



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: July 5, 2024

TO: The Honorable Gretchen Whitmer, Governor of Michigan
Members of the Michigan Legislature
Rich Brown, Clerk of the House of Representatives
Dan Oberlin, Secretary of Senate
Senate Fiscal Agency
House Fiscal Agency

FROM: Quentin L. Messer, Jr., President
Michigan Strategic Fund

SUBJECT: Notification of Request for Modification of Strategic Site Readiness Program (SSRP) Grant– Marshall Area Economic Development Alliance

Public Act 270 of 1984, Sec. 88(t)(8) (Act) requires the Michigan Strategic Fund (MSF) to provide you with notice, and a copy, of a request received by the MSF to modify an existing written SSRP grant agreement within five (5) business days of receiving the request. The Act also requires an explanation to you of the provisions of an SSRP grant to be modified and notice of the proposed SSRP grant amendments to be published on the MSF's website at least one (1) business day prior to the MSF public hearing on the proposed amendments. Finally, the Act requires that if the MSF approves and modifies an SSRP grant, the MSF is required to provide you with a copy of the amended SSRP grant agreement within one (1) business day of completion of the modification.

On October 27, 2023, the MSF and the Marshall Area Economic Development Alliance (MAEDA) signed an SSRP grant agreement memorializing an SSRP award to MAEDA in the total amount of \$185.3 million in connection with MAEDA'S land acquisition, assembly and site development activities within the Marshall Mega-Site in Marshall, Michigan (MAEDA Grant).

On July 3, 2024, MAEDA requested MSF consideration of modifications to the MAEDA Grant. Attached is an explanation of the provisions of the MAEDA Grant to be modified along with the rationale for consideration, and a copy of MAEDA's request.

MAEDA's requested modifications to the MAEDA Grant will be published on the MSF website as required by the Act prior to presentation to the MSF Board for consideration. Additionally, as required by the Act, if the modifications are approved by the MSF, the MSF will provide you with a copy of the amended MAEDA Grant.

Please contact our Office of Legislative Affairs at medcgovrelations@michigan.org if you have any questions. In addition, please do not hesitate to contact me at messerq@michigan.org.

Attachments:

Copy of MAEDA's Request for Amendments, which includes the summary of, and rationale, for the specific Amendments

cc: Matthew Casby, MSF Fund Manager

Date: July 3, 2024

TO: Quentin L. Messer, Jr., President, Michigan Strategic Fund

FROM: James Durian, CEO, Marshall Area Economic Development Alliance

SUBJECT: MAEDA Request to Amend SSRP Agreement

As you know, the Marshall Area Economic Development Alliance (“MAEDA”) is working with MEDC, the MSF, and other local and state partners to develop an approximately 2,000-acre site in Marshall Township and the City of Marshall, Michigan, commonly known as the Marshall Area Jobs Opportunities and Recreation Campus (“MAJOR Campus”). On October 27, 2023, the MSF and MAEDA signed an SSRP grant agreement memorializing a Strategic Site Readiness Program (“SSRP”) award to MAEDA in the total amount of \$185.3 million in connection with MAEDA’S land acquisition, assembly and site development activities within the MAJOR Campus in Marshall, Michigan (MAEDA Grant).

The MAEDA Grant is to (i) permit MAEDA to complete various site improvements at the MAJOR Campus that are necessary to develop and support the water, wastewater and other utility infrastructure in support of the proposed BlueOval Battery Park project (using a budget of \$120.3 million of the SSRP funding directly for the BlueOval Battery Michigan, LLC (BOBM) parcel), and (ii) includes the aforementioned activities coupled with land acquisition of parcels within the MAJOR Campus surrounding the proposed BOBM project (using a budget of \$65 million of the SSRP funding for surrounding parcels where an end user has not yet been identified).

The scope of the MAJOR Campus project includes collaborative participation from the Construction Manager (Granger-Hoffman) and MAEDA’S engineering and project management consultant (Stantec) with the detailed design and construction of the identified water and wastewater infrastructure improvements in support of the development of the MAJOR Campus.

As a result of Ford Motor Company announcing that its subsidiary, BOBM, will resume pursuit of its facility to create investment and jobs within the MAJOR Campus, coupled with the reduction in the size and scope of the proposed BOBM project, certain items in the SSRP Grant need to be adjusted. These adjustments are necessary to properly reflect MAEDA’S activities in furtherance of the BOBM project and the remaining portions of the MAJOR Campus. Therefore, MAEDA requests the MSF amend the SSRP Grant in all places necessary to effectuate the following:

1. We have received a total of \$57,894,501 of the SSRP Grant funding to date. Exhibit E in the SSRP Grant contains the Project Budgets for the BOBM parcels and the remaining parcels within the MAJOR Campus with no end-user identified. Below is the breakdown of the current SSRP Grant Project Budgets, and the respective amounts disbursed to date thereunder to MAEDA:

