



IMMIGRATION CENTERS OF AMERICA

7113 THREE CHOPT ROAD  
RICHMOND, VIRGINIA 23226

October 1, 2018

Michigan Land Bank Fast Track Authority

Re:

Subject Property:  
Former Deerfield Correctional Facility Property  
1755 Harwood Road  
Parcel ID# 34-204-800-000-005-10 (Approximate Westerly 1/3 of Parcel)  
City of Ionia, Ionia County, Michigan

Dear Sir:

This proposal is in response to Michigan Land Bank RFQ-I, Parcel ID# 34-204-800-000-005-10, soliciting bids for property in Ionia commonly known as the Deerfield Correctional Facility. This proposal is submitted through the SIGMA system, due date Oct. 4, 2018.

ICA-Michigan is a Virginia Limited Liability Company, duly formed and registered under the laws of Virginia, and affiliated with Immigration Centers of America, a Virginia Limited Liability Company located in Richmond, Virginia. ICA-Michigan proposes to enter into an agreement with the Michigan Land Bank for ownership transfer and control of the site known as Deerfield Correctional Facility, a surplus former prison operated by the State of Michigan closed since 2009.

ICA-Michigan further proposes that it will, if the City of Ionia is willing, enter into various agreements with the City of Ionia and other local third parties in furtherance of a long-term relationship with ICA-Michigan, the City of Ionia, a large number of employees and independent contractors. and many vendors. That relationship, and any continuing relationship with the State of Michigan, the City of Ionia, and the County of Ionia is expected to be beneficial to all parties. The now vacant Deerfield Correctional Facility would be turned back to the real and personal property tax rolls, the large number of employees at the new facility will be included as either Resident or Non-Residents for purpose of Ionia tax treatment. The facility will purchase water and sewer from the City, power, cable, garbage and other utilities and needs from local vendors. This new facility would also enter into agreements with the City and other providers where mutually beneficial in terms of medical, emergency, job training and development, educational programming and such other agreements occur. The Deerfield site will become a major employer and taxpayer instead of an abandoned correctional facility.

ICA-Michigan proposes that this agreement and relationship would be contingent on the following actions:

1. A mutually agreeable ownership transfer of the Deerfield property between the State of Michigan Land Bank and ICA-Michigan;
2. Mutually agreeable relationships between the City of Ionia and other necessary third parties and ICA-Michigan;
3. The issuance of an RFP relating to a contract between the Immigration Customs and Enforcement Agency of the Department of Homeland Security and the awarding of that contract to ICA-Michigan or a relater entity which would operate the facility.

ICA-Michigan is intent on developing a long term and beneficial relationship with the City of Ionia, local individuals and businesses, the State of Michigan and the appropriate agencies of the federal government involved. You will find a willing and worthy partner in ICA-Michigan.

Warmest regards,

A handwritten signature in blue ink, appearing to read 'RH', followed by a horizontal line.

Russell Harper  
President and Chief Executive Officer  
Chairman of the Board of Directors

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## History

Immigration Centers of America (ICA) is a corporation focused solely on providing exceptional detention and transportation services for U.S. Immigration and Customs Enforcement (ICE). Founded in 2008, our company has quickly established itself as one of the leading providers of civil immigration detention and transportation services in the nation. Our staff is committed to providing a secure environment meeting the health and safety needs of the individuals in ICE custody while they are being processed through the immigration court system.

ICA is dedicated to providing ICE with facilities and an operational environment that are wholly consistent with (and exceed) the U.S. Department of Homeland Security (DHS) and ICE's ongoing and long-term immigration detention reform efforts to prioritize the health, safety and well-being of detainees. We have demonstrated over many years our unique ability to operate at the highest standard level required by ICE (2011 Performance Based National Detention Standards, Optimal) (PBNDS), achieving a rating of 100% compliance on our annual ICE PBNDS audit for the last six years.\* ICA is also accredited by the American Correctional Association (ACA) and our Medical Department holds accreditation from the National Commission on Correctional Health Care (NCCHC). Less than 8% of the approximately 3,300 jails and detention centers are accredited by ACA and less than 7% by NCCHC.

Since 2008, ICA has provided transportation and detention housing for ICE in Farmville, Virginia. Since our founding, we have logged over 8.1 million miles of successful and safe transportation missions and have housed more than 25,000 detainees.

We are proud that our leadership is comprised of individuals who are nationally recognized peer resources and advisors in the area of civil immigration detention facilities management. Our management team includes three of only 625 certified Prison Rape Elimination Act (PREA) auditors in the nation and three of only 355 American Jail Association Certified Jail Managers in the nation. Six graduates of the National Jail Leadership Command Academy of the Correctional Management Institute of Texas at Sam Houston State University are also on staff.

Our leaders are also regularly called upon to assist national organizations and the Federal Government in their efforts to create best practices and standards for the industry. Indeed, in some cases, ICA officials are the only industry practitioners at the table during these discussions. In recent years we have been called upon to serve as members of the ACA sub-committee tasked with drafting new standards for civil immigration detention facilities. We have also been called upon to participate in the ICE Headquarters Working Group with other non-governmental organizations (NGO's) tasked with developing improvements and best-practices for civil immigration detention facilities across the nation. We are proud that ICA was the first facility in the country to participate in such a program.

ICA has also proven itself to be a leader in innovations in programming and services for detainees. We instituted a unique visitation policy that enables both family and legal visitation 24 hours a day, 365 days a year, a policy far more liberal than any other in the nation. In addition, video visitation is available for those individuals unable to visit the facility.

ICA cooperates with the Capital Area Immigrants Rights Coalition (CAIR) to provide monthly presentations on legal rights to detainees. To our knowledge, ICA has the only facility in the country with this practice. We also provide extended Law Library Access.

In collaboration with ICE, we also provide a multi-media room as one of our recreation opportunities that includes thousands of movies and songs that are available to detainees at multiple computer stations as well numerous gaming stations. This space also houses a facility radio station.

One final example of our innovations is our collaboration with Longwood University students and faculty who volunteer at the facility to provide classes for detainees in literacy, English as a second language, and Latin history. As many as 80 students and faculty participate in the program several nights a week when school is in session.

While our company has a proven track record of supplying ICE with exemplary service over the last ten years, we have also had a tremendous positive impact on the community in which we reside. Our company and our employees are active participants in many local charities and organizations and our economic impact is impressive.

In 2017 alone, the economic activity generated by our facility was responsible for providing the Town of Farmville and Prince Edward County with approximately:

- 168 jobs.
- \$6.9 million in labor income.
- \$17.9 million in economic output.
- \$1.3 million in state and local tax revenue (of which \$837,623 was comprised of taxes and fees paid directly to the Town of Farmville and Prince Edward County).

In 2017, the economic activity generated by ICA was responsible for providing the State of Virginia as a whole with approximately:

- 513 jobs
- \$25.5 million in labor income
- \$61.9 million in economic output.
- \$2.5 million in state and local tax revenue (of which \$837,623 was comprised of taxes and fees paid directly to the Town of Farmville and Prince Edward County).

Other notable economic effects:

- ICA paid \$4,694,987 to vendors for goods and services in the Town of Farmville and Prince Edward County in 2017.
- ICA paid \$871,020 to vendors in the Town of Farmville and Prince Edward County for construction-related services in 2015-16.

\* ICA received one discrepancy regarding facility design in 2017 as a result of providing ICE with temporary emergency housing which placed us in violation of required restroom facility ratios.

## Background of Principals

**Russell Harper**  
**President and Chief Executive Officer**  
**Chairman of the Board of Directors**

Russell has served as President and CEO of ICA since the Company was founded in 2007. He is the principal liaison with Immigration and Customs Enforcement as well as with the local Farmville, Virginia Town Council and its' Town Manager. Russell's primary areas of responsibilities within the Company focus on Operations, Contracts and Facilities Maintenance and Development. Prior to co- founding ICA, he established Harper Associates, a real estate development firm, in 1995. He has developed and overseen construction on over fifty major projects for the firm and has extensive experience in the zoning, development, and construction of large commercial projects. Russell continues to serve as President and CEO today. Russell is very active in his community, serving on numerous non-profit Boards. He is a 1984 graduate of James Madison University.

**Duane Ragsdale**  
**Chief Operating Officer**  
**Member of the Board of Directors**

Duane joined the Board of Directors of ICA in 2009. His initial duties included assisting the Chairman with the oversight and management of the construction of the facility. Duane currently oversees all aspects of Policy and Procedures as well as Quality Assurance and Compliance for the Company. In addition, he has responsibilities for Business Development and Government Relations. Prior to joining ICA, Duane served as President of Extra Enterprises, LLC, a real estate development firm he co-founded in 1984 and continues to operate today. He has considerable experience in both commercial and residential development including zoning, construction, and financing. Duane supports a number of civic organizations and is a 1981 graduate of The College of William and Mary.

**James Chaparro**  
**Director of Strategy and Planning**

Jim joined ICA in 2017. Jim is responsible for strategic level planning and with over 30 years of government and private sector experience, his extensive knowledge and experience are critical components in assisting ICA in navigating the complex challenges inherent in our business.

Jim served as the Executive Associate Director for Enforcement and Removal Operations (ERO) at ICE, where he managed a \$2.7 billion-dollar budget and 7,400 employees to promote public safety and national security by: identifying and removing high-risk criminal aliens; illegal alien fugitives and absconders and by ensuring safe and effective custody management for over 30,000 illegal aliens per day.

He served a distinguished career in Federal law enforcement and the national intelligence community. He served as the Assistant Director for Intelligence, U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI). As the senior intelligence official at ICE, he represented ICE's intelligence needs to the Department of Homeland Security, the national intelligence community and foreign partners. He managed intelligence analysis for key programmatic areas including cybercrime, human trafficking, child exploitation, human smuggling, and other forms of transnational crime. He served as the Chair for the Five Eyes Criminal Intelligence Advisory group, to enhance information sharing and cooperation among key international partners. He served as the lead ICE executive to implement the President's Strategy to Combat International Organized Crime and served on numerous White House Policy Coordination Councils to strengthen U.S. Government efforts on a wide range of crime and security issues.

