions of dollars into our region, creating opportunities for young people, so they don't have to move away to find a good-paying job.

Current Supporters include:

- ✓ Charles Stewart Mott Foundation
- ✓ Community Foundation of Greater Flint
- ✓ Consumers Energy
- ✓ Cooper Commercial
- ✓ Dee Cramer, Inc.
- ✓ E & L Construction Group, Inc.
- ✓ The Genesee Group
- ✓ Goyette Mechanical
- ✓ GST Michigan Works! Inc.
- ✓ Hamilton Community Health Network, Inc.
- ✓ Hurley Foundation
- ✓ Hurley Medical Center
- ✓ Koegel Meats
- ✓ Lewis & Knopf CPAs, PC
- ✓ Lurvey Construction
- ✓ Management Diversified, Inc.
- ✓ Mass Transportation Authority
- ✓ McLaren Flint
- ✓ Mott Community College
- ✓ NorthGate
- ✓ Rolls Mechanical
- ✓ Sorensen-Gross Construction Services
- ✓ Sylvester Broome Empowerment Village
- ✓ University of Michigan-Flint

JOIN OUR GROWING LIST OF AMD SUPPORTERS so we can attract an advanced manufacturer right here in Genesee County. Our letter is online at DevelopFlintandGenesee.org/AMD.



October 20, 2023

Genesee County Voters Support Developing Manufacturing Site in Mundy Township

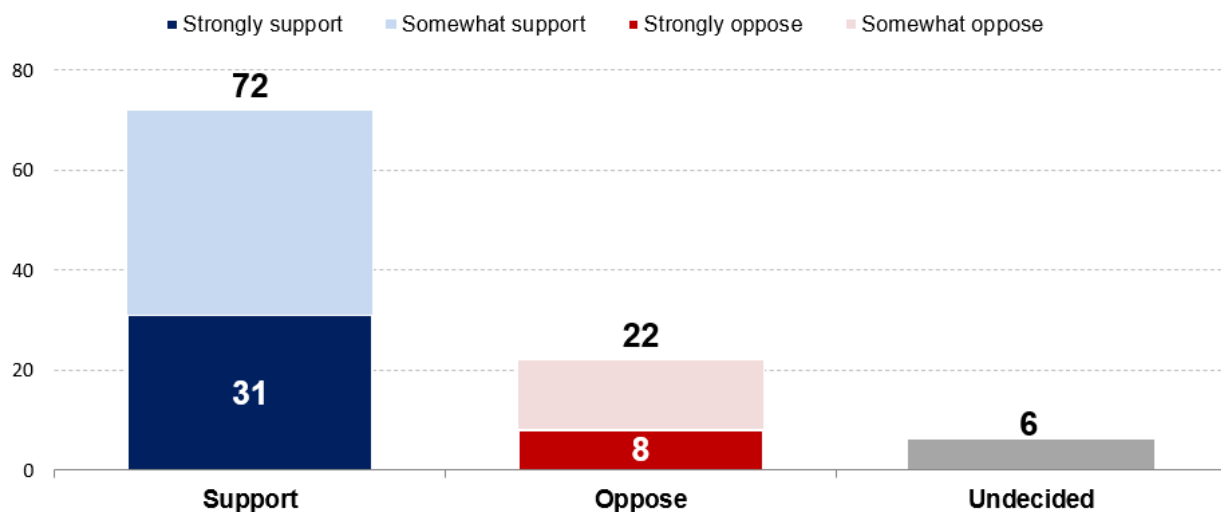
Key Findings from a Recent Survey

To: Interested Parties

From: GQR

A new survey among registered voters in Genesee County¹ shows residents support developing a major manufacturing project in Mundy Township by a 72 – 22 margin. Voters in Genesee County are concerned by rising prices and stagnant wages, and they believe the development can bring good middle-class jobs to their community.

Figure 1: Support for a major manufacturing project in Mundy Township



¹ GQR conducted a phone, web, and text survey between August 3 – 8, 2023 among 400 registered voters in Genesee County, with an additional oversample of 50 registered voters in Mundy Township, Swartz Creek, and Flint Township that was weighted down to reflect their portion of the county. The margin of error is +/- 4.9 and is higher among subgroups.

The manufacturing project wins broad support, broaching 60 percent across all demographics and ideologies.

Figure 2: Support for a major manufacturing project in Mundy Township by Subgroup

	Total Support	Total Oppose
Total	72	22
Townships Near Site	63	36
Rest of County	73	20
Democrats	84	13
Independents	64	29
Republicans	63	28
18-49	70	24
50+	72	21
Non-college men	69	23
College men	79	19
Non-college women	72	23
College women	71	21

In addition, the survey found:

- The county maintains a strong auto manufacturing identity. In an open-ended exercise asking voters what type of industry they would like to see come to Genesee County, a plurality of voters mentioned auto manufacturing. Voters also feel warmly toward the UAW, with 71 percent trusting them to be a credible source of information about any manufacturing development in Genesee County.
- Support remains durable throughout the survey. It never dips below 62 percent, even after voters hear a mix of positive and negative messaging about the project. It maintains majority support across every party and demographic.
- The strongest positive messages highlight the potential for a new manufacturing development to bring good-paying manufacturing jobs for Genesee County residents and boost a local economy that voters believe is struggling. Only 21 percent believe that the local economy is better now than it was five years ago. Inflation, low wages, and a lack of good-paying jobs top the list of biggest threats to the local economy.

