



**State of Michigan**  
**Michigan Economic Development Corporation (MEDC)**  
**Substantial amendment to the Community Development Block Grant Program**  
**(CDBG) 2008 Annual Action Plan**

- I. The State of Michigan will target funding under the American Recovery and Reinvestment Act of 2009 from the Department of Housing and Urban Development (HUD) to a key state industry sector: Agriculture – Food Processing. Michigan is second only to California in agricultural diversity, producing over 200 commodities on a commercial basis. Production agriculture, food processing, and related businesses employ more than one million Michigan residents, making agriculture Michigan's second largest industry. A large proportion of jobs directly tied to agriculture are in rural, low-to-moderate income regions of the state. The Michigan Economic Development Corporation works in close collaboration with the Michigan Department of Agriculture to support the agriculture industry and identify opportunities for growth.

In recent years, many Michigan food processors have faced a common problem that is inhibiting their growth, and in some cases is threatening their very viability. Michigan food processors -- especially those specializing in fruits and vegetables -- use millions of gallons of water in the process of cleaning and preparing safe foods for widespread distribution and consumption. These companies are now facing actions from regulatory bodies to dispose of this wastewater without adversely affecting the environment. In most cases the local municipal wastewater systems are not capable of treating such large quantities of water, leaving two basic alternatives. Either the municipal systems will need significant and expensive upgrades to increase their capacity, or the food processing companies must install significant and expensive onsite pre-treatment systems that remove suspended solids and other hazards from the water before it enters the municipal system. In some instances, an effective solution requires both municipal improvements and onsite pretreatment.

Many food processing companies we are working with are prepared to make new investments in their facilities that will retain the existing workforce and/or lead to new job creation. However, they will not continue investing in Michigan if the cloud of wastewater-related regulatory action continues to threaten the viability of their operations. For these reasons, the MEDC and MDAG agreed that directing federal CDBG funds to effectively resolve some of the most challenging food processing wastewater issues will have a tremendous, positive effect on Michigan's agricultural economy both now and for years to come.

- II. The distribution and uses of the recovery funds will meet the requirements of Title XII of Division A and Section 1602 of the Recovery Act as these projects

are located in non-entitlement areas of the state, each project will either retain the employed workforce for that company and or create new full-time equivalent jobs for low to moderate income individuals in the respective project communities. Upon approval from the Michigan Strategic Fund each project will then be able to award the necessary contracts based on bids to begin the necessary infrastructure improvements.

- III. Each activity provided will maximize job creation and economic benefit to both the local community and state's economy by addressing a critical industry operations concern which is waste water treatment and the impact on the local communities. The on-site waste water pre-treatment facility improvements will allow for many of the food processors to increase capacity by adding additional product lines which in turn will add more jobs. The investment will be long-term and will have lasting positive benefits of both environmentally and economically to the regions.
- IV. Contact information for public comment and or project information:

MEDC Program Administration  
MEDC [CDBGProgram@michigan.org](mailto:CDBGProgram@michigan.org)



## **THE CDBG-R SUBSTANTIAL AMENDMENT**

Jurisdiction(s): State of Michigan Non-Entitlement Program	CDBG-R Contact Person: Kevin Bonds Address: 300 N. Washington Sq. Lansing, MI 48913
Jurisdiction Web Address: <ul style="list-style-type: none"><li>• <a href="http://www.themedc.org">www.themedc.org</a></li></ul>	Telephone: (517) 373-6213 Fax: (517) 373-6683 Email: <a href="mailto:CDBGprogram@michigan.org">CDBGprogram@michigan.org</a>

### **ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS**

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

#### ***A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES***

***SEE LAST PAGE***

**B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)**

**For All Projects:**

-No more than 10% of the total grant amount received by the State will be spent on administration and planning.

-No more than 15% of the total grant amount received by the State will be spent on public services.

**Specifically each activity is described as follows:**

1) Fennville, Michigan (Allegan County)

a) Activity Name: **Fennville Water System Improvement Project**

b) Activity Narrative:

i) \$4,000,000 of CDBG-R funds is requested for the Fennville Water System Improvement Project. This project will make improvements to the City of Fennville's water system. The project will improve the city's water system with the installation of an iron removal system to improve water quality in the service area and the extension of water lines to portions of the adjacent townships.

- This project will create 20 FTE construction jobs.
- This project will improve water services to a service area that is comprised of at least 51% low or moderate income persons. This project will also create 20 FTE construction jobs.
- This project allows food processors in the service area to continue operations and possible expansions in the future.
- This project will improve the water quality for city residents and extend waterlines to areas of surrounding townships which may have water quality problems.