Jim served as the Special Agent in Charge of the ICE Denver Field Office where he managed 17 offices in four states. Upon the creation of DHS, Jim served as the Director of Immigration Interior Enforcement for ICE where he oversaw the transition of ICE's national immigration enforcement components into DHS, including the Immigration Investigations program and Detention and Removal Operations, as well as the transition of the Federal Protective Service, Federal Air Marshal's Service and Air and Marine Operations into ICE.

Jim has received numerous professional awards including: an Exceptional Performance Award from the Director of Central Intelligence; a Commendation for Invaluable Expertise and Assistance from the U.S. Attorney General; a Special Commendation from the Director of the National Security agency; a Special Commendation from the Assistant Secretary for International Narcotics and Law Enforcement; a Special Commendation from the Administrator of the Drug Enforcement Administration; two Special Commendations for National Emergency Management from the Secretary of Homeland Security and the INS Commissioner's Award for Excellence in Interagency Law Enforcement. Jim has a Bachelor of Arts degree in political science from California State University, Long Beach and is a graduate of the Federal Law Enforcement Training Center in Glynco, GA

### **Jeff Crawford** **Director of Detention**

Jeff began his career with ICA in 2010 as the Chief of Security and was promoted to the Director of Detention in 2012. Jeff oversees a staff of 240 and a population of 700 Federal detainees. Jeff's corrections career spans 23 years which he began as a correctional officer with the U.S. Army. Jeff served for nine years, holding positions of correctional officer, Sergeant, SRT Member and Physical Security Officer. Jeff then served as a Department of the Army civilian at the United States Disciplinary Barracks, on Fort Leavenworth, Kansas; the Department of Defense's only maximum-security institution. As a civilian, he served as a Clemency and Parole Board Analyst, Discipline and Adjustment Board recorder, and Information Technology Specialist. In 2007 Jeff relocated to northern Virginia and worked as a Standards and Accreditation Specialist for the American Correctional Association. After two years with ACA, Jeff went to work with the Federal Bureau of Prisons in Washington, D.C. in the Program Review Division assisting with ACA audits of Federal facilities.

Jeff is a two-time Certified Jail Manager, with the American Jail Association, and a Department of Justice certified Prison Rape Elimination Act Auditor. He is the current President of the Compliance and Accreditation Manager's Association and the 2<sup>nd</sup> Vice President of the North American Association of Wardens and Superintendents.

Jeff holds a Masters Degree in Theological Studies from Liberty University and will finish his Masters of Divinity degree in May 2019.

## Vision and Concept Plan

ICA is proposing engaging in a collaborative approach with the City of Ionia and the Department of Immigration and Customs Enforcement to design and build a 166,000 square foot, 600-bed detention facility in Ionia at the site of the former Deerfield Correctional Facility. ICE released a Request for Information in October 2017 for Detention Services to provide suitable housing for their Detroit Field Office operations. We anticipate the release of ICE's Request for Proposal in the very near future and our research indicates that the Deerfield site meets all of ICE's location related criteria and requirements.

Our vision for the site includes demolishing the majority of the existing structures, possibly renovating the former warehouse building, and constructing in a single phase, a state-of-the-art secure detention facility designed to house adult male and female detainees only for ICE. A 12-18-month construction schedule is anticipated. We have included floor plans and elevations of our prototype facility in this package for your review but would hope to work with the City of Ionia from the outset in all phases from project design through construction to ensure that the project is consistent with the City's long-term plans for the site in particular and the community as a whole. ICE will require final approval of the facility plan and design as well, so it is our intent that all three parties work together to achieve a mutually agreeable final design. The structure will be built in a manner that meets or exceeds all current ICE construction requirements, the 2011 Performance Based National Detention Standards, the American Correctional Association Standards, and all local, State, and Federal building codes and requirements.

The building will include a full-service kitchen and cafeteria. Enhanced areas for both indoor and outdoor recreation are provided and a multi-purpose room containing an expansive movie and music library that can be accessed from multiple computer stations, as well as a number of gaming stations provide additional recreational opportunities. Religious services will be available in the Chapel area and both family and legal visits will be accommodated in the visitation area 24 hours a day, 365 days a year.

The health and safety of the detainees is of paramount importance, so the facility is designed with several housing options, from individual units to dorm settings, to provide appropriate accommodations for each detainee.

ICA will provide medical care at the facility. We believe in a comprehensive approach to detainee health care and will not settle for anything less than excellence in the quality of that health care. In addition to pursuing accreditation through the American Corrections Association, ICA will seek independent accreditation through the National Commission on Correctional Health Care. We will also staff the



medical facilities in accordance with nationally recognized standards for the medical care of detainee's subject to ICE Health Services Corp recommendations and approval. The features of the dental, medical, and mental health facilities will be as follows:

- Hold rooms for detainee appointments
- Multiple patient encounter rooms for timeliness of medical appointments
- An Urgent Care treatment care room
- Full service dental suite
- Mental health counseling and programming spaces
- Negative-pressure infectious disease containment rooms
- Safety cells for acutely mentally ill patients
- Suicide prevention and observation rooms
- Mental health step-down rooms
- Medical day room for detainee social activities
- Medical recreation yard
- Tele-radiology services
- Tele-psychiatry services
- Tele-medicine services
- Medical records storage

The medical department will feature a full-time doctor, a dentist and dental assistant, mental health counselors and tele-access to a psychiatrist, as well as an extensive nursing complement. We would anticipate a full staff of approximately 25-30. Medical staff is on site 24 hours a day.

We at ICA are excited by the prospects for this project and believe that the potential economic contribution to the City of Ionia and the State of Michigan is significant and compelling. You will find a complete economic impact assessment performed by Magnum Economics attached but some notable estimates are as follows:

- The total one-time impact on the City and County of Ionia from construction would be approximately:
  - 289 jobs
  - \$11.3 million in labor income
  - \$43.3 million in economic output
  - \$3 million in overall tax revenue
- The total annual impact on the City and County of Ionia from the on-going operation of the facility would be approximately:
  - 363 jobs
  - \$22.2 million in labor income
  - \$34.5 million in economic output
  - \$1.6 million in overall tax revenue
- Estimates of the one-time impact on the State of Michigan from construction would be approximately:

- 389 jobs
  - \$20.8 million in labor income
  - \$66.3 million in economic output
  - \$6.4 million in overall tax revenue
- The total annual impact on the State of Michigan from the on-going operation of the facility would be approximately:
    - 447 jobs
    - \$28.5 million in labor income
    - \$49.8 million in economic output
    - \$3.8 million in overall tax revenue

Our goals for this project are two-fold: 1) To provide ICE with a state-of-the-art facility that meets or exceeds all applicable standards that is operated in a manner that provides a safe and productive workplace for our employees while providing a living environment for the individuals in custody that reflects the civil nature of their detention and stresses an unwavering commitment to the health, welfare, and safety of the detainees during their stay. And, 2) To build a facility that is consistent in both design and use with the City's vision for the future of the Deerfield site and the surrounding community and to operate a company that is culturally dedicated to providing rewarding, safe, high-paying long-term employment opportunities including exceptional benefits to the citizens of the City of Ionia and the State of Michigan.

We are confident that ICA is uniquely positioned to compete for and be awarded the contract by ICE to provide the detention housing services they seek in this area. Our history of and experience in constructing over sixty large and complex commercial and industrial projects in a timely and cost-efficient manner, including the construction and subsequent expansion of our current detention facility in Farmville, Virginia, coupled with our exemplary record of transportation and housing services for ICE over the last ten years makes ICA the perfect fit to meet all of their requirements.

We also believe that those characteristics and our solid financial position make us the right choice to partner with the City of Ionia to successfully redevelop the Deerfield site.



# The Projected Economic and Fiscal Contribution of **ICA-MICHIGAN'S PROPOSED DETENTION FACILITY ON IONIA, MICHIGAN**



Bottom left photo by Doc Searus. Bottom right photo by Andrew Jameson.

**SEPTEMBER 2018**



Report prepared by



Dr. Mangum earned his Ph.D. in economics at George Mason University in 1995. He has more than two decades of experience in quantitative analysis and policy development at the federal and state level.

Mangum Economic Consulting, LLC is a Richmond, Virginia based firm that specializes in producing objective economic, quantitative, and qualitative analysis in support of strategic decision making. Examples of typical studies include:

#### **Policy Analysis**

*Identify the intended and, more importantly, unintended consequences of proposed legislation and other policy initiatives.*

#### **Economic Impact Assessments and Return on Investment Analyses**

*Measure the economic contribution that business, education, or other enterprises make to their localities.*

#### **Workforce Information**

*Project the demand for, and supply of, qualified workers.*

#### **Cluster Analysis**

*Use occupation and industry clusters to illuminate regional workforce and industry strengths and identify connections between the two.*

#### **Environmental Scanning**

*Assess the economic, demographic, and other factors likely to affect your enterprise in the future.*

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## Executive Summary

This report assesses the economic and fiscal contribution that ICA-Michigan's proposed detention facility would make to the City and County of Ionia Michigan, as well as the state of Michigan as a whole. The primary findings from that assessment are as follows:

- 1) ICA-Michigan is a proposed civil detention facility that would be located in the City of Ionia, Michigan. It will house immigrants detained on behalf of the U.S. Immigration and Customs Enforcement Agency.**
- 2) It is anticipated that the proposed ICA-Michigan civil detention facility would directly employ approximately 225 individuals at an average annual salary of approximately \$68,000 a year (plus \$4.48 an hour for benefits), along with an additional 39 contract staff for medical and food services, for a total facility employment of approximately 264.**
- 3) ICA-Michigan would provide a boost to the City and County of Ionia's economy.**
  - Over the five year period from March 2013 to March 2018, the City and County of Ionia experienced a loss of 1,132 jobs, or a 5.2 percent decline in total employment.
- 4) ICA-Michigan would make a significant economic and fiscal contribution to the City and County of Ionia and to the state of Michigan as a whole:**
  - City and County of Ionia:
    - We estimate that the total one-time impact on the City and County of Ionia from construction of ICA-Michigan would be approximately: 1) 289 jobs, 2) \$11.3 million in labor income, 3) \$43.3 million in economic output, and 4) \$3.0 million in overall tax revenue (of which approximately \$175,000 would be comprised of local permitting and other fees).
    - While the total annual impact on the City and County of Ionia from the on-going operation of ICA-Michigan would be approximately: 1) 363 jobs, 2) \$22.2 million in labor income, 3) \$34.5 million in economic output, and 4) \$1.6 million in overall tax revenue (of which approximately \$597,010 would be comprised of local property taxes and business licensing fees).