Figure 3: Best Performing Positive Messages

Statements	Very Convincing	Very/Somewhat Convincing
<p>(JOBS) Genesee County needs businesses and good paying jobs now more than ever after decades of job losses, Covid and now inflation that hurts everyone. A project in Mundy Township would give Genesee County its best opportunity to bring advanced manufacturing back to our area with thousands of good-paying, blue collar manufacturing jobs.</p>	44	71
<p>(BOOST ECONOMY) Developing the area in Mundy Township will bring a multi-billion-dollar investment to the area, which will attract even more investment from other businesses. This will provide a boost to our local economy by bringing more customers to local businesses like restaurants and stores, bringing more tax revenue to our county.</p>	40	72
<p>(HIRE LOCAL WORKERS) A development in Mundy Township will help stop young people from leaving the area. Local residents will have access to good paying, high quality jobs that will allow them to remain here, buy a home and raise their families here rather than having to move elsewhere in Michigan, or even leave the state to find work to earn a good living</p>	38	63



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

JENNIFER L. FLOOD
DIRECTOR

May 21, 2024

The Honorable Sarah Anthony, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Angela Witwer, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Legislative Transfer Request 2024-7

I recommend the following fiscal year 2024 legislative transfer for your approval. This transfer is in accordance with section 393(2) of Act No. 431, P.A. 1984, as amended and is recommended for approval by the House and Senate Appropriations Committees.

The following information summarizes the transfer recommendation:

<u>Department</u>	<u>Transfer Amount</u>
Labor and Economic Opportunity	\$250,000,000
Total	\$250,000,000

If you have any questions regarding this request, please contact my office at (517) 335-3420.

Sincerely,

Jennifer L. Flood
State Budget Director

Attachment

cc: Winnie Brinks, Senate Majority Leader
Joe Tate, Speaker of the House
Aric Nesbitt, Senate Minority Leader
Matt Hall, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Departments
JoAnne Huls, Chief of Staff
Tricia Foster, Chief Operating Officer
Zack Pohl, Deputy Chief of Staff
Patti Tremblay, Director of Legislative Affairs
Kyle Guerrant, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Report ID: BUD-TRNLET-0046

SIGMA

Run Date: 05/16/2024

Transfer Letter Detail

Run Time: 11:01:15 AM

Legislative Transfer

Letter # 2024-7

Labor and Economic Opportunity

FROM: BOILERPLATE APPROPRIATIONS

Contingency funds	B24000		(250,000,000)
State restricted contingency revenues 376	2015	STRS	(250,000,000)

TO: STRATEGIC OUTREACH AND ATTRACTION RESERVE

Michigan strategic site readiness program	54315		250,000,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	STRS	250,000,000

This transfer provides \$250 million in state restricted contingency authorization to the Michigan Strategic Site Readiness Program (MSSRP) pursuant to Article 9, Sec. 301 of PA 119 of 2023. Funds are transferred into the MSSRP to support a grant to the Flint and Genesee Group Foundation, a local economic development corporation, for site readiness activities to support land acquisition and site and infrastructure development activities at the Advanced Manufacturing District of Genesee County (the AMD) site in the Township of Mundy, Genesee County, Michigan.

The Michigan Strategic Fund Board approved the performance-based incentive for this project on May 21, 2024. As Michigan continues to compete for transformational projects in critical industries supported by federal industry policy - including EV/battery, semiconductor, clean tech/energy, and defense/aerospace - strengthening Michigan's inventory of available sites remains paramount. In particular, large sites of 1,000+ acres, which includes the AMD, are highly sought after given their limited availability nationally. This funding will be used to support land acquisition of all parcels within the AMD, conduct due diligence on the parcels, and do some demolition and initial site clearing work. With active projects considering the site, there is urgency to proceed with site readiness efforts on the AMD site which would be relevant to any end-user.

Revenue to support this transfer is available from the Strategic Outreach and Attraction Reserve Fund (SOAR). This transfer is in compliance with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation. Two separate SOAR transfers, \$97 million requested on February 27, 2024, and \$50 million requested on March 26, 2024, are pending with the Legislature. If these three transfers are approved, there would be \$154.1 million remaining from current SOAR revenue deposits to support future transfers.



MEMORANDUM

Date: May 21, 2024

To: Michigan Strategic Fund Board

From: Christin Armstrong, SVP, Business Development Programs and Execution
Paul O'Connell, VP, Real Estate Development

Subject: Flint and Genesee Group Foundation - Strategic Site Readiness Program Grant
Request to Support Assembly of the Advanced Manufacturing District of Genesee County

Request

This is a request from the Flint and Genesee Group Foundation (the “Applicant”) for incentive assistance in the amount of \$250,000,000 of Strategic Site Readiness Program (“SSRP”) for site readiness activities to support land acquisition and site and infrastructure development activities at the Advanced Manufacturing District of Genesee County (the “AMD”) site in the Township of Mundy, Genesee County, Michigan (the “Request”).

