



SPECIAL MEETING MINUTES

May 23, 2023

Members present (In person): Josh Gobel, Ben Horvath, Joe Layne, Richard Pfeil

Members on Zoom: Dennis Jordan

Members absent: Larry Beehler

Staff present: Bill Schalliol, Frank Fotia, Terry O'Brien, Shelley Marker, and Phil Garrett, counsel

1. Meeting Called to Order by Josh Gobel at 9:00 a.m.

(Audio position: 0:00:03.0)

Phil Garrett took roll call of board members with Dennis Jordan on Zoom with audio and video.

Bill Schalliol: We have a brief presentation before we ask you to discuss Resolution 2023-07. Today we are here to talk about the General Motors Battery Plant project that is the basis of the development agreement that is related to Resolution 2023-07.

A brief introduction of the project team – we have some members of the General Motors team on Zoom with us and some in person, Steve Dalton, Jeff Rae, Allison Hertzig, and Mr. Garrett. We have had a good couple of weeks of negotiation and excited to bring this project forward.

The project site hasn't changed since we first discussed it last September. The project would take place on IEC Site #1 which is 680 acres on the northwest corner of State Road 2 and Larrison Road. Those 680 acres consists of three different property owner groups. St. Joseph County Redevelopment Commission (RDC), the Sebasty Family, and the Kaminsky Family. The Sebasty property represented in blue, the Kaminsky's in brown. When we had looked at this project last September the type of batteries being contemplated to being produced at this facility were pouch batteries. Made by Ultium Cells, LLC we have a potential new partner in the project with a different type of battery would be built at this facility. Different types of batteries, different types of products that the batteries will work within.

This is a rendering of one of the Ultium Cells facilities. This is similar to what could be constructed on the IEC Site #1. This represents about two million plus or minus square feet as it relates to the project, we will talk about the building size now being contemplated by the project.

On the left the next several slides have on the left and on the right type of presentation. On the left is the project that was approved last September. What I want to do is highlight some of the proposed differences as it moves forward today. The site will still be the 680 acres, the investment would go from \$2.5 billion to \$3.5 billion in investment on the site. Building size would shift from two million square feet to three million square feet across two buildings. The project start is contemplated a potentially fourth quarter 2023 with a completion date of December 31, 2027. There are 1,600 jobs still contemplated by the project but an increase in the overall wage at \$24 verses \$23.50. The project itself when proposed last fall consisted of

COMMISSION MEMBERS

Dennis Jordan | Joe Layne | Josh Gobel | Richard Pfeil | Benjamin Horvath | Larry Beehler

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real property at about \$645 million and personal property of \$1.85 billion. The project now would be proposed for real property of \$1.4 billion and personal property for \$2.1 billion. The abatement which is not a direct piece of the development agreement today but something the council will vote on later today. In the fall the development agreement and the tax abatement contemplated 80% of real property abatement for 1 year and personal property of 15 years at a fixed scale. The real property and personal property based in the new amended confirming resolution that will be presented tonight are 10 at 100% and 15 years at 100% for real and personal property.

As we work through the savings models with the abatement, we show a savings at both what we are proposed in the fall base on those numbers at \$2.5 billion and estimated savings at \$3.5 billion. The difference between the two abatements today and will talk more about the infrastructure payment. For a ten-year period, the company would be required to pay the county \$4.5 million yearly for 10 years for an infrastructure payment. When we look at the savings verses the investment in the payment, we are looking at a total net savings at the bottom of the slide for what this project is estimated to save the company over that period.

I would like to compare that to over the life of the project and the project bond. So, at a 25 year span it is estimated that the taxpayer will still pay the local community \$329 million dollars of taxes. We looked at this on a strict tax abatement model. The project itself over the life of the project will pay about 50% abatement. If most of our abatements that we do for AM General or Prairie View or some of these going through the system now run anywhere from 45-60% as far as the abatement. Over a 25-year life of the project it runs in that average as far as the model that we typically use for an abatement.

The question often is what happens in the event that the project has complications doesn't move forward, etc. There are three provisions the same from the September agreement as today. If the project fails to substantially complete the facility by December 31, 2027, if they have a year period where the building is not used and that is 365 consecutive days of non-use of the facility or if they fail to meet the initial hiring goal of 85% by December 31, 2027. There is the ability to have conversations about claw backs for the tax abatement. Those are at the discretion of the Council as it relates to their control of the tax abatement process.

The County has certain responsibilities in this project as we look at that \$4.5 million infrastructure payment will cover. It will cover fiber optics, roadway improvements both in partnership with INDOT and local roadway improvements. Sewer improvements to the site and sewer is managed by the City of South Bend. Water improvements to the site and managed by the Town of New Carlisle. The County being responsible for hiring project manager and some site pre-development activities. Such as zoning, subdivision, street vacations, etc. a cost that the County would bear. Coordination on the Regional Stormwater Management project that is the relocation and improvement to the Niespodziany Ditch corridor in partnership with the Drainage Board and County Surveyor. A fund for other additional services in support that is capped at \$1 million to aid with initial startup cost, etc.

When you are talking about bonding for the project these would be the things we would have to bond for. We estimate that the bond would cover about \$45 million that would be the bond amount we would need to cover these expenses. In the development agreement that you have all these things in the agreement are under 7.0 in the agreement.

On the other side of ledger what is General Motors responsible for? In addition to building a couple of buildings, hiring staff and doing the site work they would be responsible for the 10-

year infrastructure fee, purchase of land that the RDC owns at the corner of State Road 2 and Willow that property was put out for disposition last year. The value of that is listed. There is a professional services fee within the development agreement that helps cover bond costs and servicing costs to prepare for a bond. The protection of aquifer and insulation of monitoring wells, fire training that was in the fall agreement continue to be in this agreement. Those are good wins for the local community.

