

# Corning Incorporated

Scott Forester  
DVP and Program Executive, Solar  
May 22, 2024

# CORNING



## VITAL TO PROGRESS

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Corning is one of the world's leading innovators in materials science—inventing life-changing products and technologies since 1851.

We apply our unparalleled expertise in glass science, ceramic science, and optical physics along with our deep manufacturing and engineering capabilities to make vital contributions that advance how the world works, learns, and lives.

# CORNING PROJECT OVERVIEW

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- The solar manufacturing facility will be **100% owned and operated by Corning Incorporated**
- The project is anticipated to create **1,100+ new advanced manufacturing jobs** in Hemlock, MI
- Corning will supply up to **\$900M in planned investment**
- The project will **contribute to the creation of a domestic supply chain** to serve the growing demand for solar energy in the U.S. and around the world
- The Michigan Strategic Fund board has approved and appropriated funds for project incentives
- Corning has received enthusiastic local support, including unanimous approval from Richland and Thomas Townships

# CORNING PROJECT OVERVIEW



CORNING

# CORNING, INCORPORATED

## SOAR PERFORMANCE-BASED GRANTS

- **\$68M Critical Industry Program grant**
  - **1,100 jobs:** All over regional median wage; average wage \$28/hr.
  - **\$900M in private investment** in Saginaw County
- **\$29M Strategic Site Readiness Program grant**
  - **Saginaw County Road Commission:** Road upgrades
  - **City of Saginaw:** Water treatment plant
  - **Saginaw Township:** Wastewater treatment plant
  - **Thomas Township:** Water & sewer lines
  - **Richland Township:** Site location

## KEY IMPACTS

- American-made clean energy solutions anchored in Michigan
- Public infrastructure; water, sewer and roads upgrades in Thomas Township
- Overwhelming community support; unanimous local government approvals across five local units of government
- Largest job creation project in Saginaw County & Great Lakes Bay Region in decades



## Corning Project Overview

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- Corning will supply up to **\$900M in planned investment**
- The project will contribute to the creation of a domestic supply chain to serve the growing demand for solar energy in the United States and around the world
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## Value of Michigan Incentives to the Project

### Total \$110M:

- \$68M Critical Industries Program Grant (CIP Request)
- \$13M value in 15-year State Essential Services Assessment Exemption (SESA)
- Directly benefiting Thomas Township: \$29M SSRP Grant for public infrastructure, road improvements, and related expenses (SSRP Request)

## Local Impact of the Project

- By bringing 1,100+ advanced manufacturing jobs that pay well above the average salary in the region, the planned facility will be a **powerful draw for residents** to return to, or to stay in, the Great Lakes Bay Region.
- In addition to providing competitive salary and benefits, Corning invests in our communities. We collaborate with educational centers for **scholarships and training efforts**, we support programs that address **basic human needs** like physical health, **we foster creativity in the arts**, and we support our employees' **volunteer efforts** to make a positive impact where they work and live. These focus areas allow Corning to contribute meaningfully to the health and well-being of our employees, their families, and the broader communities where Corning operates.
- Corning's subsidiary, Hemlock Semiconductor (HSC), has been part of the Great Lakes Bay Region community for over 60 years. HSC has a strong track record of **holistic support for both employees and community**. These initiatives include:
  - **Making Commuting Easy:** HSC partners with the Saginaw Transit Authority and Regional Services (STARS) to offer subsidized commuter transportation from Saginaw via the STARS Silicon Express allowing employees to commute safely and save money, while reducing transportation-related emissions.
  - **Making Childcare Affordable:** HSC participates in Michigan Tri-Share, the state's innovative cost-sharing program offering working parents access to childcare at a third of the cost, with HSC and the State of Michigan contributing the remainder. Tri-Share assists families whose income is too high to qualify for Michigan's childcare subsidy, but still struggle to afford childcare. With this benefit, employees can take advantage of promotions or expanded rolls at HSC to earn more for their families without the barrier of childcare costs.
  - **Making Employee Foundations Strong:** HSC partners with PartnerShift Network to offer employees support and resources related to transportation, housing, childcare, finances, improving skill sets, and more.



## 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

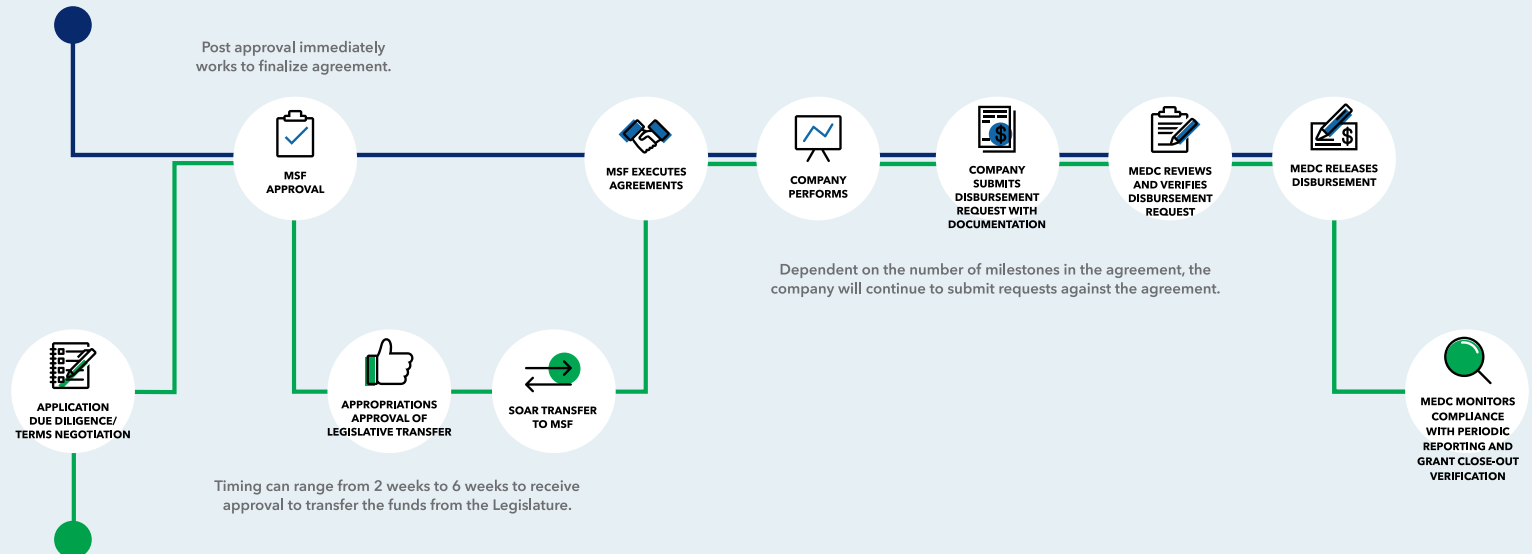
## The MSF Approval Process: Thorough, Measured and Accountable

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





STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

GRETCHEN WHITMER  
GOVERNOR

JENNIFER L. FLOOD  
DIRECTOR

February 27th, 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 2024-3

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	\$97,000,000
<b>Total</b>	<b>\$97,000,000</b>