Background

As Michigan continues to compete for transformational projects in critical industries supported by federal industrial policy – including EV/battery, semiconductor, clean tech/energy, and defense/aerospace – strengthening our inventory of available greenfield sites, of all sizes, remains paramount. This includes large sites of 1,000+ acres of which there are very few remaining across the U.S. – making them highly sought after. Currently, Michigan has only one remaining large site: the AMD in Mundy Township. The AMD consists of approximately 1,000 acres of land located in an area defined by Hill Road to the south, Elms Road to the West, Maple Road to the North, and Jennings Road to the East.

Public Act 134 of 2021 established the strategic site readiness program and its purpose is to create a state-wide inventory of investment-ready sites of all sizes to attract and promote investment in Michigan for activities on, or related to, strategic sites. On January 11, 2022, the MSF Board established the SSRP pursuant to the requirements of PA 134 of 2021 and approved the SSRP Guidelines (the “SSRP Guidelines”).

Applicant History

The Applicant aims to strengthen the local economy and create a place where people thrive, and businesses invest and grow. The team works to accomplish this through targeted programs and services and strong partnerships.

- Flint & Genesee Chamber, which adds capacity to small businesses
- Flint & Genesee Economic Alliance, which offers business development support
- Flint & Genesee Education & Talent, which prepares youth and adults for academic and career success
- Explore Flint & Genesee, which promotes the region and enhances tourism

The Applicant has been working collaboratively with the MEDC to develop the AMD site for several years. Currently the site is the most advanced large-scale site in Michigan, in the highly competitive market for mega sites across the country. Funding the land assemblage and site due diligence will create a more attractive site for business attraction and expansion opportunities. The MEDC has pitched this site to several transformational projects to date and the site has been selected for near term site visits by prospects.

The background review process for the Applicant was completed in accordance with the MSF Background Review Policy on January 24, 2024, and the project may proceed for MSF consideration.

Project Description

The AMD of Genesee County site land control and development has been in process for several years. The site is situated between Elms Road (West), Linden Road (East), W. Hill Road (South), and Maple Road (North). Since 2022, the Applicant embarked on a significant initiative aimed at establishing a mega site for utilization by the State. This includes gaining control of 22 parcels to date, spanning over 1,000 acres of land by way of option agreements.

Current State

Last month, the MSF Board approved an initial \$9,247,683 million SSRP grant to support the land assembly at AMD, with significant support voiced by the community. This month, the Real Estate team will be bringing an SSRP request that builds on last month's initial investment. For the past several years, Flint and Genesee Group Foundation (FGGF) has endeavored to position the AMD for future business investment by gaining control of significant tracts of land within the AMD (in the form of both outright purchase of parcels and options to purchase parcels) and conducting initial site due diligence. On April 16, 2024, the MSF Board took an important step in ensuring that the FGGF could maintain control over parcels that are a critical component of the AMD by authorizing/approving a \$9,247,683 SSRP to conduct eligible activities including land acquisition and site due diligence.

In order to complete these efforts to secure parcels, conduct additional due diligence, and take additional actions to prepare the site for future investment is critical to ensuring that Michigan can compete for catalytic and transformational projects, the FGGF has requested a SSRP grant of up to \$250 million to conduct Eligible Activities as defined in the SSRP, including land acquisition and assembly, demolition of structures within the AMD, and preliminary site preparation work. A copy of the proposed Term Sheet is attached as Appendix A to the Resolution. The terms and conditions proposed for this SSRP grant are consistent with SSRP grant awards previously approved by the MSF Board.

This new grant will supplement and complement the previously awarded \$9,247,683 SSRP grant by supporting land acquisition of all parcels within the AMD, conducting due diligence on the parcels, and doing some demolition and initial site clearing work. With active projects considering the site, the urgency of timing is underscored. The scope of the investment into site readiness efforts on the AMD site are relevant to any end-user and remains a strategic imperative to undertake in any circumstance, particularly given the current, limited inventory of greenfield sites of this size nationally.

To ensure the viability and attractiveness of this development, it has become evident that adding to and consolidating these parcels into a regular and contiguous site is essential. This consolidation will bolster the capacity to attract business investment. The Applicant is seeking funding support to create and maintain the contiguous mega site. This strategic step will enable the Applicant to facilitate the cohesive development necessary to meet the requirements and expectations of potential partners and businesses. The assemblage of the site will make the site more attractive to potential end users and will facilitate the successful marketing of a project to the site.

The Applicant has received feedback from outside experts and site consultants that the marketability of the site is currently negatively impacted by the irregular shape of the currently controlled site and that by securing as many of the parcels as possible will improve the attractiveness of the site for a transformational project for Genesee County and the State of Michigan.

Community Preparedness for Large Advanced Manufacturing Opportunities:

The Charter Township of Mundy amended its zoning ordinance to establish the Advanced Manufacturing Overlap District for the AMD site. The purpose of the overlay district is to

“provide an environment where high tech uses and functions such as engineering, design, research and development, advanced manufacturing, computer assisted design, robotics, numerical control equipment, prototype development, biotechnology, medical research and development, materials testing, telecommunications, and related storage and assembly operations associated with principal permitted uses can be located to encourage job creation and appropriate growth in the portions of

the Township with access to necessary public facilities and in close proximity to transportation assets like I-69 and Bishop International Airport.”¹

The MEDC and the FGGF have a long-term plan to assemble the parcels needed to make the AMD a contiguous parcel as envisioned by the Mundy Township charter amendment. While the site currently does not have a specific end user identified, the State of Michigan is actively competing for significant projects seeking to locate in the AMD. The readiness of the site is a significant factor in those decisions, and it is necessary for the State to continue its efforts to de-risk the site to attract transformational private investment projects through control, due diligence, and preliminary site preparation work.