Project timeline, over the course of today, at 9:00 a.m. your meeting we will discuss resolution 2023-07 and at 10:00 a.m. there will be a resolution on in front of the Board of Commissioners as it relates to the development agreement and at 5:30 p.m. the Council Committee will be asked to consider a amended confirming resolution, the development agreement and memorandum of understanding which is a subset of the tax abatement. Then at 6:30 p.m. they hold a public meeting assuming those three things come out of committee and will be on the committee agenda for tonight at 6:30 p.m.

At this point in time, I ask John Blanchard with GM has any additional comment or anyone else from the project team to comment on the agreement.

(Audio position: 0:10:13.8)

John Blanchard: Thank you, Bill, and good morning, Commission I appreciate the opportunity, to get in front of you. Really appreciate the flexibility to do Zoom while Troy Kennedy who is with me and prepared to drive in this morning and appreciate the flexibility. We do plan on being there this afternoon for the evening sessions in person if we get to that point.

First start off by thank you for this consideration. I know this has been a long process with a lot of twist and turns it has been for us internally as well as for your project team. I want to say Bill and the entire county team have been fabulous, professional, and great to work with. We have spent a lot of time with them over the ... it's been a year now or so. We had it wrapped up in September and to come back forward just a little background there. Been exploring the possibility of building a fourth battery cell manufacturing facility. We have three other ones that we did in partnership with LG Energy Solutions Ultium was the name that is what we brought forward to this group back in September. We really thought we were going to move forward with LG then we took a step back we really wanted to look at many different factors. The best interest in ourselves and LG Energy Solutions that we would look at a different partner.

Right now, we are in the process of forming a joint venture with Samsung SDI. We are excited about moving forward with them and that is what we would propose here if we move forward. Bill did a great job in summarizing all the numbers significant in additional investment in the facility, jobs are the same, but it really provides us more flexibility to meet the market demand going forward. We are excited about the potential new partnership. Excited about the potential to do that right here in St. Joseph County. Bill outlined the timeline happy to take any questions but really do appreciate your consideration for this very important step in the process.

Josh Gobel: Any questions from the board?

2. Economic Development Area Updates *(Audio position: 0:13:07.9)*
- a. New Carlisle Economic Development Area (NCEDA)
 - i. General Motors LLC Project
 - 1. **RESOLUTION 2023-07 – RESOLUTION OF THE ST. JOSEPH COUNTY REDEVELOPMENT COMMISSION APPROVING A DEVELOPMENT AGREEMENT**

BETWEEN ST. JOSEPH COUNTY, THE ST. JOSEPH COUNTY REDEVELOPMENT COMMISSION, AND GENERAL MOTORS LLC

Bill Schalliol: At this point in the meeting, we have resolution 2023-07 – Resolution of the Redevelopment Commission approving a development agreement between St. Joseph County, County Redevelopment Commission and General Motors. Phil are there any points you need to make before we ask for consideration.

Phil Garrett: None unless the Commission has any questions for me regarding the terms of the agreement. Happy to answer.

Upon a motion by Josh Gobel, being seconded by Dennis Jordan and unanimously carried 5-0, the Resolution 2023-07 – Resolution of the St. Joseph County Redevelopment Commission approving a Development Agreement between St. Joseph County, The St. Joseph County Redevelopment Commission, and General Motors was approved by the Redevelopment Commission.

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| Josh Gobel | Aye | Ben Horvath | Aye |
| Dennis Jordan | Aye | Joe Layne | Aye |
| Richard Pfeil | Aye | | |

4. Additional Business - none

5. Public Comment (3-minute limit) *(Audio position: 0:14:06.7)*

Dan Caruso, 35 Compton Street, New Carlisle, IN: Good morning this is sort of out of my realm. My friend Debra often follows things nature as she gets out in the environment and hikes these back trails. She noticed something a week or so ago where there was weed control being done by the canoe launch in South Bend. Apparently, there was some bad things being put down on what weren't weeds down by the canoe launch. Steve and Debra have asked to make everybody aware that maybe the people who are doing this weed, not weed control should have some type of training to recognize what is a weed and what isn't a weed. Even if it is a weed, you probably shouldn't apply this chemical as it turns out it was a chemical that shouldn't be near water, but it was applied at the canoe launch edge there. The people that are doing the weed control should have some type of training to recognize what is and what isn't a weed on windy days that they shouldn't spray. They shouldn't spray near water or when it is a possibility that it will rain in the forecast within the next 24 hours. Thank you.

6. Adjournment *(Audio position: 0:16:27.5)*

Upon a motion by Josh Gobel, being seconded by Joe Layne and unanimously carried 5-0, the Redevelopment Commission meeting was adjourned at 9:24 a.m.

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| Josh Gobel | Aye | Ben Horvath | Aye |
| Dennis Jordan | Aye | Joe Layne | Aye |
| Richard Pfeil | Aye | | |

The Title VI Coordinator has made available at this meeting/hearing a voluntary Public Involvement Survey to collect demographic data to monitor and demonstrate St. Joseph County's compliance with its non-discrimination obligations under Title VI and Federal Regulation 23CFR 200.9(b)(4), and more importantly, ensure that affected communities and interested persons are provided equal access to public involvement. Compliance is voluntary. However, in order to demonstrate compliance with the federal regulation, the information requested must be documented when provided. It will not be used for any other purpose, except to show that those who are affected or have an interest in proceedings, or the proposed project have been given an opportunity to provide input throughout the process.

