



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

February 22, 2022

10:00AM

I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES

III. COMMUNICATIONS

IV. CONSENT AGENDA

- a. Proposed Meeting Minutes: January 25, 2022. 3
- b. Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment..... 13
- c. Business Incubator Program: Gateway Representative Awards Amendments..... 19
- d. Ann Arbor SPARK: STEM Internships and Startups Program Grant Amendment..... 54
- e. City of Three Rivers/American Axle & Manufacturing Inc. Project: CDBG Amendment .. 60
- f. Revitalization and Placemaking Program Guidelines Amendment 70

V. COMMUNITY VITALITY

- a. Gemini Capital Management XIII, LLC/235 W. Saginaw Street: A resolution to approve an MCRP performance-based Other Economic Assistance – Loan Participation with Isabella Bank in the amount of \$1,920,000 and a Brownfield Act 381 Work Plan including state tax capture in the amount of \$130,060..... 82
Capital Investment: \$4,065,759; Location: Village of Merrill
- b. CDBG Broadband A resolution to approve up to \$5,200,000 from the CDBG Coronavirus Aid, Relief and Economic Security (“CARES”) funds for the Broadband Infrastructure Audit & Validation Project 102
- c. Bagley Development Group, LLC – United Artist Building: A resolution to amend the existing MCRP Other Economic Assistance – Loan Participation Award repayment structure and amend the minimum owner equity requirement to the amount of \$2,500,000..... 108
Location: City of Detroit

VI. BUSINESS INVESTMENT

- a. Michigan International Technology Center Redevelopment Authority/Parcel 13 Brownfield Redevelopment Project: A resolution to approve a Brownfield Act 381 Work Plan including state tax capture in the amount of \$15,637,752..... 118
Capital Investment: \$38,729,726; Job Creation: 300 jobs; Locations: Township of Plymouth and Township of Northville
- b. LM Manufacturing, LLC: A resolution to approve an MBDP Grant in the amount of \$2,000,000..... 129
Capital Investment: \$18,100,000; Job Creation: 390 jobs; Location: City of Detroit
- c. Michigan Central Innovation District, LLC: A resolution to allocate \$7,500,000 in FY22 funding to support new programs in the Michigan Central Innovation District for a three-year term with the ability to allocate additional funds..... 136
Job Creation: 2,500 jobs; Location: City of Detroit

- d. Dana Limited: A resolution to approve an MBDP Grant in the amount of \$1,500,000. 145
Capital Investment: up to \$9,000,000; Job Creation: 150 jobs; Location: City of Novi

VII. CAPITAL ACCESS

- a. Cadillac Place Office Building: A resolution to authorize the issuance of the Series 2022 Bonds in an amount not to exceed \$90,000,000 to refund the Bonds to Be Refunded. 153

VIII. INFORMATIONAL

- Delegation of Authority Report..... 161

**NOTE:* Hyperlinked bookmarks are included on this page to aid document navigation - click on the project title to access the project memo.

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
January 25, 2022**

Members Present

Britany L. Affolter-Caine
Susan Corbin
Paul Gentilozzi
Quentin L. Messer, Jr.

Members joined remotely

Paul Ajegba
Ronald W. Beebe
Rachael Eubanks
Charles P. Rothstein
Susan Tellier
Cindy Warner

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 8:31 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with an option to participate virtually via Microsoft Teams.

Mr. Messer introduced Amiee Evans, Chief of Staff, who conducted the attendance roll call.

II. PUBLIC COMMENTS

Ms. Evans explained the process for members of the public to participate. David Coulter, County Executive for Oakland County, and State Representative Angela Witwer expressed support for the General Motors project in Orion Township and Delta Township/Lansing. Trevor Keyes, President & CEO of Bay Future Inc., expressed support for the Wilkinson Minerals project in Bay City.

III. COMMUNICATIONS

Ms. Evans advised Board members that the Quarterly Report of the Chief Compliance Officer was provided to them in the briefing packet. She also advised Board members that they received a revised meeting packet which included the consent agenda resolution and that the Bagley Development Group, LLC item was removed from the agenda. She noted that letters were received from State Senator Jim Stamas and State Representative Annette Glenn in support of the Dow, Inc. project in Midland; the letters are attached to the minutes.

IV. CONSENT AGENDA

Resolution 2022-005 Approval of Consent Agenda Items

Mr. Messer asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Ronald W. Beebe motioned for the approval of the following:

- a. Proposed Special Meeting Minutes: January 11, 2022
- b. Grow Michigan: Appointment to Board of Managers – **2022-006**
- c. Detroit Food Commons, LLC: MCRP Grant Amendment – **2022-007**
- d. Lofts on 820, LLC: MCRP Loan Participation Amendment – **2022-008**

Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Ajegba joined the meeting at 8:47 a.m.

V. BUSINESS INVESTMENT

a. Resolutions 2022-009, 2022-2010 & 2022-2011 General Motors LLC, Ultium Cells LLC/City of Lansing, Lansing Economic Area Partnership: Critical Industry Program Grant, 18-Year Renewable Energy Renaissance Zone/MSF-Designated Renaissance Zone, and Strategic Site Readiness Program Grant

*Josh Hundt, Executive Vice President and Chief Business Development Officer, provided the Board with information regarding these action items. The actions involve approval of a \$600,000,000 Critical Industry Program Grant, Renewable Energy Renaissance Zone/MSF Designated Renaissance Zone for 18 years, and \$66,100,000 Michigan Strategic Site Readiness Program Grant to support expansions in Orion Township (Oakland County) and the City of Lansing (Delta Township, Eaton County). The project is expected to result in total capital investment of up to \$6,500,000,000 and the creation of up to 4,000 jobs. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2022-009. Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Cindy Warner then motioned for the approval of Resolution 2022-010. Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Finally, Paul Gentilozzi motioned for the approval of Resolution 2022-011. Cindy Warner seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Mr. Messer introduced Jennifer Nelson, MEDC's new Chief Operating Officer, and noted she would chair the meeting after his departure. He left the meeting at 9:08 a.m. and Ms. Nelson joined the meeting on his behalf.

b. Resolution 2022-012 City of Bay City Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Wilkinson Minerals Redevelopment Project)

*Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$4,918,442 to support a business development project in the City of Bay City. The project is expected to result in total capital investment of \$164,000,000 and the creation of 80 jobs. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-012. Ronald W. Beebe seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

c. **Resolution 2022-013 City of Harper Woods Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Eastland Mall Redevelopment Project)**

Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$4,700,352 to support a business development project in the City of Harper Woods. The project is expected to result in total capital investment of \$94,000,000 and the creation of 550 anticipated jobs. Following discussion, Susan Tellier motioned for the approval of Resolution 2022-013. Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

d. **Resolution 2022-014 City of Midland / Dow, Inc.: 15-Year MSF Designated Renaissance Zone**

Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of an MSF Designated Renaissance Zone for 15 years to support modernization of key silicones manufacturing and research and development assets at Dow Inc.'s Michigan operations in the City of Midland. The project is expected to result in total capital investment of \$150,000,000 and the retention of 800 jobs. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-014. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

e. **Resolution 2022-015 Industry 4.0 (I4.0) Signature Initiative Implementation Grants: Requests for Proposals, Allocation of Funding, Joint Evaluation Committee, and Scoring and Evaluation Criteria**

Natalie Chmiko, Vice President of PMBC & International Trade, provided the Board with information regarding this action item. The action involves approval of a Request for Proposals (RFP) in the amount of \$3,000,000 to solicit proposals from eligible organizations to increase Michigan manufacturers' I4.0 awareness, preparedness, and technology adoption through implementation grants, appointment of a Joint Evaluation Committee (JEC) to review proposals received in response to the I4.0 RFP, and adoption of scoring and evaluation criteria to be used by the JEC in its review of responses to the I4.0 RFP. Following discussion, Susan Tellier motioned for the approval of Resolution 2022-015. Rachael Eubanks seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VI. COMMUNITY VITALITY

a. **Resolution 2022-016 Bottom One Percent, LLC: Michigan Community Revitalization Program Loan Participation Amendment (Dreamtroit Project)**

*Julius Edwards, Senior Commercial Real Estate Investment Manager, provided the Board with information regarding this action item. The action involves approval of an amendment to a Michigan Community Revitalization Program direct loan agreement to increase the award by \$506,100 to \$3,000,000, convert the award to a \$1,500,000 performance-based direct loan and a \$1,500,000 performance-based grant, and waive the 1% fee associated with the forbearance agreement for the Dreamtroit Project in the City of Detroit. Following discussion, Susan Corbin motioned for the approval of Resolution 2022-016. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Rachael Eubanks left the meeting at 10:03 a.m. and Andrew Lockwood joined the meeting on her behalf.

VII. ADMINISTRATIVE

a. **Resolution 2022-017 Michigan Community Revitalization Program: Guidelines Amendment**

*Lori Mullins, Managing Director of Community Development Incentives, provided the Board with information regarding this action item. The action involves approval of an amendment to the Michigan Community Revitalization Program Guidelines to make modifications to changes that were incorporated in the last version of the guidelines in October 2020 to address questions and support customer needs identified since the program guidelines were last revised. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-017. Ronald W. Beebe seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Susan Corbin left the meeting at 10:05 a.m. and John Groen joined the meeting on her behalf.

VIII. CAPITAL ACCESS

a. **Resolutions 2022-018, 2022-019 & 2022-020 State Small Business Credit Initiative 2.0-Michigan Business Growth Fund (SSBCI 2.0-MBGF): Approval of Programs and Guidelines, Allocation of Funds, and Delegation of Authority**

*Chris Cook, Director of Capital Access, provided the Board with information regarding these action items. The actions involve approval for the creation and operation of SSBCI 2.0-MBGF and its related programs and guidelines, delegation of authority to the MSF President or MSF Fund Manager to execute all documents necessary for MSF to receive SSBCI federal funding and effectuate approved SSBCI awards, and delegation of authority to the MSF President, MSF Fund Manager, and State Treasurer, with only two required to act, to approve SSBCI 2.0 funded projects in the amount of \$5,000,000 or less (with the exception of the Venture Capital Program), and to reallocate up to 15% of all SSBCI 2.0 funds among the SSBCI-MBGF programs. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-018. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

John Groen then motioned for the approval of Resolution 2022-019. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Finally, Ronald W. Beebe motioned for the approval of Resolution 2022-020. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

IX. INFORMATIONAL

The MSF delegated authority report for the period November 1 to December 31, 2021, was included in the meeting packet.

Ms. Nelson adjourned the meeting at 10:30 a.m.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen in addition to Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

Quentin L. Messer, Jr.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



MICHIGAN SENATE

JIM STAMAS

APPROPRIATIONS CHAIRMAN

January 25, 2022

Mr. Quentin L. Messer, Jr., Chairman
Michigan Strategic Fund
300 North Washington Square
Lansing, Michigan 48913

Dear Chairman Messer,

I am writing in support of the City of Midland's application to establish a Michigan Strategic Fund Designated Renaissance Zone to support investments by The Dow Chemical Company and Dow Silicones Corporation within the Company's Michigan Operations I-Park in Midland.

Dow has been headquartered in Midland, Michigan, since its founding in 1897, and currently operates more than 100 manufacturing and/or R&D-focused sites in over 30 countries globally. The Company has been undertaking steps to review and optimize its operations to position itself for future growth. With the approval of the MSF Designated Renaissance Zone, Dow estimates it will invest at least \$150,000,000 in new construction and renovations within the City of Midland by 2027 and retain at least 800 jobs.

These types of projects serve as economic catalysts for our community and the state of Michigan. We expect these investments to enable growth for the company, retain high paying jobs in our community, and position our region for ongoing investments in facilities and operations. Importantly, the City of Midland and Dow have agreed to a payment in lieu of tax agreement with respect to existing property within the proposed Renaissance Zone to preserve the city's existing tax base.

In summary, I support the City of Midland's request to establish a Renaissance Zone to support new investments by The Dow Chemical Company and Dow Silicones Corporation and ask the Michigan Strategic Fund to approve this request at its January 25 meeting.

Sincerely,

A handwritten signature in black ink that reads "Jim Stamas".

Jim Stamas
State Senator
36th District

JS/ck



98TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

ANNETTE GLENN

STATE REPRESENTATIVE

PHONE: (517) 373-1791
FAX: (517) 373-9480
AnnetteGlenn@house.mi.gov
www.RepGlenn.com

January 24, 2022

Quentin L. Messer, Jr.
Chairperson, Michigan Strategic Fund Board
Michigan Economic Development Corporation
300 North Washington Square
Lansing, MI 48913

Dear Michigan Strategic Fund Board,

We are writing in support of the City of Midland's application to establish a Michigan Strategic Fund Designated Renaissance Zone to support investments by The Dow Chemical Company and Dow Silicones Corporation within the Company's Michigan Operations I-Park in Midland.

Dow has been headquartered in Midland, Michigan, since its founding in 1897, and currently operates more than 100 manufacturing and/or R&D-focused sites in over 30 countries globally. The Company has been undertaking steps to review and optimize its operations to position itself for future growth. With the approval of the MSF Designated Renaissance Zone, Dow estimates it will invest at least \$150,000,000 in new construction and renovations within the City of Midland by 2027, and retain at least 800 jobs.

These types of projects serve as economic catalysts for our community and the state of Michigan. We expect these investments to enable growth for the company, retain high paying jobs in our community, and position our region for ongoing investments in facilities and operations.

Importantly, the City of Midland and Dow have agreed to a payment in lieu of tax agreement with respect to existing property within the proposed Renaissance Zone to preserve the city's existing tax base.

In summary, we support the City of Midland's request to establish a Renaissance Zone to support new investments by The Dow Chemical Company and Dow Silicones Corporation, and ask the Michigan Strategic Fund to approve this request at its January 25 meeting.

Sincerely,

Annette Glenn
State Representative
98th District





MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Denise Grave, University Relations, Entrepreneurship and Innovation

Subject: Funding Allocation for the Michigan Translational Research and Commercialization (MTRAC) Statewide Program, Ag Bio Innovation Hub

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board allocate \$328,975 from the Michigan Translational Research and Commercialization (“MTRAC”) Statewide Program in additional funding for the Michigan State University MTRAC Ag Bio Innovation Hub (the “Request”).

Background

In June 2016, the MSF approved Michigan State University as the MTRAC Statewide Program Ag Bio Innovation Hub (the “Ag Bio Innovation Hub”). The Ag Bio Innovation Hub focuses on commercializing technologies related to food, fuel & fiber including bio-derived/bio-based materials, natural resources, and animal health. As outlined in the program guidelines, the designation as an Innovation Hub and its ability to receive funding from the MSF under the MTRAC Statewide Program is valid for a period not to exceed six (6) years from date of designation.

In October 2020, the MSF Board approved a continuation of hub activities through 6/28/2022 and allocated \$350,000 from the FY2022 MTRAC Program budget to the MTRAC Ag Bio Innovation Hub. The MEDC recommends that the MSF allocate \$328,975 in additional funding to the MTRAC Ag Bio Innovation Hub at MSU.

From January 2017 through September 2021, the MTRAC Ag Bio Innovation Hub has reported the following metrics:

Number of proposals reviewed by Oversight Committee	110
Number of projects funded by Oversight Committee	67
Startups formed	6
Jobs created	5
Licenses and Options	20
Follow on funding	\$91,186,329

Institutions where projects received funding	University of Michigan, Michigan State University, Michigan Technological University, Western Michigan University, Central Michigan University
--	--

Recommendation

MEDC Staff recommends that the MSF Board approve this allocation of \$328,975 through June 28, 2022, from the MTRAC Program budget for the MTRAC Ag Bio Innovation Hub.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-022**

**APPROVAL OF MICHIGAN TRANSLATIONAL RESEARCH
AND COMMERCIALIZATION INNOVATION HUB GRANT AWARD**

WHEREAS, Public Acts 215 and 225 of 2005 (collectively, the “Act”) established the 21st Century Jobs Fund initiative;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for the 21st Century Jobs Fund initiative;

WHEREAS, pursuant to Section 880 of the Act, the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

WHEREAS, on April 26, 2016, the MSF Board 1) created the Michigan Translational Research and Commercialization Program to award grants to Michigan institutions of higher education for the purpose of advancing of competitive edge technologies and bio economy technologies into commercial applications and increasing the number of startups, jobs, industry licenses and investment for Michigan (the “MTRAC Program”) and 2) adopted the MTRAC Program Guidelines;

WHEREAS, on June 28, 2016, the MSF Board designated Michigan State University (“MSU”) as the Innovation Hub for Agriculture-Biology activities, a designation which last for six years under the MTRAC Program (the “Ag-Bio Innovation Hub”);

WHEREAS, on May 19, 2020, the MSF Board approved a grant with an initial amount of \$350,000 and an initial one-year term, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF Board (the “Ag-Bio MTRAC Grant”);

WHEREAS, on October 27, 2020, the MSF Board exercised its option to extend the term of the Ag-Bio MTRAC Grant to June 28, 2022, and allocated \$350,000 in additional funding;

WHEREAS, the MEDC recommends that the MSF Board allocate \$328,975 to support activities of the Ag-Bio Innovation Hub through the remainder of the term (the “Ag-Bio MTRAC Grant Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the Ag-Bio MTRAC Grant Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Ag-Bio MTRAC Grant Amendment Request and authorizes the MSF Fund Manager to take all action necessary to effectuate the Ag-Bio MTRAC Grant Amendment Request, consistent with the terms and conditions of this resolution.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Maggie McCammon, Portfolio Manager

Subject: Business Incubator Program (Gateway Representative) Amendments

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board 1) exercise options to extend and allocate additional funding for Gateway Representative (“GWR”) awards for the 16 existing nonprofit/university SmartZone (“SZ”) administering organizations set forth in the Amendments table below, totaling \$1,600,000 2) award new grants to the two existing nonprofit/university SZ administering organizations with contracts that expire on March 31, 2022 totaling \$200,000 and 3) award a grant to a new GWR: Battle Creek Unlimited Inc., administering the Battle Creek SZ totaling \$100,000 set forth in the New Agreements table so that these 19 nonprofit/university SZ administering organizations may continue to provide regional business incubator GWR services through March 31, 2023 to SmartZones spread across the state as described throughout this memorandum (the “Request”).

Amendments: Extensions to Current Contracts:

SmartZone Location	Grantee (SmartZone Administrator)	Amount of Increase	New End Date	Status
Ann Arbor/Ypsilanti	Ann Arbor SPARK	\$100,000	3/31/23	Contract Extension
Troy	Automation Alley	\$100,000	3/31/23	Contract Extension
Detroit	TechTown Detroit	\$100,000	3/31/23	Contract Extension
Grand Rapids	The City of Grand Rapids SmartZone LDFA	\$100,000	3/31/23	Contract Extension
Jackson	Lean Rocket Lab	\$100,000	3/31/23	Contract Extension
Mt. Pleasant	Central Michigan University Research Corporation	\$100,000	3/31/23	Contract Extension
Lansing	Lansing Economic Area Partnership	\$100,000	3/31/23	Contract Extension



Muskegon	Muskegon Innovation Hub at GVSU	\$100,000	3/31/23	Contract Extension
Midland	Midland Business Alliance	\$100,000	3/31/23	Contract Extension
Kalamazoo	Western Michigan University Homer Stryker M.D. School of Medicine	\$100,000	3/31/23	Contract Extension
Southfield	Lawrence Technological University	\$100,000	3/31/23	Contract Extension
Marquette	Innovate Marquette Enterprise Corporation	\$100,000	3/31/23	Contract Extension
Holland	Lakeshore Advantage	\$100,000	3/31/23	Contract Extension
Adrian/Tecumseh	Lenawee Now	\$100,000	3/31/23	Contract Extension
Houghton/Hancock	Michigan Tech Enterprise Corporation	\$100,000	3/31/23	Contract Extension
Sault Ste. Marie	Sault Ste. Marie Economic Development Corporation	\$100,000	3/31/23	Contract Extension
	Total	\$1,600,000		

New Agreements: SmartZone Contracts that Expired and New Grant:

SmartZone Location	Grantee (SmartZone Administrator)	Award Amount	Initial Term	Status
Rochester Hills	Oakland University Incubator	\$100,000	4/1/22-3/31/23	Contract Expired, New Contract Required
Port Huron	Economic Development Alliance of St. Clair County	\$100,000	4/1/22-3/31/23	Contract Expired, New Contract Required
Battle Creek	Battle Creek Unlimited	\$100,000	4/1/22-3/31/23	New Contract
	Total	\$300,000		

Background

Since 2009 the MSF has provided funding to business incubators to stimulate the creation and continued growth of technology-based businesses and jobs by capitalizing on the State of Michigan's growing base of high technology industry, its skilled labor force, its nationally recognized university system, and the MEDC designated SmartZones and business incubators.

In 2015, the GWR (formerly Gatekeeper) Business Incubator grant program (“Business Incubator Grant”) was established. The Business Incubator Grant is designed to support the SmartZones spread across Michigan. Only SmartZones or those organizations associated with a SmartZone or SmartZone satellite are eligible to receive the Business Incubator Grant. The program was developed in response to the need for a key point of contact at the SmartZones experienced in working with high tech start-ups and with an understanding of the statewide high-tech entrepreneurial ecosystem. The goal of the Business Incubator Grant is to support a GWR at each SmartZone. The Business Incubator Grant pays a portion of the salary, expenses and travel of the GWR for one or two support staff and requires a 1:1 match.

Gateway Representative Responsibilities

The GWR is responsible for all local SmartZone client services, including: welcoming and introducing the tech company to the local ecosystem, providing an overview of the MSF funded Michigan statewide tech ecosystem, recruitment and development of other tech companies in the local SmartZone, local SmartZone business development activities, vetting of local tech companies, providing strategic business guidance, helping companies with fundraising efforts and connecting local tech companies to the various MSF funded entrepreneurial resources available to innovative companies across the State of Michigan. Examples of MSF funded resources are the Small Business Development Center (SBDC Tech team) and BBCetc for SBIR/STTR federal grant application support. The GWR is also responsible for supporting the companies’ applications to other MSF funded tech entrepreneurial programs such as the Business Accelerator Fund, First Capital Fund and Pre-Seed III Fund. Lastly, the GWR is responsible for the semi-annual performance metric reports due to the MEDC. This performance metric data is then used in the annual Legislative report. The geographic distribution of the SmartZones across the state allows for easier access to MSF funded programs by all tech and innovative entrepreneurs regardless of company location. For example, the three SmartZones in the Upper Peninsula (Houghton, Marquette and Sault Ste. Marie) all receive a Business Incubator Grant. In FY21, the GWRs assisted high-tech entrepreneurs through the pandemic by implementing virtual incubators and platforms to continue assisting companies remotely with their commercialization efforts.