Protecting the environment is paramount to the development of the AMD. Any development on the site will be subject to the state and local permitting process, including environmental regulatory and permitting processing through the Department of Environment, Great Lakes, and Energy (EGLE). Mundy Township also has an added requirement for developers to complete certain biological assessments on the site.

Development within the AMD will also be subject to the overlay district design standards set forth in the Mundy Township Zoning Ordinance. These design standards are meant to ensure development within the AMD does not negatively impact the surrounding area and will require generous landscaping, buffers and screening, and high-quality buildings. The overlay district also places use limitations on the surrounding roads to further minimize any negative impact on the surrounding area. Access drives for employees, visitors and truck traffic for uses in the AMD shall be to Maple Road. Any access drives to Linden, Elms, or Jennings Road shall be limited to emergency use only. Truck traffic for the AMD must be directed to Maple and Linden Roads and to the I-69/Bristol Road or US-23/Bristol Road interchanges and directed away from the Hill Road/US-23 interchange.

The Mundy Township Planning Commission has the authority to approve the design and overall aesthetics of structures that are visible from Hill, Elms, Linden, Jennings or Maple Roads. The Planning Commission is also empowered to restrict the use of unacceptable construction methods and materials as specified in the overlay district provisions of the Mundy Township Zoning Ordinance.

Eligibility

Flint Genesee Group Foundation is a local economic development corporation and is therefore an eligible applicant for SSRP funds. The scope of the project consists of land acquisition and assembly, demolition of buildings on the site and professional fees which are all eligible activities for SSRP funds.

The application for this grant was reviewed using the criteria outlined in Act 270 of 1984 125.2088t Sec. 88t (3, 4, 5a, and 6).

The site is currently within an Advanced Manufacturing Overlay district which provides for heavy industrial use at the site.

Appendix A addresses the SSRP statutory and programmatic considerations.

Recommendation

MEDC Staff recommends approval of the Request as outlined in the attached resolution.

¹ Section 11.02, Charter Township of Mundy Ordinance 19-123-Z.

APPENDIX A – SSRP Programmatic Considerations

Key Statutory Criteria

Per section 88t of the MSF Act, to the extent reasonably applicable as reasonably determined by the MSF board to the type of project proposed, the MSF shall consider and document at least all of the following criteria for all SSRP awards before entering into a written agreement:

- **What is the importance of the project or Eligible Activities to the community in which is located and Michigan?** The AMD is in the heart of Genesee County, Michigan, a vibrant community centered around the birthplace of General Motors, Flint Michigan. The area boasts a rich manufacturing heritage, a ready workforce, strong talent pipelines, and all the infrastructure assets an industrial user requires. Additional financial support of AMD is a strategic step that will enable maintained control over the existing parcels, acquisition of additional properties, and facilitate further due diligence and public awareness campaigns required for success. The AMD provides the opportunity to bring a transformational advanced manufacturing business to the area. This will have an overwhelmingly positive impact on the community by providing new and more employment opportunities for individuals and pumping millions of dollars into the local economy and area small businesses.
- **Will the project act as a catalyst for additional revitalization of the community where it is located and Michigan?** Yes, development of this site will be transformational to the Genesee County Community and overwhelmingly positive. Genesee County has suffered large jobs losses and economic distress. The AMD will attract significant business investment and create thousands of direct and indirect jobs, contributing to more economic growth and prosperity to a hard-hit community.
- **What is the amount of local community and financial support for the project?** No local public dollars have been committed at this time. Mundy Township municipal leaders have laid the foundation for rapid development on the site and are ready to work with potential end users to navigate challenges and support their timelines. Community sentiment polling conducted in August 2023 among registered voters in Genesee County and over sampled in the townships that surround AMD shows residents support developing a major manufacturing project in Mundy Township by a 72-22 margin. Additionally, many leading businesses and organizations of Genesee County have publicly expressed their support for AMD (see list [here](#)).
- **Has there been any other economic assistance or support provided by Michigan for the project? If yes, what is the amount?** Approximately \$9.25M in SSRP and \$250,000 through the Build Ready Sites Program.
- **Has there been any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations, or tax credits? If yes, what is the amount?** No
- **Has there been any private funds or investments for the project, including the Eligible Applicant's own investments in the project? If yes, what is the amount?** \$750,000 through the C.S. Mott Foundation
- **What is the Eligible Applicant's financial need for a grant, loan, or other economic assistance under the SSRP?** The Applicant needs \$250,000,000 to support the ongoing land assembly/acquisition and site development work for the AMD.
- **What is the extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property?** Based on a Historic Preservation study conducted by Kidorf Preservation Consulting, it is their opinion that no historic properties will be affected by any future manufacturing plant on the current site plan.