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

Sincerely,

Kyle Guerrant  
Deputy 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  
Jennifer L. Flood, State Budget Director  
Heather Boyd, Office of Financial Management  
Internal State Budget Office

Legislative Transfer

Letter # 2024-3

Labor and Economic Opportunity

FROM: BOILERPLATE APPROPRIATIONS

Contingency funds	B24000		(97,000,000)
State restricted contingency revenues 376	2015	STRS	(97,000,000)

TO: STRATEGIC OUTREACH AND ATTRACTION RESERVE

Critical industry program	38773		68,000,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	STRS	68,000,000
Michigan strategic site readiness program	54315		29,000,000
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	STRS	29,000,000

This transfer provides \$97 million in state restricted contingency authorization to the Critical Industry Program (CIP) and the Michigan Strategic Site Readiness Program (MSSRP) pursuant to Article 9, Sec. 301 of PA 119 of 2023. Funds are transferred into the Critical Industry Program (\$68 million) and the Michigan Strategic Site Readiness Program (\$29 million) in support of a transformational investment project involving Corning Incorporated and Thomas Township for a new solar component manufacturing facility located in Richland Township, directly adjacent to Thomas Township, in Saginaw County.

The demand for solar power in the United States is at a peak and continues to grow, but current domestic solar capacity cannot meet the demand. The \$68 million transfer to the CIP will support the creation of a new manufacturing facility in Richland Township (Saginaw County) to manufacture a broad range of solar components to respond to this demand while simultaneously boosting the local labor force by creating high-skilled jobs in Michigan. To properly service the new manufacturing plant, the \$29 million transfer to the MSSRP will support water, sewer, and wastewater upgrades that are needed, including Thomas Township extending its water and sewer lines into Richland Township.

The Michigan Strategic Fund Board approved the performance-based incentives for this project on February 27, 2024. The project secures up to \$900 million in capital investment in Michigan by Corning Incorporated and creates up to 1,151 new jobs in Michigan. With this project, Corning Incorporated has identified an opportunity to fill a critical gap in the United States' solar supply chain and advancing United States energy security in renewables. Combined with additional incentives outside of the SOAR fund, this investment will also drive momentum in making Michigan a Top 5 state in clean energy and supports the MI Healthy Climate Plan objectives, positioning Michigan as a leader in climate action.

Revenue to support this transfer is available from the Strategic Outreach and Attraction Reserve Fund (SOAR), in approved fiscal year 2023 work projects totaling \$551,100,000. This transfer is in compliance with the statutory requirements for the use and expenditure of the SOAR Fund in its enacting legislation.



**MEMORANDUM**

**Date:** February 27, 2024

**To:** Michigan Strategic Fund (“MSF”) Board Members

**From:** Josh Hundt, EVP, Strategic Accounts & Chief Projects Officer  
Stacy Bowerman, Senior Project Executive  
Elizabeth Payne, Senior Account Executive

**Subject:** Incentive Request

**Corning Incorporated (“Corning” or the “Company”) Request** – Critical Industry Program (CIP) Grant Request and State Essential Services Assessment Exemption  
**Thomas Township (“Township”) Request**– Strategic Site Readiness Program (SSRP) Grant Request

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**Request Summary**

This is a request from the above-named entities (collectively the “Applicants”) for incentive assistance for a new solar component manufacturing facility. The project is expected to create up to 1,151 new jobs and a capital investment of up to \$900 million in Saginaw County, Michigan.

To support this project, the Applicants are requesting the following (collectively, the “Incentives Request”):

- **Corning Request:** \$68 million CIP Grant (“CIP Request”) and a 15-year State Essential Services Assessment Exemption estimated to be worth \$12,281,500 (“SESA Request”)
  - The Company is requesting a waiver of the SESA Program Guidelines (“Program Guidelines”) requiring that the project be located in an Eligible Distressed Area, as defined in the Program Guidelines;
- **Thomas Township Request:** \$29 million SSRP Grant for public infrastructure, road improvements, and related expenses (“SSRP Request”).

**Company History**

Corning is one of the world’s leading innovators in materials science. For over 170 years, Corning has applied its unparalleled expertise in glass science, ceramic science, and optical physics to develop products that transform industries and enhance people’s lives. Its innovations include the first glass bulbs for Thomas Edison’s electric light, the first low-loss optical fiber, the cellular substrates that enable catalytic converters, and the first damage-resistant cover glass for mobile devices. Corning is proud of its long track record, and believes the best innovations are still ahead.

Corning has a proud history in Michigan, in particular. That history dates to WWII when Corning and Dow Chemical came together to quickly launch a business to support the US war effort. The Dow Corning partnership eventually led to the establishment of Hemlock Semiconductor (HSC), a Michigan based company that is now the leader in domestic production of polysilicon.

A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

### **Project Description**

The demand for solar power in the U.S. is at a peak and continues to grow, but current domestic solar capacity cannot meet the demand. The Company, through its wholly-owned subsidiary Solar Technology, LLC, is considering building a new facility in Richland Township (Saginaw County), Michigan to respond to this demand. With the planned facility, Corning will unlock opportunities to manufacture a broad range of solar components here in the U.S. while simultaneously boosting the local labor force by creating high-skilled jobs in Michigan. The project is expected to result in the creation of 1,151 new jobs and \$900 million in private investment.

The planned facility would be adjacent to HSC's operations in Thomas Township, (Saginaw County) Michigan. HSC is a leader in the domestic production of hyper-pure polysilicon, a key material used in solar components and semiconductor chips. By co-locating with HSC, the Solar Technologies facility will leverage HSC's leading position in low-carbon, domestic, hyper-pure polysilicon production and will build on Corning's deep global business expertise and world-leading capabilities in materials science. Through this new project, Corning intends to deepen its longstanding commitment to the Great Lakes Bay Region and the state of Michigan through both this new facility, and the opportunity for continued growth at HSC.

### **Thomas Township Infrastructure Assistance:**

To properly service the new assembly plant, Thomas Township, the City of Saginaw, and Saginaw Township must expand the infrastructure capacity supporting the site in Richland Township. Thomas Township is applying for SSRP incentive assistance in the amount of \$29 million, which includes water, sewer and wastewater upgrades. The four municipalities will play a key role in securing this project, by providing the following: 1) the City of Saginaw will increase water service and extend water beyond its current service area; 2) Saginaw Township will provide wastewater treatment services; 3) Thomas Township will extend its water and sewer lines into Richland Township; and 4) Richland Township has rezoned the property and established an Industrial Development District to support the project.

In addition to the infrastructure upgrades, the project will include several road improvements that will more broadly benefit residents and businesses in both Thomas Township and Richland Township and provide a safe route for trucks and employees.

The project is consistent with the current Richland Township Master Plan and has received unanimous approval from both the Richland and Thomas Townships.

### **Project Impact:**

With this project, Corning has identified an opportunity to fill a critical gap in the U.S.'s solar supply chain. Through HSC, Corning is already a leader in domestic hyper-pure polysilicon production, a key material used to manufacture solar components. Hemlock's polysilicon is the vital first step in the supply chain necessary to produce domestic photovoltaic modules. Corning's new facility will build the capabilities necessary for post-processing of HSC's solar-grade polysilicon essential for a variety of solar components, creating a clean, transparent solar supply chain. By quickly ramping up this production capacity, Corning will advance U.S. energy security in renewables at speed and scale.

