



# MICHIGAN STRATEGIC FUND

## BOARD MEETING AGENDA October 27, 2020 9:00am

<b>I.</b>	<b>CALL TO ORDER &amp; ROLL CALL</b>	
<b>II.</b>	<b>PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES</b>	
<b>III.</b>	<b>COMMUNICATIONS</b>	
	a. Chief Compliance Officer Quarterly Report .....	3
<b>IV.</b>	<b>CONSENT AGENDA</b>	
	a. Proposed Meeting Minutes – September 22, 2020 .....	4
	b. HyCAL – MBDP Amendment .....	14
	c. The Corner Lender, LLC – MCRP Amendment .....	26
	d. ANC Holdings, LLC – MCRP Amendment.....	36
	e. Sweetwater Development Partners, LLC – MCRP Amendment.....	40
	f. 2021 MSF Board Meeting Dates .....	47
<b>V.</b>	<b>ANNUAL FUNDING ALLOCATIONS</b>	
	a. FY21 MSF Annual Funding Allocations: Resolution to approve FY21 funding allocations for MSF program and activities .....	51
<b>VI.</b>	<b>CAPITAL ACCESS</b>	
	a. Gerdau Macsteel, Inc.: Resolution to authorize an amendment of a previous inducement and increase the dollar amount for the project from \$80,000,000 to \$110,000,000 .....	65
	<i>Location: City of Monroe</i>	
<b>VII.</b>	<b>BUSINESS INVESTMENT</b>	
	a. Perrigo Company: Resolution to approve a Michigan Business Development Program grant request in the amount of \$2,000,000 .....	70
	<i>Job Creation: 170 jobs; Capital investment: \$44,782,094; Location: City of Grand Rapids</i>	
	b. Kroger Fulfillment Network, LLC: Resolution to approve a Michigan Business Development Program grant request in the amount of \$1,600,000 .....	77
	<i>Job Creation: 270 jobs; Capital investment: \$94,000,000; Location: City of Romulus</i>	
<b>VIII.</b>	<b>COMMUNITY VITALITY</b>	
	a. Commongrounds Cooperative and Commongrounds LLC: Resolution to approve a Michigan Community Revitalization Program grant in the amount of \$1,500,000 and a request for approval of state tax capture for a Brownfield Act 381 Work Plan eligible activities at \$440,693.....	84
	<i>Capital investment: \$15,959,773; Location: City of Traverse City</i>	

**IX. ADMINISTRATIVE**

- a. Community Revitalization Program (CRP) Guidelines: Resolution to approve new program guidelines for the Michigan Community Revitalization Program..... 102
- b. Convention Center COVID-19 Relief Program: Resolution to approve the program guidelines and to approve a delegation of authority for the MSF Fund Manager and MSF President to approve awards under the Convention Center COVID-19 Relief Program..... 115
- c. Coronavirus Relief Grants: Resolution to authorize new Coronavirus Relief Grants to eight organizations as required in Public Act 166 of 2020 and to waive application of the Background Review Policy for the grantees ..... 124

**X. INFORMATIONAL**

- a. Quarterly Reports ..... 131

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



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE CHIEF COMPLIANCE OFFICER  
LANSING

KEVIN FRANCCART, ESQ.  
CHIEF COMPLIANCE OFFICER

## MEMORANDUM

October 14, 2020

TO: Honorable Gretchen Whitmer  
Governor and Chairperson of the State Administrative Board.

Mark Burton  
President  
Michigan Strategic Fund Board

FROM: Kevin L. Francart  
Chief Compliance Officer

RE: FY2020 Q4 Report of the Chief Compliance Officer.

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures and with applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the fourth quarter of the 2020 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law. The Chief Compliance Officer assisted the MSF along with the AG with questions regarding the requirements for a Board Member's vote to be counted when attending by video conference. The Chief Compliance Officer agreed with the AG and opined that in order to be counted the vote must be able to be heard rather than just seen. Additionally, an issue arose that required the individual votes of multiple Board Members be clarified due to issues with the electronic communications and uncertainty on whether the Board Member voted, failed to vote, or meant to abstain. The Chief Compliance Officer assisted staff with an issues with an entity requesting an incentive but failing to meet the background check requirements and the process of declining the request. The Chief compliance officer assisted staff with drafting amendments to the CRP guidelines. As reported previously, because of staffing changes the site visit guidelines were modified. Because of the staffing changes the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines. The Chief Compliance Officer provided informal advice regarding various issues arising this quarter concerning such topics as the conflict of interest determination, breadth of delegated Board authority, authorized use of 21st century job fund funds, and compliance with established Board policy and limitations.

**MICHIGAN STRATEGIC FUND  
APPROVED MEETING MINUTES  
September 22, 2020**

**Members joined remotely**

Britany L. Affolter-Caine  
Ronald W. Beebe  
Mark Burton  
Jeff Donofrio  
Paul Gentilozzi  
September Hargrove  
Michael B. Kapp (on behalf of Director Ajegba)  
Andrew Lockwood (on behalf of Treasurer Eubanks)  
Charles P. Rothstein  
Susan Tellier  
Cindy Warner

**I. CALL TO ORDER**

Mr. Burton called the meeting to order at 9:02 a.m. The meeting was held virtually via Microsoft Teams due to the COVID-19 pandemic. He noted the meeting was moved to an earlier time due to a lengthy agenda.

**II. PUBLIC COMMENTS**

Mr. Burton introduced Katelyn Wilcox, MSF Board Liaison, who explained the process for members of the public to participate; there were no public comments.

Paul Ajegba acknowledged his presence and indicated he would not participate as a voting member because he was in route to another commitment. Michael B. Kapp participated on his behalf.

**III. COMMUNICATIONS**

Katelyn Wilcox advised Board members that a letter was received from Representative Sarah Lightner in support of the Island City Parks Improvement project in Eaton Rapids; the letter was shared electronically with Board members and is attached to the minutes.

*Britany L. Affolter-Caine and Jeff Donofrio joined the meeting at 9:05 a.m.*

**IV. CONSENT AGENDA**

**Resolution 2020-110 Approval of Consent Agenda Items**

Mr. Burton asked if there were any questions from the Board regarding items under the Consent Agenda. There being none, Susan Tellier motioned for the approval of the following:

- a. Proposed Meeting Minutes: August 25, 2020
- b. MSF-MEDC Administrative Services: Memorandum of Understanding – **2020-111**
- c. Designation of MSF Fund Manager: Valerie Hoag – **2020-112**

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

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None



Paul Gentilozzi joined the meeting at 9:14 a.m.

## V. CAPITAL ACCESS

### a. Resolution 2020-113 DTE Electric Company: Bond Inducement

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves adoption of a resolution to authorize the inducement of solid waste bonds not to exceed \$500,000,000 for solid waste facilities in the cities of Monroe, Trenton, and River Rouge and East China Township. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2020-113. Cindy Warner seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

### b. Resolution 2020-114 Gerdau Macsteel, Inc.: Bond Inducement Amendment

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves adoption of a resolution to authorize amending the expiration date of a prior inducement to September 22, 2022. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2020-114. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

September Hargrove joined the meeting at 9:27 a.m.

## VI. BUSINESS INVESTMENT

### a. Resolution 2020-115 Newaygo County/Gerber Products Company: MSF Designated Renaissance Zone

Julia Veale, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of MSF Designated Renaissance Zone for up to 10 years. The project is expected to result in the creation of 50 new jobs and a capital investment of up to \$36,000,000 in the City of Fremont, Newaygo County. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2020-115. Andrew Lockwood seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

### b. Resolution 2020-116 City of Parchment Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Project Wolverine Champions Project)

Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$1,050,133 to support a redevelopment project in the City of Parchment. The project is expected to result in total capital investment of \$12,000,000. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-116. Cindy Warner seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

**c. Resolution 2020-117 International Trade Program: State Trade Expansion Program SBA Award Acceptance, Match Funds Authorization and MI-STEP Updated Guidelines and Reimbursement Ceiling Approval**

*Alyssa Tracey, Director of International Trade, provided the Board with information regarding this action item. The action involves authorizing the MSF Fund Manager to accept a \$1,350,000 award from the U.S. Small Business Administration to support the State Trade Expansion Program (STEP) and approve the \$450,000 required match funds; and Board approval of the MI State Trade Expansion Program (MI-STEP) updated program guidelines and reimbursement percentage increase from 50% to 75%. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2020-117. Cindy Warner seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

**d. Resolution 2020-118 International Trade Program: MI-PEP Updated Guidelines and Reimbursement Ceiling Approval**

*Alyssa Tracey, Director of International Trade, provided the Board with information regarding this action item. The action involves approval of MI Project Exception Program (MI-PEP) updated eligibility guidelines and reimbursement percentage increase from 50% to 75%. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2020-118. Paul Gentilozzi seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

*Katelyn Wilcox advised Board members that a letter of support was received after communications were announced from Representative Tyrone Carter in support of the Exchange Development project in Detroit; the letter is attached to the minutes and was later shared electronically with Board members.*

**VII. COMMUNITY VITALITY**

**a. Resolution 2020-119 City of Detroit Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Exchange Development Project)**

*Dominic Romano, Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$2,553,172 to support a development project in the City of Detroit. The project is expected to result in total capital investment of \$64,623,450. Following discussion, Jeff Donofrio motioned for the approval of Resolution 2020-119. Andrew Lockwood seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

*Paul Gentilozzi disconnected from the meeting.*

**b. Resolution 2020-120 City of Eaton Rapids: Community Development Block Grant Award (Island City Parks Improvement Project)**

*Sarah Rainero, Managing Director of Community Assistance Programs, provided the Board with information regarding this action item. The action involves approval of a \$2,905,898 Community Development Block Grant award to support a project in the City of Eaton Rapids. The estimated project cost is \$4,124,203. Following discussion, Susan Tellier motioned for the approval of Resolution 2020-120. Cindy Warner seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

**c. Resolution 2020-121 Village of Paw Paw: Community Development Block Grant Award (Michigan Avenue Placemaking and Streetscape Project)**

*Sarah Rainero, Managing Director of Community Assistance Programs, provided the Board with information regarding this action item. The action involves approval of a \$1,968,130 Community Development Block Grant award to support a project in the Village of Paw Paw. The estimated project cost is \$3,598,034. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-121. Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

**d. Resolution 2020-122 City of Ludington: Community Development Block Grant Award (James Street Plaza and Legacy Park Project)**

*Sarah Rainero, Managing Director of Community Assistance Programs, provided the Board with information regarding this action item. The action involves approval of a \$2,123,190 Community Development Block Grant award to support a project in the City of Ludington. The estimated project cost is \$2,512,900. Following discussion, Jeff Donofrio motioned for the approval of Resolution 2020-122. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

**e. Resolution 2020-123 Community Development Block Grant Program: 2020 Infrastructure Grant Awards**

*Greg West, CDBG Program Manager, provided the Board with information regarding this action item. The action involves approval of a resolution to award Community Development Block Grant Program funding totaling \$10,613,314 to eight Michigan communities, including the following: Village of Baraga, City of Bronson, City of Fennville, Village of Mackinaw City, City of Manistique, Village of Mayville, Village of Nashville, and City of Stanton. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-123. September Hargrove seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

**f. Resolution 2020-124 Community Development Block Grant Program: CDBG COVID-19 (CARES Act) County Allocations**

*Christine Whitz, CDBG Director, provided the Board with information regarding this action item. The action involves approval of a resolution to authorize a formula allocation totaling \$19,885,924 of Community Development Block Grant (CDBG) Coronavirus Aid, Relief and Economic Security (CARES) Act funding to 77 Michigan non-entitlement counties.* Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2020-124. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Jeff Donofrio, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Mr. Burton adjourned the meeting at 10:39 a.m.



65TH DISTRICT  
STATE CAPITOL  
P.O. BOX 30014  
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES  
**SARAH L. LIGHTNER**  
STATE REPRESENTATIVE

PHONE: (517) 373-1775  
FAX: (517) 373-5242  
SarahLightner@house.mi.gov  
www.RepLightner.com

Mr. Mark Burton  
Chairperson  
Michigan Strategic Fund Board

September 21, 2020

Mr. Burton,

Thank you for taking the time to consider the City of Eaton Rapids' application for a Community Development Block Grant. It is my pleasure to recommend that the Michigan Strategic Fund approve the application.

As you know, the City of Eaton Rapids is applying for a Community Development Block Grant (CDBG) for the improvement of several public amenities within the downtown. The project would reconstruct the pedestrian bridge on the east side of the GAR Island Park which serves as the primary pedestrian connector for pedestrian traffic across the Grand River.

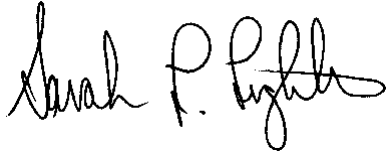
The bridge will feature enhanced seating and fishing areas not currently available and will eliminate stairs to create a barrier-free environment for everyone to enjoy. The upgrades also include enhancements to the GAR Island Park sea walls to mitigate seasonal flooding of the downtown island. Upgrades to the existing playground on the island include barrier-free equipment, pathways, and ground surfacing for universal access. The park connects to Hamlin Square which currently serves as the primary outdoor event space in the City.

From there, the grant funded enhancements include a new Riverwalk designed to allow pedestrian traffic to move from Hamlin Square north along the Grand River to Mill Pointe Park. Along the way, park users will be treated to beautiful sites of the river and adequate space dedicated to fishing off the of the Riverwalk.

The City of Eaton Rapids has planned for this enhancement for over 20 years, dating back to plans established in 2000. From there, plans have been updated but the desire to connect the entire downtown with a public Riverwalk system has remained the same. I know that the City is very excited to be offered the opportunity to apply for a CDBG for the completion of this long-awaited project.

In closing, I wanted to add my voice to the discussion to encourage you to approve this grant request to the City of Eaton Rapids. I know that this will go a long way in making Eaton Rapids an even better place to live, and it will provide exciting additions to the 65<sup>th</sup> District.

Sincerely,

A handwritten signature in black ink that reads "Sarah L. Lightner". The signature is written in a cursive style with a large initial 'S' and 'L'.

Sarah L. Lightner  
State Representative  
65<sup>th</sup> House District

Cc: Gloria Carnicom, MEDC

September 22, 2020

Mark Burton  
President & CEO  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

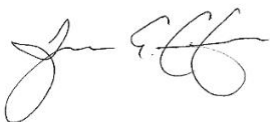
Mr. Burton,

I am pleased to offer my support for the Exchange Detroit LLC, developmental project.

The Exchange Developmental project will be a welcomed addition to the City of Detroit's Greektown neighborhood. The project consists of the construction of a new 16-story building which will house retail and office space along with 165 residential units equipped with residential amenities such as a fitness room, club room, and decks. To better serve mixed-income residents of the area, 20% of the housing units will be leased at manageable rates based on 80% of the Area Median Income. Located in downtown Detroit, this developmental project will also come with many public improvements such as enhancements to curbs, gutters, sidewalks, landscaping, lighting, along with improvements to the roads and connections to storm and water mains.

As a member of the State House of Representatives, I strongly recommend the Michigan Strategic Fund Board grant Exchange Detroit LLC, the request to transform this 0.5-acre piece of property. The transformation of this property will provide low-income residents affordable housing options while stimulating local economic activity through its retail space and employment opportunities. The additional public improvements will also continue the rejuvenation of the Greektown area and encourage further developmental projects in the area. If you have further questions, feel free to contact my office at 517-373-0823.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyrone Carter". The signature is fluid and cursive, with a large initial "T" and "C".

Tyrone Carter  
State Representative, 6<sup>th</sup> District



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

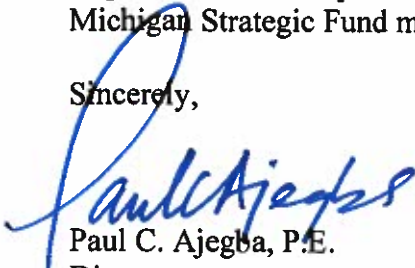
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File





STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

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

**From:** Julia Veale, Business Development Project Manager

**Subject:** Other Economic Assistance Amendment Request  
Michigan Business Development Program (“MBDP”) and Other Economic Assistance  
HyCAL Corp (“Company”)

---

### **Request**

This is a request from the Company to Combine Milestones 5 and 6, which will extend the required creation of 25 Qualified New Jobs and verification the MBDP funds were disbursed (\$6 million) have been spent in accordance with the Work Plan from December 31, 2019 to December 31, 2021. The current requirements of Milestone 6 will remain the same. The modification will also require an amendment to the Annual Payment section to extend the calculation for Qualified New Jobs to a revised milestone due date (collectively, the “Other Economic Assistance Amendment Request”).

### **Background**

In June of 2015, the Company was approved for an MBDP Other Economic Assistance in the amount of \$6,000,000 along with a Brownfield Act 381 Work Plan. The project involved the creation of 25 Qualified New Jobs with the potential of up to 100 jobs as a result of the project, and Qualified Investment of \$6,500,000, with total investment of \$50,200,000 in the City of Gibraltar, Wayne County to support a new business operation involving a hydrogen quenched continuous annealing line to create advanced high-strength steels. Incentive assistance was necessary to offset the brownfield remediation costs that allowed the Company to expand in Michigan.