- **Is the project financially and economically sound? If yes, please explain.** Yes, the total financial need currently is \$250,000,000. Extensive work has been done with Plante Moran to ensure the financial stability of the project.
- **Will the project convert an abandoned public building(s) to private use? If yes, please explain.**
No
- **Will the project promote sustainable development? If yes, please explain.** The AMD is one of the largest sites currently being assembled in Michigan, which will offer a wealth of benefits to the entire Genesee County and greater Detroit Region. Overall, a robust job market creates a cycle of economic activity that significantly bolsters public and private revenue streams. Further, by developing the AMD the region will have more opportunities to diversify the economy and gain more resiliency and sustainability for its communities.
- **Will the project involve the rehabilitation of a historic resource? If yes, please explain.** No
- **Will the project address areawide redevelopment? If yes, please explain.** Yes, Genesee County is in the middle of a transformation that has attracted more than \$1 billion dollars in manufacturing investment in recent years. An ambitious vision to capitalize on assets, continue to invest in growth, and turn community into a thriving hub for advanced manufacturing has been a driving force for this development effort. The development of AMD will eventually lead to the creation of thousands more jobs and billions of more dollars of investment in Genesee County.
- **Will the project address underserved markets of commerce? If yes, please explain.** Yes, Genesee County is an underserved market of commerce due to several factors that have hindered its economic development in recent years. Flint, the county seat, has faced a declining population and a loss of manufacturing jobs, impacting the city's economic vitality. The water crisis exacerbated the challenges by eroding trust in public institutions and further discouraging business investments. High poverty rates, limited access to quality education, and a lack of investment in infrastructure have created significant challenges for businesses and entrepreneurs. These factors, coupled with a need for revitalization, make Flint and the surrounding Genesee County an underserved market, lacking the resources and opportunities necessary to foster robust commercial growth. Efforts to address these challenges are crucial to unlocking the county's economic potential and providing opportunities for both businesses and residents.
- **What is the level and extent of environmental contamination?** None identified in completed Phase one environmental assessment. Additional site due diligence will be conducted through the land assembly process. Protecting the environment is paramount to the development of the AMD. Any development on the site will be subject to the state and local permitting process, including environmental regulatory and permitting processing through EGLE. Mundy Township has an additional requirement for developers to complete certain biological assessments on the site. Development within the AMD will also be subject to the overlay district design standards set forth in the Mundy Township Zoning Ordinance. These design standards are meant to ensure development within the AMD does not negatively impact the surrounding area and will require generous landscaping, buffers and screening, and high-quality buildings.
- **Whether and how the project will compete with or affect existing Michigan businesses within the same industry?** The site is targeting advanced manufacturing companies. In the short-term creating thousands of jobs at the site may be a challenge for other businesses hiring in the area, however, a more robust job market will be easier for all to attract talent. Further, this investment will lead to millions of dollars coming into the local economy; this will provide great opportunities for area small businesses.

- **Whether and how the project’s proximity to rail and utility will impact the performance of the project and will maximize energy and logistics needs in the community in which it is located, and in Michigan.** The site’s adjacent CN rail, access to I-69, US 23, I-75 via seven interstate interchanges within five miles, and the proximity to Bishop International Airport are all logistical assets for an eventual end user of the site.
- **The risk of obsolescence that the project, products, and investments in the future.** The clients targeted for using AMD are leading in next generation technologies, delaying the risk of obsolescence in the future.
- **The overall return on investment to Michigan.** Positioning this site for investment is anticipated to generate a positive return on investment for the State.
- **Is the proposed Strategic Site or Mega-Strategic Site incorporated into a strategic plan of a political subdivision of Michigan; and if yes, please explain and provide documentation.** Yes, Mundy Township has identified the northern part of the township as an ideal location for the expansion labor activities for decades as references in the Townships Master Plan from 2010 (see page 63 in this [link](#)). More recently, Mundy Township approved a zoning ordinance change to add an advanced manufacturing overlay district to the northwestern portion of the township, which is where the AMD site is located. Mundy Township is currently developing their newest Master Plan and has indicated this site will be included.

Additionally, under Section 88t of the MSF Act, since the end user of the mega-strategic site is not identified, the MSF Board shall also consider:

- **Explain how the requested funds will be used to advance an individual site to an investment**

ready status, with specific costs, timelines, and deliverables for business attraction purposes.

As of 2022, the Applicant embarked on a significant initiative aimed at establishing a large site to large project opportunities. This includes gaining control of over 22 parcels to date, spanning over 1,000 acres of land by way of option agreements. To ensure the viability and attractiveness of this development, it has become evident that adding to and consolidating these parcels into a contiguous large site is essential. This consolidation will bolster FGGF’s capacity to attract and accommodate prospective companies effectively. The FGGF is seeking funding support to create and maintain the contiguous large site. This strategic step will enable the FGGF to maintain control over the existing parcels and facilitate the cohesive development necessary to meet the requirements and expectations of potential partners and businesses.

- **What is the current capacity to the site for Electric, gas, water, and sewer?**

Water

- a. The site has a pipeline adjacent to the site to supply 5 MGD of potable water immediately via the Genesee County Water System.
- b. The Genesee County Water System can provide a new user up to 64 MGD of raw, based on existing permits and current peak usage.
- c. The Genesee County Water System has approximately 9 MGD potable water available without any additional treatment infrastructure needed.

Sewer

- a. Genesee County wastewater system meets the needs of a heavily industrialized community, complies with all Federal and State regulations, and protects the local watershed. The system currently has excess capacity and is ready to meet the needs of the future.
- b. The site has an interceptor sewer line within 1 mile of site with 10 MGD available capacity immediately.

- c. The Genesee County Wastewater Treatment Plan has approximately 30 MGD capacity immediately available.

Electric

- a. Very robust and able to meet the demands and timelines of heavy transformational projects.