This project meets the requirements of Title XII of Division A and Section 1602 of ARRA because the project will be initiated within 120 days from the receipt of the funds, maximize job creation and retention and provide long term economic benefits to the community.

c) Jobs:

Permanent – 0

Construction – 20 FTE

Temporary – 0

d) Additional Activity Information:

There is no known promotion of energy efficiency and conservation in this project.

e) Responsible Organization:

City of Fennville  
Dan Rastall, Mayor  
222 South Maple Street  
Fennville, Michigan 49408  
(269) 561-8321

2) East Jordan, Michigan (Charlevoix County)

a) Activity Name: **Burnette Foods Wastewater Pre-treatment Facility**

b) Activity Narrative:

i) \$500,000 of CDBG-R funds is requested for the Burnette Foods Wastewater Pre-Treatment Facility Project. This project includes facilities and equipment upgrades and purchases required to treat water leaving the plant to achieve acceptable biological levels for the City of East Jordan to accept the treated wastewater into their wastewater treatment system. These improvements will allow Burnette Foods to expand their product lines and create 43 additional FTE jobs with at least 51% of the new jobs being held by low and moderate income individuals.

- This project will create 43 new FTE jobs and 11 FTE construction jobs.
- This project will employ at least 51% low or moderate income persons in the 43 FTE jobs created by Burnette Foods. This project will also create 11 FTE construction jobs.
- This project will reduce the burden on the public wastewater treatment system, improve water quality, and allow the company to increase production.
- This facility's wastewater does not currently meet acceptable biological levels for the City of East Jordan. With the construction of the new wastewater pre-treatment facility, the wastewater discharged into the public system will meet acceptable standards.
- This project will allow the City of East Jordan to have increased available capacity for their wastewater treatment system, thereby minimizing or avoiding reduction in essential services.

This project meets the requirements of Title XII of Division A and Section 1602 of ARRA because the project will be initiated within 120 days from the receipt of the funds, maximize job creation and retention and provide long term economic benefits to the community.

c) Jobs:

Permanent – 43 FTE (created)

Construction – 11 FTE

Temporary – 0

d) Additional Activity Information:

This project will achieve smart growth by allowing Burnette Foods to expand their product lines at their current location.

e) Responsible Organization:

City of East Jordan  
David White, Administrator  
201 Main Street  
East Jordan, Michigan 49727  
(231) 536-3381

3) Reed City, Michigan (Osceola County)

a) Activity Name: **Reed City Wastewater Treatment Improvement Project**

b) Activity Narrative:

i) \$1,350,000 of CDBG-R funds is requested for the Reed City Wastewater Treatment Improvement Project. This project will make improvements to the City of Reed City's wastewater treatment system. This will allow Yoplait-General Mills to expand operations at its Reed City facility and create an additional 25 FTE jobs at that location. Yoplait-General Mills will provide \$45,000,000 in private investment to construct an addition to the manufacturing facility and purchase and install machinery and equipment.

- This project will create 25 FTE jobs and create 99 FTE construction jobs.
- This project will employ at least 51% low or moderate income persons in the 25 FTE jobs being created. This project will also create 99 FTE construction jobs. This project is also located in a community that is comprised of more than 51% low and moderate income persons.
- This project will increase the capacity of the public wastewater treatment system for the City of Reed City to handle the high volume of discharge from the Yoplait-General Mills facility.
- This project allows the City of Reed City to meet the standards for wastewater treatment while allow the expansion of the Yoplait-General Mills facility and maintain a critical employer in the area.
- This project will allow the City of Reed City to have increased capacity for their wastewater treatment system, thereby minimizing or avoiding reduction in essential services.
- This project will introduce new technology and modernize the Yoplait-General Mills manufacturing facility leading to greater energy efficiency.

This project meets the requirements of Title XII of Division A and Section 1602 of ARRA because the project will be initiated within 120 days from the receipt of the

funds, maximize job creation and retention and provide long term economic benefits to the community.

c) Jobs:

Permanent – 25 FTE (created)

Construction – 99 FTE

Temporary – 0

d) Additional Activity Information:

This project will achieve smart growth by allowing Yoplait-General Mills to expand their production and warehouse capacity at their current location. This project will also introduce new technology and modernize the Yoplait-General Mills manufacturing facility resulting in greater energy efficiency.

e) Responsible Organization:

City of Reed City  
George Freeman, City Manager  
227 East Lincoln  
Reed City, Michigan 49677  
(231) 832-2245

4) Village of Cass City, Michigan (Tuscola County)

a) Activity Name: **Dairy Farmers of America Wastewater Treatment Facility Project**

b) Activity Narrative:

i) \$2,000,000 of CDBG-R funds is requested for the Dairy Farmers of America Wastewater Treatment Facility Project. This project includes the construction of an industrial wastewater treatment facility for a new milk processing plant with an estimated capacity of 2 million pounds of milk per day. The wastewater treatment facility will allow the company to discharge their wastewater into the Village of Cass City's wastewater system. The company will be investing \$32,879,000 for construction, renovation, and machinery and equipment at their Cass City facility. These improvements will allow Dairy Farmers of America to expand their product lines and create 30 additional FTE jobs with at least 51% of the new jobs being held by low and moderate income individuals.

