



HOUSE of REPRESENTATIVES

STATE OF MICHIGAN

Appropriations Requests for Legislatively Directed Spending Items

1. The sponsoring representative's first name:
Greg
2. The sponsoring representative's last name:
Markkanen
3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.
N/A
4. Name of the entity that the spending item is intended for:
Michigan Tech Univ.
5. Physical address of the entity that the spending item is intended for:
1400 Townsend Drive, Houghton, Michigan 49931-1295
6. If there is not a specific recipient, the intended location of the project or activity:
1400 Townsend Drive, Houghton, Michigan 49931-1295
7. Name of the representative and the district number where the legislatively directed spending item is located:
Greg Markkanen, House District 110
8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution. The two projects listed below provide a tremendous public benefit by producing the graduates needed to meet the STEM related job needed for Michigan's employers as well as fostering the growth of a key and emerging manufacturing sector with the emergence of Michigan grown and produced Mass Timber. They are very different projects in terms of who they impact, but are both equally critical for MTU, the UP and all Michigan job providers.

1. The Center for Convergence and Innovation (CCI building). MTU's CCI building has

ranked number one again this year on the SBO Capital Outlay list. The project has consistently ranked among the top capital outlay programs for the past several years. As Michigan's forth R1 institution, and one of only three R1 in the country located in a rural area, fully funding the CCI building at \$90 mm direct funds to MTU will significantly contribute to the necessary workforce development to support Michigan industries as well provide much needed economic benefit to the UP and helping to balance the state university investments in STEM facilities with the other R1 universities.

2. Mass Timber Research and Demonstration structure. \$3 million. The FY25 DNR budget contained \$1 million intended for MTU for the construction of a mass timber demonstration and research structure located at the head of the Michigan Tech Trails. Commonly referred to as the Trailhead lodge. The DNR redirected the funds away from the MTU project including funding internal DNR operations with the appropriation.

The DNR has championed the opening of the Newberry mass timber office as a showcase for the potential for the mass timber industry. The MTU Mass Timber Research and Demonstration Structure would provide an opportunity in the western to UP highlight the use of Michigan grown hardwoods for Cross laminated timber structures and provide necessary research and promotion of the viability of the industry for the UP. The \$3 million request makes up for the FY25 funding that was redirected away from MTU as well as the remaining cost of the structure.

Both of these projects demonstrate a clear and beneficial “public good” and therefore do not violate Article 4, Section 30

9. **Attach documents here if needed:**

Attachments added to the end of this file.

10. **The amount of state funding requested for the legislatively directed spending item.**

93000000

11. **Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.**

["None"]

12. **Please select one of the following groups that describes the entity requesting the legislatively directed spending item:**

University/College

13. **For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?**

Not applicable

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Not applicable

15. For a non-profit organization, does the organization have a board of directors?

Not applicable

16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'

n/a

17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

FY 2026-2029

19. "I hereby certify that all information provided in this request is true and accurate."

Yes



Michigan Technological University's Mass Timber - Trailhead Lodge.

The proposed facility is an innovative approach for demonstrating the viability of mass timber construction by combining a high use recreational facility with research and educational opportunities. The Trailhead Lodge will be a centerpiece for Upper Michigan's recreational trails, currently experienced by over 15,000 annual visitors. but will more importantly become a showcase for the utilization of sustainable mass timber/cross-laminated timber (CLT).

Michigan's forest products industry contributes \$21.2 billion each year to the economy and supports over 99,000 total jobs. Further research and education on utilizing mass timber and CLT as a sustainable and renewable construction material is critical to combat climate change and protect/grow Michigan's natural resources and rural economies. The Trailhead Lodge will help demonstrate these benefits to the public, government, and industry. The Lodge will also serve as a dynamic research center with the ability to study aspects of a mass timber structures, as well as a facility for continued research in material usage, forestry, sustainability and environmental health.

The benefits of the Trailhead Lodge reach far beyond the MTU campus. The lodge will further enhance Houghton, Michigan as a recreational designation, as well as expand the opportunity to host national and international athletic competitions. Local government and economic development organizations including City of Houghton, City of Hancock, MTEC SmartZone, Keweenaw Economic Development Corporation, Invest UP, and others support the project. Recreational support of the facility comes from the U.S. Ski and Snowboard organization. The national and regional timber industry, such as the Great Lakes Timber Professionals Association, JM Longyear, and SmartLam are in support, as is the Michigan Department of Natural Resources.

Michigan Technological University Center for Convergence and Innovation

Michigan Technological University is proud to advance the proposed Center for Convergence and Innovation (CCI). For more than 140 years, Michigan Tech has served the citizens of Michigan by aligning its educational and research mission with the needs of industry. This building is a bold next step in fulfilling that charge. Designed to accelerate workforce development, strategic industry partnerships, and interdisciplinary innovation, the CCI will serve as a dynamic hub for preparing Michigan's future leaders in business, computing, and digital transformation. By bringing together the College of Business and the state's first College of Computing under one roof, this facility will not only meet today's economic demands but also shape the prosperity of tomorrow.

Rank (two years in a row)	Project Name	Gross Sq. Ft. New	Gross Sq. Ft. Renovated	Total Project Costs (000's)	Est. Const. Univ. Funds (000's)	FY Start/ FY End
1	Center for Convergence and Innovation (CCI)	110,000	0	87,000	57,000	2026/2030

Center for Convergence and Innovation (CCI): The Center for Convergence Innovation (CCI) will help position Michigan's economy as a leader in digital transformation through cutting edge research, workforce development, and strategic partnerships. According to the Michigan Bureau of Labor, the state expects a 8.5 percent increase in workforce demand for business and financial operations, a 9.1 percent increase for management, and an 11.9 percent increase for computer and mathematical operations - cumulatively generating over 58,000 projected new jobs by 2030. Michigan Tech's College of Computing has grown greater than 10% in each of the past three years and remains on track to double in size by the end of the decade. Michigan Tech's College of Business grew by over 20% this year. Together, the two colleges account for more than 95% of MTU's growth this year and almost 25% of MTU's total graduate enrollment. In addition, both colleges have the highest enrollment in their history. The CCI also aligns with Michigan's "60x30" and economic prosperity goals by supporting innovations in computing, connectivity, sensorization, and business in this new age of digital transformation.

Congruent with the state's long-term economic transformation, the project will provide a place for existing business, data science, and computing programs to converge and spur new degree programs, entrepreneurial projects, outreach to businesses and communities, increased industry and government funding for research, and the development of a highly agile workforce prepared to implement digital transformation solutions throughout Michigan. Students and employees from the College of Business and College of Computing will be commingled to promote cross-disciplinary collaboration, innovation, and entrepreneurship.

The design of the building will intentionally promote connections among faculty and students across colleges. Reconfigurable spaces and theme-based shared digital lab facilities will be spread throughout. Additional features of the building will include convergence centers of excellence (fintech, cybersecurity, data science and business analytics, health informatics, and tech-based entrepreneurship), active-learning, computer-learning and online learning classrooms, flexible collaboration spaces open to all, student learning centers, open access conference rooms, a

reconfigurable digital maker space, entrepreneurship training hall, and large, mid- and small-sized lecture halls. In addition to meeting Michigan Tech's convergence needs, this building will facilitate continued aggressive growth in areas that will help Michigan reach its goal of Talent Retention/Attraction. The estimated investment of \$87,000,000 will allow Michigan Tech's Colleges of Business and Computing to realize their combined potential and ensure Michigan's future economic prosperity.