Gas

- b. Very robust and able to meet the demands and timelines of heavy transformational projects.

- **What is the maximum feasible capacity to the site within 36 months for Electric, gas, water and sewer?**
 - a. 55 MGD potable water
 - b. 45 MGD of sewer
 - c. 1,300 MW (Consumers Energy has more detailed information)
 - d. Sufficient Gas (Consumers Energy has more detailed information)

Speed to Market

- **How will the proposed project improve the level of competitiveness for business attraction (status of assemblage, site control, and status of site readiness)?** The proposed project will allow FGGF to acquire the existing parcels and additional parcels to ensure the project site is a complete rectangle.
- **What percentage of the overall site is currently assembled?** 89.6%
- **What percentage of the site is currently controlled by the applicant via ownership, option agreement, development, or other agreement with the landowner?** 89.6%

Investment

- **What is the overall projected return on investment to the state?** Positioning this site for investment is anticipated to generate a positive return on investment for the State.

Talent Jobs and Wages

- **What workforce training facilities or agencies could service the site?**

Immediately in the county:

- a. Kettering University (10-minute drive)
- b. University of Michigan – Flint (10-minute drive)
- c. Mott Community College (10-minute drive)

Within a 60-minute drive of the site:

- a. Michigan State University
- b. University of Michigan – Dearborn
- c. University of Michigan – Ann Arbor
- d. Oakland University

- **What is the available workforce that would support this site?** There are approximately 690,000 workers (a denser concentration than the US average) with relevant experience for advanced manufacturing jobs within 60 minutes of site. The MEDC works closely with talent and workforce partners to ensure that any company can attract and retain the necessary workforce to make their investment successful.

- **What impact will development of the site have on qualified jobs at the site location and within the state?** The development of this site will have a tremendous positive impact on the community and state. Genesee County is an economically hard-hit community that has long suffered job losses. At the same time, the County has a rich heritage of manufacturing and strong talent pipelines to support industry. Further, Genesee County is a part of the dynamic Detroit Region one of the nation's best regions for engineering, technology, and advanced manufacturing talent. This site provides the opportunity to attract thousands of new jobs in new industries and next generation technology to add resilience to the community, regional, and state of Michigan economies. Ultimately, a large investment at this site will dramatically increase the prosperity of the community, region, and state for generations.
- **Will the projected wages equal or exceed the average wage for the county in which the site is located?** It is expected that the wages of employees of a company locating on this site would exceed the average wage for the county.
- **What are the projected primary SOC Codes for the most likely end users of the site?** The FGGF is marketing the site to next generation technologies in the advanced manufacturing space.
- **What industries is the community targeting for the site?** The FGGF is marketing the site to next generation technologies in the advanced manufacturing space. This includes semiconductor fabrication, EV battery assembly, and aerospace.

Regional Community Support and Impact

- **Is the site zoned or master planned with a classification that would allow for its projected end use?** The advanced manufacturing overlay district includes the following permissible uses: light industrial uses; medium industrial uses; certain heavy industrial uses; wholesale or warehousing businesses or freight terminals associated with an industrial or manufacturing uses; on-site solar energy systems; professional office, education, and training and similar uses associated with the principal advanced manufacturing use; limited retail, restaurant, medical and dental, and other services uses strictly intended to serve employees of the principal use; government building and uses; essential services; and accessory building and uses that are customarily incidental to any of the permitted uses.
- **Explain the regional and local support for the site, including the strategic importance and prioritization of the site to the community.** The development of this site will have a tremendous positive impact on the community and state. Genesee County is an economically hard-hit community that has long suffered job losses. At the same time, the County has a rich heritage of manufacturing and strong talent pipelines to support industry. Further, Genesee County is a part of the dynamic Detroit Region one of the nation's best regions for engineering, technology, and advanced manufacturing talent. This site provides the opportunity to attract new industries and next generation technology to add resilience to the community, regional, and state of Michigan economies. Ultimately, a large investment at this site will dramatically increase the prosperity of the community, region, and state for generations.
- **Is the site supported by a strategic or other plan addressing business attraction and investment in the region?** The AMD site is one of three large scale sites in the state of Michigan best positioned to attract large transformational projects. FGGF has worked with outside consultants to review the site and provide feedback on how to best position the site for future development. Based on current market conditions, it is expected that a site of this size, with the infrastructure and workforce availability that the AMD does, would likely bring a project supporting more than 2,000 jobs and more than \$2B in capital investment in a greater Flint community that sorely needs to diversify its economy. We know, however, that these projects are highly sought after across the country with most states expending significant resources to make their largest sites ready for projects. This investment will allow us to improve the staging of the AMD within that landscape. —

Sustainable Development, Blight Elimination and Historical Reuse

- **Will the proposed investment result in the elimination of blight and the redevelopment of blighted properties?** On the site, no it will not result in the elimination of blight or redevelopment or blighted properties. However, given the transformational impact this development will have on the community and Genesee County's status as an economically hard-hit community, it is expected that many blighted properties in the area will be eliminated or redeveloped. Any development on the AMD by an end user will be subject to the requirements of the advanced manufacturing overlay district of the Mundy Township Zoning Ordinance and all required state and local permitting, including environmental permitting through EGLE.
- **Will the funds, if awarded, address the necessary site improvements specifically pertaining to environmental and topographical conditions?** These funds will not address any necessary physical site improvements at this time. A phase one study did not identify any needs for environmental improvements required. Any topographical conditions to be upgraded for development would require a site plan from a user.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2024-085**

