

Gotion FAQ

Updated: December 13, 2022

The following questions are in response to questions that arose during Big Rapids Charter Township's meeting on 11/21 and subsequent questions brought forward by the Big Rapids Board of Trustees.

What impact on labor force for current local manufacturers?

The company intends to hire upwards of 2,350 people over the course of 10 years. Facilities of this size will pull from a radius of at least 50 miles. A taskforce comprised of talent resources at local, regional and state levels will be assembled to build a robust talent pipeline to meet the demand for all area manufacturers. Initially, the company will be looking to hire 150-200 workers in late 2024.

What are Gotion's plans to indemnify Green Charter Township, Big Rapids Charter Township, Mecosta County and The State of Michigan in the event of a major environmental issue?

The company must comply with EGLE and EPA regulations.

What are the milestones that must be met regarding the project?

The MEDC has offered an incentive package to Gotion to support their decision to locate in Big Rapids. The incentive package requires an agreement between the company and state of Michigan, which is to be finalized in the months ahead. This agreement will stipulate the milestones that must be met in order for grant funds to be disbursed. While still to be negotiated by the state, typically these milestones center on land acquisition, commencing construction, hiring of people, making investment, etc. The townships could incorporate similar milestones in the Development Agreements that will be necessary in the months ahead.

Why is Gotion so hesitant to disclose its affiliation with the Chinese, specifically the VW China ownership structure?

We feel the company adequately addressed this directly on 9/26/22 in a public forum at the County and is on record that their business is not owned by the Chinese government. Please refer to the company ownership research report provided to the Townships and County on 11/21/22 that verifies the company ownership. Subsequent to that meeting, a question was raised that VW China (shareholder of Gotion) may be owned in part by the Chinese government. Follow up research confirmed that Volkswagen China is wholly owned by Volkswagen Germany.

What is the expected water usage demand – we can be given parameters within percentages.

Data provided by the company estimates usage is approximately 50% of the well capacity available in the BRT industrial park.

When will the timeline be made public?

The draft timeline was shared with the Townships and County and is now a public document. Please understand that with a project of this scale changes often occur.

Why would we sell our farm land to China?

The land would be sold to [Gotion](#), a US subsidiary of Chinese-based Gotion High-Tech, not to the Chinese government.

Scope of Operations waste?

The company will provide details regarding waste stream of materials and waste water content and air exhaust during the permitting process with EGLE and EPA. In researching other similar advanced battery operations, host communities indicated no issues regarding waste streams from similar facilities. Currently, there are seven operating battery plants with 15 additional advanced battery plants under construction according to a recent [report](#).

What happens to water once it's used to "cool" the lithium, how can it be guaranteed not to contaminate water supply?

The company will have on-site pretreatment facilities for treatment of wastewater prior to any discharge into the municipal sewer system. The wastewater processing plant is monitored by the city with oversight from EGLE.

Life expectancy of lithium batteries? How are they disposed of?

Auto industry standard is to warranty a battery for automotive use for 10 years. Upon exhausting the useful life of the battery for the vehicle, li-ion batteries are often reused for stationary storage facilities (*at wind farms, for example*). Once that usefulness expires, li-ion batteries are then recycled by supplier companies. These recyclers will contract with Gotion and other advanced battery manufacturing to recycle any batteries that don't meet quality specifications produced during the manufacturing process, and/or end of life batteries.

Why are there still no answers/transparency?

The first point of contact with the company came directly to Big Rapids Township. The Township Supervisor then sought out support from the MEDC, MCDC and Right Place. In the Fall of 2021, the site requirements expanded into Green Charter Township and communication with the GT Supervisor commenced. While there are certain things that could not be shared such as those involving private land negotiations, we felt that we did communicate what we knew at the time. This was done through regular meetings and updates. We were not aware of a communication issue until it came to our attention earlier this fall. We have made steps to improve communication as we do not want to be an obstacle in getting you the information you need.

The shift in communication started in earnest late this summer. When the company determined that the Big Rapids area was their preferred location, meetings were arranged to meet with all local elected officials (two Townships, County and City), which included time with company leaders, RPI and MCDC staff. Invitations were also extended to public officials to tour the state's largest battery plant (Holland) and a Zoom meeting to ask questions of the Holland City Manager to better understand what their experience has been.

