

Worthington, David (DEQ)

From: Worthington, David (DEQ)
Sent: Thursday, September 29, 2011 8:49 AM
To: 'Jeff Markstrom'
Subject: Flint Subsidy Projections

Jeff:

In reply to your question for the city of Flint DWRF, below is the direct quote I got from Sonya Butler, our program chief:

David

Using the final PPL amounts, the GPR totals \$13,022,000 in the fundable range. Half of the \$13 million would be eligible for principal forgiveness (\$6,511,000). Yet our GPR goal is \$5,721,600. Our expectation is that Northville would be the project that would not receive 50% of their total GPR amount on the IUP. This leaves the remaining amount, \$6,650,619, of principal forgiveness for Flint from the \$13 million. This is my preference & the cleanest way to calculate how much Flint receives.

If Flint wants to keep the same amount of work in FY12 & split it up in different quarters, we can keep with the above scenario & fund pieces of the work at 50%. If Flint reduces the amount of work they want to do, then the principal forgiveness amount may change.

Keep in mind that all PPL amounts are estimates so if the other fundable projects come in under bid, there's a potential that Flint could get more money. I hope this all makes sense, if not let me know.

As you can see, it is complicated but the outlook for a subsidy in the neighborhood of 50% (or even more) principal forgiveness seems pretty good.

Keep me in touch with how the city wants to proceed for a schedule (s) in FY 12.

Thanks,

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