There are currently 18 funded GWRs statewide, all with Business Incubator Grants ending March 31, 2022. 16 of these GWRs are eligible to have their current Business Incubator Grants extended. Two GWRs (Port Huron and Rochester Hills SmartZones) need a new Business Incubator Grant award. Lastly, the Battle Creek SmartZone is spinning back up after a dormant period and a Gateway Grant is warranted (details below in memo body). The funding requested here will support services in 19 regional SmartZones spread across Michigan through March 31, 2023.

Results

In FY 2021, the GWRs reported the following performance metrics:

High tech companies served	1,280
High tech companies created	174
New jobs created	1,441
Retained jobs	2,723
Follow-on-Funding	\$242,184,298

New Sales/increase in revenue \$159,936,596

Diversity data (reported since April 2020) tracks percentage assistance to a) businesses located in an SBA designated HubZone or an Opportunity Zone and b) diverse businesses (minority-, women-, socially/economically disadvantaged- or veteran-owned) with at least 51% ownership.

Detailed are individual results for each of the current 18 Business Incubator Grants by initial grant date. Civil and criminal background checks for all 18 GWRs and for Battle Creek Unlimited Inc. have been completed in accordance with the MSF Background Review Policy.

Results:

FY19 Business Incubator Gateway Representative Grants

On February 26, 2019, the MSF Board selected Ann Arbor SPARK (SPARK), Automation Alley, Techtown Detroit, the City of Grand Rapids SmartZone LDFA and The Enterprise Group of Jackson for a one-year GWR award with subsequent re-funding. The award to The Enterprise Group of Jackson has since been transferred to Lean Rocket Lab (LRL).

- **Ann Arbor SPARK (SPARK), Ann Arbor/Ypsilanti SmartZone (\$100,000 over 12 months):** SPARK was initially awarded \$150,000 for a GWR based at the SPARK East Innovation Center with primary focus on eastern Washtenaw County and a portion of the salary and expenses of a GWR based at the SPARK Central Innovation Center. They were awarded an additional \$150,000 to extend the grant through March 31, 2021 and then \$100,000 to extend the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, SPARK has achieved the following metrics:

- New companies formed: 52
- New jobs created: 516
- Traditional companies served: 0
- Tech companies served: 280
- Follow on funding: \$35,145,000 with an additional \$22,739,974 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	16%
Assistance to diverse businesses	53%

Below is a testimonial from one of their clients:

I just want to say a HUGE THANK YOU so much for all of your help during the Spark program. I know I wasn't even meant to be in this session and was a last-minute edition. I have learned so much – the advisors you've assigned me were absolutely phenomenal. During this session, I worked hard behind the scenes to fundraise and Melanie and Scott were absolutely instrumental in helping me close it. I cannot say enough how generous they were with their time, always pitching in at a moment's notice despite the fact their diaries are full. Without their help, I certainly wouldn't have

been chosen as 1 of the 5 companies today. Kayo also was so quick to respond with any question I had despite not even being my coach... I will be putting this on my LinkedIn, but I am truly grateful for being part of SPARK and all the relationships I have built.'

Nadine Lee, Founder and CEO, Throdle Inc.

- **Automation Alley, Troy SmartZone (\$100,000 over 12 months):** Automation Alley was initially awarded \$100,000 to cover the salary of the GWR in 2019. They were awarded an additional \$100,000 to extend the grant through March 31, 2021 and then awarded \$100,000 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, Automation Alley has achieved the following metrics:

- New companies formed: 4
- New jobs created: 42
- Traditional companies served: 17
- Tech companies served: 49
- Follow on funding: \$6,677,000 with an additional \$1,194,535 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	18%
Assistance to diverse businesses	41%

Below is a testimonial from one of their clients:

'From day one of our collaboration with Automation Alley the journey has been of incredible value for Andonix. As the thought leader for Industry 4.0 in Michigan Automation Alley has built a tremendously valuable community for any emerging technology company that operates in this space, bringing together all the key players in the State. This has allowed Andonix a platform from which to share some of its own thought leadership and to do so to an amplified audience of prospective customers. Automation Alley furthermore has helped Andonix accelerate its go to market initiatives in Michigan, while also tapping a wealth of resources that are vital to a technology startup: anything from management support on tactical execution to strategy workshops, access to funding, grants, and programs that operate at the State level designed to advance a broader agenda to help Michigan transform its industrial age economy to a digital empowered one. What is also incredible is the cordial relationship with the professionals that work at Automation Alley and their sense of urgency in advancing the mission that joins us all. Andonix could not have wished for a better partner and we are deeply grateful for the ongoing collaboration.' - Oliver Theiss, CRO, Andonix

- **TechTown Detroit, Detroit SmartZone (\$100,000 over 12 months):** TechTown Detroit was initially awarded \$100,000 to pay part of the salary of a Tech-based Programs Director to act as the GWR. They were awarded an additional \$100,000 to extend the grant through March 31 2021 and then awarded \$100,000 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, TechTown has achieved the following metrics:

- New companies formed: 11

- New jobs created: 26
- Traditional companies served: 381
- Tech companies served: 27
- Follow on funding: \$1,232,722 with an additional \$335,369 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	45%
Assistance to diverse businesses	71%

Below is a testimonial from one of their clients:

‘TechTown has offered the necessary footing I needed to begin operating as a more formal business. There are multiple disciplines regarding team growth, fundraising, startup mentality and more that I had rudimentary knowledge of, but in working with TechTown I leveled up quickly! It felt great to know I wasn't alone in my struggles; advisors and cohorts were always open, willing, and proactive in giving me insights to truly consider. I'm extremely appreciative TechTown harbored my startup at a time I needed it most, the results are tangible and their support continues to bear fruit.’ - John Wolff, owner of Kaimon International

- **The City of Grand Rapids SmartZone LDFA, Grand Rapids SmartZone (\$100,000 over 12 months):** The City of Grand Rapids was initially awarded \$100,000 with MSU as the service provider and the GWR based at MSU Innovations. They were re-funded at \$55,000 through March 31, 2021 and then awarded \$100,000 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, GR has achieved the following metrics:

- New companies formed: 11
- New jobs created: 10
- Traditional companies served: 0
- Tech companies served: 58
- Follow on funding: \$1,488,551 with an additional \$456,636 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	0%
Assistance to diverse businesses	34%

Below is a testimonial from one of their clients:

‘Our Grand Rapids Gateway Representative connected us to the Business Accelerator Fund and helped advise us through the application process. The services we received allowed us to upgrade our marketing efforts significantly, and not only put us on the map but helped us stand out in the crowded education technology space.’ – John Sorensen, CEO, Student Achievement Systems

- **Lean Rocket Lab (LRL) Jackson SmartZone (\$100,000 over 12 months):** The Enterprise Group of Jackson was initially awarded \$150,000 and re-funded at \$150,000 through March 31, 2021. On

February 29, 2019, the MSF Board approved transfer of the remainder of grant to LRL with an additional \$100,000 for GWR activities through March 31, 2022.

From October 1, 2020 through September 30, 2021, Enterprise Group of Jackson/LRL has achieved the following metrics:

- New companies formed: 4
- New jobs created: 29
- Traditional companies served: 80
- Tech companies served: 194
- Follow on funding: \$32,337,000 with an additional \$1,779,130 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	100%
Assistance to diverse businesses	48%

Below is a testimonial from one of their clients:

‘On behalf of VersaWare Technologies, a Lean Rocket Lab and Centropolis Accelerator Client, I would like to highlight my sincerest of gratitude towards the services these programs have offered to our time in Michigan. Having relocated from California to pursue an entrepreneurial vision that would not have been possible without Brandon and Ken’s fervent involvement in my startup’s success, I could not stand here and state that the decision to do so was not made from any uncertainty about these gentlemen’s desire to simply help entrepreneurs build successful companies. I’m happy to say that my intuition has not proven otherwise. It is with great confidence that I can say I would recommend the Lean Rocket Lab to any confused or early-stage entrepreneurs looking to take advantage of the lean startup method; a philosophy that is undeniably found deeply intertwined within the fabric of their foundation.’ - Jacob Lindberg, Co-Founder & Acting President – VersaWare Technologies

FY20 Business Incubator Gateway Representative Grants

On February 25, 2020 the MSF Board selected Central Michigan University Research Corporation (CMURC), Lansing Economic Area Partnership (LEAP), Muskegon Innovation Hub (MIH), Midland Business Alliance (MBA), Western Michigan University Homer Stryker M.D. School of Medicine (WMed) and Lawrence Technological University (LTU) for a one-year GWR award with subsequent one-year re-funding.

- **Central Michigan University Research Corporation (CMURC), Mt. Pleasant SmartZone (\$100,000 over 12 months):** CMURC was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, CMURC has achieved the following metrics:

- New companies formed: 6
- New jobs created: 43
- Traditional companies served: 578

- Tech companies served: 68
- Follow on funding: \$830,500 with an additional \$371,980 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	43%
Assistance to diverse businesses	28%

Below is a testimonial from one of their clients:

'CMURC offers a different atmosphere in which we are able to learn and grow our business. We were amazed by the resources available through the accelerator program at CMURC and are extremely grateful they work with us. Since joining CMURC in 2015, Maternal 911 has expanded across 9 states, where 23 health systems and 300 participants are currently utilizing the program.' -Shelly Betancourt, CEO & Co-founder, Maternal 911

- **Lansing Economic Area Partnership (LEAP), Lansing SmartZone (\$100,000 over 12 months):** LEAP was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, LEAP has achieved the following metrics:

- New companies formed: 12
- New jobs created: 31
- Traditional companies served: 0
- Tech companies served: 81
- Follow on funding: \$7,849,451 with an additional \$5,316,265 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	70%
Assistance to diverse businesses	45%

Below is a testimonial from one of their clients:

'Scion Plasma LLC is a high-tech startup spun off from Michigan State University. Since being established in 2018, Scion Plasma has received valuable support from LEAP, such as the application for Business Accelerator Funds (BAF), business development consulting, and marketing. In particular, the BAF funds have allowed Scion Plasma LLC to successfully develop a series of ion source prototypes for customer evaluation, which is critical to the growth of the company's business. The services from LEAP are highly efficient and effective and Scion Plasma LLC looks forward to continuing to work with LEAP in the development of its business.' -Li Qin Zhou, President, Scion Plasma LLC

- **Muskegon Innovation Hub (MIH), Muskegon SmartZone (\$100,000 over 12 months):** MIH was awarded \$60,000 on February 25, 2020 with a subsequent award of \$61,000 on February 23, 2021 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, MIH has achieved the following metrics:

- New companies formed: 5
- New jobs created: 6
- Traditional companies served: 83
- Tech companies served: 25
- Follow on funding: \$861,569 with an additional \$868,840.00 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	45%
Assistance to diverse businesses	29%

Below is a testimonial from one of their clients:

'The Muskegon Innovation HUB has provided me with office space, inventor training, consulting, inventor networking, funding, and professional contacts. None of these opportunities would have happened on my own. Additionally, regular individual consulting with Associate HUB Director, Tom Hopper, is an amazing benefit to help guide individuals stay on track with project objectives on a weekly basis. The HUB staff has also been very helpful providing office support and start up fund guidance and recommendations which enabled me to obtain my first Business Accelerator Fund. The professional contact recommendations from the HUB staff and other businesses working within the HUB have been invaluable providing contacts for specific design and engineering firms. In summary, I could not have progressed on my invention if I was working in a home office. The professional atmosphere of the HUB has given me the opportunity to accelerate and have confidence in a successful launch of my invention project.' - David Cox, owner Jumping Jack Ski Seat, LLC

- **Midland Business Alliance, Midland SmartZone (\$100,000 over 12 months):** MBA subcontracts with CMURC, with 1/3 of the funding going to MBA and 2/3 going to CMURC. MBA was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, MBA has achieved the following metrics:

- New companies formed: 9
- New jobs created: 15
- Traditional companies served: 65
- Tech companies served: 57
- Follow on funding: \$550,500 with an additional \$353,276 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	31%
Assistance to diverse businesses	30%

Below is a testimonial from one of their clients:

'CMURC and the Midland ecosystem have played a critical role in helping us to get Accelerated Filtration off the ground and we want to thank you for your continued support.' - Scott Burr, CEO, Accelerated Filtration, Inc.

- **Western Michigan University Homer Stryker M.D. School of Medicine (WMed), Kalamazoo SmartZone (\$100,000 over 12 months):** WMed was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, WMed has achieved the following metrics:

- New companies formed: 5
- New jobs created: 59
- Traditional companies served: 0
- Tech companies served: 34
- Follow on funding: \$19,428,869 with an additional \$81,871,722 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	44%
Assistance to diverse businesses	50%

Below is a testimonial from one of their clients:

'The WMed Innovation Center Smartzone has helped our startup enormously! Sandra has been a pleasure to work with and she has helped connect our team with various individuals to streamline our progress and growth. The Business Accelerator Fund has also helped our company file a provisional patent for our device, allowing us to expand and put our prototypes in the hands of many future stakeholders. Finally, the WMED KVT has helped us sharpen our pitch and prepare for the future. We are thoroughly excited to continue working with the WMed Innovation center Smartzone in the new year.' - Trevor McMahon, Co-Founder of Instrumental Med Design

- **Lawrence Technological University Centrepolis Accelerator (LTU), Southfield SmartZone (\$100,000 over 12 months):** LTU was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, LTU has achieved the following metrics:

- New companies formed: 19
- New jobs created: 80
- Traditional companies served: 30
- Tech companies served: 131
- Follow on funding: \$91,203,000 with an additional \$12,256,886 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	40%
Assistance to diverse businesses	45%

Below is a testimonial from one of their clients:

'Our experience working with Centrepolis Accelerator has been exceptional! Dan Radomski is a truly dedicated professional who goes above and beyond. He is extremely knowledgeable and quick to recognize opportunities which are beneficial to your individual business needs. Dan makes himself available around the clock to help in any way possible. Dan and Centrepolis has made it possible for us to make connections that otherwise would not have been possible. We appreciate the assistance immensely!' - Jill Van Straten, CEO, Van Straten Enterprises

FY21 Business Incubator Gateway Representative Grants

On February 23, 2021 the MSF Board approved new award agreements for the following GWRs whose original contracts had run full term: Innovate Marquette Enterprise Corporation (IMQT), Lakeshore Advantage, Lenawee Now, Michigan Tech Enterprise Corporation (MTEC) and the Sault Sainte Marie Economic Development Corporation (SSM).

- **Innovate Marquette Enterprise Corporation (IMQT), Marquette SmartZone (\$100,000 over 12 months):** IMQT was awarded \$100,000 for a one-year grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, IMQT has achieved the following metrics:

- New companies formed: 6
- New jobs created: 3
- Traditional companies served: 20
- Tech companies served: 24
- Follow on funding: \$221,469 with an additional \$30,540 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	18%
Assistance to diverse businesses	20%

Below is a testimonial from one of their clients:

'Working with the Innovate Marquette Smartzone has been key to our success. They are a welcoming and hard-working group that has tons of expertise in the world of startups. They've assisted us in nearly all aspects of our business, from marketing, networking, and business development to intellectual property and ideation. If you are pursuing a business idea and don't know where to turn, there is no greater resource than the Innovate Marquette Smartzone.' - Jacob Soter, Founder, SwimSmart Technology LLC

- **Lakeshore Advantage, Holland SmartZone (\$100,000 over 12 months):** Lakeshore Advantage was awarded \$100,000 for a one-year grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, Lakeshore Advantage has achieved the following metrics:

- New companies formed: 4

- New jobs created: 31
- Traditional companies served: 23
- Tech companies served: 50
- Follow on funding: \$6,764,673 with an additional \$1,379,337 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	4%
Assistance to diverse businesses	18%

Below is a testimonial from one of their clients:

'We have enjoyed the tireless support of the Lakeshore Advantage team for our startup endeavor. They have been instrumental in helping us with funding, office space, and advice as we have developed our business. This includes support with the Michigan Business Accelerator Fund. We would not have been able to achieve our results to date without the strong support of Lakeshore Advantage.' - Dana Lowell, CEO, Lilypad Labs

- **Lenawee Now, Adrian and Tecumseh SmartZone (\$100,000 over 12 months):** Lenawee Now was awarded \$100,000 for a one-year grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, Lenawee Now has achieved the following metrics:

- New companies formed: 2
- New jobs created: 2
- Traditional companies served: 20
- Tech companies served: 12
- Follow on funding: \$1,700,000 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	0%
Assistance to diverse businesses	33%

Below is a testimonial from one of their clients:

'Against the backdrop of the second year of our country's pandemic, my company searched for and found opportunities to create momentum and improve awareness within our segment. In the past four quarters, Lenawee Now has been an objective and intelligent guide... a "waypoint" for both our company CEO... and a true coach to contributing team members. They continue to provide scalable guidance to our company - and to me personally - with a clear and objective understanding of my business goals and growth challenges facing my company. I believe their participation in our business development plans helped make our 2021 momentum possible.' - Edward Eng, CEO, MediSite

- **Michigan Tech Enterprise Corporation (MTEC), Houghton/Hancock SmartZone (\$100,000 over 12 months):** MTEC was awarded \$100,000 for a one-year grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, MTEC has achieved the following metrics:

- New companies formed: 7
- New jobs created: 80
- Traditional companies served: 24
- Tech companies served: 49
- Follow on funding: \$24,441,995 with an additional \$24,881,251 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	33%
Assistance to diverse businesses	19%

Below is a testimonial from one of their clients:

‘MTEC has allowed us to grow from a new startup with two partners to a thriving small business with a total headcount of 12 and annual revenues expected to hit \$2M in 2022’ - Rob Sweet, Superior Technologies, LLC

- **Sault Ste. Marie Economic Development Corporation (SSM EDC), Sault Ste. Marie SmartZone, (\$100,000 over 12 months):** SSM EDC was awarded \$100,000 for a one-year grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, SSM has achieved the following metrics:

- New companies formed: 0
- New jobs created: 37
- Traditional companies served: 21
- Tech companies served: 0
- Follow on funding: \$590,000 with an additional \$62,633 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	100%
Assistance to diverse businesses	71%

Below is a testimonial from one of their clients:

“In the fall of 2018, we expanded some of our Engineering and Project Management resources to the Sault Ste Marie area and opened an office in the Smart Zone Building to allow us to work with LSSU in hiring and bringing some of their young engineering talent into our growing organization. This has been a successful and rewarding expansion, a major reason for our success in the Sault has been a result of our being tenants with the Sault EDC. The support they offer and commitment to your success as a growing company goes above and beyond expectations. The Sault EDC staff, facilities, and support structure they can provide an organization looking to relocate or start up in the Sault Ste Marie area, will help you on your path to being a growing and thriving business for many years to come. Thank You Jeff, Nicole, and the entire EDC staff for your continued support to our long-term growth in the Sault Area!”

Brian Truman, Project Manager, Omni Metalcraft Corp.

FY22 Business Incubator Gateway Representative Grants

On April 27, 2017 the MSF Board issued a request for proposals for the purpose of awarding grants to business incubators to stimulate the creation and continued growth of technology-based businesses and jobs and on June 27, 2017, the MSF selected OUInc (Rochester Hill SZ) and EDA of St. Clair County (Port Huron SmartZone) for 2-year grants. The MSF subsequently approved their refunding December 18, 2018 with an end date of March 31, 2020. The MSF subsequently approved their refunding on February 25, 2020 for an additional year ending March 31, 2021. Lastly the MSF approved the final extension to the grants, which expire March 31, 2022. This exhausts the amendments allowed under the current agreements. In order to continue GWR activities at these SmartZones, new one-year grants are requested, with the option to extend for an additional four years and allocate additional funding, at the sole discretion of the MSF.

- **Oakland University Incubator (OUInc), Rochester Hills SmartZone (\$100,000 over 12 months):** OUInc was initially awarded \$199,625 over a two-year period (July 1, 2017- June 30, 2019). They were re-funded for an additional 9 months at \$74,860 extending the grant to March 31, 2020, then awarded \$99,813 extending the grant to March 31, 2021 and then awarded \$100,000 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, OUInc has achieved the following metrics:

- New companies formed: 10
- New jobs created: 26
- Traditional companies served: 0
- Tech companies served: 119
- Follow on funding: \$7,256,408 with an additional \$4,299,453 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	0%
Assistance to diverse businesses	20%

Below is a testimonial from one of their clients:

'OU Inc has played a pivotal role in enabling 300 Medical to meet its goals and accomplish its objectives. As a tenant, 300 Medical has not only benefited from the use of OU Inc facility, but our networking relationships developed with other tenant clients have expanded our horizons. Accelerator funding, and BAF grants have given our team the ability to plan, organize and execute our marketing plan, document results of our clinical trials, and develop a training template for our patient education platform. The access to, and guidance from OUs Research Office, including the Research Office, have been invaluable in multiple aspects of improving the match of our product functionality with our customer wants and needs. In essence, 300 Medical has become a better

company, in a relative short period of time, because of OU Inc., its resource team, and especially its Manager of Client Services.’ - Fred Martino-DiCicco, CEO, 300 Medical

- **Economic Development Alliance of St. Clair County, Port Huron SmartZone (\$100,000 over 12 months):** EDA of St. Clair County was initially awarded \$121,800 over 2 years (July 1, 2017- June 30, 2019). They were re-funded for an additional 9 months at \$45,675 extending the grant to March 31, 2020, then awarded \$60,900 extending the grant through March 31, 2021 and then awarded \$70,000 extending the grant to March 31, 2022.