More recently, a series of documents were shared with the Townships, County and City that relate to the incentive and grant applications. These documents were published on the respective township websites.

How will we know that the water plant is to be protected – concern of it being distributed to our schools, nursing homes, etc.

Water quality is managed by regulations established by the local wastewater operations, EGLE and EPA. The company will comply with these standards. The company will also employ an environmental, health, and safety officer to oversee their internal operations and work with community partners.

What is the plan for the actual waste water? For the City as well.

The company will pretreat its wastewater before it flows to the city's system for final treatment.

How much of the factory will be controlled by Chinese/and or eventually robots?

Gotion will hire additional US employees to construct, manage and perform manufacturing activities. It will be a highly automated process (*including some robots and other automation equipment*), requiring a skilled workforce to operate and maintain the equipment. During installation of the equipment and commissioning of the manufacturing process, Gotion will likely send engineers from their Chinese-based operations to oversee and assist the launch.

How is this going to affect our schools, hospitals, etc.? What are the plans in place? Will Gotion help support such local factors?

MCDC has met with the local hospital and school district to collect questions as the process moves forward, with each institution expressing strong support of the project. One example of the positive impact this project would have on the community is with the public school bond issue. The approved Renaissance Zone does not waive property taxes for bonded indebtedness. Once the plant is fully built and operational, some have estimated the current Big Rapids Public Schools bond issue could be paid off twice as fast as the current pace.

Can the Governor override the Township's decisions?

No. The local jurisdiction has zoning, site plan approval authority. In the case of Big Rapids Charter Township, the jurisdiction also owns the land and water system to consider selling.

What does the 50 million grant The Right Place will be put in charge of cover? Will they receive interest?

The proposed \$50M grant is from the state Critical Industry Program (CIP). These funds will be used for land assembly, infrastructure and site preparation activities. RPI will seek an admin fee to cover costs related to grant administration. As far as any interest that may be collected, grant funds typically are not allowed to collect interest. If it is possible, those interest funds would be used for additional infrastructure or site preparation activities.

Why not lease the land?

While leasing land has grown slightly in popularity, for a project that proposes to invest \$2.3B it is not a practical option. No company would make that level of investment on land they do not own.

Why are elected officials not being included on the weekly updates?

The Supervisors of each Township have been participating in regular meetings, with the understanding they act as a liaison to the balance of the respective Boards.

How will this effect our cost of food and electricity because of the demand increase in area?

This should have no impact on the local costs of food and electricity, as those costs are driven by economic factors well beyond any local economic dynamic.

Does anyone know of any more costs to tax payers coming in the future?

Unclear what this is asking. Related to the project, the infrastructure costs are being addressed with grant funding and emergency response costs are being covered with a PILOT.

Has there been any discussion of involving American companies to be involved in this project?

The BRT property has been marketed for sale for industrial use for nearly two decades with limited interest. Since the announcement of the project, more than 20 other companies and developers have reached out to expand in the West Michigan Region to supply this project.

What is the plan of prevention for a major disaster/fire? How will they train our local Fire Departments?

Local fire chief Steve Schroeder was invited and attended a tour on 9/26/22 at LG Holland plant to see the operation of battery plant. Any questions and concerns were discussed throughout the tour. Local meetings will be put in place when the project progresses to discuss any locally specific questions or issues.

Will the storage facility foster 100% capacity or will it be produced and shipped within a certain timespan?

Unclear what the question is asking.

What has Gotion done to support local community programs?

Gotion plans to work with Ferris State University with developing programs in the battery/EV industry and assist in training for the workforce development that will be hired. MCDC has been talking with MOISD and local school districts on shifting the curriculum in the district to meet the needs of employers to capture those students who will graduate and head into the workforce. Much like other new companies to the community over the years, it is reasonable to anticipate the company being an active community supporter of a variety of local programs and initiatives.

What is the solution for light and sound pollution?

The company will adhere to local light and sound ordinances.

