



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: May 28, 2025

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

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

RE: **Notification of Request for Modification of Strategic Site Readiness Program (SSRP) Grant – Shiawassee Economic Development Partnership (SEDP)**

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

On April 24, 2024, the MSF and the SEDP signed an SSRP grant agreement memorializing a SSRP award to the SEDP in the total amount of \$435,000 for the purpose of completing site due diligence and a water and wastewater study on a site located in the City of Corunna, Shiawassee County, Michigan.

On May 23, 2025, the SEDP requested MSF consideration of modifications to the SSRP Grant. Attached is an explanation of the provisions of the SSRP Grant to be modified along with the rationale for consideration, and a copy of SEDP's request.

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

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

Attachment: Copy of SEDP's Request for Amendments, which includes the summary of, and rationale, for the specific Amendments

cc: Matthew Casby, MSF Fund Manager

Date: May 23, 2025

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

FROM: Justin Horvath, President/CEO Shiawassee Economic Development Partnership (SEDP)

SUBJECT: SEDP Request to Amend Strategic Site Readiness Program (SSRP) Agreement

Background

In January, 2024, the Michigan Strategic Fund Board awarded SEDP an SSRP Grant for the purpose of completing site due diligence and a water and wastewater study (the Project) on a site located in the City of Corunna, Shiawassee County, Michigan. On April 24, 2024, the MSF and SEDP signed an SSRP grant agreement memorializing the \$435,000 SSRP award (the SEDP Grant).

Since the award of funds for site readiness work at the City of Corunna's Parmenter Road Industrial Property, SEDP has evaluated potential vendors and awarded the work in two successive contracts. The first contract was with Fleis & Vandenbrink to conduct an initial Phase I Environmental Assessment on the site.

The second contract is for a broader scope of services, including follow-up testing recommended in the Phase I. This second contract was awarded to C2AE and will be completed as part of this grant project. C2AE was engaged to serve as a project manager coordinating the remaining activities including the Phase II environmental study, an archaeological evaluation, an endangered species study, a geotechnical investigation, a wetland delineation, an ALTA survey, and an in-depth study of the water and wastewater services study.

To date, the water and wastewater study design has been the main priority of the ongoing work. The local water and wastewater systems are shared among four communities with multiple, independent distribution systems. C2AE, in its role as the City of Corunna's engineering firm, has system and usage information for Corunna's portion of the system, and sub agreements have been established with the engineering firms working in the remaining municipalities to provide their respective system and usage information. The work will provide a comprehensive, system-wide overview of the current capabilities of the water and wastewater utilities and if an end user is identified whose needs exceed current infrastructure capacities, the study will provide a comprehensive list of investments necessary at the plant and distribution levels to accommodate increased demand.

Multiple studies outlined in the scope are now complete and available to support attraction efforts to the site. These include Phase I and II environmental evaluations, endangered species study, archaeological assessment, and wetland delineation. Work has progressed well on the water and wastewater components of the scope of work, with a draft currently being reviewed by each municipality. These activities were completed and scheduled using the funds disbursed in

the first and second requests. To date, work completed has resulted in expenditures of \$229,982.52, including \$18,000 in administrative fees to SEDP.

Unfortunately, due to high demand for the services of our consultants and the complexity of the underlying water/wastewater system study, there have been delays in finalization of said study. The study is expected to be completed within the next 90 days. Once the study is received, we will be in a position to pay the final amounts due to the contractor.

Request:

SEDP has determined that an amendment to the SEDP Grant is necessary to successfully complete this critical Project. Therefore, SEDP requests the MSF amend the SSRP Grant in all places necessary to effectuate the following:

1. Extend the term of the grant agreement to December 31, 2025
2. Extend the deadline for the final disbursement request to August 1, 2025
3. Extend the deadline for the final report to September 1, 2025

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