From October 1, 2020 through September 30, 2021, EDA has achieved the following metrics:

- New companies formed: 6
- New jobs created: 22
- Traditional companies served: 28
- Tech companies served: 22
- Follow on funding: \$5,305,591 with an additional \$101,400 in new sales

They also reported the following diversity data for FY 2021:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	28%
Assistance to diverse businesses	34%

Below is a testimonial from one of their clients:

‘Our first year with EDA and The Underground Incubation program has been spectacular! Not only did we get substantive advice from seasoned professionals on complex operational and marketing issues, but financial support from MEDC/Automation Alley that was sponsored by EDA. These services and funds were essential for our continued development. Now, heading into our second year, we are close to being ready to raise operating capital and launch our IQxCloud technology. We deeply appreciate the professional attention we have received from the Port Huron EDA / Underground. They “walk the talk!”’ — Dennis L. Thomas, CEO of I Q Strategix

- **Battle Creek Unlimited Inc. (BCU), Battle Creek SmartZone (\$100,000 over 12 months):** The Battle Creek SmartZone, administered by Battle Creek Unlimited, has been dormant for approximately three years. Battle Creek in their initial SmartZone plan that was approved by the MEDC and the Michigan Department of Treasury focused on aeronautics. Battle Creek has pivoted to their strength, which is based around food technology. There is much innovation yet to be implemented in the food industry. Battle Creek Unlimited has partnered with the Kellogg Foundation in restarting their SmartZone activities. The “Battle Creek-Food Reimagined” initiative will function as an independent marketing arm of the community, dedicated to recruiting and developing next generation and innovative food companies focused on grain/plant-based food products. The initiative will function under Battle Creek Unlimited (BCU), which is an independent 501(c)3 dedicated to the Battle Creek Community. The governance of BCU includes a board of directors comprised of private, public, and philanthropic partners. Offices will be located in downtown Battle Creek to allow for frequent liaison with food resources, assets other food-related businesses and the Downtown Small Business Development team. The “Center” will include a food laboratory, test kitchen, freezer and dry storage, and meeting areas. The development of the “Tiger

Room Incubator” is both serendipitous and reflective of the multiple efforts undertaken by other community activists who also see the future for Battle Creek in the food arena. Funding and in-kind services to be provided by a diverse group of public/private entities including the City of Battle Creek, Battle Creek Unlimited, Kellogg Co., the WK Kellogg Foundation, the Battle Creek Community Foundation and possible seed funding from the EDA. Deliverables include building a national awareness of Battle Creek as a magnet for next generation/innovative food companies and people interested in grain/plant-based food innovation, helping to create startups based in the food industry, and to recruit companies and people dedicated to food innovation in the areas of next generation and innovative grain/plant-based food.

Recommendation

MEDC Staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-023**

2019 BUSINESS INCUBATORS GRANT AMENDMENTS

WHEREAS, Public Acts 215 and 225 of 2005 (“Act”) established the 21st Century Jobs Trust Fund initiative;

WHEREAS, MCL 125.2088k authorizes the Michigan Strategic Fund (“MSF”) Board to award grants and loans for basic research, applied research, university technology transfer, and commercialization of products, processes and services to encourage the development of competitive edge technologies to create jobs within the State of Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF;

WHEREAS, on December 18, 2018, the MSF Board issued a request for proposals (“RFP”) to award grants to business incubators to stimulate the creation and continued growth of technology-based businesses and jobs (the “Business Incubators RFP”); appointed a joint evaluation committee (“JEC”) to evaluate the proposals received in response to the Business Incubators RFP; and adopted scoring and evaluation criteria to be used by the JEC;

WHEREAS, on February 26, 2019, the MSF Board authorized grants to the following entities for the initial terms and award amounts listed below, with the option to extend the grants for up to an additional four years and allocate additional funds at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Ann Arbor SPARK	4/1/19-3/31/20	\$150,000
Automation Alley	4/1/19-3/31/20	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/20	\$100,000
Enterprise Group of Jackson	4/1/19-3/31/20	\$150,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/20	\$100,000

(the aforementioned, collectively, the “2019 Business Incubator Grants”);

WHEREAS, on February 25, 2020, the MSF Board exercised its first option to extend and allocate additional funds to the 2019 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/19-3/31/21	\$150,000
Automation Alley	4/1/19-3/31/21	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/21	\$55,000
Enterprise Group of Jackson	4/1/19-3/31/21	\$150,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/21	\$100,000

WHEREAS, on February 23, 2021, the MSF Board exercised its second option to extend and allocate additional funds to the 2019 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/19-3/31/22	\$100,000
Automation Alley	4/1/19-3/31/22	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/22	\$100,000
Enterprise Group of Jackson	4/1/19-3/31/22	\$100,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/22	\$100,000

WHEREAS, on February 23, 2021, the MSF Board approved assignment of the 2019 Business Incubator Grant with Enterprise Group of Jackson to the Lean Rocket Lab;

WHEREAS, the MEDC recommends that the MSF Board exercise its third option to extend and allocate additional funds to the 2019 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/19-3/31/23	\$100,000
Automation Alley	4/1/19-3/31/23	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/23	\$100,000
Lean Rocket Lab	4/1/19-3/31/23	\$100,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/23	\$100,000

(the aforementioned, collectively, the “2019 Business Incubator Grants Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 2019 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2019 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, MSF Fund Manager is authorized to negotiate the final terms and conditions of the 2019 Business Incubator Grants Amendment Request and to execute all documents necessary to effectuate the 2019 Business Incubator Grants Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-024**

2020 BUSINESS INCUBATOR GRANT AWARDS

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”);

WHEREAS, pursuant to Section 88b(2)(c) of the MSF Act, MCL 125.2088b(2)(c), funds appropriated to the MSF for purposes of carrying out the MSF Act shall be expended or invested for activities authorized under the MSF Act as long as those activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

WHEREAS, on February 25, 2020, the MSF Board authorized grants to the following entities for the initial terms and in the initial amounts listed, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Central Michigan University Research Corporation	4/1/20-3/31/21	\$100,000
Lansing Economic Area Partnership	4/1/20-3/31/21	\$100,000
Lawrence Technological University	4/1/20-3/31/21	\$100,000
Macomb-Oakland University Incubator	4/1/20-3/31/21	\$100,000
Midland Business Alliance	4/1/20-3/31/21	\$100,000
Muskegon Innovation Hub	4/1/20-3/31/21	\$60,000
WMU Homer Stryker M.D. School of Medicine	4/1/20-3/31/21	\$100,000

(the aforementioned, collectively, the “2020 Business Incubator Grants”); and

WHEREAS, on February 23, 2021, the MSF Board exercised its first option to extend and allocate additional funds to the 2020 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Central Michigan University Research Corporation	4/1/20-3/31/22	\$100,000
Lansing Economic Area Partnership	4/1/20-3/31/22	\$100,000
Lawrence Technological University	4/1/20-3/31/22	\$100,000
Midland Business Alliance	4/1/20-3/31/22	\$100,000
Muskegon Innovation Hub	4/1/20-3/31/22	\$61,000
WMU Homer Stryker M.D. School of Medicine	4/1/20-3/31/22	\$100,000

WHEREAS, the MEDC recommends that the MSF Board exercise its second option to extend and allocate additional funds to the 2020 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Central Michigan University Research Corporation	4/1/20-3/31/23	\$100,000
Lansing Economic Area Partnership	4/1/20-3/31/23	\$100,000
Lawrence Technological University	4/1/20-3/31/23	\$100,000

Midland Business Alliance	4/1/20-3/31/23	\$100,000
Muskegon Innovation Hub	4/1/20-3/31/23	\$100,000
WMU Homer Stryker M.D. School of Medicine	4/1/20-3/31/23	\$100,000

(the aforementioned, collectively, the “2020 Business Incubator Grants Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 2020 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2020 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the 2020 Business Incubator Grants Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-025**

2021 BUSINESS INCUBATOR GRANT AWARDS

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”);

WHEREAS, pursuant to Section 88b(2)(c) of the MSF Act, MCL 125.2088b(2)(c), funds appropriated to the MSF for purposes of carrying out the MSF Act shall be expended or invested for activities authorized under the MSF Act as long as those activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

WHEREAS, pursuant to Section 7(c) of the MSF Act, the MSF Board has the power to make grants;

WHEREAS, on February 23, 2021, the MSF Board authorized grants to the following entities for the initial terms and in the initial amounts listed, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Economic Development Corporation of the City of Sault Ste. Marie	4/1/21-3/31/22	\$100,000
Innovate Marquette Enterprise Corporation	4/1/21-3/31/22	\$100,000
Lakeshore Advantage	4/1/21-3/31/22	\$100,000
Lenawee Now	4/1/21-3/31/22	\$100,000
Michigan Tech Enterprise Corporation	4/1/21-3/31/22	\$100,000

(the aforementioned, collectively, the “2021 Business Incubator Grants”);

WHEREAS, the MEDC recommends that the MSF Board exercise its first option to extend and allocate additional funds to the 2021 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Economic Development Corporation of the City of Sault Ste. Marie	4/1/21-3/31/23	\$100,000
Innovate Marquette Enterprise Corporation	4/1/21-3/31/23	\$100,000
Lakeshore Advantage	4/1/21-3/31/23	\$100,000
Lenawee Now	4/1/21-3/31/23	\$100,000
Michigan Tech Enterprise Corporation	4/1/21-3/31/23	\$100,000

(the aforementioned, collectively, the “2021 Business Incubator Grants Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 2021 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2021 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the 2021 Business Incubator Grants Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-026**

2022 BUSINESS INCUBATOR GRANT AWARDS

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”);

WHEREAS, pursuant to Section 88b(2)(c) of the MSF Act, MCL 125.2088b(2)(c), funds appropriated to the MSF for purposes of carrying out the MSF Act shall be expended or invested for activities authorized under the MSF Act as long as those activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

WHEREAS, pursuant to Section 7(c) of the MSF Act, the MSF Board has the power to make grants;

WHEREAS, the MEDC recommends that the MSF Board approve grants to the following entities for the initial terms and in the initial amounts set forth in the table below, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Battle Creek Unlimited	4/1/22-3/31/23	\$100,000
Economic Development Alliance of St. Clair County	4/1/22-3/31/23	\$100,000
Oakland University Incubator	4/1/22-3/31/23	\$100,000

(the aforementioned, collectively, the “2022 Business Incubator Grants”); and

WHEREAS, the MSF Board wishes to approve the 2022 Business Incubator Grants.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2022 Business Incubator Grants; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the 2022 Business Incubator Grants.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads "Britany Affolter-Caine".

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Maggie McCammon, Portfolio Manager

Subject: MI STEM Forward Tech Internship Program amendment

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board approve a) additional funding of \$1,000,000 for the MI STEM Forward Tech Internship Program to enable operations to continue through March 2023, b) amendment to the intern eligibility requirements and c) exercise the first of four options to extend the term by one year. (“the Request”).

Background

On March 23, 2021 the MSF Board approved the \$9 million Talent Expansion Signature Initiative, which included \$1.5 million for the Tech Talent Expansion: STEM Internships and Startups program from the FY 2021 Business Attraction and Community Revitalization program.

The objective of the STEM Internships program is talent retention of Michigan’s STEM college graduates to directly address the unmet need for tech talent through exposure to STEM occupations across Michigan, with the goal of program participants ultimately remaining in Michigan. The funding was awarded to Ann Arbor SPARK to expand their existing internship program statewide and has been marketed as the MI STEM Forward Tech Internship Program (“the Program”).

Results

Despite operating for less than 12 months, the MI STEM Forward Tech Internship Program has already become established as a high impact feature of the state’s entrepreneurial ecosystem. The Program has been powerfully and effectively marketed by SPARK since its launch in May 2021 and has enjoyed almost 2 million Social Media Impressions¹ including 31,782 visits to the MI STEM Forward website, 234,410 Google Ad Impressions² and 211,735 views of MI STEM Forward videos across social media platforms (as of November 2021). In addition, SPARK has established new direct connections across the state, including all of the MEDC SmartZones, four non-SmartZone referring entities and 26 Michigan institutes of higher education.

As a result, 1,227 students have applied to the program, 100% of which have been evaluated within 2 weeks, leading to 159 intern placements through 82 executed company agreements (as of December 2021). Some example testimonials are included here:

¹ A measure of how many people viewed the MI STEM Forward social media campaigns

² A measure of how many people viewed the MI STEM Forward Google Ad campaigns

The MI STEM Forward program has been a great partnership for us...it's not only about the experience in the moment with the intern, but it's about having them want to come back and join the organization long term."

Deanne Davidson, Vice President, Rhombus Energy Solutions

"Not only have these gifted students been a great add to the company but it's a joy to see them understand science in action while adding further relevance to the classes they take. In fact, some of our interns have "caught fire", so to say, and have gained newfound motivation to pursue careers in sciences. Without the program none of this would have occurred."

Steve Tokarz, CEO Stabilux Biosciences, Inc.

Eligibility requirement changes are requested in two areas:

1) To include students who have permanent residency in the State of Michigan but are attending (or graduated within the past 12 months from) a college or university in another state. This change is directly in line with the program's goals of retaining talent in the state by allowing MI STEM Forward to facilitate internships for students who may otherwise not have as strong of ties to their home state.

Proposed modification (in bold):

- Students must be enrolled and in good standing or have graduated within the past year at a Michigan institution of higher education **or be enrolled and in good standing or have graduated in the past year from an out of state institution but can list a physical address in the state.**

2) Enabling interns who have completed an internship placement through the program to apply for and receive additional placements during a single contract year. When this request has been made of the program, it reflects the level of impact that the engagement has had for both the company and intern. Allowing for successful internships to continue would increase the chances of that student feeling connected to their industry, more ingrained in their community, and make becoming a full-time employee a far more likely outcome.

Proposed modification (in bold):

- Internships may be on a full-time (40 hours per week) or part-time (20 hours per week) basis. The maximum award amount per internship placement is \$3,000 for a full-time position or \$1,500 for a part-time position. **Students may be eligible for additional internship placements within each contract period.**

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-027**

**STEM INTERNSHIPS AND STARTUPS PROGRAM GRANT
TO ANN ARBOR SPARK**

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF;

WHEREAS, pursuant to Section 88b(2)(c) of the MSF Act, MCL 125.2088b(2)(c), funds appropriated to the MSF for purposes of carrying out the MSF Act shall be expended or invested for activities authorized under the MSF Act as long as those activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

WHEREAS, the authorized creation of a program aimed at increasing the rate at which Michigan science, technology, engineering and mathematics (“STEM”) college graduates finding meaningful employment in Michigan by funding a portion of the costs of an intern placement with Michigan-based companies (the “STEM Internships and Startups Program”);

WHEREAS, on March 23, 2021, the MSF Board approved a grant of \$1,500,000 to Ann Arbor SPARK to support the STEM Internships and Startups Program with an initial term of one year, with the option to extend the term for up to an additional four one-year terms and allocate additional funding at the sole discretion of the MSF (the “Ann Arbor SPARK Grant”);

WHEREAS, the MEDC recommends that the MSF Board 1) exercise its first option to extend the term of the Ann Arbor SPARK Grant for an additional one year term; 2) allocate \$1,000,000 in additional funding; and 3) amend the intern eligibility requirements under the STEM Internships and Startups Program (the “Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Amendment Request; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the Amendment Request and to execute all documents necessary to effectuate the Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor



MEMORANDUM

Date: February 22, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jeremy Webb, Sr. Business Development Project Manager
Lenore Costa, Sr. Program Specialist, Community Development Block Grant
Subject: Community Development Block Grant (“CDBG”) Program Approval Amendment
American Axle & Manufacturing, Inc. (“Company”)
City of Three Rivers (“City”), County of St. Joseph

Request

The Company is requesting an amendment to the CDBG approval to reduce the Base Employment Level from 1,217 to 1,157 and restructure the grant disbursements as outlined in the attached Term Sheet (collectively, the “CDBG Amendment Request”).

Background

On June 22, 2021, the MSF approved a \$2,000,000 CDBG grant for the City and the Company was awarded a 100% SESA Exemption for up to five years valued at up to \$468,888 for its \$40,608,000 Eligible Investment in Eligible Personal Property. The project is anticipated to create up to 100 new jobs.

The Company has begun, with approval from MEDC CDBG staff, investing in the project. To date, the Company has invested \$20,351,800 in machinery and equipment for the project that is not tied to the CDBG grant identified machinery. Additionally, the Company anticipates the capital investment required to complete the project will increase by \$13,257,000, bringing the total to \$53,865,000.

The Base Employment Level of 1,217 was established at the time of the originally executed Term Sheet dated February 24, 2021. During the time between February and the MSF Board approval, the Company experienced a reduction in employment. This reduction was due to significant reductions in production schedules provided to the Company by its key customers due to ongoing semiconductor chip shortages. Further, the Company’s customers are indicating that these reduced levels are expected to continue into 2022 and perhaps into 2023 due to expected long-term constraints on chip availability for conventional internal combustion vehicles. As a result, the Company is requesting we reduce the Base Employment Level to reflect the number of jobs as of the June 22, 2021, MSF Board meeting. Additionally, the Company is requesting the disbursement of the CDBG funds be broken into four disbursements instead of one as originally approved.

Company Background

The Company was founded in 1994 with three facilities in Michigan, two facilities in New York, and total sales of approximately \$1.5 billion. Headquartered in Detroit, Michigan, the Company is a global tier 1 supplier that designs, engineers, and manufactures systems and technologies for the automotive industry. Today, the Company has a broad, global footprint with 80 facilities in 17 countries and total sales of \$6.6 billion. Within the State of Michigan, the Company has 16 facilities, employing over 3,300 associates, with the largest facility located in Three Rivers, Michigan, which employs over 1,000 associates.

Recommendation

The MEDC Staff recommends approval of the CDBG Amendment Request, as outlined in the attached resolution.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-028**

**APPROVAL OF THREE RIVERS CITY/AMERICAN AXLE & MANUFACTURING
AMENDMENT REQUEST**

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State’s economic development functions and programs and their accompanying powers in the Michigan Strategic Fund (“MSF”);

WHEREAS, Executive Order 1999-1 transferred from the Michigan Jobs Commission to the MSF all authority, powers, duties, functions, grants, and responsibilities, including the functions of budgeting, procurement, personnel, and management related functions, of the Community Development Block Grant (“CDBG”) program.

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants.

WHEREAS, the CDBG program staff reviewed the American Axle & Manufacturing amendment request (“Project”) in light of the Criteria and HUD regulations and concluded the activities are eligible.

WHEREAS, staff recommends approval of the Project: and

WHEREAS, pursuant to SFCR 10.1-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards or decisions approved under the CDBG program.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Project subject to available CDBG funding; and

BE IT FURTHER RESOLVED, consistent with SFCR 10.1-1(3), the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the Project, subject to available CDBG funding.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022

MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Performance Based Grant - Term Sheet

The following is a summary of the highlights of the proposed project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Michigan Community Development Block Grant Program (“CDBG”). While the CDBG is operated and funded through the MSF, recommendation for approval of a CDBG incentive award is presented by the Michigan Economic Development Corporation (“MEDC”) to the MSF.

- Date:** February 8, 2022
1. **Community Name (“Grantee”):** City of Three Rivers
2. **Company Name (“Company”):** American Axle & Manufacturing, Inc.
3. **Company Address (“Project”):** 1 Manufacturing Drive
Three Rivers, Michigan 49093
4. **Project Description and Activities:** CDBG Eligible Activities include the purchase of machinery and equipment for automotive manufacturing. The Company is a global tier 1 supplier that designs, engineers, and manufactures systems and technologies for the automotive industry. Currently, the Three Rivers site manufactures front and rear drive axles for a heavy-duty and a disconnecting AWD system. The estimated \$40,608,000 total investment allows for the purchase of machinery and equipment to add new drivelines for two new pickup truck programs that are anticipated to launch in the first quarter of 2023.
5. **Total Estimated Project Costs:** \$40,608,000
6. **CDBG Grant Incentive Type:** Machinery and Equipment performance-based grant
7. **CDBG Grant Amount:** \$2,000,000 (5.1% of the total final project costs)

In no event shall the amount of the grant assistance exceed more than five point one (5.1) percent of the Total Estimated Project Costs. If the actual cost is less than shown in the Total Estimated Project Costs, the amount of the Grant shall be reduced on a proportional basis. Funds will be made available to the community on a reimbursement basis for eligible costs.

The Company and Grantee shall be responsible for any cost overruns.

8. **Minimum Company Investment:** \$38,608,000
9. **Type of Financing for Investment:** Loan Cash Contribution by the Company and CDBG
10. **Base Employment Level:** 1,157 The number of jobs currently maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company’s Project employment level in Michigan as of the MSF Board date of June 22, 2021. The Base Employment Level, including identification of the Company date used to establish this level, shall be included in the final CDBG Incentive Award agreement (“Agreement”).

(City of Three Rivers/American Axle & Manufacturing, Inc.)

11. Minimum Job Creation: 100 The minimum number of new jobs the Company must create at the Project (above the Base Employment Level), in addition to satisfying other milestones, if applicable, to be minimally eligible to receive the full amount of the CDBG Incentive Award.

New jobs must meet the following requirements to be included:

- *Must be full time (working 35 hours or more per week) or full-time equivalent employees (working 40 hours or more per week) of the company;*
- *At least 51% of the newly created jobs must be filled by low or moderate income persons based on household income. If the project results in more new jobs than expected, then the 51 percent requirement shall apply to the higher job number.*
- *Jobs must be created during the term of the Grant Agreements and must continue to be documented until the project is formally closed out; and*
- *Located at the project site.*

a. Minimum Hourly Wage: \$17 The new jobs must pay at least the Minimum Hourly Wage to be minimally eligible to receive the full amount of the CDBG Incentive Award.

b. Start Date for Measurement of New Jobs June 1, 2022

12. Disbursement Schedule: The final terms and conditions of each of the disbursements for any portion of the CDBG Incentive Award shall be included in the final Agreement, including that before any disbursement is made to the Grantee the Company must have maintained the Base Employment Level (exclusive of the number of New Jobs then created) and any New Jobs created for which disbursement by the MSF have been made, and must otherwise be in compliance with all terms and conditions of the final Agreement.

a. Disbursement Milestone 1: Up to \$500,000 Upon demonstrated creation of 25 Qualified New Jobs above the Base Employment Level and verification of the purchase of the machinery and tooling equipment for the new front and rear axle programs. At least 51% of the newly created positions must be properly documented as being filled by low or moderate income persons based on annual family household income. Job creation and the purchase of machinery and equipment for this milestone must be completed and verified no later than March 31, 2023.

b. Disbursement Milestone 2: Up to \$500,000 Upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 50 Qualified New Jobs) above the Base Employment Level and verification of the purchase of the machinery and tooling equipment for the new front and rear axle programs. At least 51% of the newly created positions must be properly documented as being filled by low or moderate income persons based on annual family household income. Job creation and the purchase of

machinery and equipment for this milestone must be completed and verified no later than June 30, 2023.

c. Disbursement Milestone 3: Up to \$500,000

Upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 75 Qualified New Jobs) above the Base Employment Level and verification of the purchase of the machinery and tooling equipment for the new front and rear axle programs. At least 51% of the newly created positions must be properly documented as being filled by low or moderate income persons based on annual family household income. Job creation and the purchase of machinery and equipment for this milestone must be completed and verified no later than September 30, 2023.

d. Disbursement Milestone 4: Up to \$500,000

Upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 100 Qualified New Jobs) above the Base Employment Level and verification of the purchase of the machinery and tooling equipment for the new front and rear axle programs. At least 51% of the newly created positions must be properly documented as being filled by low or moderate income persons based on annual family household income. Job creation and the purchase of machinery and equipment for this milestone must be completed and verified no later than December 31, 2023.

