MINUTES
Committee of the Whole
Monday, March 10, 2025 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Kost called the meeting to order at 5:30 p.m.

PRESENT
Councilmember Jeffrey Brown
Councilmember Peter Spadafore
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeremy Garza
Councilmember Ryan Kost
Councilmember Adam Hussain
Councilmember Brian T. Jackson-arrived at 5:35p.m. and left at 6:16 p.m.

OTHERS PRESENT
Sherrie Boak, Council Staff
Charles Randall, Internal Auditor
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office
Kris Klein, LEDC
Karl Dorshimer, LEDC
Lisa Niscoromni, LG Representatives

Minutes
MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE MINUTES FROM FEBRUARY 24, 2025 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment
No public comment at this time.

Discussion/Action:
RESOLUTION – Set a Hearing; Industrial Facilities Exemption Certificate; Transfer from Ultium Cells, LLC to LG Energy Solution Michigan, Inc. at 8100 Davis Highway
Mr. Dorshimer and Lisa Niscoromni with LG Energy Solutions were present to speak on the LG purchase of the Ultium Cells property. This is property in early 2020 GM formed a joint venture with Ultium Cells LLC to produce batteries for GM vehicles. The intent was to construct 3 plants in the United States to meet the anticipated demand.
The IFE and Renaissance Zone were established and granted. The RZ was for 18 years starting in 2022 and abated mills in County and City; 65 total mills. The IFE abates 6.7 mills which also includes Eaton County and Grand Ledge schools. Construction started in 2022 and near completion, a 2.5 million square foot building. In late 2024 GM decided to sell their

stake. As part of the sales agreement, LG approached the city along with GM, stating they would like these two items transferred to the new owners. They are scheduled to close the end of March 24th.

Ms. Niscoromni acknowledged Council for the time to share updates. LG Energy Solution is based in South Korea in high voltage and electric chemical batteries. Because of that, that is why they joined the joint venture with GM. Last year, GM decided they could meet their demand in the other 2 new facilities they built. The hope is to have the opportunity to serve the customers and the products, along with EV batteries, stationary energy sources, and other smaller devices. It is important to have American made sources and are excited to have this plant be part of that equation.

Council Member Garza asked about the transfer of the Ren. Zone, and is this contingent on the sale purchase from GM. Ms. Niscoromni stated the sale is contingent of the incentive programs because it is part of the transaction. Council Member Garza asked about hiring workforce. Ms. Niscoromni stated that in 2024 there were 1000 skill trades on site, and elements of installation of equipment with is a package of install and labor and specific for new equipment. This is not a position that could be sources locally because that is required from the equipment from South Korea. They are making best efforts to source local community for the jobs, and the target wages will be hire then originally shared at the inception of this project.

Council Member Jackson noted that with the timing, GM backed out because new federal administration is kicking back, and so with LG taking over do they anticipate any issues with kick back from the Federal government. Ms. Niscoromni stated that with what the diversification of the products they will use, they are not reacting to EV changes with policy shift. The energy storage product level, they do not see a change because it is based on demand not on policy driven.

Council Member Brown stepped away from the meeting at 5:48 p.m.

Council Member Hussain asked for confirmation for hearing and action the same night, and Mr. Dorshimer confirmed. Council Member Hussain then spoke on what was done the last time with this property, and every step there were promises made on tax capture, temp construction jobs, local work force, economic impact, FTE, and asked how this is shaping out since close to completion on this. Moving forward, will there be a reduction in work force, because originally it was 1700 workforce, and also what is the new wage. Over the 12–18-year windows, what is the City bringing in for tax capture. Mr. Dorshimer stated the earlier commitments were in a development agreement, this exact agreement with no change other than name “LG Energy Solutions” and does have a section committed to local hire. They are pledging to meet all the same commitments the first time around. The original committed to 1000 employees.

Council Member Brown returned to the meeting at 5:52 p.m.

Council President Kost asked if the EV batteries would be for GM, and Ms. Niscoromni stated it is planned to supply GM from their other two factories. The substantial would be a global brand but cannot speak to that name at this time but can in the future along with others. Council President Kost asked if the work force will be unionized, and Ms. Niscoromni stated she cannot speak to the future work force, but respect the rights as the work force deems when established. Council President Kost asked if it would match wages from the former UAW. Ms. Niscoromnii stated that Ultium Cell plants both initiated their own local agreement in those other states, and therefore she cannot speak to a wage tied to a UAW contract before the plant was even established. Council President Kost asked if the car company they will build EV batteries for will build a plant in the future, and Ms. Niscoromni apologized for not being able to speak to that.

Council Member Jackson asked if product made in Michigan with South Korea will have a tariff. Ms. Niscoromni stated products manufacture in the US are not targets for tariffs.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE SETTING A HEARING FOR MARCH 24, 2025 FOR THE IFE CERTIFICATE TRANSFER TO LG ENERGY SOLUTIONS AT 8100 DAVIS HIGHWAY. MOTION CARRIED 8-0.

<u>RESOLUTION – Renaissance Zone; transfer from Ultium Cells, LLC to LG Energy Solution Michigan, Inc. at 811 Davis Highway</u>
Mr. Venker noted there is a corrected legal, which is part of the agreement, therefore a modification of the legal of the property within the Renaissance Zone.

