



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

May 23, 2023

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: April 25, 2023
- b. Associate MSF Manager Approval
- c. City of Morenci: Water Related Infrastructure Project Amendment
- d. Commongrounds Cooperative & Commongrounds LLC: Michigan Community Revitalization Program Grant Agreement Amendment
- e. Detroit Entrepreneur Development, LLC: Michigan Community Revitalization Program Other Economic Assistance Loan Participation Award Amendment #8
- f. VIA Motors Inc.: Michigan Business Development Program Performance-Based Grant Reauthorization
- g. MSF Board Operating Documents: Ratification and Confirmation
- h. Delegation of Authority Amendment

V. DEVELOP ATTRACTIVE PLACES

- a. Downtown Detroit Partnership: A resolution to approve an amendment to increase the existing Performance-Based Grant Agreement in the amount of \$2,000,000.
Location: City of Detroit
- b. Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreements Amendments
 - i. Fulton and Seward, LLC: A resolution to approve an amendment to the existing MCRP Other Economic Assistance Agreement and any ancillary agreements by reducing the loan interest rate from 3% to 1% and waiver of a “Success Fee” of \$500,000 due at maturity.
 - ii. Bridge and Turner, LLC: A resolution to approve an amendment to the existing MCRP Other Economic Assistance Agreement and any related ancillary agreements by reducing the loan interest rate from 3% to 1% and waiver of a “Success Fee” of \$425,000 due at maturity.
 - iii. Bridge and Stocking, LLC: A resolution to approve an amendment to the existing MCRP Other Economic Assistance Agreement and any related ancillary agreements by reducing the interest rate on the loan from 3% to 1%.
- c. Community Development Block Grant Disaster Recovery Program: A resolution to approve the 2020 and 2021 Disaster Events Action Plan Summary and approval for the MSF President to sign the grant agreements for the Community Development Block Grant Disaster Recovery Program Funding.

VI. ATTRACT, RETAIN AND GROW BUSINESS

- a. Dairy Distillery Alliance, LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of \$2,000,000, a 15-year 100% SESA Exemption with an estimated value in the amount of up to \$682,500, and a waiver to the SESA Guidelines for the project to be located in an Eligible Distressed Area and of qualified investment criteria for the 15-year waiver.

Location: Village of Constantine

VII. SUPPORT SMALL BUSINESS

- a. Atlantis Fish Company: A resolution to approve a Private Activity Bond Inducement for Sewage/Solid Waste in the amount of up to \$100,000,000

VIII. INFORMATIONAL

- a. Delegation of Authority Report

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
APRIL 25, 2023**

Member Present

Quentin L. Messer, Jr.

Members joined remotely

Britany L. Affolter-Caine

Ronald W. Beebe

Paul Gentilozzi

John Groen (on behalf of Director Corbin)

Dimitrius Hutcherson

Michael B. Kapp (on behalf of Acting Director Wieferich)

Andrew Lockwood (on behalf of Treasurer Eubanks)

Charles P. Rothstein

Susan Tellier

Cindy Warner

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 9:00 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely.

Mr. Messer introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. Public comment was given.

Cindy Warner disconnected from the meeting at 10:45 a.m.

III. COMMUNICATIONS

Ms. Wilcox Surmann advised Board members that the Quarterly Report of the Chief Compliance Officer was provided to them in the briefing packet.

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported that Subcommittee members recently met and discussed a number of projects. They continue to work with MEDC staff on the due diligence process and are making progress in that area.

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, was temporarily absent from the meeting, so there was no report.

Cindy Warner rejoined the meeting at 11:43 a.m.

Mr. Messer moved items under Develop Attractive Places up on the agenda.

IV. DEVELOP ATTRACTIVE PLACES

Britany L. Affolter-Caine, recused from the next item, disconnected from the meeting; a recusal letter is attached to the minutes.

a. **Resolution 2023-063 Related Olympia Predevelopment Company LLC and City of Detroit Brownfield Redevelopment Authority: Transformational Brownfield Plan**

*Brittney Hoszkiw, Senior Community Development Manager, provided the Board with information regarding this action item. The action involves approval of a Transformational Brownfield Plan (TBP) in the aggregate amount of \$614,964,910 as well as factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture if elected by the developer, and a waiver of the MSF Transformational Brownfield Program Guideline that specifies a TBP cannot award more than 25% of the annual allocation to any one project per year. The project consists of 10 sites and more than \$1.5 billion in investment within the area of Detroit anchored by Little Caesars Arena, known as The District Detroit. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2023-063. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 1 recused.***

ROLL CALL VOTE: Ayes: Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: Britany L. Affolter-Caine

Britany L. Affolter-Caine rejoined the meeting at 11:59 a.m.

Ronald W. Beebe disconnected from the meeting at 12:00 p.m.

b. **Resolutions 2023-064 & 2023-065 Hotel Ventures Manistee, LLC and City of Manistee Brownfield Redevelopment Authority: Michigan Community Revitalization Program Other Economic Assistance Loan Participation Award and Brownfield Act 381 Work Plan (101 South Lakeshore Drive Project)**

*Dan Leonard, Director of Redevelopment Services, provided the Board with information regarding these action items. The actions involve approval of a Michigan Community Revitalization Program loan participation award of up to \$2,000,000 and transfer of funds from the Jobs for Michigan Investment Fund for the specific purpose of this project through MCL 125.2088b(2)(c), as well as state tax capture for Act 381 eligible activities capped at \$808,701 to support a community development project in the City of Manistee, Manistee County. The project is expected to result in total capital investment of \$27,601,141. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2023-064. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Gentilozzi then motioned for the approval of Resolution 2023-065. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

c. **Resolution 2023-066 Community Development Block Grant Program: Michigan State Housing Development Authority Housing Grant Award**

Christine Whitz, CDBG Managing Director, provided the Board with information regarding this action item. The action involves approval of a Community Development Block Grant Program grant in the amount of up to \$20,000,000 to the Michigan State Housing Development Authority for the critical execution of statewide housing-related activities, including homeowner rehabilitation on occupied single-family homes and demolition/reconstruction of properties that must have a housing component. Following discussion, John Groen motioned for the approval of Resolution 2023-066. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Gentilozzi disconnected from the meeting at 12:15 p.m.

Mr. Messer moved items under Attract, Retain and Grow Business up on the agenda and rearranged the order of consideration.

V. ATTRACT, RETAIN AND GROW BUSINESS

a. **Resolution 2023-067 May Mobility, Inc.: Michigan Business Development Program Grant**

Jeremy Webb, Managing Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of a \$3,000,000 Michigan Business Development Program performance-based grant to support a business development project in the City of Ann Arbor, Washtenaw County. The project is expected to result in total capital investment of up to \$18,000,000 and the creation of up to 300 jobs. Following discussion, John Groen motioned for the approval of Resolution 2023-067. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

b. **Resolutions 2023-068 & 2023-069 Michigan Build Ready Sites Program: Allocation of Funding and Grant Awards**

Terri Fitzpatrick, EVP/Chief Real Estate and Global Attraction Officer, provided the Board with information regarding these action items. The actions involve approval to allocate \$6,000,000 from the FY 2023 allocation for Business and Community Development Programs and Activities to the Build Ready Sites Program (BRSP) and approval of the following awards from the BRSP to support site readiness activities related to mega sites and strategic sites in Michigan: Lansing

Area Economic Partnership (LEAP) (up to \$2,500,000) and Flint & Genesee Chamber Foundation (up to \$1,500,000). Following discussion, Michael B. Kapp motioned for the approval of Resolution 2023-068. Susan Tellier seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Dimitrius Hutcherson then motioned for the approval of Resolution 2023-069. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

c. **Resolution 2023-070 DTE Electric Company: Private Activity Bond Authorization**

Amber Westendorp, Capital Projects and Portfolio Manager, provided the Board with information regarding this action item. The action involves adoption of a resolution to authorize the issuance of private activity bond financing not to exceed \$110,000,000 to finance the acquisition, construction, and equipping of certain solid waste disposal facilities, including facilities for the treatment, handling, conversion and/or relocation of solid waste from the company's Monroe Power Plant and St. Clair Power Plant, and the construction and equipping of landfills for the final disposition of the solid waste. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2023-070. Charles P. Rothstein seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

d. **Resolution 2023-071 LJ Inc.: Michigan Business Development Program Grant**

Jeremy Webb, Managing Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of a \$2,500,000 Michigan Business Development Program performance-based grant to support a business development project in Venice Township, Shiawassee County. The project is expected to result in total capital investment of up to \$18,250,000 and the creation of up to 250 jobs. Following discussion, John Groen motioned for the approval of Resolution 2023-071. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Finally, Mr. Messer moved the MSF Background Review Policy under Administrative up on the agenda.

VI. ADMINISTRATIVE

a. Resolution 2023-072 MSF Background Review Policy: Proposed Changes

Jen Nelson, Chief Operating and Customer Experience Officer, provided the Board with information regarding this action item. The action involves approval and adoption of a revised MSF Background Review Policy. Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2023-072. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VII. CONSENT AGENDA

Resolution 2023-073 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, Michael B. Kapp motioned for the approval of the following:

- a. Proposed Meeting Minutes: March 28, 2023
- b. City of Marquette Brownfield Redevelopment Authority: Act 381 Work Plan – **2023-074**
- c. SP Holding Company LLC – Township of Meridian Brownfield Redevelopment Authority: Act 381 Work Plan – **2023-075**
- d. Axiom Engineering Systems, LLC: MBDP Performance-Based Grant Reauthorization – **2023-076**
- e. Mid Towne Hospitality, LLC: MCRP Other Economic Assistance Loan Participation Agreement Amendment – **2023-077**
- f. MSF Designee to the American Center for Mobility’s Board of Directors – **2023-078**

Charles P. Rothstein seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VIII. INFORMATIONAL

Mr. Messer noted the MSF delegated authority report for the period March 1 to March 31, 2023, was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Messer adjourned the meeting at 12:41 p.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 TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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



April 19, 2023

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 item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, February 28, 2023.

- Request for Approval of a Transformational Brownfield Plan - City of Detroit Brownfield Redevelopment Authority (BRA) for Related Olympia Predevelopment Company, LLC for The District Detroit Transformational Brownfield Plan Project

The reason for my recusal is that I have a potential conflict of interest with respect to the involvement of the University of Michigan in the project.

Sincerely,

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

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



MEMORANDUM

To: Michigan Strategic Fund Board

From: Valerie Hoag, MSF Fund Manager

Date: May 23, 2023

Subject: Associate MSF Manager

Request

This is a request to:

1. Designate Matthew Casby as the Associate MSF Fund Manager for the Michigan Strategic Fund (the “MSF”).
2. Affirm that all references to the MSF Fund Manager in any MSF Board approved delegation of Authority means the MSF Fund Manager and the Associate MSF Fund Manager. (collectively, the “Request”)

Background

The Associate MSF Fund Manager position is intended to serve as an additional approver and succession planning role for a critical position within the organization, the MSF Fund Manager, currently occupied by Valerie Hoag. The MSF Fund Manager position requires extensive knowledge of the full breadth of economic development tools and programs supported through the MSF as well as the compliance and administrative requirements for all program operated under the authority of the MSF Board. The role is also unique within the organization, without a current succession plan or additional approver.

Mr. Casby earned a law degree from Loyola University and has significant experience with compliance and regulatory issues through his work in the Office of the Attorney General State Operations Division and Department of Management and Budget Office of Continuous Improvement.

With his designation as Associate MSF Fund Manager, Mr. Casby will begin working directly with the current MSF Fund Manager, Valerie Hoag, to train on all aspects of MSF Fund Manager duties, including delegated authority approvals, project and incentive evaluation, and compliance.

Recommendation

The MSF Fund Manager recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-080**

DESIGNATION OF ASSOCIATE MSF FUND MANAGER

WHEREAS, it is the responsibility of the Michigan Strategic Fund (“MSF”) Board to provide for the management and control of the affairs of the MSF;

WHEREAS, it is necessary and appropriate that the MSF Board designate an Associate MSF Fund Manager to assist with the management and control of the affairs of the MSF;

WHEREAS, the MSF Fund Manager recommends that the MSF Board designate Matthew Casby as the Associate MSF Fund Manager, effective as of the date of this Resolution (the “Appointment”); and

WHEREAS, the MSF Fund Manager recommends that the MSF Board affirm that all references to the MSF Fund Manager in any MSF Board approved delegation of Authority means the MSF Fund Manager and the Associate MSF Fund Manager (the “Affirmation”).

NOW, THEREFORE, BE IT HEREBY RESOLVED, the MSF Board approves the Appointment and the Affirmation.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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®



MEMORANDUM

Date: 5/23/23

To: Delegates of the Michigan Strategic Fund Board

From: Greg West, Program Manager, Community Development Block Grant (CDBG) Program
Amy Schlusler-Schmitt, Senior Program Specialist, CDBG Program

Subject: Community Development Block Grant Program
221006-WRI Grant Amendment
City of Morenci, Lenawee County

Request

The City of Morenci is requesting an additional \$500,000 in Community Development Block Grant (CDBG) funds for costs related to construction of the City of Morenci Water Related Infrastructure Project.