**APPROVAL OF MICHIGAN STRATEGIC SITE READINESS PROGRAM
GRANTS TO FLINT AND GENESEE GROUP FOUNDATION**

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (the “MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF;

WHEREAS, pursuant to Section 88t of the MSF Act, MCL 125.2088t, the MSF shall create and operate the Michigan strategic site readiness program to provide grants, loans, and other economic assistance for eligible applicants to conduct eligible activities for the purpose of creating investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites (the “Strategic Site Readiness Program”);

WHEREAS, on January 11, 2022, the MSF Board created the Strategic Site Readiness Program and approved the guidelines, which have been updated from time to time, for the implementation and operation of the Strategic Site Readiness Program (the “Strategic Site Readiness Program Guidelines”);

WHEREAS, on April 16, 2024, the MSF Board approved a \$9.25 million Strategic Site Readiness Program grant to the Flint and Genesee Group Foundation (the “Flint and Genesee”) for land assembly and site improvement activities for portions of the Mundy Township mega strategic site (the “Site”);

WHEREAS, the Flint and Genesee submitted an application seeking a Strategic Site Readiness Program grant in the amount of \$250,000,000 for the Site in accordance with the terms and conditions outlined in the Summary of Terms attached as Exhibit A to this Resolution (the “Grant Request”); and

WHEREAS, subject to transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MEDC recommends the MSF Board approve the Grant Request; and

NOW THEREFORE, BE IT RESOLVED, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board approves the Grant Request;

BE IT FURTHER RESOLVED, the MSF President and the MSF Financial Officer are authorized to take all actions necessary to request transfer of SOAR funds to the MSF to fund the Grant Request; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate final terms and conditions of the Grant Request and to execute all documents necessary to effectuate the Grant Request.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Susan Tellier, Randy Thelen

Nays: None

Recused: None

Lansing, Michigan
May 21, 2024

Strategic Site Readiness Program Grant Summary of Terms

This document summarizes the key terms and conditions of the potential Strategic Site Readiness Program (“SSRP”) Award for Flint and Genesee Group Foundation (the “Applicant”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the Applicant obtaining all necessary approvals, and the Michigan Economic Development Corporation (“MEDC”) obtaining all necessary Michigan Strategic Fund (“MSF”) Board and State of Michigan Legislature approvals.

SSRP Award: Up to \$250,000,000 to the Applicant for Eligible Activities (as defined below) (the “SSRP Award”), to support the development of the Advanced Manufacturing District of Genesee County site (the “Site”) located in Mundy Township. The Eligible Activities are necessary to support the development of a “site-ready” mega site to attract large-scale national/global investments into Michigan’s economy (the “Project”).

Term of the Agreement: From the effective date of the Grant Agreement through the earlier of: (i) August 21, 2028; (ii) the grant manager’s approval of the Project Completion Milestone; (iii) when the Parties agree in writing; or (iv) if terminated in accordance with the Grant Agreement.

Disbursement of Grant Funds: The SSRP Award will be disbursed based on the Applicant’s achievement of the following key milestones and, except as to Key Milestone One, only after the Applicant has actually expended or encumbered at least seventy percent (70%) of the grant funds disbursed under the immediately preceding Key Milestone in accordance with the Project budget:

- **Key Milestone One: Not to exceed \$131,122,879**
 - Disbursement request in the form determined by the MEDC;
 - Copies of currently executed written agreements between the Applicant and any engineer, designer, consultant, contractor or entity, or vendor engaged to perform the Eligible Activities for the Project;
 - Copies of all purchase agreements necessary for the Applicant to facilitate the transfer of all parcels related to the Project;
 - Copies of land option agreements necessary for the Applicant to facilitate the control of all parcels related to the Project; and
 - As applicable, those certain pre-closing and post-closing deliverables typically required for the acquisition of property.

- **Key Milestone Two: Not to exceed \$61,024,878**
 - Disbursement request in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure for Eligible Activities of grant disbursements received under Key Milestone Number One. The spreadsheet shall include the corresponding category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Copies of currently executed written agreements between the Applicant and any contractor engaged to perform the Eligible Activities for the Project not previously submitted in Key Milestone One;
 - Demonstrated verification that all parcels from any source associated with the Project have been acquired and/or transferred to the Applicant;
 - A narrative describing in detail the Eligible Activities to be completed with the grant disbursement received under Key Milestone Two; and
 - As applicable, those certain pre-closing and post-closing deliverables typically required for the acquisition of property.