Categories within the \$120.3 Million portion of the Budget (BOPM parcels)	Budget	Paid to MAEDA to Date
Land Acquisition	-	-
Site Improvements – Water Infrastructure	\$74,750,000	\$10,535,913
Site Improvements – Wastewater Infrastructure	\$35,300,000	\$5,675,838
Site Improvements – All Others	\$10,000,000	
Land Acquisition and Site Improvement Contract Management Professional Fees	\$250,000	\$250,000
TOTALS	\$120,300,000	\$16,461,750
MAEDA GRANT AMOUNT REMAINING	\$103,838,250	

Categories within the \$65 Million portion of the Budget (no end user identified; non-BOBM parcels)	Budget	Paid to MAEDA to Date
Land Acquisition	\$46,000,000	\$34,995,500
Site Improvements – Water Infrastructure	\$6,750,000	\$4,140,938
Site Improvements – Wastewater Infrastructure	\$3,600,000	\$2,146,313
Site Improvements - Other	\$8,500,000	-
Land Acquisition and Site Improvement Contract Management Professional Fees	\$150,000	\$150,000

TOTALS	\$65,000.000	\$41,432,751
MAEDA GRANT AMOUNT REMAINING:	\$23,567,249	

We request the above Project Budgets (Exhibit B-1 to reflect the new respective Budget categories within the tables and Exhibit E which contain the new respective categories and the dollar amounts within the Budget tables) of the SSRP Grant be amended to reflect the following, accordingly:

Categories within the \$120.3 Million portion of the Budget (BOBM)	Budget	Paid to MAEDA to Date	Remaining \$103,838,250
Land Acquisition	-	-	-
Site Improvements – Water & Wastewater Infrastructure	\$110,050,000	\$16,211,750	\$93,838,250
Site Improvements – All Others	\$10,000,000	-	\$10,000,000
Land Acquisition and Site Improvement Contract Management Professional Fees	\$250,000	\$250,000	\$0
TOTALS	\$120,300,000	\$16,461,750	\$103,838,250

Categories within the \$65 Million portion of the Budget (non-BOBM parcels)	Budget	Paid to MAEDA to Date	Remaining \$23,567,249
Land Acquisition	\$34,995,500	\$34,995,500	\$0

Site Improvements – Water, Wastewater & Other Infrastructure	\$29,854,500	\$6,287,251	\$23,567,249
Land Acquisition and Site Improvement Contract Management Professional Fees	\$150,000	\$150,000	\$0
TOTALS	\$65,000,000	\$41,432,751	\$23,567,249

2. As MAEDA continues to acquire Parcels to assemble the MAJOR Campus, including those Parcels that are expected to be required for the MDOT’s proposed transportation improvements at or near the MAJOR Campus, it may become necessary for MAEDA to not acquire certain Parcels if for example, they are no longer needed by MDOT and/or if MDOT intends to directly acquire such Parcels or the right of way to further the interests of the overall MAJOR Campus development. We need to amend section 2.4(a) of the SSRP Grant to recognize that there may be situations that arise wherein certain Parcels on the Parcel list may not be purchased, and to allow MAEDA to proceed accordingly upon prior written consent of the MSF Fund Manager.
3. Exhibit F is the list of Parcels to be purchased by MAEDA within the MAJOR Campus. Parcel splits in case of the one seller (Zapata) is documented through the revised list of Parcels, thus we need to amend Exhibit F to reflect this change.
4. BOM was originally proposed to cover over 700 acres within the MAJOR Campus. Now, the BOBM project is to cover approximately 500 acres. Given the reduction in the size of the BOBM Project Parcel, we need to amend Exhibit F-1 and all references in the SSRP Grant to reflect the current legal description of the BOBM Project Parcel.
5. In order to document final details of the BOBM site boundaries, locations of certain utilities and locations of MDOT right of ways, we need to amend Exhibit F-2 Site Plan.
6. When Ford Motor Company announced it was pausing its pursuit of the BOBM project in the Fall 2023, the construction schedule related to MAEDA’s site development work pursuant to its construction contract with Walbridge needed to be updated. Given BOBM has resumed its project, we need to amend Exhibit I to reflect revisions to the Walbridge Construction Schedule to reflect the updates.
7. When Ford Motor Company announced it was pausing its pursuit of the BOBM project in the Fall 2023, the construction schedule related to MAEDA’s water and wastewater

infrastructure work pursuant to its construction contract with Granger-Hoffman needed to be updated. Given BOBM has resumed its project, we need to amend Exhibit J-1 MAEDA-CMAR Construction Schedule to reflect the updates.

8. When Ford Motor Company announced it was resuming its pursuit of the BOBM project since it was last paused in the Fall 2023, Ford reduced the scope and size of its proposed Project and projected investment and lowered the number of estimated new jobs to be created through this Project. The corresponding downward adjustments to the Critical Industry Program Grant (“CIP Grant”) will be submitted to the MSF Board for its review and approval simultaneously with the proposed amendments to the SSRP Grant. We need to amend references to the CIP Grant amount by adding a new section to the Recitals of the SSRP Grant.

For additional questions please feel free to contact me at any time.



James Durian
Chief Executive Officer
Marshall Area Economic Development Alliance

269.781.5163
james@choosemarshall.com

323 West Michigan Avenue
Marshall, MI 49068