



Mike Pikiel Discusses Henry Ford Health Campus' Central Utility Plant Deal with *IJGlobal*

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Winston & Strawn partner Mike Pikiel was quoted in an IJGlobal article discussing the recent Henry Ford Health (HFH) central utility plant deal. The central utility plant project is part of the larger Henry Ford Health System's Detroit South Campus Project and will provide hot and chilled water to the to-be-constructed hospital and shared services building.

HFH has partnered with Provident Group – HFH Energy to develop the plant and related system improvements. During the term of the project agreement, the Health System will lease the utility system land to Provident Group – HFH Energy and the improvements will be owned by them. Once the project agreement expires or is terminated, the land and improvements will revert to the Health System so the project is owned by a 501(c)(3), which allows for the issuance of tax exempt 'qualified 501(c)(3) bonds.'

"It was a solution we thought we could make work," said Mike.

"The project itself is unique in a sense that a 501c3 owns the project and the land, and the Health System is going to use all the output from the facility. Inserting another 501c3 in the structure – the counterparty into the project agreement – allows some of the requirements for qualified 501c3 bonds to be satisfied," he added.

When asked about the outlook for the market following this deal Mike stated, "I do think there will be more central utility plants undertaken on a going forward basis. Whether they can be done on a tax-exempt financing basis or not will depend upon the specifics of a project but I do think there is more opportunity in the space for health systems, colleges, universities and even big corporates and industrials."

[Read the full article \(subscription required\).](#)

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