

New Markets Tax Credit

MICHIGAN

NMTC ALLOCATEES

Local Initiatives Support Corporation (LISC)

New York, NY

Robert Poznanski: 269.343.5472

Michigan Magnet Fund

Huntington Woods, MI

Al Bogdan 313.445.1843

COMMUNITY PROFILE

- Quinnesec, MI
- Unemployment 1.1 times national average
- Median income 78.8% of Area Median Income
- Forest Products Processing Renaissance Zone

PROJECT HIGHLIGHTS

- Equipment and facility upgrades to paper mill
- Total Project Cost: \$50.3 million
- NMTC: \$32 million
- Co-Allocatee: CapFund New Markets, LLC
- Investor: Chase
- Jobs: 90 construction, 475, retained, 50 new indirect



Verso Paper Quinnesec Mill

In 2010, Verso Paper, a pulp and paper company with plants across the country, announced plans for a Renewable Energy Project to help its mill in Quinnesec, Michigan meet more than 95 percent of the company's on-site energy needs by using renewable biomass sources.

State and local funding sources were not enough to finance the \$50.3 million project cost, so Local Initiatives Support Corporation, working with the Michigan Magnet Fund, and CapFund New Markets LLC, provided a total of \$32 million in NMTC financing for equipment and facility upgrades, allowing Verso's Quinnesec Renewable Energy Project to become a reality.

The project included upgrades to the mill's existing combination boiler, a new biomass handling system, and a new turbine generator. The project is delivering 28 megawatts of additional green energy for consumption within the mill, equivalent to the amount of electricity consumed by 18,000 homes each year. The project will make the plant cost-competitive in an increasingly competitive commodity market, will support 50 local, indirect jobs, 90 construction jobs, and will keep the mill's 475 current employees working in a community with an unemployment rate well above the national average.

Additionally, the Quinnesec Renewable Energy Project will reduce dependence on purchased electricity and create a new revenue stream with Renewable Energy Credit sales. Both of these factors will increase the long-term viability of the mill, which is a critical economic driver for the local economy. The mill will also purchase approximately \$6 million annually in biomass to support the project, creating new, long-term employment in the Forest Products industry in the region. The replacement of fossil fuel-based generation with biomass-based generation will reduce greenhouse gas emissions.

"This investment is an important part of Michigan's commitment to its rural areas. It not only makes our basic industry more competitive, but it does so by developing and using renewable resources and reducing Michigan's dependence on fossil fuel," said Ted Rozeboom, President of Michigan Magnet Fund.



Top: Verso Paper Quinnesec Mill

Bottom: The renewable energy project converts wood scraps into biomass to power the paper mill