

# The Detroit News

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DetroitNews.com

## Amazon wants \$5M from state for 1.6K Romulus jobs

Ian Thibodeau , The Detroit News Published 4:16 p.m. ET June 26, 2017



(Photo: google.com)

Online retail giant Amazon.com Inc. plans to build a facility in Romulus — creating 1,600 jobs — if it gets \$5 million from the state, according to a document obtained by The Detroit News and a source with knowledge of the plans.

The company is asking the Michigan Strategic Fund for a \$5 million performance-based grant to help finance the new "regional fulfillment center" that would cost up to \$140 million to build, according to the document.

This would be the second Metro Detroit facility for the Seattle-based online retailer. In December, the Strategic Fund board approved up to \$7.5 million in grants from the state for a facility in Livonia that is estimated to create at least 1,000 full-time jobs through 2020.

Amazon's grant application is on the the Strategic Fund board's Tuesday agenda, along with proposed money for redevelopment of the old Raleigh Studios site in Pontiac and the proposed city of Trenton's purchase of the former McClouth Steel site in Trenton.

The Strategic Fund is an arm of the private-public Michigan Economic Development Corporation that gives out tax incentives and other state aid to encourage the expansion of existing businesses and attraction of new companies and jobs.

An Amazon spokesman on Monday declined to comment on the company's plans in Michigan.

"Amazon is constantly investigating new locations to support the growth and increase the flexibility of its North American network to address customers' needs," spokesman Shevaun Brown said in an email to The Detroit News.

Multiple Romulus city officials could not be reached for comment Monday afternoon. A representative in Romulus Mayor LeRoy Burcroff's office said Burcroff would not be commenting on Amazon's plans.

Michigan was competing against other states and locations in Canada for the new facility planned for Romulus. The Amazon jobs would involve warehousing and storage.

Ken Dalto, a Metro Detroit retail industry analyst, said Monday the fulfillment centers help Amazon not only keep necessary inventory levels, but would help the company generate quicker delivery times within a 100-mile radius of those centers.

"Amazon is taking over the world," Dalto said. "They want to be able to (fill orders) quickly," and locating two new facilities in Livonia and Romulus would put a new distribution arm within a few-hours drive of all of the most population-dense cities in Michigan, and some big cities in Ohio, and northern Indiana.

Dalto added he expects Amazon would soon look to open a similar facility on the west side of Michigan, too.

Holly Sullivan, an Amazon senior economic development manager, said in December when the company won a grant for its Livonia locations that Amazon fulfillment centers are “highly automated.”

Pitching the Livonia project to the Strategic Fund board, Sullivan touted the company’s “competitive” wages and said employees will qualify for full health benefits from the start.

While many of the new jobs may be entry-level positions, state officials at the time praised Amazon’s career development offerings. The company actively encourages and helps workers go into other in-demand careers, and will work with the state to identify areas of need, Michigan Economic Development Corp. spokeswoman Emily Guerrant said then.

In another development, gas turbine manufacturer Williams International Co. is seeking a \$4 million grant from the Strategic Fund to move its headquarters from Commerce Township to the site of the former Motown Motion Picture Studio — which was also known as Raleigh Studios. The state money would help pay for the retrofitting of the Pontiac facility.

Williams International indicates its military and commercial business is growing, which should result in \$344.5 million in private investment and the creation of 400 jobs on top of its existing 500 staffers, according to a document obtained by The Detroit News. The company also wants to reduce its tax load by having the area declared a virtually tax-free Renaissance Zone for 15 years.

The company said it had explored other sites in Alabama and Utah, where it has operations, according to the document.

This is not the only subsidy the state has paid for the Pontiac film studio site. In 2015, the state Legislature redirected any unspent 2016 fiscal year movie incentive money to repay a state pension fund for losses incurred on \$18 million in bonds it guaranteed for the construction and operation of the Pontiac complex.

In 2012, Raleigh Studios failed to make a \$630,000 payment on its film facility construction bonds, resulting in the State of Michigan Retirement System paying \$420,000 under an agreement by the former Granholm administration. The film studio was backed by wealthy benefactors including the Taubman family and Walbridge Co. CEO John Rakolta Jr.

In addition, the city of Trenton is seeking a \$3.2 million state loan to buy and start investigating environmental clean-up costs at the former McLouth Steel site.

Trenton officials indicate they want to buy the 188-acre plot and blighted buildings after Wayne County foreclosed on the McLouth Steel property in March for \$3.7 million in unpaid property taxes, according to a document obtained by The News.

The city had been the second government entity in line to have a shot at buying the riverfront property that has been vacant for 21 years. The state government has until next month to decide whether to buy the land for \$4.65 million, its fair market value plus back taxes.

The city intends to use \$2.5 million to use off the county taxes, subtracting the city's owed taxes. It would use the remaining \$700,000 to probe the "unknown environmental clean-up costs" while seeking other state clean-up deal in hopes of enticing previously deterred developers from making project bids for the property, according to the document.

Trenton City Manager Jim Wagner told The News in May that the city was getting a lot of calls about the property.

The property is attractive because of the three international railways traversing through it, the new Gordie Howe International Bridge planned nearby and 1,600 feet of waterfront dockage with a water depth of 28 feet, Wagner said.

"We prefer it not to go to auction or a speculator to buy it," he said. "We're working with all entities to get something done. It has potential. It has impediments."

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