- This project will creation 30 FTE jobs and create 200 FTE construction jobs.
- This project will employ at least 51% low or moderate income persons in the 30 FTE jobs being created. This project will also create 200 FTE construction jobs.
- This project will increase the capacity of the public wastewater treatment system for the Village of Cass City to handle the high volume of discharge from the Dairy Farmers of America facility.

- This project allows the Village of Cass City to meet the standards for wastewater treatment while allowing the expansion of the Dairy Farmers of America facility and maintaining a critical employer in the area.
- This project will allow the Village of Cass City to have increased capacity for their wastewater treatment system, thereby minimizing or avoiding reduction in essential services.
- This project will provide for reduction of the water content in raw milk and allow for more efficient transportation to the current end markets.

This project meets the requirements of Title XII of Division A and Section 1602 of ARRA because the project will be initiated within 120 days from the receipt of the funds, maximize job creation and retention and provide long term economic benefits to the community.

c) Jobs:

Permanent – 30 FTE (created)

Construction – 200 FTE

Temporary – 0

d) Additional Activity Information:

This project will provide for reduction of the water content in raw milk and allow for more efficient transportation to the current end markets.

e) Responsible Organization:

Village of Cass City  
 Mr. Kevin Mackey, Grant Writer  
 6506 Main Street  
 P.O. Box 123  
 Cass City, Michigan 48726  
 (989)872-2911

5) Village of Lawton, Michigan (Van Buren County)

a) Activity Name: **Welch’s Wastewater Pre-Treatment Facility**

b) Activity Narrative:

i) \$1,000,000 of CDBG-R funds is requested for the Welch’s Wastewater Pre-Treatment Facility Project. This project includes an on-site wastewater pretreatment facility to support Welch’s production facility. These improvements will allow Welch’s to retain 301 FTE jobs with at least 51% of the retained jobs being held by low and moderate income individuals. The company will be investing \$16,773,000 for construction, renovation, and machinery and equipment at their Lawton, Michigan facility.

- This project will retain 301 FTE jobs and create 7 FTE construction jobs.

- This project will employ at least 51% low or moderate income persons in the 301 FTE jobs retained by Welch's. This project will also create 7 FTE construction jobs.
- This project will allow Welch's facility in Lawton to continue operations and meet Part 22 of Michigan's groundwater requirements.
- The retention of 301 FTE jobs will be essential to the long term economic viability of the community.

This project meets the requirements of Title XII of Division A and Section 1602 of ARRA because the project will be initiated within 120 days from the receipt of the funds, maximize job creation and retention and provide long term economic benefits to the community.

c) Jobs:

Permanent – 301 FTE (retained)  
 Construction – 7 FTE  
 Temporary – 0

d) Additional Activity Information:

There is no known promotion of energy efficiency and conservation in this project.

e) Responsible Organization:

Van Buren County  
 Edward VanderVries, Director of Land Services  
 219 Paw Paw Street, Suite #302  
 Paw Paw, Michigan 49079  
 Ph (269) 657-8234

6) Holland Charter Township, Michigan (Ottawa County)

a) Activity Name: **Quincy Street Wastewater Pre-Treatment Facility**

b) Activity Narrative:

i) \$800,000 of CDBG-R funds is requested for the Quincy Street Pre-Treatment Facility Project. This project includes an on-site wastewater pretreatment facility to support the Quincy Street facility. These improvements will allow Quincy Street to create 20 FTE jobs with at least 51% of the created jobs being held by low and moderate income individuals.

- This project will create 20 new FTE jobs and 5 FTE construction jobs.
- This project will employ at least 51% low or moderate income persons in the 20 FTE jobs created by Quincy Street. This project will also create 5 FTE construction jobs.

- This project will reduce the burden on the public wastewater treatment system, improve water quality, and allow the company to increase production.
- The wastewater pre-treatment facility will remove suspended solids that can then be disposed of outside of the municipal wastewater system, reducing the burden on the public wastewater treatment facility.
- This project will allow Holland Charter Township to have increased available capacity for their wastewater treatment system, thereby minimizing or avoiding reduction in essential services.
- Suspended solids that are removed at the pretreatment facility can potentially be converted to energy at an offsite facility.