13. **Project Milestones:** The final terms and conditions of each of the Project Milestones shall be included in the final Agreement. Before any disbursement is made to the Company through the Community, the Company must demonstrate compliance with Project Milestones, as required, and otherwise be in full compliance with all terms and conditions of the final Agreement, and further shall include:

- a) **Property Acquisition Completed:** n/a
- b) **Construction Commencement:** n/a
- c) **Construction Completed:** n/a
- d) **Job Creation Commencement:** June 1, 2022
- e) **Job Creation Completion:** n/a

14. **Term of Agreement:** The term of the Agreement is from execution of the Agreement for a period of two (2) years. This term includes completing all required project activities, including job creation and investment.

15. **Community Support for Project:** A condition for execution of the final Agreement is that the municipality is supportive of the Project through resolution and has committed to serve as the applicant for the CDBG grant.

16. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs was an essential factor in persuading the Grantor that this project is

economically viable, and further, in the absence of this commitment by the Company, this grant would not have been awarded and the Company has verified that the CDBG Funds are not substituted for non-federal funds.

The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantee may require the repayment of the Grant up to the full amount from the Company. The MSF may require the Grantee and Company to execute a Development Agreement that will be acknowledged by the MSF outlining repayment provisions.

17. **Environmental Review:** The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; or performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.
18. **Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of \$2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work. For this project, Davis Bacon requirements apply to none of the Project.
19. **Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:
 - a) Progress Reports beginning July 15, 2022, and every six (6) months thereafter.
 - b) Final Progress Report 60 days after completion of the Term.
 - c) Job Creation Summary Report, along with the corresponding Income Certification Forms, on a six month basis during the Term and at close out.
20. **Public Announcements:** The Company shall not make, or cause, any announcement of the proposed CDBG Incentive Award parameters outlined in this letter before the date of approval by the MSF of the CDBG Incentive Award, unless authorized and coordinated in advance with the MEDC.

This Term Sheet is an outline of the structure of the proposed CDBG Incentive Award and does not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the CDBG Incentive Award contemplated hereby.

It should not in any way be viewed as a commitment by or an obligation of the MEDC, the MSF or any other entity to extend financial accommodations to the Company and is subject to, among other things, the approval of the request under MEDC's internal approval process and by the MSF Board. Any final CDBG Incentive Award is contingent upon several factors, including: (i) submission by the Community of a completed application and all other documentation required under the CDBG; (ii) satisfactory municipality support; (iii) available MSF funding; (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence, as required, the results of which must be satisfactory to the MEDC, the MSF, and as applicable, the Chief Compliance Officer; (v) approval of an award by the MSF; and (vi) execution of a final Agreement

containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

The Company cannot assign this Term Sheet without the prior written consent of the MEDC. If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible CDBG Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by **February 8, 2022**, the MEDC may not be able to proceed with any recommendation to the MSF.

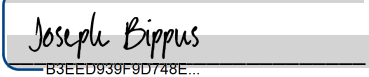
Michigan Economic Development Corporation
By: Jeremy J. Webb
Its: Sr. Business Development Project Manager

Signature:  Dated: 2/8/2022
F93A65BC43E342E...

Acknowledged as received by:
American Axle & Manufacturing, Inc.
By: John Matton
Its: Director, Office of the Chairman & CEO

Signature:  Dated: 2/8/2022
1B9336627BBA4BB...

Acknowledged as received by:
City of Three Rivers
By: Joseph Bippus
Its: City Manager

Signature:  Dated: 2/8/2022
B3EED939F9D748E...

Cc: Christine Whitz, Director, CDBG Program
Lenore Costa, Sr. CDBG Program Specialist
Trevor Friedeberg, Director, Business Development Projects



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund (“MSF”) Board Members

From: Michele Wildman, Senior Vice President, Community Development
Lori Mullins, Managing Director, Community Development Incentives

Subject: Amendment to Revitalization and Placemaking Program Guidelines

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board approve an amendment to the Revitalization and Placemaking Guidelines which were approved by the Board on December 7, 2021.

Background

In order to address negative economic impacts of COVID-19, the State of Michigan fiscal year 2022 budget was approved with \$100 million allocated to community revitalization and placemaking investments that will enable population and tax revenue growth by deploying federal American Rescue Plan Act funds for the revitalization and repurposing of vacant, underutilized, blighted or historic buildings and development of place-based infrastructure. On December 7, 2021, the Michigan Strategic Fund (“MSF”) Board authorized the Revitalization and Placemaking Program (“RAP Program”), adopted the RAP guidelines (“RAP Guidelines”) and delegated certain authority regarding administration of the RAP Program including authority to approve awards of up to \$1 million. The official grant application will be made available for eligible applicants to apply beginning in mid-March and staff anticipates bringing projects to the MSF for consideration of RAP awards this summer.

The RAP Guidelines include considerations for evaluating applications and one of those must be revised due to changes in federal guidance that was made available when Treasury released the State and Local Federal Relief Funds Final Rule (“Final Rule”) on January 7, 2022. The Final Rule provides an expanded set of households and communities that are presumed to be “impacted” and “disproportionately impacted” by COVID-19 as well as expanded guidance on “impacted industries” thus necessitating a change in language in the COVID Response consideration included in the RAP Program Guidelines attached as Appendix A.

Recommendation

MEDC staff recommend that the Michigan Strategic Fund (“MSF”) Board approve the amendment to the RAP Guidelines.

MICHIGAN STRAGIC FUND

**RESOLUTION
2022-029**

**APPROVAL OF AN AMENDMENT TO THE REVITALIZATION AND PLACEMAKING
PROGRAM GUIDELINES**

WHEREAS, the Michigan Strategic Fund (“MSF”) desires to address the impacts of COVID-19 in disproportionately impacted Michigan communities by investing in projects that enable population and tax revenue growth;

WHEREAS, the Michigan legislature appropriated funds to the MSF for community revitalization and placemaking investments;

WHEREAS, under the Michigan Strategic Fund Act, MCL 125.2001, et. seq. (“Act”), and in particular Section 90b of the Act, the MSF has the power to make grants, loans and investments, which includes facilitating economic development in Michigan;

WHEREAS, on December 7, 2021, by Resolution 2021-154 the MSF approved the creation and operation of the Revitalization and Placemaking Program (“RAP Program”) and the guidelines to be utilized for the RAP Program (“RAP Guidelines”) to address the impacts of COVID-19 by investing in projects that rehabilitate vacant and blighted buildings and historic structures and the development of permanent place-based infrastructure;

WHEREAS, The State and Local Federal Relief Funds Final Rule (“Final Rule”) released on January 7, 2022, by Treasury, requires a change to a section of the RAP Guidelines related to COVID-19 impacts;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the RAP Program; and

WHEREAS, the MEDC recommends approval of the proposed amendment to the RAP Guidelines attached (“Guideline Amendment Recommendation”);

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves the Guideline Amendment Recommendation.

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022

REVITALIZATION AND PLACEMAKING PROGRAM GUIDELINES

Program Overview

The Revitalization and Placemaking Program (“RAP Program”) is an incentive program that will proactively deploy \$100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities through rehabilitation of vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. Administered by the Michigan Economic Development Corporation (“MEDC”) on behalf of the Michigan Strategic Fund (“MSF”), this tool provides access to real estate and place-based infrastructure development gap financing in the form of grants of up to \$5 million per project for real estate rehabilitation and development, grants of up to \$1 million for public space place-based infrastructure per project, and grants of up to \$20 million to local or regional partners who develop a subgrant program.

Program Goals

Through the RAP Program, the MSF will partner with local communities to proactively address the negative economic impacts of the pandemic in Michigan communities by investing in projects that promote population and tax revenue growth. These investments will help create the environment necessary to attract and retain talent, add new housing options, enable business creation and attraction and provide resources for Michigan citizens and communities. These investments will help local governments avoid budget crises, retain current residents, and enhance downtown vitality.

Eligible Applicants

Eligible applicants are individuals or entities working to rehabilitate vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure¹ associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. These applicants may include, but are not limited to:

- Non-profits and local economic development organizations;
- Developers; or
- Brownfield Authorities, Downtown Development Authorities, local units of government, local Land Bank Fast Track Authorities² or other entities approved by the MSF.

Eligible Costs

“Eligible Costs” are at least one, or any combination, of the following expenditures:

- a. Acquisition fees or costs for real property;
- b. Fees or costs for alteration, new construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections;
- c. Costs associated with site improvements such as access (including ADA improvements) and streetscaping elements such as lighting, fencing, street furniture, etc.;

¹ Amenity that is not intended to be temporary, including but not limited to a site improvement or building, and that positively contributes to a traditional downtown or a mixed-use area with abundant accommodations for non-motorized transportation.

² Local authority created under Act 258 of 2003.

- d. Fees or costs for site improvements, including a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing;
- e. Fees or costs for the addition of machinery, equipment or fixtures for an approved project;
- f. Professional fees or costs for an approved project for the following services: architectural, engineering, environmental, surveying, insurance, accounting and legal;
- g. Developer fees not to exceed 4% of total project costs;
- h. Other costs associated with real estate or place-based infrastructure development may be considered on a case-by-case basis.

Award Structures and Funding

All awards will be structured as grants with performance milestones and reporting requirements. All awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 (“ARPA”) and comply with its attendant federal regulations, 31 CFR 35, as amended from time to time. Grant awards may be made directly to individual projects, or to local or regional partner organizations for regranting to local communities or projects.

The minimum grant award is \$500,000 and the maximum awards are \$5 million per project for real estate rehabilitation and development, \$1 million per project for public space place-based infrastructure and \$20 million for local or regional partner applicants that develop a subgrant program. Requests for subgrant awards must demonstrate local or regional coordination to implement a revitalization strategy. The following limits are also in place for all projects:

- Grant awards associated with the rehabilitation of vacant and blighted buildings or costs associated with the repurposing of space left vacant as a result of COVID-19 on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment or revitalization of historic properties in coordination with the Michigan Certified Local Government program or other historic redevelopment programs on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment of priority sites identified by certified Michigan Redevelopment Ready Communities (RRC) on a single place-based infrastructure project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the development of permanent place-based infrastructure associated with social-zones³, outdoor dining, etc. for a single project in a traditional downtown shall not exceed the lesser of \$1,000,000 or 50% of Eligible Costs.

Project Considerations

The MSF must incur and expend all RAP Program funding before the ARPA deadline. The most competitive project submissions will clearly address the impacts of the COVID-19 pandemic by responding to the criteria below:

1. Local support and match: All submissions must include a letter of support from the local or regional economic development organization and/or municipality. The most competitive proposals will also include a financial contribution from the local unit of government.
2. Location: Preference will be given to projects located in Federal [qualified census tracts](#) (QCT) and also to projects located in traditional downtowns or traditional commercial corridors.
3. COVID-19 impact: Applicants must address how the proposal is responsive to the negative

³ Area or district established by a local governmental unit (city, village, township, county) under MCL 436.1551

public health and/or economic impacts of the COVID-19 pandemic and complies with all ARPA program requirements.

4. Capacity: The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope.
5. Long-term impacts: Competitive applicants will be able to articulate how the proposal will have a long-term impact in the community including addressing how it will enable growth in population and tax revenue.
6. Projects that include housing must include units that are priced to be attainable to the local workforce including households with less than 120% of the area median income.
7. Financial Viability:
 - Demonstrate long-term financial viability of the project
 - Demonstrate financial need for the project
8. Local and Regional Impact Considerations:
 - Project should demonstrate how it supports the vision and goals stated in the local master plan, downtown plan, capital improvements plan and/or economic development strategy.
 - Project should demonstrate the readiness of infrastructure – utilities, housing, transportation, public transit and other community services. Is project filling available capacity or creating need for new community or state investments in infrastructure/resources?

To help ensure broad geographic distribution across all Michigan regions and in both rural and urban communities, less responsive proposals may be prioritized in some instances so long as the proposal meets programmatic requirements.

All RAP Program agreements shall be memorialized by final written agreement with terms and conditions in accordance with the MSF Act, these RAP Guidelines, MSF approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MSF, and shall include, without limitation, performance-based milestones governing disbursements; repayment provisions and periodic reporting to facilitate the MSF's report to the Michigan legislature and reporting requirements of ARPA. The RAP Program agreements shall also include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-021**

**APPROVAL OF THE FEBRUARY 22, 2022 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, on February 25, 2014, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines;

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently revised by the MSF Board on December 19, 2017 (the “Consent Agenda Guidelines”)

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”); and

WHEREAS, pursuant to the recommendation of the MEDC, the MSF Board wishes to approve the Consent Agenda items listed below.

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Consent Agenda items listed below and identified in the final Consent Agenda for this Board meeting.

Consent Agenda Items:

- a. Proposed Special Meeting Minutes: January 25, 2022
- b. Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- c. Business Incubator Program: Gateway Representative Awards Amendments
- d. Ann Arbor SPARK – STEM Internships and Startups Program Grant Amendment
- e. City of Three Rivers/American Axle & Manufacturing Inc. Project: CDBG Amendment
- f. Revitalization and Placemaking Program Guidelines Amendment

Ayes: Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



February 16, 2022

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, ~~October 27, 2020~~ February 22, 2022.

- Michigan State University: MTRAC Ag-Bio Innovation Hub Grant Amendment
- Business Incubator Program: Gateway Representative Awards Amendments

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads "Britany Affolter-Caine".

Britany Affolter-Caine
Executive Director
Michigan's University Research Corridor



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Joe Frost, Community Assistance Team Specialist
Debbie Stehlik, Commercial Real Estate Investment Manager
Jake Winder, Manager – Community Development Incentives

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Other Economic Assistance – Loan Participation Award and Request for Approval of an Act 381 Work Plan for Gemini Capital Management XIII, LLC, and Saginaw County Brownfield Redevelopment Authority (BRA) – 235 W. Saginaw Street Redevelopment

Project Summary

The request will support a community development project located in the Village of Merrill that will redevelop the two-story former Merrill High School building. This project reactivates the building, originally built in 1937, into a new residential multi-family housing development representing \$4,065,759 in total capital investment. The reactivated building totals 17,449 square feet and will contain approximately 13,251 square feet of residential space and approximately 4,198 square feet of common area space. Upon completion, the property will include 17 market-rate residential rental units – 11 of which will be ADA-compliant – and the new construction of a garage parking structure consisting of approximately 2,630 square feet and containing an estimated 10 interior and 10 exterior parking spaces. The property has been underutilized for the better part of the last two decades. The redevelopment of this functionally obsolete school building will provide much needed housing for the Merrill community. Construction costs for the redevelopment of this property are estimated at \$209 per square foot, which is consistent with similar developments in the region.

A financing gap for this project exists primarily as a result of the projected rents this development can attract for residential space in the small, rural market of Merrill when compared with the high costs of construction. The residential market-rate rents, which range between \$580 and \$1,100 per unit and average \$1.08 per square foot, do not generate sufficient revenue to adequately support the high cost of development associated with the extensive restoration of this functionally obsolete building. Additionally, when comparing the functionally obsolete configuration of the interior of the building with the proposed floor configurations, this 1930s era building was not considered competitive for Federal Historic Tax Credits, limiting the public funding sources available to assist with the extensive financial gap.

The development team has diligently exhausted all other financing options, including bank financing from Isabella Bank valued at \$1,100,000, conditional upon support from the Michigan Strategic Fund board, and a Commercial Rehabilitation Act (CRA) tax abatement. Finally, the Applicant is contributing over \$1,045,759 in cash and land equity or nearly 26%. Even with Michigan Community Revitalization Program loan support, the projected return is anticipated to be below zero over a 20-year time horizon. An MCRP loan participation of \$1,920,000, divided into two loans as detailed in Loan Terms below, and

Brownfield Tax Increment Financing Support valued at \$177,626 with state tax capture of \$130,060, will fill the financing gap and allow the project to remain financially feasible while redeveloping a vacant, functionally obsolete property. The State Historic Preservation Office has reviewed the project and determined that there is no adverse effect associated with the proposal.

Request

Gemini Capital Management XIII, LLC (“Applicant”) is requesting a MCRP performance-based Other Economic Assistance - Loan Participation with Isabella Bank (Lender) in the amount of \$1,920,000 and the Saginaw County Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$130,060 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$4,065,759

Program Summary

The project qualifies for MCRP and Brownfield Tax Increment Financing support because the 235 W. Saginaw Street building is functionally obsolete and qualifies as a facility. The project is consistent with the program requirements because the project involves transforming an underutilized property into a vibrant, multi-family residential building that contributes to the walkability, vibrancy, and density of downtown Merrill. The development results in the immediate creation of seventeen (17) market-rate residential units. The project meets MEDC Strategic Plan and Community Development priorities by developing attractive places, contributing to the density of the community, supporting new business development, as well as providing market-rate housing desperately desired by this rural, mid-Michigan community. This project is a priority for the Village of Merrill because it is reactivating a vacant former school building and creating much-needed downtown residential housing.

Local Support

Local support for the project includes a Commercial Rehabilitation Act (CRA) property tax abatement with an estimated value of \$338,902 over a 9-year period. Additionally, the local portion of the Brownfield Tax Increment Financing request is \$47,566. The Village of Merrill is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program.

Financing Opportunity – Other Economic Assistance – Loan Participation

The senior lender, Isabella Bank, along with the Applicant, has requested the MSF participate in up to \$1,920,000 of a total \$3,020,000 in construction to permanent loan financing. A financing gap exists due to the extensive costs associated with the redevelopment of a building originally constructed in the 1930’s, relatively low market rental rates in the small, rural village of Merrill and the gap between the value and construction costs, a combination that creates the need for subsidy. The development team is contributing nearly 26% equity and has leveraged over \$1,100,000 in senior financing. Below outlines a summary of the development sources and the proposed structure of the loan participation. Even with the financing structure described below, it is anticipated that the investors return over the first 20 years will be below zero and over a 30-year horizon, return is projected at approximately 1.0%. The proposed MCRP loan structure will assist the project in remaining viable long-term as it includes potential deferral or forgiveness based on cash flow at maturity. The evaluation at maturity, described below, will be performed by underwriting staff and any deferral or forgiveness will be approved by the MSF Fund Manager or MSF President based on cash flow available to service debt.

Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	Gemini Capital Management XIII, LLC
Senior Lender:	Isabella Bank or other federally insured lending institution acceptable to the MSF Fund Manager
Total Amount of Loans:	Currently estimated at \$3,020,000
Lender Share:	Currently estimated at \$1,100,000
Total Capital Investment:	Currently estimated at \$4,065,759
MSF Eligible Investment:	Currently estimated at \$3,841,374
Minimum Eligible Investment:	Currently estimated at \$3,840,000
MSF Share:	Up to the lesser of 50% of “Eligible Investment” or \$1,920,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City/Village of Merrill is less than 15,000.
MSF Loan #1:	
MSF Loan Amount:	\$1,000,000
Interest Rate:	1.0% per annum
MSF Fee(s):	Equal to 1.0% of the Loan Amount
Term:	Currently anticipated to be 60 months
Amortization:	Currently anticipated to be 360 months
Repayment Terms:	Monthly interest only for up to 36 months, followed by monthly principal and interest payments, with principal due at maturity.
Collateral:	Shall reasonably match that of Lender, currently anticipated to be a 1 st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, if applicable. MSF share of the collateral will be subordinated to that of the Lender.
Guarantee(s):	To match that of the senior lender, currently anticipated to be the corporate guaranty of all member entities at 125% of their ownership interest. Individuals of a member entity shall provide a personal guaranty equal to 125% of their entities’ ownership level. Personal guaranty, and trusts, if applicable, from all individual or trust LLC members at 125% of their ownership interest. MSF share will be subordinated to that of the Lender.

MSF Loan #2:

MSF Loan Amount:	\$920,000
Interest Rate:	1.0% per annum
MSF Fee(s):	Equal to 1.0% of the loan amount
Term:	Currently anticipated to be 60 months
Repayment Terms:	Monthly interest only payment for 60 months, principal due at maturity. At maturity, an evaluation will be conducted to determine the financial health of the project. Repayment at maturity will occur up to the point where the projected Debt Service Coverage Ratio (DSCR) is 1.25 to 1.00 on all outstanding debt. Any portion of the MCRP Loan #2 that would reduce the DSCR below that threshold would be forgiven. This analysis would be performed using a 1.0% interest rate and 25-year amortization period. Any deferral or forgiveness would be approved by the MSF Fund Manager or MSF President.
Collateral:	Shall reasonably match that of Lender, currently anticipated to be a 1 st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, if applicable. MSF share of the collateral will be subordinated to that of the Lender.
Guarantee(s):	To match that of the senior lender, currently anticipated to be the corporate guaranty of all member entities at 125% of their ownership interest. Individuals of a member entity shall provide a personal guaranty equal to 125% of their entities' ownership level. Personal guaranty, and trusts, if applicable, from all individual or trust LLC members at 125% of their ownership interest. MSF share will be subordinated to that of the Lender.
Reserves:	Approximately \$354,000 in contingencies and reserves.
Developer Fees:	There are no developer or related party fees.
Funding:	The MSF will fund up to \$1,920,000 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none">- Executed Construction Documents (including "Guaranteed Maximum Price" construction contract).- Final Development Budget- Local approval of the PA-210 tax abatement application- Other legal due diligence documentation, as may be required.

Summary of Development Sources:

Bank Share	\$1,100,000	27.06%
MSF Share	\$1,920,000	47.22%
Developer Equity	\$1,045,759	25.72%
TOTAL	\$4,065,759	100.00%

Summary of Development Uses:

Acquisition	\$ 150,135
Hard Construction Costs	\$ 3,649,193
Eligible Soft Costs	\$ 192,181
Other	\$ 74,250
TOTAL	\$ 4,065,759

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the County of Saginaw, has duly approved a brownfield plan on November 16, 2021. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on January 24, 2022, and deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on December 22, 2021.

There are 76.99566 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (31.17%) and local millage equaling 52.99566 mills (68.83%). Tax increment capture will begin in 2023 and is estimated to continue for 11 years. The state tax capture is recommended to be capped at \$130,060, which is the amount of tax increment revenue anticipated to be generated in 11 years. Total MSF eligible activities are estimated at \$177,626. Due to an anticipated Commercial Rehabilitation Act tax abatement, the blended ratio for the MSF eligible activities breaks down as follows:

State tax capture	(73.22%)	\$ 130,060
Local tax capture	(26.78%)	\$ 47,566
TOTAL		\$ 177,626

Cost of MSF Eligible Activities

Demolition	\$ 81,631
Lead, Asbestos, or Mold Abatement	26,745
Sub-Total	\$ 108,376
Contingency (15%)	+ 15,206
Sub-Total	\$ 123,582
Interest (5%)	+ 35,144
Sub-Total	\$ 158,726
Brownfield/Work Plan Preparation	+ 17,000
Brownfield/Work Plan Implementation	+ 1,900
TOTAL	\$ 177,626

In addition, the project is requesting \$43,436 in TIF from EGLE to assist with environmental eligible activities.

