



DATE: Wednesday, April 17, 2019

SUBJECT: MEC Land Development Project

FROM: Dave Allen

TO: Bob Hance

The following memorandum details steps taken to initiate land development adjacent to Midwest Energy & Communications, 60590 Decatur Road in Cassopolis.



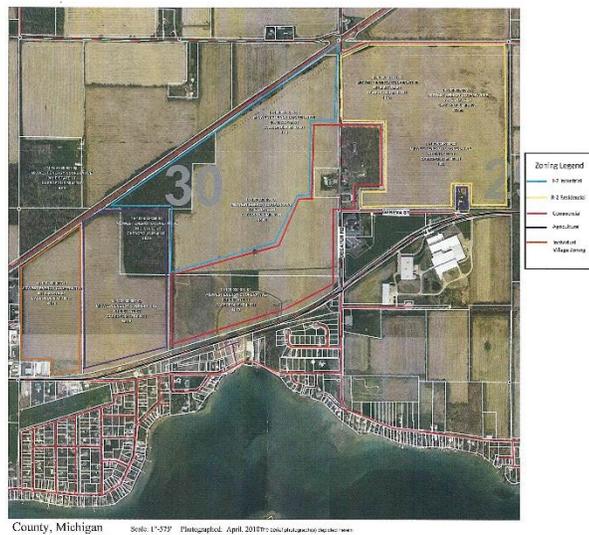
History

2015

- Midwest Energy's location at 901 East State Street is land-locked with Postle Aluminum to the east, Canadian National Railroad to the north and M-60 to the south.
- AEP informs Midwest Energy of its transmission upgrade across our property. AEP's project further limits consideration of both vertical and horizontal expansion on-site.
- Expansion becomes necessary with the addition of new staff due to fiber optic deployment.
- Staff directed by board to research options for growth.

2015 - continued

- Board approves acquisition of Ed Lowe Property
 - 490 Acres Total
 - ~140 Acres East of Decatur Road and North of Geneva Road
 - ~350 Acres North of M—60, South of a Canadian National Rail Line, East of the Village and West of Decatur Road.
 - Variably zoned – commercial, industrial, agriculture and multi-family.
 - Served by Village Water and the Cassopolis Area Utilities Authority for Sewer.
 - High-speed fiber optic on-site.
 - AEP transmission and utility substations to be on-site.
 - High-pressure natural gas to the south.



County, Michigan Scale: 1"=577' Photographed: April, 2010 (not georeferenced) (not to scale)

Penn Township, Part of Sections 29, 30, 31, and 32

2016

- Ed Lowe Property Purchased
- Civil Engineering Undertaken
- New HQ Project Breaks Ground
 - 135,000 Square Feet
 - 60 Acres

2017

- HQ Occupied at 60590 Decatur Road – August
- Board Recommends Development of Adjacent Land



2018

- .8 MW Community Solar Array Completed On-Site
 - Partnership with Spartan Renewables
 - 8.9 Acres of Land
- AEP Transmission & Substation Projects Underway
- Retained Garmong Development (Terre Haute, IN) for Site Development Assistance

2019

- Retained the Following Consultants for Site Development Assistance:
 - Pathfinders (South Bend, IN)
 - Brand & Identity Development
 - McClure (Clive, IA)
 - Creative Placemaking & Community Development
 - Thomas P. Miller & Associates (Indianapolis, IN)
 - Target Market Analysis
 - Abonmarche
 - Civil Engineering Services
- Additional Activities Being Undertaken
 - Working With Penn Township
 - Zoning to I-2 (On Hold Per Garmong)
 - Developing Opportunities With Local, Regional, State & National Organizations
 - Hosted regional economic development groups
 - Hosted state legislators
 - Hosted state agencies (USDA-RD Director)
 - Met With Michigan Department of Transportation
 - Met with municipal leaders including water and sewer authorities that provide service to the site
 - Submitted \$250,000 site development grant to USDA (Rural Business Development Grant Program)

The Site



(MEC Property - Looking Southwest – Photo Taken in 2016)

The 490.62 acre MEC site purchased in early-2016 consists of ten parcels ranging from 1.92 to 144.42 acres of land. Three parcels, totaling 152.85 acres, are located east of Decatur Road, north of Geneva Road, south of Fox Road and naturally bounded to the west. The homes and schoolhouse along Decatur Road total 18.34 acres. The home on Geneva Road totals 1.92 acres. The third parcel totals 132.59 acres and is currently being farmed.