This project meets the requirements of Title XII of Division A and Section 1602 of ARRA because the project will be initiated within 120 days from the receipt of the funds, maximize job creation and retention and provide long term economic benefits to the community.

c) Jobs:

Permanent – 20 FTE (created)

Construction – 5 FTE

Temporary – 0

d) Additional Activity Information:

The by-products of the pork processing, the suspended solids, can potentially be converted to energy at an offsite facility.

e) Responsible Organization:

Holland Charter Township  
 Donald Komejan, Manager  
 353 North 120<sup>th</sup> Avenue  
 Holland, Michigan  
 (616) 696-2345



CDBG-R  
Activity Data Spreadsheet

Jurisdiction/Grantee Name: State of Michigan - Michigan Economic Development Corporation (MEDC)		CDBG-R Formula Grant Amount: \$9,583,308				Date: June 10, 2009	
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)*	Total Activity Budget
City of Fennville (Allegan)	Fennville Water System Improvement Project will improve the City of Fennville's water system with the installation of an of an iron removal system to improve water quality to the service area and the extension of water lines to adjacent townships. Create 20 FTE construction jobs.	105(a)(2)	L/M Income area benefit	3,350,000		650,000	4,000,000
Burnette Foods East Jordan (Charlevoix)	Burnette Foods Wastewater Pre-Treatment Facility Project includes facilities and equipment upgrades and purchases required to treat water leaving the Burnette Foods plant to achieve acceptable biological levels for the City of East Jordan to accept the treated wastewater into their wastewater treatment system. This will allow Burnette Foods to expand their product lines. <b>Create 43 FTE jobs and 11 FTE construction jobs.</b>	105(a)(17)	Job Retention and or Growth	\$500,000		\$770,000	1,270,000
Yoplait - General Mills Reed City (Osceola)	City of Reed City Wastewater Treatment Improvement Project will make improvements to the City of Reed City's wastewater treatment system. This will allow Yoplait - General Mills to expand operations at its Reed City facility. <b>Create 25 FTE jobs and 99 FTE construction jobs.</b>	105(a)(17)	Job Retention and or Growth	\$1,350,000		\$45,000,000	46,350,000
Dairy Famers of America Village of Cass City (Tuscola)	The Dairy Farmers of America Wastewater Pre-Treatment Facility is a construction of an industrial wastewater pre-treatment system for a new milk processing facility with an estimated capacity of 2,000,000 pounds of milk per day. The wastewater pretreatment will allow the company to discharge their pretreated wastewater into the Village of Cass City's wastewater system. <b>Create 30 FTE jobs and 200 FTE construction jobs.</b>	105(a)(17)	Job Retention and or Growth	\$2,000,000		\$32,879,000	34,879,000
Welch's Lawton (Van Buren)	Welch's Wastewater Pre-Treatment Facility Project includes an on-site wastewater pre-treatment facility. <b>Retain 301 FTE jobs and create 7 FTE construction jobs.</b>	105(a)(17)	Job Retention and or Growth	\$1,000,000		\$16,773,000	17,773,000
Quincy Street Inc. Holland Charter Township (Ottawa)	Quincy Street Wastewater Pre-Treatment Facility Project includes an on-site wastewater pre-treatment facility that will remove suspended solids, reducing the burden on the Holland Charter Township wastewater treatment system, improve water quality, and allow the company to increase production. <b>Create 20 FTE jobs and 5 FTE construction jobs.</b>	105(a)(17)	Job Retention and or Growth	\$800,000		\$0	800,000

\*The projects listed will be vetted in accordance with HUD CDBG guidelines. Projects may be subject to change based on further eligibility determination.



CDBG-R  
Activity Data Spreadsheet

Jurisdiction/Grantee Name: State of Michigan - Michigan Economic Development Corporation (MEDC)		CDBG-R Formula Grant Amount: \$9,583,308				Date: June 10, 2009	
<i>Activity Name</i>	<i>Activity Description</i>	<i>Eligibility (Regulatory or HCDA Citation)</i>	<i>National Objective Citation</i>	<i>CDBG-R Project Budget (\$)</i>	<i>Additional Recovery Funds (\$)</i>	<i>Other Leveraged Funding (\$)*</i>	<i>Total Activity Budget</i>
Admin/TA				\$583,308			583,308
				\$9,583,308		\$96,072,000	105,655,308

\*The projects listed will be vetted in accordance with HUD CDBG guidelines. Projects may be subject to change based on further eligibility determination.