VENTOWER INDUSTRIES, PORT OF MONROE, MICHIGAN

Brief History and Nature of Contamination - Ventower Industries is a full service fabricator and supplier of utility-scale, wind turbine towers. In early 2010, Ventower opted to locate a new state of the art manufacturing facility on a former industrial landfill located on Port of Monroe property in Monroe, MI. Monroe is located midpoint between the cities of Detroit, MI and Toledo, OH, and is the only Michigan port on Lake Erie. The site location offered multiple transportation options for raw materials and completed tower components via rail, interstate (I-75) and water.

The property consists of approximately 38 acres which is part of a larger and former 480-acre industrial landfill owned by the Port of Monroe. The landfill operated from the 1940s until 1975 for the purpose of filling low-lying areas of the Port of Monroe property in preparation for future industrial development of the area. Three main types of waste material were disposed at the site: 1) foundry sand; 2) coal tar material; and 3) dredge material. Consequently, the site contains a variety of contaminants above Michigan risk-based standards including volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), polychlorinated biphenyls (PCBs) and a number of metals. Some of the above contaminants have also been detected in shallow groundwater at the site.

Ventower purchased the38 acre parcel in early 2010 from the Port of Monroe as a bona-fide prospective purchaser. In late 2010, Ventower acquired an additional 10 acres for stockpiling excess contaminated soils generated from construction activities and in anticipation of a future expansion of its existing facility. State and EPA Brownfield assessment funds were used to conduct some of the assessment activities to facilitate these transactions.

Cleanup Overview - Approximately $4.5 million in cleanup-related activities were required to prepare the site for redevelopment. The source of cleanup funds included a $2+ million loan from the Downriver Community Conference Brownfield Coalition (DCCBC) Brownfields RLF grant (of which approximately $120,000 was American Recovery and Reinvestment Act or ARRA funds) to Great Lakes Towers, LLC and $2 million from the Michigan Department of Environmental Quality (MDEQ) in the form of a loan and a grant. Cleanup principally entailed the construction of an exposure barrier over much of the site to mitigate the direct exposure threat to landfill contaminants. This included the construction of impermeable retention basins to collect and control storm water runoff, and more that 240,000 square feet of impervious cover (building foundation, paved driveways and parking facilities). The entire floor of the manufacturing building is an 8-inch thick monolithic structural concrete slab which will serve as an engineered barrier. In addition, a sub-slab venting and vapor barrier system has been installed to prevent the intrusion of unacceptable levels of organic vapors into the building air.

Manufacturing Plant Specifications

- LEED-inspired 115,000 square foot manufacturing facility
- Planned annual Phase 1 production capacity of 250 towers
- Capacity to build 110+ meter towers with 18+ foot diameters
- Second phase expansion to 220,000 square feet of manufacturing capacity planned
- 48 contiguous acres of tower staging and storage space
- Initial creation of 150 jobs with up to 300 following expansion

Project Financing – Some of the dollar amounts below are approximate.

- Small Business Administration loan guarantee of approximately $4.5 million for building construction.
- Michigan Strategic Fund (MSF) loan of $5 million for purchase of manufacturing equipment. The MSF is the State agency responsible for overseeing the state's economic development strategies. Among other objectives, appropriations to the MSF are used to support business development, job creation and retention activities.
- U.S. Dept. of Energy Manufacturing (U.S. DOE) Tax Credit valued at $2.5 million and authorized under ARRA for qualified investments in new, expanded or re-equipped advanced energy projects.
- Michigan Department of Energy, Labor and Economic Growth (DELEG) low interest loan and grant program (ARRA funds through U.S. DOE) for businesses investing in clean energy and technologies including wind turbine systems, solar energy and geothermal heating and cooling systems.
    - DELEG Loan - $1.25 million
    - DELEG Grant – $2.5 million
- Michigan Brownfield Redevelopment tax credit equal to 20% of eligible investment which is valued at approximately $2.5 million.
- Approximately $1 million in approved environmental cost under Michigan Act 381 Tax Increment Financing.
- Private equity of approximately $4.5 million.