The site selected in Gibraltar was an underutilized, former McLouth Steel brownfield site that was in the process of being designated as a Superfund site by the Environmental Protection Agency (EPA). This designation would have resulted in years of legal proceedings and most likely prohibit development on the site for many years. The Company, seeing the future potential of the site, approached the state for assistance in financing the brownfield costs, since they were not able to secure traditional financing. Working with various partners, including the City of Gibraltar, Wayne County, Detroit Wayne County Port Authority, Department of Environment, Great Lakes and Energy (EGLE), and Michigan Department of Transportation (MDOT), an incentive package was developed to offset the cost to remediate the site. The EPA was provided this information, and with the commitment from the Company to locate as a result, approved the City of Gibraltar’s request to remove this property from the Superfund designation listing. This allowed the Company to select Gibraltar for its new operation.

### **MSF Approved Deal Structure Highlights**

- The MSF provided a \$6,000,000 performance based MBDP Other Economic Assistance for the creation of 25 Qualified New Jobs, with the potential of up to 100 additional jobs and \$6,500,000 in Qualified Investment;

- The MBDP Other Economic Assistance approved by the MSF provided the Company with the financial assistance needed to move forward with the redevelopment of a severely contaminated site that was in the process of being designated as a Superfund Site.
- The approved project included a repayment provision, which included a credit for jobs created as a result of the project.
- The determination of the amount to be repaid (outstanding balance) will be computed after completion of the final milestone and will be calculated based on a \$500,000 credit applied for 25 Qualified New Jobs and a \$20,000 credit given to each additional job created over the 25 required jobs, up to 75 additional jobs, for a maximum credit amount of \$2 million.
- The outstanding balance will be calculated after verification of the number of jobs created as of December 31, 2021.
- The outstanding balance will be repaid utilizing Tax Increment Revenues generated from the property.

In addition to the incentives offered by the MEDC, the incentive package also included Rail Enhancement funds from MDOT to cover 50% of the rail upgrades, a \$2 million loan (repayment through TIF capture) and a \$245,000 grant from EGLE along with approval of a work plan for environmental activities and approval of a local only brownfield plan estimated to be worth over \$2.5 million.

**Current Status of Project**

- MBDP funds in the amount of \$6,000,000 have been disbursed;
- Company completed clean-up activities at the site
- Spend on property remediation and renovations through June 30, 2020 = \$19,822,025
- Spend on new equipment installed through June 30, 2020:
 

○ Continuous Anneal Line – Equipment and installation	\$41,008,565
○ Overhead Cranes	\$ 1,978,492
○ Additional Support Equipment	<u>\$ 499,055</u>
Total	\$43,486,112
- Total spend of \$63,308,137, which is \$13,000,000 more than anticipated;
- The initial taxable value of the property was \$974,000. The current taxable value of the property is \$2,042,000; an increase of \$1,068,000. Based on the current value of the property, it is anticipated the available capture will be sufficient to repay the MBDP funds disbursed.

See Appendix A for before and after pictures.

**Request**

In order to allow the Company additional time to create the Qualified New Jobs, the Company is requesting an extension from December 31, 2019 to December 31, 2021 to create Qualified New Jobs, along with an amendment to the Annual Payment section to extend the calculation for Qualified New Jobs to December 31, 2021. If the company is unable to meet job creation requirements at that time, they will not receive a credit and the full amount disbursed will be repaid with the Tax Increment Revenues. This amendment request will not impact the date the outstanding balance is calculated or when payments to the MSF commence; however, will provide the Company additional time to meet the Qualified New Job requirement to calculate the credit.

As the Company started the brownfield clean-up activities, they realized quickly the site was in far worse condition than originally anticipated. The unanticipated clean-up activities resulted in significant delays in the project. This delay caused the Company to reevaluate its operational plans. The Company has since

restructured business operations at its Gibraltar and Wayne facilities due to the availability of space within resulting in the need to remove, transport, and reinstall two slitter units. With the completion of the site clean-up and operational restructuring, the Company has resumed its focus on the hydrogen quenched continuous annealing line. These delays have resulted in a slower than anticipated job ramp-up.

**Recommendation**

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

## Appendix A

Before:

Video depicting condition of site: <https://www.youtube.com/watch?v=7F74yekfpAo>





After:







**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-126**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM OTHER  
ECONOMIC ASSISTANCE AMENDMENT FOR  
HYCAL CORP**

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

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

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

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

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

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

**WHEREAS**, the MSF Board approved a \$6,000,000 performance-based Michigan Business Development Program Other Economic Assistance on June 8, 2015 for the remediation and redevelopment of a former steel processing facility in the City of Gibraltar, Wayne County (the “Project”);

**WHEREAS**, the Company requests that the MSF Board approve an amendment to the performance based Michigan Business Development Program Other Economic Assistance to extend the deadline for the creation of 25 Qualified New Jobs (QNJ’s) and up to 75 Additional New Jobs and amend Annual Payment and amend Project Status Report requirements, along with other general terms and conditions which are outlined the amended term sheet attached as Exhibit A (the “Amendment Request”);

**WHEREAS**, the MEDC recommends approval of the MBDP Amendment Request; and

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

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

**BE IT FURTHER RESOLVED**, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions of the final documents necessary to effectuate the MBDP Amendment Request.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



**MICHIGAN BUSINESS DEVELOPMENT PROGRAM  
Performance Based Grant Amendment - Term Sheet**

The following is a summary of the highlights of the amendment and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP Incentive Amendment is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

**Date:** October 8, 2020

**Company Name:** HyCAL Corp ("Company" or "Applicant")

**Project Address ("Project"):** 27800 West Jefferson Avenue  
Gibraltar, Michigan 48173

**MBDP Incentive Type:** Performance Based Other Economic Assistance

**Current Status of the MBDP Incentive, as set forth in the final MBDP Incentive Award Agreement ("Agreement"):**

- **Maximum Amount of MBDP Incentive:** Up to \$6,000,000 ("MBDP Incentive Award")
- **Base Employment Level** 35
- **Total Qualified New Job Creation:** 25  
(above Base Employment Level)
- **Qualified Investment:** \$6,500,000
- **Key Milestones:** The terms and conditions of each of the Key Milestones are outlined in Exhibit B of the Agreement, and include:
  - **Milestone 5:** None Upon completion of Milestones 1 through 4, and upon demonstrated creation of 25 Qualified New Jobs above the Base Employment Level and upon verification 100 percent of funds disbursed from Milestones 1-3 have been spent in accordance with Exhibit E of the Agreement, and verification from Michigan Department of Environmental Quality and AKT Peerless that Eligible Activities were done in accordance with the Act 381 Work Plan by no later than December 31, 2019.
  - **Milestone 6:** None Upon completion of Milestones 1 through 5, and upon demonstrated creation of up to 75 Additional New Jobs above the Base Employment Level and maintenance of Qualified New Jobs by no later than December 31, 2021.

- **Annual Payment:** The amount of the Award to be repaid shall be calculated as of June 30, 2022 based upon the total amount of the Award Disbursements less any credits applied. Credits will be calculated based on the following:
  - If 25 Qualified New Jobs are created by December 31, 2019, a credit in the amount of \$500,000 shall be applied to the Principal.
  - An additional credit shall be given for each Additional New Job created by December 31, 2021 and maintained through the December 31, 2022 (“Term”), in the amount of \$20,000 per Additional New Job created up to 75 upon completion of Milestone 6. If at any time through the Term the Company eliminates an Additional New Job, the Principal shall be increased by \$20,000 per eliminated Additional New Job.

Interest on the outstanding Principal shall be calculated at one percent (1%) per annum with accrual to commence January 1, 2021.

- **Term of Agreement:** Execution of Agreement to December 31, 2022. However, the Annual Repayment shall survive the end of the Term until December 31, 2050, or until Principal and Interest are paid in full, if sooner.
- **Project Status Report:** Quarterly reports due April 15<sup>th</sup>, July 15<sup>th</sup>, November 15<sup>th</sup>, January 15<sup>th</sup> of each year following the execution of the Agreement and continuing March 31, 2017.

**Proposed MBDP Incentive Amendment:**

- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award will be amended as follows:

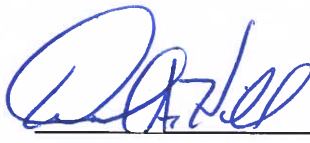
- **Milestone 5:** None      Upon completion of Milestones 1 through 4, and upon demonstrated creation of 25 Qualified New Jobs above the Base Employment Level and upon verification 100 percent of funds disbursed from Milestones 1-3 have been spent in accordance with Exhibit E of the Agreement, and verification from Michigan Department of Environmental Quality and AKT Peerless that Eligible Activities were done in accordance with the Act 381 Work Plan and upon demonstrated creation of up to 75 Additional New Jobs above the Base Employment Level and Qualified New Jobs by no later than December 31, 2021.

- **Annual Payment:** The amount of the Award to be repaid shall be calculated as of June 30, 2022 based upon the total amount of the Award Disbursements less any credits applied. Credits will be calculated based on the following:
  - If 25 Qualified New Jobs are created by December 31, 2021, a credit in the amount of \$500,000 shall be applied to the Principal.
  - An additional credit shall be given for each Additional New Job created by December 31, 2021 and maintained through December 31, 2022 (“Term”), in the amount of \$20,000 per Additional New Job created up to 75, upon completion of Milestone 5. If at any time through the Term the Company eliminates an Additional New Job, the Principal shall be increased by \$20,000 per eliminated Additional New Job.

Any final MBDP Incentive Amendment is contingent upon several factors, including: (i) submission by the Company of a completed amendment application and all other documentation required under the MBDP (ii) approval of an award by the MSF, and (iii) execution of a final Amendment containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award Amendment for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by October 14, 2020 the MEDC may not be able to proceed with any recommendation to the MSF.

**Acknowledged as received by:**

HyCAL Corp  
By:   
Printed Name: DAVID A. HILL  
Its: CHIEF FINANCIAL OFFICER  
Dated: 10-08-2020

Michigan Economic Development Corporation  
By: Julia Veale  
Printed Name: Julia Veale  
Its: BDPM  
Dated: 10/08/2020



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

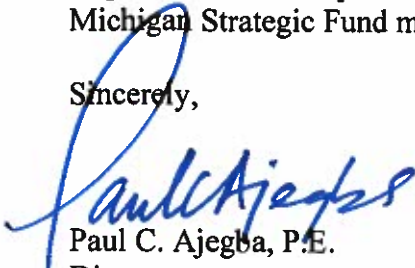
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

**From:** Rob Garza, Manager, Statutory Analysis

**Subject:** Request for Approval of a Michigan Community Revitalization Program Loan Agreement Amendment #1  
The Corner Lender, LLC

---

### Request

The Corner Lender, LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Loan Agreement (“Agreement”) and any related ancillary agreements. The amendment request dated September 3, 2020 seeks to extend Milestone Four, the final project completion milestone due date from August 15, 2019 to October 31, 2020, however in order to ensure that there is ample time for final project completion and issuance of certificates of occupancy, staff is recommending that the milestone due date be extended to December 31, 2020. All other terms of the current Agreement will remain the same.

### Background

The Michigan Strategic Fund Board approved a \$4,375,000 performance-based loan utilizing the Investment Fund on July 25, 2017, to the Company for the purpose of constructing a four-story mixed-use development on the former Tiger Stadium site consisting of approximately 25,790 square feet of commercial space on the first floor and approximately 111 residential units occupying approximately 65,394 square feet of residential space on floors two through four.

The project has achieved substantial completion and as of September 2020, the residential space is 90% occupied with only 6,854 square feet available. The commercial space is larger than originally anticipated, and represents 32,237 square feet, rather than the 25,790 square feet identified at approval. BUILD Institute, Plum Health, and AT&T currently occupy 7,239 square feet, or 23% of the commercial space. JP Morgan Chase has taken the anchor corner space and Liberty Security have begun their tenant fit out which is an additional 6,450 square feet leased. The project anticipated 60% of the leasable space to be set aside for 50% below market retail rents for Detroit residents or existing businesses, but due to the pandemic, many of the tenants under leases which were participating in this City-Based Space have been unable to move forward given the uncertainty in the market. The amendment is needed because the project has encountered significant delays, including unforeseen soil conditions, scheduling issues with contractors and delays in being granted a permanent certificate of occupancy from the City of Detroit.

Milestones One through Three have been completed to date and this amendment will allow the project to meet its final milestone. The company is current with reporting requirements.

The approved CRP award structure is provided in **Appendix A**. This amendment request will not result in any changes to the approved financial structure or terms. Original approval documents are available upon request.

The Corner Lender, LLC organizational chart is provided in **Appendix B** and **Appendix C** includes before and after photos.

**Recommendation**

The MEDC staff recommends approval of an amendment to the MCRP Loan Agreement and any related ancillary agreements to extend the Milestone Four due date from August 15, 2019 to December 31, 2020, per the Company's request dated September 3, 2020.

## APPENDIX A – Original Approved CRP Structure and Terms

### FINANCING OPPORTUNITY – MCRP PERFORMANCE-BASED LOAN

The development team was awarded a MCRP Performance-Based Loan award in an amount of up to \$4,375,000. The MSF is one of four Leveraged Lenders under the NMTC structure:

#### SUMMARY OF DEVELOPMENT SOURCES:

CIP	\$	3,760,525	13.8%
Enterprise	\$	3,087,855	11.3%
LISC	\$	3,760,525	13.8%
MCRP Loan	\$	4,375,000	16.0%
NMTC Equity	\$	7,293,000	26.7%
Developer Equity	\$	4,446,926	16.3%
Deferred Developer Fees	\$	567,236	2.1%
<b>TOTAL</b>	<b>\$</b>	<b>27,291,067</b>	<b>100%</b>

#### LOAN FACILITY

<b>MSF Facility:</b>	MCRP Performance-Based Loan
<b>Borrower:</b>	The Corner Lender, LLC or Related Entity
<b>MSF Loan:</b>	Up to the lesser of 20% of “Eligible Investment” or \$4,375,000
<b>Term:</b>	Up to 90 months
<b>Interest Rate:</b>	Up to 5% per annum
<b>Repayment Terms:</b>	Up to 90 months interest-only payments, with principal due at maturity.
<b>Collateral:</b>	To be determined subject to the NMTC structure
<b>Guarantee:</b>	The guarantees of the project owners, with the final and/or alternative guarantee(s) approved by the MSF Fund Manager.
<b>MSF Fees:</b>	One-time fee equal to one percent of the MSF Loan award.
<b>Funding:</b>	The MSF will fund up to \$4,375,000 to be disbursed following execution of all necessary financing documentation for the project as determined by the MSF’s Fund Manager and completion of other performance criteria.
<b>Other Conditions:</b>	<p>Milestones or closing conditions anticipated to include:</p> <ul style="list-style-type: none"> <li>• Receipt of a Guaranteed Maximum Price contract</li> <li>• Final Development Budget</li> <li>• Receipt of State approval of the tax abatement</li> </ul>



## APPENDIX B – Organizational Chart

THE CORNER LENDER LLC				
Company Name EIN: 82-3563457				
Company Name Manager: Eric Ballinger Larson				
Member		Ownership Interest	EIN	State of Organization
The Corner Investor, LLC - Eric B. Larson	+	45.00%	82-2298313	Michigan
Partner 1 - Eric B. Larson, Manager		10.7160%		
Limited Partner 1		4.2121%		
Limited Partner 2		4.2120%		
Limited Partner 3		2.1061%		
Limited Partner 4		2.1061%		
Limited Partner 5		1.0530%		
Limited Partner 6		1.0530%		
Limited Partner 7		1.0530%		
Limited Partner 8		5.2651%		
Limited Partner 9		1.0530%		
Limited Partner 10		1.0530%		
Limited Partner 11		1.0530%		
Limited Partner 12		2.1061%		
Limited Partner 13		1.0530%		
Limited Partner 14		2.1061%		
Limited Partner 15		2.1061%		
Limited Partner 16		2.1061%		
Limited Partner 17		3.1591%		
Limited Partner 18		1.0530%		
Limited Partner 19		1.0530%		
Limited Partner 20		2.1061%		
Limited Partner 21		2.1061%	+	
Limited Partner 22		1.0530%		
Limited Partner 23		1.0530%		
Limited Partner 24		1.0530%		
Limited Partner 25		2.1061%		
Limited Partner 26		1.0530%		
Limited Partner 27		1.0530%		
Limited Partner 28		2.1061%		
Limited Partner 29		2.1061%		
Limited Partner 30		1.0530%		
Limited Partner 31		2.1061%		
Limited Partner 32		1.0530%		
Limited Partner 33		1.0530%		
Limited Partner 34		1.0530%		
Limited Partner 35		2.1061%		
Limited Partner 36		10.5303%		
Limited Partner 37		1.0530%		
Limited Partner 38		2.1061%		
Limited Partner 39		1.0530%		
Limited Partner 40		9.2539%		
Limited Partner 41		2.1061%		
Larson Realty Group, LLC - Eric B. Larson		55.00%	38-3465696	Michigan
Katherine Larson		0.01%		
Eric B. Larson		99.99%		
<b>Key Principals/Guarantors:</b>		<b>Amount of Guarantee</b>		
Eric B. Larson		\$ 4,375,000.00		

## APPENDIX C – Before and After Photos





**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-127**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION  
PROGRAM LOAN AWARD FOR  
THE CORNER LENDER, LLC OR A RELATED ENTITY**

**WHEREAS**, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

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

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

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

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

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

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

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

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

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

**WHEREAS**, by Resolution 2017-112 on July 25, 2017 the MSF Board utilized the Investment Fund to award a MCRP Loan Award to The Corner Lender, LLC or Related Entity, in furtherance of the Project of up to \$4,375,000 (“Award”);

**WHEREAS**, the MEDC is recommending that the MSF approve the amendment recommendation to extend the Milestone Four due date from August 15, 2019 to December 31, 2020, with all other requirements remaining in place from the original approval (“MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

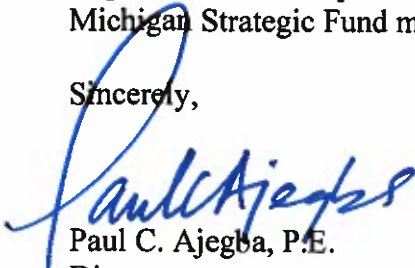
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

**From:** Lisa Edmonds, Program Specialist, MCRP and Brownfield

**Subject:** Request for Approval of a Michigan Community Revitalization Program Grant Award Amendment #1  
ANC Holdings, LLC

---

### **Request**

ANC Holdings, LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Grant Award (“Award”). The amendment request dated September 24, 2020, includes a request to add a co-applicant, Allen Neighborhood Center Support Corp. All other terms of the current approval will remain the same.

