

CITY OF ANN ARBOR
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October 15, 2008

City of Ann Arbor
C/O
Mayor John Hieftje
City Council
Planning Commission
100 N. Fifth Avenue
Ann Arbor, MI 48104

Dear Mayor John Hieftje, City Council Members and Planning Commission Members,

As head of a new business in the downtown Ann Arbor area (see attached article), I am writing to express my support for The Madison development plan and to encourage you to approve this project. I have reviewed the project plan and believe it will increase workforce affordable housing options in the downtown area, provide housing opportunities attractive to young professionals which are significantly lacking in the downtown area and it will increase the supply of sustainable/green housing options.

As a local resident and head of a business office, I am someone that is directly benefitting from the wonderful mix of Ann Arbor business, commercial and residential properties. On any given day, I can choose not to drive and that is a huge "quality of life" advantage in my opinion.

I believe The Madison is appropriately located in a mixed use neighborhood, close to downtown, and provides a number of important community benefits in addition to those mentioned above.

Respectfully,



David C. Crouse, P.E.
V.P. Engineering & Construction



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ANN ARBOR NEWS

Blackstone affiliate opens in Ann Arbor

Power plant company has projects worldwide

Thursday, July 24, 2008

BY STEFANIE MURRAY

The Ann Arbor News

A power plant development company backed by private equity juggernaut The Blackstone Group recently opened an office in downtown Ann Arbor.

The site is the fourth North American office for Sithe Global Management Inc. and is being run by David Crouse, Sithe vice president of engineering and construction. The main office is in New York City, and others are in Houston and Toronto.

Sithe is involved in building independent natural gas-fueled and coal-fired power stations in Canada and Italy, as well as in New Mexico, Pennsylvania, Arizona and Nevada. The Pennsylvania plant is considered a renewable energy project because it uses waste coal.

Crouse said he expects to add three more Canadian projects and also touted a hydroelectric plant in Uganda that Sithe is working on.

Ann Arbor was chosen in part because Crouse lives here. He worked for Sithe Energies Inc. between 1992 and 2001, then joined DTE Energy Services in Ann Arbor. Blackstone bought an 80 percent stake in Sithe for \$70 million in 2005 and committed to helping invest \$500 million in the company. Crouse rejoined a restructured Sithe in 2006.

"Initially I was working out of my home, but our projects are to the scale now where we are staffing up and (needed) an office," Crouse said. "I can find good talent here in Ann Arbor and office space is cheaper. We are very small right now, but once I know we have these projects going on in Canada, I'll bring more people on board."

Sithe identifies sites for and develops large independent electric power plants in markets that need energy worldwide. Prior to Blackstone's purchase, the company had developed more than 50 power plant projects in nine countries since 1986, with investments totaling more than \$5 billion.

Crouse's job is to take a project through construction, then turn it over to plant operators. Three plants are under construction, and 11 are in late stage development, he said. None are in Michigan.

After a power plant is built, Sithe will sell the energy it creates to other utilities and governments.

Sithe's local office, 101 N. Main St., is about 1,500 square feet, said Newcombe Clark of Bluestone Realty



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Advisors, who handled the deal. The company has room to expand there, Clark said.

Since its inception in 1987, Blackstone has invested in 126 companies across a range of industries and locations, according to the company's Web site. At the end of March, it had \$30.6 billion of assets under management and equity investments in 47 companies.

"A big part of the challenge we have in the Midwest and certainly in Michigan is the (availability) of all types of investment capital ... for companies that are trying to grow," said Mike Finney, president of local economic development group Ann Arbor Spark. "So having a marquee private equity company decide to locate in our community is a very positive sign."

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