This investment will also drive momentum in making Michigan a Top 5 state in clean energy and support MI Healthy Climate Plan objectives. This will help Michigan achieve 100% economy-wide carbon neutrality, spurring economic development and creating good-paying clean energy jobs, positioning Michigan as a leader in climate action.

### **Employment Impact**

The project will lead to the creation of 1,151 new, high-skilled, domestic jobs in Michigan. The wages for the newly created positions will exceed the median wage for the region, which is \$19.09/hr, with a starting wage of over \$21/hr and an overall average hourly wage of over \$28/hr. In addition to the base salary, the Company also provides its employees with a comprehensive benefit package. The facility will be located close to a geographically disadvantaged area and will provide residents with employment opportunities. Corning intends to develop local hiring programs along with extensive training pipelines to create the kind of generational careers that allow a region to thrive.

It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$5.6 billion in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 20 years.

### **Demonstrated Need**

Corning has explored building this facility in other states around the mid-west and northeast United States, while the company received attractive incentive offers from these locations they believe Michigan is the right place to achieve the larger U.S. goal of bridging the gap in the domestic solar supply chain by leveraging the experienced local workforce and close access to HSC as a supplier of hyper-pure polysilicon.

MSF support also facilitates necessary infrastructure improvements that make it possible for the facility to be built. This support is vital in securing the project. Corning's planned investment in the post-processing of solar-grade polysilicon will boost the local economy in Saginaw County, further solidify Michigan as a state at the forefront of a domestic technology and manufacturing resurgence, and benefit US energy independence. Planned infrastructure improvements also lay the groundwork for future capacity expansions.

In addition to MSF support, Richland Township anticipates approval of a PA 198 real property tax abatements. The MEDC also authorized a State Education Tax abatement to be used with the locally approved PA 198 abatement to support the project. Saginaw County Road Commission is seeking support from the Michigan Department of Transportation TEDF Category A grant program for necessary road improvements.

The collective incentive package is necessary to ensure this project moves forward, and secures these supply chains in Michigan, particularly in a highly competitive environment.

### **Request**

In order to secure the project in Michigan, the Applicants are requesting the following incentives:

- A \$68,000,000 CIP performance-based grant
- A \$29,000,000 SSRP performance-based grant
- A State Essential Services Assessment Exemption estimated to be worth \$12,281,500

The project aligns with the organization's strategic focus areas to **attract, retain and support businesses** and **foster high-wage skills growth** in the focus industries of **technology** and **advanced manufacturing**. The proposed project will impact the Bay region with immediate job growth and significant and continued investment by a global company. In total, the project would result in the creation of up to 1,151 new jobs and a capital investment of up to \$900 million in Richland Township, Saginaw County.

**Appendixes A-C** address programmatic considerations.

**Recommendation**

MEDC Staff recommends approval of the Incentives Request as outlined in the attached resolutions



## APPENDIX A – CIP Programmatic Considerations

### Key Statutory Criteria

Per section 88s of Act 270, the MSF shall consider at a minimum all of the following criteria to the extent reasonably applicable as reasonably determined by the MSF to the type of project proposed before entering into a written agreement for a qualified investment:

- a) **The importance of the Project to the Community where it is located:**  
The proposed project will impact the regions around Hemlock, Michigan, with immediate job growth and significant investment. This project will benefit Michigan in total and the surrounding area, through economic development and secondary job creation. And, in turn, the community and residents can support a highly valued project which allows them to identify with global trends in advanced technology, the domestic clean energy transition, and a Michigan state manufacturing resurgence.
- b) **If the Project will act as a Catalyst for Additional Revitalization of the Community and in Michigan:**  
The project will result in significant job creation and capital investment. It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$5.6 billion new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 20 years. This personal income will be utilized to not only support the many small businesses in the community, but will also spur demand to redevelop underutilized and blighted properties in the community and the state for commercial and residential purposes.
- c) **The amount of local financial and Community Support of the Project:**  
In addition to MSF support, Richland Township anticipates approval of a PA 198 real property tax abatement.
- d) **The Applicant's Financial Need for a Qualified Investment from the CIP:**  
The Company has been involved in a multi-state site selection to determine where to locate the new facility and investment. Consideration on placement includes costs of implementation and ongoing operations, availability of talent, utility and labor costs. Incentive assistance is necessary to defray additional costs incurred in Michigan compared to other locations.
- e) **The extent of reuse of Public or Private Vacant Buildings, Reuse of Historic Resources, and Redevelopment of Blighted Property:**  
Not applicable
- f) **The Creation or Retention of Qualified Jobs as a Result of a Technological Shift in Product or Production at the Project Location and Michigan:**  
All new jobs will be the result of a fundamental technological shift in production as this project will introduce an entirely new manufacturing process to the state.
- g) **The level of other public funds, including but not limited to, the appropriation of federal or Michigan funds and any federal or Michigan tax credits:**  
In addition to the state incentive offer enumerated above, the Company expects the project will be eligible for the Section 45X Advanced Manufacturing Production Credit from the Inflation Reduction Act for domestic solar manufacturing production. The Company also received support for a State Education Tax Abatement estimated to be worth \$13 million, subject to approval of the PA198 Abatement. Saginaw County Road Commission is also seeking support from the Michigan Department of Transportation TEDF Category A grant program for necessary road improvements.
- h) **The level of any private funds, investments, or contributions into the project, including but not limited to, the Qualified Business's own investments in the project:**

Private capital investment is estimated to reach \$900 million and will support new building construction, machinery and equipment and other personal property.

**i) Whether and How the Project is Financially and Economically Sound:**

A financial review of the Company was completed and confirmed the Company's ability to finance the project. The project is in response to an effort to onshore the production of solar components which has been identified as the Company's future business plan.

**j) Whether and How the Project Promotes Sustainable Development:**

This industrial development project provides for a long-term usage of the land. The facility will also serve demand for solar products manufactured at a domestic facility, thus furthering the transition to renewable energy using domestic production and creating a more resilient supply chain. Lastly, the primary material input will be HSC hyper-pure, low-carbon, solar-grade polysilicon, thus lowering the embodied carbon of any solar module made using products made by the new Corning facility.

**k) Whether and How the Project Involves the Rehabilitation of a Historic Resource:**

Not applicable

**l) Whether and How the Project Addresses Areawide Redevelopment and its Overall Economic Benefit to the Existing Supply Chain:**

Based on an economic impact analysis of this project using REMI (Regional Economic Models Inc), this opportunity has an employment multiplier of 1.91. This means that an additional 1 job in Michigan's economy is anticipated to be created for every new direct job. In addition, these new jobs are generating new income, much of which is spent at local small businesses throughout the community and the state. Over 20 years, the total direct, indirect, and induced jobs will generate over \$5.6 billion in new personal income in Michigan.

**m) The Extent and Level of Environmental Contamination:**

Corning conducted a Phase I and Phase II Environmental site assessment (ESA) on the property using a 3rd party engineer of record. Minor recognized environmental conditions (RECs) were identified from previous farming operations and are either closed or in the process of closure. No soil contamination impacts were identified.