### **Background**

The Michigan Strategic Fund Board approved a \$1,500,000 MCRP Grant on June 23, 2020 to the Company for the purpose of redeveloping the two-story Kircher Complex into a 3-story mixed-use development with 21 residential units, the addition of an accelerator kitchen, culinary training, a food co-op, and community health services.

ANC Holdings, LLC had site control at the time of the MCRP approval but for purposes of the senior lender closing, site control had to move to another entity, Allen Neighborhood Center Support Corp. They have closed with their senior lender using a bridge loan for the MCRP grant. However, the tax credit investor must have the executed MCRP grant agreement in order to close on the New Market Tax Credits.

The MCRP grant can only be awarded to an applicant with site control, therefore, we are requesting to amend the award to add Allen Neighborhood Center Support Corp. as the co-applicant.

### **Recommendation**

The MEDC staff recommends approval of an amendment to the MCRP Grant Award to add a co-applicant, Allen Neighborhood Center Support Corp., per the Company’s request dated September 24, 2020.



**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-128**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY  
REVITALIZATION PROGRAM GRANT AWARD FOR  
ANC HOLDINGS, LLC**

**WHEREAS**, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

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

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

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

**WHEREAS**, by Resolution 2020-075 on June 23, 2020, the MSF Board awarded a MCRP Grant Award to ANC Holdings, LLC, in furtherance of the Project of up to \$1,500,000 (“Award”);

**WHEREAS**, the MEDC is recommending that the MSF approve the amendment recommendation to add a co-applicant, Allen Neighborhood Center Support Corp., with all other requirements remaining in place from the original approval (“MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

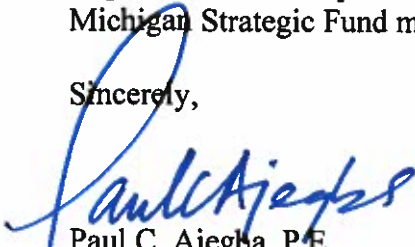
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

**From:** Lynda Franke, Underwriting and Incentive Structuring Analyst

**Subject:** Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance-Loan Participation Award Amendment #3  
Sweetwater Development Partners, LLC

---

### Request

Sweetwater Development Partners, LLC (“Company”) is requesting approval of an amendment to the \$1,500,000 Michigan Community Revitalization Program Other Economic Assistance Loan Participation Award (“Award”). The request by the Company dated September 16, 2020, is to convert the structure of the Award from an Other Economic Assistance Loan Participation to a Direct Loan with the Company’s new lender, with no change in the amount of the Award.

### Background

The Michigan Strategic Fund Board approved a \$1,500,000 Michigan Community Revitalization Program (“MCRP”) Other Economic Assistance Loan Participation Award on December 17, 2019 to the Company for the purpose of constructing a new 51,565 square foot, six-story mixed use building, which will contain first floor retail space, second and third floor office space, and the remaining three floors will contain 18 one-and two-bedroom residential apartments. The development will include approximately 30 parking spaces, both underneath and behind the building. The owner of the Company has developed a successful business, BigSigns.com, Inc over ten years and will occupy approximately 15% of the new building.

An amendment to this project was approved on June 10, 2020 to extend the original approval expiration date by 90 days to September 11, 2020, since the transaction was unable to close due to issues related to the COVID-19 pandemic.

An amendment to this project was approved on September 1, 2020 to extend the amended expiration date by 90 days to December 9, 2020. The original lender paused new construction deals in response to COVID-19, and the Company obtained a new commitment from Honor Credit Union (“Lender”). This Lender had no prior experience with the MCRP and needed time to fully understand the proposed structure and its responsibilities.

This amendment is needed because the Lender is a credit union and believes an MSF Loan Participation structure would create an audit issue for them. To resolve their concern and continue toward a loan closing, the request is that the Award be changed from an Other Economic Assistance Loan Participation to a Performance-Based Direct Loan. The Lender, or a mutually agreeable third party, will perform the originally anticipated servicing of the Award, including disbursement of funds soon after closing,

construction draw administration and collection of payment on both of the Notes, etc., consistent with a typical MSF Loan Participation. The Lender has verified current liquid assets of the borrower of approximately \$2,500,000. Payments to the MSF would be subject to a subordination to the Lender.

MEDC staff is comfortable with the requested changes which are detailed in Appendix A with strikethrough and capitalized bolded font.

**Recommendation**

The MEDC staff recommends approval of an amendment to the MCRP Other Economic Assistance Loan Participation Award to convert the Award to an MCRP Performance-Based Direct Loan, per the Company's request dated September 16, 2020.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-129**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION  
PROGRAM OTHER ECONOMIC ASSISTANCE AWARD FOR  
SWEETWATER DEVELOPMENT PARTNERS, LLC**

**WHEREAS**, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

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

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

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

**WHEREAS**, by Resolution 2019-193 on December 17, 2019 the MSF Board awarded a MCRP Other Economic Assistance Loan Participation Award to Sweetwater Development Partners, LLC, in furtherance of the Project of up to \$1,500,000 (“Award”);

**WHEREAS**, the MEDC is recommending that the MSF approve the amendment recommendation to change the Award to an MCRP Performance-Based Direct Loan, with all other requirements remaining in place from the original approval (“MCRP Amendment Recommendation”), with the exception of the changes in Exhibit A.

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020

## EXHIBIT A

### LOAN TERMS

<b>MSF Facility:</b>	<del>MCRP Other Economic Assistance Loan Participation</del> <b>MCRP PERFORMANCE-BASED DIRECT LOAN</b>
<b>Borrower:</b>	Sweetwater Development Partners, LLC
<b>Senior Lender:</b>	Currently anticipated to be <del>Chemical Bank</del> <b>HONOR CREDIT UNION</b>
<b>Total Amount of Loans:</b>	Currently estimated at \$7,400,000
<b>Lender Share:</b>	Currently estimated at \$5,900,000
<b>Total Capital Investment:</b>	Currently estimated at \$8,900,970
<b>MSF Eligible Investment:</b>	Currently estimated at \$7,682,848
<b>Minimum Eligible Investment:</b>	Currently estimated at \$7,500,000
<b>MSF Share:</b>	Up to the lesser of 20% of "Eligible Investment" or \$1,500,000
<b>Term:</b>	To match that of the Senior Lender up to 84 months
<b>Amortization:</b>	Up to 360 months
<b>Interest Rate:</b>	1% per annum
<b>Repayment Terms:</b>	Monthly interest only payments for up to 36 months, followed by principal and interest payments until maturity, with a balloon payment. MSF repayment during the P&I period will <b>BE SUBJECT TO A SUBORDINATION TO THE SENIOR LENDER. Debt Service Coverage Ratio of 1.20, before distributions. Repayment, full or partial, would occur unless such repayment would result in a DSCR less than 1.2.</b>
<b>Collateral:</b>	To <del>reasonably</del> match that of the <b>SENIOR Lender, DIVERGING AS NECESSARY AND IN THE DISCRETION OF THE MSF FUND MANAGER TO FACILITATE CLOSING THE DEAL AS NEAR AS EQUAL TO THE SENIOR LENDER AS POSSIBLE.</b> Currently, <b>COLLATERAL IS</b> anticipated to be <del>all assets filing with</del> first lien and assignment of leases and rents on the property financed. MSF share of collateral will be subordinated to that of the Lender.
<b>Guarantee:</b>	To <del>reasonably</del> match that of the <b>SENIOR Lender, DIVERGING AS NECESSARY AND IN THE DISCRETION OF THE MSF FUND MANAGER TO FACILITATE CLOSING THE DEAL AS NEAR AS EQUAL TO THE SENIOR LENDER AS POSSIBLE.</b> Currently, <b>THE GUARANTEE IS</b> anticipated to be guarantees from Corey Leonard and BigSigns.com, Inc. MSF interest will be subordinated to that of the Lender.
<b>MSF Fees:</b>	The MSF shall be paid a one-time fee equal to one percent of the MSF's share of the loan. The Lender may charge the borrower for this fee.

**Reserves:**

~~The Developer has a successful business in BigSigns.com, Inc., and the senior lender is requiring the borrower to maintain a minimum liquidity level of \$750,000.~~

**Funding:**

The MSF will fund up to \$1,500,000 to be disbursed following closing of the financing and other performance criteria.





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

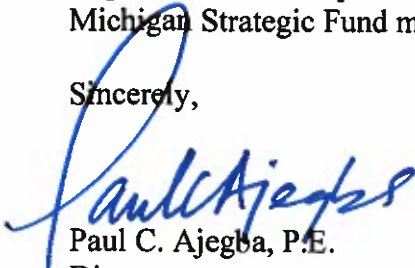
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood

**MICHIGAN STRATEGIC FUND**  
*Michigan Economic Development Corporation*  
300 N. Washington Square, Lansing, Michigan 48913  
Lake Michigan Conference Room, 1<sup>st</sup> Floor\*

**2021 Proposed Meeting Dates**

Tuesday, January 26, 2021  
10:00am

Tuesday, February 23, 2021  
10:00am

Tuesday, March 23, 2021  
10:00am

Tuesday, April 27, 2021  
10:00am

Tuesday, May 25, 2021  
10:00am

Tuesday, June 22, 2021  
10:00am

Tuesday, July 27, 2021  
10:00am

Tuesday, August 24, 2021  
10:00am

Tuesday, September 28, 2021  
10:00am

Tuesday, October 26, 2021  
10:00am

Tuesday, December 7, 2021\*\*  
10:00am

*\*Due to COVID-19 health concerns, the MEDC building will be closed until further notice and all MSF Board meetings will be held remotely.*

*\*\*Combined November/December Meeting*

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-125**

**APPROVAL OF THE OCTOBER 27, 2020 CONSENT AGENDA  
FOR THE MICHIGAN STRATEGIC FUND BOARD**

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

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

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

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

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

Consent Agenda Items:

September 22, 2020 MSF Board Meeting Minutes  
HyCAL – MBDP Amendment  
The Corner Lender, LLC – MCRP Amendment  
ANC Holdings, LLC – MCRP Amendment  
Sweetwater Development Partner, LLC – MCRP Amendment  
2021 MSF Board Meeting Dates

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



**MEMORANDUM**

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

**From:** Amanda Bright-McClanahan, COO  
Jill Trepkoski, CFO

**Subject:** MSF Annual Allocation of Funding

---

**Request**

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve the funding allocations set forth in Exhibit A to the proposed Resolution (the “Request”).

**Background**

Each year, MEDC Staff requests that the MSF Board accept and allocate funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. For FY2021, the gross allocation is approximately \$150 million and consists of tobacco settlement funds from 21<sup>st</sup> Century Jobs Trust Fund, funds from the general fund, and federal Community Development Block Grant Funds. These funds are for business attraction and community development programs and activities, and the entrepreneurship ecosystem. The Request includes allocation of funds for administrative costs, general funding allocations for business attraction and community development programs and activities, as well as specific funding allocations to entities that have executed multi-year agreements with the MSF.

***Administration Allocation – 4% of Appropriated Funds***

The MEDC provides administrative services to the MSF. The MSF may allocate up to 4% of the annual appropriation from the 21<sup>st</sup> Century Jobs Fund to reimburse the MEDC for expenses related to its administration of the programs on behalf of the MSF. On September 22, 2020, the MSF authorized an extension to the Administrative Services Memorandum of Understanding.

***Business Development and Marketing Allocation – 5% of Appropriated Funds***

These funds are used for business marketing campaigns, media, and public relations activities to attract, retain, and grow target industries that deliver economic benefit to the people of the state. Under section 88b(4) of the MSF Act, the MSF may allocate up to 5% of the annual appropriation from the 21<sup>st</sup> Century Jobs Fund for these activities. Specific agreements are funded from this allocation upon approval of the MSF board or its delegates.



### ***Business and Community Development Programs and Activities - \$68,790,000***

These funds are used to support programs such as the Michigan Business Development Program (“MBDP”), the Michigan Community Revitalization Program (“MCRP”), and Jobs Ready Michigan Programs for high impact Business and Community Development projects. Support is offered as a grant, loan, or other economic assistance primarily to projects that meet strategic focus areas to attract, retain, and support businesses, foster high-wage skills growth, and develop attractive places. As of June 2020, the MBDP had an effectiveness rate of 85% creating 43,259 verified jobs. The MCRP had an effectiveness rate of 97% with 140 projects completed by March of 2020. This funding has also been used to support other business and community development programs and activities to achieve the strategic goals of the MSF. Specific projects or programs are funded from this allocation upon approval of the MSF board or its delegates.

### ***Community Revitalization Program - \$20,000,000***

These funds represent the boilerplate requirement in Public Act 166 of 2020 section 1024 that not less than 20% of the \$100 million FY2021 Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program. Specific projects are funded from this allocation upon approval of the MSF board or its delegates.

### ***International Trade Small Business Services Contracts - \$270,000***

On September 26, 2017, the MSF awarded Small Business Services contracts (the “SBS Contracts”) totaling \$270,000 to Foster Swift Collins & Smith, P.C. (“Foster Swift”), IBT Online, Michigan State University – International Business Center (“MSU-IBC”), and the Michigan Small Business Development Center (“MI-SBDC”) following a formal request for proposals, for an additional term of October 1, 2017 to September 30, 2018, with the option to extend each contract up to four additional years and allocate additional funding at the sole discretion of the MSF.

On August 28, 2018, the MSF exercised its first option to extend the term to September 30, 2019 and allocated \$270,000 in aggregate to the SBS Contracts. On September 24, 2019, the MSF exercised its second option to extend the term to September 30, 2020. On October 22, 2019, the MSF allocated \$270,000 in aggregate to the SBS Contracts to support the small business services for the period of October 1, 2019 and September 30, 2020. On August 25, 2020, the MSF exercised its third option to extend the SBS Contracts to September 30, 2021. The MEDC recommends that the MSF allocate \$270,000 in the amounts listed below to the SBS Contracts to support a continuation of services through September 30, 2021:

- Foster Swift - \$50,600 to support legal assistance and trainings including workshops and one-on-one training on topics such as intellectual property protection, foreign agent/distributor contract terms checklist, export controls overview, and U.S. Foreign Corrupt Practices Act.
- IBT Online - \$54,000 to support localization of company websites to increase online visibility and grow export sales in two targeted international markets
- MSU- IBC - \$59,175 to support Michigan Export Growth Program custom research reports providing multi-country and industry-specific market research reports

- MI-SBDC - \$106,225 to support projects including (1) International Search Engine Optimization (SEO) to define strengths and weaknesses of a company’s website and social media presence to advance international sales, and (2) Early Stage Export Assistance to assess export readiness and provide export planning, financial assessment and marketing recommendations

In FY2020, SBS providers supported 103 total company projects supporting Michigan exporters expansion and entry into new foreign markets.

***Michigan Small Business Development Center Core Services Grant - \$1,940,000***

On October 22, 2019, the MSF authorized a grant of up to \$3,855,000 to the MI-SBDC to support its Core Services Program and its Technology Consulting Services Program for a term of January 1, 2020 to December 31, 2022, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. The MSF Fund Manager, on behalf of the MSF negotiated and executed a grant agreement in the amount of \$1,945,000 for the Core Services Program (the “Core Services Grant Agreement”) and negotiated and executed a grant agreement in the amount of \$1,910,000 for the Technology Consulting Services Program (the “Tech Services Grant Agreement”).

The Core Services program supports small businesses in non-high-tech industries, including main street businesses by providing expert assistance at no cost to entrepreneurs looking to start or grow a business. Through their eleven Regional Offices mostly housed in educational institutions throughout the State, MI-SBDC business consultants provide one on one assistance to small business owners on topics such as writing a business plan, preparing financial statements, cash flow projections, lease negotiations and many others relevant small business topics. In addition to one on one business counseling, the MI-SBDC offers robust online and in person trainings. These trainings provide accessible education and best practices to non-tech businesses, many of whom are located on Main Street and contribute to the overall vibrancy of our core downtown and neighborhood commercial districts.

Since January 1, 2020, the MI-SBDC is on track to achieve 25,000 hours of business counseling and preparation to non-tech businesses, serve 10,000 small business clients, facilitate 335 new business starts, and support creation of 1,250 new jobs by client companies. The MEDC recommends that the MSF allocate \$1,940,000 in additional funding to support the Core Services program for the period of January 1, 2021 through December 31, 2021.

***Michigan Small Business Development Center Technology Services Grant - \$1,720,000***

On October 22, 2019, the MSF authorized a grant of up to \$3,855,000 to the MI-SBDC to support its Core Services Program and its Technology Consulting Services Program for a term of January 1, 2020 to December 31, 2022, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. The MSF Fund Manager, on behalf of the MSF negotiated and executed a grant agreement in the amount of \$1,945,000 for the Core Services Program (the “Core Services Grant Agreement”) and negotiated and executed a grant agreement in the amount of \$1,910,000 for the Technology Consulting Services Program (the “Tech Services Grant Agreement”).

The Technology Services Program provides specialized assistance to early stage tech companies, the vast majority of which are very early stage companies, primarily pre-revenue and often pre-proof of concept. These services include business plan review, marketing strategies, management team development and providing connection to other statewide resources, including early stage capital.

Since January 1, 2020, the MI-SBDC Technology Services program has served 66 companies, attracted over \$60,024,022 in investments, and facilitated creation of 75 new full-time jobs. The MEDC recommends that the MSF allocate \$1,720,000 in additional funding to support continuation of the Technology Services for the period of January 1, 2021 to December 31, 2021.

### ***Entrepreneurial Programs and Grants - \$6,461,500***

These funds are used for university technology programs, entrepreneurial services grants and early stage funding programs that support Michigan's statewide technology ecosystem. Except as to those funding allocations set forth in this memo, program and project funding requests, requests to allocate these funds are presented to the MSF Board throughout the fiscal year for approval.

### ***Michigan Translational Research and Commercialization Program Allocations***

The Michigan Translational Research and Commercialization Statewide Program (the "MTRAC Program") was created to 1) encourage and work with the State of Michigan's public universities to identify commercial potential in advanced technologies from individual institutions of higher education; 2) facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities; 3) encourage business formation efforts in institution of higher education technology transfer offices to increase the number of institution of higher education related start-up companies; 4) encourage institutions of higher education to provide their faculty with incentives for participating in the technology transfer and commercialization activities; and 5) facilitate the use of applied research expertise within institutions of higher education by qualified businesses. Since April 2016, the MSF has designated five Innovation Hubs under the MTRAC Program: Advanced Computing, Life Sciences, Advanced Transportation, Advanced Materials, and Agriculture-Biology. The Innovation Hubs support translation of competitive edge research into commercial applications at Michigan-based institutions of higher education, hospital systems, and non-profit research organizations. Innovation Hub designations last for up to six years and a designed Innovation Hub is eligible to receive a new grant award every two years. Specific funding requests under the MTRAC Program are listed below:

### ***Wayne State University – Advanced Computing Innovation Hub - \$425,000***

On February 26, 2019, the MSF designated Wayne State University ("WSU") as the Innovation Hub for Advanced Computing activities. Since its designation in 2019, the Advanced Computing Innovation Hub at WSU has funded three projects and leveraged \$225,000 in follow on funding. The MEDC recommends that the MSF authorize a grant of up to \$425,000 for an initial one year

term, with the option to extend an additional one year and allocate additional funding at the sole discretion of the MSF.

***University of Michigan - Life Sciences Innovation Hub - \$1,000,000***

On July 26, 2016, the MSF designated the University of Michigan Medical School (“UM Medical School”) as the Innovation Hub for Life Science activities. Since its designation in 2016, the Life Sciences Innovation Hub at UM has funded 94 projects, led to 15 startups, facilitated creation of 13 full-time jobs, and leveraged over \$9,784,868 in follow on funding. The MEDC recommends that the MSF authorize a grant of up to \$1,000,000 for an initial one year term, with the option to extend an additional one year and allocate additional funding at the sole discretion of the MSF.

***University of Michigan – Advanced Transportation Innovation Hub - \$425,000***

On February 27, 2017, the MSF designated the University of Michigan College of Engineering (“UM College of Engineering”) as the Innovation Hub for Advanced Transportation activities. On December 17, 2019, the MSF authorized a grant of up to \$500,000 to the UM College of Engineering for an initial term of January 1, 2020 to December 31, 2020, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF. Since its designation in 2017, the Advanced Transportation Innovation Hub at UM has funded 35 projects, led to 14 startups, facilitated creation of 47 full-time jobs, and leveraged over \$36,500,000 in follow on funding. The MEDC recommends that the MSF allocate \$425,000 in additional funding and exercise its option to extend the term to December 31, 2021 to support continuation of the Advanced Transportation Innovation Hub activities for another year.

***Michigan Technological University – Advanced Materials Innovation Hub - \$275,000***

On February 27, 2017, the MSF designated Michigan Technological University (“Michigan Tech”) as the Innovation Hub for Advanced Materials activities. On May 19, 2020, the MSF authorized a grant of up to \$250,000 to Michigan Tech for an initial term of July 1, 2020 to June 30, 2021, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF. Since its designation in 2017, the Advanced Materials Innovation Hub at Michigan Tech has funded 14 projects, led to two startups, facilitated creation of one full-time job, and leveraged over \$14,000,000 in follow on funding. The MEDC recommends that the MSF allocate \$275,000 in additional funding and extend the term to June 30, 2022 to support continuation of the Advanced Materials Innovation Hub activities for another year.

***Michigan State University – Agriculture-Biology Innovation Hub - \$350,000***

On June 28, 2016, the MSF designated Michigan State University (“MSU”) as the Innovation Hub for Agriculture-Biology activities. On May 19, 2020, the MSF authorized a grant of up to \$350,000 to MSU, for an initial term of September 1, 2020 to August 31, 2021, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF. Since its designation in 2016, the Agriculture-Biology Innovation Hub at MSU has funded 57 projects, led to four startups, facilitated creation of five full-time jobs, and leveraged over \$87,500,000 in follow on funding. The MEDC recommends that the MSF allocate \$350,000 in additional funding and extend the term to August 31, 2022 to support continuation of the Agriculture-Biology Innovation Hub activities for another year.

***Michigan Small Business Development Center Emerging Technology Fund Grant - \$1,155,000***

On December 17, 2019, the MSF authorized a grant of up to \$3,585,000 to the MI-SBDC to support its Emerging Technologies Fund (“ETF”) and its Business Accelerator Fund (“BAF”) for a term of January 1, 2020 to December 31, 2020. The MSF Fund Manager, on behalf of the MSF negotiated and executed a grant agreement in the amount of \$2,155,000 for the ETF program (the “ETF Grant Agreement”) and negotiated and executed a grant agreement in the amount of \$1,430,000 for the BAF program (the “BAF Grant Agreement”). On August 25, 2020, the MSF approved an amendment to shift \$700,000 from the ETF Grant Agreement to the BAF Grant Agreement.

The ETF program makes Michigan more competitive in attracting federal dollars into the State in the form of Small Business Innovation Research (“SBIR”) and Small Business Technology Transfer Research (“STTR”) awards, which can be worth up to several million dollars each. The ETF provides matching funds of up to \$25,000 for Phase I and \$125,000 for Phase II clinical studies associated with these awards.

Since January 1, 2020, the program served 17 companies, leveraged \$34,797,155 in funding, led to the creation of three new companies, and generated 57 new jobs. The MEDC recommends that the MSF authorize a grant of up to \$1,155,000 for an initial one year term, with the option to extend an additional five years and allocate additional funding at the sole discretion of the MSF.

***Michigan Small Business Development Center Business Accelerator Fund Grant - \$1,430,000***

On December 17, 2019, the MSF authorized a grant of up to \$3,585,000 to the MI-SBDC to support its Emerging Technologies Fund (“ETF”) and its Business Accelerator Fund (“BAF”) for a term of January 1, 2020 to December 31, 2020. The MSF Fund Manager, on behalf of the MSF negotiated and executed a grant agreement in the amount of \$2,155,000 for the ETF program (the “ETF Grant Agreement”) and negotiated and executed a grant agreement in the amount of \$1,430,000 for the BAF program (the “BAF Grant Agreement”). On August 25, 2020, the MSF approved an amendment to shift \$700,000 from the ETF Grant Agreement to the BAF Grant Agreement.

The BAF provides a series of small grants (up to a maximum of \$50,000 per company) for high tech businesses to access the required specialized services they need to grow and compete. These funds are used toward the delivery of specialized commercialization services that are not otherwise available from these business accelerators, to assist advanced technology companies regardless of the company’s geography. A participating business accelerator will engage a third-party specialist to help advance the client’s path to commercialization, company success, and economic impact for the state of Michigan. BAF requests are reviewed and awarded through a competitive process.

For the period of January 1, 2020, the program served 47 companies, leveraged \$26,192,621 in funding, led to the creation of seven new companies and generated 106 new jobs. The MEDC recommends that the MSF authorize a grant of up to \$1,430,000 for an initial one year term, with the option to extend an additional five years and allocate additional funding at the sole discretion of the MSF.

***BBCetc Small Business Innovation Research/Small Business Technology Research Program Grant - \$500,000***

On December 17, 2019, the MSF Board authorized a grant of \$480,000 to BBCetc for an initial term of January 1, 2020 to December 31, 2020, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. BBCetc provides consulting services to individual companies and entrepreneurs seeking federal Small Business Innovation Research (“SBIR”) and Small Business Technology Transfer (“STTR”) awards. Since January 1, 2020, BBCetc has supported 48 companies in securing \$14,923,549 in federal SBIR/STTR funding. The MEDC recommends that the MSF Board allocate \$500,000 in additional funding and exercise its first option to extend the term to December 31, 2021 to support the BBCetc services for an additional year.

***University of Michigan Tech Transfer Talent Network Grant - \$500,000***

On October 24, 2017, the MSF authorized a grant of up to \$1,400,000 to the University of Michigan (“UM”) for an initial term of January 1, 2018 to December 31, 2018, with the option to extend the term for an additional four years and allocate additional funding at the sole discretion of the MSF. On October 23, 2018, the MSF exercised its first option to extend the term to December 31, 2019 and allocated \$1,175,000. On December 17, 2019, the MSF exercised its second option to extend the term to December 31, 2020 and allocated \$500,000 in additional funding.

The Technology Transfer Talent Network (“T3N”) program is a statewide university network designed to support the commercialization of university technologies, licenses to industry and startup creation through key talent and business expertise programs; mentors-in-residence, postdocs, fellows and shared services. Supporting the commercialization of university projects into licenses with industry or startup companies, T3N provides key matching funds for the hiring of mentors in residence, post-docs and fellows. These targeted resources are a critical component of the entrepreneurial and startup ecosystem across the state in support of getting technology from the university into the commercial market. In 2019, the T3N program supported creation of 20 new companies, follow on funding of \$59,090,690, 593 project engagements, and issuance of 407 patents. The MEDC recommends that the MSF allocate \$500,000 in additional funding and exercise its third option to extend the term to December 31, 2021 to support continuation of the T3N program for an additional year.

***Community Development Block Grant Program (CDBG) Allocation - \$19,891,824***

CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development. Funds are used to provide grants to eligible counties, cities, villages, and townships, usually with populations under 50,000 for economic and community development projects, including funding rounds. Project proposals are considered and evaluated based up the MSF’s approved Funding Guide. Specific projects or funding rounds are funded from this allocation upon approval of the MSF board or its delegates.

***CDBG-Infrastructure Round - \$15,000,000***

The CDGB infrastructure funding round is designed to assist Units of General Local Government in making necessary improvements to their existing public infrastructure systems. Projects will be located in CDBG defined low and moderate income communities and projects must benefit the entire community. Specific projects are funded from this allocation upon approval of the MSF board or its delegates.

**Recommendation**

MEDC staff recommends the MSF Board approve the Request



**Michigan Strategic Fund  
FY2021 Spending Allocations**

<b>Allocations for Approval</b>	<b>21st Century Jobs Trust Fund Allocation</b>	<b>Other Funding Sources</b>	<b>Total Allocations</b>
Administration Allocation - 4% of Appropriated Funds	<b>\$4,626,000</b>		<b>\$4,626,000</b>
Business Development and Marketing Allocation - 5% of Appropriated Funds	<b>\$5,782,500</b>		<b>\$5,782,500</b>
Business and Community Development Programs and Activities	<b>\$71,000,000</b>		<b>\$71,000,000</b>
Allocation to Foster Swift Collins & Smith P.C. from the International Trade Small Business Services Program	\$50,600		\$50,600
Allocation to IBT Online from the International Trade Small Business Services Program	\$54,000		\$54,000
Allocation to Michigan State University-International Business Center from the International Trade Small Business Services Program	\$59,175		\$59,175
Allocation to the Michigan Small Business Development Center (SBDC) from the International Trade Small Business Services Program	\$106,225		\$106,225
Allocation to SBDC for Core Services	\$1,940,000		\$1,940,000
Remaining Business and Community Development Programs and Activities Funding	\$68,790,000		\$68,790,000
Community Revitalization Program (1)	<b>\$20,000,000</b>		<b>\$20,000,000</b>
Entrepreneurial Programs and Grants	<b>\$14,241,500</b>		<b>\$14,241,500</b>
Allocation to the University of Michigan Life Science Innovation Hub for the Michigan Translational Research and Commercialization (MTRAC) Program	\$1,000,000		\$1,000,000
Allocation to the University of Michigan Advanced Transportation Innovation Hub for the MTRAC Program	\$425,000		\$425,000
Allocation to the Michigan State University Agro-Biotechnology Innovation Hub for the MTRAC Program	\$350,000		\$350,000
Allocation to the Michigan Tech University Advanced Materials Innovation Hub for the MTRAC Program	\$275,000		\$275,000
Allocation to the Wayne State University Advanced Computing Innovation Hub for the MTRAC Program	\$425,000		\$425,000
Allocation to SBDC for Emerging Technology Fund	\$1,155,000		\$1,155,000
Allocation to SBDC for Business Accelerator Fund	\$1,430,000		\$1,430,000
Allocation to SBDC for Technology Consulting Services	\$1,720,000		\$1,720,000
Allocation to BBCEtc for the Small Business Innovation Research (SBIR) and Small Business Technology Research (STTR) Michigan Assistance Program (MAP)	\$500,000		\$500,000
Allocation to the University of Michigan Tech Transfer Talent Network (TN3) Grant for the University Mentor in Residence and Intern Program	\$500,000		\$500,000
Remaining Entrepreneurial Programs and Grants Funding	\$6,461,500		\$6,461,500
Federal-Community Development Block Grant (2)		<b>\$34,891,824</b>	<b>\$34,891,824</b>
Allocation for Infrastructure Funding Round		\$15,000,000	\$15,000,000
Remaining Community Development Block Grant Funding		\$19,891,824	\$19,891,824
<b>TOTAL ALLOCATIONS BY FUNDING SOURCE</b>	<b>\$115,650,000</b>	<b>\$34,891,824</b>	<b>\$150,541,824</b>

\* Allocations do not include any prior year funding.

(1) Boilerplate requirement in Public Act 166 of 2020 section 1024 that not less than 20% of the \$100 million Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program.

(2) Based on the July 1, 2020 CDBG Grant Award Amount

# MICHIGAN STRATEGIC FUND

## RESOLUTION 2020-130

### ALLOCATION OF FUNDING FOR FISCAL YEAR 2021

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

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

**WHEREAS**, 2020 PA 166 appropriated \$75,000,000 from the 21<sup>st</sup> Century Jobs Trust Fund and \$40,650,000 from the State General Fund for business attraction and community development, and the entrepreneurship ecosystem for the 2020-2021 fiscal year;

**WHEREAS**, 2011 PA 252 places general funds appropriated for business attraction and community development in the 21<sup>st</sup> Century Jobs Trust Fund;

**WHEREAS**, MCL 12.258 provides that the state treasurer shall transfer to the MSF appropriated funds from the 21<sup>st</sup> Century Jobs Trust Fund upon the request of the MSF Board in the amounts designated by the MSF Board to fund disbursements or reserves for programs or activities under Chapter 8A and Chapter 8C of the MSF Act, MCL 125.2088 et. seq.;

**WHEREAS**, the MSF received \$34,891,824 from the U.S Department of Housing and Urban Development (“HUD”) for the federal Community Development Block Grant (“CDBG”) Program for fiscal year 2021;

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

**WHEREAS**, pursuant to Section 88o of the Act, the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

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

**WHEREAS**, on July 26, 2016, the MSF designated the University of Michigan (“UM”) as the Innovation Hub for Life Sciences activities under the MTRAC Program;

**WHEREAS**, on February 26, 2019, the MSF designated Wayne State University as the Innovation Hub for Advanced Computing activities under the MTRAC program;

**WHEREAS**, the MEDC recommends that the MSF allocate funding from the 21<sup>st</sup> Century Jobs Trust Fund and the CDBG Program to the programs and activities for fiscal year 2021 as described in Exhibit A to this Resolution (the “FY2021 Funding Allocations”);

**WHEREAS**, the MEDC also recommends that the MSF exercise its options to extend the terms of the agreements between the MSF and the entities listed on Exhibit A by one year from their current expiration dates to allow a continuation of services and activities (the “FY2021 Agreement Extensions”);

**WHEREAS**, the MEDC also recommends that the MSF authorize the following grants under the MTRAC Program, each for an initial term of one year with the option to extend the term for an additional year and allocate additional funding at the sole discretion of the MSF, in the amounts listed in Exhibit A to this Resolution: 1) WSU – Advanced Computing Innovation Hub and 2) UM – Life Sciences Innovation Hub (the “MTRAC Grants”);

**WHEREAS**, pursuant to Section 88b(2)(c) of the Act, the MEDC recommends that the MSF authorize a grant of up to \$1,155,000 to the Michigan Small Business Development Center (the “MI-SBDC”) for operation of the Emerging Technologies Fund (“ETF”) Program for an initial term of one year with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF (the “MI-SBDC ETF Grant”);

**WHEREAS**, pursuant to Section 88b(2)(c) of the Act, the MEDC recommends that the MSF authorize a grant of up to \$1,430,000 to the MI-SBDC for operation of the Business Accelerator Fund (“BAF”) Program for an initial term of one year with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF (the “MI-SBDC BAF Grant”); and

**WHEREAS**, after consideration of that recommendation, the MSF Board desires to approve the FY2021 Funding Allocations, the FY2021 Agreement Extensions, the MTRAC Grants, the MI-SBDC ETF Grant, and the MI-SBDC BAF Grant.

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board approves the FY2021 Funding Allocations and requests the State Treasurer to transfer \$115,650,000 from the 21<sup>st</sup> Century Jobs Trust Fund to the MSF, provided that no more than 60 percent of the funds used for business attraction and community revitalization are transferred before April 1, 2021;

**BE IT FURTHER RESOLVED**, the MSF Board approves the FY2021 Funding Allocations, the FY2021 Agreement Extensions, the MTRAC Grants, the MI-SBDC ETF Grant, and the MI-SBDC BAF Grant; and

**BE IT FURTHER RESOLVED**, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the FY2021 Funding Allocations, the FY2021 Agreement Extensions, the MTRAC Grants, the MI-SBDC ETF Grant, and the MI-SBDC BAF Grant.

Ayes: Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Brittany L. Affolter-Caine

Lansing, Michigan  
October 27, 2020

October 27, 2020

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

Dear Fund Manager,

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

- Annual Funding Allocations

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

Sincerely,



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



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

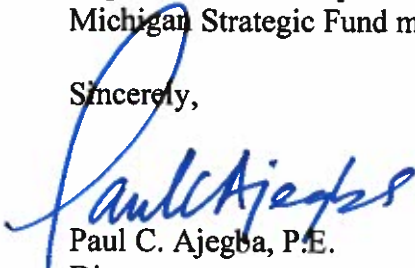
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

**From:** Christopher Cook, Director of Capital Access

**Subject:** *Private Activity Bond –  
Gerdau Macsteel, Inc. – Solid Waste – Amend Inducement  
To Increase Induced Project Size*

---

### **Request**

Gerdau Macsteel, Inc. (“Gerdau”) is requesting an amendment of a previous inducement for a \$80,000,000 solid waste project approved on September 25, 2018.

Gerdau has indicated the project is well underway with over \$86,000,000 spent to date and is requesting an amendment to the induced amount from \$80,000,000 to \$110,000,000. The increase in the project size is a result of higher installation costs.

At the September 22, 2020 MSF Board meeting, the MSF Board approved Gerdau’s request for an extension to the prior inducement expiration date of September 25, 2020 to September 22, 2022.

### **Background**

Gerdau Macsteel, Inc. was established in 1968 and is a Delaware Corporation. Gerdau operates in the United States as a privately held subsidiary of Gerdau S.A., a Brazilian publicly held corporation (“Gerdau S.A.”).

Gerdau manufactures specialized steel products. Gerdau focuses on engineered special bar quality (“SBQ”) steel products and produces a wide range of product shapes and grades. Gerdau indicates the SBQ products are utilized in all levels of automotive and heavy equipment supply chain.

### **Description of Project:**

The project consists of a plant upgrade to Gerdau’s Electric Arc Furnace mini-mill technology plant located in Monroe. The project will include a significant investment in air emissions technology to comply with new environmental standards and to meet the needs of added production capacity which will be completed by reconfiguring and upgrading the plant’s two baghouse configuration, canopy duck work and fans.



The project will also include improvements in the Electric Arc Furnace (including new transformers, a larger furnace shell, a larger scrap bucket, and new controls), a full replacement of the existing ladle furnace (including a new cooling tower), and investments in material handling technology that will centralize and automate the delivery of alloys and fluxes to the scrap bucket and furnaces.

The total project is expected to be completed by third quarter 2021.

**Recommendation**

Staff recommends the approval of the amending resolution to increase the dollar amount for the project from \$80,000,000 to \$110,000,000.

**MICHIGAN STRATEGIC FUND**  
**AMENDMENT TO INDUCEMENT RESOLUTION**  
**2020-131**

**Gerdau Macsteel, Inc.**

**WHEREAS**, the Fund has previously induced a Project (defined below) for Gerdau Macsteel, Inc. (the “Borrower”) pursuant to Resolution 2018-156.

**WHEREAS**, the Fund previously amended Resolution 2018-156 pursuant to Resolution 2020-114 to extend the expiration of the inducement from September 25, 2020 to September 22, 2022.

**WHEREAS**, the Borrower’s inducement included a plant upgrade to Gerdau’s Electric Arc Furnace mini-mill technology plant located in Monroe. The project will include a significant investment in air emissions technology to comply with new environmental standards and to meet the needs of added production capacity which will be completed by reconfiguring and upgrading the plant’s two baghouse configuration, canopy, ductwork and fans. The project will also include improvements in the Electric Arc Furnace (including new transformers, a larger furnace shell, a larger scrap bucket, and new controls), a full replacement of the existing ladle furnace (including a new cooling tower), and investments in material handling technology that will centralize and automate the delivery of alloys and fluxes to the scrap bucket and furnaces (the “Project”).

**WHEREAS**, the induced Project specified the cost of the Project would not exceed Eighty Million Dollars (\$80,000,000);

**WHEREAS**, the Borrower has advised the MSF that the cost of the Project has encountered significant cost increases relating to installation, general construction services, design, additional civil construction, and additional pieces of equipment; and

**WHEREAS**, the Borrower now advises the induced Project will not exceed One Hundred and Ten Million Dollars (\$110,000,000).

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

1. Resolution 2018-156 is amended to change the induced Project not to exceed amount from Eighty Million Dollars (\$80,000,000) to One Hundred and Ten Million Dollars (\$110,000,000).
2. Resolution 2020-114 extending the date of expiration to September 22, 2022 remains in full force and effect.
3. This resolution shall become effective upon adoption.

**ADOPTED**

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

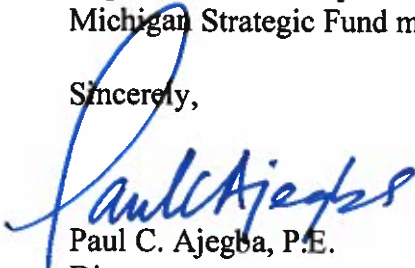
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** September 22, 2020  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Julia Veale, Business Development Project Manager  
**Subject:** Grant Request  
Michigan Business Development Program (“MBDP”)  
L. Perrigo Company (“Company” or “Applicant”)

---

### **Request Summary**

- This is a request from the Applicant for a \$2,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of 170 Qualified New Jobs, and a capital investment of up to \$44,782,094 in the city of Grand Rapids, Kent County.

### **Background**

The Applicant is a subsidiary of Perrigo, a publicly traded manufacturer of over-the-counter private label pharmaceutical and branded self-care products with \$4.8 billion in annual sales. The Company is a leading provider of over-the-counter health and wellness solutions provided at an affordable price. The Company employs over 11,000 people globally, and about 4,000 employees in Allegan and Ottawa Counties in Michigan.

The Company is a staple in the West Michigan community, recently donating \$500,000 in hand sanitizer to local hospitals to help meet increased demand caused by the COVID19 pandemic and \$600,000 to community partners essential to the COVID19 effort. The Company also supports many charitable organizations in the area and donated a building to the Safe Harbor program in Allegan as well as being hands on in inspiring the youth of West Michigan to enter into STEM careers.

The MEDC has completed the civil and criminal background checks in accordance with the MSF Background Review Policy.

### **Project Description**

The Company is considering establishment of corporate North American headquarters in Grand Rapids in order to house the US-based executive leadership team (C-Suite), some of the senior corporate functional leaders in HR, Finance, IT and Legal as well as being the base for Consumer Self Care Americas commercial organization (Marketing, Sales, e-Commerce/Digital, etc.). As the transformation progresses into a global Consumer Self Care company, having a presence in a metropolitan area will be necessary in order to attract and retain the talent necessary to fuel and sustain the transformation. The Company plans to enter into a 15 year lease at a facility located at 430 Monroe Ave NW; the facility would be renovated and upgraded to offer 60,000 square feet of office space and 170 parking spaces.

### **Employment Impact**

The Company invests heavily in its employees to maintain a highly skilled workforce. The jobs being created are well-paying jobs and the Company offers a clear pathway to upward mobility for its employees. The Company encourages personal and professional development and offers full tuition reimbursement,

incentives for longevity, and merit pay. The project is located in a geographically disadvantaged area and will provide entry level and professional level opportunities to the residents in the surrounding area.

### **Demonstrated Need**

In addition to the Grand Rapids location, the Company is also considering sites in Southeast Florida, and suburbia Chicago area in Illinois. Florida is being considered because the tax climate is more friendly with a lower Corporate Income Tax and no Personal Income Tax. The Company also believes locating in the Miami area will attract the type of young talent that it is looking to recruit and retain. The CEO and CFO also live in the area, further bolstering the reason for them to remain in the area where they have roots.

The site in Chicagoland is within 15 miles to the downtown area, with direct commute options on the Blue Line, allowing them easy access to the talent pool. This location also offers better parking options at no cost and the Company reports that the lease option is less expensive, and the facility is move-in ready without the need for renovation. However, tax rates are higher and while the site is in close proximity to downtown, it will not offer the same headquarters look and feel that the downtown Grand Rapids or Miami/Palm Beach area would provide.

The Company would like to locate in Grand Rapids due to the growing and thriving downtown where the life science and healthcare industry is a staple. The "Medical Mile" in downtown is renowned as a world class healthcare destination; the clinical, research and academic institutions that line the Mile attract professionals from around the world. Additionally, a Michigan location would allow the Company to continue to grow in the State where it made its start. However, as the Company evaluates all options economic development incentives are necessary to ensure Michigan remain competitive allowing the Company to select Grand Rapids for its new North American headquarters.

Securing this project is also critically important to the City of Grand Rapids and the Right Place. Bringing a healthcare products company downtown further solidifies Grand Rapids reputation as a hub for life science and healthcare and will continue to spur new retail and residential developments that make the City a great place for young professionals to want to work and play. The Company's decision to locate its headquarters in Grand Rapids will continue to solidify Grand Rapids reputation for attracting global businesses to the downtown area. In addition to MSF support, the City of Grand Rapids has expressed support of real and personal property tax abatements estimated to be worth \$1,521,000 and a \$140,000 one-year parking incentive for city-owned parking lots/ramps.

In addition to MSF support, the City of Grand Rapids anticipates approval of a real property tax abatement in support of the project.

### **Request**

The MBDP grant, combined with the support provided by the City of Grand Rapids, is necessary to address the cost gap related to lease rates, parking costs, no market-ready facilities that result in high tenant improvement costs and the need to lease temporary space. Incentives and cost gap analysis are extremely important considerations that the decision makers will use to determine where to place the new headquarters. Incentive assistance is essential to securing this project and ensuring that West Michigan continues to be the place the Company chooses for future expansions.

This project is consistent with the MEDC's Strategic Plan goal of attracting, retaining and supporting businesses. The project will secure a headquarters of a major professional and corporate service company, which is a focus industry. The jobs being created will offer opportunities to residents of a geographically

disadvantaged area. Additionally, the project will continue to support the growth of the life science and healthcare industries, which is a critical part of the local strategy.

**Recommendation**

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-132**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT  
L. PERRIGO COMPANY**

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

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

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

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

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

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

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

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

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020





**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: August 24, 2020**

<b>Company Name:</b>	L. Perrigo Company [and/or its affiliates and subsidiaries.]
<b>Project Location:</b>	Region 4
<b>MBDP Incentive Type:</b>	Performance Based Grant
<b>Maximum Amount of MBDP Incentive:</b>	Up to \$2,000,000
<b>Base Employment Level:</b>	At least 4,170, at the time of first disbursement of funds and thereafter
<b>Qualified New Jobs:</b>	At least 170 at the Project Location
<b>Municipality Supporting Project:</b>	The city of Grand Rapids has agreed to provide staff, financial or economic assistance in support of the project.
<b>Start Date for Measurement of Creation of Qualified New Jobs:</b>	June 24, 2020 (Date of Signed Offer Letter)
<b>Term of the Agreement:</b>	December 30, 2024
<b>Milestone Based Incentive:</b>	Disbursements will be made over a 3 year period and will be performance based on job creation as follows: Milestone 1: \$1,000,000 for the creation of 90 jobs. Milestone 2: \$500,000 for the creation of 54 jobs. Milestone 3: \$500,000 for the creation of 26 jobs.

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

**Acknowledged as received by:**

L. Perrigo Company

By: 

Printed Name: RONALD C JARVIS

Its: EVP-GLOBAL OPS

Michigan Economic Development

By: Julia Veale

Printed Name: Julia Veale

Its: BDPM



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

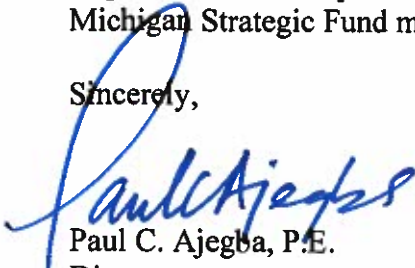
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Matt Chasnis, Business Development Project Manager  
**Subject:** Grant Request  
Michigan Business Development Program (“MBDP”)  
Kroger Fulfillment Network, LLC (“Company” or “Applicant”)

---

### **Request Summary**

- This is a request from the Applicant for a \$1,600,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of 270 Qualified New Jobs, and a capital investment of up to \$94,000,000 in the City of Romulus, Wayne County.

### **Background**

The Kroger Co., the world’s largest traditional grocer, was founded in 1883 and is headquartered in Cincinnati, Ohio, operates over 2,750 supermarkets in 35 states. The Kroger Co. manufactures and processes its own private label food through 35 food production plants and has a supply chain network which includes 45 distribution centers. The Applicant, a subsidiary of The Kroger Co., was formed in May 2018 to support the parent’s long-term e-commerce strategy aimed to leverage strategic partnerships and technology that drive innovation and growth.

Kroger’s strategic partner, Ocado Group PLC, a United Kingdom headquartered company, was established in 2000. Ocado has been listed on the London Stock Exchange since 2010. Ocado Solutions USA, Inc., a subsidiary of Ocado Group PLC, provides a suite of technology solutions for operating online grocery businesses through its proprietary end-to-end software systems and physical fulfillment assets. Through a partnership with Ocado Solutions USA Inc., Kroger’s fulfillment center will be highly automated. Ocado’s proposed investment in automated robotics and grocery storage and handling infrastructure will be housed in the fulfillment center and operated and maintained by Ocado’s team of technicians and engineers.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy.

On June 27, 2017 the Michigan Strategic Fund approved a \$2,078,000 award for The Kroger Co. of Michigan, under the MBDP. The Project was slated to establish a new dry-goods distribution center that involved the creation of 377 Qualified New Jobs (“QNJ”) and capital investment of up to \$24,911,584 in the Township of Chesterfield, Macomb County. Since approval, the facility has become operational and the investment and job creation has been completed but the Company chose to forgo the final milestone disbursement due to the effects of the COVID-19 pandemic.

### **Project Description**

The Applicant plans to build a 130,000 square foot automated fulfillment center in Romulus, Michigan. The center will utilize Ocado’s robotics infrastructure to collect, organize, and prepare grocery orders for delivery to consumers within a 90-mile radius. When construction is complete, hundreds of robots will

move along a grid system, or “hive”, and pick products specifically stored under each square of the grid system. The battery powered robots communicate through a 4G network and operate using software similar to air traffic controllers. The robots will deliver picked products to pick stations where employees sort final orders and load them onto refrigerated vehicles for delivery.

The Romulus fulfillment center will require approximately \$94 million of private investment, including \$58 million for the build-to-suit leased facility and \$11 million for equipment and technology infrastructure. Ocado robotics equipment and the supporting technology grid will result in \$25 million of capital investment. The project will result in the creation of 270 new jobs.

### **Employment Impact**

The Applicant strives to attract and retain a diverse top-tier talent pool across all locations. This commitment is reflected in the Applicant’s “Restock Kroger” strategy, which has a significant portion dedicated to developing talent and to “Live Kroger’s Purpose” by investing in human capital and providing opportunities to support the local community.

To attract local employees, the Applicant plans to build and train its candidate pool by developing relationships with the local workforce development organizations, community, and technical colleges. The relationships with those organizations will identify hurdles affecting the local workforce and allow the Company to implement creative and financially supportive programs to ensure the quality jobs are filled by the local workforce.

### **Demonstrated Need**

The Company is also considering the Toledo, Ohio market as a suitable alternative for this project. The Company is taking a regional approach when choosing locations for the fulfillment centers and identified northwest Ohio and southeast Michigan as a targeted region. Both markets have a similar population base and would be viable based on distribution center locations. The Company indicated a cost gap that reflects higher labor costs, higher construction costs, and a higher personal property tax liability in Romulus versus Toledo.

It is the Company’s desire to locate in Michigan, however the economic feasibility of the target sites is a major factor in the company’s decision. Incentive assistance is necessary to help offset the financial disadvantage of locating the fulfillment center in Michigan.

In addition to MSF support, the City of Romulus anticipates approval of a real and personal 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. Lastly, the Company is in the process of allocating New Market Tax Credits (NMTC) to support this project. NMTC incentivizes businesses and real estate companies to invest in low-income communities through a federal tax credit. The program is directed by the U.S. Treasury Department’s Community Development Financial Institutions (CDFI) Fund and allocated by local Community Development Entities (CDEs) across the United States.

### **Request**

To secure the project in Romulus, Michigan, the Applicant is requesting a \$1,600,000 MBDP grant. Without the support of the MBDP and local support, this project will likely locate in the Toledo, Ohio market.

This project aligns with the MEDC's Strategic plan by attracting, retaining and supporting businesses. The project will result in a state-of-the-art facility that will allow fresh produce and groceries to be delivered to a significant portion of southeast Michigan's population. The project creates high-wage jobs above the regional target wage that include bonus and benefits that would otherwise be unattainable and supports a Company that has an outstanding track record of encouraging employee growth and community involvement.

The project aligns with the local community's long-term strategy for the Aerotropolis region. This logistics project falls within a regional impact industry, preparing the Company and surrounding community for sustainable, long term growth by evolving with the growing e-commerce grocery market. The project's cutting-edge technology will allow Kroger to support the growing e-commerce market within the Aerotropolis region.

**Recommendation**

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-133**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO  
KROGER FULFILLMENT NETWORK, LLC**

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

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

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

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

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

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

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

**WHEREAS**, Kroger Fulfillment Network, LLC (“Company”) has requested a performance based MBDP Grant of up to \$1,600,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



**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:** September 1, 2020

- Company Name:** Kroger Fulfillment Network LLC, and/or its affiliates and subsidiaries.
- Project Location:** 15676 Wahrman Road, Romulus, Michigan
- MBDP Incentive Type:** Performance Based Grant
- Maximum Amount of MBDP Incentive:** Up to \$1,600,000
- Base Employment Level:** At least 0 statewide, at the time of first disbursement of funds and thereafter
- Qualified New Jobs:** At least 270 at the Project Location to be created by Kroger Fulfillment Network LLC, and/or its affiliates and subsidiaries, and Ocado Solutions USA, Inc.
- Municipality Supporting Project:** The Detroit Region Aerotropolis Development Corporation and the City of Romulus have agreed to provide staff, financial or economic assistance in support of the project.
- Start Date for Measurement of Creation of Qualified New Jobs:** July 1, 2021
- Term of the Agreement:** June 30, 2026
- Milestone Based Incentive:** Disbursements will be made over a 4-year period and will be performance based on job creation as follows:  
 Milestone 1: \$590,000 for the creation of 100 jobs.  
 Milestone 2: \$475,000 for the creation of 80 jobs.  
 Milestone 3: \$295,000 for the creation of 50 jobs.  
 Milestone 4: \$240,000 for the creation of 40 jobs.

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

**Acknowledged as received by:**

Kroger Fulfillment Network, LLC

By:

Printed Name: Rita L. Williams

Its: Director, Economic Development

Michigan Economic Development Corporation

By:

Printed Name: Matthew Chasnis

Its: Business Development Projects Manager





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

**From:** Daniel Leonard, Senior Community Assistance Specialist  
Debbie Stehlik, Commercial Real Estate Investment Manager  
Lori LaPerriere, Brownfield Program Specialist

**Subject:** Request for Approval Michigan Community Revitalization Program (MCRP) Grant and a Request for Approval of an Act 381 Work Plan  
Commongrounds Cooperative and Commongrounds, LLC

---

### Project Summary

The request will support a community development project located in the City of Traverse City that will demolish an existing vacant parking lot and construct a new four-story mixed-use building with underground parking, representing \$15,959,773 in total capital investment. This new construction building will host 5 commercial enterprises throughout the first and second floors, as well as 25 residential units on the upper two floors, including 23 traditional rental units and 2 short term rental units that will be occupied by members or guests of members of the co-op including resident artist or others that are serving to support the co-op mission. Overall, the structure will create approximately 47,467 square feet of new space within the 8<sup>th</sup> Street corridor and adjacent to the Boardman River. Tenants occupying the commercial spaces have “bought-into” the project as they are not lease holders, but instead actual part owners of the co-op. Higher Grounds Coffee, Pathways Pre-School, Iron Fish Distillery, Common Place Co-working and Crosshatch Community Arts comprise the commercial tenants in the development and overall represent a targeted group of businesses that will support the community and the 8<sup>th</sup> Street Corridor Plan’s vision. This unique ownership component was offered to not only commercial tenants, but also to the general public to “buy-into” the project with an ownership interest. Over 500 members to date contributed significant equity to financially support the project and locally, Commongrounds Cooperative raised over \$1,600,000 in equity. Of the 25 residential units, comprised of 1- and 2-bedroom apartments, 15 of the units will be income restricted with rents attainable at 60% to 100% Area Median Income, (AMI). As an incentive of their investment, co-op owners have the ability to rent their units out to other co-op owners up to 21 days a year. This not only provides additional revenue to those residential unit owners, but also provides the commercial tenants with a built-in customer base living above their establishments. Additionally, the project will protect the adjacent water bodies via low-impact design stormwater management practices and provide an attractive common space for those occupants of this new creative place. Total construction costs for the project are approximately \$322 per square foot.

To best financially position this project for future success the development team has explored several non-traditional funding sources. A financing gap exists due to limited cash flow resulting from the commitment to provide affordable residential rents in an extremely tight rental market as well the unpredictable nature of the community-focused commercial revenue stream.

In addition, the project’s location on the Boardman River resulted in a higher overall cost structure due to the additional expense of constructing on a contaminated site adjacent to the river and fees and costs associated with obtaining the various sources of financing. Even with the proposed MCRP award, cash flow for the project is limited with a projected debt service coverage ratio of 1.12 to 1.00.

Staff is comfortable with the proposed structure due to the community-driven focus of the project, the potential upside in revenue that may be realized and, if needed, the anticipated ability of the cooperative to raise additional funds to paydown or retire debt, and the level of reserves and contingencies contained in the project budget.

The development team has maximized all available resources including approximately \$8,000,000 in senior financing from Coastal States Bank, which includes a 70% USDA Loan Guarantee, and an additional \$1,506,011 loan from IFF. The project has also secured PACE financing in the amount of \$1,855,176 and a \$210,000 grant from the local Brownfield Authority. The development team is contributing 18% of the total development cost with over \$1,600,000 in cash and \$550,000 in land equity, an additional \$600,000 in equity that will be contributed by the Tenant-Owners at occupancy, and the deferral of \$135,500 in consulting and project management fees. The remaining gap will be filled with the proposed \$1,500,000 MCRP Award. Due to the unique revenue structure, the affordable housing component, the added cost of development as mentioned above, and the significant leverage needed to bring this project to fruition, there are not expected to be any returns to the development team. The development team is seeking to establish a long-term asset that is community-driven and community-owned with a mission to have a positive impact on the community and environment all while acting as a catalyst for additional development along the 8<sup>th</sup> Street corridor and, therefore, return is not a primary goal.

The development team is confident in the sustainability of the project as future local investment is anticipated in the co-op as people continue to show interest. This project will benefit from steady support from their commercial operators, given their previous successes. Each have grown in scope and scale over the years and are financially secure. Additionally, the project will benefit from significant residential rental demand, of which the project should out-perform its anticipated conservative vacancy projections. This project meets several goals of the MEDC including building affordability into new residential units and creating new attractive spaces in underutilized areas throughout targeted areas of a community.

### **Request**

Commongrounds Cooperative and Commongrounds, LLC (“Applicants”) are requesting a MCRP performance-based grant in the amount of \$1,500,000 and the Grand Traverse County Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$440,693 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$15,959,773.

### **Program Summary**

The request for MCRP and Brownfield support is consistent with program requirements, is located within a strategic area of the City of Traverse City and demonstrates a significant financial need. Additionally, the project qualifies for the MCRP and Brownfield Act 381 programs because the site is considered a facility. The MEDC’s strategic plan and project scope align as the subject property will be redeveloped into an attractive place and support local businesses via expansion of their current operations. Additional project characteristics supporting MEDC objectives include the creation of a building/site that utilizes low impact design (LID) practices for stormwater management, includes green infrastructure into the architecture and will income restrict 15 new residential units to benefit 60% to 100% AMI residents. Locally, the project meets the goals and objectives of the “Envision 8<sup>th</sup> Street” corridor plan, the City of Traverse City’s Master Plan and supports the region’s housing needs within a strategic location of downtown Traverse City.

### **Local Support**

Local support for the project includes brownfield support from the Grand Traverse County Brownfield Redevelopment Authority in two different forms, a \$210,000 grant to the development team as well as the

local portion of the Brownfield TIF estimated at \$488,007. The City of Traverse City is certified with the MEDC’s Redevelopment Ready Communities (RRC) program.

**Financing Opportunity – MCRP Grant**

The Applicant has requested a \$1,500,000 MCRP Performance Based Grant to assist in filling a financing gap for the project. A financing gap exists due to restricted cash flow resulting from the commitment to provide affordable housing and increased expenses related to constructing a project on a contaminated site that is adjacent to local waterways. Increased fees and costs associated with obtaining various non-traditional sources of financing also place financial burden on the project. The developer has maximized all potential funding sources and is contributing significant community raised equity and previously acquired land to the project. The project is outside of MCRP financial underwriting preferences as the projected debt service coverage ratio is below 1.20 to 1.00. MEDC staff is comfortable with the deviation due the socially driven mission, community support, adequate level of reserves and contingencies, and the potential revenue upside. It is anticipated that disbursement of the grant will occur alongside the closing of the other financing as the USDA Loan Guarantee requires all project funds for construction be disbursed at once and for held for construction. Disbursement of funds prior to project completion is not typical for a MCRP grant award.

**Grant Terms**

<b>MSF Facility:</b>	MCRP Performance Based Grant
<b>Grantee:</b>	Commongrounds Cooperative and Commongrounds, LLC
<b>Senior Lender:</b>	Coastal States Bank
<b>Total Amount of Loans:</b>	Currently estimated at \$11,361,187
<b>Senior Lender Share:</b>	Currently estimated at \$8,000,000
<b>Total Capital Investment:</b>	Currently estimated at \$15,959,773
<b>MSF Eligible Investment:</b>	Currently estimated at \$12,024,049
<b>Minimum Eligible Investment:</b>	Currently estimated at \$9,619,239
<b>MSF Share:</b>	Up to the lesser of 12.5% of “Eligible Investment” or \$1,500,000

**Summary of Development Sources:**

Coastal States Bank	\$	8,000,000	50.13%
MSF Grant	\$	1,500,000	9.40%
IFF Loan	\$	1,506,011	9.43%
PACE Financing	\$	1,855,176	11.62%
GTC BRA Grant	\$	210,000	1.32%
Tenant Equity	\$	600,000	3.76%
Deferred Fees	\$	135,500	.85%
Developer Equity	\$	2,153,086	13.49%
<b>TOTAL</b>	<b>\$</b>	<b>15,959,773</b>	<b>100.00%</b>

**Summary of Development Uses:**

Acquisition	\$	1,000,000
Hard Construction Costs	\$	12,423,500
Eligible Soft Costs	\$	529,250
Other	\$	2,007,023
<b>TOTAL</b>	<b>\$</b>	<b>15,959,773</b>

**Tax Capture Summary**

In order to alleviate brownfield conditions and prepare the site for redevelopment, the County of Grand Traverse has duly approved a brownfield plan for this property on November 15, 2017. The City of Traverse City, a Qualified Local Governmental Unit, has concurred by resolution on November 6, 2017. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 17, 2020.

There are 50.5767 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (47.45%) and local millage equaling 26.5767 mills (52.55%). Tax increment capture will begin in 2021 and is estimated to continue for 9 years. The state tax capture is recommended to be capped at \$440,693, which is the amount of tax increment revenue anticipated to be generated in 9 years. Total MSF eligible activities are estimated at \$928,700. MSF eligible activities breaks down as follows:

State tax capture	(47.45%)	\$	440,693
Local tax capture	(52.55%)	\$	<u>488,007</u>
<b>TOTAL</b>		<b>\$</b>	<b>928,700</b>

In addition, the project is requesting \$88,035 in TIF from EGLE to assist with environmental eligible activities.

**Cost of MSF Eligible Activities**

Infrastructure Improvements		529,613
Site Preparation	+	<u>278,627</u>
Sub-Total	\$	808,240
Contingency (15%)	+	<u>120,460</u>
<b>TOTAL</b>	<b>\$</b>	<b>928,700</b>

**Applicant History**

The development team has significant legal experience, yet this is their first engagement into real-estate development. To avoid potential setbacks in the development process, the development team works regularly within a network of local real-estate mentors who provide guidance for consideration. Commongrounds Cooperative and Commongrounds, LLC have not previously received incentives from the Michigan Strategic Fund. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

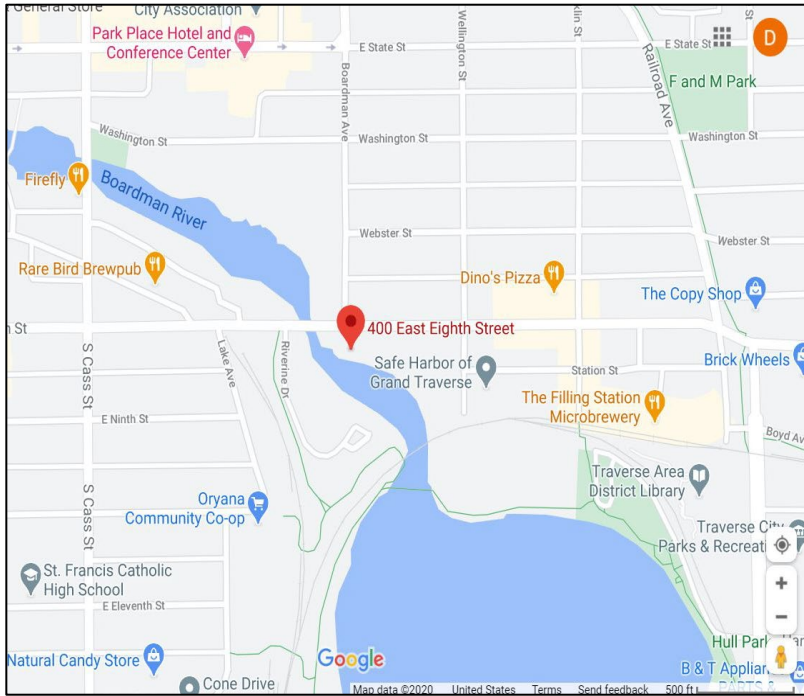
**Appendix A** includes a project map and renderings, **Appendix B** addresses the programmatic requirements and **Appendix C** contains the Organizational Chart.

**Recommendation**

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

- a) State tax capture for the Act 381 eligible activities capped at \$440,693, utilizing the current state to local capture ratio.
- b) A MCRP performance-based grant in the amount of up to \$1,500,000 for Commongrounds Cooperative and Commongrounds, LLC.

## APPENDIX A – Project Map and Rendering







common grounds  
environmental architects

## APPENDIX B – Programmatic Requirements

### MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on July 23, 2019, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and a financial review has been completed.

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

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

Redevelopment of the subject property fits directly into the City of Traverse City's master plan goals, as the project will create new taxable commercial space, add housing density, protect the adjacent water bodies and support the goals of making the 8<sup>th</sup> Street corridor a walkable and bikeable destination.

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

By adding new employment opportunities, housing and creating a vibrant space within the 8<sup>th</sup> Street corridor, this project will act as a catalyst for additional private investment and revitalization of the community.

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

Local support for the project includes brownfield support from the Grand Traverse County Brownfield Redevelopment Authority in two different forms, a \$210,000 grant as well as the local portion of the Brownfield TIF estimated at \$488,007.

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

A financing gap exists due to limited cash flow resulting from the commitment to provide affordable residential rents in an extremely tight rental market as well the unpredictable nature of the community-focused commercial revenue stream. In addition, the project's location on the Boardman River and additional expense of constructing on a contaminated site adjacent to the river and fees and costs associated with obtaining the various sources of financing. Even with the proposed MCRP award, cash flow for the project is limited with a projected debt service coverage ratio of 1.12 to 1.00. Staff is comfortable with this deviation due to the community-driven focus of the project, the upside in revenue that can be realized if needed, the anticipated ability of the Cooperative to raise additional funds to paydown or retire debt, and the level of reserves and contingencies contained in the project budget.

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

The subject property was a vacant parking lot. Redevelopment of this site will support a new four-story mixed-use building and is considered an infill development project for the 8<sup>th</sup> Street corridor.

**F. Creation of jobs:**

Implementation of the proposed project anticipates the creation of 17 new full-time jobs with an average wage of roughly \$26.44.

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

The development team has maximized all available resources including approximately \$8,000,000 in senior financing from Coastal States Bank, which includes a 70% USDA Loan Guarantee, and an additional \$1,506,011 loan from IFF. The project has also secured PACE financing in the amount of \$1,855,176 and a \$210,000 grant from the local Brownfield Authority. The development team is contributing 18% of the total development cost with over \$1,600,000 in cash and \$550,000 in land equity, an additional \$600,000 in equity that will be contributed by the Tenant-Owners at occupancy, and the deferral of \$135,500 in consulting and project management fees.

**H. Whether the project is financially and economically sound:**

Upon achieving stabilized occupancy, it is anticipated the project's debt service coverage ratio will be less than 1.20 to 1.00. However, due to the significant pre-leasing of the commercial space, the anticipated strong demand for the residential units as well as the potential revenue upside, and the anticipated ability of the cooperative to raise additional funds to paydown or retire debt, staff is comfortable with this deviation. In addition, there is an adequate level of reserves and contingencies contained in the project budget.

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

The proposed project will add 5 new commercial tenants along the 8<sup>th</sup> Street corridor as well as 25 new residential rental units where 15 will be income restricted with rents attainable at 60% to 100% AMI.

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

The project's mixed-use nature with 47,000 square foot of new commercial and residential space meets the goals of the community's master plan and corridor plan for 8<sup>th</sup> Street. Site access via bike lanes, sidewalk or vehicle access all promote a more walkable community as well.

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

The subject project was privately held and will convert a vacant parking lot into a new mixed-use four-story development.

**L. Whether the project promotes sustainable development:**

Physical construction efforts onsite will manage stormwater runoff via rain gardens and collection systems to protect the adjacent Boardman river via low-impact design characteristics. The building was designed to meet "LEED" standards but is not planning to seek the certification. The development team is also investigating seeking a "WELL" certification which impacts human health and wellbeing, through air, water, nourishment, light, fitness, comfort and mind.

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

The subject site is a vacant parking lot and is not considered a historic resource.

**N. Whether the project addresses area-wide redevelopment:**

The proposed redevelopment effort represents a cornerstone for the redevelopment of the 8<sup>th</sup> Street corridor and will set a positive example for future private investment in the City of Traverse City.

**O. Whether the project addresses underserved markets of commerce:**

The project was designed to meet community needs which includes workforce housing, early childhood care, a small / intimate performing arts and community events venue and a food hall designed to incubate food entrepreneurs by providing a low cost-barrier to entry, mentorship and shared backbone services.

**P. The level and extent of environmental contamination:**

The subject site includes contaminated soils and is considered a Part 201 facility by EGLE and through the proposed project will be entirely cleaned as one of the first steps in the construction process.

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

The subject site is not a historic resource.

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

The subject development effort will support the economic ecosystem of Traverse City and the region by creating jobs where there currently are significant needs and should not compete with any known industry.

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

There are no other additional criteria necessary for approval of the subject project.

**Brownfield Act 381 Program Additional Project Information:**

**A. Area of High Unemployment:**

The County of Grand Traverse's unadjusted jobless rate was 6.7% in August of 2020.

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

The proposed project is not qualifying as functionally obsolete or blighted.

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

No new Brownfields will be created by this project.

## APPENDIX C - Organizational Chart

Commongrounds, LLC + Commongrounds Cooperative Organizational Structure																																																																																	
<b>Commongrounds, LLC EIN: 83-1438635</b>																																																																																	
Commongrounds LLC Manager*: Commongrounds Cooperative																																																																																	
<p><b>About Commongrounds Ownership Structure:</b> Commongrounds, LLC, owns the vacant land. Commongrounds Cooperative is nonprofit nonstock corporation and will hold a 99-year ground lease and own the building. Commongrounds Cooperative has two classes of ownership: community ownership (500+ community owners) and commercial/nonprofit building tenant-owners who will have proprietary leases tied to a share of cooperative.</p>																																																																																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 35%;">Member</th> <th style="width: 15%;"></th> <th style="width: 15%;">Ownership Interest</th> <th style="width: 10%;">EIN</th> <th style="width: 10%;">State of Organization</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Commongrounds, LLC</b></td> <td></td> <td style="text-align: center;"><b>100.00%</b></td> <td>83-1438635</td> <td>Michigan</td> </tr> <tr> <td></td> <td>Commongrounds Cooperative (Manager)</td> <td style="text-align: center;">60.00%</td> <td></td> <td>82-5311373</td> <td>Michigan</td> </tr> <tr> <td></td> <td>Class A Commongrounds LLC Owners</td> <td style="text-align: center;">40.00%</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Judith Bosma</td> <td></td> <td style="text-align: center;">7.27%</td> <td>SSN</td> <td>Michigan</td> </tr> <tr> <td></td> <td>JLB-JMO, LLC</td> <td></td> <td style="text-align: center;">7.27%</td> <td>SSN</td> <td>Michigan</td> </tr> <tr> <td></td> <td>Kathy Dally</td> <td></td> <td style="text-align: center;">7.27%</td> <td>SSN</td> <td>Michigan</td> </tr> <tr> <td></td> <td>David Koss Trust</td> <td></td> <td style="text-align: center;">7.27%</td> <td>SSN</td> <td>Michigan</td> </tr> <tr> <td></td> <td>Claudia and Michael Delp</td> <td></td> <td style="text-align: center;">7.27%</td> <td>SSN</td> <td>Michigan</td> </tr> <tr> <td></td> <td>Custodian FBO Robert Otwell IRA</td> <td></td> <td style="text-align: center;">3.65%</td> <td>83-1438635</td> <td>Michigan</td> </tr> <tr> <td colspan="2"><b>Key Principals/Guarantors:</b></td> <td colspan="3"><b>Amount of Guarantee</b></td> <td></td> </tr> <tr> <td></td> <td>United States Department of Agriculture, Business &amp; Industry Loan Guarantee</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">6,072,500.00</td> <td></td> <td></td> </tr> <tr> <td colspan="5"> <p><b>Instructions:</b> Include member names of the first layer of companies. Include member names of the second layer companies if the company has a 20% or higher share of ownership in the project. Percentages shown are examples. Add or delete rows as necessary.</p> </td> </tr> </tbody> </table>						Member		Ownership Interest	EIN	State of Organization	<b>Commongrounds, LLC</b>			<b>100.00%</b>	83-1438635	Michigan		Commongrounds Cooperative (Manager)	60.00%		82-5311373	Michigan		Class A Commongrounds LLC Owners	40.00%					Judith Bosma		7.27%	SSN	Michigan		JLB-JMO, LLC		7.27%	SSN	Michigan		Kathy Dally		7.27%	SSN	Michigan		David Koss Trust		7.27%	SSN	Michigan		Claudia and Michael Delp		7.27%	SSN	Michigan		Custodian FBO Robert Otwell IRA		3.65%	83-1438635	Michigan	<b>Key Principals/Guarantors:</b>		<b>Amount of Guarantee</b>					United States Department of Agriculture, Business & Industry Loan Guarantee	\$	6,072,500.00			<p><b>Instructions:</b> Include member names of the first layer of companies. Include member names of the second layer companies if the company has a 20% or higher share of ownership in the project. Percentages shown are examples. Add or delete rows as necessary.</p>				
	Member		Ownership Interest	EIN	State of Organization																																																																												
<b>Commongrounds, LLC</b>			<b>100.00%</b>	83-1438635	Michigan																																																																												
	Commongrounds Cooperative (Manager)	60.00%		82-5311373	Michigan																																																																												
	Class A Commongrounds LLC Owners	40.00%																																																																															
	Judith Bosma		7.27%	SSN	Michigan																																																																												
	JLB-JMO, LLC		7.27%	SSN	Michigan																																																																												
	Kathy Dally		7.27%	SSN	Michigan																																																																												
	David Koss Trust		7.27%	SSN	Michigan																																																																												
	Claudia and Michael Delp		7.27%	SSN	Michigan																																																																												
	Custodian FBO Robert Otwell IRA		3.65%	83-1438635	Michigan																																																																												
<b>Key Principals/Guarantors:</b>		<b>Amount of Guarantee</b>																																																																															
	United States Department of Agriculture, Business & Industry Loan Guarantee	\$	6,072,500.00																																																																														
<p><b>Instructions:</b> Include member names of the first layer of companies. Include member names of the second layer companies if the company has a 20% or higher share of ownership in the project. Percentages shown are examples. Add or delete rows as necessary.</p>																																																																																	

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-134**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM  
GRANT AWARD TO COMMONGROUNDS COOPERATIVE AND COMMONGROUNDS, LLC**

**WHEREAS**, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

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

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

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

**WHEREAS**, Commongrounds Cooperative and Commongrounds, LLC (collectively “Company”) has requested a performance-based grant of up to \$1,500,000 (“Award Request”), along with other general terms and conditions.

**WHEREAS**, the MEDC has recommended that the MSF approve the Company’s Award Request subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 150 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (“MCRP Award Recommendation”); and

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board approves the MCRP Award Recommendation:

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

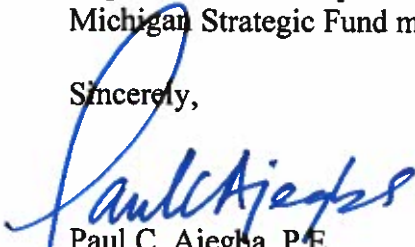
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-135**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN  
COUNTY OF GRAND TRAVERSE BROWNFIELD REDEVELOPMENT AUTHORITY  
EIGHTH AND BOARDMAN REDEVELOPMENT  
414 EAST 8<sup>TH</sup> STREET**

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

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

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

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

**WHEREAS**, the County of Grand Traverse Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 414 East 8<sup>th</sup> Street within the City of Traverse City, known as Eighth and Boardman Redevelopment, 414 East 8<sup>th</sup> Street (the “Project”);

**WHEREAS**, the City of Traverse City is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204; and;

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

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

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 47.45% to 52.55% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, infrastructure improvements, and contingency as presented in the Work Plan dated September 29, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$928,700 for the principal activity costs of non-environmental activities and a contingency, and with the total capture of state school taxes capped at a maximum of \$440,693.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

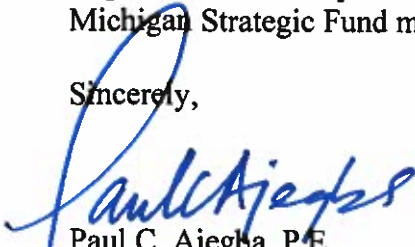
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

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

**Subject:** Request to Amend Michigan Community Revitalization (CRP) Program Guidelines

---

### Request

The Michigan Economic Development Corporation (MEDC) staff requests approval to amend the Michigan Community Revitalization Program (“MCRP”) Guidelines to incorporate revisions that will inform MEDC’s priorities when identifying the types of projects and opportunities we bring before the Michigan Strategic Fund (MSF) Board for future consideration, and in turn, help strengthen traditional placemaking efforts across the State.

### Background

The MCRP was created to promote community revitalization that will accelerate private investment in areas of historical disinvestment, contribute to Michigan’s reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete properties, reduce blight, support the rehabilitation of historic resources, and attract talent through innovative placemaking.

The MCRP Guidelines are a set of policies that reflect the goals and priorities of the MCRP program. More specifically, the guidelines contain an overview of the program, highlight eligibility requirements, identify award limitations, and assist prospective applicants in understanding how the MEDC evaluates proposed projects on behalf of the MSF.

Under the Michigan Strategic Fund Act, MCL 125.2001 (the “Act”), Chapter 8C, Section 90B, the MSF must approve any program guidelines to implement the program. Historically, the MEDC staff has submitted proposed recommendations to the Board for their approval. Those recommendations are based on best practices in economic development and feedback from external partners. The current MCRP Guidelines (“Guidelines”) were approved by the MSF Board at their meeting on December 21, 2011 (Resolution 2011-185), and have been amended/restated eight times, most recently in July of 2019, (Resolution 2019-111).

The process of reviewing the guidelines was conducted through both an internal and external lens. Internally, a cross-functional workgroup reviewed the guidelines in collaboration with Community Development Leadership and provided recommendations. Additionally, external stakeholders have been engaged in this process – through a series of virtual roundtable discussions to provide direct feedback on the proposed guidelines. Participants included representatives from Develop Detroit, Community Economic Development Association of Michigan, Marquette Brownfield Redevelopment Authority, and the Michigan Municipal League. The MEDC also engaged financial lenders, real estate developers, and economic development practitioners. The following summarizes the proposed changes based on the recommendations and feedback received both internally and externally.

## **Summary of Proposed Changes**

- a. Applicant Criteria
  - i. The original Eligible Applicants section was amended to *Applicant Criteria* and now includes a brief description of the background check process to notify prospective customers that there is a pre-screening step before making any final project decisions.
- b. Approval Process
  - i. Revised *Project Evaluation, Process and MSF Support* section to include a more detailed description of the application process to strengthen customer inclusivity and transparency.
- c. Emerging Developer
  - i. Expanded flexibility on initial financial commitment threshold to support Michigan-based developers with limited real estate experience and financial resources who support local initiatives and have completed commercial real estate training programs.
- d. Program Overview
  - i. Added a Program Overview section to include a general statement about the program.
- e. Project Criteria
  - i. Expanded project considerations and bucketed into focused categories that strengthen alignment to the MEDC Strategic Plan.
  - ii. Added focus on geographically disadvantaged areas and talent attraction criterion to support growth in target industries.
  - iii. Merged existing project criteria conveyed through a [separate document](#) into the MCRP Guidelines for cohesion.

## **Recommendation**

MEDC Staff recommends approval of the amended MCRP Program Guidelines, with immediate effect.

## **MICHIGAN STRATEGIC FUND**

### **RESOLUTION 2020-136**

#### **APPROVAL OF AMENDMENT TO MICHIGAN COMMUNITY REVITALIZATION PROGRAM GUIDELINES**

**WHEREAS**, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq. (“Act”), to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d, as further amended) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

**WHEREAS**, on December 21, 2011, by Resolution 2011-185, the MSF: (i) created the MCRP, (ii) adopted the guidelines for the MCRP (“Guidelines”), as later amended. Item 2 of the original Guidelines incorporated the statutory definition of eligible investment found at MCL 125.2090a(d); which statutory definition prohibited including any reimbursed hard costs as part of the eligible investment (and also allowed the MSF to determine those soft costs which shall not qualify as eligible investment under the MCRP);

**WHEREAS**, on July 25, 2012, by Resolution 2012-076, the MSF determined those soft costs that do not qualify as eligible investment under the MCRP, and amended Item 2 of the Guidelines;

**WHEREAS**, PA 395 2012 amended the definition of eligible investment under the MCRP to allow the inclusion of reimbursed hard costs as part of an eligible investment to the extent the hard costs have not been completely reimbursed;

**WHEREAS**, on February 27, 2013 by Resolution 2013-031, the MSF approved an amendment to the definition of eligible investment under the MCRP and amended Item 2 of the Guidelines to allow the inclusion of reimbursed hard costs as part of an eligible investment to the extent the hard costs have not been completely reimbursed;

**WHEREAS**, on July 22, 2014, by Resolution 2014-099, the MSF approved an amendment to amend the language to Item 3 of the MCRP Guidelines to establish the date that property eligibility is established;

**WHEREAS**, on September 22, 2015, by Resolution 2015-140, the MSF approved amended and restated Guidelines to better serve the customer, further define the program selection criteria, eligible investment and property eligibility;

**WHEREAS**, on May 24, 2016, by Resolution 2016-063, the MSF approved amended and restated Guidelines to establish preferred incentive parameters for projects approved under the MCRP;

**WHEREAS**, on April 23, 2019, by Resolution 2019-061, the MSF approved amended and restated Guidelines and rescinded Resolution 2013-031 to reflect recent changes in the Act and also to more closely align program requirements and project considerations;

**WHEREAS**, on July 23, 2019, by Resolution 2019-111, the MSF approved the amendment to the Eligible Investment section of the Guidelines;

**WHEREAS**, the MEDC recommends that the MSF approve an amendment recommendation to the amended and restated guidelines to further define project criteria, amend applicant criteria, include more detailed description of the application process and include a general overview of the program.

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



# MICHIGAN COMMUNITY REVITALIZATION PROGRAM

## PROGRAM GUIDELINES

### PROGRAM OVERVIEW

The Michigan Community Revitalization Program (MCRP) is an incentive program to promote private investment in Michigan communities. Administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF), this tool provides Michigan communities with access to real estate development gap financing for innovative and/or impactful placemaking, historical redevelopment and/or job growth in targeted sectors.

The MSF may provide support for a project in the form of a grant, direct loan or other economic assistance such as a loan participation or equity investment. All awards shall be performance-based.

### PROGRAM GOALS

The focus of the MCRP is to transform underutilized properties into vibrant areas by encouraging and promoting capital investment and the redevelopment of brownfield and historic properties located in or in support of traditional downtowns<sup>1</sup> and high-impact corridors in every region of the state. Community revitalization will attract talent through innovative and/or impactful placemaking by accelerating private investment in areas of historical disinvestment, fostering redevelopment of functionally obsolete properties, reducing blight, and supporting the rehabilitation of historic resources.

### PROJECT CONSIDERATIONS

In addition to being required to document that the project is located on an eligible property (See **Appendix A**) at the time the pre-application is submitted, all MCRP projects will be evaluated based on the criteria provided in statute (See **Appendix B**).

The most competitive MCRP project submissions will also address local and regional impact, place, and economic and financial considerations. These considerations are listed below by category and are in no particular order. A project will be considered more competitive for funding the more criteria that are met.

#### ***Local and Regional Impact Considerations:***

- Project supports the vision and goals stated in the local master plan, downtown plan, capital improvements plan and/or economic development strategy.
- Project supports region-wide economic development strategy or initiative.
- Located in a Redevelopment Ready Community; a voluntary, no-cost certification program designed to promote effective redevelopment strategies through a set of best practices.
- Located in a Main Street community; unique, historic preservation based economic development strategy that focuses on leveraging existing social, economic, physical, and cultural assets to energize community revitalization efforts.
- Community financially supports the project as demonstration that the project is a priority.

<sup>1</sup> A "traditional downtown" or "traditional commercial center" is defined as a grouping of 20 or more contiguous commercial parcels containing buildings of historical or architectural significance. The area must have been zoned, planned, built or used for commercial purposes for more than 50 years. The area must consist of, primarily, zero-lot-line development and have pedestrian friendly infrastructure.

- Project strengthens connections to local/regional workforce and career opportunities to the community, region and/or state's overall workforce and opportunities particularly in support of the growth and development of the MEDC's strategic focus industries.
- Located in a Geographically Disadvantaged Area (GDA)<sup>2</sup>; [Click here](#) to see a public map of Michigan's Geographically Disadvantaged Areas.
- Project is coordinated with or supports other state investments in the community.
- Readiness of infrastructure – utilities, housing, transportation, public transit and other community services. Is project filling available capacity or creating need for new community or state investments in infrastructure/resources?
- Emerging developers<sup>3</sup> who seek to generate community development projects that serve as a catalyst for community impact, specifically in geographically disadvantaged areas.
- The community has a documented public participation strategy for engaging a diverse set of community stakeholders.