- **Key Milestone Three: Not to exceed \$57,852,243**
 - Disbursement request in the form determined by the MEDC;

- A spreadsheet describing and itemizing the actual expenditure for Eligible Activities of grant disbursements received under Key Milestone Number Two and Key Milestone Number One (if not previously reported). The spreadsheet shall include the corresponding category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Copies of currently executed written agreements between the Applicant and any contractor engaged to perform the Eligible Activities for the Project not previously submitted in Key Milestone One and Key Milestone Two;
 - Demonstrated verification that all parcels from any source associated with the Project have been acquired and/or transferred to the Applicant;
 - A narrative describing in detail the Eligible Activities to be completed with the grant disbursement received under Key Milestone Two; and
 - As applicable, those certain pre-closing and post-closing deliverables typically required for the acquisition of property.
- Project Completion Milestone, due on or before May 22, 2028
 - A final milestone certificate in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure of grant disbursements for all Eligible Activities completed during the Term. The spreadsheet shall include the corresponding reference category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Copies of currently executed written agreements between the Applicant and any contractor engaged to perform the Eligible Activities for the Project not previously submitted in Key Milestone One, Key Milestone Two, and Key Milestone Three;
 - Demonstrated verification that 100 percent of the funds disbursed have been expended for Eligible Activities;
 - Copies of any and all studies completed on the Site;
 - As applicable, those certain post-closing deliverables typically required for the acquisition of property; and
 - Documentation satisfactory to the grant manager that the Project is complete.

Eligible Activities: activities include, but are not limited to, site development, land acquisition, and any other activities allowed pursuant to the SSRP Guidelines approved by the MSF Board on August 22, 2023, as amended, that are necessary to support the development of the Site incurred after May 21, 2024, related to the Site. The Applicant and the MSF will develop a detailed budget for the Site that includes budget categories for the Eligible Activities. The budget will be incorporated into the written agreement signed by the parties.

Security Interest: Security interests in favor of the MSF must comply with Section 88t(4)(d) of the MSF Act, MCL 125.2088t(4)(d). Notwithstanding anything to the contrary, the Applicant shall maintain a separate account (the “Project Funds Account”) into which the grant funds will be disbursed, and the Applicant shall grant the MSF a security interest in the Project Funds Account. MSF security interests may also include security in the real and/or personal property at the Site, such as a mortgage, right of first offer, reverter rights, equipment, intangibles, inventory, or other such personal property interests. The Applicant shall facilitate granting of such real and/or personal property interests in favor of the MSF as part of the transfer of Parcels necessary at the Site. Such security interests will be used to secure repayment, as applicable, of any amounts owed to the MSF under the SSRP grant agreement with the Applicant.

Suspension of Disbursements: The MSF may immediately suspend making disbursements of the SSRP Award upon the occurrence of: (i) an event resulting in a Repayment Amount, (ii) an event of default, which shall be defined in the grant agreement, but shall include, without limitation, material noncompliance with the terms of the grant agreement, (iii) default in any other agreement with the State of Michigan or (iv) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

Clawback Provisions: The Applicant will be required to repay all, or a portion of the grant disbursements made under the SSRP Award upon the occurrence of one or more of the following events (each resulting in a “Repayment Amount”), and repayment is subject to the highest applicable

Repayment Amount if one or more of the same circumstances give rise to such events. The Applicant and the MSF agree to collaborate on any defaults by third parties under any of the Applicant's contracts for the Project for the purpose of recovery of SSRP Award funds, including without limitation, any of the Applicant's agreements with Vendors and/or Property Owners, and such may include assignments in favor of the MSF. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis:

- **Land Acquisition:** If the Applicant fails to provide the Property Owners with funding necessary for the transfer and acquisition of the parcels necessary for the Site, it will be required to repay up to 100% of grant disbursements made under the SSRP Award.
- **Project Abandonment:** if the Applicant voluntarily abandons the project after the SSRP Award is disbursed and on or before the end of the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Bankruptcy or Insolvency** – If the Applicant files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Applicant not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Applicant's operations for the Site, it will be required to repay 100% of grant disbursements made under the SSRP Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the SSRP Award.
- **Material Misrepresentation.** If the Applicant makes a material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Misuse of Funds:** if the Applicant uses the SSRP Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Default of Project Contracts:** The fully executed written agreement will include repayment language for events of default, which shall include but not limited to the Company's failure to comply with any contracts arising out of the Project.
- **Material Failure to Comply.** If the Applicant fails to materially comply with its obligations under the grant agreement, including the failure submit materials required under the (i) Key Milestones, (ii) annual progress reports, or (iii) annual compliance certificates under the grant agreement, it may be required to repay up to 100% of grant disbursements made under the SSRP Award.
- **Project Funds Account Balance.** In the event there is any remaining balance in the Project Funds Account upon the earlier of: (i) the Applicant's submission of the Final Milestone Certificate or (ii) May 22, 2028, the Applicant shall pay the MSF the balance of funds in the Project Funds Account.

Additional State Required Terms:

- **Amendments** – As required under Section 88t(8) of the MSF Act, MCL 125.2088t(8) ("Section 88t(8)"), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written grant agreement and will otherwise comply with requirements of Section 88t(8) prior to taking any action on such amendment request.
- **Annual Compliance Certificate** – During the Term, the Applicant will be required to sign and submit an annual compliance certificate certifying that the Applicant is in compliance with the terms and conditions of the grant agreement.
- **Annual Progress Report** – During the Term, the Applicant will be required to submit annual progress reports. This information will be transmitted by the MSF to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights** – During the Term, and for a period of three years after the expiration of the Term, and upon reasonable advance notice, the Applicant is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Applicant, and any other location where books and records of the Applicant are normally kept, to inspect the books and records, including financial records and all other information and data relevant to

the terms of the grant, all at times and locations mutually agreed upon by the parties.

- **Other provisions.** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, non-discrimination and unfair labor practices, termination of funding, any other requirements of the SSRP Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of MCL 125.2088t.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File