- State of Michigan:
  - We estimate that the total one-time impact on the state of Michigan from construction of ICA-Michigan would be approximately: 1) 389 jobs, 2) \$20.8 million in labor income, 3) \$66.3 million in economic output, and 4) \$6.4 million in overall tax revenue (of which approximately \$2.0 million would be comprised of state and local tax revenue).
  - While the total annual impact on the state of Michigan from the on-going operation of ICA-Michigan would be approximately: 1) 447 jobs, 2) \$28.5 million in labor income, 3) \$49.8 million in economic output, and 4) \$3.8 million in overall tax revenue (of which approximately \$1.5 million would be comprised of state and local tax revenue).

*The estimates provided in this report are based on the best information available and all reasonable care has been taken in assessing that information. However, because these estimates attempt to foresee circumstances that have not yet occurred, it is not possible to provide any assurance that they will be representative of actual events. These estimates are intended to provide a general indication of likely future outcomes and should not be construed to represent a precise measure of those outcomes.*

## Introduction

This report provides an estimate of the economic and fiscal contribution that ICA-Michigan's proposed detention facility would make to the City and County of Ionia Michigan, as well as the state of Michigan as a whole. The remainder of the report is divided into three sections:

- The *ICA-Michigan* section provides a brief description of the facility.
- The *Local Economic Profile* section supplies context for the impact analysis to follow, by providing information on the local economy of the City and County of Ionia.
- The *Economic and Fiscal Impact* section provides an empirical assessment of the economic and fiscal contribution that ICA-Michigan could make to the City and County of Ionia, as well as the state of Michigan as a whole.

This report was commissioned by ICA-Michigan and produced by Mangum Economics.

## ICA-Michigan

ICA-Michigan is a proposed civil detention facility that would be located in the City of Ionia, Michigan. It will house immigrants detained on behalf of the U.S. Immigration and Customs Enforcement Agency. Detainees housed at the ICA-Michigan facility will not have been charged or convicted of a criminal offense and their detention will be of an administrative nature. ICA-Michigan will open 12 months from permitting, which is anticipated to be in the fourth quarter of 2019. It will be an approximately 166,000 square foot, 600 bed facility, comprised of a two-story administration building with attached single-story housing area, and situated on a 47-acre site.

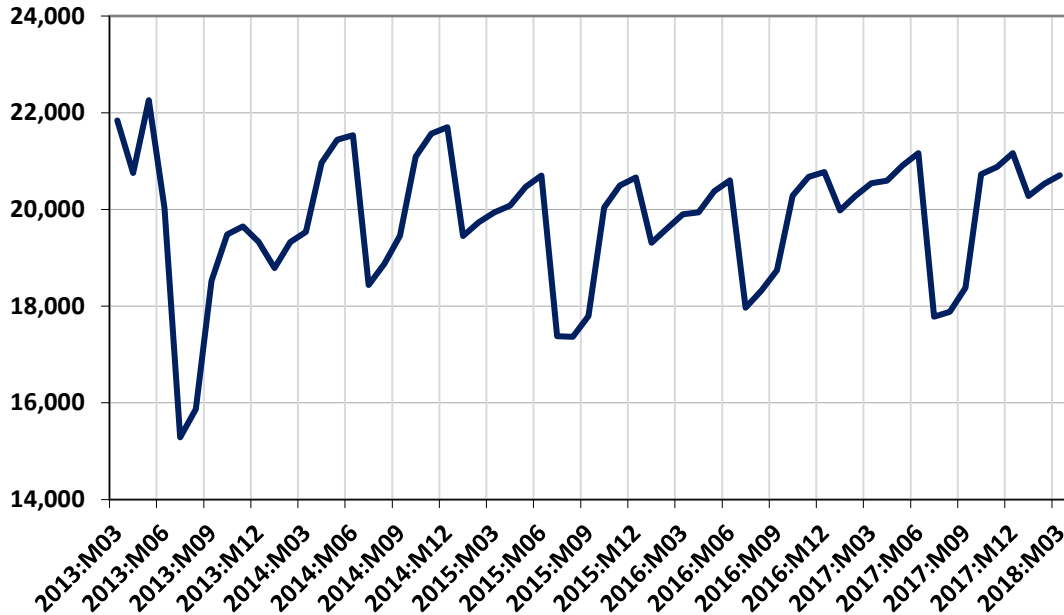
It is anticipated that the proposed ICA-Michigan civil detention facility would directly employ approximately 225 individuals at an average annual salary of approximately \$68,000 a year (plus \$4.48 an hour for benefits), along with an additional 39 contract staff for medical and food services, for a total facility employment of approximately 264.

## Local Economic Profile

In this section, we provide context for the economic and fiscal impact assessments to follow by profiling the local economy of the City and County of Ionia.

## Total Employment

Figure 1 depicts the trend in total employment in the City and County of Ionia from March 2013 to March 2018.<sup>1</sup> As these data show, this employment trend is characterized by a high degree of seasonality. As of March 2018, local employment stood at 20,709 jobs. This represents a 1,132 job loss, or minus 5.2 percent, change in employment over the period as a whole.



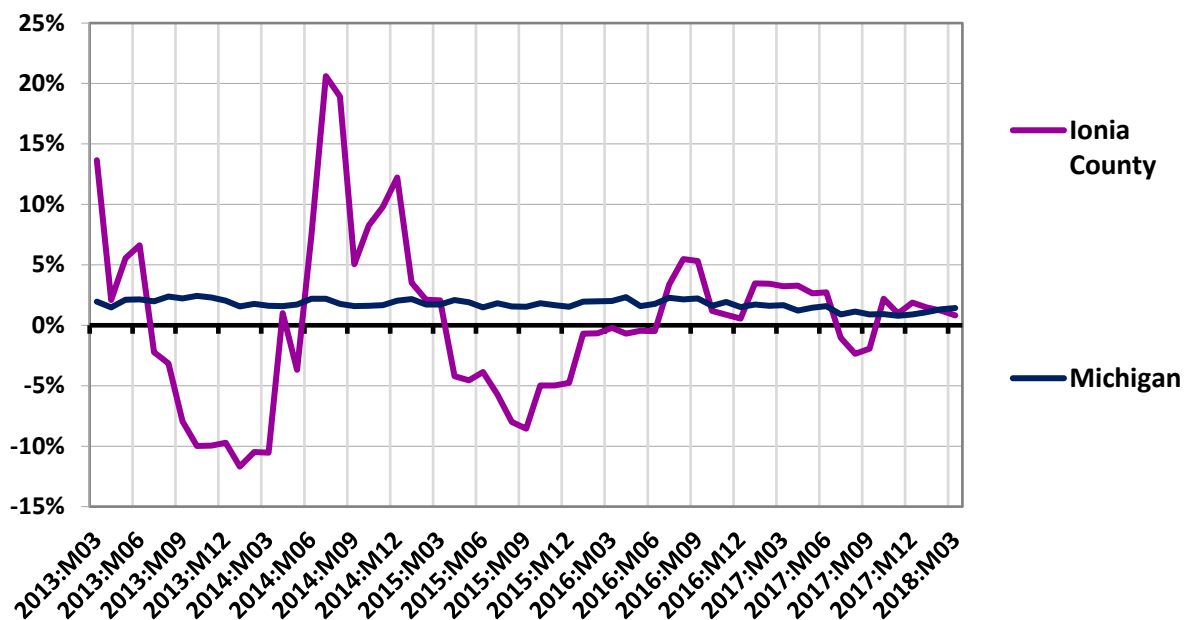
**Figure 1: Total Employment in the City and County of Ionia – March 2013 to March 2018<sup>2</sup>**

<sup>1</sup> At the local level, the U.S. Bureau of Labor Statistics only reports employment and wage data for counties and independent cities. Employment data for cities, such as Ionia, that are not independent are combined with data for the county in which the city is located and are not reported separately. Because of this binding data limitation here and in the pages that follow, the City and County of Ionia are represented as a single local economy and are not analyzed separately.

<sup>2</sup> Data Source: U.S. Bureau of Labor Statistics.



To control for seasonality and provide a point of reference, Figure 2 compares the year-over-year change in total employment in the City and County of Ionia to that of the state of Michigan as a whole over the same five-year period. Any point above the zero line in this graph indicates growth in year-over-year employment, while any point below the zero line indicates a decline in year-over-year employment. As these data indicate, year-over-year employment changes in the City and County of Ionia generally oscillated around the statewide trend throughout the period, although the amplitude of that oscillation has declined in recent years. As of March 2018, year-over-year growth in total employment was 0.8 percent in the City and County of Ionia and 1.4 percent in the state of Michigan as a whole.

