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## Project Tim revealed: Steelmaker planning sprawling plant in rural Durand

By Chad Livengood



Chad Livengood/Crain's Detroit Business

A 220-acre beet farm owned by Durand farmer Levi Zdunic is part of the 850 acres of land purchase options a real estate broker has amassed for "Project Tim," a large-scale industrial development.

- Plant would focus on new steel technology
- New Steel International seeks \$7 billion federal loan

- Massive project has been subject of wide speculation

An Ohio-based steel technology firm is the mystery company leading an effort to acquire options to purchase nearly 1,000 acres of Shiawassee County farm land to build a massive steel-making plant along I-69 in Durand, *Crain's* has learned.

New Steel International Inc. CEO John Schultes confirmed Monday that his company is one of several pursuing a project to build a multibillion-dollar manufacturing facility that it has kept under wraps for months using the code name "Project Tim."

"It's a little too early to really go public with things," Schultes said in a telephone interview with *Crain's*. "There are a lot of companies trying to make this happen."

New Steel International has sought a \$7 billion federal loan through the U.S. Department of Energy's Advanced Technology Vehicles Manufacturing Loan Program for construction of a plant in Durand that would produce new high-strength steel, according to a source briefed on the company's plans.

Schultes confirmed New Steel International has applied for a Department of Energy loan, but declined to divulge the amount or details of the application.

The Advanced Technology Vehicles Manufacturing Loan Program was created by Congress in 2008 at the height of the financial crisis to help automotive companies finance development of new energy-saving technology.

Ford Motor Co. borrowed \$5.9 billion from the \$25 billion loan fund for updating manufacturing facilities that produce fuel-efficient cars and light trucks, including plants in Dearborn, Flat Rock, Livonia, Sterling Heights, Wayne, Ypsilanti, according to the federal energy agency.

A Department of Energy spokesperson declined to comment on the application.

The source briefed on the company's plans said Schultes has told members of Michigan's congressional delegation that the project has "investor interest" from General Motors Co., Tesla Inc. and DTE Energy Co.

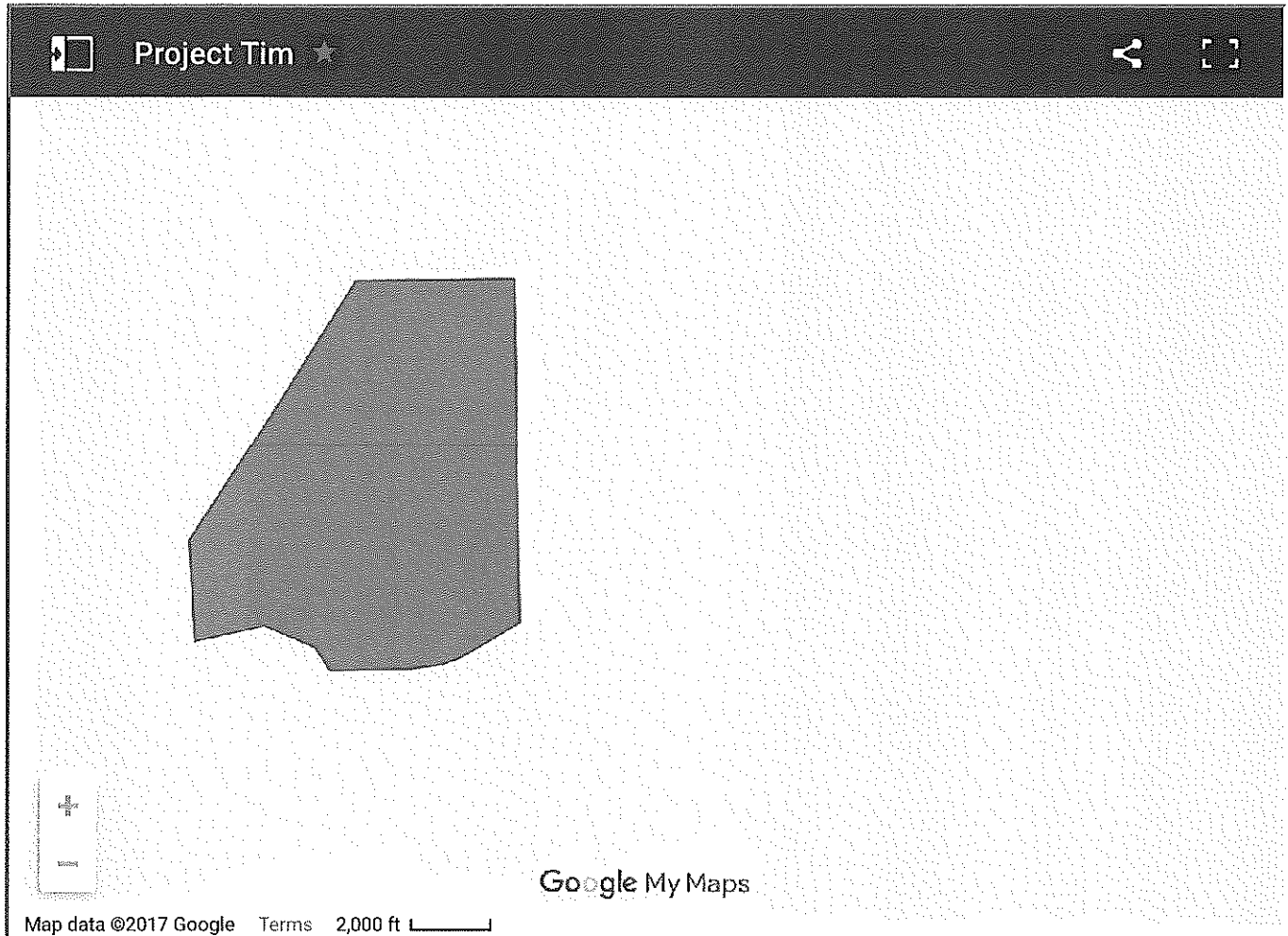
A GM spokesman declined to comment.

In a meeting last week in Washington, D.C., company representatives portrayed the Durand project as a state-of-the-art steel plant that would use clean coal-burning technology to melt iron pellets and capture a portion of the energy emitted in the steel-making process for electricity, according to a source.

The company has portrayed the project as having a renewable energy component.

Schultes declined to discuss investors and potential customers of the plant's steel or renewable energy when asked specifically whether GM, Tesla and DTE were involved in the project.

"Whoever is telling you all of this is certainly well informed, but I'm not going to confirm or deny it," Schultes told a *Crain's* reporter.



The Project Tim plant site's proposed footprint is northeast of the Durand city limits on mostly open farm land along I-69. Since late 2016, Owosso-based real estate broker Troy Crowe of Crowe Real Estate LLC has been securing land purchase options with farmers and homeowners in the footprint envisioned for the plant.

Durand's city manager, Colleen O'Toole, has previously said the city owns 124.5 acres in the proposed footprint of the plant and has options to buy another 364 acres. O'Toole did not return a message Monday seeking comment.

Crowe said Monday that the footprint has changed in recent months "because we do have a person who is not willing to sign an option."

Developers are considering plans to straddle the south and north sides of I-69 in Shiawassee County's Vernon Township, Crowe said.

"We are pretty close," he said. "We do have a few houses that we have to get yet."

Crowe said he signed a nondisclosure agreement to not divulge the companies involved in Project Tim. "I cannot comment," he said.

New Steel International's offices are based in Middletown, Ohio, about 35 miles north of Cincinnati.

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