

# Agenda

1. Brief statement from Supervisor Stanek
2. Presentation of Slides, summary of questions from 11/21/22 Meeting – Saez
3. Bill Pink - FSU Presentation
4. Review of Gotion High-tech Co History – Bean

# Information directly from Ren Zone Application:

- Acreage requirement: 408.05 acres in Green Township, 115.33 in Big Rapids Charter Township
- \$45,233,000.00 estimated annual tax savings in Ren Zone \$29,222,080.00 Cost to Complete
- Employment: There are currently no jobs at the project location. Up to 2,350 new jobs are pledged by the end of the 4th phase of development of the new facility.
- The hiring is anticipated to start in June 2023, and be completed by the end of 2031.586 jobs by end of 2023,
- Average weekly wage of \$1015, state an avg annual wage of \$61,995 (Doesn't add up)
- Gotion, Inc. will be investing up to \$ 3.5B in this new venture over four phases of development

# Ren Zone answers continued...

- 1. The level and extent of environmental contamination.

**Answer:** "All development changes the nature of the land. Through planning, monitoring and the enforcement of regulations, hopefully, environmental contamination can be kept to a minimum or none at all."

- 30 year Ren Zone through RERZ Infrastructure Improvements:

## **14 million in public infrastructure improvements –**

- That figure breaks down to approximately
- \$ 1.7 million for sanitary sewers;
- \$ 3.9 million for watermains & an elevated water storage tank;
- \$ 3.6 million for road improvements; and

# Ren Zone answers continued..

- Question: How will this affect our cost of food and electricity because of the demand increase in area? Food Supply Changes: "There are none." – Gotion
- Electricity: Nothing noted.
- **Battery Obsolete Possibility:** The risk of obsolescence of the project, products, and investments in the future:

Answer: "The renewable energy industry is a growth industry. Research & development and innovation are central to a renewable energy facility. Gotion, Inc. aims to innovate and create the next generation of battery technology."