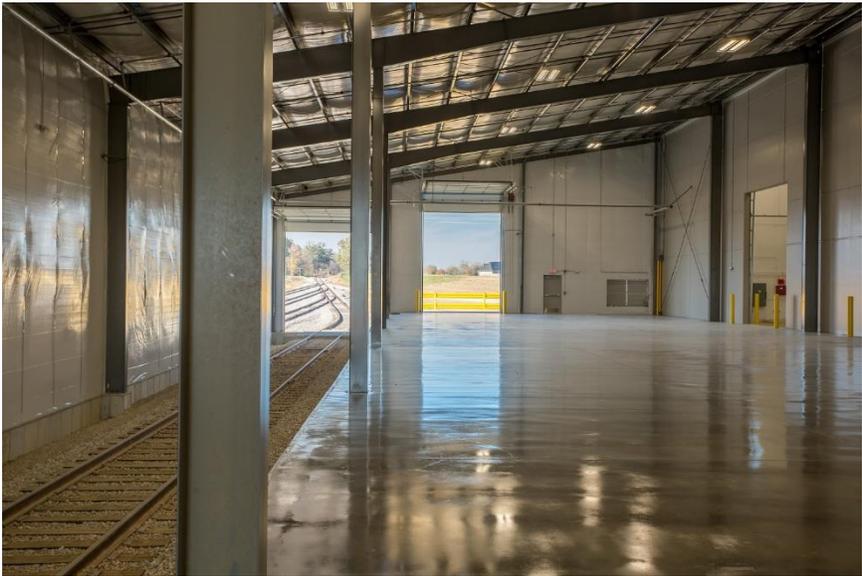
Six parcels of land north of M-60, west of Decatur Road, south of the Canadian National Railroad line and west of the Village of Cassopolis total 327.89 acres. In addition to vacant land, this property houses our new HQ facility, electric transmission and substations and a community solar project. One 9.88 acre triangular piece of property north of the Canadian National Railroad line will be purchased in early 2019 by an interested party. The property being sold is land-locked and of no value to our development aspirations.

In very broad terms, MEC possesses 490 acres of land. Sixty of those acres were used for our new HQ project at 60590 Decatur Road. Ten acres were used for our community solar project. Ten acres will be sold off in 2019. The home that sits off of Geneva Road on 1.92 acres of land, will likely be razed and available for development.

East of Decatur Road, we'll have 135 acres of land for development and 18 acres of land with homes and commercial structures for sale. On the west side of Decatur Road, we'll have roughly 260 acres available for development.

Though some wooded areas are located on-site, there are no wetlands observed and most land is tillable, flat and being farmed through rental agreements. Property immediately adjacent to M-60 gently slopes towards Diamond Lake to the south but the vast majority of land is, again, flat. The area along M-60 may be retained for commercial purposes designed to serve tenants of the park.

Completed on-site projects include MEC's HQ and electric, propane and fiber operations facility as well as a .8 MW community solar array. Projects in the works include an AEP substation and AEP transmission along M-60. In 2019, MEC will add their own substation to the property and will initiate efforts to design and engineer a rail siding to serve a Garmong Development shell facility adjacent to the siding. The proposed shell building will be engineered for expansion and may serve a single tenant or multiple tenants in need of access to Canadian National transportation services.



Additionally, in 2019, infrastructure needs will be identified and pursued, the park will be branded and marketed, we'll have a better understanding of prospects, targets and labor pool and efforts will be initiated and followed-up on to improve regional curb appeal.



Vision

Leverage, and put in place, all assets required to attract investment and jobs to a well-branded and marketed business and food science park located in Cassopolis, Michigan.

Consultants



Garmong Construction Services d/b/a Garmong Development Indianapolis, IN

Contract Duration: Ongoing

Mr. Dan Zuerner – Vice President of Business Development
(<http://www.garmong.net/about-us/executive-leadership/>)

MEC retained Garmong in late-2018 to serve as “general contractor” for our project. Founded in 1923, the company is well-known and highly-regarded for working with rural electric cooperatives and small-to-midsize communities in developing and marketing industrial park projects. Garmong is a full service construction and construction management firm with engineering and architectural design, design-build capability of large industrial projects, as well as possessing financing and development capabilities of commercial and industrial projects.

Already, Mr. Zuerner has helped us initiate contact with Canadian National Railroad officials as well as industrial park design and engineering firms. Having extensive experience and success with projects such as ours, Mr. Zuerner has been fantastic at helping us articulate our vision.