How will the airport be affected?

Any buildings to be built within the BRT industrial park area must adhere to certain height restrictions to avoid impacting the flight pattern.

How many hours/days a week will the factory operate?

Subject to change, it is expected to run 22.5 hours per day, 6 days per week.

Mecosta County Road Commission Questions

Detailed information in how the dollars for the Road Commission will be distributed.

This will be determined by the grant agreement terms between MEDC and RPI, which will then be reflected in an agreement between RPI and Road Commission. Given the size of the infrastructure project, RPI has asked MEDC grant to be pre-funded in tranches that eliminate the need for RPI or Road Commission to cashflow the project.

Road commission is under the impression that detail activity will begin once The Right Place has secured the properties. Have all properties been secured?

Correct. The properties are under contract but have not been purchased. The company's site due diligence and legal preparations are underway. A closing date has not yet been set.

According to the document date 5/19/22 "Engineers Estimate of Probable Project Cost – Planning Level Estimate" \$3,550,000.00 is the projected cost of associated roads. First, is there an updated estimate? Second, will the same pool of money be used to fund the projects performed by MDOT?

The estimate has not been updated, but will be in 1Q 2023. An MDOT application is being prepared and is expected to be additive to the MEDC grant.

220th Ave Road widening 5,280 feet, 2-12' lanes, center lane 11 feet, three foot shoulders on both sides est. cost per Planning Level Estimate is \$900,000.00. The Road Commission states that a bridge will have to be built on 220th, just south of 19 Mile and estimates the cost to be over \$1M and take approximately two years to complete and yet this is not in the estimation. Can you explain?

Detailed engineering has yet to commence, awaiting the transfer of the property and official launch of the project. The issue of the bridge will be addressed at that time.

Please address MDOT estimate of \$4-5 million, where does this money come from? Is it a wash of state funds? Or should it be included in the Planning Estimate?

An MDOT grant is being prepared to secure the \$4-5M noted. This will be additive to the CIP grant referenced earlier. If the MDOT grant is not sufficient to cover all road improvements, additional funding will come from the CIP grant.

Is the Road Commission responsible for the 12" Water Main, Class 53 and the 5" Hydrants and fittings? If not who is?

It is not expected that the Road Commission would be responsible for the underground infrastructure.

Estimated project cost and what scope of work will the the Road Commission be responsible for? Likewise MDOT?

TBD. As the land transaction progresses, the Road Commission will be consulted on how best to manage the various road improvement projects.

Wastewater Questions

Standard Industrial Code (SIC) for this type of battery plant?

33590 Battery Manufacturing is the NAICs Code (NAIC)

Gallons per day water usage for the entire plant and site operations?

Preliminary estimates by Gotion at 38,000 gal/hr for all operations. Operate 22.5 hours/day, six days/week. This equates to roughly half the capacity of the wells installed by BR Township when first building the industrial park.

Gallons per day sanitary waste discharged into the sanitary sewer?

Company to provide estimates during the permitting process. Gotion stated some water will be recycled, some evaporated during manufacturing/cooling process, and on-site pre-treatment. Therefore, the amount of waste water discharged into the municipal system will likely be less than the amount of water coming into Gotion facilities (**figure above**).

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.?

Company to provide waste water content during permitting process.

Will the sanitary waste stream comply with our local Sewer Use Ordinance, and/or will on-site pre-treatment processes be required before discharge into the sanitary sewer?

The project will utilize on-site pretreatment and comply with local Sewer Use Ordinance

Anticipated population growth (plant employees and families) over the next 5 years?

From the RenZone application, Gotion anticipates hiring 1,865 employees by the end of 2028, with a total of 2,350 by the end of 2029. "Big Rapids Charter Township and Green Charter Township are similar sized communities with 2020 populations of 3,917 and 3,219 respectively. They have limited financial resources. Mecosta County's 2020 population was 39,714. Between 2010 and 2020, the County recorded a population loss of 7.21 percent. The City of Big Rapids is the county seat with a 2020 population of 8,948. This project will spark growth and prosperity in a subregion of the State that has suffered sustained economic losses for two decades."

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