Corning will comply with all permitting efforts at the site, including but not limited to: storm water management, wastewater management and air emissions. Corning will conduct on-site wastewater pre-treatment prior to discharge to the local sanitary sewer (in accordance with local sewer ordinance). The project team has internally assessed that a minor air permit will likely be required. All permitting is going through applicable state and local agencies, including EGLE.

**n) Whether and How the Project will Compete with or effect Existing Michigan Businesses Within the Same Industry:**

The proposed facility will produce a product for the Company which is not currently available from other Michigan businesses and would not pose any competition. To the contrary, the project will source its primary raw material from HSC, creating a long-term, U.S. based customer for HSC's solar-grade polysilicon.

**o) Whether and How the Project's Proximity to Rail and Utility will Impact Performance of the Project and Maximize Energy and Logistics needs in Michigan and in the Community Where the Project is Located:**

Final logistics plan still is under development. However, the Applicants do not anticipate a negative impact. The project will take advantage of existing electrical infrastructure provided by Consumers Energy to support HSC. The project will invest in expanding power distribution to the site.

**p) The Risk of Obsolescence of the Project, Products, and Investments in the Future:**

The renewable energy industry is a growth industry. Research & development and innovation are central to a renewable energy facility. Corning aims to innovate and fill a critical gap in the U.S.

solar supply chain. While Corning cannot predict what will happen in the future, it is believed this project will create products that will deliver value to its customers into the foreseeable future.

**q) The Overall Return on Investment to Michigan:**

In total, the project will result in over \$5.6 billion in new personal income generated for the state of Michigan over a period of 20 years. This calculation was completed using a Regional Economic Modeling Inc (REMI) model.

**r) How the Project Addresses Food Supply Challenges:**

Not applicable

**s) Other Factors Considered:**

In addition to the direct benefits of this investment, there will also be positive supply chain impacts.

## APPENDIX B – 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:

- **The importance of the project or Eligible Activities to the community in which is located and Michigan;**

The proposed project will impact the regions around Hemlock, Michigan, with immediate job growth and significant investment. This project will benefit Michigan in total and the surrounding area, through economic development and secondary job creation. And, in turn, the community and residents can support a highly valued project which allows them to identify with global trends in advanced technology, the domestic clean energy transition, and a Michigan state manufacturing resurgence.

- **If the project will act as a catalyst for additional revitalization of the community where it is located and Michigan;**

The project will result in significant job creation and capital investment. It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$5.6 billion in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 20 years. This personal income will be utilized to not only support the many small businesses in the community but will also spur demand to redevelop underutilized and blighted properties in the community and the state for commercial and residential purposes.

- **The amount of local community and financial support for the project;**

In addition to MSF support, Richland Township anticipates approval of a PA 198 real property tax abatement estimated to be worth \$51 million.

- **The amount of any other economic assistance or support provided by Michigan for the project;**

Additional incentive support includes the following: a Critical Industry Grant of up to \$68 million; a State Essential Services Assessment Exemption estimated to be worth \$12,281,500, and a State Education Tax Abatement estimated to be worth \$13 million. Saginaw County Road Commission is seeking support from the Michigan Department of Transportation TEDF Category A grant program for necessary road improvements.

- **The amount of any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations or tax credits;**

In addition to the state incentive offer enumerated above, the Company expects the project will be eligible for the Section 45X Advanced Manufacturing Production Credit from the Inflation Reduction Act for domestic solar manufacturing production.

- **The amount of any private funds or investments for the project, including the Eligible Applicant's own investments in the project;**

Private capital investment is estimated to reach over \$900M and will support new building construction, machinery and equipment and other personal property.

- **The Eligible Applicant's financial need for a grant, loan, or other economic assistance under the SSRP;**

The size and scope of the project will result in significant infrastructure upgrades to service the site. Incentive assistance is necessary to offset the public infrastructure costs ensuring the project locate in Michigan.

- **The extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property;**

Not applicable

- **Creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan;**  
All new jobs will be the result of a fundamental technological shift in production as this project will introduce an entirely new manufacturing process to the state.
  - **Whether and how the project is financially and economically sound;**  
A financial review of the Company was completed and confirmed the Company's ability to finance the project.
  - **Whether and how the project converts abandoned public buildings to private use;**  
Not applicable
  - **Whether and how the project promotes sustainable development;**  
This industrial development project provides for a long-term usage of the land. The facility will also serve demand for solar products manufactured at a domestic facility, thus furthering the transition to renewable energy using domestic production and creating a more resilient supply chain. Lastly, the primary material input will be HSC hyper-pure, low-carbon, solar-grade polysilicon, thus lowering the embodied carbon of any solar module made using products made by the new Corning facility.
  - **Whether and how the project involves the rehabilitation of a historic resource;**  
Not applicable
  - **Whether and how the project addresses areawide redevelopment;**  
Based on an economic impact analysis of this project using REMI (Regional Economic Models Inc), this opportunity has an employment multiplier of 1.9. This means that an additional 1 job in Michigan's economy are anticipated to be created for every new direct job. In addition, these new jobs are generating new income, much of which is spent at local small businesses throughout the community and the state. Over 20 years, the total direct, indirect, and induced jobs will generate over \$5.6 billion in new personal income in Michigan.
  - **Whether and how the project addresses underserved markets of commerce;**  
The proposed facility will produce a product for the Company which is not currently available.
  - **The level and extent of environmental contamination;**  
Corning conducted a Phase I and Phase II Environmental site assessment (ESA) on the property using a 3rd party engineer of record. Minor recognized environmental conditions (RECs) were identified from previous farming operations and are either closed or in the process of closure. No soil contamination impacts were identified.
- Corning will comply with all permitting efforts at the site, including but not limited to: storm water management, wastewater management and air emissions. Corning will conduct on-site wastewater pre-treatment prior to discharge to the local sanitary sewer (in accordance with local sewer ordinance). The project team has internally assessed that a minor air permit will likely be required. All permitting is going through applicable state and local agencies, including EGLE.
- **Whether and how the project will compete with or affect existing Michigan businesses within the same industry;**  
The renewable energy industry is a growth industry. Research & development and innovation are central to a renewable energy facility. Corning aims to innovate and fill a critical gap in the U.S. solar supply chain. While Corning cannot predict what will happen in the future, it is believed this project will create products that will deliver value to its customers into the foreseeable future.
  - **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;**

Final logistics plan still is under development. However, the Applicants do not anticipate a negative impact. The project will take advantage of existing electrical infrastructure provided by Consumers Energy to support HSC. The project will invest in expanding power distribution to the site.

- **The risk of obsolescence that the project, products, and investments in the future;**  
While Applicants cannot predict what will happen in the future, it is believed this project will create products that will deliver value to our customers into the foreseeable future.
- **The overall return on investment to Michigan;**  
In total, the project will result in over \$5.6 billion in new personal income generated for the state of Michigan over a period of 20 years. This calculation was completed using a Regional Economic Modeling Inc (REMI) model.
- **Whether the proposed Strategic Site is incorporated into a strategic plan of a political subdivision of Michigan;**  
The project is consistent with the current Richland Township Master Plan and has received unanimous approval from both the Richland and Thomas Townships.