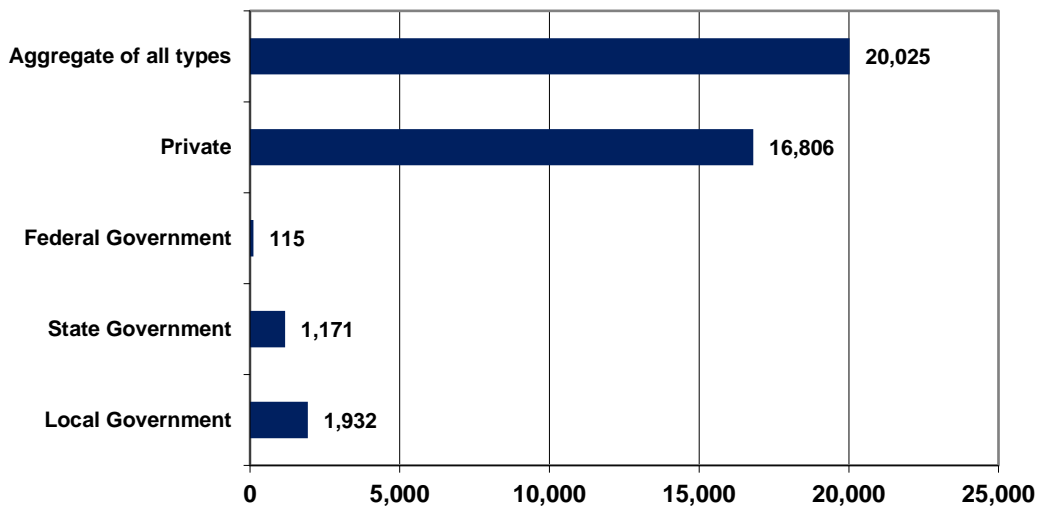


**Figure 2: Year-Over-Year Change in Total Private Sector Employment – March 2013 to March 2018<sup>3</sup>**

<sup>3</sup> Data Source: U.S. Bureau of Labor Statistics.

### Employment by Ownership Category

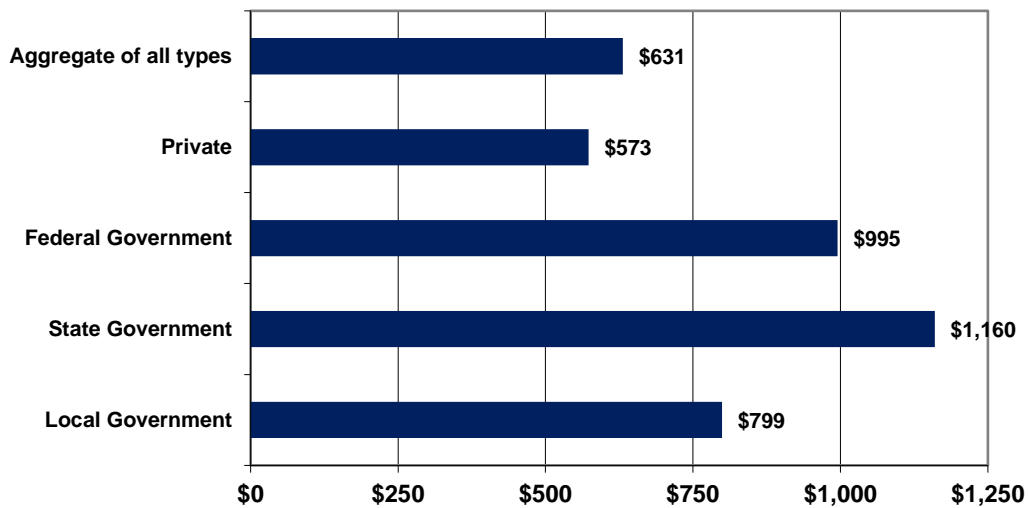
Figures 3 through 5 provide a break-down of total employment in the City and County of Ionia in 2017 by ownership category. As the data depicted in Figure 3 show, the private sector accounted for 16,806 (or 84 percent) of the local area's 20,025 jobs that year, while the federal government sector accounted for 115 jobs, the state government sector 1,171 jobs (of which 1,079 were within the Justice, Public Order, and Safety Activities sector – the sector that encompasses correctional institutions), and the local government sector 1,932.



**Figure 3: City and County of Ionia Employment by Ownership Category – 2017<sup>4</sup>**

<sup>4</sup> Data Source: U.S. Bureau of Labor Statistics.

As depicted in Figure 4, average wages across all sectors were \$631 per week in the City and County of Ionia in 2017, \$573 per week in the private sector, \$995 per week in the federal government sector, \$1,160 per week in the state government sector, and \$799 per week in the local government sector.

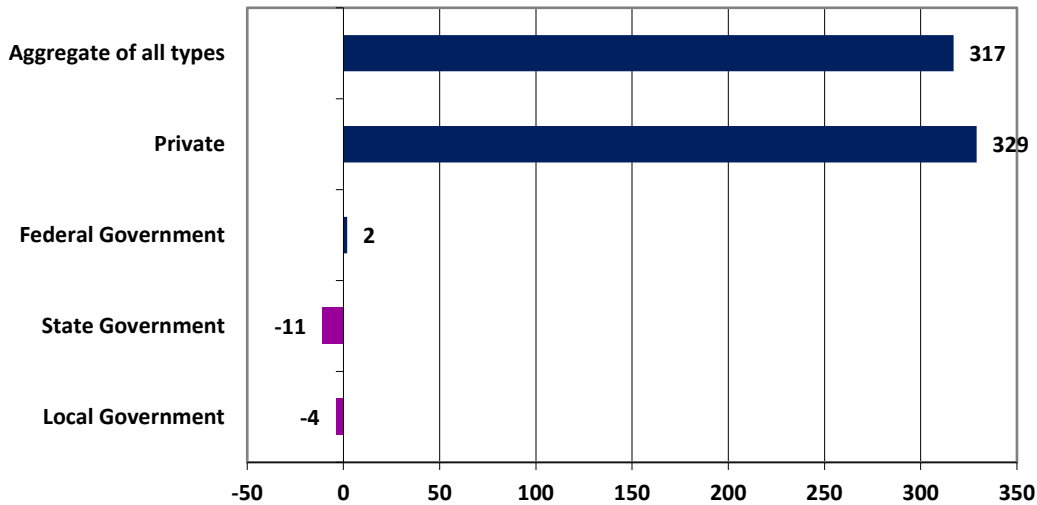


**Figure 4:** City and County of Ionia Average Weekly Wages by Ownership Category – 2017<sup>5</sup>

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<sup>5</sup> Data Source: U.S. Bureau of Labor Statistics.

Finally, Figure 5 depicts the change in employment in each of these sectors between 2016 and 2017. As these data indicate, total employment in the City and County of Ionia increased by 317 jobs over the period. That total was a combination a 329 job increase in the private sector, a two job increase in the federal government sector, an 11 job decrease in the state government sector, and a four job decrease in the local government sector.