# Questions compiled from BRT Attorney:

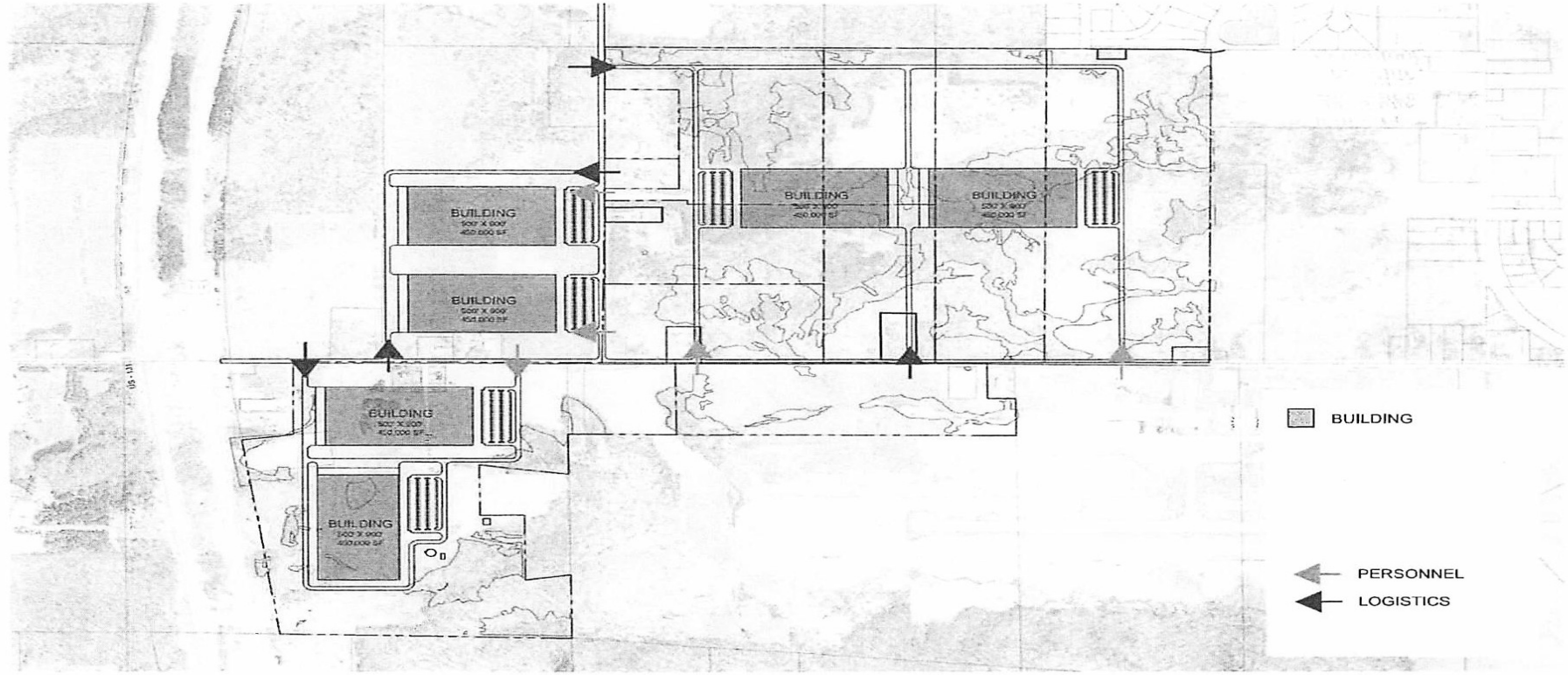
## Primary Issues

1. Conveyance of the industrial park property in Big Rapids Township (BRT) to the Company;
2. Conveyance of the water plant and water infrastructure in the industrial park by BRT to the Company;
3. Disconnecting the existing BRT water system customers from the BRT water system and installation of private water wells for those customers; I want to better understand this dynamic today
4. Agreement by the Company to maintain the existing fire hydrant(s) along 18 Mile (and within the industrial park?);
5. Customary development agreement provisions (zoning approval processes, building permit review/approval, indemnification and hold harmless, term, default, etc.).

## **Other issues that will need to be addressed** (and potentially included in the development agreement):

1. Existing aviation easement for the airport; where does this extend? How far?
2. EDA Grant restriction on conveyance of the property during the grant-funded infrastructures' "useful life"; we had productive calls with EDA on Friday and expect clarity on this by week's end.
3. Existing billboard lease; does twp seek to maintain that lease?
4. Possible consent to abandonment of public roads within the industrial park; highly likely
5. Sewer connection and capacity issues (if any);
6. Emergency services who will provide these services? Twp or City or County or???
7. Industrial facility tax exemption certificates; yes
8. PILOT for emergency services;
9. Property valuation upon expiration of Renaissance Zone designation;
10. Reimbursement of township costs; such as permit fees? What do you anticipate?

# Site Plans/Renderings Via Ren Zone App



**OVERALL SITE PLAN**  
SCALE : NTS

FOR INITIAL PLANNING AND ILLUSTRATIVE PURPOSES ONLY!

PROJECT ELEPHANT  
18 Mile Road  
Big Rapids, Michigan

SP-1  
09.21.

# Environmental Questions:

- **ESG Score** (Environmental, Social, and Corporate Governance) of Company? **Currently it is 32.7 (High)**
- Link:  
<https://www.sustainalytics.com/esg-rating/lg-chem-ltd/1011486951>
  - ESG Improvements and explanations?
- What is the solution for light and sound pollution?
- What is the plan of prevention for a major disaster/fire?
- How will they train our local Fire Departments?
- Will the storage facility foster 100% capacity or will it be produced and shipped within a certain timespan?

# Ferris State University

- What is Ferris State University's involvement with Gotion?
- What discussion(s) has FSU had with Gotion Representatives regarding(Entry level training, mid- level employee training? Higher level programs in regards to EV Batteries. ETC.)
- Does FSU have a standing offer on the table to house the first 200-300 Chinese descent employees brought to this are to initiate the start up of the company? Can you foresee any issues in regard to communication gaps?



