

**Directors Report
December 16, 2013**

By way of follow up to steps MEA has taken to market the old Mackinac County Hospital inquires were made regarding a targeted brownfield redevelopment assessment program offered by the MI Department of Environmental Quality (MDEQ) through a grant from the US Environmental Protection Agency (EPA). These site-specific assessments are similar to Phase I/II environmental site assessments and include collection/analysis of environmental samples to determine contamination levels. A report summarizing assessment activities is furnished to applicants, together with recommendations for redevelopment. MEA is submitting a request letter and application to the MDEQ Brownfield Assessment Program Manager (Mr. Joe Walczak) to identify the hospital property for consideration. In its communication with Mr. Walczak MEA has received reassurance that the hospital property will have a high priority for assessment and therefore eligible for this grant.

On a separate front, MEA has also reached out to Director of the Michigan State Housing Development Authority, Gary Heidle, to inquire about Low Income Housing Tax Credits (LIHTC) as applied to the old MC Hospital. After hearing the feedback received from Joe Whitsett regarding his decision to forgo considering the property for redevelopment at this time because “it was not a high scoring project under Michigan’s tax credit allocation plan” Gary suggested pursuing the matter with LIHTC Manager Andy Martin. MEA has learned that these credits serve as a tax incentive for housing investors. An investment vehicle created by the Tax Reform Act of 1986 LIHTC is intended to increase and preserve affordable rental housing by offering credits directly applicable against taxable income. Administered in MI by MSHDA, this program permits investors in affordable rental housing who are awarded credits, to claim credit against their tax liability annually for 10 years. Mr. Martin is working with MEA in its review of the LIHTC Scoring Criteria to identify specific actions that can be taken to improve the score for the old hospital property.

Marketing the old hospital property will be a top priority for MEA in 2014.

In November Dean Reid (as Chairman of the MC Planning Commission) referred Tawni Hunt Ferrarini PhD (Center for Economic Education and Entrepreneurship at Northern Michigan University) to MEA for assistance in compiling Mackinac County employment data. The Center is in the process of updating its profile booklet published each year to provide a snapshot of the businesses in the UP. Working in concert with Jeff Hagan at EUP Regional Planning, MEA completed the requested assignment to gather needed information. In the process MEA was given an opportunity to broaden its reach in Mackinac County, making contact and conversing with a number of businesses, and heightening awareness of MEA’s economic development efforts. A \$500 fee will be paid to MEA for its services under the grant administered by Dr. Ferrarini.

At the October meeting of MEA the Board unanimously agreed to pursue development of a community garden on Mackinac Island. As the Board learned, Mary Slevin, Executive

Director of Mackinac Island Tourism Bureau, has a well thought out vision of a community garden project that takes into account the challenge of acquiring the needed property. MEA is well positioned to take the steps needed to advance this project and eager to support the effort. To that end Mary was asked to join the MEA Board. Happily she accepted. For the most part it will be necessary for Mary to join our meetings via conference phone but we are glad to have her on board and look forward to working together on this exciting initiative.

MEA continues to work with North Central Michigan College to support the establishment of a college course delivered in an online format. Since Holly Rohrer is no longer working with EUP College Access Network MEA is actively and exclusively coordinating this effort. It is hoped that high school students in Mackinac County will have access to the AH 130 course at the start of winter semester.

Finally the BIG news for MEA in 2013 is the momentous decision of the Mackinac County Commissioners to provide financial support to Mackinac Economic Alliance. At the conclusion of their difficult budget process Commissioners stayed committed to the cause and have agreed to furnish MEA with the funds requested (\$50 K) in 2014. It is expected that Mackinac County will shortly prepare a proposed contract for MEA consideration. Chairman Kling has agreed to act on behalf of MEA to negotiate the terms of that contract.