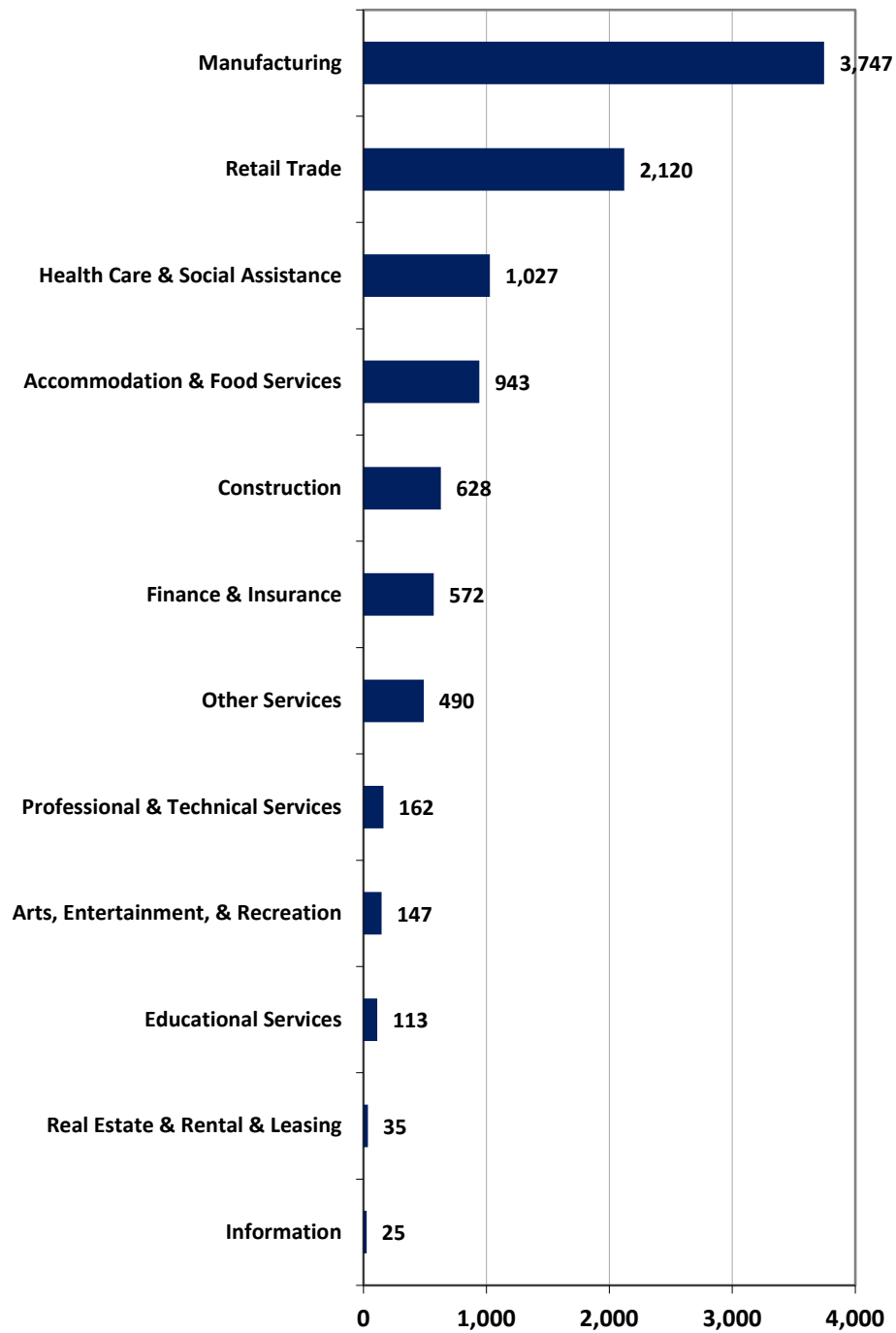


**Figure 5: City and County of Ionia Change in Employment by Ownership Category – 2016 to 2017<sup>6</sup>**

### Employment and Wages by Major Industry Sector

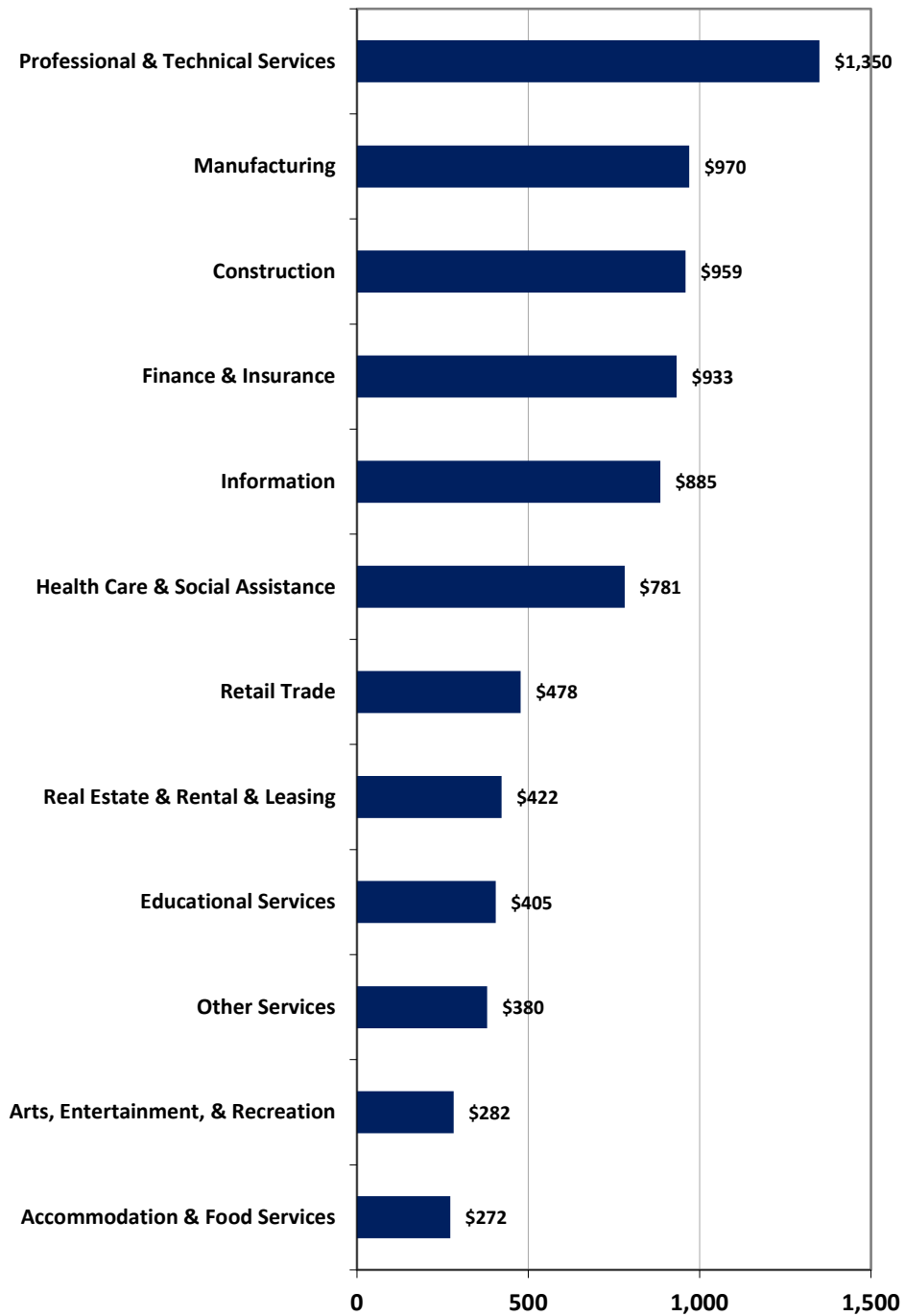
Figures 6 through 8 provide a more detailed picture of private sector employment in the City and County of Ionia in 2017. Figure 6 provides an indication of the distribution of private sector employment across major industry categories by ranking each industry by annual employment in 2017. As these data indicate, the area's largest private sector industry that year was Manufacturing (3,747 jobs), followed by Retail Trade (2,120 jobs) and Health Care and Social Assistance (1,027 jobs).

<sup>6</sup> Data Source: U.S. Bureau of Labor Statistics.



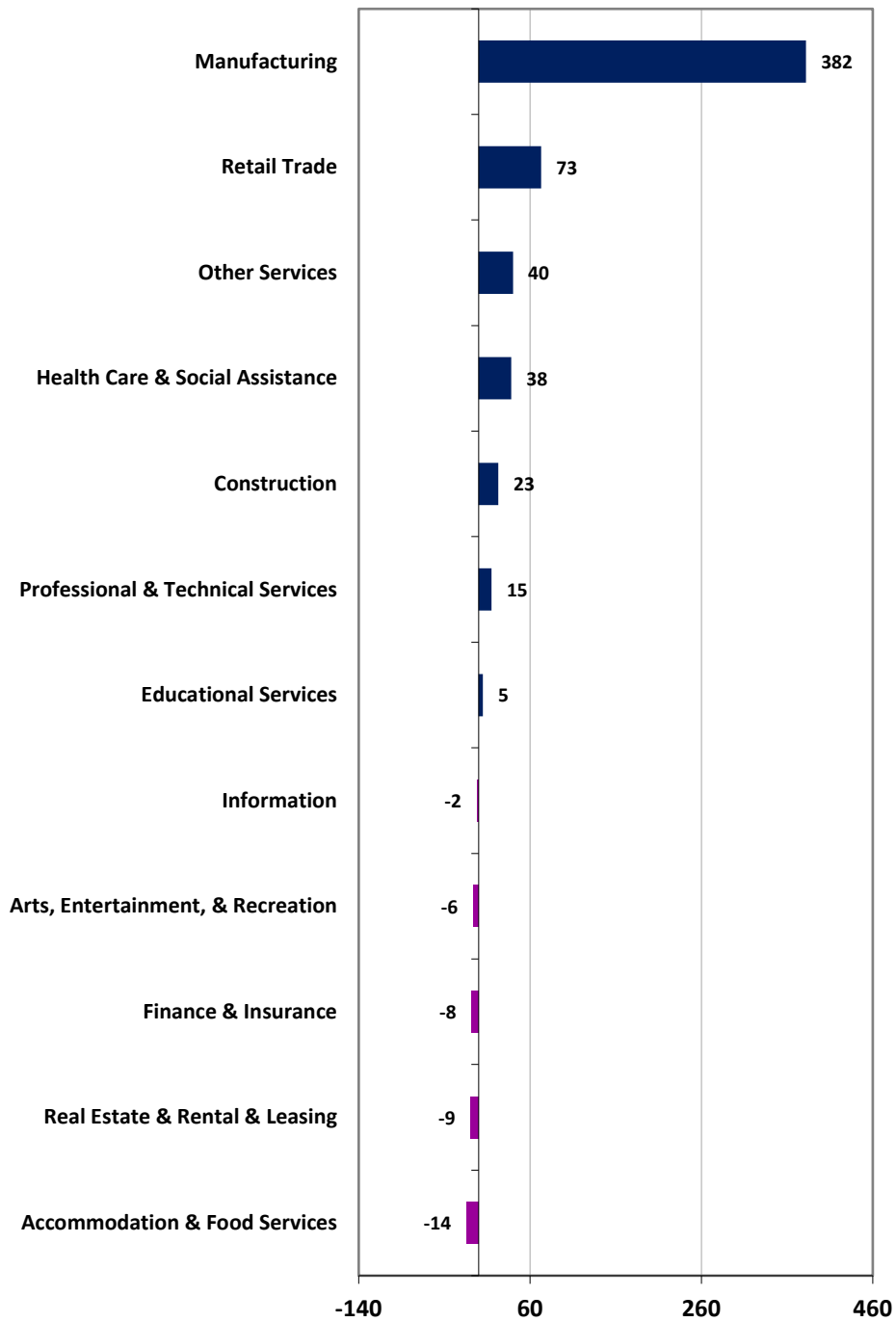
**Figure 6: Annual Private Sector Employment by Major Industry Category in the City and County of Ionia – 2017<sup>7</sup>**

<sup>7</sup> Data Source: U.S. Bureau of Labor Statistics.



**Figure 7: Annual Private Sector Average Weekly Wages by Major Industry Category in the City and County of Ionia –2017<sup>8</sup>**

<sup>8</sup> Data Source: U.S. Bureau of Labor Statistics.



**Figure 8: Change in Private Sector Employment by Major Industry Category in the City and County of Ionia – 2016 to 2017<sup>9</sup>**

<sup>9</sup> Data Source: U.S. Bureau of Labor Statistics.

