

## **FOR IMMEDIATE RELEASE**

### **Statement in Response to Sara Cambensy's Allegations Regarding the Redevelopment of the Former Marquette General Hospital Campus**

**August 5, 2022**

Marquette – Outgoing State Representative Sara Cambensy issued a press release and sent a letter to the Honorable Attorney General Dana Nessel last week impugning the actions of, among others, Veridea Group, LLC and its CEO, Robert Mahaney. In so doing, Rep. Cambensy besmirched the integrity of Veridea and Mr. Mahaney, as well as the NMU Foundation, Northern Michigan University, LifePoint Hospital, City of Marquette staff and commissioners, and numerous individuals and entities that have, collectively and collaboratively, worked to advance the economic viability and quality of life in the Marquette area, as well as the greater Upper Peninsula.

Ms. Cambensy's baseless allegations are meritless and reckless. Veridea has responded in detail to the legal assertions with a letter to Attorney General Nessel, a copy of which is attached. We are compelled to respond here to several additional charges made by Cambensy:

- During his seven-plus years serving on the NMU Board of Trustees, Mr. Mahaney has proactively disclosed all potential or real conflicts of interest to the NMU Board and its legal counsel, including any arising from the potential redevelopment of the former Marquette General Hospital campus (the "MGH Campus").
- Mr. Mahaney is unaware of any recent changes to the Board's conflict of interest policies. The last change known to him was made in 2015, three years before LifePoint attempted to sell the MGH Campus.
- Mr. Mahaney's spouse and Veridea's President, Mary D. Mahaney, has made no political contributions to Commissioner Hill. This thinly veiled accusation of "political payoff" is not only a complete lie, but a direct insult to the integrity of Mr. and Mrs. Mahaney, as well as Commissioner Hill.
- Veridea and Mr. Mahaney were not involved in the drafting of the RFQ related to the MGH Campus, the timelines established by the NMU Foundation, or the vetting and selection process. Veridea first saw the RFQ when it became publicly available on the Foundation's website on March 11, 2022.
- The Foundation issued an RFQ, not an RFP. There is a significant difference between the two in terms of detail required and time allotted to respond.
- Mr. Mahaney has never engaged in negotiations or communicated with Apollo Group, the hospital's ultimate owner.
- Outside of the brownfield request with the City, Veridea has had no involvement in the procurement of public funds. In fact, Mr. Mahaney first learned of the \$8 million State Blight Elimination appropriation the evening prior to the Legislature's vote on the matter.

There are too many false statements and baseless assertions contained in Ms. Cambensy's letter to correct each one at this time.

Ms. Cambensy made all of her charges and assertions without ever once reaching out to Veridea or Mr. Mahaney with her concerns.

Veridea's willingness to assist in the redevelopment of the MGH Campus stems from a very simple philosophy. We care about our community. We live here. Marquette is home to many of our 300+ employees. With over thirty years of real estate development experience in Marquette and the UP, Veridea has successfully led similar redevelopment projects: Liberty Way (the former Bunny Bread factory site), the historic Kaufman Block (downtown Marquette), the new hotel under construction in downtown Iron Mountain, and the former Kmart site in Menominee. Veridea has the expertise, local market knowledge, and resources to make the redevelopment of this 20+ acre blighted site a success for our community. However, projects of this magnitude require the involvement and support of the many partners involved in this effort: the NMU Foundation, the City Commissioners of Marquette, Mayor Jenna Smith, City Manager Karen Kovacs and her staff, the MEDC, the many legislators that have supported this project, the Marquette Brownfield Authority, LifePoint and many other individuals.

The MGH Campus creates a very costly and challenging development situation owing to the need to perform environmental clean-up and demolish all of the 11 existing buildings at a cost expected to reach \$20 million before significant new construction can begin. These costs are commonly funded with public sector economic development tools (brownfield and MEDC programs for example), and in some instances, direct State appropriations. Our community is fortunate that these partners have worked together to secure this record level of State support for a UP project. It demonstrates the strong statewide support behind this redevelopment effort.

Had these funds not been awarded to this project, the community would have lost \$20 million of needed funding and 20+ acres of blight would remain indefinitely in the heart of Marquette.

Securing this type of funding requires collaboration and commitment. It is not collusion or a "scheme", as Ms. Cambensy suggests. It is a smart use of available economic development tools that will greatly benefit the surrounding neighborhood, the City of Marquette, NMU and ultimately the Upper Peninsula.

Veridea Group is proud of our involvement in the MGH Campus redevelopment. We have operated at all times with integrity, transparency and honesty. The claims and innuendos made by Representative Cambensy and her collaborators are patently false and we welcome the opportunity to further demonstrate that. Veridea welcomes a meeting with Representative Cambensy, in a public forum, to address any concerns she or the public may have.

**Questions from media can be submitted in writing to** Michele D. Thomas, Director of Development [mthomas@VerideaGroup.com](mailto:mthomas@VerideaGroup.com) (906) 228-3900