Council Member Jackson stepped away from the meeting at 5:57 p.m.

This zone will be a smaller part of land, and therefore the legal description will need to be updated prior to Council action on March 24, 2025.

Council Member Jackson returned to the meeting at 5:58 p.m.

Ms. Niscoromni stated there is 1,000 acres contemplated as part of the Renaissance Zone, but the current facility is only on half of that, so the legal and boundary will only apply to the 500+/1 LG plant.

Mr. Dorshimer explained there is Development Agreement between the Michigan Strategic Fund and the company. It has been edited to reflect the new owners. The IFE agreement is linked to the Renaissance Zone, and the Zone will exempt 65 mills, property tax savings to LG 6.5 mills per year, over 18 years (already gone through 2 years). The city property tax exempt by the Renaissance Zone, however of that 6.5 mills, 1.8 is city taxes. Those city taxes are split 50/50 with township. $900,000 represents the city portion exemption. But with out the tax abatement it would not go forward.

Council Member Kost corrected Mr. Dorshimer stated it is not $11 million over 18 years.

Council Member Jackson stepped away from the meeting at 6:06 p.m.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR THE RENAISSANCE ZONE TRANSFER TO LG ENERGY SOLUTION MICHIGAN WITH THE AMENDED LEGAL DESCRIPTION AS STATED BY MR. VENKER, AT 8100 DAVIS HIGHWAY.

Council Member Jackson returned to the meeting at 6:07 p.m.

MOTION CARRIED 8-0.

<u>RESOLUTION – Set Hearing for Revocation; CDDM Corporation – 5910 S Pennsylvania Avenue, Lansing; Cabaret License Revocation and Liquor License Revocation</u>
Mr. Venker explained to the Committee that this was being brough forward due to a request from Council on their concerns with the recent shooting at this location; Centerfold. This process is pursuant to the City Ordinances, for revocation of a liquor and cabaret license. This follows the process by setting a hearing, and at the conclusion, a report is compiled and comes to City Council for their action on if they wish to revoke the license.

Council Member Pehlivanoglu asked if the hearing is public and published as such. Mr. Venker stated the location is open to the public but they do not have to follow the posting. The resolution before Council is outlining the date, time and location. There will be a court reporter present and then the findings will be turned over to the council and the public at that point.

Council Member Jackson asked if they have made contact with the defendant through the OCA. Mr. Venker confirmed that as of now they have not but they will receive the hearing notice. Council Member Jackson then asked who appoints the hearing officer, and was told that Council President Kost requested Rawley Van Fossen and Mr. Van Fossen is also noted in the resolution. Council Member Jackson pointed out that Mr. Van Fossen is a City employee, department head and will be depicting the City interest in the case, so it will appear to go towards what the City wants and will take away from the validity of what could come out.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR A REVOCATION HEARING MARCH 25, 2025 AT 1 PM IN THE 9TH FLOOR CONFERENCE ROOM FOR 5910 S. PENNSYLVANIA AVENUE FOR THE CABARET LICENSE AND LIQUOR LICENSE. MOTION CARRIED 8-0.

Closed Session
MOTION BY COUNCIL MEMBER CARTER at 6:16 p.m. Pursuant to MCL 15.268(c) of the Open Meetings Act, I hereby move that we recess into closed session for strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement between the City of Lansing and Teamsters local 243 Supervisory and CTP Units, as requested by the City.

Trini -internal auditor join? Council President Kost added Mr. Randall to the list of others present for this closed session.

ROLL CALL VOTE, MOTION CARRIED 8-0.

Council Member Jackson left the meeting at 6:16 p.m.

Reconvene
Council President Kost reconvened the meeting at 6:30 p.m.

RESOLUTION – Ratification of the Collective Bargaining Agreement (CBA) between the City of Lansing and Teamsters Local 243 Clerical, Technical and Professional Unit; Period Covering February 1, 2025 through January 31, 2026.
MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR THE RATIFICATION OF THE TEAMSTERS LOCAL 243 CTP UNIT. MOTION CARRIED 7-0.

RESOLUTION – Ratification of the Collective Bargaining Agreement (CBA) between the City of Lansing and Teamsters Local 243 Supervisory Unit; Period Covering February 1, 2025 through January 31, 2026
MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE RESOLUTION FOR THE RATIFICATION OF THE TEAMSTERS LOCAL 243 CTP. MOTION CARRIED 7-0.

OTHER
Outside Boards and Commission Updates from Council Members
Council Member Pehlivanoglu summarized the agenda from the Tri County Regional Planning meeting of 2/26/2025, due to lack of a meeting had no update on Tri County on Aging and spoke briefly on the topic of funding that was held at the Capital Area Michigan Works (CAMW). She noted that CAMW will no longer be able to provide full time services at their St. Johns or Charlotte locations, but do not anticipate changes in the Lansing location.

Council Member Spadafore updated the Committee on activities with the Capital Area Airport Authority, and noted that the Downtown Lansing Inc. meets this week.

Council Member Brown asked Council Member Pehlivanoglu if Tri County Regional Planning was moving on the housing study for Michigan Avenue, and was informed that they have not gotten any detailed reports but will look into it for any future strategy.

Adjourn

The meeting adjourned at 6:37 pm
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee March 24, 2025