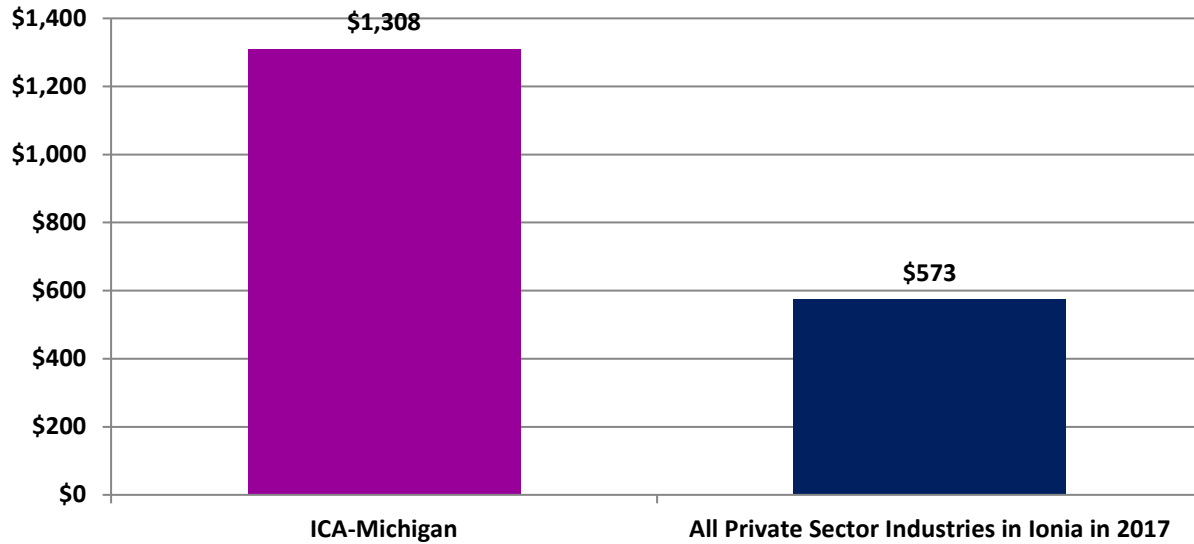
Figure 7 provides a similar ranking for private sector average weekly wages by major industry category in the City and County of Ionia in 2017. As these data show, the highest paying industries in the area that year were Professional and Technical Services (\$1,350 per week), Manufacturing (\$970 per week), and Construction (\$959 per week). Recall from Figure 4 that the average weekly wage across all private sector industries in the City and County of Ionia that year was \$573 per week.

Lastly, Figure 8 details the year-over-year change in private sector employment by major industry category in the City and County of Ionia between 2016 and 2017. Over this period, the largest employment gains occurred in Manufacturing (up 382 jobs), Retail Trade (up 73 jobs), and Other Services (up 40 jobs). While at the other end of the spectrum, the largest employment losses occurred in Accommodation and Food Services (down 14 jobs), Real Estate, Rental, and Leasing (down 9 jobs), and Finance and Insurance (down 8 jobs).

### Local Role of ICA-Michigan

In this portion of the section, we focus more narrowly on one particular contribution that ICA-Michigan could make the City and County of Ionia's economy, by comparing the average weekly wage that ICA-Michigan anticipates paying its 225 employees to the average weekly wage across all private sector industries in the City and County of Ionia in 2017. Figure 9 provides that comparison. As these data show, the anticipated \$1,308 average weekly wage of ICA-Michigan is 128 percent greater than the \$573 average weekly wage paid across all private sector industries in the City and County of Ionia in 2017.





**Figure 9: Comparison of Anticipate ICA-Michigan Wages to Private Sector Average Weekly Wages in the City and County of Ionia in 2017<sup>10</sup>**

### Summary

In sum, these data demonstrate two key characteristics of the local economy of the City and County of Ionia. First, in recent years the City and County of Ionia have been challenged by limited employment growth. Second, the primary economic drivers in the City and County of Ionia are Manufacturing and State Government (primarily the Justice, Public Order, and Safety Activities sector – the sector that encompasses correctional institutions) employment.

## **Economic and Fiscal Impact**

In this section, we quantify the economic and fiscal contribution that ICA-Michigan could make to the City and County of Ionia, as well as to the state of Michigan as a whole. This analysis specifically takes into account the one-time pulse of economic activity that the ICA-Michigan detention facility would generate during its construction phase, as well as the on-going annual contribution that the facility would generate during its subsequent operations phase.

<sup>10</sup> Data Source: U.S. Bureau of Labor Statistics.

## Method

To empirically evaluate the likely local and statewide economic impact attributable to ICA-Michigan, we employ an economic impact model called IMPLAN.<sup>11</sup> The IMPLAN model is one of the most commonly used economic impact simulation models in the U.S. Like all economic impact models, the IMPLAN model uses economic multipliers to quantify economic impact. Economic multipliers measure the ripple effects that an expenditure generates as it makes its way through the economy. For example, as when ICA-Michigan purchases goods and services – or when facility employees use their salaries and wages to make household purchases – thereby generating income for someone else, which is in turn spent, thereby becoming income for yet someone else, and so on, and so on. Through this process, one dollar in expenditures generates multiple dollars of income. The mathematical relationship between the initial expenditure and the total income generated is the economic multiplier.

One of the primary advantages of the IMPLAN model is that it uses regional and national production and trade flow data to construct region-specific and industry-specific economic multipliers, which are then further adjusted to reflect anticipated actual spending patterns within the specific geographic study area that is being evaluated. As a result, the economic impact estimates produced by IMPLAN are not generic. They reflect as precisely as possible the economic realities of the specific industry, and the specific study area, being evaluated.

In the analysis that follows, these impact estimates are divided into three categories. First round direct impact measures the direct economic contribution of the entity being evaluated (e.g., own employment, wages paid, and goods and services purchased by ICA-Michigan). Second round indirect and induced impact measures the economic ripple effects of this direct impact in terms of business to business, and household (employee) to business, transactions. Total impact is simply the sum of the preceding two. These categories of impact are then further defined in terms of employment (the jobs that are created), labor income (the wages and benefits associated with those jobs), economic output (the total amount of economic activity that is created in the economy), and fiscal impact (the state and local tax revenues that are generated by this economic activity).

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<sup>11</sup> IMPLAN v.3 is produced by Minnesota IMPLAN Group, Inc.

## ICA-Michigan's Impact on the City and County of Ionia

### *Construction Phase*

In conducting our analysis of the one-time economic and fiscal impact that ICA-Michigan could have on the City and County of Ionia during its construction phase, we employ the following assumptions:

- Expenditures for architecture and engineering and other professional services would be approximately \$1,505,000.<sup>12</sup>
- Expenditures for demolition would be approximately \$600,000.<sup>13</sup>
- Expenditures for site preparation and general construction would be approximately \$35,360,370.<sup>14</sup>
- It is anticipated that approximately 96 percent of these expenditures would be made with local contractors, sub-contractors, and vendors.<sup>15</sup>
- Expenditures for furnishings and security features would be approximately \$2,160,150. It is anticipated that less than one percent of these expenditures would be made with local vendors.<sup>16</sup>
- For ease of explication, it is assumed that all construction expenditures occur in a single representative year.

By feeding these assumptions into the IMPLAN model, we obtain the following estimates of one-time economic and fiscal impact.

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<sup>12</sup> Data Source: ICA-Michigan.

<sup>13</sup> Data Source: ICA-Michigan.

<sup>14</sup> Data Source: ICA-Michigan.

<sup>15</sup> Data Source: Based on local purchase data contained in the IMPLAN mode and specific to the City and County of Ionia, Michigan.

<sup>16</sup> Data Source: Based on local purchase data contained in the IMPLAN mode and specific to the City and County of Ionia, Michigan.

## Economic Impact

As shown in Table 1, it is anticipated that construction of ICA-Michigan's proposed detention facility would directly provide a one-time infusion of approximately: 1) 222 jobs, 2) \$9.5 million in labor income, and 3) \$35.9 million in economic output to the City and County of Ionia. Taking into account the economic ripple effects that direct impact will likely generate, we estimate that the total one-time impact on the City and County of Ionia from construction of ICA-Michigan's proposed detention facility would be approximately: 1) 289 jobs, 2) \$11.3 million in labor income, 3) \$43.3 million in economic output, and 4) \$3.0 million in overall tax revenue (of which approximately \$175,000 would be comprised of local permitting and other fees).

**Table 1: One-Time Economic and Fiscal Impact of ICA-Michigan on the City and County of Ionia during Construction (2018 Dollars)**

<b><u>Economic Impact:</u></b>			
	<b>Employment</b>	<b>Labor Income</b>	<b>Output</b>
<i>First Round Direct Economic Activity</i>	222	\$9,539,487	\$35,925,139
<i>Second Round Indirect and Induced Economic Activity</i>	67	\$1,779,131	\$7,334,432
<i>Total, Direct, Indirect, and Induced Economic Activity*</i>	289	\$11,318,618	\$43,259,571
<b><u>Fiscal Impact:</u></b>			
	<b>State and Local</b>	<b>Federal</b>	<b>Total</b>
<i>Tax Revenue Generated</i>	\$906,769	\$2,057,940	\$2,964,709

## *Operations Phase*

In conducting our analysis of the on-going annual economic and fiscal impact that ICA-Michigan could have on the City and County of Ionia during its operations phase, we employ the following assumptions:

- Expenditures for goods and services would be approximately \$6,553,010.<sup>17</sup>
- Expenditures for total labor costs (exclusive of health, dental, and related benefits) would be approximately \$18,699,126.<sup>18</sup>
- Expenditures for employer provided would be approximately \$275,574.<sup>19</sup>

By feeding these assumptions into the IMPLAN model, we obtain the following estimates of annual economic and fiscal impact.