Background

On September 28, 2021 the Michigan Strategic Fund (MSF) approved \$2,000,000 for the Water Related Infrastructure project for construction costs.

The City of Morenci worked with its selected engineering firm to prepare bid materials and undertook a sealed bid process. The bid included two project components for consideration: 1) Pump Station Improvements and 2) Water/Sewer Improvements along Salisbury and Locust Streets. Only one bid was received for the Water/Sewer Improvements in the total amount of \$3,111,121,35. The bid was determined to be un-awardable since the scope of the work in the grant was to include both components and the bid exceeded the estimated project amount.

Value engineering was undertaken, with a focus on material changes. As this grant was secured by the City through a competitive MEDC CDBG funding round, the City was not permitted to reduce the scope of the grant project.

The project was bid a second time with bids provided for both components of the project. Two bids were received with the lowest bidder selected as the preferred contractor. The City of Morenci would like to move forward with the WRI project if additional CDBG grant funds are received.

The construction and contingency budget is \$2,285,302, and the bid received is \$4,324,505 for construction and contingency costs. If the CDBG grant amendment is approved, the City of Morenci will contribute \$1,824,505 towards the construction bid amount. That is approximately 42% of the increased construction costs.

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

Recommendation

The MEDC Staff recommends the MSF approve:

- A CDBG grant increase amendment in the amount of \$500,000 be authorized for the City of Morenci's Water Related Infrastructure project.



MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-081**

**APPROVAL OF CITY OF MORENCI'S WATER RELATED INFRASTRUCTURE PROJECT
AMENDMENT**

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, pursuant to SFCR 10.1-1(3), 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;

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2022 Program Year Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2022-143, authorized and approved the 2022 Action Plan and the 2022 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, on September 28, 2021, by Resolution 2021-128, the MSF Board approved the 2021 Water Related Infrastructure Projects, including \$2,000,000 in CDBG funds to the City of Morenci (the "City") for an infrastructure project (the "Morenci Project");

WHEREAS, the City has requested an additional \$500,000 in CDBG funds for the Morenci Project (the "Amendment Request");

WHEREAS, the CDBG program staff reviewed the Amendment Request in light of the Criteria and HUD regulations and concluded the activities are eligible; and

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Amendment Request subject to available CDBG funding.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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®



MEMORANDUM

Date: May 23, 2023

To: Michigan Strategic Fund Board

From: Jake Winder, Manager of Community Development Incentives

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #1
Commongrounds Cooperative & Commongrounds LLC

Request

Commongrounds Cooperative & Commongrounds LLC (“Companies”) are requesting approval of an amendment to the Michigan Community Revitalization Program Grant Agreement (“Agreement”) and any related ancillary agreements. The amendment request dated March 21, 2023, includes a request to extend the completion milestone deadline to March 1, 2024. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund Board approved a \$1,500,000 Michigan Community Revitalization Program (“MCRP”) Grant on October 27, 2020, to the Company for the purpose of demolishing a vacant parking lot and constructing a new four-story mixed-use development in Traverse City consisting of five commercial spaces on the first two floors and 25 residential units on floors three and four.

The Companies are requesting this amendment because they will not have a final Certificate of Occupancy until all of the commercial tenants fully complete their buildouts. The Companies anticipate that buildouts will be complete by September 1, 2023.

Despite multiple cost increases and time delays due to COVID-19, the project is nearly complete and has a temporary Certificate of Occupancy in place. They have successfully completed Milestones 1 and 2 and need this amendment to complete Milestone 3. The company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Grant Agreement and any related ancillary agreements to extend the completion milestone due date until March 1, 2024, per the Company’s request dated March 21, 2023.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-082**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM GRANT AGREEMENT FOR
COMMONGROUND COOPERATIVE AND COMMONGROUNDS, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, (the “Delegation”) 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;

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

WHEREAS, by Resolution 2020-134 on October 27, 2020, the MSF Board awarded a MCRP Grant award to Commongrounds Cooperative and Commongrounds, LLC (the “Companies”), in furtherance of the project of up to \$1,500,000 (the “Award”);

WHEREAS, the Companies are requesting and MEDC is recommending that the MSF Board amend the Agreement to extend the Milestone 3 deadline from September 30, 2022, to March 1, 2024, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferrich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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

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MEMORANDUM

Date: May 23, 2023

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Director, Commercial Real Estate Investment

Subject: Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance – Loan Participation Agreement
Amendment #8
Detroit Entrepreneur Development, LLC

Request

Detroit Entrepreneur Development, LLC (the “Company”) and Dart Bank (the “Lender”) are requesting approval of an amendment to the Michigan Community Revitalization Program (the “MCRP”) Other Economic Assistance – Loan Participation agreement and other ancillary agreements (the “MCRP Agreement”). The amendment request includes a request to (1) extend Milestone 3 due date to a date not to surpass May 17, 2024, (2) extend Milestone 4 due date to a date not to surpass September 17, 2024, and (3) extend the maturity date on the MSF Loan (as defined below) to a date not to surpass to November 4, 2028 (collectively, the “Request”).

Background

The Michigan Strategic Fund (the “MSF”) Board approved a \$1,300,000 MCRP Other Economic Assistance Award on October 25, 2016, for the Company for the purpose of redeveloping a 2.8-acre site in northwest downtown Jackson into an approximately 46,280 square foot four-story mixed-use building. The building is substantially complete and consists of 30 market rate residential rental units and 8,500 square feet of commercial space.

The MSF Board on May 21, 2019, approved a request to amend the existing MCRP Agreement to reduce the “Minimum Eligible Investment” requirement from \$5,200,000 to \$5,132,000, as well as extend the “Project Completion” and “Certification of Conversion” milestones to June 30, 2019. This amendment was not executed.

The MSF Board on July 23, 2019, approved a request to amend the existing MCRP Agreement to extend the “Project Completion” and “Certification of Conversion” milestones to September 30, 2019. This amendment was not executed.

The MSF Board on October 22, 2019, approved a request to amend the existing MCRP Agreement to extend the “Project Completion” and “Certification of Conversion” Milestones to a period not later than March 31, 2020. Also, this amendment gave MSF Fund Manager authorization to consent to the extension of the Lender’s maturity date as well as the authority to extend the MSF’s maturity date to match that of the Lender. Lastly, this amendment authorized the Lender’s request to advance additional financing in an amount not to exceed \$150,000 in order to complete tenant buildouts for the remaining commercial space. The funding for the tenant buildouts was not advanced by the Lender. Costs to complete the buildout came back higher than originally anticipated.

On May 22, 2020, the MSF Fund Manager and MSF President approved a 90-day payment deferral on the MCRP Agreement under the MSF Awardee Relief Initiative, which matches the payment deferral period being provided by the Lender.

The MSF Board on July 28, 2020, approved a request to amend the existing MCRP Agreement as follows: (1) extension of the maturity dates on the original MCRP Agreement and the Lender's note for a period of up to 120 months from closing of the amended MCRP Agreement; (2) reduction of the personal guarantee percentage of John Burtka from 36% to 18% in order to more closely reflect his ownership interest; (3) reduction of the interest rate on the Lender's original note. Additionally, the MSF Board approved a new \$100,000 MCRP Other Economic Assistance Award (the "MSF Loan") to assist the company in the buildout of the existing vacant commercial space.

The MSF Fund Manager and MSF President on November 19, 2021, approved an amendment to the MSF Loan and Lender's note to correct the maturity date from May 4, 2026, to November 4, 2026. The previous approval from the MSF allowed for a term of up to 90 months on the MSF Loan and Lender note. The requested change extended the effective term for the MSF Loan and Lender's note from 60 months to 66 months, which was within the parameters of the previous approval.

The MSF Board on February 28, 2023, approved a request to: (1) extend Milestone 3 due date from March 17, 2022 to April 17, 2023, (2) extend Milestone 4 due date from September 17, 2022 to September 17, 2023, and (3) extend the maturity date on the MSF Loan (as defined below) from November 4, 2026 to November 4, 2027.

The Company has experienced delays in the build-out due to supply chain issues, rising construction costs, and the untimely passing of the lender handling this project. The Request would help to realign the due dates with the new construction schedule. The development team and the Lender were unable to execute the agreement within the allotted timeline.

The Company will remain out of compliance with the MCRP Agreement without the approval of the Request.

Recommendation

The MEDC staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-083

APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD FOR DETROIT ENTREPRENEUR DEVELOPMENT, LLC

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1 (the “Delegation”), 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, (the “Transaction Documents”);

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

WHEREAS, on October 25, 2016, by Resolution 2016-216, the MSF Board awarded a MCRP Other Economic Assistance Loan Participation Award to Detroit Entrepreneur Development, LLC (the “Company”), in an amount up to \$1,300,000 (the “Award”);

WHEREAS, on May 21, 2019, by Resolution 2019-074, the MSF Board approved an amendment to the MCRP agreement for the Award to: (1) reduce the “Minimum Eligible Investment” requirement to \$5,132,000; and (2) extend the “Project Completion” and “Certification of Conversion” milestones to June 30, 2019;

WHEREAS, on July 23, 2019, by Resolution 2019-110, the MSF Board approved an amendment to the MCRP agreement for the Award to extend the “Project Completion” and “Certification of Conversion” milestones to September 30, 2019;

WHEREAS, on October 22, 2019, by Resolution 2019-156, the MSF Board approved an amendment to the MCRP agreement for the Award to: (1) to extend the “Project Completion” and “Certification of Conversion” milestones to March 31, 2020; (2) provided the MSF Fund Manager authorization to extend the maturity to date on the Award to match that of Dart Bank (the “Lender”); (3) consent to the Lender to extend the maturity date on its share of the financing; and 4) consent to allow the Lender to advance an additional financing on the not exceed \$150,000 to complete buildout to the commercial units;

WHEREAS, on April 14, 2020, by Resolution 2020-039, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the “Awardee Guidelines”) due to COVID-19 and by Resolution 2020-040, delegated to the MSF Fund Manager, the MSF President, and State Treasurer (with any two required to act) the authority to amend any award consistent with the Awardee Guidelines;

WHEREAS, on May 22, 2020, the MSF Fund Manager and MSF President approved an amendment to the Award for a 90-day payment deferral on the Award under the Awardee Relief Initiative;

WHEREAS, on July 28, 2020, by Resolution 2020-089, the MSF Board approved an amendment to the MCRP agreement for the Award authorizing the following: (1) extend the maturity dates on the Award and the Lender's loan for a period of up to 120 months from closing of the amended agreement; (2) reduce the personal guarantee percentage of John Burtka from 36% to 18% in order to more closely reflect his ownership interest; (3) to allow the Lender to reduce the interest rate on their loan. Additionally, the MSF Board approved a new \$100,000 MCRP Other Economic Assistance Award (the "MSF Loan") to assist the company in the buildout of the existing vacant commercial space;

WHEREAS, the MSF Fund Manager and MSF President on November 19, 2021, approved an amendment to the MSF Loan and the Lender's note to correct the maturity date from May 4, 2026, to November 4, 2026;

WHEREAS, on February 28, 2023, by Resolution 2023-020, the MSF Board approved an amendment to the MCRP agreement for the award to: (1) extend Milestone 3 due date from March 17, 2022, to April 17, 2023, (2) extend Milestone 4 due date from September 17, 2022, to September 17, 2023, and (3) extend the maturity date on the MSF Loan from November 4, 2026, to November 4, 2027;

WHEREAS, the Company has requested an amendment to the Award to: (1) extend Milestone 3 due date to a date not to surpass May 17, 2024, (2) extend Milestone 4 due date to a date not to surpass September 17, 2024, and (3) extend the maturity date on the MSF Loan to a date not to surpass to November 4, 2028 (collectively, the "Amendment Request"); and

WHEREAS, the MEDC is recommending that the MSF Board approve the Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Amendment Request.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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

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MEMORANDUM

Date: May 23, 2023

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

From: Matt Chasnis, Senior Business Development Project Manager

Subject: Reauthorization of Performance-based Grant Request
Michigan Business Development Program (“MBDP”)
VIA Motors Inc. (“Company” or “Applicant”)

Background

On October 25, 2022, the MSF approved a MBDP performance-based grant in the amount of \$2,500,000 for the Company. The MBDP approval required that an Agreement be entered into within 120 days of the date of the approval, and may be extended for an additional 60 days with approval from the MSF Fund Manager.

Due to administrative limitations, all parties have been unable to enter into the Agreement within the allowable 180 days. The Company’s bylaws, which is necessary to draft and execute the agreement, was uncollected by mistake. The delay in receiving the document caused the previous approval to expire. The Company will not be able to review and sign the agreement by the expiration of the authorization and has requested additional time to execute its Agreement. It is anticipated the Company will be in a position to execute the agreement within the allotted reauthorization timeline.

Recommendation

MEDC Staff recommends the following (collectively, “Recommendation”):

- a) Reauthorization of the MBDP Proposal as outlined in the attached term sheet (collectively, “MBDP Proposal”);
- b) Closing the MBDP Proposal, subject to available funding under the MBDP at the time of closing (“Available Funding”), satisfactory completion of due diligence, (collectively, “Due Diligence”), finalization of all MBDP transaction documents; and
- c) Commitment will remain valid for 120 days with approval for the MSF Fund Manager to extend the commitment an additional 60 days.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-084**

**REAUTHORIZATION OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
TO
VIA MOTORS INC.**

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 (the “MEDC”) provides administrative services to the Michigan Strategic Fund (the “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 (the “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 Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1 (the “Delegation”), the MSF Board 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 (the “Transaction Documents”);

WHEREAS, the MSF Act, MCL 125.2001 et seq. and the Delegation require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, the MSF Board approved a \$2,500,000 MBDP performance-based grant to VIA Motors, Inc. (the “Company”) on October 25, 2022, for moving its headquarters from Utah to Michigan that will create up to 300 Qualified New Jobs and is expected to require \$12,359,000 of private investment in the City of Auburn Hills, Oakland County (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business, and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs;

WHEREAS, the Company requests that the MSF Board approve a reauthorization of the \$2,500,000 MBDP performance-based grant as outlined in the term sheet attached as Exhibit A (the “Term Sheet”) (the foregoing, the “MBDP Grant Request”); and

WHEREAS, the MEDC recommends that the MSF Board approve the MBDP 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 (collectively, the “MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferrich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



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: October 10, 2022

Company Name: VIA Motors Inc. and/or its affiliates and subsidiaries.

Project Location: Auburn Hills, Oakland County

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$2,500,000

Base Employment Level: At least 73, at the time of first disbursement of funds and thereafter

Maximum Number of Qualified New Jobs ("QNJ"): Up to 300 Full-Time Jobs at the Project Location

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

Start Date for Measurement of Creation of Qualified New Jobs: August 16, 2022 (Date of submitted application)


Term of the Agreement: **May 31, 2027**

Milestone Based Incentive: Disbursements will be made over a 4-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
 \$8,333 per QNJ for the creation of a minimum of 53 jobs up to a maximum of 75 jobs.
 \$8,333 per QNJ for the creation of a minimum of 105 jobs up to a maximum of 150 jobs.
 \$8,333 per QNJ for the creation of a minimum of 158 jobs up to a maximum of 225 jobs.
 \$8,333 per QNJ for the creation of a minimum of 210 jobs up to a maximum of 300 jobs.

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

Acknowledged as received by:

VIA Motors Inc.

By: 

Printed Name: Robert Purcell

Its: CEO

Michigan Economic Development Corporation

DocuSigned by: 

By: 60049B4867CE4B5...

Printed Name: Matthew Chasnis

Its: Business Development Projects Manager



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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

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MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: May 23, 2023

To: Michigan Strategic Fund Board

From: Jon Stuckey, Assistant Attorney General
Andrew Fillmore, Assistant Attorney General

Subject: Public Act 24 of 2023 (“Act 24”) – Ratification and Confirmation of MSF Board Operating Documents

On April 26, 2023, the Governor of the State of Michigan signed House Bill 4219 enacting Act 24 with immediate effect. Act 24 amended Section 5 of the Michigan Strategic Fund (the “MSF”) Act, Public Act 270 of 1984, to reconstitute the MSF Board to 13 members.

Because Act 24 reconstituted the MSF Board, it is recommended that the MSF Board ratify and confirm, subject to modification by the MSF Board at a future MSF Board meeting, the (1) MSF Bylaws, as Amended and Restated on April 22, 2014; (2) Consent Agenda Policy, as Amended and Restated on December 13, 2022; (3) MSF Board Conflict of Interest Policy, as approved by the MSF Board on March 14, 2014; (4) MSF Background Review Policy, as approved by the MSF Board on April 25, 2023; (5) Freedom of Information Act Policy, as approved by the MSF Board on June 25, 2019; (6) Michigan Strategic Fund Compiled Resolutions, as amended; and (7) any currently effective memorandums of understanding, any program guidelines or procedures, appointments, committee selections and such other items of similar purpose (collectively, the “MSF Board Operating Documents”) to ensure complete continuity with the previous MSF Board.

Our Office recommends that the MSF Board approve the attached resolution to ratify and confirm the MSF Board Operating Documents.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-085**

RATIFICATION AND CONFIRMATION OF MSF BOARD OPERATING DOCUMENTS

WHEREAS, Public Act 270 of 1984, MCL 125.2001 *et seq.* (the “MSF Act”), established the Michigan Strategic Fund (the “MSF”);

WHEREAS, the Governor of the State of Michigan signed Public Act 24 of 2023 (“Act 24”) on April 26, 2023 with immediate effect;

WHEREAS, Act 24 amended Section 5 of the MSF Act to reconstitute the MSF Board to thirteen members;

WHEREAS, an MSF Board sufficient to reach quorum has been appointed, along with such members who are members of the MSF Board by operation of law;

WHEREAS, because this is the first meeting of the MSF Board subsequent to the enactment of Act 24, it is recommended that the MSF Board ratify and confirm, subject to modification by the MSF Board at a future MSF Board meeting, the (1) MSF Bylaws, as Amended and Restated on April 2, 2014; (2) Consent Agenda Policy, as Amended and Restated on December 13, 2022; (3) MSF Board Conflict of Interest Policy, as approved by the MSF Board on March 14, 2014; (4) MSF Background Review Policy, as approved by the MSF Board on April 25, 2023; (5) Freedom of Information Act Policy, as approved by the MSF Board on June 25, 2019; (6) the Michigan Strategic Fund Compiled Resolutions, as amended, and (7) any currently effective memorandums of understanding, any program guidelines or procedures, appointments, committee selections and such other items of similar purpose (collectively, the “MSF Board Operating Documents”) to ensure complete continuity with the previous MSF Board; and

WHEREAS, the MSF Board desires to ratify and confirm the MSF Board Operating Documents.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board ratifies and confirms the MSF Board Operating Documents; and

BE IT FURTHER RESOLVED, that this resolution shall be effective immediately upon adoption.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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

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MICHIGAN STRATEGIC FUND

RESOLUTION 2023-086

STRATEGIC FUND DELEGATION OF AUTHORITY

WHEREAS, under Section 125.2005(7) of the Michigan Strategic Fund Act, the Michigan Strategic Fund (“MSF”) Board may delegate to its president, vice-president, staff or others those functions and authority the MSF Board deems necessary or appropriate;

WHEREAS, under Article II, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on April 22, 2014, the MSF Board may delegate by resolution those functions and authority it deems necessary or appropriate to the President, Vice-President, Staff, the MEDC, or others, unless otherwise prohibited by law;

WHEREAS, under Article III, Section 1 of the Bylaws, the MSF President will provide for compilations of all general delegated authority; standard processes; and standard policies, in force (the "Strategic Fund Compiled Resolutions" or "SFCR");

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

WHEREAS, the MEDC recommends that the MSF Board amend Strategic Fund Compiled Resolutions Sections 125.2005-1; 125.2088c-2; 10.8-1; and 10.8-2 to delegate authority as set forth in this Resolution; and

WHEREAS, the MSF Board wishes to amend Strategic Fund Compiled Resolutions Sections 125.2005-1; 125.2088c-2; 10.8-1; and 10.8-2 in accordance with the terms and conditions of this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the MSF Board hereby amends Strategic Fund Compiled Resolutions to add the following subsections, effective May 23, 2023:

125.2005-1 General Delegations of Authority

(5) The Associate MSF Fund Manager has all the same powers and authorities as the MSF Fund Manager under the Strategic Fund Compiled Resolutions, as may be amended from time to time.

125.2088c-2 MSF Background Review Policy

(1) The MSF President or the MSF Fund Manager may make all decisions to develop, finalize, and revise the overall process and procedure to implement the MSF Background Review Policy.

BE IT FURTHER RESOLVED, that the MSF Board hereby amends the Strategic Fund Compiled Resolutions to revise Section 10.8-1 to reflect the delegation of authority approved under Resolution 2014-177 for the State Essential Services Assessment Exemption and Alternative State Essential Services Assessment Program, effective May 23, 2023:

Section 10.8-1 State Essential Services Assessment Exemption and Alternative State Essential Services Assessment Program (the “SESA Program”)

(1) The MSF President or the MSF Fund Manager may make all decisions to develop, finalize, and revise a SESA Program application and overall process to operate the SESA Program, each in accordance with the SESA Program guidelines adopted by the MSF Board.

(2) The MSF President or the MSF Fund Manager may negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Program.

BE IT FURTHER RESOLVED, that the MSF Board hereby amends the Strategic Fund Compiled Resolutions to add a new Section 10.8-2 to reflect the delegation of authority approved under Resolution 2022-057 for the Brownfield Site Investment Program, effective May 23, 2023:

Section 10.8-2 Brownfield Site Investment Program

(1) The MSF President or the MSF Fund Manager may make all decisions to develop, finalize, and revise a Brownfield Site Investment Program application and overall process to operate the Brownfield Site Investment Program, each in accordance with the SESA Program guidelines adopted by the MSF Board.

(2) The MSF President, the MSF Fund Manager, and the State Treasurer, with any two required to act, may make all decisions with respect to awards under the Brownfield Site Investment Program where the award amount is less than or equal to \$1,000,000 in accordance with the Brownfield Site Investment Program guidelines adopted by the MSF Board.

(3) The MSF President or the MSF Fund Manager may negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the Brownfield Site Investment Program.

BE IT FURTHER RESOLVED, the MSF President shall compile and publish the above delegated authority as required under Article III of the Bylaws.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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 STRATEGIC FUND

**RESOLUTION
2023-079**

**APPROVAL OF THE MAY 23, 2023 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, on November 20, 2013, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines (the “Consent Agenda”);

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently amended and restated by the MSF Board on December 13, 2022;

WHEREAS, the Michigan Economic Development Corporation (“the MEDC”) provides administrative services to the 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 Meeting Minutes: April 25, 2023
- b. Associate MSF Manager Approval
- c. City of Morenci: Water Related Infrastructure Project Amendment
- d. Commongrounds Cooperative & Commongrounds LLC: Michigan Community Revitalization Program Grant Agreement Amendment
- e. Detroit Entrepreneur Development, LLC: Michigan Community Revitalization Program Other Economic Assistance Loan Participation Award Amendment #8
- f. VIA Motors Inc.: Michigan Business Development Program Performance-Based Grant Reauthorization
- g. MSF Board Operating Documents: Ratification and Confirmation
- h. Delegation of Authority Amendment

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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®



MEMORANDUM

Date: May 23, 2023

To: Michigan Strategic Fund Board

From: Jake Winder, Manager, Community Development Incentives

Subject: Request for Approval of a Michigan Strategic Fund (MSF) Performance-Based Grant Agreement Amendment #1
Downtown Detroit Partnership

Request

Downtown Detroit Partnership (the “DDP”) is requesting an increase of \$2,000,000 to the Michigan Strategic Fund (the “MSF”) Grant Agreement (the “Agreement”) between the MSF and DDP (the “Request”).

Background

On November 9, 2022, the MSF Board approved a \$2,000,000 grant to DDP for the purpose of purchasing pedestrian infrastructure equipment, such as fence posts, safety barricades, and pedestrian bridges, for events hosted by the DDP. These events include the Movement Music Festival, the Ford Fireworks, and the Detroit Grand Prix. The MSF and DDP executed a grant agreement on February 6, 2023, in accordance with the terms and conditions of Resolution 2022-189.

DDP has realized significant cost overruns over the last six months, primarily due to inflation and installation costs to accommodate the set-up of this equipment.

The company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval of Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-087**

DOWNTOWN DETROIT PARTNERSHIP GRANT AMENDMENT

WHEREAS, the Michigan legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., to enable 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, including through blight removal and job creation;

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

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

WHEREAS, on September 27, 2022, the MSF Board allocated \$58,942,251 for Business and Community Development Programs and Activities (the “FY23 Funding Allocation”);

WHEREAS, on November 9, 2022, the MSF Board approved a \$2,000,000 MSF Performance Based Grant to the Downtown Detroit Partnership (“DDP”) for the purpose of purchasing pedestrian infrastructure equipment to ensure accessibility and safety for the patrons that attend events in the City of Detroit (the “DDP Grant”);

WHEREAS, the MSF and DDP executed an agreement on February 6, 2023, to effectuate the DDP Grant (the “DDP Grant Agreement”);

WHEREAS, the DDP has requested that the MSF Board increase the DDP Grant by an additional \$2,000,000 (the “Grant Amendment Request”);

WHEREAS, the MEDC recommends that the MSF Board approve the Grant Amendment Request; and

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

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Grant Amendment Request and authorizes the MSF Fund Manager to negotiate the final terms and conditions of the Grant Amendment Request and execute all documents necessary to amend the DDP Grant Agreement, consistent with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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®



MEMORANDUM

Date: May 23, 2023

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Director, Commercial Real Estate Investment

Subject: Request for Approval Amendments for Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreements
Fulton and Seward, L.L.C.
Bridge and Turner, LLC
Bridge and Stocking L.L.C.

Request

The following includes requests for three separate entities owned by the same development with senior loans with Mercantile Bank (the “Lender”):

Fulton and Seward, L.L.C. is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Agreement and any related ancillary agreements (the “Agreement”). The amendment request dated March 31, 2023, includes a request to reduce the interest rate on MCRP Loan from 3% to 1% and waive a “Success Fee” of \$500,000 due at maturity.

Bridge and Turner, LLC is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Agreement and any related ancillary agreements (the “Agreement”). The amendment request dated March 31, 2023, includes a request to reduce the interest rate on MCRP Loan from 3% to 1% and waive a “Success Fee” of \$425,000 due at maturity.

Bridge and Stocking L.L.C. is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Agreement and any related ancillary agreements (the “Agreement”). The amendment request dated March 31, 2023, includes a request to reduce the interest rate on MCRP Loan from 3% to 1%.

Collectively, the above requests are intended to provide cash flow relief for the projects and align the awards with the loan structure used most commonly under the Michigan Community Revitalization Program (the “MCRP”).

The projects have experienced challenges related to tenant loss and turnover primarily related to the COVID 19 pandemic which has created a paradigm shift commercial occupancy mostly on the side of things. Additionally, the Fulton and Seward project has experienced residential leasing issues to unit configurations that were primarily designed to accommodate students from Grand Valley State University. The student demand never materialized and forced the development team to adjust the residential rents.

Overall, the development team has contributed additional equity proceeds of approximately \$7,8 million dollars to restructure its senior debt and assist with tenant buildouts. Additional owner equity will be required as new commercial tenants are identified. Additionally, the Lender has remained committed to the projects and worked with the MEDC and the development team to support the projects.

Fulton and Seward, L.L.C.
Bridge and Turner, LLC
Bridge and Stocking L.L.C.
May 23, 2023
Page 2 of 2

The projects are current on all reporting and payment requirements. All approvals for the individual projects are detailed in the Resolutions for each.

Recommendation

The MEDC staff recommends approval of the amendments detailed above.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-088**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE
LOAN PARTICIPATION
AWARD FOR
FULTON AND SEWARD, L.L.C.**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, (the “Delegation”) 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;

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

WHEREAS, by Resolution 2020-039 on April 14, 2020, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the “Awardee Guidelines”) due to COVID-19, as amended by Resolution 2021-035 on March 23, 2021, and by Resolution 2020-040 on April 14, 2020, delegated to the MSF President, the MSF Fund Manager, and State Treasurer (with any two required to act) the authority to amend any award consistent with the Awardee Guidelines (the “MSF Board Delegates”), as amended by Resolution 2021-036 on March 23, 2021;

WHEREAS, by Resolution 2015-081 on June 23, 2015 the MSF Board awarded a MCRP Other Economic Assistance Performance Based Loan Participation Award to the Fulton and Seward, L.L.C. (the “Company”), in furtherance of the project of up to \$3,000,000 (“Award”);

WHEREAS, by Resolution 2019-093 on June 25, 2019, the MSF Board approved a MCRP amendment to complete a loan workout resulting in the: 1) conversion of MSF principal and interest payments to interest only for 24 months, 2) payoff of the TIF note, 3) partial paydown of the senior loan and restructuring of \$5,000,000 into an unsecured note from Mercantile Bank (the “Lender”) to West Side Village, the sole member of the Company, 4) substitution of a guarantor and reconfiguration of guarantor percentages, and 5) addition of DSCR and distribution covenants;

WHEREAS, by Resolution 2019-190 on December 17, 2019, the MSF Board approved a MCRP amendment to: 1) release property unrelated to the project, 614 NW Bridge Street, Grand Rapids, MI as collateral from the CRP Fulton and Seward loan participation, and 2) allow all of the net sale proceeds from the building to go toward right-sizing the senior loan caused by the collateral release, with the remaining proceeds to be used as a paydown on an unsecured loan also held by the Lender;

WHEREAS, on May 7, 2020, the MSF Fund Manager and MSF President under the Awardee Relief Initiative approved a consent to allow the Lender to amend their agreement and any related ancillary agreements to accept interest only payments for three months on the Lender note, starting in May 2020; and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF Board amend the Award to reduce the interest rate on the Award from 3% to 1%, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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 STRATEGIC FUND

**RESOLUTION
2023-089**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE
LOAN PARTICIPATION
AWARD FOR
BRIDGE AND TURNER, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, (the “Delegation”) 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;

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

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

WHEREAS, by Resolution 2020-039 on April 14, 2020, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the “Awardee Guidelines”) due to COVID-19, as amended by Resolution 2021-035 on March 23, 2021, and by Resolution 2020-040 on April 14, 2020, delegated to the MSF President, the MSF Fund Manager, and State Treasurer (with any two required to act) the authority to amend any award consistent with the Awardee Guidelines (the “MSF Board Delegates”), as amended by Resolution 2021-036 on March 23, 2021;

WHEREAS, by Resolution 2015-161 on October 27, 2015, the MSF Board utilized the Investment Fund to award a MCRP Other Economic Assistance Performance-Based Loan Participation Award to Bridge and Turner, LLC (the “Company”), in furtherance of the project of up to \$2,500,000 (“Award”);

WHEREAS, by Resolution 2019-094 on June 25, 2019, the MSF Board approved a MCRP amendment to amend the Lender Debt Service Coverage covenant within the Loan Agreement to remove distributions from the definition;

WHEREAS, by Resolution 2020-028 on February 25, 2020, the MSF Board approved a MCRP amendment to the Award to: 1) remove Paul Roberts, individually and as Trustee of the Paul B. Roberts living Trust dated January 14, 2005 as a guarantor for, and owner of, Bridge and Turner, LLC, and 2) increase the percentages on the remaining Rockford Development Group (RDG) guarantors/owners based on the new pro-rata ownership;

WHEREAS, on May 8, 2020, the MSF Fund Manager and MSF President under the Awardee Relief Initiative approved a consent to allow the Lender to amend their agreement and any related ancillary agreements to accept interest only payments for three months on the Lender note, starting in May 2020;

WHEREAS, on March 3, 2022, the MSF Fund Manager and MSF President under the Awardee Relief Initiative approved a consent request for an additional loan from Mercantile Bank (“Lender”) to the Company in the form of an unsecured Line of Credit up to \$250,000; and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF Board amend the Award to reduce the interest rate on the Award from 3% to 1%, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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 STRATEGIC FUND

**RESOLUTION
2023-090**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE
LOAN PARTICIPATION
AWARD FOR
BRIDGE AND STOCKING L.L.C.**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, (the “Delegation”) 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;

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

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

WHEREAS, by Resolution 2020-039 on April 14, 2020, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the “Awardee Guidelines”) due to COVID-19, as amended by Resolution 2021-035 on March 23, 2021, and by Resolution 2020-040 on April 14, 2020, delegated to the MSF President, the MSF Fund Manager, and State Treasurer (with any two required to act) the authority to amend any award consistent with the Awardee Guidelines (the “MSF Board Delegates”), as amended by Resolution 2021-036 on March 23, 2021;

WHEREAS, by Resolution 2017-066 on April 25, 2017, the MSF Board utilized the Investment Fund to award a MCRP Other Economic Assistance Performance Based Loan Participation Award to Bridge and Stocking, LLC (the “Company”), in furtherance of the project of up to \$6,300,000 (the “Award”);

WHEREAS, by Resolution 2020-027 on February 25, 2020, the MSF Board approved a MCRP amendment to the Award to: 1) remove Paul Roberts, individually and as Trustee of the Paul B. Roberts living Trust dated January 14, 2005, as a guarantor for, and owner of, Bridge and Stocking, L.L.C., and 2) modify the guaranty amounts for the remaining Rockford Development Group (RDG) guarantors/owners to match that of the senior lender;

WHEREAS, by Resolution 2022-163 on October 25, 2022, the MSF Board approved a MCRP amendment to the Award to reduce the debt service coverage ratio to 1.05 and waive any existing covenant defaults related to this ratio; and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF Board amend the Award to reduce the interest rate on the Award from 3% to 1%, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Board Relations Liaison
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300 N. Washington Square
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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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®



MEMORANDUM

Date: May 23, 2023

To: Michigan Strategic Fund Board

From: Christine Whitz, Managing Director, Community Development Block Grant Program
Greg West, Manager, Community Development Block Grant Program

Subject: *Community Development Block Grant Disaster Recovery Program
Disaster Events Year 2020 & 2021 Action Plan & Grant Agreement*

Request

Michigan Economic Development Corporation (“MEDC”) Staff recommends the Michigan Strategic Fund (“MSF”) approval of the 2020 & 2021 Disaster Events Action Plan Summary (Attachment A) and approval for the MSF President to sign the grant agreements for the Community Development Block Grant Disaster Recovery (CDBG-DR) Program funding. (Attachment B & C)

Background

In response to the devastating impacts caused by disasters, Congress has the ability to appropriate additional funding to the CDBG-DR program. After Congress appropriates funding to the CDBG-DR program, HUD formally announces the CDBG-DR awards and publishes rules for the awards in a Federal Register notice. The Federal Register notices describe the rules that govern the specific CDBG-DR appropriation, and these notices modify the Housing and Community Development Act of 1974 (HCD Act) to reflect any statutory and regulatory waivers and alternative requirements granted by HUD.

CDBG-DR funds can only be spent to meet the recovery and resiliency needs caused by the disaster(s) specifically stated in the appropriation. Typically, appropriations further limit use of funds to the “most impacted and distressed” areas resulting from a major disaster.

HUD has allocated \$59,898,000 in CDBG-DR funds to the State of Michigan in response to 2020 severe storms and flooding through FR-6303-N-01 (Allocation Notice) made on February 3, 2022. This allocation was made available through the Disaster Relief Supplemental Appropriations Act of 2022 for major disasters occurring in 2020. The “most impacted and distressed” areas for disasters occurring in 2020 in Michigan were: Midland, Saginaw and Gladwin counties.

In March 2022, HUD allocated an additional \$12,033,000 in CDBG-DR funds to the State of Michigan from the Appropriations Act for disasters occurring in 2021 through FR-6326-N-01 (Public Law 117-43) made on May 24, 2022. The “most impacted and distressed” area for disasters occurring in 2021 in Michigan was Wayne County. The City of Detroit and City of Dearborn received a direct allocation of CDBG-DR funding from HUD.

The Action Plan Summary attached outlines the Unmet Needs Assessment and Proposed Use of Funds for various activities funded with the CDBG Disaster Recovery allocations. This is the link to the entire Action Plan for the State of Michigan 2020 & 2021 Disaster Events:

https://www.miplace.org/4916f7/globalassets/documents/cdbg/resources/medc-action-plan_508.pdf

Recommendation

The MEDC Staff recommends the MSF approve:

- The 2020 & 2021 Disaster Recovery Program Action Plan.
- The MSF Fund Manager is authorized to approval all non-budgetary amendments to the 2020 & 2021 Disaster Recovery Action Plan and
- The MSF President to be the signatory on the 2020 & 2021 Disaster Recovery Program Grant Agreements.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-091**

APPROVAL OF THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY PROGRAM ACTION PLAN SUMMARY FOR 2020 & 2021 DISASTER EVENTS AND GRANT AGREEMENTS SIGNATORY

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of State of Michigan, consolidated the State's economic development functions and programs and their accompanying powers of 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, Executive Order 2023-1 stated that the MSF retain the administration of the CDBG Disaster Recovery Program, the CDBG Coronavirus Aid, Relief and Economic Security (CARES) Act program and CDBG Program related to the 2022 CDBG annual program allocation and all prior year allocations;

WHEREAS, the CDBG Disaster Recovery (CDBG-DR) program staff reviewed the 2020 & 2021 Disaster Recovery Action Plan Summary attached as Exhibit A ("Action Plan") and concluded that it meets federal regulations and the requirements of the Federal Notice FR-6303-N-01 and Public Law 117-43;

WHEREAS, the CDBG-DR program staff recommends that the MSF adopt the Action Plan;

WHEREAS, the MSF Board desires to authorize the MSF Fund Manager to submit the final Action Plan to HUD and make any non-budgetary amendments to the Action Plan; and

WHEREAS, the MSF Board desires to authorize the MSF President to sign the 2020 & 2021 Disaster Recovery grant agreements attached as Exhibits B and C, respectively;

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to submit the final Action Plan to HUD;

BE IT FURTHER RESOLVED, The MSF Fund Manager is authorized to make any non-budgetary amendments to the Action Plan on the MSF's behalf so long as the final terms and conditions are consistent with this resolution of the MSF Board and not otherwise materially adverse to the interests of the MSF;

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF President to sign the 2020 & 2021 Disaster Recovery grant agreements and attached as Exhibits B and C, respectively;

BE IT FURTHER RESOLVED, the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023

COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR)

Action Plan Summary

Introduction

In response to extraordinary impacts from disasters, when the President declares a major disaster, Congress may appropriate funds to the Department of Housing and Urban Development (HUD) when there are significant unmet needs for long-term recovery.

The special appropriation provides funds to the most impacted and distressed areas for:

- Disaster Relief.
- Long Term-Recovery.
- Restoration of Infrastructure.
- Housing.
- Economic Revitalization.

In March 2022, HUD allocated nearly \$3 billion in Community Development Block Grant Disaster Recovery (CDBG-DR) funds appropriated by the Disaster Relief Supplemental Appropriations Act, 2022 for major disasters occurring in 2020 and 2021.

HUD allocated approximately \$71.9 million in long-term recovery funds to Michigan to support recovery and mitigation efforts following severe storms and flooding in 2020 and 2021. A total of \$59.9 million was allocated to the counties of Midland, Saginaw, Gladwin (2020 disaster) and \$12.0 million was allocated to Wayne County (2021 disaster).

CDBG-DR Appropriations – Most Impacted and Distressed Areas (MIDs)		
Grant	MIDs	Award Amount
B-21-DF-26-0001	Wayne	\$ 12,033,000
B-21-DZ-26-0001	Midland, Saginaw, Gladwin	\$ 59,898,000

CDBG-DR Action Plan

In order to use these funds, the State must create an Action Plan to identify the unmet needs of the communities and people affected by the declared disasters and outline programs and activities that will address these needs.

To develop this plan the MEDC adopted a Citizen Participation Plan to encourage citizens to participate in an advisory role in the planning, implementing, and assessing of Michigan's CDBG-DR funded programs. Multiple public hearings were held across the impacted areas to further garner feedback on needs and

priorities. The programs outlined below are designed to address the needs for recovery and mitigation of disasters.

CDBG-DR Programs		
Program	MIDs	Budgeted Amount
Infrastructure and Public Facilities	Midland, Saginaw, Gladwin	\$40,000,000
Infrastructure Program	Wayne	\$11,431,350
Planning	Midland, Saginaw, Gladwin	\$7,187,760
Multifamily Housing	Midland, Saginaw, Gladwin	\$7,918,400
Administration	Midland, Saginaw, Gladwin, Wayne	\$5,393,490

Program Summaries

2020 Infrastructure and Public Facilities program

This program will award funds to eligible projects within the identified HUD MID counties to address unmet recovery and mitigation needs associated with general infrastructure and public facilities. The grant funds will allow recipients to design and construct infrastructure and public facilities that will directly benefit individuals and the larger community.

2021 Infrastructure Program

This program will award funds to eligible projects within the identified HUD MID counties to address unmet recovery and mitigation needs associated with general infrastructure. The grant funds will allow recipients to design and construct infrastructure that will directly benefit individuals and the larger community.

2020 Multifamily Housing

The Multifamily Housing Program (MHP) has been designed to meet the unmet need for rental housing and develop additional affordable housing units. Funds will be provided for rehabilitation, reconstruction, and new construction of public housing and affordable multifamily housing projects in HUD-identified MID areas impacted by the 2020 disaster. The affordable units will be made available to low-income individuals and families impacted by the flooding disaster and displaced. These developments will also help replace rental housing units available to Housing Choice Voucher holders that were lost as a result of the event.

2020 Planning

The program will provide CDBG-DR funds to assist with updating the State of Michigan Hazard Mitigation Plan as well as providing funds for the development, update, and cost share for local hazard mitigation plans.

**COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR)
GRANT AGREEMENT**

Grantee's Name: State of Michigan, Michigan Strategic Fund

Tax ID Number: 38-6000134

Grantee's unique entity identifier [UEI]: NNNEHURMUV34

Unique Federal Award Identification Number (FAIN): B-21-DZ-26-0001

Appropriation Account: 86X0162

Program Accounting Code: LDZ

Federal Award Dates:

Period of Performance and Budget Period Start Date:

Period of Performance and Budget Period End Date:

Date Use of Funds May Begin: May 16, 2020

Amount of Federal Funds Obligated by this Action: \$59,898,000.00

Amount of Federal Funds Previously Obligated: -\$0-

Dates of Prior Obligation (if applicable): n/a

Total Amount of the Federal Award: \$59,898,000.00

Federal awarding agency: Department of Housing and Urban Development

Contact information for HUD: Tennille Smith Parker, Director, Office of Disaster Recovery,
U.S. Department of Housing and Urban Development, 451 7th St SW, Washington, DC 20410

Assistance Listing: 14.228 Community Development Block Grant/State's program

Indirect Cost Rate for the Grant: See Attachment 1

Check One: Original Funding Approval **or** Amendment: 1

I. Recitals

The Disaster Relief Supplemental Appropriations Act, 2022 (Pub. L. 117– 43), approved September 30, 2021 (the “Appropriations Act”), makes available \$5,000,000,000 in Community Development Block Grant Disaster Recovery (CDBG–DR) funds. These CDBG–DR funds are for necessary expenses for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCDA or HCD Act) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation (MIT) in the most impacted and distressed (MID) areas resulting from a qualifying major disaster in 2020 or 2021.

The United States Department of Housing and Urban Development (the “Department” or “HUD”) allocated over \$2.7 billion in CDBG–DR funds from the Appropriations Act to assist in long term recovery from disasters occurring in 2020. As required by the Appropriations Act, HUD’s final allocations for the total estimate of unmet needs included an additional amount of 15 percent of that estimate for mitigation activities that reduce risk in the MID areas.

HUD notified the public of the allocations in press releases and in a *Federal Register* notice, *Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG–DR Consolidated Waivers and Alternative Requirements Notice*, which was published at 87 Fed. Reg. 6364 on February 3, 2022 (the “Allocation Announcement Notice”). The Allocation Announcement Notice, including the CDBG-DR Consolidated Notice (Appendix B of the Allocation Announcement Notice), contains requirements that are incorporated into this Agreement and are included for reference in Attachment 2.

This agreement between the Grantee identified on page 1 (“Grantee”) and HUD governs grant amounts identified on page 1 that are allocated and obligated to the grantee based on HUD’s review of the impacts and estimates of unmet need for major disasters identified in the Allocation Announcement Notice. The Allocation Announcement Notice, and subsequent notices or press releases, identify the total amount allocated to the Grantee, and the amount of the total allocation that is provided as a mitigation set aside. Page 1 of this agreement identifies the portion of that allocation that HUD has obligated to the Grantee.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) require HUD to have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. HUD may establish specific criteria and conditions for this grant as provided for in section V.B.3. of the CDBG-DR Consolidated Notice and at 2 CFR 200.206 and 200.208.

Now, therefore, under the authority of the Appropriations Act, the Grantee and HUD agree to the terms of this COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) GRANT AGREEMENT, including but not limited to the General Terms and Conditions and Specific Conditions set forth in sections II. and III. and Attachment(s) (the “Agreement”).

II. General Terms and Conditions

1. This Agreement is a federal award (grant). The grant is subject to all requirements in the Agreement, including the requirement that the Grantee agrees to use the grant funds in accordance with the Agreement, as may be amended from time to time. If the amendment box on page 1 is checked, the amended agreement governs the grant from the date the amendment is signed by HUD.
2. The following requirements, as now in effect and as these requirements may be amended from time to time, are incorporated into the Agreement: requirements of the Appropriations Act, and requirements of title I of the Housing and Community Development Act of 1974 (HCDA or HCD Act) (42 USC 5301 et seq.) and implementing regulations at 24 CFR part 570, as modified by waivers, alternative requirements, and other requirements published in the Allocation Announcement Notice and other applicable *Federal Register* notices.
3. The period of performance/budget period for this agreement is specified on page 1. The Grantee shall not incur any obligations to be paid from funds made available by this award after the last day of the period of performance. Pre-award costs and pre-agreement costs are allowable to the extent permitted by the Allocation Announcement Notice and other applicable *Federal Register* notices.
4. The Grantee must comply with the applicable requirements at 2 CFR part 200, as may be amended from time to time, to the extent that part 200 is incorporated into and made applicable by 24 CFR part 570, subpart I, or applicable *Federal Register* notices that govern this grant. Recent amendments to 2 CFR part 200 were effective on August 13, 2020, November 12, 2020, and February 22, 2021. Where any previous or future amendments to 2 CFR part 200 replace or renumber sections of part 200 that are cited specifically in applicable *Federal Register* notices, the Agreement (as may be amended), or program regulations, activities carried out under the grant after the effective date of the part 200 amendments will be governed by the part 200 requirements as replaced or renumbered by the part 200 amendments. The Grantee must comply with other requirements established by the Office of Management and Budget (OMB), as amended, regarding the System for Award Management (SAM.gov) and the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25 and 2 CFR part 170.
5. A metropolitan city, urban county, unit of general local government, or insular area that directly or indirectly receives funds obligated by this agreement may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits, or non-Federal considerations, but must use such funds for eligible activities.
6. In accordance with the Appropriations Act and authorization by the Secretary (see paragraph IV.A.3. at 87 FR 6368), and subject to limitations in paragraph II.12. of this Agreement that require funds obligated by this Agreement to be used for program administrative costs unless and until this Agreement is amended to allow the use of grant funds for other eligible activities, the Grantee may use CDBG-DR funds that the grantee

was awarded under prior appropriations and funds obligated by this grant agreement interchangeably and without limitation for eligible activities authorized by Title I of the HCDA, as modified by applicable waivers and alternative requirements, if those activities are related to unmet recovery needs in the MID areas resulting from a major disaster in the Appropriation Act or in a prior or future appropriation act, when the MID areas for both CDBG-DR grants overlap and when the use of the funds will address unmet recovery needs of major disasters in the Appropriation Act or in any prior or future appropriation acts. For purposes of this requirement, if HUD did not identify MID areas for the major disaster in the *Federal Register* notices governing the CDBG-DR funds, the MID areas are those areas designated by the President in the major disaster declaration.

7. Activities undertaken with funds obligated by this Agreement shall be governed by the specific conditions in section III. until the specific conditions are modified or removed in writing by HUD. If the “Amendment” box on page 1 is checked, the following requirement applies: as of the date HUD signs the amendment, specific conditions in section III. of the amendment shall supersede all specific conditions previously imposed. Activities undertaken after HUD signs the amendment shall be governed by the specific conditions in the amendment until modified or removed by HUD in writing.
8. Before submitting this signed Agreement to HUD, the Grantee shall attach a schedule of its indirect cost rate(s) in the format set forth in Attachment 1. The Grantee shall provide HUD with a revised schedule when any change is made to the rate(s) described in the schedule. The schedule and any revisions HUD receives from the Grantee are and shall be incorporated herein and made a part of the Agreement, as amended, provided that the rate(s) described comply with 2 CFR part 200, subpart E.
9. HUD and the Grantee agree that this Agreement shall be electronically signed, and that any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. The Grantee shall maintain this Agreement, including any amendments, in its files.
10. Data Sharing Agreements and Computer Matching Agreements between HUD and the Grantee for the purpose of sharing Federal Emergency Management Agency data pertaining to major disasters assisted by this grant, when signed (including data sharing and computer matching agreements signed or modified after this Agreement is signed), are and shall be wholly incorporated into and made a part of this Agreement. Grant requirements enforceable under the terms of 24 CFR part 570, subpart O or I include the Grantee's duties and responsibilities under such Data Sharing Agreements and Computer Matching Agreements.
11. The Grantee may use up to five percent of its allocation under the Appropriations Act for program administrative costs related to the use of funds for this grant and program administrative costs of other CDBG-DR, CDBG-MIT, and CDBG- National Disaster Resilience (NDR) grants without regard to a particular disaster. The Grantee must track and document payments of program administrative costs so that HUD may distinguish which program administrative costs are charged to this Federal award (grant) and which program administrative costs were paid for by grant funds obligated under prior or future

CDBG-DR, CDBG-MIT, and CDBG-NDR grants. The Grantee must comply with the *Federal Register* notice requirements for the use of funds for administrative costs across multiple grants, including the requirements in paragraph III.B.1.c. at 87 FR 6378, as may be modified from time to time, which requires (as of the date of this Agreement) that “the grantee must ensure that it has appropriate financial controls to guarantee that the amount of grant administration expenditures for each of the aforementioned grants will not exceed five percent of the total grant award for each grant (plus five percent of program income generated by the grant). The grantee must review and modify any financial management policies and procedures regarding the tracking and accounting of administration costs as necessary.”

III. Specific Conditions

The following specific conditions correspond to the degree of risk assessed by HUD. These specific conditions may be adjusted post-award when merited by a re-evaluation of risk factors identified in 2 CFR 200.206 and 200.208. The specific conditions will be removed once the conditions that prompted them have been satisfied.

[None]

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THE UNDERSIGNED, as authorized officials on behalf of the Grantee and the Secretary, hereby enter this **COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) GRANT AGREEMENT**, which shall be effective as of the date it is signed by the Secretary.

**STATE OF MICHIGAN,
MICHIGAN STRATEGIC FUND**

GRANTEE

BY: _____
(Signature)

(Name)

(Title)

(Date)

HOUSING AND URBAN DEVELOPMENT

BY: _____
(Signature)

(Name)

(Title)

(Date)

Attachment 1

The Grantee shall submit a schedule of its indirect cost rate(s) in the format set forth. The Grantee shall provide HUD with a revised schedule when any change is made to the rate(s) described in the schedule.

The schedule and any revisions HUD receives from the Grantee shall be incorporated and made a part of the grant agreement (the Agreement as may be amended from time to time), provided that the rate(s) described comply with 2 CFR part 200, subpart E.

<u>Administering Department/Agency</u>	<u>Indirect Cost Rate</u>	<u>Direct Cost Base</u>
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____

Instructions: The Grantee must identify each agency or department of the Grantee that will carry out activities under the grant, that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR §200.414(f)), and the type of direct cost base to which the rate will be applied (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rates for subrecipients.

Attachment 2

Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG–DR Consolidated Waivers and Alternative Requirements Notice, 87 Fed. Reg. 6364 (February 3, 2022). Additional or amended grant requirements published in the *Federal Register* apply and are incorporated into this grant agreement even if this grant agreement (including this Attachment 2) is not updated.

**COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR)
GRANT AGREEMENT**

Grantee's Name: State of Michigan, Michigan Strategic Fund

Tax ID Number: 38-6000134

Grantee's unique entity identifier [UEI]: NNNEHURMUV34

Unique Federal Award Identification Number (FAIN): B-21-DF-26-0001

Appropriation Account: 86X0162

Program Accounting Code: IDF

Federal Award Dates:

Period of Performance and Budget Period Start Date:

Period of Performance and Budget Period End Date:

Date Use of Funds May Begin: June 25, 2021

Amount of Federal Funds Obligated by this Action: \$12,033,000.00

Amount of Federal Funds Previously Obligated: -\$0-

Dates of Prior Obligation (if applicable): n/a

Total Amount of the Federal Award: \$12,033,000.00

Federal awarding agency: Department of Housing and Urban Development

Contact information for HUD: Tennille Smith Parker, Director, Office of Disaster Recovery,
U.S. Department of Housing and Urban Development, 451 7th St SW, Washington, DC 20410

Assistance Listing: 14.228 Community Development Block Grant/State's program

Indirect Cost Rate for the Grant: See Attachment 1

Check One: Original Funding Approval **or** Amendment: 1

I. Recitals

The Disaster Relief Supplemental Appropriations Act, 2022 (Pub. L. 117– 43), approved September 30, 2021 (the “Appropriations Act”), makes available \$5,000,000,000 in Community Development Block Grant Disaster Recovery (CDBG–DR) funds. These CDBG–DR funds are for necessary expenses for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCDA or HCD Act) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation (MIT) in the most impacted and distressed (MID) areas resulting from a qualifying major disaster in 2020 or 2021.

The United States Department of Housing and Urban Development (the “Department” or “HUD”) allocated over \$2.7 billion in CDBG–DR funds from the Appropriations Act to assist in long term recovery from disasters occurring in 2021. As required by the Appropriations Act, HUD’s final allocations for the total estimate of unmet needs included an additional amount of 15 percent of that estimate for mitigation activities that reduce risk in the MID areas.

HUD notified the public of the allocations in press releases and in the *Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG–DR Consolidated Waivers and Alternative Requirements Notice* which was published at 87 Fed. Reg. 31636 on May 24, 2022 (the “Allocation Announcement Notice”). The Allocation Announcement Notice, including the CDBG-DR Consolidated Notice (Appendix B of the Allocation Announcement Notice), contains requirements that are incorporated into this Agreement and are included for reference in Attachment 2.

This agreement between the Grantee identified on page 1 (“Grantee”) and HUD governs grant amounts identified on page 1 that are allocated and obligated to the grantee based on HUD’s review of the impacts and estimates of unmet need for major disasters identified in the Allocation Announcement Notice. The Allocation Announcement Notice, and subsequent notices or press releases, identify the total amount allocated to the Grantee, and the amount of the total allocation that is provided as a mitigation set aside. Page 1 of this agreement identifies the portion of that allocation that HUD has obligated to the Grantee.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) require HUD to have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. HUD may establish specific criteria and conditions for this grant as provided for in section V.B.3. of the CDBG-DR Consolidated Notice and at 2 CFR 200.206 and 200.208.

Now, therefore, under the authority of the Appropriations Act, the Grantee and HUD agree to the terms of this COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) GRANT AGREEMENT, including but not limited to the General Terms and Conditions and Specific Conditions set forth in sections II. and III. and Attachment(s) (the “Agreement”).

II. General Terms and Conditions

1. This Agreement is a federal award (grant). The grant is subject to all requirements in the Agreement, including the requirement that the Grantee agrees to use the grant funds in accordance with the Agreement, as may be amended from time to time. If the amendment box on page 1 is checked, the amended agreement governs the grant from the date the amendment is signed by HUD.
2. The following requirements, as now in effect and as these requirements may be amended from time to time, are incorporated into the Agreement: requirements of the Appropriations Act, and requirements of title I of the Housing and Community Development Act of 1974 (HCDA or HCD Act) (42 USC 5301 et seq.) and implementing regulations at 24 CFR part 570, as modified by waivers, alternative requirements, and other requirements published in the Allocation Announcement Notice and other applicable *Federal Register* notices.
3. The period of performance/budget period for this agreement is specified on page 1. The Grantee shall not incur any obligations to be paid from funds made available by this award after the last day of the period of performance. Pre-award costs and pre-agreement costs are allowable to the extent permitted by the Allocation Announcement Notice and other applicable *Federal Register* notices.
4. The Grantee must comply with the applicable requirements at 2 CFR part 200, as may be amended from time to time, to the extent that part 200 is incorporated into and made applicable by 24 CFR part 570, subpart I, or applicable *Federal Register* notices that govern this grant. Recent amendments to 2 CFR part 200 were effective on August 13, 2020, November 12, 2020, and February 22, 2021. Where any previous or future amendments to 2 CFR part 200 replace or renumber sections of part 200 that are cited specifically in applicable *Federal Register* notices, the Agreement (as may be amended), or program regulations, activities carried out under the grant after the effective date of the part 200 amendments will be governed by the part 200 requirements as replaced or renumbered by the part 200 amendments. The Grantee must comply with other requirements established by the Office of Management and Budget (OMB), as amended, regarding the System for Award Management (SAM.gov) and the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25 and 2 CFR part 170.
5. A metropolitan city, urban county, unit of general local government, or insular area that directly or indirectly receives funds obligated by this agreement may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits, or non-Federal considerations, but must use such funds for eligible activities.
6. In accordance with the Appropriations Act and authorization by the Secretary (see paragraph IV.A.3. at 87 FR 6368), and subject to limitations in paragraph II.12. of this Agreement that require funds obligated by this Agreement to be used for program administrative costs unless and until this Agreement is amended to allow the use of grant funds for other eligible activities, the Grantee may use CDBG-DR funds that the grantee

was awarded under prior appropriations and funds obligated by this grant agreement interchangeably and without limitation for eligible activities authorized by Title I of the HCDA, as modified by applicable waivers and alternative requirements, if those activities are related to unmet recovery needs in the MID areas resulting from a major disaster in the Appropriation Act or in a prior or future appropriation act, when the MID areas for both CDBG-DR grants overlap and when the use of the funds will address unmet recovery needs of major disasters in the Appropriation Act or in any prior or future appropriation acts. For purposes of this requirement, if HUD did not identify MID areas for the major disaster in the *Federal Register* notices governing the CDBG-DR funds, the MID areas are those areas designated by the President in the major disaster declaration.

7. Activities undertaken with funds obligated by this Agreement shall be governed by the specific conditions in section III. until the specific conditions are modified or removed in writing by HUD. If the “Amendment” box on page 1 is checked, the following requirement applies: as of the date HUD signs the amendment, specific conditions in section III. of the amendment shall supersede all specific conditions previously imposed. Activities undertaken after HUD signs the amendment shall be governed by the specific conditions in the amendment until modified or removed by HUD in writing.
8. Before submitting this signed Agreement to HUD, the Grantee shall attach a schedule of its indirect cost rate(s) in the format set forth in Attachment 1. The Grantee shall provide HUD with a revised schedule when any change is made to the rate(s) described in the schedule. The schedule and any revisions HUD receives from the Grantee are and shall be incorporated herein and made a part of the Agreement, as amended, provided that the rate(s) described comply with 2 CFR part 200, subpart E.
9. HUD and the Grantee agree that this Agreement shall be electronically signed, and that any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. The Grantee shall maintain this Agreement, including any amendments, in its files.
10. Data Sharing Agreements and Computer Matching Agreements between HUD and the Grantee for the purpose of sharing Federal Emergency Management Agency data pertaining to major disasters assisted by this grant, when signed (including data sharing and computer matching agreements signed or modified after this Agreement is signed), are and shall be wholly incorporated into and made a part of this Agreement. Grant requirements enforceable under the terms of 24 CFR part 570, subpart O or I include the Grantee's duties and responsibilities under such Data Sharing Agreements and Computer Matching Agreements.
11. The Grantee may use up to five percent of its allocation under the Appropriations Act for program administrative costs related to the use of funds for this grant and program administrative costs of other CDBG-DR, CDBG-MIT, and CDBG- National Disaster Resilience (NDR) grants without regard to a particular disaster. The Grantee must track and document payments of program administrative costs so that HUD may distinguish which program administrative costs are charged to this Federal award (grant) and which program administrative costs were paid for by grant funds obligated under prior or future

CDBG-DR, CDBG-MIT, and CDBG-NDR grants. The Grantee must comply with the *Federal Register* notice requirements for the use of funds for administrative costs across multiple grants, including the requirements in paragraph III.B.1.c. at 87 FR 6378, as may be modified from time to time, which requires (as of the date of this Agreement) that “the grantee must ensure that it has appropriate financial controls to guarantee that the amount of grant administration expenditures for each of the aforementioned grants will not exceed five percent of the total grant award for each grant (plus five percent of program income generated by the grant). The grantee must review and modify any financial management policies and procedures regarding the tracking and accounting of administration costs as necessary.”

III. Specific Conditions

The following specific conditions correspond to the degree of risk assessed by HUD. These specific conditions may be adjusted post-award when merited by a re-evaluation of risk factors identified in 2 CFR 200.206 and 200.208. The specific conditions will be removed once the conditions that prompted them have been satisfied.

[None]

[rest of page intentionally left blank]

THE UNDERSIGNED, as authorized officials on behalf of the Grantee and the Secretary, hereby enter this **COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) GRANT AGREEMENT**, which shall be effective as of the date it is signed by the Secretary.

**STATE OF MICHIGAN
MICHIGAN STRATEGIC FUND**

GRANTEE

BY: _____
(Signature)

(Name)

(Title)

(Date)

HOUSING AND URBAN DEVELOPMENT

BY: _____
(Signature)

(Name)

(Title)

(Date)

Attachment 1

The Grantee shall submit a schedule of its indirect cost rate(s) in the format set forth. The Grantee shall provide HUD with a revised schedule when any change is made to the rate(s) described in the schedule.

The schedule and any revisions HUD receives from the Grantee shall be incorporated and made a part of the grant agreement (the Agreement as may be amended from time to time), provided that the rate(s) described comply with 2 CFR part 200, subpart E.

<u>Administering Department/Agency</u>	<u>Indirect Cost Rate</u>	<u>Direct Cost Base</u>
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____

Instructions: The Grantee must identify each agency or department of the Grantee that will carry out activities under the grant, that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR §200.414(f)), and the type of direct cost base to which the rate will be applied (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rates for subrecipients.

Attachment 2

Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG–DR Consolidated Waivers and Alternative Requirements Notice which was published at 87 Fed. Reg. 31636, (May 24, 2022). Additional or amended grant requirements published in the *Federal Register* apply and are incorporated into this grant agreement even if this grant agreement (including this Attachment 2) is not updated.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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

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MEMORANDUM

Date: May 22, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Erik Wilford, Strategic Project Advisor
Subject: Incentives Request
Dairy Distillery Alliance, LLC (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request
State Essential Services Assessment (“SESA”) Exemption Request

Request Summary

This is a request from the Applicant for (collectively, the “Incentives Request”):

- Approval of a \$2,000,000 MBDP Grant, as outlined in the attached Term Sheet.
- Approval of a 15-year 100% SESA Exemption with an estimated value of up to \$682,500 for its \$30,000,000 eligible investment in Eligible Personal Property (“SESA Request”).
 - Additionally, due to the competitive nature of the project and the desire to capture as much investment as possible, the Applicant is requesting the following waivers to the SESA Guidelines (1) that the project to be located in an Eligible Distressed Area and (2) qualified investments to be greater than \$100,000,000 (collectively, the “Waiver Request”).
- This project involves the creation of up to 12 new jobs and a capital investment of up to \$41,100,000 in the Village of Constantine, St. Joseph County.

Applicant History

The Applicant is a joint venture between Michigan Milk Producers Association (MMPA) and Dairy Distillery USA. MMPA is a farmer-owned cooperative that includes over 1,000 dairy farmers in the Midwest and has four facilities in Michigan. As a cooperative, the members are owners of the business which includes a board to guide the direction of the cooperative in the best interest of its members. Dairy Distillery is a Canadian company that has developed technology to transform milk permeate into ethanol. Milk permeate is a byproduct of milk and other dairy processing. Milk permeate is typically used for animal feed. Dairy Distillery operates a state-of-the-art distillery in Almonte, Ontario where it has been producing ethanol from milk permeate since 2018. Dairy Distillery first started selling Vodkow, a carbon neutral vodka made from milk permeate. In the spring of 2020 with the COVID-19 outbreak, the Company pivoted to making hand sanitizer for local hospitals and institutions using its permeate ethanol. Last year, the province of Ontario granted Dairy Distillery funds to expand its production of green ethanol.

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 proposed milk ethanol plant would be co-located at the MMPA Constantine dairy, on property currently owned by MMPA. Milk permeate will be piped directly to the ethanol plant from MMPA’s production facility. The milk permeate will be fermented using Dairy Distillery’s proprietary technology to produce ethanol that is purified through distillation. The distilled ethanol is further processed to remove the remaining water using standard molecular sieve equipment. The fermentation and distillation process will take place in an 8,500 square foot facility located on a 30,000 square foot rehabilitated site. The facility will house modern office space, a control room, laboratory, warehouse, and maintenance shop to support operations.

The largest single project cost, approximately one third of the capital expenditure, to build the proposed milk permeate ethanol plant is a new wastewater system that will handle both the ethanol plant's waste and that of the existing Constantine dairy. The state-of-the-art wastewater treatment system will produce natural gas that will power the ethanol plant's distillation system thereby lowering the carbon footprint of the milk permeate ethanol produced. The output of the wastewater system will be a clean water stream that can be discharged to the local river system. The new wastewater system will have the additional benefit of eliminating the Constantine facility's current dependence on the local utility to treat their process waste.

The Company is considering Constantine, Michigan for the project and anticipates the project will result in capital investment of up to \$41,100,000. The project will also result in the creation of up to 12 new jobs paying an average wage of \$1,487 per week plus benefits.

If constructed at the Constantine location, there would be several benefits to the Company, community, and state. The project would repurpose a low or no value waste stream (permeate) to a high-value end-product (low carbon intensity ethanol). Additionally, it would reduce the overall waste stream, including wastewater, and its impact on the environment. The project would also help reduce the overall carbon footprint by promoting the goals of providing clean, renewable fuels. The project would also be a model that can be replicated elsewhere, and much like digesters, will greatly help the Michigan dairy industry to resolve long-standing environmental challenges. Michigan has the opportunity to be a market leader in this space. The proposed project fights climate change by reducing the use of fossil fuels while creating value for MMPA dairy farmer members by monetizing the milk permeate.

Demonstrated Need

Indiana is being considered for this project. From a technical standpoint, the project can proceed in either of the two jurisdictions with little to no impact on the project revenues once the plant is operational. The Company noted that Indiana has an advantage with readily available workforce due to the recession in the RV industry, lower electricity rates and a proven track record of offering incentives to nascent technology companies to locate to their jurisdiction. Additionally, challenges in identifying, hiring and retaining an appropriately trained workforce, which requires higher wages at the potential Michigan location were cited when comparing sites. The Company is also considering higher electrical rates charged in Michigan than the alternate location in Indiana and the cost of improving the infrastructure at the Constantine plant in order to manage wastewater generated at the facility.

In addition to MSF support, the Village of Constantine anticipates approval of a real property tax abatement in support of the project. The MEDC also authorized a State Education Tax abatement to be used in conjunction with the locally approved abatement.

Request

In order to secure the project, the Applicant is requesting a \$2,000,000 MBDP performance-based grant and a 15 year 100% SESA Exemption valued at \$682,500. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to a competing site in Indiana. The transformational project will not only ameliorate obstacles occurring presently by the Village of Constantine due to the lack of capability to treat additional wastewater, it will also eliminate additional investment to handle increased capacity. This economic development project represents benefits to the Company; local community through job creation, investment, relegation of wastewater obligations and tax benefit; and the environmental footprint. By incentivizing the investment required to make the project viable, the state joins the local community to ensure the Company and MMPA has the ability to continue to grow without concern of wastewater capacity issues.

This project represents support in the organization's strategic focus areas of attract, retain and support businesses in the regional impact industry of agribusiness and other manufacturing.

Recommendation

MEDC Staff recommends approval of the Incentives Request, as outlined in the attached resolutions.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-092**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
DAIRY DISTILLERY ALLIANCE, 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 (the “MEDC”) provides administrative services to the Michigan Strategic Fund (the “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 (the “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 Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1 (the “Delegation”), the MSF Board 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 (the “Transaction Documents”);

WHEREAS, the MSF Act, MCL 125.2001 et seq. and the Delegation require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, Dairy Distillery Alliance, LLC (the “Company”) has requested a performance based MBDP grant of up to \$2,000,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to establish a new milk ethanol plant (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business, and the Project is eligible because the Company has committed to making Qualified Investment;

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

WHEREAS, the MEDC recommends that the MSF Board approve the 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 (collectively, the “MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



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: May 4, 2023

Company Name:	Dairy Distillery Alliance and/or its affiliates and subsidiaries.
Project Location:	455 East Water Street Constantine, Michigan 49042
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$2,000,000
Qualified Investment (if necessary):	At least \$30,000,000
Municipality Supporting Project:	Village of Constantine has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified Investment:	March 31, 2023 (Offer letter acceptance)
Term of the Agreement:	November 30, 2025
Milestone Based Incentive:	Disbursements will be made over a 2 year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$1,000,000 for the Qualified Investment of a minimum of \$10,000,000 and maintenance of the Base Employment Level. \$1,000,000 for the Qualified Investment of a minimum of \$30,000,000 and maintenance of the Base Employment Level.

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



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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 STRATEGIC FUND

**RESOLUTION
2023-093**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
DAIRY DISTILLERY ALLIANCE, LLC**

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (the “SESA”) and the Alternative State Essential Services Assessment Act (the “Alternative SESA”);

WHEREAS, SESA and Alternative SESA authorized the creation and operation of the SESA Exemption and the Alternative SESA Program by the Michigan Strategic Fund (the “MSF”) pursuant to MCL 211.1059;

WHEREAS, on October 28, 2014, by Resolution 2014-176, the MSF Board approved (i) the SESA and the Alternative SESA Exemption Program (the “SESA Program”); and (ii) program guidelines for the SESA Program (“Program Guidelines”);

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board 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 SESA Program;

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

WHEREAS, Dairy Distillery Alliance LLC (the “Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the Program Guidelines require that: (i) qualifying investments be greater than \$100 million in order to qualify for a SESA exemption of up to 15 years, and (ii) projects be located in Eligible Distressed Areas to qualify for a SESA exemption (the “Investment and EDA Requirements”);

WHEREAS, the Company is requesting a waiver to the Investment and EDA Requirements (the “Investment and EDA Requirements Waiver”);

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year SESA Exemption estimated to be worth \$682,500 for its \$30,000,000 qualifying investment in Eligible Personal Property, as defined in the Program Guidelines, in the Village of Constantine (the “SESA Exemption Request”);

WHEREAS, the MEDC recommends that the MSF Board approve the SESA Exemption Request, the Investment and EDA Requirements Waiver, and require a one-time administrative fee in the amount of \$7,519 payable to the MSF upon completion of the first performance milestone (collectively, the “Recommendation”).

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

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of the Recommendation and to execute all documents necessary to effectuate the Recommendation in accordance with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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®



MEMORANDUM

Date: May 23, 2023

To: Michigan Strategic Fund Board

From: Amber Westendorp, Capital Project & Portfolio Manager – Capital Access

Subject: *Private Activity Bond – Inducement*
Atlantis Fish Company, LLC
Sewage/Solid Waste - \$100,000,000

Request

Atlantis Fish Company, LLC (“AFC” or the “Company”) is seeking financing in connection with the Company’s Recirculating Aquaculture Systems (“RAS”) to be located in Muskegon, Michigan. The RAS systems will sustainably raise 2,500 metric tons of Atlantic salmon per year.

A Recirculating Aquaculture System is essentially a large water system providing a certain water quality, temperature and current to simulate natural conditions. AFC has selected and licensed RAS technology from Veolia, based in France, and has agreed to a long-term Operations and Maintenance contract with Veolia to deliver the water conditions that the species need to thrive. The Veolia technology is deployed in 3 locations in Europe and AFC will be the first use of the technology in North America. The technology is very water-efficient with control features to vary temperature, current, feed cycles and light cycles. With each pass, 99% of the water is returned after undergoing filtration, disinfection, and re-equalization of gases.

AFC is acquiring 90-acres of land from the Muskegon County Resource Recovery Center (“MCRRC”). The general layout will consist of two main structures of approximately 100,000 square feet combined under roof, the larger of the two covering the 2 Veolia tanks. The smaller building will house the Hatchery with space for feed storage and maintenance.

AFC plans to break ground in October 2023 with a construction duration of approximately 24 months. The first harvest is planned for Q4 in 2026. At harvest AFC can immediately move the fish into the local and regional value chain of processors, packers, distributors, and retail/food service. Currently, salmon raised in net-pen farms reach the US market approximately 9 days after harvest. With the AFC Land-Based RAS site, the fish can be in the value chain within 48 hours. A 50% carbon footprint reduction can also be realized as fish will never need air freight.

Background

Atlantis Fish Company is a Delaware LLC established in early 2020, with an official address in North Carolina. The company embarked on a 3-year site selection process, ultimately landing on the Muskegon County site, where they are acquiring a 90-acre parcel from the Muskegon County Resource Recovery Center in order to co-locate with existing public infrastructure.

AFC's headcount forecast is 35 full-time employees, with approximately 30 of those being drawn from the local community. These positions hold an average annual salary of \$85,762. Management and bio-operations leaders will be relocating to West Michigan.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy and no issues were identified.

Plan of Finance:

Wells Fargo has indicated an interest in underwriting and marketing this bond issue.

Recommendation

After reviewing the private activity bond application for the Company, staff finds this project meets the requirements and recommends the adoption of an Inducement Resolution in the amount of \$100,000,000.

MICHIGAN STRATEGIC FUND

**INDUCEMENT RESOLUTION
2023-094**

ATLANTIS FISH COMPANY, LLC

WHEREAS, Atlantis Fish Company, LLC (the “Company”), a Delaware limited liability company qualified to do business in Michigan, is presently located at 13016 Eastfield Road, Suite 200, Huntersville, North Carolina 28078;

WHEREAS, the Company desires to build an array of Recirculating Aquaculture Systems in Muskegon, Michigan, to allow for the sustainable raising of premium Atlantic salmon (the “Project”);

WHEREAS, the Project will include greenfield land, buildings, infrastructure and improvements, machinery and equipment where it will raise and harvest Atlantic salmon;

WHEREAS, the Company has applied to the Michigan Strategic Fund (the “MSF”) for a loan (the “Loan”) to finance all or a portion of the costs the Project as defined in 1984 PA 270 (the “Act”);

WHEREAS, the Company has advised the MSF that the cost of the Project will be approximately One Hundred Twenty-Six Million Dollars (\$126,000,000);

WHEREAS, the Act authorizes the MSF to loan moneys to business enterprises for the purpose of financing projects and to obtain the moneys for such loans by the issuance of bonds pursuant to the Act; and

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141, 142(a)(5), 142(a)(6) and 150 of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

NOW, THEREFORE, BE IT RESOLVED, by the Michigan Strategic Fund that:

1. The MSF intends to provide the Loan to the Company subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Company's Tax-Exempt Application Form dated March 10, 2023.
3. The maximum principal amount of the bonds (the “Bonds”) expected to be issued to provide the Loan to finance all or a portion of the costs the Project shall not exceed One Hundred Million Dollars (\$100,000,000). The Company shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the Bonds under applicable federal and state laws, b) receipt of an allocation from the State Treasurer pursuant to 1988 PA 496 as it relates to limitations on the issuance by states of private activity bonds under the Code, and c) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.
5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.

6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the “Attorney General”) and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.

7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the “Bond Resolution”) for the purpose of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Company and a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.

8. The Bonds shall not be general obligations of the MSF but shall be payable as to principal and interest solely from the proceeds of the payments to be made by the Company to the MSF (or to a trustee appointed by the MSF pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely certain that under no circumstances will the Bonds or this Resolution be a debt or obligation of the State of Michigan or a general obligation of the Michigan Strategic Fund, nor will the State of Michigan be liable on the Bonds.

9. All costs and expenses involved in the authorization, issuance, sale, and delivery of the Bonds and in the making of the Loan shall be paid from the Bond proceeds or, if they are insufficient, by the Company.

10. The staff of the MSF is authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the MSF, with a bond purchaser for the sale of the Bonds. Any authorized signatory is authorized to prepare and file with the Michigan Department of Treasury a request for allocation as it relates to the State limitations on the issuance of private activity bonds.

11. Bond counsel to the MSF and the Attorney General are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the MSF to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any authorized signatory is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the bond proceeds or by the Company.

12. A preliminary official statement or other offering materials may be used in connection with the sale of the Bonds; provided, however, that no preliminary official statement or other offering materials shall be circulated unless any description of the MSF, the Bonds and documents to which the MSF is a party shall have been approved by bond counsel to the MSF and the Attorney General.

13. All resolutions and parts of resolutions insofar as they conflict with this Resolution are rescinded.

ADOPTED

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
May 23, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

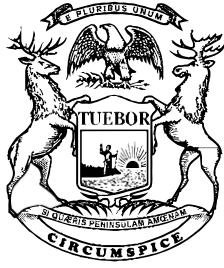
To Whom It May Concern:

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

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MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: May 23, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Monthly 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 April 1, 2023, to April 30, 2023, 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 April 1, 2023 to April 30, 2023.

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 April delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout April 2023, 27% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all April approved projects through delegated authority have committed to creating just 299 jobs and just over \$72 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during April 2023, 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
Apex Controls, LLC	4/4/2023	Hudsonville	\$200,000	APEX Controls, LLC provides automation, control systems, electrical installation, and panel building services to many industries, from food and beverage to automotive and beyond. The company is based in Hudsonville and employs 62 Michiganders. APEX Controls plans to undertake a renovation and expansion of its existing Hudsonville-based facility. The project builds on the state's initiative to position itself as the global leader in high-tech innovation. The project is expected to generate a total capital investment of \$3 million and create 30 well-paying jobs, supported by a \$200,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Illinois, Indiana and Ohio.
Rovisys	4/21/2023	Portage	\$210,000	The Rovisys Company, headquartered in Cleveland, is a global provider of information management solutions, manufacturing automation solutions, control system integration, building automation and enterprise and industrial networks. Rovisys currently has 11 employees in Michigan. The company has a strong pipeline of new projects and plans to establish new operations at an existing facility in the city of Portage, where it will add new computers and IT equipment. The project is expected to generate a total capital investment of \$160,000 and create 30 high-wage jobs, supported by a \$210,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Illinois and Indiana.
Aircraft Precision Products, Inc.	4/27/2023	Ithaca	\$100,000	Aircraft Precision Products, Inc. (APPI) focuses on precision machining, thermal coating and other metalworking. The company is a leading component supplier for the commercial and military aircraft engine industries and supplies components for aerospace, locomotive and medical equipment. The company was established in 1946 and began operations in Ithaca in 1972, where it currently has 65 employees. APPI is pursuing a new opportunity with GE to become the main supplier of several components for the LEAP engine, used on the Boeing 737 Max and Airbus A-320. Due to this increased demand, APPI plans to establish a high-volume machining cell at its existing facility in Ithaca to manufacture the components currently being produced in China. The project is expected to generate a total capital investment of \$1 million and create 12 jobs with the support of a \$100,000 Micro Michigan Business Development Program performance-based grant.

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
DeWys Metal Solutions, Inc.	4/4/2023	Marne	\$560,000	Founded in 1977 in Grand Rapids, DeWys Metal Solutions provides full-service custom metal fabrication, laser cutting, powder coating, product assembly, and engineering and design services to many industries across the U.S. The company is headquartered in Marne and has approximately 280 employees in Marne and Grand Haven. DeWys is experiencing significant growth and plans to construct a new facility at its existing site in Marne. The project is expected to generate a total capital investment of \$3.4 million and create 80 manufacturing, engineers, and administrative jobs, supported by a \$560,000 Jobs Ready Michigan Program performance-based grant. Michigan was chosen for the project over a competing site in Indiana.
Niowave, Inc.	4/7/2023	Lansing	\$500,000	Niowave, Inc., a global producer of medical isotopes, plans to expand in the city of Lansing, driving \$20 million of investment and creating 35 good-paying jobs in the life sciences and tech industry. The project is supported by a \$500,000 Jobs Ready Michigan Program performance-based grant. The company chose Michigan for the project over competing sites in California, Indiana, South Carolina, and Tennessee to take advantage of the regional talent pool that combines the advanced manufacturing heritage and the number one-rated nuclear physics program at Michigan State University. Niowave, Inc. was established in 2005 as a spinoff from the National Superconducting Cyclotron Lab, the laboratory now known as Facility for Rare Isotope Beams (FRIB), which the MEDC supported in February 2014 and officially opened in May 2022.

Brownfield Tax Increment Financing (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
Lofts on Grove Holdings, LLC	4/11/2023	Grand Rapids	\$631,933	An Act 381 Work Plan with state tax capture valued at \$691,933 was awarded to the City of Grand Rapids Brownfield Redevelopment Authority to redevelop three parcels of property (1.76 acres) located along the Creston Corridor near downtown Grand Rapids into 110 residential units occupying approximately 81,980 sq. feet. The project is expected to generate \$24,380,136 in private investment and include the creation of 10 full-time equivalent jobs.

Build Michigan Community Grant Initiative

The Build MI Community Grant is an initiative designed to promote private investment in Michigan communities. This tool provides access to real estate development gap financing for small scale, incremental redevelopment projects.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Argall Real Estate Group, Inc.	4/24/2023	Negaunee	\$236,021	Argall Real Estate Group, Inc. was awarded a \$236,021 performance-based grant to renovate an underutilized two-story downtown building into the new home of real estate offices, representing 2,544 square feet of revitalized space in downtown Negaunee. The project is expected to create 6 jobs with a total capital investment of approximately \$705,028.
LC Montes Properties, LLC	4/24/2023	Holland	\$217,000	LC Montes Properties, LLC was awarded a \$217,000 performance-based grant to redevelop the former Ocean Sands Scuba building site located in the Maplewood District of Holland. This project will revitalize an existing approximately 5,686 sq. feet building to include approximately 1,000 sq. feet of white box commercial space on the ground level and 4,686 square feet of residential space. The project is expected to generate \$709,630 in private investment.

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 (SSBCI) 2.0 – Collateral Support Program

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Ore Dock Brewing Company	4/6/2023	Marquette	\$1,700,000	Embers Credit Union is working with Ore Dock Brewing to secure financing for an expansion project focusing on manufacturing and tourism. The company is planning to receive a RAP grant and needs gap financing prior to receiving funds. Due to collateral shortfall, the credit union is seeking assistance from the MBGF 2.0 CSP.
Saunders Point Brewing, LLC	4/26/2023	Gladstone	\$145,000	First Bank is working with Saunders Point Brewing, LLC to provide the company with financing for building improvements and equipment. Due to collateral shortfall the bank is seeking assistance from the MBGF 2.0 CSP.
Niowave, Inc.	4/27/2023	Lansing	\$4,240,000	MSUFCU is working with Niowave, Inc. to expand their business operations. Due to collateral shortfall, MSUFCU is requesting assistance from the MBGF 2.0 CSP.

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
Allis Information Management - SCIP Trade Show Arizona	4/4/2023	Midland	\$11,553
Barron Industries, Inc. - Aeromart Montreal	4/4/2023	Oxford	\$7,944
DCL, Incorporated - INTERCEM Shipping Americas	4/4/2023	Charlevoix	\$10,578
International Strategic Management - Global Ties 23 DC	4/4/2023	Bloomfield Hills	\$3,849
ONLINE Engineering - Medlab Middle East Dubai	4/4/2023	Manistique	\$15,000
Rapita Systems, Inc. - Aeromart Montreal	4/4/2023	Novi	\$4,010
RCO Engineering & Aerospace, Inc. - Aeromart Montreal	4/4/2023	Roseville	\$5,658
Soothsayer Analytics - WORLD AI Trade Show Dubai	4/4/2023	Livonia	\$15,000
Viking Satcom, LLC - NAB 23 Las Vegas	4/4/2023	Albion	\$12,715
AMBE Engineering, LLC - Aeromart Montreal	4/5/2023	Northville	\$6,610
M Argueso & Company Inc. - St. Lucia Sales Trip	4/6/2023	Muskegon	\$2,308
Supply Chain Solutions - SCS China Trip	4/13/2023	Grand Rapids	\$15,000
Exlterra - Sample Shipping to from Brazil	4/13/2023	Hazel Park	\$9,000
Flint Technical Geosolutions - Sales Trip to Greece and France	4/13/2023	Caledonia	\$5,168
M Argueso & Company Inc. - 30th EICF Expo	4/13/2023	Muskegon	\$4,051
M Argueso & Company Inc. - IPP Germany	4/13/2023	Muskegon	\$3,641
NCOC, Inc. - Sales Trip and Customer Visit India	4/13/2023	Oak Park	\$9,975
R.A. Miller Industries, Inc. - dba RAMI - Sales Trip Israel	4/13/2023	Grand Haven	\$8,700
Challenger Communications, LLC - NABshow 23 Las Vegas	4/14/2023	Albion	\$3,191
Dornerworks, Ltd - ISO 13485 Cert	4/14/2023	Grand Rapids	\$8,250
IBS Global Consulting - World Export Development Mongolia	4/14/2023	Detroit	\$3,870
Lifeline Firehose - FDIC 23	4/14/2023	Lansing	\$11,285
Xoran Technologies - LXXII National Congress of the Mexican	4/14/2023	Ann Arbor	\$6,000

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Advanced Avionics Inc., dba LaserBlast - IAAPA Asia	4/17/2023	Plymouth	\$6,923
EZM LLC dba EZMETROLOGY - Automotive Testing Expo India	4/17/2023	Commerce Charter Township	\$3,375
FlexPost Inc. - ISA International Sign Expo 23	4/17/2023	Holland	\$6,345
M Argueso & Company Inc. - Mexico Sales Trip	4/17/2023	Muskegon	\$1,783
Metal Craft Technologies - Automation Alley Trade Mission Vietnam and Thailand	4/17/2023	Novi	\$8,100
Our Next Energy, Inc. (ONE) - Sales Trip to South Africa, Tanzania and Mozambique	4/17/2023	Novi	\$9,822
Reyburn Piano Service, Inc. - UK Piano Tuners Assoc.	4/17/2023	Cedar Springs	\$6,522
SPI Blow Molding LLC - Australia Trade Mission and Philippines Visit	4/17/2023	Coloma	\$15,000
Fluxtrol Inc - Automation Alley TS Vietnam/Thailand	4/18/2023	Auburn Hills	\$6,900
R M Young Co - Offshore Technology Expo TX	4/18/2023	Traverse City	\$9,401
Vision Solutions Rx Inc. - African Translation	4/20/2023	Sterling Heights	\$4,500
Airflow Sciences Corporation - Intl Marketing Camp ASE and Azore	4/21/2023	Livonia	\$3,375
Bay Plastics Machinery - South America Sales Rep Training	4/21/2023	Bay City	\$5,030
Chrysan Industries, Inc. - Automation Alley Trade Show Thailand/Vietnam	4/21/2023	Plymouth	\$12,150
Duperon Corporation - WEFTEC 23 Booth Space	4/21/2023	Saginaw	\$15,000
General Formulations - Visual Impact Australia	4/21/2023	Sparta	\$3,750
RCI Adventure Products - SEA Expo and DEAL Show UAE	4/21/2023	Allegan	\$15,000
Redi-Rock International - Sales Trip UK	4/21/2023	Charlevoix	\$12,218
Unist, Inc - Fabtech Mexico	4/24/2023	Grand Rapids	\$9,465
Acme Mills Company - Poland and UK Customer Visits	4/27/2023	Bloomfield Hills	\$5,823
Deepview Corp. - Translation Services	4/27/2023	Sterling Heights	\$7,170
Granco Clark - Aluminum Booth Space Prepayment	4/27/2023	Belding	\$15,000
National Research Company - Israel Sales Trip and Turkey Expo	4/27/2023	Chesterfield	\$7,355
Oxus America, Inc - Sales Trip to Europe	4/27/2023	Auburn Hills	\$4,253
Black Swamp Percussion LLC - Europe Dealer Visits	4/28/2023	Zeeland	\$6,958
Link Engineering Company - Automotive Test Expo Europe	4/28/2023	Plymouth	\$15,000
Videka - Pet Food Forum Kansas City	4/28/2023	Kalamazoo	\$15,000

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives 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 April 2023.

Jobs Ready Michigan Program

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Axis Automation	4/3/2023	Walker	Removal of the job creation requirement from milestones 1 and 2.

Community Revitalization Program (CRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
655 W Willis Partners, LLC-655 Willis	4/4/2023	Detroit	Extension of completion milestone - new due date is March 31, 2024.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

From April 1, 2023, to April 30, 2023, the Business Development Program has no terminations.