Applicant History

Gemini Capital Management XIII, LLC has an extensive history of property management throughout Isabella and Gratiot Counties and currently manages over 100 different rental properties –consisting of 70 commercial and industrial units and 40 residential units. This development is Gemini Capital’s first in Saginaw County. Gemini Capital Management, its principals, and subsequent LLCs have received six previous MCRP grants from the Michigan Strategic Fund (MSF). The previous incentives enabled the successful rehabilitation of 25 residential units, four market-rate commercial spaces, four revitalized historic building facades, and a boutique-style 9-room hotel. These projects have spanned three different communities in Gratiot County and have involved three different community development minded local investment groups. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Appendix A includes a project map and renderings, **Appendix B** addresses the programmatic requirements and **Appendix C** contains the Organizational Chart.

Recommendation

MEDC staff recommends approval of the following (the “Recommendation”):

- a) State tax capture for the Act 381 eligible activities capped at \$130,060 utilizing the current state to local capture ratio.
- b) A MCRP performance-based Other Economic Assistance Loan Participation in the total amount of up to \$1,920,000 for Gemini Capital Management XIII, LLC, in two loans and authorize the Fund Manager or MSF President to forgive MSF Loan #2 as described in the terms above.

APPENDIX A – Project Map and Renderings



APPENDIX B – Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022 the MSF Board amended its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines, and a financial review has been completed.

As required under the MCRP, the following statutory criteria is being considered by the MSF:

A. The importance of the project to the community in which it is located:

Once complete, the 235 W. Saginaw Street Development will contribute to the vibrancy, density, and walkability of downtown Merrill through the creation of seventeen (17) market-rate downtown residential units. This project is a priority for the Village of Merrill because it is reactivating vacant, functionally obsolete space, and creating much-needed downtown residential housing. The completion of this project, directly meets the goals of the Village of Merrill as identified in its Master Plan, by providing a “variety of types of residential development,” and “preserves the character of existing residential areas by encouraging compatible development.”

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:

This proposed project is an adaptive reuse of a former school building. It will act as a catalyst for additional revitalization within the community by creating residential density and enabling additional residents to live directly within the downtown community.

C. The amount of local community and financial support for the project:

The Village of Merrill is financially supporting this project through a Commercial Rehabilitation Act (CRA) property tax abatement valued at \$338,902 over a 9-year period. Additionally, the Saginaw County Brownfield Redevelopment Authority has approved a TIF reimbursement in the amount of \$177,626, the local portion of the Brownfield Tax Increment Financing request is \$47,566.

D. The applicant's financial need for a community revitalization incentive:

A financing gap exists due to the extensive costs associated with redeveloping a functionally obsolete building coupled with the projected rental rates in the small, rural market of Merrill, which are not high enough to justify the cost of construction without assistance to bridge the gap between the value and construction costs. This combination creates the need for subsidy as traditional financing sources are limited by both cash flow and appraised values, both of which are restricted by the rent levels that can be obtained in smaller, more rural areas. The development team is contributing nearly 26% equity and has leveraged over \$1,100,000 in senior financing. Even with the proposed flexible financing structure, it is anticipated that the investors return over the first 20 years will be below zero. The proposed MCRP loan structure will assist the project in remaining viable long-term as it includes potential deferral or forgiveness based on cash flow at maturity. The revitalization of this vacant, functionally obsolete property into a residential development would not be feasible without this support.

E. The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:

The 235 W. Saginaw Street development project reuses and repurposes a large vacant former school building in rural mid-Michigan. The project is not qualifying as historic or blighted. This project fits into the MEDC's community development priorities as it pertains to the revitalization of a community's historic downtown.

F. Creation of jobs:

The project will not result in the creation of new jobs. However, this project will retain four (4) full-time and one (1) part-time maintenance employees, and four (4) full-time administrative employees. With an average hourly wage of \$20 per hour.

G. The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:

The project does not include federal funds, or the use of federal tax credits. The project has been able to secure senior financing from Isabella Bank in the amount of \$1,180,000. Gemini Capital Management XIII, LLC will invest \$895,624 in cash equity into this deal, along with the purchase of the building for \$150,135.

H. Whether the project is financially and economically sound:

Upon achieving stabilized occupancy, it is anticipated the project's debt service coverage ratio will be approximately 1.21 to 1.00, assuming \$1,000,000 of the MSF debt is amortized. The Applicant is contributing over \$1,045,000 or approximately 26% equity to the project and has maximized traditional financing with a \$1,100,000 senior loan. In addition, the proposed MCRP loan structure will assist the project in remaining viable long-term as it includes a potential deferral or forgiveness based on cash flow at maturity.

I. Whether the project increases the density of the area:

The project will not expand the existing building footprint. The 235 West Saginaw Street development project increases the density of the area by creating seventeen (17) new market-rate apartments.

J. Whether the project promotes mixed-use development and walkable communities:

This project promotes a walkable community by renovating a two-story former school building and by creating seventeen (17) new residential apartments. This project fosters and improves a walkable community by creating new enhanced residential living spaces in a downtown development area and will increase foot traffic in the surrounding downtown area.

K. Whether the project converts abandoned public buildings to private use:

This project converts the former Merrill High School building to a residential multi-family development. The ownership prior to this project was private, however as a former school building the property started its history as a public building.

L. Whether the project promotes sustainable development:

This project promotes sustainable development by incorporating the use of energy efficient building systems (HVAC, electrical, plumbing) along with solar collection system on the roof to help offset electrical usage in common areas.

M. Whether the project involves the rehabilitation of a historic resource:

This project involves the rehabilitation of the former Merrill High School constructed in 1937. While the building is not formally designated as a historic resource, the building is older than 50 years, and many of its character defining features will remain as part of this rehabilitation.

N. Whether the project addresses area-wide redevelopment:

The project is a critical element to the area-wide redevelopment of downtown Merrill and the rural western portion of Saginaw County. The proposed redevelopment creates much-needed downtown residential housing.

O. Whether the project addresses underserved markets of commerce:

This project will address the underserved residential market in the Village of Merrill. The Village has not had any significant investment in the downtown area for many years. Saginaw County is currently experiencing a shortage of modern and affordable housing options. There has been little to no investment in new housing options in the Village of Merrill in over 30 years.

P. The level and extent of environmental contamination:

The property is qualifying as a facility and functionally obsolete. Testing shows the need for extensive lead and asbestos removal from the building. Environmental remediation of these conditions will take place to ensure the site is ready for the intended final use.

Q. If the rehabilitation of the historic resource will meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67):

The property is not qualifying as a historic resource. It is qualifying as functionally obsolete.

R. Whether the project will compete with or affect existing Michigan businesses within the same industry:

The project will add new residential and is not anticipated to compete with or affect existing Michigan businesses within the same industry.

S. Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter:

There are no additional criteria pertinent to this project.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:

The unadjusted jobless rate for Saginaw County was 5.9% in November of 2021. This compares to the statewide seasonally adjusted average of 4.2% in November 2021.

B. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:

This project will rehabilitate a functionally obsolete building in the Village of Merrill into a 17,449 square foot residential multi-family development.

C. Whether project will create a new brownfield property in the State:

No new Brownfields will be created by this project.

APPENDIX C - Organizational Chart

Gemini Capital Management XIII, LLC Organizational Structure
Company Name EIN: 85-3476591
 Manager: Ryan Robert Smith

Member	Ownership Interest	EIN	State of Organization
Member/Company name and manager	1.89%		
Mayan LLC DBA The Mayan Agency	1.89%	38-3144098	Michigan
Thomas Mayan	20.00%		
Thomas Mayan II	40.00%		
Rudy Mayan	40.00%		
Member/Company name and manager	7.01%		
QC Properties, LLC	7.01%	26-2783841	Michigan
Doug Clark	50%		
Steve Galgoczi	50%		
Member/Company name and manager	28.03%		
JEK Development, LLC	28.03%	38-3592215	Michigan
James Kremsrieter	98.00%		
Becky Connors	2.00%		
Member/Company name and manager	7.01%		
Kirk Smith Trust	7.01%		
Member/Company name and manager	7.01%		
Tawny Smith Trust	7.01%		
Member/Company name and manager	14.02%		
Du Lac Farms, LLC	14.02%	20-4719191	Michigan
Thomas Tubergen	50%		
Owen Tubergen	50%		
Member/Company name and manager	14.02%		
Ken & Vickie Block Trust	14.02%		
Member/Company name and manager	21.02%		
Ryan SmithTrust	21.02%	21.02%	

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-030**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE – LOAN PARTICIPATION AWARD TO
GEMINI CAPITAL MANAGEMENT XIII, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq., to add Chapter 8C (being MCL 125.2090 – MCL 125.2090(d)), “(the “Act”)” to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MCRP, (“Transaction Documents”);

WHEREAS, the Guidelines require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, Gemini Capital Management XIII, LLC (“Company”) has requested a performance-based Other Economic Assistance Loan Participation of up to \$1,920,000 (“Award Request”), along with other general terms and conditions, which are outlined in the term sheet attached as Exhibit A (“Term Sheet”);

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 180 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (“MCRP Award Recommendation”); and

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MCRP Award Recommendation; and

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate the above approved MCRP Award Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	Gemini Capital Management XIII, LLC
Senior Lender:	Isabella Bank or other federally insured lending institution acceptable to the MSF Fund Manager
Total Amount of Loans:	Currently estimated at \$3,020,000
Lender Share:	Currently estimated at \$1,100,000
Total Capital Investment:	Currently estimated at \$4,065,759
MSF Eligible Investment:	Currently estimated at \$3,841,374
Minimum Eligible Investment:	Currently estimated at \$3,840,000
MSF Share:	Up to the lesser of 50% of “Eligible Investment” or \$1,920,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City/Village of Merrill is less than 15,000.
MSF Loan #1:	
MSF Loan Amount:	\$1,000,000
Interest Rate:	1.0% per annum
MSF Fee(s):	Equal to 1.0% of the Loan Amount
Term:	Currently anticipated to be 60 months
Amortization:	Currently anticipated to be 360 months
Repayment Terms:	Monthly interest only for up to 36 months, followed by monthly principal and interest payments, with principal due at maturity.
Collateral:	Shall reasonably match that of Lender, currently anticipated to be a 1 st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, if applicable. MSF share of the collateral will be subordinated to that of the Lender.
Guarantee(s):	To match that of the senior lender, currently anticipated to be the corporate guaranty of all member entities at 125% of their ownership interest. Individuals of a member entity shall provide a personal guaranty equal to 125% of their entities’ ownership level. Personal guaranty, and trusts, if applicable, from all individual or trust LLC members at 125% of their ownership interest. MSF share will be subordinated to that of the Lender.

MSF Loan #2:

MSF Loan Amount: \$920,000

Interest Rate: 1.0% per annum

MSF Fee(s): Equal to 1.0% of the loan amount

Term: Currently anticipated to be 60 months

Repayment Terms: Monthly interest only payment for 60 months, principal due at maturity. At maturity, an evaluation will be conducted to determine the financial health of the project. Repayment at maturity will occur up to the point where the projected Debt Service Coverage Ratio (DSCR) is 1.25 to 1.00 on **all** outstanding debt. Any portion of the MCRP Loan #2 that would reduce the DSCR below that threshold would be forgiven. This analysis would be performed using a 1.0% interest rate and 25-year amortization period. Any deferral or forgiveness would be approved by the MSF Fund Manager or MSF President.

Collateral: Shall reasonably match that of Lender, currently anticipated to be a 1st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, if applicable. MSF share of the collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, currently anticipated to be the corporate guaranty of all member entities at 125% of their ownership interest. Individuals of a member entity shall provide a personal guaranty equal to 125% of their entities' ownership level. Personal guaranty, and trusts, if applicable, from all individual or trust LLC members at 125% of their ownership interest. MSF share will be subordinated to that of the Lender.

Funding: The MSF will fund up to \$1,920,000 to be disbursed following closing of the financing and other performance criteria.

Other Conditions: The MSF's investment will be contingent upon the following:

- Executed Construction Documents (including "Guaranteed Maximum Price" construction contract).
- Final Development Budget
- Local approval of the PA-210 tax abatement application
- Other legal due diligence documentation, as may be required.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-031**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
COUNTY OF SAGINAW BROWNFIELD REDEVELOPMENT AUTHORITY
235 W. SAGINAW STREET REDEVELOPMENT PROJECT**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the Michigan Strategic Fund (“MSF”);

WHEREAS, captured school operating tax revenues may be used under 1996 PA 381 as amended, for infrastructure improvements that directly benefit eligible property, for lead, asbestos, or mold abatement, and for demolition and site preparation that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the County of Saginaw Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan dated January 11, 2022 (the “Brownfield Work Plan”) for property located at 235 West Saginaw Street and 135 South Eddy Street within the City of Merrill, known as 235 W. Saginaw Street Redevelopment Project (the “Project”);

WHEREAS, the City of Merrill is not a “qualified local government unit” but is eligible to provide demolition and lead and asbestos removal as provided under 2007 PA 204;

WHEREAS, the Authority is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 73.22% to 26.78% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of demolition and lead, asbestos, or mold abatement as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$123,582 for the principal activity costs of

non-environmental activities and a contingency, a maximum of \$35,144 in interest, a maximum of \$17,000 for Brownfield/Work Plan preparation, and a maximum of \$1,900 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$130,060.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the County, as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

BE IT FURTHER RESOLVED, that the MSF Board is authorizing the capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of \$35,144 related to the eligible activities for the Project.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Christine Whitz, Director, Community Development Block Grant Program
Sarah Tennant, Sector Development Director & Cyber Initiatives

Subject: *Community Development Block Grant Program
Broadband Infrastructure Audit & Validation Project*

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board approve up to \$5,200,000 from Community Development Block Grant (“CDBG”) Coronavirus Aid, Relief and Economic Security (“CARES”) funds to Connected Nation Michigan for the Broadband Infrastructure Audit & Validation Project (“Project”).

Background

As the state and nation work through the multiple issues created by the COVID-19 pandemic, broadband connectivity is critical in accessing telework opportunities, telehealth, and distance learning. Communities need collaborative support and coordination to address the myriad of connectivity issues that have been exacerbated by the COVID-19 emergency with a goal of creating digital equality.

The location of existing broadband infrastructure assets must be known to facilitate the efficient and swift deployment and/or upgrades of broadband service to Michigan households, businesses, and institutions. The Project will identify the precise location of existing broadband assets, and more importantly, the areas without such assets available.

On July 27, 2021, the MSF approved the issuance a Request for Proposals (“RFP”) seeking proposals from qualified entities to identify existing broadband infrastructure assets in the State of Michigan (the “Broadband Infrastructure Mapping Project RFP”), appointed a Joint Evaluation Committee (“JEC”), and adopted scoring and evaluation criteria for use by the JEC in evaluation of proposals received in response to the Broadband Infrastructure Mapping Project RFP (the “Broadband Infrastructure Mapping Project Scoring Criteria”).

The original Broadband Infrastructure Mapping RFP was issued on July 29th, 2022 and was publicly posted for twenty-two (22) days. In addition, the RFP was publicized through inclusion in the weekly MEDC report, the Community Development Council weekly report, and Broadband Newsletter (distribution list 6275). It was also published on the michiganbusiness.org/broadband, CDBG and the Michigan Hi-Speed Internet pages, as well as the MEDC social media pages. Two proposals were received and scored.

Under the terms of Resolution 2021-106, which approved the Broadband Infrastructure Mapping RFP, the MSF Board authorized the MSF Fund Manager to modify the Broadband Infrastructure Mapping Project RFP as may be necessary or appropriate, so long as the modifications are not material or adverse to the interests of the MSF.

On November 30, 2021, the MSF Fund Manager authorized that the Broadband Infrastructure Mapping Project RFP be modified and reissued as the Broadband Infrastructure Audit & Validation Project RFP in order to solicit proposals that were more responsive to the objectives of the RFP. The RFP was reissued under the new title on December 8, 2021 and remained open for proposals until December 21, 2021. Two proposals were received.

The Project will create field validated documents related to Michigan's broadband infrastructure assets located in public easements and the availability of such assets capable of delivering 100/100 Mbps connections. These documents will be useable by communities, regions, the State, and internet service providers to make informed decisions regarding the efficient expansion of broadband service throughout the state.

The Project will require an estimated 50,000 road miles in areas of the state that are estimated to have 100/20 Mbps service available that will be outlined by MEDC to audit, validate and document all infrastructure assets capable of delivering high-capacity broadband service.

MEDC staff believes that this work will result in an analysis of the state's broadband needs therefore the CDBG program will be able to better target its grant funding in a way that will result in productive broadband expansion and support for Michigan.

The Project involves eligible activities under the CDBG Program as identified in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended.

Recommendation

The MEDC Staff recommends the MSF approve:

- Up to \$5,200,000 of CDBG CARES funding be awarded to Connected Nation Michigan for the Broadband Infrastructure Audit & Validation Project.

MICHIGAN STRATEGIC FUND

RESOLUTION

2022-032

APPROVAL OF REQUEST OF PROPOSAL AWARD FOR BROADBAND INFRASTRUCTURE AUDIT & VALIDATION PROJECT

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State's economic development functions and programs and their accompanying powers in the Michigan Strategic Fund ("MSF");

WHEREAS, Executive Order 1999-1 transferred from the Michigan Jobs Commission to the MSF all authority, powers, duties, functions, grants, and responsibilities, including the functions of budgeting, procurement, personnel, and management related functions, of the Community Development Block Grant ("CDBG") program;

WHEREAS, the Michigan Economic Development Corporation ("MEDC") provides administrative services to the MSF;

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to CDBG Coronavirus Aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, on July 27, 2021, the MSF issued a Request for Proposals ("RFP") seeking proposals from qualified entities to identify existing broadband infrastructure assets in the State of Michigan (the "Broadband Infrastructure Mapping Project RFP"), appointed a Joint Evaluation Committee ("JEC"), and adopted scoring and evaluation criteria for use by the JEC in evaluation of proposals received in response to the Broadband Infrastructure Mapping Project RFP (the "Broadband Infrastructure Mapping Project Scoring Criteria");

WHEREAS, two proposals were received in response to the Broadband Infrastructure Mapping Project RFP;

WHEREAS, the JEC reviewed the proposals and determined that neither proposal earned a satisfactory score under the Broadband Infrastructure Mapping Project Scoring Criteria to warrant funding under the Broadband Infrastructure Mapping Project RFP;

WHEREAS, under Resolution 2021-106, which approved the Broadband Infrastructure Mapping Project RFP, the MSF Board authorized the MSF Fund Manager to modify the Broadband Infrastructure Mapping Project RFP as may be necessary or appropriate, so long as the modifications are not material or adverse to the interests of the MSF.

WHEREAS, on November 30, 2021, the MSF Fund Manager authorized that the Broadband Infrastructure Mapping Project RFP be modified and reissued as the Broadband Infrastructure Audit & Validation Project RFP (the "RFP Reissuance");

WHEREAS, two proposals were received in response to the RFP Reissuance; and

WHEREAS, the JEC reviewed the proposals and determined that the proposal submitted by Connected Nation Michigan earned a satisfactory score under the Broadband Infrastructure Mapping Project Scoring Criteria to warrant funding under the Broadband Infrastructure Audit & Validation Project RFP;

WHEREAS, the MEDC recommends that the MSF Board approve an award to Connected Nation Michigan, with an initial one year term and an initial allocation of up to \$5,200,000, with the option to extend for up to an additional five one year terms and allocate additional funding at the sole discretion of the MSF Board and subject to available funding (the “Broadband Infrastructure Audit & Validation Project Award”); and

WHEREAS, the MSF wishes to approve the Broadband Infrastructure Audit & Validation Project Award.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Broadband Infrastructure Audit & Validation Project Award; and

BE IT FURTHER RESOLVED, MSF Fund Manager is authorized to negotiate the final terms and conditions of the Broadband Infrastructure Audit & Validation Project Award and to execute all documents necessary to effectuate the Broadband Infrastructure Audit & Validation Project Award.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Senior Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance – Loan Participation Award Amendment #3 Bagley Development Group, LLC – United Artist Building

Request

Bagley Development Group, LLC (“Company”) and the Detroit Economic Growth Corporation/City of Detroit Downtown Development Authority (“Lender”) are requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance – Loan Participation Award. The Company and Lender are requesting to amend the repayment structure of the MCRP Award (as defined below) and reduce the equity requirement of the ownership team.

The amended repayment would split 50/50 between the MSF and Lender the proceeds received from project including cash flow from operation, 91% of the first reserve release anticipated in 2024, and 91% of an anticipated additional \$1 million in funding from the City of Detroit CDBG. The amended repayment structure would allow for a more equitable split of proceeds between the MSF and the Lender based on their investments into the project. The Lender is in the process of pursuing an additional \$4,600,000 in loan financing for the project that would be used to reduce the equity investment of the ownership team as well as a \$1.4 million loan to the managing member. The additional investment would bring the Lender’s investment in the project to \$8.5 million in the project in comparison to a \$7 million investment from the MSF. Additionally, the original repayment structure required a 70/30 split of available cash flow between the ownership team (70%) and the lending team (30%) to be used on a pro rata basis to pay down the respective loans from the Lender and MSF. The structure would change the split of available cash flow to 41/59, with 41% going to the ownership team and 59% going to the lending team (Lender and MSF will split).

Additionally, as part of the supplemental funding from the Lender, the Company is requesting to reduce their minimum equity requirement from \$7,100,000 to \$2,500,000 (inclusive of the \$1.4 million loan to the managing member). The \$2,500,000 minimum requirement is 3.4% of the total development costs and below the preferred equity investment of 7% from ownership teams for projects securing tax credit equity. Staff is comfortable with the deviation due to unique structure of the transaction (land lease) which limits overall returns to the ownership equity to approximately 10% from operations, and the overall positive impact to available cash flow to service MSF’s loan investment.

Background

The Michigan Strategic Fund (MSF) Board approved a \$5,000,000 Other Economic Assistance – Loan Participation Award on May 19, 2020, to the Company for the purpose of completing a historic renovation of the eighteen-story United Artist Building in Downtown Detroit (“MCRP Award”). Upon completion it is anticipated that the project will consist of 148 mixed-income residential units and approximately 10,535

square feet of first floor commercial space. The project will also include the restoration of the exterior to historic standards and 20% of the residential units will be leased at rental rates based on 80% of the Area Median Income (AMI).