## **Economic Impact**

As shown in Table 2, it is anticipated that the on-going operation of ICA-Michigan's proposed detention facility would directly provide an annual impact of approximately: 1) 225 jobs, 2) \$18.7 million in labor income, and 3) \$22.1 million in economic output to the City and County of Ionia. Taking into account the economic ripple effects that direct impact will likely generate, we estimate that the total annual impact on the City and County of Ionia from the on-going operation of ICA-Michigan's proposed detention facility would be approximately: 1) 363 jobs, 2) \$22.2 million in labor income, 3) \$34.5 million in economic output, and 4) \$1.6 million in overall tax revenue (of which approximately \$597,010 would be comprised of local property taxes and business licensing fees).

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<sup>17</sup> Data Source: ICA-Michigan.

<sup>18</sup> Data Source: ICA-Michigan.

<sup>19</sup> Data Source: ICA-Michigan.

**Table 2: Annual Economic and Fiscal Impact of ICA-Michigan on the City and County of Ionia during on-going Operations (2018 Dollars)**

<b>Economic Impact:</b>			
	<b>Employment</b>	<b>Labor Income</b>	<b>Output</b>
<i>First Round Direct Economic Activity</i>	225	\$18,669,126	\$22,130,136
<i>Second Round Indirect and Induced Economic Activity</i>	138	\$3,513,047	\$12,346,525
<i>Total, Direct, Indirect, and Induced Economic Activity*</i>	<b>363</b>	<b>\$22,182,173</b>	<b>\$34,476,661</b>
<b>Fiscal Impact:</b>			
	<b>State and Local</b>	<b>Federal</b>	<b>Total</b>
<i>Tax Revenue Generated</i>	<b>\$789,545</b>	<b>\$841,600</b>	<b>\$1,631,145</b>

## ICA-Michigan's Impact on the State of Michigan

### *Construction Phase*

In conducting our analysis of the one-time economic and fiscal impact that ICA-Michigan could have on the state of Michigan as a whole during its construction phase, we employ the following assumptions:

- Expenditures for architecture and engineering and other professional services would be approximately \$1,505,000.<sup>20</sup>
- Expenditures for demolition would be approximately \$600,000.<sup>21</sup>

<sup>20</sup> Data Source: ICA-Michigan.

<sup>21</sup> Data Source: ICA-Michigan.

- Expenditures for site preparation and general construction would be approximately \$35,360,370.<sup>22</sup>
- It is anticipated that approximately 99 percent of these expenditures would be made with Michigan contractors, sub-contractors, and vendors.<sup>23</sup>
- Expenditures for furnishings and security features would be approximately \$2,160,150. It is anticipated that approximately 19 percent of these expenditures would be made with Michigan vendors.<sup>24</sup>
- For ease of explication, it is assumed that all construction expenditures occur in a single representative year.

By feeding these assumptions into the IMPLAN model, we obtain the following estimates of one-time economic and fiscal impact.

## Economic Impact

As shown in Table 3, it is anticipated that construction of ICA-Michigan's proposed detention facility would directly provide a one-time infusion of approximately: 1) 206 jobs, 2) \$11.4 million in labor income, and 3) \$37.7 million in economic output to the state of Michigan. Taking into account the economic ripple effects that direct impact will likely generate, we estimate that the total one-time impact on the state of Michigan from construction of ICA-Michigan's proposed detention facility would be approximately: 1) 389 jobs, 2) \$20.8 million in labor income, 3) \$66.3 million in economic output, and 4) \$6.4 million in overall tax revenue (of which approximately \$2.0 million would be comprised of state and local tax revenue).

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<sup>22</sup> Data Source: ICA-Michigan.

<sup>23</sup> Data Source: Based on local purchase data contained in the IMPLAN mode and specific to the City and County of Ionia, Michigan.

<sup>24</sup> Data Source: Based on local purchase data contained in the IMPLAN mode and specific to the City and County of Ionia, Michigan.

**Table 3: One-Time Economic and Fiscal Impact of ICA-Michigan on the State of Michigan during Construction (2018 Dollars)**

<b>Economic Impact:</b>			
	<b>Employment</b>	<b>Labor Income</b>	<b>Output</b>
<i>First Round Direct Economic Activity</i>	206	\$11,438,282	\$37,680,911
<i>Second Round Indirect and Induced Economic Activity</i>	183	\$9,405,317	\$28,630,794
<i>Total, Direct, Indirect, and Induced Economic Activity*</i>	389	\$20,843,599	\$66,311,705
<b>Fiscal Impact:</b>			
	<b>State and Local</b>	<b>Federal</b>	<b>Total</b>
<i>Tax Revenue Generated</i>	\$1,980,589	\$4,439,794	\$6,420,383

## Operations Phase

In conducting our analysis of the on-going annual economic and fiscal impact that ICA-Michigan could have on the state of Michigan during its operations phase, we employ the following assumptions:

- Expenditures for goods and services would be approximately \$6,553,010.<sup>25</sup>
- Expenditures for total labor costs (exclusive of health, dental, and related benefits) would be approximately \$18,669,126.<sup>26</sup>
- Expenditures for employer provided would be approximately \$275,574.<sup>27</sup>

By feeding these assumptions into the IMPLAN model, we obtain the following estimates of annual economic and fiscal impact.

<sup>25</sup> Data Source: ICA-Michigan.

<sup>26</sup> Data Source: ICA-Michigan.

<sup>27</sup> Data Source: ICA-Michigan.



## Economic Impact

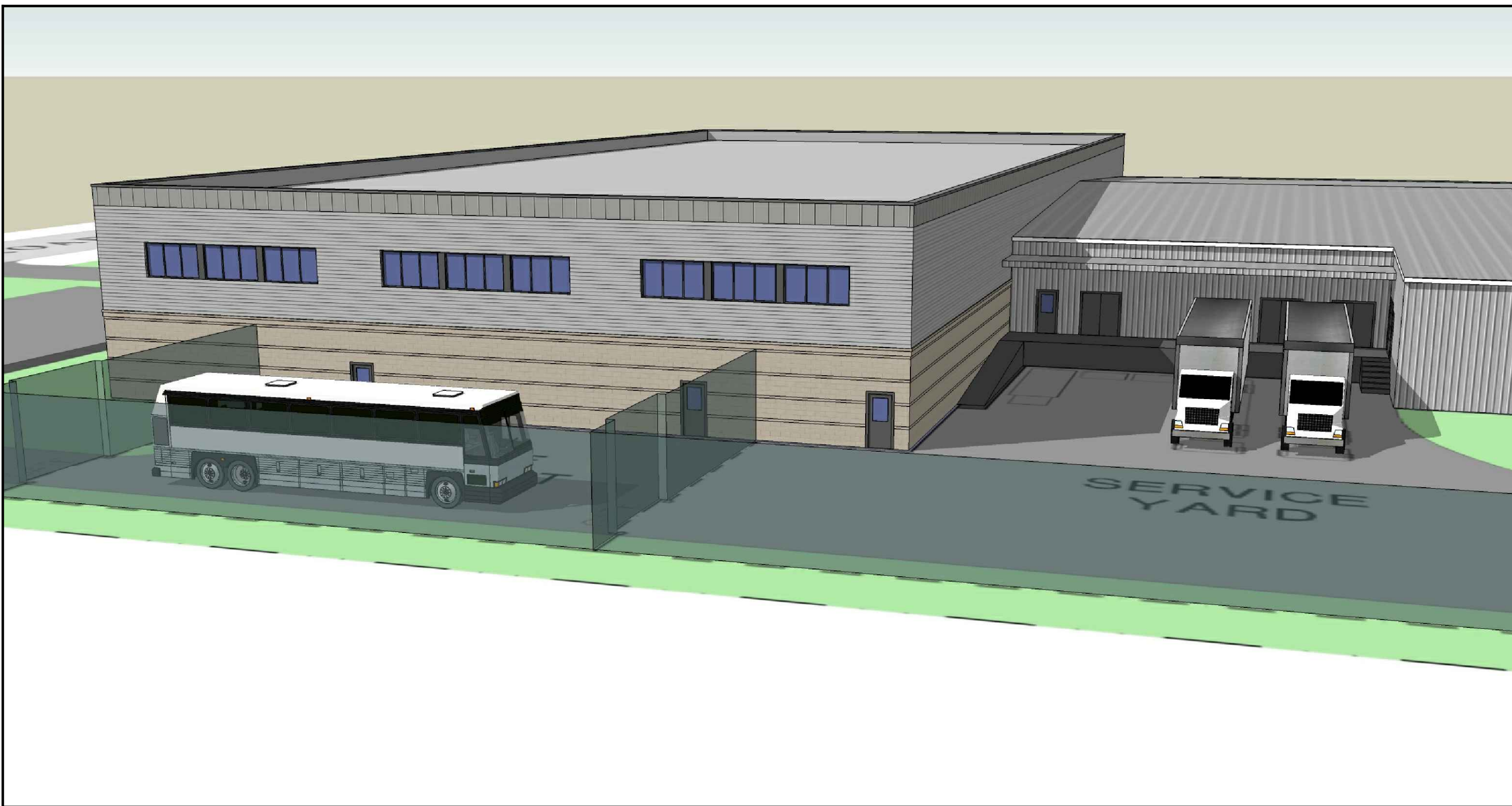
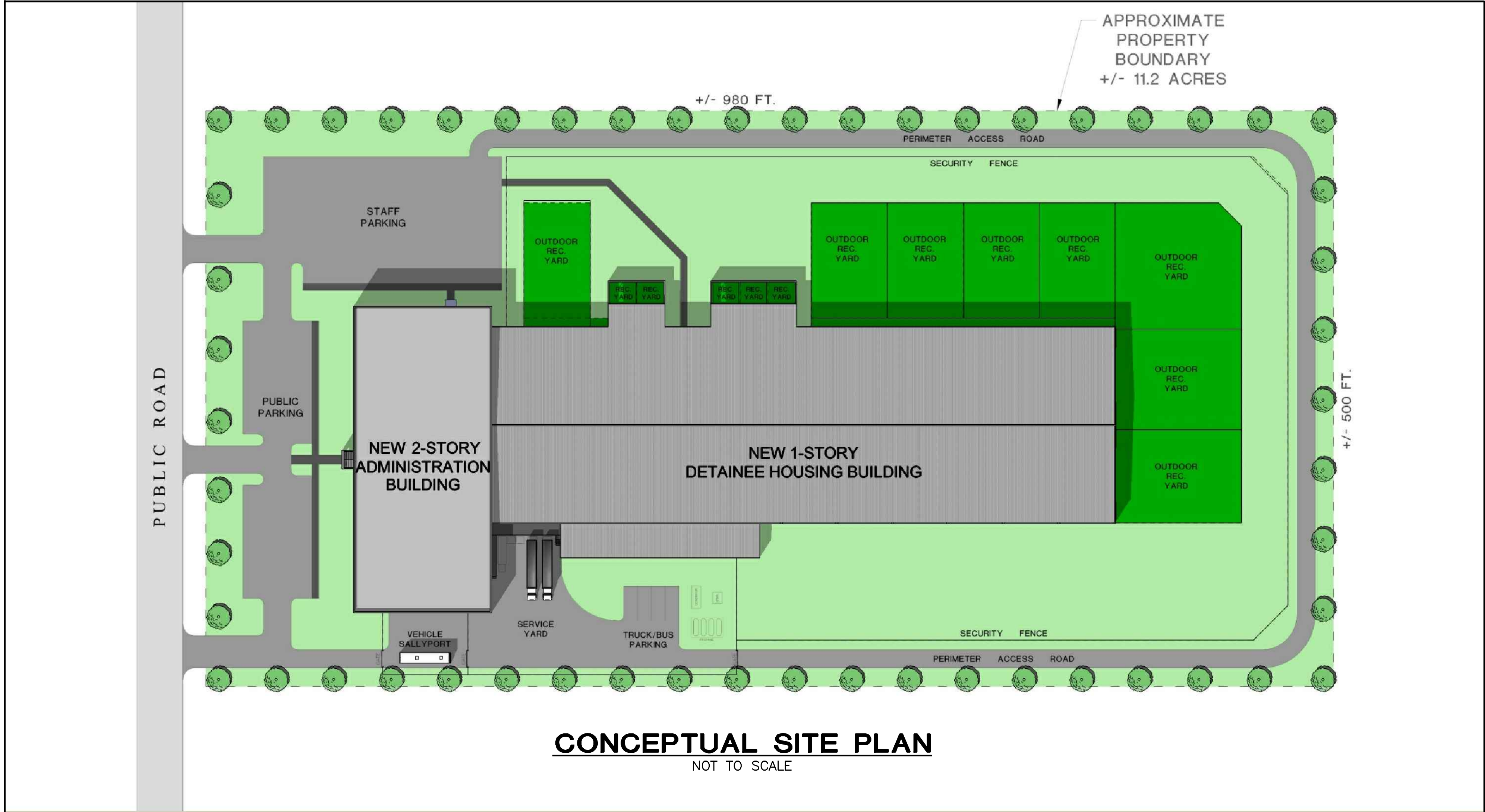
As shown in Table 4, it is anticipated that the on-going operation of ICA-Michigan's proposed detention facility would directly provide an annual impact of approximately: 1) 225 jobs, 2) \$18.7 million in labor income, and 3) \$22.1 million in economic output to the state of Michigan. Taking into account the economic ripple effects that direct impact will likely generate, we estimate that the total annual impact on the state of Michigan from the on-going operation of ICA-Michigan's proposed detention facility would be approximately: 1) 447 jobs, 2) \$28.5 million in labor income, 3) \$49.8 million in economic output, and 4) \$3.8 million in overall tax revenue (of which approximately \$1.5 million would be comprised of state and local tax revenue).

