

HOUSE of REPRESENTATIVES

STATE OF MICHIGAN

Appropriations Requests for Legislatively Directed Spending Items

1. The sponsoring representative's first name: Greg

2. The sponsoring representative's last name:

Markkanen

3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.

Rep. Dave Prestin, Rep. Karl Bohnak

4. Name of the entity that the spending item is intended for:

Wakefield Township

5. Physical address of the entity that the spending item is intended for:

414 North County Road 519, Wakefield, MI 49968

6. If there is not a specific recipient, the intended location of the project or activity: N/A

7. Name of the representative and the district number where the legislatively directed spending item is located:

Greg Markkanen, 110

8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution. This funding request for Wakefield Township is to support crucial infrastructure for site readiness purposes that are necessary for the Township to pursue economic development opportunities. Site readiness, or lack thereof, is commonly cited as a factor in investment decisions by businesses and venture funds considering Michigan-based opportunities. An opportunity before the Township offers a generational opportunity to create hundreds of good-paying jobs to support local families and bolster the national supply chain and defense capabilities. However, site investment is needed to encourage investment in the

More specifically, fulfillment of this request will permit Wakefield Township to invest in: 1) Road upgrades: County Road 519 will be improved for all-season use, bolstering the area's existing industry and local tourism. 2) Power grid fortification: A connection from the substation south of Ironwood across western Gogebic County will increase regional capacity and reliability for the residents of City of Ironwood, City of Bessemer, City of Wakefield, Erwin Township, Charter Township of Ironwood, Bessemer Township, and Wakefield Township. 3) Telecommunications improvements: expanded and enhanced access will improve cell, data, and broadband service regionally.

While \$50 million is requested, there is more than \$100 million in infrastructure work to be completed. A public investment toward upgrades in the area will ensure private capital is attracted to the area to complete the remaining infrastructure work.

Wakefield Township understands and affirms that, as the fiduciary of an investment of the public's money that will safeguard this investment to ensure these funds are expended solely for the benefit of roads, power and telecommunications that further economic development opportunity for the community.

This infrastructure investment from the State is an appropriate use of taxpayer funding - it funds public infrastructure. It does not violate article IV, section 30 of Michigan Constitution since it will directly benefit residents and industry across the region as well as the State. The successful attraction of business investment will benefit the local, regional and state economy, and will generate tax revenue for the state and local units of government that exceeds the amount requested in this grant.

9. Attach documents here if needed:

Attachments added to the end of this file.

- 10. The amount of state funding requested for the legislatively directed spending item. 50000000
- 11. Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.

["None"]

12. Please select one of the following groups that describes the entity requesting the legislatively directed spending item:

Local unit government

13. For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?

Not applicable

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Not applicable

15. For a non-profit organization, does the organization have a board of directors? Not applicable

- 16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'
- 17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

It is anticipated that the project would commence in October of 2025 and be completed no later than September of 2028

19. "I hereby certify that all information provided in this request is true and accurate." Yes



TOWNSHIP OF WAKEFIELD

Gogebic County 414 No. Co. Rd. 519 PO Box 164 Wakefield, Michigan 49968

Dear Speaker Hall and Chairwoman Bollin,

Wakefield Township is a small rural community originally built on the mining and logging industries in the Western Upper Peninsula. One might say that we are located in "God's Country" with the beautiful scenery and friendly atmosphere, but with our lack of and failing industry, it's hard to provide the necessities to our tax-paying residents in our region. Although thankful for tourism, it is hard to keep grocery stores, gas stations, and restaurants open when relying heavily on seasonal tourists.

Wakefield Township supported the Copperwood Mine Project back when it was originally presented to us in 2010. The residents of Gogebic County were excited and hopeful that a company was willing to locate to our area and provide many good jobs for our residents, especially for our younger generation what was currently moving away to North Dakota in search of high-paying jobs in the oil fields. The members of the Wakefield Township Board have changed since then, but their desire to have this mine located within their boundaries is still just as strong, as it would bring our younger generation home with the potential of 350+ employment opportunities.

The \$50 million grant that U.P. Legislators are requesting is a generational opportunity for our area, our economy, and the State of Michigan. We are confident that this grant can be administered through Wakefield Township to provide the necessary funding for infrastructure placement and upgrades. Our current staff includes over 50 years of combined experience administering grants and abiding by governmental accounting standards. This grant will provide updates that our County and Township cannot afford, which includes the paving and reconstruction of North County Road 519, which is the main access road to our industrial park, Wakefield Township Hall, and the Porcupine Mountain State Park.