# Incentives - Bean

Project Assumptions	Phase 1 - 4
Total Investment	\$ 2,364,000,000
Real	\$ 1,064,000,000
Personal	\$ 1,300,000,000
Total Jobs/Average Wage (\$61,995)	2,350
Project Elephant - Incentive Summary	Phase 1 - 4
Job Creation and Investment Incentives*	\$ 125,000,000
Infrastructure Support & Land Assembly*	\$ 104,730,000
Tailored Talent Solutions	\$ 5,664,206
Cost Mitigation	\$ 908,521,702
<b>Total</b>	<b>\$ 1,143,915,908</b>

\*Availability and amounts of this funding category are contingent upon legislative approval

Project Elephant - Incentive Matrix	Phase 1 - 4
<b>Program</b>	
Job Creation and Investment Incentives	
Michigan Critical Industry Program Grant*	\$ 125,000,000
Infrastructure Support & Land Assembly	
Michigan Site Readiness Program Grant**	\$ 50,000,000
Michigan Department of Transportation - Economic Development Fund - Category A	TBD
Michigan Department of Transportation - Freight Economic Development Program	TBD
Land Acquisition Savings	\$ 1,200,000
CMS - Signing Bonus	\$ 10,000,000
Consumers Energy - Electric Construction Allowance	\$ 25,000,000
Consumers Energy - Electric Vehicle Incentive - 5 DCFCs	\$ 350,000
Consumers Energy - Electric Vehicle Incentive - 20 DCFCs	\$ 1,400,000
Consumers Energy - Energy Engineer Service	\$ 750,000
Consumers Energy - PowerMIFleet Concierge Analysis	\$ 30,000
Consumers Energy - Energy Efficiency Incentives	\$ 2,000,000
ITC - Electric Construction Investment	\$ 14,000,000
Tailored Talent Solutions	
Michigan Works!	\$ 5,664,206
Michigan New Jobs Training Program	TBD
Cost Mitigation	
MSF Designated Renaissance Zone Abatement (30 years Real and Personal)***	
Real Property Tax Savings	\$ 497,942,205
Personal Property Tax Savings	\$ 271,857,240
State Essential Services Assessment Abatement	\$ 42,169,375
Real Property Tax Abatement (PA 198 of 1974)	\$ 17,852,882
Sales and Use Tax Exemption	\$ 78,000,000
Pure Michigan Business Connect	\$ 700,000
<b>Total</b>	<b>\$ 1,143,915,908</b>

\*A performance-based, and/or qualified investm



# Incentives (Offer letter)

## PROJECT INFORMATION

Provided by Project Elephant

# of Jobs:

**Up to 2,350**

Capital Investment

**Up to  
\$2,364,000,000**

Total Incentive

**Up to  
\$1,143,915,908**

## WHY MICHIGAN

**#1**

in the nation for concentration  
of engineers

**#8**

in the nation with a skilled  
trades workforce of more  
than 250,000

**Top 15**

Tax Foundation's  
2021 State Business  
Tax Climate Index

September 23, 2022

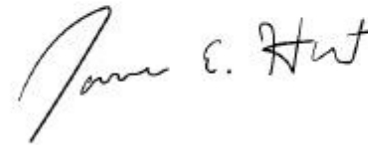
Dear Chuck and the Project Elephant team,

Thank you for giving the Michigan Economic Development Corporation (MEDC) the opportunity to host Project Elephant in Big Rapids. We stand ready to support your success in Michigan by offering an innovative and competitive workforce, an affordable cost of doing business and a globally connected location. Additionally, when the workday is over, we have the playground of Pure Michigan in our backyard offering endless opportunities to explore.

Based on the information you have provided, we are pleased to offer a package of state, local, and utility incentives totaling \$1,143,915,908. Please see the attached Incentive Matrix on the following page for a more detailed description of the incentive being offered.

By leveraging Michigan's robust talent pool, business-friendly climate and strategically connected location, Project Elephant has access to everything it needs to grow and thrive here in Michigan. We look forward to working with you to help make Michigan your home. If you have any questions, please contact Samuel Sedlecky at [sedleckys@michigan.org](mailto:sedleckys@michigan.org) or (517) 643-7712.