An amendment to the MCRP Award under the Awardee Relief Initiative was approved on February 22, 2021, to extend the approval expiration date by 12 months to January 13, 2022.

An amendment to the MCRP Award was approved by the MSF Board on May 25, 2021, to add an additional \$2,000,000 to the original award, bringing the MSF's investment in the project to \$7,000,000. The additional funding had special repayment requirements to help ensure an accelerated repayment of the new funding.

The requested amendments will help ensure equitable repayments of the MSF and the Lender's loan investments into the project, while also ensuring accelerated repayment of a portion of the individual loans from the lending parties. The project remains a high priority for the City of Detroit as can be seen by their investment into the project (approximately \$11,500,000, including a \$4,000,000 CDBG investment).

See "Appendix A" for details on changes to the structure of the MCRP Award. All changes are identified in "strikethrough, bold and all CAPS" font.

It is anticipated that the project will be in a position to close and begin construction in the 1st quarter of the calendar year with the approval of the proposed amendment requests.

Applicant History

With 230 years of combined professional experience, the Bagley Development Group, LLC team boasts leadership in responsibilities spanning many industries. As members of this minority-owned business enterprise, Emmett Moten, Robert Charles, Larry Brinker, Scott Allen, Tom Goss, James Thrower, Roy Roberts and Richard Hosey have led teams and, in some cases, started businesses in sectors including credit, banking, construction, government, retail merchandising, marketing, property management, and real estate. The organizations these gentlemen have served include Bank of America, the City of Detroit, PIA Merchandising, Fourmidable, Brinker Group, the City of New Orleans, Ford Motor Credit, Exxon, JP Morgan Chase, Little Caesars Enterprises, and several others.

Recommendation

The MEDC staff recommends approval of the following:

- A) Amendment of the MCRP Other Economic Assistance – Loan Participation Award repayment structure as presented of above.
- B) Amendment of the minimum owner equity requirement to \$2,500,000.

APPENDIX A

LOAN TERMS

MSF Facility:	MCRP Performance Based Other Economic Assistance Loan Participation
Borrower:	Bagley Development Group, LLC, or a Related Entity
Lender:	City of Detroit Downtown Development Authority or a Related Entity
Total Amount of Loans:	Currently estimated at \$9,500,000 \$14,100,000
Lender Share:	Currently estimated at \$2,500,000 \$7,100,000
MSF Eligible Investment:	Currently estimated at \$62,289,702
Minimum Eligible Investment:	Currently estimated at \$50,000,000
MSF Share:	Up to the lesser of 15% of “Eligible Investment” or \$7,000,000
Term:	To reasonably match that of the senior (HUD) lender, anticipated to be to 508 months
Amortization:	N/A
Interest Rate:	3.00% per annum
Repayment Terms:	Monthly interest only payments for 28 months (period to match interest only period of HUD Loan), followed by annual payments equal to 59% of Distributable Cash Flow for 480 months (cash flow to be split on a pro rata basis with the Lender). Developer Fees will be split under the shares as described above. The MSF to receive 100% of deferred developer fees until MSF’s principal outstanding has been reduced to \$5,000,000.
Collateral:	To reasonably match that of the Lender, currently anticipated to be subordinate Leasehold Mortgage. All collateral will be in a shared position with the Lender.
Guarantee:	To reasonably match that of the Lender. All collateral will be in a shared position with the Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. The Lender may charge the borrower for this fee.
Funding:	The MSF will fund up to \$7,000,000 to be disbursed following closing of the financing and achievement other performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following:

- Final approval of \$2,500,000 in financing from the City of Detroit DDA or other related entity
- Final approval of \$3,000,000 in CDBG funding from the City of Detroit
- Executed construction documents, including final “Guaranteed Maximum Price construction contract
- Final Amended Operating Agreement with equity pay-in schedule from the Historic Tax Credit Investor
- Final Development Budget
- Minimum owner equity investment of ~~\$7,100,000~~ **\$2,500,000**
- Local approval of an Obsolete Property Rehabilitation Act abatement and a Neighborhood Enterprise Zone abatement
- Receipt of the final Ground Lease Agreement with Olympia Development

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-033**

**APPROVAL OF AN AMENDMENT TO A
MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER ECONOMIC
ASSISTANCE LOAN PARTICIPATION AWARD FOR
BAGLEY DEVELOPMENT GROUP, LLC
(UNITED ARTIST BUILDING PROJECT)**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq., to add Chapter 8C (being MCL 125.2090 – MCL 125.2090(d)) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MCRP, (“Transaction Documents”);

WHEREAS, the Guidelines require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, the Michigan legislature passed legislation establishing the 21st Century Jobs Trust Fund initiative that was signed into law;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for 21st Century Jobs Trust Fund programs and activities, and the MCRP;

WHEREAS, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to MCL 125.2088h(1), the Jobs for Michigan investment fund was created as a permanent fund authorized by the state constitution (“Investment Fund”);

WHEREAS, pursuant to MCL 125.2088h(3)(e), the MSF Board shall direct the investment and reinvestment of the Investment Fund as authorized under Chapter 8A for incentives, including, but not limited to, for the purposes of creating incentives in this state for Revitalizing Michigan Communities;

WHEREAS, pursuant to MCL 125.2088b(2)(c), the Investment Fund may allocate money for authorized programs to make expenditures or investments from the Investment Fund for programs or activities authorized pursuant to the 21st Century Jobs Trust Fund legislation as long as those programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

WHEREAS, pursuant to the MSF Act, specifically, MCL 125.2007(c), the MSF has, among other things, the power to make loans and investments;

WHEREAS, by Resolution 2020-059 on May 19, 2020, the MSF Board awarded a MCRP Other Economic Assistance Loan Participation Award to Bagley Development Group, LLC in furtherance of the Project of up to \$5,000,000 (“Award”);

WHEREAS, on February 22, 2021, the MSF Fund Manager approved a 12-month extension of the Award approval under the Awardee Relief Initiative;

WHEREAS, by Resolution 2021-072 on May 25, 2021, the MSF Board approved an amendment recommendation to increase the Award by up to \$2,000,000, along with other changes to the repayment structure;

WHEREAS, the MEDC is recommending that the MSF approve an amendment recommendation to modify the repayment structure on the Award and the minimum owner equity requirement as identified in the attached Term Sheet, subject to execution of the Transaction Documents within 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (“MCRP Amendment Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MCRP Amendment Recommendation; and

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate the above approved MCRP Award Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022

“TERM SHEET”

LOAN TERMS

MSF Facility:	MCRP Performance Based Other Economic Assistance Loan Participation
Borrower:	Bagley Development Group, LLC or a Related Entity
Lender:	City of Detroit Downtown Development Authority or a Related Entity
Total Amount of Loans:	Currently estimated at \$9,500,000 \$14,100,000
Lender Share:	Currently estimated at \$2,500,000 \$7,100,000
MSF Eligible Investment:	Currently estimated at \$62,289,702
Minimum Eligible Investment:	Currently estimated at \$50,000,000
MSF Share:	Up to the lesser of 15% of “Eligible Investment” or \$7,000,000
Term:	To reasonably match that of the senior (HUD) lender, anticipated to be to 508 months
Amortization:	N/A
Interest Rate:	3.00% per annum
Repayment Terms:	Monthly interest only payments for 28 months (period to match interest only period of HUD Loan), followed by annual payments equal to 59% of Distributable Cash Flow for 480 months (cash flow to be split on a pro rata basis with the Lender). Developer Fees will be split under the shares as described above. The MSF to receive 100% of deferred developer fees until MSF’s principal outstanding has been reduced to \$5,000,000.
Collateral:	To reasonably match that of the Lender, currently anticipated to be subordinate Leasehold Mortgage. All collateral will be in a shared position with the Lender.
Guarantee:	To reasonably match that of the Lender. All collateral will be in a shared position with the Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. The Lender may charge the borrower for this fee.
Funding:	The MSF will fund up to \$7,000,000 to be disbursed following closing of the financing and achievement other performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Final approval of \$2,500,000 in financing from the City of Detroit DDA or other related entity- Final approval of \$3,000,000 in CDBG funding from the City of Detroit

- Executed construction documents, including final “Guaranteed Maximum Price construction contract
- Final Amended Operating Agreement with equity pay-in schedule from the Historic Tax Credit Investor
- Final Development Budget
- Minimum owner equity investment of ~~\$7,100,000~~ **\$2,500,000**
- Local approval of an Obsolete Property Rehabilitation Act abatement and a Neighborhood Enterprise Zone abatement
- Receipt of the final Ground Lease Agreement with Olympia Development



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Jeremy Webb, Senior Business Development Project Manager
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan
Michigan International Technology Center Redevelopment Authority (MITC)
Parcel 13 Brownfield Redevelopment Project

Project Summary

The request will support a business development project located in the Township of Plymouth and Township of Northville that will include the new construction of a 65,952 square foot, commercial flex space development. In addition to the building, site specific development entails the creation of a large stormwater detention pond, as well as approximately 9,000 square feet of infrastructure improvements, including sidewalks, curbs, asphalt paving, and landscaping in the public right-of-way. This site is part of a larger development area where significant infrastructure improvements are being undertaken that support this project and will attract and support future investment. Together with site specific improvements and infrastructure investment in the larger area this project includes \$38,729,726 in total capital investment immediately with anticipated additional business development investment in the near future.

The project area was once home to the Detroit House of Corrections and is now owned by multiple entities. As a part of this Work Plan, Hillside Ridge Road Holdings East, LLC is constructing the commercial building and MITC is incurring the costs for the infrastructure improvements occurring over the larger project area.

Redevelopment of these properties is not economically viable without significant brownfield incentive support to help offset the brownfield conditions. Without assistance, the infrastructure improvements necessary to allow ingress/egress to the site, support stormwater management, site preparation and demolition activities would not be possible. In addition, the critical infrastructure necessary for attracting and supporting redevelopment projects for the remaining redevelopment area parcels would not be possible.

Request

The Michigan International Technology Center Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$15,637,752 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$38,729,726 at this time and will also support redevelopment of a number of other parcels in the industrial park over the next several years.

Program Summary

The request for Brownfield support is consistent with program requirements to redevelop underutilized, blighted properties. The project qualifies for the Brownfield Act 381 program because the site is a facility and blighted. The project is consistent with MEDC’s strategic focus to attract, retain and support businesses and develop attractive places and the project also meets local objectives by redeveloping a site that has long been a high priority of Plymouth Township and Northville Township, and Wayne County.

Local Support

Local support for the project includes the local portion of the Work Plan, valued at \$13,894,491 and potentially a future Industrial Facilities Tax (IFT) abatement. The project is located in a Michigan Geographically Disadvantaged Business Location.

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the MITC, has duly approved a brownfield plan for this property on June 22, 2021, which was also supported by the Charter Township of Plymouth on June 17, 2021. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on November 10, 2021 and the property also qualifies as blighted due to a specific parcel being owned by the State Land Bank Authority when the Brownfield Plan was adopted.

There are 46.3915 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (51.73%) and local millage equaling 22.3915 mills (48.27%). Tax increment capture will begin in 2021 and is estimated to continue for 26 years. The state tax capture is recommended to be capped at \$15,637,752, which is the amount of tax increment revenue anticipated to be generated in 26 years. Tax capture is impacted by the Industrial Facilities Tax (IFT) abatement and the blended ratio is represented below. Total MSF eligible activities are estimated at \$29,532,243. MSF eligible activities breaks down as follows:

State tax capture	(52.95%)	\$ 15,637,752
Local tax capture	(47.05%)	\$ 13,894,491
TOTAL		\$ 29,532,243

Cost of MSF Eligible Activities

Demolition (Parcel 13)	\$	50,000
Demolition (MITC)		735,576
Infrastructure Improvements (Parcel 13)		52,200
Infrastructure Improvements (MITC)		22,534,215
Site Preparation (Parcel 13)	+	862,110
Site Preparation (MITC)		2,544,331
Sub-Total	\$	26,778,432
Contingency (15%)	+	2,723,811
Sub-Total	\$	29,502,243
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	15,000
TOTAL	\$	29,532,243

In addition, the project is requesting \$354,061 in TIF from EGLE to assist with environmental eligible activities.

Applicant History

On October 1, 2018, the MITC was created via interlocal agreement between the Charter Township of Northville Brownfield Development Authority and the Plymouth Township Brownfield Redevelopment Authority to redevelop the properties that formerly housed the Detroit House of Corrections and assume the responsibilities of a joint Brownfield Redevelopment Authority. The MITC was formally recognized by Governor Rick Snyder on December 27, 2018. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

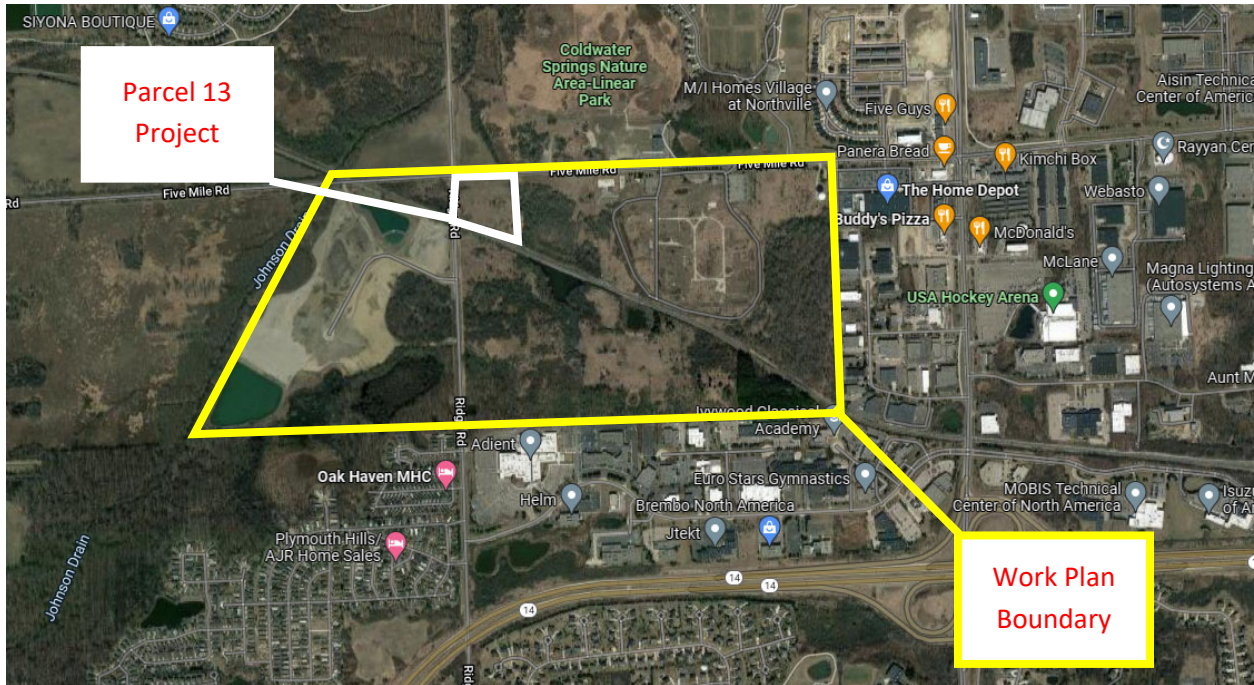
Hillside Ridge Road Holdings East, LLC offers a variety of investment vehicles and strategies that cater to a diverse group of capital partners and investors and has worked on several projects in southeast Michigan. Neither MITC, Hillside Ridge Holdings East, LLC nor its principals have been awarded incentives by the MSF. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Appendix A includes a project map and renderings, **Appendix B** addresses the programmatic requirements and **Appendix C** contains the Organizational Chart.

Recommendation

MEDC staff recommends approval of state tax capture for the Act 381 eligible activities capped at \$15,637,752, utilizing the current state to local capture ratio.

APPENDIX A – Project Map and Renderings



APPENDIX B – Programmatic Requirements

Key Statutory Criteria

Per section 15 of Act 381, the Michigan Strategic Fund shall consider the following criteria to the extent reasonably applicable to the type of activities proposed as part of that work plan when approving or denying a work plan:

- a) **Overall Benefit to the Public:**
The project will create a new office building that will create up to 300 jobs. The infrastructure activities being undertaken by MITC throughout the larger area within the Work Plan will upgrade access into the area and help attract future development.
- b) **Jobs Created (Excluding Construction and other Indirect Jobs):**
This project is expected to create approximately 300 new, full-time equivalent jobs in office and research/development with an average hourly wage of \$31.25.
- c) **Area of High Unemployment:**
The Metropolitan area of Detroit-Livonia-Dearborn unadjusted jobless rate was 5.8% in October 2021.
- d) **Level and Extent of Contamination Alleviated:**
Parcel 13 was determined to contain arsenic, chromium, and mercury in the soil. A Work Plan request to address environmental concerns has been prepared for a review by EGLE.
- e) **Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:**
The project is qualifying as blighted due to a parcel being owned by the State Land Bank Authority at the time the Brownfield Plan was adopted.
- f) **Whether Project will Create a New Brownfield Property in the State:**
No new Brownfields will be created by this project.
- g) **Whether the Project is Financially and Economically Sound:**
From the materials received, the MEDC infers that the project is financially and economically sound.
- h) **Other Factors Considered:**
No additional factors need to be considered for this project.

APPENDIX C - Organizational Chart

Organizational Structure

Company Name: Hillside Ridge Road Holding East LLC
 Employer Identification Number: 83-3975894
 Manager: Jaimey Noel Roth

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Hillside Development Fund I, LLC	100.00%	83-3975894	Michigan
RS Flex 2, LP, Jared Star No members own 20% or more	79.46%		
Hillside Fund I Investment Group LLC, Jaimey Roth I No members own 20% or more	20.54%		
Member/Company name and manager	N/A		

Organizational Structure

Company Name: Hillside Ridge Road Holding East LLC
 Employer Identification Number: 83-3975894
 Manager: Jaimey Noel Roth

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Hillside Development Fund I, LLC	100.00%	83-3975894	Michigan
RS Flex 2, LP, Jared Star No members own 20% or more 79.46%			
Hillside Fund I Investment Group LLC, Jaimey Roth M No members own 20% or more 20.54%			
Member/Company name and manager	N/A		
Member/Company name and manager			
Member/Company name and manager			

Guarantee section is not required for TIF-only requests.

Key Principals/Guarantors:	Amount of Guarantee
Member Name	
Member Name	
Member Name	

Instructions: Include member names of the first layer of companies. Include member names of the second layer companies if the company has a 20% or higher share of ownership in the project. Percentages shown are examples. Add or delete rows as necessary.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-034**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
MICHIGAN INTERNATIONAL TECHNOLOGY CENTER REDEVELOPMENT
AUTHORITY
PARCEL 13 REDEVELOPMENT BROWNFIELD PROJECT**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the Michigan Strategic Fund (“MSF”);

WHEREAS, captured school operating tax revenues may be used under 1996 PA 381 as amended, for infrastructure improvements that directly benefit eligible property, for lead, asbestos, or mold abatement, and for demolition and site preparation that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the Michigan International Technology Center Redevelopment Authority (the “Authority”) has submitted a Brownfield Work Plan dated October 26, 2021 (“Brownfield Work Plan”), for five properties located at and around 17500 5 Mile Road within the Township of Plymouth, known as Parcel 13 Redevelopment Brownfield Project (the “Project”);

WHEREAS, the Township of Plymouth is not a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) brownfield and work plan preparation; d) brownfield and work plan implementation and e) interest as provided under 2007 PA 204;

WHEREAS, the eligible property was owned by a land bank fast track authority at the time of brownfield plan adoption and is eligible for expanded activities including site preparation that is not a response activity and infrastructure improvements that directly benefit the eligible property; and

WHEREAS, the Authority is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 52.95% to 47.05% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$29,502,243 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$15,000 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$15,637,752.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the Townships, as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

BE IT FURTHER RESOLVED, that no taxes levied for school operating purposes shall be used to reimburse interest costs related to the eligible activities for the Project.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: February 22, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jeremy Webb, Sr. Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
LM Manufacturing, LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$2,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 390 Qualified New Jobs and a capital investment of up to \$18,100,000 in the city of Detroit, Wayne County.

Applicant History

The Company was founded in 2019 as a joint venture between Magna Seating of America, Inc. (“Magna Seating”) and LAN Manufacturing Group, LLC (“LAN”). The Company will provide manufacturing, assembly, sequencing, supply chain and logistics management with respect to the supply of complete seat assemblies and other value-added modular assemblies for target customers in the automotive and other industry verticals.

A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Project Description

The Company is looking to locate the manufacturing, assembly, sequencing, supply chain and logistics management in an existing 189,000 square foot facility in Detroit. Once improvements are made to the facility, it is anticipated that the Company will occupy approximately 296,000 square feet with production anticipated to begin in the second quarter of 2023 to produce seating assemblies for an Original Equipment Manufacturer. The facility in Detroit is located within an MSF Designated Renaissance Zone, the status of which will be determined at a later MSF Board meeting.

The Company is considering the city of Detroit for the project and anticipates the project will result in capital investment of up to \$18,100,000. The project will also result in the creation of up to 390 new jobs paying an average wage of nearly \$900 per week plus benefits.

The Company understands that employees feel more engaged when their employer is concerned about their growth and provides avenues to reach individual career goals. Each employee at the Company has access to check for internal job listings, training opportunities, and a career development path to enhance their skills and knowledge, leading to mastery of their current jobs, promotions, and transfers to new or different positions. The employee skillsets and interests will determine which optional path within the company they can take. The Company provides medical, dental, and vision insurance; short-term and long-term disability benefits; paid vacations and holidays. The Company utilizes Michigan Works to reach local talent.

Demonstrated Need

The Company is considering an existing facility in Ohio. Magna Seating has an existing seating facility in Lancaster, Ohio that was opened in 2019 and the work could be done at that facility. The competing locations also have similar programs to the business lines that the Company is looking to establish, making the initiative easier to complete. In addition to these similar existing programs, Magna Seating has an existing workforce at the Ohio location that would require minimal training to accommodate the new lines of business. The Company has also received competitive incentive offers.

The Company is attracted to locating this facility to Michigan due to the site and the existing presence of part of the joint venture. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure the project moves forward in Michigan. In addition to MSF support, the city of Detroit anticipates approval of a property tax abatement in support of the project.

Request

In order to secure the project, the Applicant is requesting a \$2,000,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing site outside of Michigan. The MBDP funds will help offset the cost of leasing an existing facility allowing the Company to establish its manufacturing facility and become a strong employer in the region.