Thank you for your valuable time and consideration regarding the grant. Words cannot describe the importance of this project to our region and the State of Michigan. One may question the size of this investment to our area, but without it, we question how long we'll be able to provide necessities to our declining population. Please feel free to contact me with any questions you may have. I can be reached at supervisor@wakefieldtownship.com.

Sincerely,

Mandy Lake

Wakefield Township Supervisor



April 20, 2025

Speaker Matt Hall 100 North Capitol Avenue Room H-164, Capitol Building Lansing, Michigan 48933

Appropriations Chair Ann Bollin 100 North Capitol Avenue Room 351, Capitol Building Lansing, Michigan 48933

Re: Legislatively Directed Appropriation Request

Wakefield Township

Dear Speaker Hall and Chair Bollin:

On behalf of InvestUP, along with its Board of Directors, which represent eleven industry sectors across Michigan's Upper Peninsula (U.P.) and do business in each U.P. county and across the state and nation, I would like to express our support for a legislatively directed spending request to that we believe is imperative to advancing economic development opportunity in the Western Upper Peninsula - a \$50 million infrastructure investment in Wakefield Township (which is located in Gogebic County) to support crucial infrastructure for site readiness purposes that is necessary for the Township to pursue economic development opportunities that are presently before the Township

To understand why we hold this belief, you need to only understand the dire demographics of the area – arguably, as evidenced by the data, there is no region in the state with a greater need for economic development opportunity than Wakefield Township and Gogebic County.

To start, Gogebic County has lost nearly 70% of its K-12 population. Additionally, of all 15 UP counties, Gogebic County ranks the highest in poverty rates with 29% of households in poverty. When combining ALICE and poverty rates, the county sees astounding 52% households living in poverty. The county significantly lags behind in median household income at \$47,913 (2022), while the state median income is at \$68,505.

Further, when comparing median house values, Gogebic County rounds out at the very bottom of all UP counties at \$87,800. In addition, homes in border counties (Gogebic County shares a border with the State of Wisconsin) of Vilas and Iron in Wisconsin are valued over \$255,000 and \$144,000 respectively.

To further emphasize the county's need for economic development, over the past decade, job postings are down 5% when postings across the Upper Peninsula and the State of Michigan are trending up.

In addition, the living hourly wage threshold for Gogebic County is \$22.70 (2022); this is the minimum living wage for 2 adults working full time with two children in the household. At the same time, average advertised wages in job postings in the Western UP are below \$18 an hour. In the UP, only Ontonagon and Baraga have lower living hourly wages at \$22.59 and \$21.82 respectively.



The circumstances are equally dire in Ontonagon County, which shares a border with Gogebic County. Ontonagon will also see tremendous economic benefit from economic development opportunities of significance in Wakefield Township. Ontonagon has lost nearly 80% of their student population, have the state's oldest average age, and see one in two households earn less than the minimum cost necessary to live and work. In fact, Ontonagon recently saw its hospital close – and, as you know, without a hospital, you don't have a community

And that is not the only significant institutional loss of employment in the region - two of the bigger employers in the area also having closed and seen no employer expand or relocate to replace those jobs: the Marinesco Prison which was the area's second largest employer, was shuttered by the State in 2018 and Waupaca Foundry in Ironwood just closed its doors at the beginning of the year.

Finally, as a private-sector driven organization, we know and appreciate the concern about spending public funds for economic development projects, we want to stress that we believe this \$50 million request to support Wakefield Township in making critical infrastructure investment is an appropriate use of taxpayer. In addition to benefiting the local economy, this investment into roads, energy and telecommunications will directly benefit the State of Michigan through positive tax revenue implications to the State. In fact, we would expect, based on detail shared with our organization about a project destined to rely on this infrastructure, that the tax revenue generated by the economic development opportunities for the Township, will benefit the State in a return that will exceed the amount of funding that is being requested here.

Consequently, we ask that you look favorably upon the legislative directed spending request authored by Representative Greg Markkanen (and supported by the rest of the members of the Upper Peninsula legislative delegation) for a \$50 million infrastructure investment in Wakefield Township to support crucial infrastructure for site readiness purposes so that the Township is able to secure economic development opportunities that are presently before the Township.

Of course, if you have any questions or concerns regarding our outlook and our support of this appropriation, please call on me any time at 906-280-7800.

Sincerely,

Marty Fittante, CEO, InvestUP