**Table 4: Annual Economic and Fiscal Impact of ICA-Michigan on the State of Michigan during on-going Operations (2018 Dollars)**

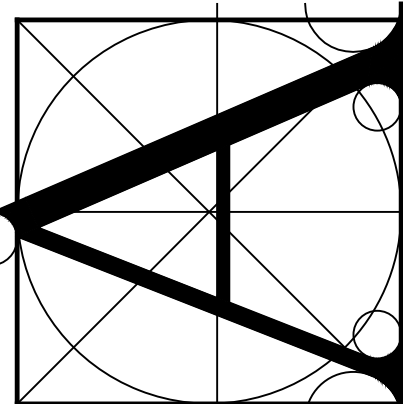
<b>Economic Impact:</b>			
	<b>Employment</b>	<b>Labor Income</b>	<b>Output</b>
<i>First Round Direct Economic Activity</i>	225	\$18,669,126	\$22,130,136
<i>Second Round Indirect and Induced Economic Activity</i>	221	\$9,800,751	\$27,705,579
<i>Total, Direct, Indirect, and Induced Economic Activity*</i>	<b>447</b>	<b>\$28,469,877</b>	<b>\$49,835,715</b>
<b>Fiscal Impact:</b>			
	<b>State and Local</b>	<b>Federal</b>	<b>Total</b>
<i>Tax Revenue Generated</i>	<b>\$1,522,148</b>	<b>\$2,278,634</b>	<b>\$3,800,782</b>

*The estimates provided in this report are based on the best information available and all reasonable care has been taken in assessing that information. However, because these estimates attempt to foresee circumstances that have not yet occurred, it is not possible to provide any assurance that they will be representative of actual events. These estimates are intended to provide a general indication of likely future outcomes and should not be construed to represent a precise measure of those outcomes.*





600 BED FACILITY



**TIMMONS • KELLEY**  
ARCHITECTS

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3D MODEL IMAGES

**ICA DETENTION FACILITY  
PROPOSED 600 BED CENTER**

DATE:	DRAWING STATUS:
10/20/17	FOR REVIEW

PROJECT NO:
DRAWN BY: MGE
ARCHITECT: J. TIMMONS
SHEET NO: <b>A1.2</b>





THE PRIVATE BANK

1021 East Cary Street, 4th Floor  
R3529-041  
Richmond, VA 23219

September 26, 2018

City of Ionia, Michigan  
114 North Kidd Street  
Ionia, MI 48846

To Whom It May Concern:

Immigration Centers of America (ICA) has been an important client of Wells Fargo Private Bank since the company's founding in 2008. In that year, ICA built a detention center for the U.S. Immigration and Customs Enforcement Agency which is located in Farmville, VA. The facility has created more than 150 employment opportunities, while its collaboration with the City of Farmville has helped generate a healthy annual tax revenue base for the City. The detention facility has been successfully run by an impressive management team, some of whom are nationally recognized in the field of civil immigration detention facilities management. As such, the facility has received numerous accolades over the years for its physical and operational excellence.

The purpose of this letter is to confirm Wells Fargo's interest in working with ICA and its ownership team on financing the construction and development of a similar facility in Ionia, MI. Our ability to finance such an expansion plan is subject to a final analysis of the ownership team, and dependent upon our review of an executed contract with Immigration and Customs Enforcement regarding guarantees for a specific number of detainees and the per diem amount provided under such contract to care for these detainees.

From our first-hand experience here at Wells Fargo Private Bank, ICA has the financial wherewithal and organizational expertise to make the Ionia, MI facility a definite reality if awarded the contract.

If you have any questions or need additional information, please feel free to call me on (804) 697-7032.

Best personal regards,

A handwritten signature in dark ink, appearing to read "Richard C. McNeil".

Richard C. McNeil  
Senior Vice President

TOWN OF FARMVILLE  
Post Office Drawer 368  
Farmville, Virginia 23901

Gerald J. Spates, Town Manager  
Carol Anne Seal, Town Treasurer

434.392.5686  
Fax 434.392.3160



COUNCIL  
David E. Whitus, Mayor  
A. D. "Chuckie" Reid  
Brian Vincent  
Tommy Pairet  
Donald L. Hunter  
J.J. "Jamie" Davis  
Greg Cole  
Daniel E. Dwyer  
Lisa Hricko, Clerk of Council

September 19, 2018

Mr. Josh Burgett  
Director, Michigan Land Bank  
MEDC  
Lansing, MI

RE: Proposal relating to property in Ionia, Michigan by ICA

Dear Mr. Burgett:

Presently you are considering a proposal from Immigration Centers of America (ICA) to develop an unused vacant property in Ionia and locate a center for detainees of the Immigration and Customs Enforcement service. As Manager of the town in which the present ICA facility is located in Farmville, Va., I'd like to take this opportunity to endorse the management of the Farmville facility and assure you of their professionalism and community interaction in our area.


No one wants to be deprived of their freedom of movement, but sometimes that happens when immigration laws are enforced. Regardless, no town or city wants to have a detention facility that falls short of protecting those being detained, but preferably one that protects detainees through fair and balanced treatment. ICA achieves that goal.

The detainees ICA works with are not criminals and Incarceration of illegal immigrants in local jails is a far less preferable but common fate. As I understand it, ICA expects only adult male detainees at this facility for an average length of stay of generally no more than fifty days. They are citizens of other countries but have been apprehended due to their illegal entry into the United States typically in order to enhance their lives or that of their families. Immigration and Customs Enforcement (ICE) is charged with holding individuals that are apprehended when they enter or stay in the country illegally and ICE has charged ICA with managing this population for an indeterminate time.

Farmville is proud of our relationship with ICE and ICA and has a long-standing affiliation with both organizations. Their thrust has been to provide detainees with a safe environment for the short time they are to be detained pending a hearing. We work with ICA throughout the process and provide community services such as water, sewer, medical and education opportunities. We do not have problems with the detainee population or with ICA or ICE; rather it is a cooperative relationship. And, as the host community, we enjoy substantial benefits, both economic and employment wise.

Here at Farmville, I can assure you we have a strong relationship with ICA and am certain your state, community, and region will experience the same confidence and partnership.

Sincerely,



Gerald J. Spates  
Town Manager  
Farmville, Virginia

GJS/lmh