Additionally, under Section 88t of the MSF Act, since the end user of the Strategic Site is identified, the MSF Board shall also consider:

- **The strategic economic importance of the project to the community where it is located and Michigan;**  
The proposed project will impact the regions around Hemlock, Michigan, with immediate job growth and significant investment. This project will benefit Michigan in total and the surrounding area, through economic development and secondary job creation. And, in turn, the community and residents can support a highly valued project which allows them to identify with global trends in advanced technology, the domestic clean energy transition, and a Michigan state manufacturing resurgence.
- **Whether the financial assistance is needed to secure the project in Michigan;**  
The Company has been involved in a multi-state site selection to determine where to locate the new facility and investment. Consideration on placement includes costs of implementation and ongoing operations, availability of talent, utility and labor costs. The size and scope of the project will result in significant infrastructure upgrades to service the site. Incentive assistance is necessary to offset the public infrastructure costs ensuring the project locate in Michigan.
- **The degree to which the project is a priority for the local governmental unit or local economic development corporation in the jurisdiction of which the site is located;**  
This is the number one priority of Saginaw Future, Inc., the countywide economic development organization and convener for Region 5's economic development organizations.
- **The level of creation or retention of Qualified Jobs as a result of a technological shift in product;**  
Due to the new manufacture of a new product, all new jobs will be the result of a fundamental technological shift in production.
- **Whether the Qualified Jobs created or retained as a result of a technological shift in product or production equal or exceed the average wage for the county in which the project is located;**  
The average wage of the Qualified Jobs created will exceed the median wage for the region. The wages for the newly created positions will exceed the median wage for the region, which is \$19.09/hr, with a starting wage of over \$21/hr and an overall average hourly wage of over \$28/hr. In addition to the base salary, the Company also provides its employees with a comprehensive benefit package.
- **The level of capital investment;**  
The project is anticipated to result in up to \$900 million in capital investment.
- **The evidence of the End User's commitment to the site;**



The Company has committed to expanding at the site.

## APPENDIX C – State Essential Services Assessment Exemption Considerations

### Considerations for SESA Exemption

- a) The Applicant is an “Eligible Claimant,” as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e).
- b) The eligible investments will be made after MSF approval and completed within three years of execution of the agreement (“Commencement of the Project”).
- c) The Company has agreed to pay a SESA Exemption administrative fee of \$10,000 payable to the MSF for the State Essential Services Assessment Exemption upon completion of the first performance milestone.
- d) The Company will invest at least \$100 million up to \$544 million in Qualified Investments in Eligible Manufacturing Personal Property.
- e) Per Program Guidelines, the MSF board will consider projects that are site specific within a municipality, with preference given to projects in Eligible Distressed Areas or projects that are transformational in nature. Projects located in an Eligible Distressed Area qualify for a 100 percent SESA Exemption, and projects not located in an Eligible Distressed Area qualify for a 50 percent Alternative SESA Exemption. The project is located in Richland Township, which is not an Eligible Distressed Area. However, due to this Project's impactful and competitive nature, staff is seeking a waiver of the Program Guidelines to allow a 15-year 100 percent SESA.
- f) The 15-year SESA Exemption is estimated to be worth \$12,281,500. The requested exemption breaks down as follows:

	Years 1 – 5 (2.4 mills)	Years 6 – 10 (1.25 mills)	Years 11-15 (0.9 mills)	Total
State ESA Exemption Amount	\$6,276,000	\$3,520,750	\$2,484,750	\$12,281,500

**MICHIGAN STRATEGIC FUND  
RESOLUTION 2024-028**

**CRITICAL INDUSTRY PROGRAM GRANT TO  
CORNING INCORPORATED**

**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 88s of the MSF Act, MCL 125.2088s, the MSF shall create and operate the critical industry program to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result of a technological shift in product or production or make capital investments (the “Critical Industry Program”);

**WHEREAS**, the Critical Industry Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

**WHEREAS**, on January 11, 2022, the MSF Board created the Critical Industry Program and approved the guidelines for the implementation and operation of the Critical Industry Program;

**WHEREAS**, Corning Incorporated submitted an application seeking a Critical Industry Program grant in the amount of \$68,000,000, in order to support a capital investment of a projected \$900,000,000 and a minimum of 1,151 Qualified Jobs at a site in Richland Township, in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A to this Resolution (the “Grant Request”);

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

**WHEREAS**, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF wishes to approve the Grant Request.

**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 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, and to execute all documents necessary to effectuate, the Grant Request.

Ayes:           Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays:           None

Recused:       None

Lansing, Michigan  
February 27, 2024

## Critical Industry Program (“CIP”) Grant Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of Corning Incorporated and its Subsidiaries (collectively, the “Company”). “Subsidiaries” means an entity that is wholly owned by Corning Incorporated.

The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement (the “Grant Agreement”). Any obligations that may be deemed to arise under this Term Sheet are contingent on the Company obtaining all necessary corporate approvals, and the Michigan Economic Development Corporation (the “MEDC”) obtaining all necessary MSF Board and State of Michigan Legislature approvals.

### PROJECT SUMMARY

**Scope of the Project:** The Company intends to build a new facility in Hemlock, Michigan to manufacture a broad range of solar components in Richland Township, Michigan (the “Project Site”). The Company expects to ramp up over the course of the next three years, resulting in an expected creation of at least 1,151 new jobs and a projected investment of \$900,000,000 by December 31, 2027 (the aforementioned, collectively, the “Project”).

**CIP Award Amount:** A maximum grant of Sixty-Eight Million and 00/100 Dollars (\$68,000,000.00) (the “CIP Award” or “Grant”).

**Term of the Agreement:** From the effective date of the Grant Agreement through June 31, 2028 (the “Term”).

**Overall Investment Commitment:** Investment by the Company of no less than a total of Nine Hundred Million and 00/100 Dollars (\$900,000,000.00) in Eligible Expenses (the “Investment Commitment”) by December 31, 2027 (the “Investment Performance Deadline”) at the Project Site.

**Overall Jobs Commitment:** Creation of a minimum of 1,150 Qualified Jobs (the “Overall Jobs Minimum”) at the Project, above a base of zero existing jobs (the “Overall Base”), on or before December 31, 2027 (the “Jobs Performance Deadline”), which Qualified Jobs must have been maintained for the previous 12 months (collectively, the “Overall Jobs Commitment”).

- A “Qualified Job” means a job that the Company creates at the Project Site on or after February 27, 2024, and is performed by either: (i) a Michigan resident whose state income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the Company; or (ii) a nonresident who is employed by the Company at the Project Site, as determined and verified by the MSF.

**Security Interest and Other Interests:** Security interests and other interests in favor of the MSF must comply with the requirements of Section 88s(4) of the MSF Act, MCL 125.2088s(4), and, notwithstanding anything to contrary, may include, but is not limited to, real and/or personal property at the Project Site, such as transfer and reconveyance rights, a mortgage, right of first offer, reverter rights, collateral in equipment, fixtures, deposit account control, intangibles, inventory, or other personal property interests. Such interests will be used to secure repayment of any amounts owed to the MSF under the Grant Agreement and exercise other MSF rights through the end of the Term.