Sincerely,



Joshua E. Hundt  
Executive Vice President, Chief Projects Officer

### Attachments

cc: Samuel Sedlecky, MEDC  
Jeremy Webb, MEDC  
Brent Case, The Right Place

# Review of Gotion High Tech Co. History

- <https://en.gotion.com.cn/>
- Address No. 566, Huayuan Avenue, Baohe District, Hefei City, Anhui Province, China Business
- **Overview**-The Company is a supplier based in China, which independently develops, manufactures, and sells lithium-ion batteries for New Energy Vehicles.
- The main business is lithium batteries and power transmission and distribution equipment. Hefei Gotion High-Tech Power Energy Co., Ltd. is mainly engaged in the electric power lithium battery business, and Jiangsu Dongyuan Electrical Group Co., Ltd. is mainly engaged in the power transmission and distribution business.

# Shareholders

- Listed on Shenzhen Stock Exchange (as of Dec. 31, 2021) Major shareholders Shareholding ratio (%) Volkswagen (China) Investment
- 26.47 Nanjing Guoxian Holdings Group Limited (formerly: Zhuhai Guoxian Trading Company Limited)
- 10.26 Zhen LI
- 6.20 Others
- 57.07 Total
- 100.00-Volkswagen (China) Investment Co., Ltd., VW's Chinese subsidiary, has acquired a 26% stake in the Company and become its largest shareholder.

# Gotion Pros/Cons SWOT (Strengths, Weaknesses, Opportunities, Threats)

<b>Strengths:</b> Job creation Revenue	<b>Weaknesses:</b> Reduction in tax base Change in culture Incentive package opportunity cost Congestion Housing availability
<b>Opportunities:</b> Education & Training Area growth Median income increase	<b>Threats:</b> Environmental risk Infrastructure overload and cost to upgrade The communities expectations not being met Precipitous real estate price increase Geopolitical

# NEW question from BRT Board

- We understand that The Right Place is actively working on the renewal of purchase agreements. The timeline the Township has been given for the Development/Purchase Agreement is 12-1-2022 with a deadline of 3-31-2023. (4 Months)

Noting that "past EDA grants require appraisal of land". Has this been done? Do you have an update to this proposed timeline? Do you foresee a need to expedite the timeline?

# Mecosta County Road Commission

- Detailed information in how the dollars for the Road Commission will be distributed?
- Road commission under the impression that detailed activity will begin once The Right Place has secured the properties.
- Have all of the properties been secured? According to the document dated 5-19-2022 “Engineers Estimate of Probable Project Cost-Planning Level Estimate, \$3,550,000.00 is the projected cost associated with roads.
  1. Is there an updated estimate?
  2. Will the same pool of money be used to fund the projects performed by MDOT?

# WWTP/General Public Water Questions:

- Standard Industrial Code (SIC) for this type of battery plant?
- Gallons per day water usage for the entire plant and site operations?
- Gallons per day sanitary waste discharged into the sanitary sewer?  
Strength (BOD mg/L) of the above sanitary waste?
- Waste stream characteristics and mg/L concentrations of total suspended solids, volatile suspended solids, phosphorus, ammonia, nitrogen, fats/oils/grease, metals, volatile organic compounds, PFAS, PFOS, PFOA, Dissolved Oxygen, temperature, pH, etc. ?
- What happens to water once it's used to "cool" the lithium, how can it be guaranteed not to contaminate water supply?
- How will we know that the water plant is to be protected – concern of



# Gotion FAQ, updated 12/13/2022

- (Separate Print outs including Gotion answers in blue)

# Final Thoughts..

- Additional Questions may be emailed to:
- Hannah Saez (BRT Clerk) Clerk@Bigrapidstownship.net
- Penny Currie (BRT Treasurer) Treasurer@Bigrapidstownship.net
- Kelly Wawsczyk (MCDC Executive Director)  
wawsczykk@rightplace.org