Under the MSF Act, the MSF Board has the ability to determine which entity (or entities) it deems to be the qualified business. In this case, it could be Magna Seating, LAN, just the Company, or any other combination thereof. The qualified business must maintain the number of jobs the qualified business had in the state prior to the expansion or investment is the base employment level (the “Base Jobs”) in order to receive disbursement for Qualified New Jobs. Qualified new jobs are those jobs in excess of the Base Jobs.

The Company requests that due to it being a newly created joint venture, it, and not its ownership structure, should be deemed the qualified business. However, based on its application, Magna International will be providing 100% of the financing for the project. If the MSF Board approves of the Company’s request, the Base Jobs for this project will be zero rather than accounting for jobs located in Michigan under Magna Seating. As such, Magna would be able to eliminate any or all of its jobs within the state and the Company would still qualify for 100 percent of the grant if it created the required Qualified New Jobs.

The MEDC supports the Company’s request to establish the Base Jobs at zero, due to the Company’s organizational structure. The Company will have its own management and leadership group with its own payroll system and accounting systems and will fulfill customer requirements under separate programs, terms, and purchase orders separate from other divisions.

This project aligns with the MEDC’s strategic focus area of supporting a business in the target industry of mobility and automotive manufacturing and builds on the state’s uncontested automotive leadership to stay at the forefront of the mobility revolution. The proposed project will also impact the local region with immediate job growth resulting in the creation of up to 390 new jobs and up to \$18,100,000 in capital investment in the city Detroit, Wayne County. Adding 390 new jobs to a geographically disadvantaged area in the State of Michigan would establish the Company’s presence and potential future business in the state.

Recommendation

MEDC Staff recommends approval of the MBDP Request, as outlined in the attached resolution.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-035**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
LM MANUFACTURING, LLC**

WHEREAS, the Michigan legislature passed legislation establishing the 21st Century Jobs Trust Fund initiative that was signed into law;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Trust Fund programs;

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (“MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP;

WHEREAS, on December 8, 2020, by Resolution 2020-146, the MSF adopted an amendment to the guidelines for the MBDP (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MBDP in accordance with the Guidelines (“Transaction Documents”);

WHEREAS, the Guidelines require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, pursuant to the Guidelines, the project is eligible as a Standard BDP because the Applicant committed to the creation of at least 50 QNJ’s;

WHEREAS, the MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration;

WHEREAS, LM Manufacturing, LLC (“Company”) has requested a performance based MBDP Grant of up to \$2,000,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

WHEREAS, the MEDC recommends that the MSF approve the Company’s Grant Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents, within 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 60 days (“MBDP Award Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MBDP Award Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022



EXHIBIT A

MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP").

Date: February 8, 2022

Company Name: LM Manufacturing, LLC and/or its affiliates and subsidiaries.

Project Location: 6401 West Fort Street
Detroit, Michigan 48209

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$2,000,000

Base Employment Level: At least zero, at the time of first disbursement of funds and thereafter

Maximum Number of Qualified New Jobs ("QNJ"): Up to 390 Full-Time Jobs at the Project Location

Municipality Supporting Project: City of Detroit has agreed to provide staff, financial or economic assistance in support of the project.

Start Date for Measurement of Creation of Qualified New Jobs: Date of MSF Approval


Term of the Agreement: November 30, 2024

Milestone Based Incentive: Disbursements will be made over a two-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
\$5,128.20 per QNJ for the creation of a minimum of 100 jobs up to a maximum of 150 jobs.
\$5,128.20 per QNJ for the creation of a minimum of 273 jobs up to a maximum of 390 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:


LM Manufacturing, LLC

By: 

Printed Name: Sylvester L. Hester

Its: President/CEO

Michigan Economic Development Corporation

By: 

Printed Name: Jeremy J. Webb

Its: Sr. Business Development Project Mgr

Magna

By: 

Printed Name: 2/8/2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: February 11, 2022

To: Michigan Strategic Fund Board

From: Josh Hundt, EVP, Chief Business Development Officer, MEDC
Trevor Pawl, SVP, Chief Mobility Officer, MEDC and LEO

Subject: FY22 Funding Allocation – Resource Support for Partnership between Michigan Central Innovation District, LLC., the City of Detroit, and the State of Michigan.

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board allocate \$7,500,000 in FY22 funding to support new programs that accelerate economic development, new technology activation, workforce training, and community engagement in the 30-acre Michigan Central Innovation District (“District”) in Detroit’s Corktown neighborhood. This grant to Ford Motor Company (“Ford”), through the newly created operating entity for the District, Michigan Central Innovation District, LLC. (“MC”) would have a three-year term and the ability to allocate additional funds in FY23 and FY24 if agreed-upon grant milestones are met. This grant will support innovation-based partnerships and initiatives that accelerate the creation of at least 2,500 non-Ford Motor Company jobs within the District. These dollars are being requested from the balance of funding available for MEDC Business and Community Development Programs and Activities allocated by the board in October 2021.

Background on District Development and Activation

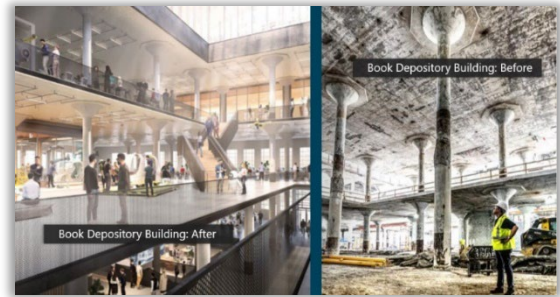
In 2018, Ford’s Executive Chairman Bill Ford announced plans to restore Detroit’s once world-class train station, abandoned since 1988, as the centerpiece of a global innovation hub. The development is focused on defining the way people and goods will move through the next century and beyond.



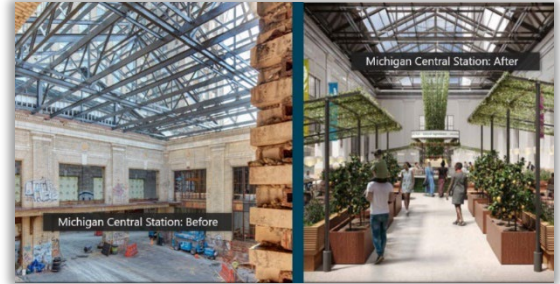
Since then, Ford is in the process of investing \$740 million in the 1.2 million-square-foot campus which is expected to hold 5,000 workers. 2,500 Ford workers, and 2,500 non-Ford workers. As part of the incentive arrangement with MSF on November 27, 2018, up to \$207 million in tax breaks over 30 years was awarded to Ford to restore the Michigan Central Train Station as part of a newly awarded renaissance zone.

Ford’s vision for the District involves a 30-acre walkable community anchored by the Michigan Central Train Station. The site plan includes sustainable amenities; abundant green space, biking trails, cafés, shuttles, scooters, retailers, grocery stores, day care, housing, and parking within a 20-minute walk.

There are three anchor structures within the District. The first is the revitalized Albert Kahn-designed Book Depository, built in 1926. The 4-story building will be transformed into a mixed-use makerspace with flexible workspaces, hands-on technology labs and innovation studios to spur public sector-private sector collaboration. It is planned to open in 2022. The goal is to attract some of the world most dynamic tech companies to locate here, from startups to global corporates.



The second anchor is the Michigan Central Train Station building. The station will have inclusive public spaces while the tower above the station will be transformed into modern office spaces, and a hotel. There will be collaboration space, art installations, restaurants, retail, and events that are core to building a vibrant community, and attracting talent from all over the world to work, live, and play in Detroit.



The third anchor is the 6-floor Bagley Mobility Hub parking garage is a new construction project and will include a variety of amenities. It is located at the Gateway to the Southwest Greenway that will lead to the Detroit River. The hub will have first floor retail and a micro-mobility exchange (for transit, scooters, ride-sharing and other transportation modes).



With construction nearing completion, the next phase will be activating the District with programming that drives entrepreneurship, technology company attraction, mobility-focused technology deployments, global talent attraction, new workforce training options, sustainability, and deeper community engagement.

This grant will support initiatives that help to activate the District by creating the right conditions for high-skill, high-wage job creation, workforce development, startup growth, and next-generation mobility and electrification leadership. These outcomes align with MEDC's strategic plan.

This grant will support the launch of a new Transportation Innovation Zone within the District where community-inspired mobility technologies will be tested and deployed in ways that positively impact the surrounding neighborhoods. This will include delivering enhanced technical assistance and new customer opportunities for small business owners located in, or engaging with, the District. The goal is to set new standards for how industry innovation can drive local community vitality.

This grant will also support the design and execution of innovation-based programs in the District that drive technology commercialization, attract global talent, and prepare the local workforce for high-tech jobs through new post-secondary adult education partnerships, and career readiness resources. This will include efforts to connect the activities in the District with Michigan's broader community of mobility and manufacturing companies, economic developers, testing sites, and startup accelerators to catalyze projects that attract federal funding, or other outside funding.

Ford established an MOU-based partnership to activate the District with the State of Michigan and the City of Detroit on February 4, 2022. Public-private partnership is important because what is being built is

much more than a Ford campus. The focus of this partnership is to accelerate the creation of 2,500 non-Ford new jobs within the District. The requested three-year grant will work in tandem with this partnership to ensure co-investment, and collaboration.

In addition to this \$7,500,000 grant request to the MSF, other State of Michigan departments will be providing separate, but aligned, funds for District programming. These funds will support the goals of this MSF grant request.

The Department of Environment, Great Lakes, and Energy (“EGLE”) and the Michigan Office of Future Mobility and Electrification (“OFME”) inside the Department of Labor and Economic Opportunity (“LEO”) will each commit \$250,000 (for a total of \$500,000) for electric vehicle-focused and economic development-focused programming in the District.

LEO’s Employment and Training team will support up to 1,250 on-the-job training positions in the District at a cost per of up to \$1,500 each (totaling \$1,875,000).

And, the Michigan Department of Transportation (“MDOT”) has pledged \$2,000,000 to support mobility and infrastructure programming in the District.

All departments have agreed to consider future fund allocation after FY22 to continue activating the District.

FY22 Deliverables

As part of the proposed grant agreement, Michigan Central Innovation District, LLC. will collaborate with the City of Detroit, State of Michigan Departments, and the MEDC/MSF to achieve the following metrics:

- The creation of 3 innovation-based programs that focus on mobility, sustainability, and community development. The goal will be to launch 18 new technology deployments by January 2023, along with setting goals for increasing numbers of new technology deployments in the second and third years of this grant’s three-year term.
- The creation of workforce training programs in the district that successfully trains students by January 2023, along with setting goals for increasing numbers of students trained in the second and third years of the grant’s three-year term.
- Successful establishment of the Transportation Innovation Zone within the District, along with the creation of strategies and tactics for the second and third years of the grant’s three-year term that involve growing the number of companies deploying technologies in the District, and the number of local businesses and residents engaged in those new technologies.

Recommendation

MEDC staff recommends that the MSF Board approve a budget allocation of \$7,500,000 to Michigan Central Innovation District, LLC. for a three-year term through February 2025, with the ability to allocate additional funds.

Appendix 1: District Governance Structure & Uses for MSF Allocation

The Michigan Central Innovation District (“District”) is a critical node within a new network of innovation district concepts coming online in Detroit, and around Michigan. These districts are critical for attracting high-tech companies and software-focused talent to the state.

By supporting this investment, and future investments in other innovation districts across the state, the MEDC and MSF are providing the resources necessary for Michigan’s public and private sector to partner in the building of Michigan’s knowledge economy.

The Michigan Central Innovation District will be one of the first of these new districts to finish construction. And one of the first to establish a governance model for partnering with local and state leaders. Given that Ford’s vision for this district is much larger than just a Ford R&D campus, additional city and state partnerships are viewed as necessary. This governance model can be a template for other innovation districts around the state to follow.

To begin building this governance structure, Ford established an MOU with the State of Michigan and the City of Detroit on February 4, 2022. This MOU was made public by Governor Whitmer, Mayor Mike Duggan, and Ford Chairman, Bill Ford. The goal of this MOU is to accelerate the creation of 2,500 non-Ford new jobs within the District through co-investment and new programming.

In the addition to being accountable for MSF metrics, the \$7,500,000 MSF allocation and future MSF funding for the District, will be subject to a District MOU governance structure approved by the State of Michigan’s Executive Office, The City of Detroit’s Mayor’s Office, and the Chairman’s Office for Ford Motor Company.

The Governance structure will be led by an Executive Committee comprised of comparable numbers of representatives of the State, City Administration, and Ford, respectively. The Executive Committee may appoint ad hoc committees or other special-purpose advisory bodies that may additionally include industry and community stakeholders that may have particular expertise or other interest in the pertinent subject matter and are committed to supporting the District’s purpose and activities.

Among general governance functions, the Executive Committee is envisioned to:

- Meet quarterly and establish information sharing protocols to ensure consistent visibility and coordination around synergistic opportunities.
- Conduct an annual planning process to identify key initiatives and pathways to co-resource (financial and in-kind) projects aligned with the Four Pillars.
- Align additional State, City, and private sector support, identify public and private funding sources, and evaluate policy mechanisms as necessary to enable the initiatives identified during annual planning or other opportunistic joint efforts.
- Execute goals within each focus, the Executive Committee will work to support the development of new assets (innovation and venture studios, training academies, housing initiatives, new services).

The Participants will make all reasonable efforts to collaboratively develop formal structures and protocols for such governance framework, including an Executive Committee, within 30 days from the Effective Date of this MOU (February 4, 2022). This MSF allocation would be disbursed once the governance structure is finalized.

All district programming and co-investment made the State and City will be governed by the MOU and will focus on four pillars, with detailed objectives:

1. To drive economic development:

- a. Creating structured, innovation-based programs in the Innovation District that drive open industry engagement, startup growth, and high-wage job creation.
- b. Deploying new mobility and sustainability-focused pilot programs in the Innovation District. Programs that impact Detroit/Michigan residents and businesses and initiate cross-sector innovation.
- c. Developing programs to attract new risk capital and retain high-potential companies in Michigan and increase qualified deal flow for the local venture capital ecosystem.
- d. Developing new services for companies in the Innovation District that provide seamless access to equipment and workspace, and that promote diversity, equity, and inclusion.
- e. Delivering enhanced technical assistance and programming for small business owners located in or engaging with the Innovation District through mobility-based solutions and mobility sector opportunities.
- f. Connecting activity in the Innovation District with Michigan's broader community of companies, economic developers, testing sites, and startup accelerators.

2. To drive workforce development:

- a. Building out a 'public sector futures lab' as a physical space where new State-led, county-led, and City-led talent initiatives can engage and collaborate with industry and residents.
- b. Delivering services for residents that focus on neighborhood-based community engagement, job development, and job placement through Detroit at Work Career Centers and partner organizations and that prepare customers for work by providing connections to training, career coaching, assessments, and barrier removal support.
- c. Leveraging the brand power of Detroit at Work to market job opportunities to Detroiters from entry-level through experienced roles.
- d. Developing models that offer Michigan's workforce access to new skills and curriculum that are driving the future of mobility, electrification, and other emerging industry sectors related to autonomous, connected, electric, shared, and green technologies.
- e. Engaging community college and university partners to complement and multiply program offerings.
- f. Designing recruitment programs to attract world-class talent to the Innovation District, specifically underrepresented entrepreneurs to close critical representation gaps across race, ethnicity, and gender identity.
- g. Pairing on-site industry-relevant training for Detroiters with internship or apprenticeship opportunities with companies. Ensuring that benefits from these programs accrue to employers Statewide.

3. To drive community development:

- a. Promoting new housing solutions and financing tools within the Innovation District and in surrounding neighborhoods.
- b. Designing civic engagement and public participation strategies to create more vibrant public spaces and contribute to community vitality in the Innovation District.
- c. Enhancing transportation services in the Innovation District that complement and enhance planned reconstruction and reconfiguration of Michigan Avenue, to ensure accessible, environmentally sound, and equitable mobility options for people and goods.
- d. Extending digital infrastructure into under-connected neighborhoods to drive digital inclusion and ensure surrounding neighborhoods have access to connected mobility solutions.

- e. Building mobility infrastructure (EV charging, connectivity, mobility hubs, enhanced bus stops, etc.) that supports current and future transportation options in the Innovation District.

4. To enable mobility innovation through a Transportation Innovation Zone:

- a. Facilitating expeditious and safe deployments of mobility technology pilots through the Transportation Innovation Zone (“TIZ”), a platform for review and approval process quality, accessibility, and public engagement.
- b. Expanding opportunities to deliver mobility solutions for local residents and businesses.
- c. Leveraging mobility solutions to grow the number of entry points for residents and small business owners to uncover relevant economic and career opportunities.
- d. Organizing engagement and prioritizing information-sharing with local stakeholders regarding new mobility pilot deployments.
- e. Accelerating the review and authorization of mobility pilot deployments.
- f. Enabling infrastructure in the Innovation District to meet the testing needs of emerging mobility technologies through availability of elements that support power and connectivity.
- g. Identifying infrastructure investment priorities and developing standards for mobility pilot deployments within the Transportation Innovation Zone.
- h. Reviewing City and State regulations regarding new mobility solutions and developing new regulatory frameworks to support deployment of emerging technologies where regulatory gaps currently exist and, when appropriate and consistent with State and City policies to protect public safety and welfare, support requests for exceptions to federal regulations to facilitate pilot deployment.

The MSF allocation of \$7,500,000 in Year 1, and future funding in Year 2 and Year 3, will support Pillars 1 (Transportation Innovation Zone), 2 (Economic Development), and 3 (Workforce Development).

With oversight from the MOU Executive Committee, these dollars will support grants to technology companies to activate mobility and electrification solutions in the District and will support new workforce training programs aligned with MOU themes.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-036**

GRANT TO MICHIGAN CENTRAL INNOVATION DISTRICT, LLC

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF;

WHEREAS, pursuant to Section 88b(2)(c) of the MSF Act, MCL 125.2088b(2)(c), funds appropriated to the MSF for purposes of carrying out the MSF Act shall be expended or invested for activities authorized under the MSF Act as long as those activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

WHEREAS, pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants;

WHEREAS, the MEDC recommends that the MSF Board approve a grant to the Michigan Central Innovation District, LLC to support development of the Michigan Central Innovation District in the City of Detroit with an initial term of three years and with an initial allocation of \$7,500,000, with the option to allocate additional funding at the sole discretion of the MSF (the “MI Central Innovation District Grant Request”); and

WHEREAS, the MSF Board wishes to approve the MI Central Innovation District Grant Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the MI Central Innovation District Grant Request; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the MI Central Innovation District Grant Request and to execute all documents necessary to effectuate the MI Central Innovation District Grant Request.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: February 22, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Matt Chasnis, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
Dana Limited (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$1,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 150 Qualified New Jobs and a capital investment of up to \$9,000,000 in the City of Novi, Oakland County.

Applicant History

The Company, founded in 1904 and headquartered in Maumee, Ohio, is a leading supplier of fully integrated drivetrain and electrified propulsion systems for all passenger vehicles. The Company has 141 locations across 33 countries and has over 38,000 employees worldwide. The Company has approximately 1,600 employees in Michigan across 2 corporate offices and 3 manufacturing locations. The Company’s customer portfolio mainly consists of automotive original equipment manufacturers (OEM) of light vehicles, off-highway vehicles, and commercial vehicles.

A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Project Description

Electrification continues to be a significant growth area for the Company, and they intend to capture future growth through additional investment into research and development and engineering. As the Company continues to grow its electrification engineering team, it is carefully evaluating several growth and footprint scenarios, which includes recent and potential future acquisitions. The Company plans to establish a new engineering facility in order to add capacity for the anticipated future demand from OEMs. The project involves creating a new Electric Vehicle technology center and lab which will require approximately \$9,000,000 in private investment and will result in the creation of up to 150 engineering and supporting positions with wages well above the county average. The Company has identified a location in Novi that will satisfy current needs and allow for future growth. The Company anticipates a 10-year lease with the potential for extensions.

Demonstrated Need

The Company is considering placing this project in existing lab space in North America and Europe. The Company has existing operations in these locations and would utilize available space and expand the physical space as necessary. The Novi, Michigan scenario requires designing, upfitting, and customizing new space. Additionally, engineering wages in Michigan are at a premium and would increase project costs. In addition to labor and real estate costs, the ability to find and recruit the right talent is a critical factor to the success of the Company’s electrification strategy. All of the alternative locations have a strong labor pool from which the Company could benefit.

The Company is attracted to locating this facility in Novi due to the synergy and ease of collaboration with the corporate facilities nearby. Incentive assistance is necessary to offset the additional costs with opening a new technology center. In addition to MSF support, the City of Novi has offered a tax abatement in support of the project.

Request

In order to secure the project in Michigan, the Company is requesting a \$1,500,000 MBDP performance-based grant. Incentive assistance will reduce the cost gap associated with the additional investment needs of establishing a new tech center in Novi rather than expanding at existing facilities in competing locations.

Under the MSF Act, the MSF Board has the ability to determine which entity (or entities) it deems to be the qualified business. In this case, it could be the complete Dana umbrella of all facilities in the state, just the Company Group (as identified in Exhibit A of the Term Sheet), or any other combination thereof. The qualified business must maintain the number of jobs the qualified business had in the state prior to the expansion or investment (the “Base Jobs”) to receive disbursement for Qualified New Jobs. Qualified new jobs are those jobs in excess of the Base Jobs.

The Company requests that, because the corporate entities in Plymouth, Michigan and Novi, Michigan are distinct from the manufacturing entities, the base jobs be set at 297. Corporate administrative, engineering, research, and electrification strategy functions are located at the corporate facilities and are directly related to the Project, which supports the growth of electrification engineering and R&D. The Company’s other facilities in Michigan are manufacturing operations in St. Clair, Auburn Hills, and Warren, and each of these facilities has a different entity that employs the employees.

MEDC staff is supportive of establishing the Base Jobs for this project at 297, which reflects the employment at the Company’s corporate locations in Michigan. In addition to operating as separate and distinct entities, the engineering positions created by this project will require a different skillset than what is required at the manufacturing locations and the likelihood of employees transferring from the manufacturing operations to the corporate offices is minimal.

This project expands a major automotive company’s presence in Michigan and strengthens Michigan’s position in e-mobility and engineering. The project falls within the MEDC’s strategic focus industries of mobility and automotive manufacturing and engineering, design, and development. The project aligns with the MEDC’s strategic plan by attracting, retaining, and supporting business while also driving equitable, high-wage growth by creating up to 150 engineering and related jobs. Lastly, the establishment of an electrification technology center puts Michigan in a great position for growth opportunities in mobility.

Recommendation

MEDC Staff recommends approval of the MBDP Request, as outlined in the attached resolution.