## **GRANT DISBURSEMENTS**

### **Investment Disbursements – up to \$50,000,000**

- Up to Fifty Million and 00/100 Dollars (\$50,000,000.00) of the CIP Award will be disbursed on a reimbursement basis for fifty percent (50%) of the Eligible Expenses (defined below) in accordance with the requirements set forth below and as more particularly set forth in the Grant Agreement. The Company shall submit one or more reimbursement requests, but no more frequently than quarterly, together with a certification of the Company's compliance with the Grant Agreement. Requests for reimbursement will be verified by the Compliance Unit of the Legal and Compliance Division of the MEDC prior to release of any funds. The failure to satisfy the Investment Commitment and/or the Overall Jobs Commitment may result in the Company's obligation to repay all or a portion of the Investment Disbursement.

"Eligible Expenses" means hard costs for site preparation, construction, infrastructure, development, machinery, equipment, tooling, computers, furniture, fixtures, and other such capital expenditures for the Project beginning on or after November 6, 2023. Certain costs, to be more particularly described in the Grant Agreement, such as administrative costs, debt and lease payments, meals, and entertainment expense, are not eligible for reimbursement.

### **Project Completion Disbursement due December 31, 2027 – up to \$18,000,000**

- Up to Eighteen Million and 00/100 Dollars (\$18,000,000.00) of the CIP Award will be disbursed upon achievement of the Investment Commitment and the Overall Jobs Commitment (the "Project Completion Amount"). In the event that the Investment Commitment and/or the Overall Jobs Commitment have not been met, the amount of funds to be disbursed will be prorated based on the actual amount of demonstrated investment and the Peak Overall Jobs Attained as set forth below. "Peak Overall Jobs Attained" is the peak number of Qualified Jobs above the Overall Base at any point within one year prior to the Jobs Performance Deadline.

## **CLAWBACK PROVISIONS AND REPAYMENT/FORFEITURE EVENTS**

Grant disbursements made under the CIP Award are subject to repayment upon the occurrence of one or more events of default, unless otherwise cured or waived as permitted under the Grant Agreement, which shall include, without limitation: project abandonment, bankruptcy or insolvency (with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof), material misrepresentation, misuse of funds, and material failure to comply with the terms of the Grant Agreement. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis. Provided, however, that the CIP Award is subject to adjustment as follows:

- **Failure to Meet Investment Commitment** – The Company's failure to satisfy the Investment Commitment will result in a reduction in the maximum CIP Award. The amount of any such reduction will be calculated as follows:
  - First, the "Investment Performance Percentage" shall be calculated by dividing: (A) the actual amount of demonstrated investment by the Company for the Project by (B) the Investment Commitment.



- Next, the “Adjusted CIP Award” shall be calculated by multiplying the CIP Award by the Investment Performance Percentage. If the Company has satisfied the Overall Jobs Commitment by the Jobs Performance Deadline, then the Adjusted CIP Award will also be the Final CIP Award for purposes of calculating the Repayment Amount.
- **Failure to Meet Overall Jobs Commitment** – The Company’s failure to satisfy the Overall Jobs Commitment by the Jobs Performance Deadline will result in the reduction in the maximum CIP Award or, if applicable, a reduction in the Adjusted CIP Award as follows:
  - First, the “Jobs Performance Percentage” is calculated by dividing (A) the Peak Overall Jobs Attained by (B) the Overall Jobs Minimum;
  - The “Final CIP Award” is calculated by multiplying (A) the CIP Award or, if applicable, the Adjusted CIP Award by (B) the Jobs Performance Percentage.
- **Adjustments to the Project Completion Disbursement** – In the event that the Investment Commitment and/or the Overall Jobs Commitment have not been met, the Project Completion Amount shall be adjusted as follows:
  - The “Repayment Amount” is the difference between (A) the CIP Award and (B) the Final CIP Award.
    - If the Repayment Amount is less than the Project Completion Amount, then the Company shall be entitled to a final disbursement equal to the difference between (A) the Project Completion Amount and (B) the Repayment Amount.
    - If the Repayment Amount is greater than the Project Completion Amount, then the Company shall (A) forfeit the Project Completion Amount, and (B) repay a portion of the CIP Award actually received, which portion shall be calculated as the difference between (i) the Repayment Amount and (ii) the Project Completion Amount.
- **Mass Relocation** – If the Company transfers to another state more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the CIP Award.

**Suspension of Disbursements:** The MSF may immediately suspend making disbursements of the CIP Award to the Company upon the occurrence of: (i) 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,, (ii) default in any other grant, loan, or other economic assistance agreement with the State of Michigan or (iii) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

#### **ADDITIONAL STATE REQUIRED TERMS**

- **Amendments** – As required under Section 88s(5) of the MSF Act, MCL 125.2088s(5), 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 88s(5) prior to taking any action on such amendment request.
- **Annual Compliance Certificate** – During the Term the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Grant Agreement.
- **Annual Progress Report** – During the Term the Company will be required to submit annual progress reports, which shall include the total number of Qualified Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified Jobs, and the total

investment into the Project. This information will be transmitted 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 Term, and upon reasonable advance notice, the Company 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 Company, and any other location where books and records of the Company 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, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Critical Industry Program 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 Section 88s.

## Critical Industry Program (“CIP”) Grant Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of Corning Incorporated and its Subsidiaries (collectively, the “Company”). “Subsidiaries” means an entity that is wholly owned by Corning Incorporated.

The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement (the “Grant Agreement”). Any obligations that may be deemed to arise under this Term Sheet are contingent on the Company obtaining all necessary corporate approvals, and the Michigan Economic Development Corporation (the “MEDC”) obtaining all necessary MSF Board and State of Michigan Legislature approvals.

### PROJECT SUMMARY

**Scope of the Project:** The Company intends to build a new facility in Hemlock, Michigan to manufacture a broad range of solar components in Richland Township, Michigan (the “Project Site”). The Company expects to ramp up over the course of the next three years, resulting in an expected creation of at least 1,151 new jobs and a projected investment of \$900,000,000 by December 31, 2027 (the aforementioned, collectively, the “Project”).

**CIP Award Amount:** A maximum grant of Sixty-Eight Million and 00/100 Dollars (\$68,000,000.00) (the “CIP Award” or “Grant”).

**Term of the Agreement:** From the effective date of the Grant Agreement through June 31, 2028 (the “Term”).

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- A “Qualified Job” means a job that the Company creates at the Project Site on or after February 27, 2024, and is performed by either: (i) a Michigan resident whose state income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the Company; or (ii) a nonresident who is employed by the Company at the Project Site, as determined and verified by the MSF.

**Security Interest and Other Interests:** Security interests and other interests in favor of the MSF must comply with the requirements of Section 88s(4) of the MSF Act, MCL 125.2088s(4), and, notwithstanding anything to contrary, may include, but is not limited to, real and/or personal property at the Project Site, such as transfer and reconveyance rights, a mortgage, right of first offer, reverter rights, collateral in equipment, fixtures, deposit account control, intangibles, inventory, or other personal property interests. Such interests will be used to secure repayment of any amounts owed to the MSF under the Grant Agreement and exercise other MSF rights through the end of the Term.

## **GRANT DISBURSEMENTS**

### **Investment Disbursements – up to \$50,000,000**

- Up to Fifty Million and 00/100 Dollars (\$50,000,000.00) of the CIP Award will be disbursed on a reimbursement basis for fifty percent (50%) of the Eligible Expenses (defined below) in accordance with the requirements set forth below and as more particularly set forth in the Grant Agreement. The Company shall submit one or more reimbursement requests, but no more frequently than quarterly, together with a certification of the Company's compliance with the Grant Agreement. Requests for reimbursement will be verified by the Compliance Unit of the Legal and Compliance Division of the MEDC prior to release of any funds. The failure to satisfy the Investment Commitment and/or the Overall Jobs Commitment may result in the Company's obligation to repay all or a portion of the Investment Disbursement.

"Eligible Expenses" means hard costs for site preparation, construction, infrastructure, development, machinery, equipment, tooling, computers, furniture, fixtures, and other such capital expenditures for the Project beginning on or after November 6, 2023. Certain costs, to be more particularly described in the Grant Agreement, such as administrative costs, debt and lease payments, meals, and entertainment expense, are not eligible for reimbursement.

### **Project Completion Disbursement due December 31, 2027 – up to \$18,000,000**

- Up to Eighteen Million and 00/100 Dollars (\$18,000,000.00) of the CIP Award will be disbursed upon achievement of the Investment Commitment and the Overall Jobs Commitment (the "Project Completion Amount"). In the event that the Investment Commitment and/or the Overall Jobs Commitment have not been met, the amount of funds to be disbursed will be prorated based on the actual amount of demonstrated investment and the Peak Overall Jobs Attained as set forth below. "Peak Overall Jobs Attained" is the peak number of Qualified Jobs above the Overall Base at any point within one year prior to the Jobs Performance Deadline.

## **CLAWBACK PROVISIONS AND REPAYMENT/FORFEITURE EVENTS**

Grant disbursements made under the CIP Award are subject to repayment upon the occurrence of one or more events of default, unless otherwise cured or waived as permitted under the Grant Agreement, which shall include, without limitation: project abandonment, bankruptcy or insolvency (with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof), material misrepresentation, misuse of funds, and material failure to comply with the terms of the Grant Agreement. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis. Provided, however, that the CIP Award is subject to adjustment as follows:

- **Failure to Meet Investment Commitment** – The Company's failure to satisfy the Investment Commitment will result in a reduction in the maximum CIP Award. The amount of any such reduction will be calculated as follows:
  - First, the "Investment Performance Percentage" shall be calculated by dividing: (A) the actual amount of demonstrated investment by the Company for the Project by (B) the Investment Commitment.

- Next, the “Adjusted CIP Award” shall be calculated by multiplying the CIP Award by the Investment Performance Percentage. If the Company has satisfied the Overall Jobs Commitment by the Jobs Performance Deadline, then the Adjusted CIP Award will also be the Final CIP Award for purposes of calculating the Repayment Amount.
- **Failure to Meet Overall Jobs Commitment** – The Company’s failure to satisfy the Overall Jobs Commitment by the Jobs Performance Deadline will result in the reduction in the maximum CIP Award or, if applicable, a reduction in the Adjusted CIP Award as follows:
  - First, the “Jobs Performance Percentage” is calculated by dividing (A) the Peak Overall Jobs Attained by (B) the Overall Jobs Minimum;
  - The “Final CIP Award” is calculated by multiplying (A) the CIP Award or, if applicable, the Adjusted CIP Award by (B) the Jobs Performance Percentage.
- **Adjustments to the Project Completion Disbursement** – In the event that the Investment Commitment and/or the Overall Jobs Commitment have not been met, the Project Completion Amount shall be adjusted as follows:
  - The “Repayment Amount” is the difference between (A) the CIP Award and (B) the Final CIP Award.
    - If the Repayment Amount is less than the Project Completion Amount, then the Company shall be entitled to a final disbursement equal to the difference between (A) the Project Completion Amount and (B) the Repayment Amount.
    - If the Repayment Amount is greater than the Project Completion Amount, then the Company shall (A) forfeit the Project Completion Amount, and (B) repay a portion of the CIP Award actually received, which portion shall be calculated as the difference between (i) the Repayment Amount and (ii) the Project Completion Amount.
- **Mass Relocation** – If the Company transfers to another state more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the CIP Award.

**Suspension of Disbursements:** The MSF may immediately suspend making disbursements of the CIP Award to the Company upon the occurrence of: (i) 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,, (ii) default in any other grant, loan, or other economic assistance agreement with the State of Michigan or (iii) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

**ADDITIONAL STATE REQUIRED TERMS**

- **Amendments** – As required under Section 88s(5) of the MSF Act, MCL 125.2088s(5), 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 88s(5) prior to taking any action on such amendment request.
- **Annual Compliance Certificate** – During the Term the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Grant Agreement.
- **Annual Progress Report** – During the Term the Company will be required to submit annual progress reports, which shall include the total number of Qualified Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified Jobs, and the total

investment into the Project. This information will be transmitted 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 Term, and upon reasonable advance notice, the Company 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 Company, and any other location where books and records of the Company 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, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Critical Industry Program 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 Section 88s.

**MICHIGAN STRATEGIC FUND  
RESOLUTION 2024-029**

**APPROVAL OF MICHIGAN STRATEGIC SITE READINESS PROGRAM  
GRANT TO THOMAS TOWNSHIP**

**WHEREAS**, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“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 (“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**, the Strategic Site Readiness Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

**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**, Thomas Township submitted an application seeking a Strategic Site Readiness Program grant in the amount of \$29,000,000 and in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A to this Resolution (the “Grant Request”);

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

**WHEREAS**, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board wishes to approve the Grant Request.

**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, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
February 27, 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 Thomas Township (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 (the “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 Amount:** Up to Twenty-Nine Million and 00/100 Dollars (\$29,000,000.00) to the Applicant for Eligible Activities (defined below) for substantial upgrades to the water and wastewater treatment system and necessary road improvements to support Corning Incorporated’s and its Subsidiaries (collectively, the “Company”) new manufacturing facility in Richland Township (the “Project”). Subsidiaries means an entity that is wholly owned by Corning Incorporated.

**Term of the Agreement:** From the effective date of the Grant Agreement through the earlier of: (i) June 30, 2029; (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:** Grant funds 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 expended, encumbered, or committed at least seventy-five percent (75%) of the grant funds previously disbursed in accordance with the Project budget.

- **Key Milestone One:** Not to exceed \$14,500,000. The Applicant shall submit the following to the satisfaction of the grant manager:
  - Disbursement request in the form determined by the MEDC;
  - Memorandum of understanding or other written agreement between the Applicant and the Company;
  - Copies of currently executed memorandum of understanding or other written agreements between the Applicant and Saginaw Township, the City of Saginaw, Richland Township, and Saginaw County Road Commission, if applicable.
  - Copies of currently executed written agreements between the Applicant and any engineer, designer, consultant, contractor or entity, or vendor to perform the Eligible Activities for the Project; and
  - A spreadsheet describing in detail the projected Eligible Activities to be completed with the grant disbursement received under Key Milestone One, in accordance with the budget.
  
- **Future Key Milestones:** The Applicant shall submit one or more additional disbursement requests, but no more frequently than monthly, to the satisfaction of the grant manager. The actual disbursement amount must be based on projected Eligible Activities to be completed during the subsequent milestone period, and all such additional disbursement requests, in the aggregate, cannot exceed \$14,500,000. Additionally, any such disbursement request must be submitted at least one month prior to the expected expenditure of funds and shall include the following:
  - 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 the preceding Key Milestone. 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 those agreements not previously provided between the Applicant and Saginaw Township, the City of Saginaw, Richland Township, and Saginaw County Road Commission, if applicable;
  - Copies of those agreements not previously provided between the Applicant and the Company or the Applicant and any engineer, designer, consultant, contractor, vendor or municipality engaged to perform the Eligible Activities for the Project; and
  - A spreadsheet describing in detail the Eligible Activities to be completed with each grant disbursement being requested, in accordance with the budget.
- **Project Completion Milestone:** On or before December 31, 2028, the Applicant shall submit the following to the satisfaction of the grant manager:
  - 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 all agreements not previously provided between the Applicant and Saginaw Township, the City of Saginaw, Richland Township, and Saginaw County Road Commission, if applicable;
  - Copies of all executed written agreements between the Applicant and any engineer, designer, consultant, contractor, vendor or municipal entity engaged to perform the Eligible Activities;
  - Demonstrated verification that 100 percent of the funds disbursed have been expended for Eligible Activities; and
  - Documentation satisfactory to the grant manager that the Project is complete.

**Eligible Activities:** “Eligible Activities” includes the following activities related to the Project, for which costs are incurred after November 6, 2023: (i) road, water, and wastewater infrastructure improvements, including the purchase of real property, rights-of-way, and easements, and legal expenses related thereto; (ii) any demolition or construction; (iii) environmental remediation; (iv) architectural, engineering, surveying, similar professional fees, and other work required to commence construction on the infrastructure improvements; and (v) any activities outlined in the SSRP Guidelines, as amended, necessary to support the Project. The Applicant and the Michigan Strategic Fund (“MSF”) will develop a detailed budget for the Project that includes budget categories for the Eligible Activities. Provided, however, that none of the Eligible Activities shall include any activities that have been or are projected to be paid for by another state, local, or federal funding source.

**Project Status Report:** Means reports provided to the MEDC that may be required from time to time following the execution of the agreement and continuing until completion of the Project Completion Milestone. Project Status Reports shall include a narrative on the status of the Project and updates on the Eligible Activities.

**Security Interest and Other Interests:** As required under Section 88t(4) of the MSF Act, MCL 125.2088t(4), the MSF shall have a security interest as defined in section 1201(2)(ii) of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the Grant funds disbursed, and to the extent applicable to the security interest, the Company will sign all ancillary security instruments acceptable to the Company and the MSF.

**Suspension of Disbursements:** The MSF may immediately suspend making disbursements of the SSRP Award upon the occurrence of: (i) 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, (ii) default in any other agreement with the State of Michigan, or (iii) 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 shall repay all or a portion of the grant disbursements made under the SSRP Award upon the occurrence of one or more of events of default, which shall include, without limitation: project abandonment, bankruptcy or insolvency, material misrepresentation, misuse of funds, default of contracts arising out of the Project, and material failure to comply with the terms of the Grant Agreement.

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 one percent (1%) per month, prorated on a daily basis.

In the event there is any remaining balance in the Project Funds Account upon the earlier of: (i) ninety days (90) days after the Applicant's submission of the Final Milestone Certificate or (ii) December 31, 2028, the Applicant may be required to repay 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”), 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, in addition to the Project Status Reports, 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, requiring that Applicant purchase and transfer parcels on specified timelines and that Applicants rights in the parcels that are necessary for the Project may only be sold or otherwise transferred to any entity designated by the MSF, 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 Section 88t.

## 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 Thomas Township (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 (the “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 Amount:** Up to Twenty-Nine Million and 00/100 Dollars (\$29,000,000.00) to the Applicant for Eligible Activities (defined below) for substantial upgrades to the water and wastewater treatment system and necessary road improvements to support Corning Incorporated’s and its Subsidiaries (collectively, the “Company”) new manufacturing facility in Richland Township (the “Project”). Subsidiaries means an entity that is wholly owned by Corning Incorporated.

**Term of the Agreement:** From the effective date of the Grant Agreement through the earlier of: (i) June 30, 2029; (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:** Grant funds 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 expended, encumbered, or committed at least seventy-five percent (75%) of the grant funds previously disbursed in accordance with the Project budget.

- **Key Milestone One:** Not to exceed \$14,500,000. The Applicant shall submit the following to the satisfaction of the grant manager:
  - Disbursement request in the form determined by the MEDC;
  - Memorandum of understanding or other written agreement between the Applicant and the Company;
  - Copies of currently executed memorandum of understanding or other written agreements between the Applicant and Saginaw Township, the City of Saginaw, Richland Township, and Saginaw County Road Commission, if applicable.
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  - A spreadsheet describing in detail the projected Eligible Activities to be completed with the grant disbursement received under Key Milestone One, in accordance with the budget.
  
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- **Other provisions.** The Grant Agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, requiring that Applicant purchase and transfer parcels on specified timelines and that Applicants rights in the parcels that are necessary for the Project may only be sold or otherwise transferred to any entity designated by the MSF, 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 Section 88t.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-030**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO CORNING INCORPORATED**

**WHEREAS**, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

**WHEREAS**, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (“SESA”) and the Alternative State Essential Services Assessment Act (“Alternative SESA”);

**WHEREAS**, SESA and Alternative SESA authorized the creation and operation of the SESA Exemption and the Alternative SESA Program by the Michigan Strategic Fund (“MSF”) pursuant to MCL 211.1059;

**WHEREAS**, on October 28, 2014, by Resolution 2014-176, the MSF Board approved (i) the SESA and the Alternative SESA Exemption Program (the “SESA Program”); and (ii) program guidelines for the SESA Program (“Program Guidelines”);

**WHEREAS**, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Program;

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

**WHEREAS**, Corning Incorporated and/or its wholly owned subsidiary (the “Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

**WHEREAS**, the Program Guidelines require projects be located in Eligible Distressed Areas to qualify for a SESA Exemption (the “EDA Requirement”);

**WHEREAS**, the Company is requesting a waiver to the EDA Requirement (the “EDA Requirement Waiver”);

**WHEREAS**, the Company has requested that the MSF Board approve a 100% exemption under the SESA Program for up to fifteen (15) years valued at up to \$12,281,500 for a qualifying investment of at least \$100 million, and up to \$544 million, in Eligible Personal Property, as defined in the Program Guidelines, in Richland Township (the “SESA Exemption Request”);

**WHEREAS**, the MEDC recommends that the MSF Board approve the SESA Exemption Request, the EDA Requirement Waiver, and require a one-time administrative fee in the amount of \$10,000 payable to the MSF upon completion of the first performance milestone (collectively, the “Recommendation”).

**NOW, THEREFORE, BE IT RESOLVED**, that the MSF Board approves the Recommendation; and

**BE IT FURTHER RESOLVED**, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of the Recommendation and to execute a SESA agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
February 27, 2024