Pathfinders South Bend, IN

Contract Duration: Six Months/Ongoing

Mr. Kelly Ball – Vice President
Ms. Roberta Pope – Account Supervisor
(<https://www.pathfind.com/team/>)

MEC has a long-standing relationship with Pathfinders. As you may recall, Pathfinders helped us develop our new brand and identity for Midwest Energy & Communications. They are being asked to do the same for our business park efforts. Very early in our discussions with Garmong, Dan Zuerner recommended we retain someone like Pathfinders to appropriate brand our business park initiative. He suggested this is very important in terms of identifying our location and/or marketing our primary assets to site selectors and potential investors.



THOMAS P. MILLER & ASSOCIATES

Thomas P. Miller & Associates

Indianapolis, IN

Contract Duration: Three Months

Mr. Mike Higbee – Vice President, Economic Development

Chris Holcomb – Project Consultant

<https://www.tpma-inc.com/meet-the-team>

Thomas P. Miller & Associates (TPMA) will be completing a target industry analysis that will include a socioeconomic base analysis advising the identification of industry sectors we will likely be able to attract to our business park. Focusing on the counties of Berrien, Cass, Kalamazoo, Van Buren and St. Joseph in Michigan as well as the counties of Elkhart and St. Joseph in Indiana, TPMA will study demographics, industries, growth trends and workforce to identify targets for our business park. Additionally, they will assist us in developing a plan to engage site selectors for the primary purpose of business attraction.



M^CCLURE™
ENGINEERING CO.

McClure Engineering Co.

Clive, IA

Contract Duration: Ongoing but defined by scope of work

Ms. Libby Crimmings – Vice Principal of Community Placemaking

Mr. Mickey Davis – Community Placemaker

<http://mecresults.com/people/>

Over the past two years, Cass County has undertaken an initiative designed to improve its curb appeal. Working with Michigan State University, several hundred people participated in a process that re-imagined what its county seat might look like with a vision and sufficient funding to carry that vision forward. Though significant funding has materialized, the project stalled when the employment contract of its chief champion, the county administrator, was not renewed by county commissioners. Recognizing the importance of community development to attraction of investment, MEC reached out to McClure for a proposal. Essentially, we are asking them to assist Cassopolis and Cass County in carrying their vision forward.

McClure believes in Creative Placemaking - a people-centered approach to building strong, vibrant communities. It helps communities achieve economic and population growth through

cultural and entrepreneurial amenities, concepts, and catalytic projects. Their stated goal is to learn a community's need, help address their challenges, and collaboratively provide a comprehensive strategy, engaging partners when and where their expertise is needed. They work with communities to create quality amenities, figure out how to finance it, then help communities identify the talent and resources to build and operate them.



Abonmarche

South Bend, IN

Contract Duration: 2019 - 2020

Mr. Randy Peterson, PE, PLS – Senior Project Manager

Mr. Tony McGhee – Vice President of Development Services

Mr. Michael Huber – Planner

Mr. Stephen P. Heath, PE – Chief Railroad Engineer (Patrick Engineering)

www.abonmarche.com

www.patrickengineering.com



Abonmarche is a civil engineering firm with eight offices located throughout Michigan and Indiana. Their role in this project will be site planning, transportation engineering, civil engineering, identifying and securing incentives, obtaining public approvals and entitlements and facilitating coordination with all project partners. Their subcontractor, Patrick Engineering, is based in Lisle, IL. They have sixteen Michigan licensed engineers on staff, two of which are assigned to our project. Patrick's role in this project will be railroad access/planning, environmental and geotechnical services, yards and facilities design/build.

Staffing for the Project

Dave Allen is MEC's lead officer for this project. He will lean on other staff as both needed and appropriate.

What's Next?

All consultants are fully engaged and moving forward with their deliverables.

Summary

We have land, water, sewer, fiber, rail and electric on-site. High pressure natural gas is nearby. But, is that sufficient? Engaging consultants, we'll know what we have, what is needed and what we need to do to improve our ability to attract and retain investment and jobs. Through this initiative, we'll clearly identify who we are, demonstrate where we are and clearly articulate what we're trying to attract. We'll improve local curb appeal and become fully cognizant of both our assets and our challenges. Ultimately, we will design a world-class business park that will help preserve our rural way of life through the attraction of jobs and investment to the area.