MICHIGAN STRATEGIC FUND

RESOLUTION 2022-037

APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO DANA LIMITED

WHEREAS, the Michigan legislature passed legislation establishing the 21st Century Jobs Trust Fund initiative that was signed into law;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Trust Fund programs;

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (“MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP;

WHEREAS, on December 8, 2020, by Resolution 2020-146, the MSF adopted an amendment to the guidelines for the MBDP (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MBDP in accordance with the Guidelines (“Transaction Documents”);

WHEREAS, the Guidelines require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, pursuant to the Guidelines, the project is eligible as an Innovation MBDP because the Applicant committed to the creation of at least 25 QNJs and the project falls within motor vehicle parts, an innovation industry;

WHEREAS, the MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration;

WHEREAS, Dana Limited (“Company”) has requested a performance based MBDP Grant of up to \$1,500,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

WHEREAS, the MEDC recommends that the MSF approve the Company’s Grant Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents, within 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 60 days (“MBDP Award Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MBDP Award Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022



EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Michigan Business Development Program (“MBDP”).


Date: February 1, 2022

Company Name:	Dana Limited and/or its affiliates and subsidiaries.
Project Location:	City of Plymouth, Wayne County and City of Novi, Oakland County
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$1,500,000
Base Employment Level:	At least 297, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs (“QNJ”):	Up to 150 Full-Time Jobs at the Project Location
Municipality Supporting Project:	The City of Novi has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	Date of accepted offer letter (December 13, 2021)
Term of the Agreement:	August 28, 2025
Milestone Based Incentive:	Disbursements will be made over a three-year period, and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$10,000 per QNJ for the creation of a minimum of 35 jobs up to a maximum of 50 jobs. \$10,000 per QNJ for the creation of a minimum of 70 jobs up to a maximum of 100 jobs. \$10,000 per QNJ for the creation of a minimum of 105 jobs up to a maximum of 150 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:

Dana Limited

By:  _____

Printed Name: Ryan G. Pierson

Its: Assistant Treasurer

Michigan Economic Development Corporation

By:  _____

Printed Name: Matthew Chasnis

Its: Business Development Projects Manager

Appendix 1

Company Group Details

Company Name	FEIN
Dana Automotive Systems Group, LLC	26-1346699
Dana Heavy Vehicle Systems Group, LLC	26-1346748
Dana Limited	26-1318190
Pi Innovo, LLC	20-5693756



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: February 22, 2022

To: Michigan Strategic Fund Board

From: Christopher Cook, Director, Capital Access

Subject: *Bond Authorization—Not to Exceed \$90,000,000 Limited Obligation Revenue Refunding Bonds, Series 2022 (State of Michigan Cadillac Place Office Building Project) (Federally Taxable) (the “Series 2022 Bonds”) to refund Michigan Strategic Fund (the “MSF”) Limited Obligation Revenue Bonds (State of Michigan Cadillac Place Office Building Project), Series 2011 (“Bonds To Be Refunded”)*

Request:

The State of Michigan Department of Technology, Management and Budget requests the MSF issue the Series 2022 Bonds to refund the Bonds To Be Refunded. The proceeds of the Bonds To Be Refunded were used by the MSF to acquire the Michigan Cadillac Place Office Building (“Facilities”) in Detroit, Michigan and defease certain certificates of participation (then outstanding) related to the Facilities.

The MSF acquired title to the Facilities when the Bonds To Be Refunded were issued. The Bonds To Be Refunded were secured by Rental Payments made by the State to the MSF under a Lease Agreement between the MSF and the State, dated as of October 1, 2011. The MSF and the State entered Addendum #1, dated as of September 17, 2012, which, among other things, deleted certain Supplemental Rental from the Lease. The MSF and the State will enter Addendum #2 to make conforming changes to the Lease to reflect the issuance of the Series 2022 Bonds. The Lease Agreement, as amended, is referred to collectively, as the Lease.

The Facilities contain approximately 1,300,000 square feet and are occupied by various State agencies.

Plan of Finance:

The MSF plans to issue the Series 2022 Bonds, the proceeds of which will be used to refund and defease the Bonds To Be Refunded and pay costs of issuance. The Series 2022 Bonds will be secured primarily by Rental paid by the State under the Lease. The Series 2022 Bonds and the interest thereon will not constitute a debt of the State or a general obligation of the MSF nor a pledge of the faith and credit of the MSF or the State, and will not directly or indirectly obligate the State to levy or pledge any form of taxation whatsoever therefor.

The Rental payments made by the State under the Lease will be sufficient to pay the principal and interest on the Series 2022 Bonds. The MSF will not have any responsibility to pay any of the maintenance costs

related to Cadillac Place or the Series 2022 Bonds. At the end of the Lease, the property will be transferred to the State.

Robert W. Baird & Co. is the municipal advisor for the Series 2022 Bonds with Siebert Williams Shank & Co., LLC acting for itself and for a group of underwriters who are underwriting the Series 2022 Bonds. The trustee for the Series 2022 Bonds will be U.S. Bank National Association.

Background:

The Cadillac Place Building is a National Historic landmark and served as GM's world headquarters from 1923 until GM moved to the Renaissance Center. The renovation of the building to house State offices in 2002 was one of the nation's largest historic renovation projects.

Recommendation:

Based upon a determination by Dickinson Wright PLLC and the State of Michigan Attorney General's office that this transaction complies with state and federal law requirements for a bond refinancing, staff recommends the adoption of a resolution authorizing the issuance of the Series 2022 Bonds in an amount not to exceed \$90,000,000 to refund the Bonds To Be Refunded.

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN
STRATEGIC FUND LIMITED OBLIGATION REVENUE REFUNDING BONDS,
SERIES 2022 (STATE OF MICHIGAN CADILLAC PLACE OFFICE BUILDING
PROJECT) (FEDERALLY TAXABLE)

**MICHIGAN STRATEGIC FUND RESOLUTION
2022-038**

STATE OF MICHIGAN CADILLAC PLACE OFFICE BUILDING

Background

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270 as amended (the “Act”), to borrow money and issue bonds for the purpose of paying the costs of acquiring and improving a project (as defined in the Act), and to lease a project, pursuant to the Act, and to refund such bonds;

B. The Michigan Department of Technology, Management and Budget, established and existing pursuant to Section 121 of the Management and Budget Act, 1984 PA 431, MCL 18.1121, as amended by Executive Order 2001-3 and Executive Order 2009-55 (the “DTMB” or “Lessee”), has previously entered into a Lease Agreement dated June 1, 2011 (the “Original Lease”), with the Fund, pursuant to which the fund agreed to lease the Cadillac Place Office Building located in Detroit, Wayne County, Michigan (the “Facility”) to the Lessee;

C. In order to finance the acquisition of the Facility under the Lease, the Fund on behalf of the Lessee issued its \$119,115,000 Limited Obligation Revenue Bonds (State of Michigan Cadillac Place Office Building Project), Series 2011, dated June 22, 2011 (the “Prior Bonds”);

D. The DTMB has requested that the Fund refund all or a portion of the remaining outstanding principal amount of the Prior Bonds by issuing its Limited Obligation Revenue Refunding Bonds, Series 2022 (State of Michigan Cadillac Place Office Building Project)(Federally Taxable) in an amount not to exceed \$90,000,000 (the “Bonds”) pursuant to an Indenture dated as of March 1, 2022 (or such other date as approved by an Authorized Officer, as defined below) (the “ Indenture”), between the Fund and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”);

E. The proceeds of the Bonds will be used, together with other funds available in the Indenture: i) to provide for the refunding and legal defeasance of the Prior Bonds, ii) to deposit Bond proceeds pursuant to an Escrow Agreement (the “Escrow Agreement”) between the Fund and U.S. Bank Trust Company, National Association (the “Escrow Trustee”), and iii) to pay certain costs of issuing the Bonds;

F. In connection with the issuance of the Bonds, the Fund and the Lessee expect to enter into Addendum #2 to the Original Lease, (the “ Addendum #2” and, together with the Original Lease, Addendum #1 to the Original Lease (the “Addendum #1”), the “Lease”), pursuant to which the Fund will continue to lease the Facility to the Lessee;

G. The Bonds will be purchased by Siebert Williams Shank & Co., LLC, acting for itself and for a group of underwriters (collectively the “Underwriter”), pursuant to a Bond Purchase Agreement between the Underwriter and the Fund (the “Purchase Agreement”).

NOW, THEREFORE, BE IT RESOLVED by the Fund Board that:

SECTION 1. Addendum #1 to Original Lease. Addendum #1 to the Original Lease is ratified and confirmed.

SECTION 2. Issuance of Bonds: Limited Obligation. For the purposes stated herein, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund’s Board of Directors (a “Member”), or of a person authorized by Board resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”).

The Bonds and the principal of or any interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be a limited obligation of the Fund payable solely from the rentals payable by the DTMB under the Lease and otherwise as provided in the Indenture.

SECTION 3. Approval, Execution, and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution are approved:

- a. Indenture
- b. Purchase Agreement
- c. Addendum #2
- d. Escrow Agreement

Any member and Authorized Officer are authorized to execute and deliver the Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section, in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 4. Completion of Document Terms. Any Member or Authorized Officer may approve the interest rate for the Bonds, which shall not be more than 5.00% per annum, and the aggregate principal amount of the Bonds, which shall not exceed \$90,000,000.

The final maturity for the Bonds shall not be later than October 15, 2031, and shall be payable as otherwise provided in the Indenture.

Approval of the terms pursuant to this Section shall be evidenced by the Member's and Authorized Officer's execution of the Purchase Agreement.

SECTION 5. Sale and Delivery of the Bonds. A Member or Authorized Officer shall execute, seal and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds;

- a. An approving bond opinion of Bond Counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General"),
- b. An opinion of counsel to the DTMB and necessary certificates and representations of the DTMB acceptable to the Fund, the Attorney General, and Bond Counsel, and
- c. An approving bond opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Trustee and the Escrow Trustee to be credited in accordance with the Indenture and the Escrow Agreement.

SECTION 6. Designation of Certain Parties. U.S. Bank Trust Company, National Association's acceptance of duties as Trustee shall be evidenced by its execution of the Indenture, and its acceptance of the duties as Escrow Trustee shall be evidenced by its execution of the Escrow Agreement.

SECTION 7. Preliminary Official Statement and Official Statement. The use and distribution by the Underwriter of a Preliminary Official Statement to solicit offers to purchase the Bonds is ratified. The use and distribution of an Official Statement in substantially the same form as the Preliminary Official Statement is approved. Any Member or Authorized Officer is authorized to approve changes in the Official Statement as may be necessary or desirable, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 8. Authorization of Filings, Submissions, and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Indenture, the Lease, the Escrow Agreement or the Purchase Agreement or as may be necessary and if applicable, to effectuate the valid issuance, sale and delivery of the Bonds as contemplated by those documents; and

SECTION 9. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before June 30, 2022, the authority granted by this Resolution shall lapse.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
February 22, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

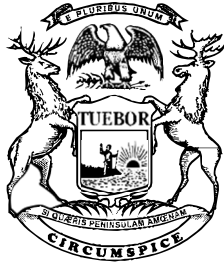
If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: February 22, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from January 1, 2022 to January 31, 2022, as well as information about the impact that those projects have had on communities across the state.

We remain committed to maintaining transparency in our efforts to communicate with you all about our work to create equitable opportunities throughout the state. Over time, we will continue identifying ways to evolve and grow this report based on the feedback and requests we receive from Board members.

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Val Hoag know if you have any questions or comments about this new reporting layout or with the contents of these reports.

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from January 1, 2022 to January 31, 2022.

Throughout the Fiscal Year, MSF delegates – with authority granted by the MSF Board – approve various projects within MSF programs in accordance with each program’s guidelines, as approved by the MSF Board. Under no circumstances will MSF delegates approve a project that does not meet the Board- approved guidelines for the program. Furthermore, each project approved through delegated authority must undergo the same rigorous vetting and verification process as do projects that come before the MSF Board for approval. By ensuring consistent safeguards are in place for both delegate-approved and Board-approved projects, we are ensuring fairness and uniformity in our process, as we work to enable long-term economic prosperity for the people of our state.

MONTHLY IMPACTS

We are pleased to share the January delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout January 2022, 52% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all January approved projects through delegated authority have committed to create just over 390 jobs and over \$64 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during January 2022, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

The Michigan Business Development Program is available from the MSF, in cooperation with MEDC. The program is designed to provide grants, loans or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Electrical Components International	1/3/2022	Southfield	\$760,000	Electrical Components International, Inc. is a global leader in manufacturing electrical wire harnesses, electrical components, and subassemblies for a variety of industries including home appliances, transportation, construction, agricultural equipment and more. Founded in 1953, the company is headquartered in St. Louis, Missouri with locations across the globe. Currently, ECI has a tech center in Troy that houses 16 employees. ECI continues to grow and plans to expand its automotive wire harness market as the industry shifts toward electric and connected vehicles. The company plans to establish a global research and development office in the city of Southfield where it will house executive leadership staff and engineering operations. The project is expected to generate a total capital investment of \$1.3 million and create 57 high-wage jobs, supported by a \$760,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over a competing site in Dallas.
Aerostar Machining & Assembly	1/6/2022	Romulus	\$200,000	Aerostar is growing rapidly and plans to establish a new manufacturing facility in Romulus for light to medium manufacturing, CNC machining, assembly, and other related industrial activities. The project is expected to generate a total capital investment of \$8.6 million and create 62 new jobs, supported by a \$200,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Georgia and Indiana.

Jobs Ready Michigan Program

The Jobs Ready Michigan Program is available from the MSF, in cooperation with MEDC. The program is designed to meet the talent needs of companies that are expanding or relocating to Michigan.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
LER TechForce, LLC	1/31/2022	Pontiac	\$1,000,000	LER TechForce, LLC, founded in 2001 and headquartered in Columbus, IN, is a certified Women's Business Enterprise that specializes in providing technical and engineering solutions to clients in the automotive, aerospace, medical and related industries. The company currently has 140 employees at its Pontiac location. LER TechForce is seeing unprecedented demand for engineering services as automotive-related customers shift their offerings to include both electric and autonomous vehicle technologies. To meet the demand, the company will be expanding its engineering services and technician program while also launching its new military division. The company plans to expand into leased space in the city of Pontiac, where it will house onsite engineering resources with clients as well as outsourced engineering projects. The project is expected to generate a total capital investment of \$8.4 million and create up to 220 high-wage jobs, supported by a \$1 million Jobs Ready Michigan Program performance-based grant. Michigan was chosen over a competing site in Indiana.

Community Development Block Grant (CDBG)

The U.S. Department of Housing and Urban Development (HUD) allocates Community Development Block Grant (CDBG) funding to the State of Michigan, through the Michigan Strategic Fund with assistance from the MEDC, for further distribution to eligible units of general local government (UGLGs) to carry out MSF- approved activities. CDBG program funds are used to provide grants and loans to UGLGs, usually with populations under 50,000 (referred to as non-entitlement jurisdictions), in support of economic or community development projects.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Welch Foods Inc.	1/7/2022	Lawton	\$893,105	The project is expected to generate a total capital investment of \$26 million and create 57 new jobs.

Regional Talent Innovation Program

The Regional Talent Innovation Program provides funding via the Community Development Block Grant-CARES Act to local economic development organizations and workforce development partners for competitive training programs that target growth in region-specific occupations.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Wayne County	1/7/2022	Detroit	\$950,000	Wayne County was awarded a Regional Talent Innovation Grant for competitive training programs that target growth in region-specific occupations.
Middle Michigan Development Corporation	1/18/2022	Mt. Pleasant	\$745,940	Middle Michigan Development Corporation was awarded a Regional Talent Innovation Grant for competitive training programs that target growth in region-specific occupations.

Capital Access

The Capital Access team partners with lenders to assist in helping small businesses obtain financing that would otherwise not be available.

State Small Business Credit Initiative – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Prime Solution, Inc.	1/19/2022	Otsego	\$826,111	Company is looking to refinance debt with another institution and establish a working capital line of credit with Grand River Bank. Due to collateral shortfall the bank is seeking the collateral support program.

Brownfield TIF

Through the Brownfield Redevelopment Financing Act, Brownfield TIF allows applicable taxing jurisdictions to receive property taxes on the property at the current level and capture the incremental increase in tax revenue resulting from a redevelopment project.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
3701 Lincoln, LLC	1/24/2022	Detroit	\$192,481	An Act 381 Work Plan with state tax capture valued at \$192,481 was awarded to the City of Detroit Brownfield Redevelopment Authority to construct 65 townhomes totaling approximately 89,000 square feet. The project is expected to generate \$20,989,741 in private investment.

Michigan State Trade Expansion Program (MI-STEP)

The MI-STEP program is designed to spur job creation by empowering Michigan small businesses that meet U.S. Small Business Administration guidelines and size standards to export their products.

Project Name	Approval Date	Location	Incentive Amount
Altus Brands, LLC - SHOT Show 2022	1/3/2022	Traverse City	\$15,000
Bollinger Motors - EXPO 2020 Dubai	1/3/2022	Oak Park	\$5,209
Dataspeed Inc. - EXPO 2020 Dubai	1/3/2022	Rochester Hills	\$5,010
Fortech Products - Queretaro Automotive Meetings	1/3/2022	Brighton	\$10,958
IBS Global Consulting - Trade Winds Middle East & Africa	1/3/2022	Detroit	\$4,268
MIC Customs Solutions - EXPO 2020 Dubai	1/3/2022	Southfield	\$5,573
Q-Sage, Incorporated - GEAPS 2022	1/3/2022	Mt. Pleasant	\$7,682
Quadrobot Inc. - EXPO 2020 Dubai & Sales Trip to Singapore	1/3/2022	Madison Heights	\$13,316
Graceland Fruit, Inc. - EXIM Export Insurance Premiums	1/4/2022	Frankfort	\$15,000
Lane Automotive - Export Hazmat Trainings IATA, IMDG, DOT Trainings	1/4/2022	Watervliet	\$8,996
Motiv Bowling - International Bowl Expo	1/4/2022	Spring Lake Township	\$15,000
OG Technologies - Sales Trip Czech Republic - January	1/4/2022	Ann Arbor	\$2,648
Bennett Pump Company - International Web Development	1/5/2022	Spring Lake	\$13,500
International Strategic Management - EXPO 2020 Dubai & Middle East Sales Trip	1/5/2022	Troy	\$12,638
Tripi Connected Tech, Inc. dba Andonix - US Commercial Services Gold Key – Columbia	1/5/2022	Detroit	\$675
United Precision Products Company - EXPO 2020 Dubai	1/5/2022	Dearborn Heights	\$5,160
Zakeya Organics LLC - ExporTech Jan-April 2022	1/5/2022	Grand Ledge	\$900
EnBiologics, Inc. - Canada - Western 2022 Buying Show	1/10/2022	Detroit	\$2,213
Pisces Fish Machinery, Inc. - Seafood Processing North America	1/10/2022	Wells	\$10,733
RTV - Choice Hotels International Trade Show	1/10/2022	Traverse City	\$15,000
SkyBlade Fan Company - MCE Tradeshow and Product Training	1/10/2022	Warren	\$9,084

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
LifeRx Inc - EXPO 2020 Dubai	1/12/2022	Dearborn	\$10,035
iHemp Manufacturing - ExporTech via US Department of Commerce - ONLINE	1/13/2022	Fenton	\$900
The Mackinac Technology Company - Development of a Market Strategy for the European Union	1/13/2022	Grand Rapids	\$3,825
AeroTrain Corp. - ISO Certification & Audit	1/18/2022	Flint	\$1,013
Business-Connect - Sales Trip S. Africa, Zimbabwe, and Kenya	1/20/2022	Grandville	\$6,104
Debora Smith Energy Partners - ISO Certification & Audit	1/20/2022	Brown City	\$2,100
Duperon Corporation - US Commercial Services Company Background Check Peru	1/20/2022	Saginaw	\$1,500
Duperon Corporation - US Commercial Services Gold Key B2B Ecuador	1/20/2022	Saginaw	\$1,500
Hayes Manufacturing Incorporated - ISO Certification	1/20/2022	Fife Lake	\$7,325
MedImage, Inc. - ISO Certification & Audit	1/20/2022	Ann Arbor	\$2,119
Michigan Wheel - Miami International Boat Show	1/20/2022	Grand Rapids	\$15,000
Unist, Inc - Latamcan 2022 Brazil	1/20/2022	Grand Rapids	\$7,148
MajesTec 125LLC DBA FreedomLift - 2022 Miami International Boat Show	1/21/2022	Grand Rapids	\$12,378
MR Products, Incorporated - Grainger Show 2022 Orlando Florida	1/21/2022	Copemish	\$15,000
Enterprise Tax Solutions - ExporTech Program Virtual	1/24/2022	Mt. Pleasant	\$900

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in January 2022.

Neighborhood Workspaces Initiative

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
TechTown	1/27/2022	Detroit	Amended to extend grant term end from April 1, 2022 to September 30, 2022.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from January 1, 2022 to January 31, 2022 for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

BD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
Human Element, Inc.	Business Development Program	Ann Arbor	1/13/2022	Extended Milestone 1 due date from 5/31/2022 to 12/31/2023 and grant term from 11/30/2022 to 6/30/2024.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

Project Name	Project Location	Incentive Type	Amount	Disbursed	Date	Reason for Termination	Repayment
Technosoft Corporation	Southfield	Expansion	\$800,000	\$265,000	1/13/2022	Unable to fulfill grant requirements	\$0
Andronaco Industries	Kentwood	Expansion	\$320,000	\$0	1/20/2022	Unable to fulfill grant requirements	\$0
WPP Group USA, Inc.	Detroit	Expansion	\$1,650,000	\$0	1/27/2022	Unable to fulfill grant requirements	\$0
Paslin Company	Warren	Expansion	\$1,000,000	\$0	1/27/2022	Unable to fulfill grant requirements	\$0
Dongguan Wellmei Mold Manufacturing Co. Ltd.	Troy	Expansion	\$355,000	\$0	1/27/2022	Unable to fulfill grant requirements	\$0

MSF Confidentiality Memos



As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

Via MCL 125.2005(9), as amended by Public Act 251 of 2011, information of a financial or proprietary nature considered by the applicant as confidential and acknowledged as confidential by the Michigan Strategic Fund Board or its designee is exempted from disclosure by the Michigan Freedom of Information Act, Public Act 442 of 1976, as amended. On February 27, 2012, the MSF Board approved by resolution the delegation of this authority to the MSF Fund Manager, who acknowledges the confidentiality of eligible information on behalf of the MSF Board by executing a confidentiality memo.

Approvals by Authorized Delegate

During the period between January 1, 2022 and January 31, 2022, there were no confidentiality memos approved by the MSF Fund Manager: