

## **Summary of Memorandum of Understanding Between City of Detroit and Fiat Chrysler**

1. FCA is proposing to make the following investments in the Jefferson/Mack area:
  - a. Investment in the existing Jefferson North Assembly Plant (JNAP) of approximately \$900 million, expected to add 1,100 net new full-time employees
  - b. Construct a new assembly plant north of Mack Avenue (the Mack Project) with investment of approximately \$1.6 billion and expected to add 3,850 net new full time employees.
  - c. The overall expected new employment is 4,950 full time employees with an expected average wage of approximately \$58,000 per year.
2. In order to accomplish this expansion, FCA will need approximately 200 additional acres of land to accommodate plant expansion, parking, trailer marshalling, and vehicle storage needs. The City of Detroit has committed to acquire the necessary acreage and contribute the land to FCA project.
3. FCA's goal is to complete construction in time for the 2021 model year. As a result, there is a very short window for the City of Detroit to meet its obligations. The City and its related agencies have 60 days from the date of announcement – until Saturday, April 27<sup>th</sup>, to accomplish the following:
  - a. Execute binding agreements to deliver clear title to sufficient acreage adjacent to or in close proximity to the project site to meet FCA's expansion needs.
  - b. Complete appropriate environmental reviews and develop any necessary remediation plans to deliver the properties in appropriate environmental condition for FCA's manufacturing and related purposes.
  - c. Complete the process for a PA 198 tax abatement agreement (expected to be worth approximately \$12 million to FCA over 12 years).
  - d. The City and FCA will work closely together to support Detroit's Community Benefits process and reach a final recommendations
  - e. Final approvals will be required from the City of Detroit, Detroit City Council, the Detroit Brownfield Redevelopment Authority.
4. The State of Michigan has made a separate commitment to complete its process for state incentives during the same period.
5. If these obligations are met and the parties enter into a final development agreement, FCA will start construction immediately in order to make its production deadline.
6. The City has made an additional commitment to begin moving dirt from the berm along St. Jean immediately. That work will need to be done to reuse that property for FCA or for any other development. In the City is unable to secure the land required by FCA in the 60 day timetable, FCA and the City will split the cost of the berm removal.