***Place Considerations:***

- Evaluated in concert with the basic tenets of urban design; has density, building type(s), and scale appropriate to the neighborhood context and positively contributes to the pedestrian experience.
- Contributes to a traditionally dense mixed-use area and contains multi-story elements.
- Rehabilitation, infill and historic revitalization projects.
- Promotes mixed-income neighborhoods.
- Incorporate integrated and sustainable approaches to manage the quantity and the quality of stormwater for infrastructure improvements.
- Significant square footage being revitalized and activated.
- Universal design (designed to be accessed, understood and used to the greatest extent possible by all people).
- Redevelopment meets a third-party certification for green buildings (Leadership in Energy and Environmental Design [LEED], Energy Star, Living Building Challenge, Net Zero Energy Building, Green Globes, etc.)
- Level and extent of brownfield activities undertaken in direct support of the project.
- Availability of public transportation or other transportation programs to improve job access, or proximity/accessibility for workforce.
- Addresses improvement to non-motorized transportation.

***Economic and Financial Considerations:***

The following financial conditions will be considered by staff when determining a project's competitiveness for MCRP support:

- Senior Financing: maximize all available senior financing with preference through a federally insured and regulated senior lender.

<sup>2</sup> Geographically Disadvantaged Areas are defined as economically distressed and historically underinvested census tracts and counties, especially in urban and rural areas, that tend to experience relatively high unemployment and low household incomes. MEDC and the State of Michigan operationalize geographically disadvantaged areas to constitute Treasury-designated Opportunity Zones and Small Business Administration-defined HUBZones (Historically Underutilized Business Zones).

<sup>3</sup> Michigan-based developers with limited real estate experience and financial resources who support local initiatives and have completed commercial real estate training programs.

- Debt Service Coverage Ratio: ensure that the projected cash flow after MCRP incentive is applied is adequate to service debt.
- Financial need for the incentive(s) is demonstrated.
- All other potential funding resources have been explored and maximized.
- Demonstrated financial commitment towards the project by developer/owner equity contribution (generally 10–20% of total development cost) and deferred developer fees. Flexibility on these contributions will be given to emerging developers.
- High ratio of private dollars compared to the total amount of public contribution (state and federal funding) to a project.
- Developer and non-third-party fees (including management, guarantee, and project coordination fees, etc.) should be deferred through available cash flow as a general rule.
- Financial sustainability of the project.

## **FINANCIAL STRUCTURE AND AWARD LIMITATIONS**

The MSF may provide support for a project in the form of a grant, direct loan or other economic assistance such as a loan participation or equity investment. All awards shall be performance-based. The Michigan Strategic Fund reserves the right to award less than the amount requested.

MSF support for a single project shall not exceed 25% of the eligible investment (See **Appendix C**), and in no event shall the MSF support exceed a total of \$10,000,000 for any project (including any combination of loan, grant or other economic assistance). However, in a city, village, or township with a population of 15,000 or less (based on the most recent federal decennial census), the amount of community revitalization incentives for a project shall not exceed 50% of a project's eligible investment up to \$10,000,000.

Additionally, the statute also allows that annually the MSF or its delegates may consider support for up to three single projects that shall not exceed 50% of the eligible investment for the specific purpose of historic preservation.

### ***Grants***

MSF support that is in the form of a grant shall not exceed \$1,500,000 for any project. A grant may include flexible terms and conditions. Grants shall also include provisions requiring grant funds to be paid back to the MSF when certain requirements are not met. Disbursement of grant funds typically follow construction completion and issuance of a "Certificate of Occupancy" and completion of other performance-based criteria.

### ***Loan Participation***

A loan participation arrangement requires the presence of a Senior Lender willing to lead the lending relationship and operate within the underwriting standards of the MEDC. It is anticipated the MSF's investment may have different terms from the Senior Lender's portion but operate under the same loan agreement(s).

### ***Direct Loans***

Direct loans may be considered where a loan participation arrangement is not feasible. They may include flexible terms and conditions, all of which must be acceptable to the MSF Board or its delegates, including without limitation, primarily below market interest rates, extended grace and repayment provisions, forgivable terms and no security, or some security (which also may be subordinated). These loans typically require that funds are disbursed following construction completion and issuance of a "Certificate of Occupancy", and completion of other

performance-based criteria.

### ***Equity Investments***

Equity investments may be considered for projects located in geographic markets that have not seen any recent investment or that are in a state of change making traditional underwriting of income projections difficult.

## **APPLICANT CRITERIA**

Any person or multiple persons that has a project that fits the goals of the program as determined by the MEDC, may apply.

### ***Background Check***

The MSF Act requires the MSF Board to establish requirements to ensure an applicant(s) seeking an MSF incentive in the amount of \$15,001 or more is subject to a civil and criminal background check as part of the due diligence process for programs and activities created and operated by the MSF. Background check guidelines and procedure are outlined in the Background Review and can be found on our website at [michiganbusiness.org](http://michiganbusiness.org).

## **APPLICATION AND SELECTION PROCESS**

All applicants are required to submit an application while working with their Community Assistance team member. Community Assistance team members can be identified by going to [miplace.org](http://miplace.org). The MCRP incentive approval process generally takes approximately six months to one year to complete. The timing for project consideration is impacted by various factors which may include changes to project scope, process delays (e.g., inadequate or incomplete documentation), and project complexities.

MCRP requests for MSF Support is based on, but not limited to, a high-level application and selection process. The following is a summary of the process. For a more detailed process, please refer to our website at [michiganbusiness.org](http://michiganbusiness.org).

1. MEDC engagement with local partners around potential project.
2. Applicant provides pre-application including proforma and initial intake documentation.
3. MEDC reviews project based on the criteria which expounds upon the Legislative mandates of the program (See **Appendix B**) and project considerations outlined above.
4. MEDC provides a Letter of Interest, when appropriate.
5. Applicant provides completed application with additional supporting documents.
6. MEDC completes a statutory review, full financial review and provides proposed financial structure and term sheet.
7. MEDC prepares a recommendation to the Michigan Strategic Fund (MSF) Board or its authorized delegates for project approval.
8. MSF Board considers the project and if approved, applicant is required to pay pre-closing fees, if applicable.
9. MEDC drafts appropriate legal agreement which is executed at closing.
10. Applicant completes milestones outlined in the agreement and necessary for disbursement of funds.
11. Applicant completes required reporting following project completion.
12. MEDC completes compliance verification and project closeout.

All MSF support shall be memorialized by final written grant, loan or other economic assistance agreements, with terms and conditions in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation, requiring performance-based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project. The program may require applicants to pay

reasonable application fees, and any other expenses incurred in administering the program.

## **APPENDIX A: ELIGIBLE PROPERTY**

Eligible property includes one or more of the following:

### **Facility:**

As defined in Public Act 451 of 1994, MCL 324.20101, means any area, place, or property where a hazardous substance in excess of concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located. A Phase I and Phase II Baseline Environmental Assessment is used to determine whether the property is a facility. The MEDC will confirm with the Michigan Department of Environment, Great Lakes and Energy (EGLE) who will certify the property as a facility after adequate documentation is received from the developer.

### **Historic Resource:**

A publicly or privately-owned historic building or structure, individually listed, or located within a historic district designated by the National Register of Historic Places, the State Register of Historic Sites, or a local unit acting under the Local Historic Districts Act, 1970 PA 169. Documentation is required to verify any of the above designations.

### **Functionally Obsolete:**

Property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself, or the property's relationship with other surrounding property as determined by a Michigan Advanced Assessing Officer or a Michigan Master Assessing Officer.

### **Blighted:**

Property that meets any of the following criteria as determined by the respective unit of government, building official, or assessor when applicable:

- Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance;
- Is an attractive nuisance to children because of physical condition, use, or occupancy;
- Is a fire hazard, or is otherwise dangerous to the safety of persons or property;
- Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use;
- Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state;
- Is property owned, by or under the control of, a land bank fast track authority under the Land Bank Fast Track Act, 2003 PA 258; and
- Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.

### **Adjacent or Contiguous:**

Other parcels that are adjacent or contiguous to qualifying property described above that is part of the same project and all properties are improved.

### **Neighborhood and Commercial Corridor Food Initiative ("Urban Grocery):**

Property that will be used primarily as a retail supermarket, grocery store, produce market, or delicatessen that is located in a downtown area or in a development area as defined in section 2 of the Corridor Improvement Authority Act. The qualifying project must not be less than one mile from another grocery provider and must provide unprocessed USDA-inspected meat and poultry products or meat products that carry the USDA organic

seal, fresh fruits and vegetables, and dairy products for sale to the public.

**Any Other Property:**

"Any Other Property" means property that when redeveloped as proposed will promote community revitalization, as determined by the MSF Board.

## **APPENDIX B: LEGISLATIVE CONSIDERATIONS**

- The applicant's financial need for the incentive and whether the project is financially and economically sound (Sec 90(b)(4)(d) & Sec 90(b)(4)(h)).
- The importance of the project to the community, the amount of local financial support to the project, and the level of private sector and other contributions to the project, such as federal tax credits (Sec 90(b)(4)(a), Sec 90(b)(4)(c), and Sec 90(b)(4)(g)).
- Whether the project incorporates basic tenants of urban design by promoting mixed-use development, walkable communities and/or increasing the density of the area (Sec 90(b)(4)(j) & Sec 90(b)(4)(i)).
- Whether the project will redevelop a brownfield and/or historic resource and/or a vacant structure; if historic, whether the project will follow the federal secretary of the interior's standards for rehabilitation of historic buildings, 36 CFR 67 (Sec 90(b)(4)(e), Sec 90(b)(4)(m), and Sec 90(b)(4)(q)).
- Whether the project promotes sustainable development (Sec 90(b)(4)(l)).
- The level and extent of environmental contamination (Sec 90(b)(4)(p)).
- If the project will act as a catalyst for additional revitalization and/or addresses area-wide redevelopment strategies (Sec 90(b)(4)(b) & Sec 90(b)(4)(n)).
- Creation of jobs (Sec 90(b)(4)(f)).
- Whether the project addresses underserved markets of commerce; converts abandoned public buildings to private use; and if the project will compete with or affect existing Michigan businesses (Sec 90(b)(4)(o), (Sec 90(b)(4)(k), & (Sec 90(b)(4)(r)).
- Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter (Sec 90(b)(4)(s)).

## **APPENDIX C: ELIGIBLE INVESTMENT**

An eligible investment is defined as at least one, or any combination of, the following expenditures which may have occurred up to one year prior to the MSF approval of the application and has not been completely reimbursed to, or paid for on behalf of, the applicant. Collectively these expenditures are eligible investments and are referred to as "Hard Costs":

- a. Any fees or costs for alteration, new construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections,
- b. Any fees or costs for site improvements to an approved project, including, a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing,
- c. Any fees or costs for the addition of machinery, equipment or fixtures to an approved project; or
- d. Professional fees or costs for an approved project for architectural services, engineering services, Phase I environmental site assessment, Phase II environmental site assessment, or Baseline Environmental Assessment, or surveying services.

- e. Professional fees associated with obtaining a third-party certification for environmentally sustainable design, building materials and/or development practices.

The MSF or MSF Fund Manager, on its behalf, may impose additional terms and conditions involving any Hard Costs that meet eligibility for reimbursement under any tax increment financing, including requiring those costs to be repaid to the MSF, or excluding any such costs from Hard Costs. Eligible investment will be determined through the review of invoices, work orders, bills, and corresponding evidence of payment.

In no event shall any of the following, which are collectively referred to as "Soft Costs", be deemed any part of the Hard Costs:

- a. acquisition fees or costs for real property,
- b. developer fees or costs,
- c. closing fees or costs,
- d. legal fees or costs,
- e. professional fees or costs (other than those included above as part of the Hard Costs),
- f. title commitment fees or costs,
- g. title insurance fees, premiums or costs,
- h. management fees or costs (including related party project and construction management),
- i. Related party builder overhead and profit
- j. appraisal fees or costs,
- k. bank or other lender financing, interest, or inspection fees or costs,
- l. leasing or sales commission fees or costs,
- l. shared savings, or fees or costs arising from penalties or other reductions in payment from any contract for improvements to the Project,
- m. performance bond and other risk contingency fees and costs,
- n. marketing fees or costs,
- o. zoning fees or costs (other than those zoning fees or costs paid to a governmental entity included above as part of the Hard Costs),
- p. taxes, or
- q. hazard, liability or any other insurance fees and costs.



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File





STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020  
**To:** Michigan Strategic Fund Board  
**From:** Amanda Bright McClanahan, Chief Operating Officer  
**Subject:** Approval of the Convention Center COVID-19 Relief Program

---

### **Request Summary**

The Michigan Economic Development Corporation (“MEDC”) requests the Michigan Strategic Fund (“MSF”) Board approve the guidelines attached as Exhibit A to the Resolution for the Convention Center COVID-19 Relief Program and approve a delegation of authority for the MSF Fund Manager and MSF President to approve awards under the Convention Center COVID-19 Relief Program.

### **Background**

With the outbreak of COVID-19 and the related critical measures taken to reduce the impact of this public health emergency in Michigan, the State’s convention centers are facing significant negative economic impacts. For fiscal year ending 2021 only, PA 205 of 2020 distributes up to \$4,000,000 from the Convention Facility Development Fund to the MSF for the purpose of awarding grants to convention centers negatively impacted by the COVID-19 virus and related measures to protect public safety.

Per PA 205, the MSF is required to develop an application process by December 1, 2020, and award grants no later than May 1, 2021. The proposed guidelines for the grant applications are consistent with the requirements set-forth in the statute as outlined in Exhibit A of the Resolution (the “Convention Center COVID-19 Relief Program Guidelines”). Per the statute, the MSF cannot award more than \$1,000,000 to any one eligible convention center, and convention centers that receive funding must report how grant dollars were spent by September 30, 2021 or return any unused funds.

The proposed guidelines require that an eligible convention center under this program must be publicly owned and at least 10,000 square feet generally available to members of the public for lease or rental on a short-term basis for holding conventions, meetings, exhibits, and similar events and that has any combination of convention hall, auditorium, meeting rooms, and exhibition areas that were separate and distinct and contiguous to each other. Further, the proposed criteria state that the convention center did not receive other funding distributed per section 10(2)(a) of PA 205 to a metropolitan authority created under the regional convention facility authority act. Due to the dire impacts that the COVID-19 outbreak has imposed on convention centers located in the State of Michigan, the MEDC is recommending approval of the Convention Center COVID-19 Relief Program Guidelines to assist convention centers faced with significant economic impacts.

### **Recommendation**

The MEDC recommends the MSF Board approve the Request.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-137**

**APPROVAL OF CONVENTION CENTER COVID-19 RELIEF GRANT PROGRAM**

**WHEREAS**, the Michigan legislature passed, and the Governor signed into law the legislation being Public Act 205 of 2020 (the “Act”), which transfers \$4,000,000 from the Convention Facility Development Fund to the Michigan Strategic Fund (“MSF”) for the purpose of awarding grants to convention centers negatively impacted by the COVID-19 virus and related measures to protect public safety;

**WHEREAS**, the Act requires the MSF to develop an application process by December 1, 2020 and award grants no later than May 1, 2021;

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

**WHEREAS**, the MEDC recommends the MSF adopt the criteria set forth in Exhibit A to the Resolution to implement the requirements of the Act (the “Convention Center COVID-19 Relief Grant Program”); and

**WHEREAS**, the MSF wishes to approve the Convention Center COVID-19 Relief Grant Program;

**NOW THEREFORE, BE IT RESOLVED**, the MSF Board approves the Convention Center COVID-19 Relief Grant Program.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020



Exhibit A

**Convention Center COVID-19 Relief Program Guidelines**

For convention centers to be eligible for funding they must:

- Be available to members of the public for lease or rental on a short-term basis for holding conventions, meetings, exhibits, and similar events
- Have any combination of convention hall, auditorium, meeting rooms, and exhibition areas that are separate and distinct and contiguous to each other
- Have not received other funding distributed per section 10(2)(a) of PA 205 to a metropolitan authority created under the regional convention facility authority act
- Be a meeting/conference and/or entertainment facility of at least 10,000 square feet that is publicly owned within a county with a population between: 170,000 – 180,000; 181,000-191,000; 290,000-300,000; and 650,000 – 660,000.



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

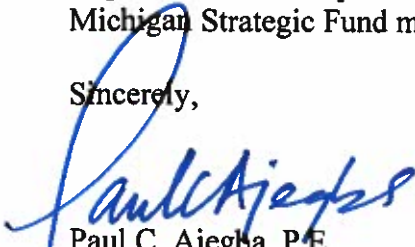
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2020-138**

**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**, on October 27, 2020, the MSF Board adopted the Convention Center COVID-19 Relief Program (the “Convention Center Relief Program”) to provide grants to convention centers negatively impacted by the COVID-19 virus and related measures to protect public safety;

**WHEREAS**, the MEDC recommends that the MSF Board amend the Strategic Fund Compiled Resolutions to delegate authority for the Convention Center Relief Program; and

**WHEREAS**, the MSF Board wishes to approve revisions to the Strategic Fund Compiled Resolutions in accordance with the terms and conditions of this Resolution.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the MSF Board delegates the following authority effective October 27, 2020:

**125.2005-3                      Convention Center COVID-19 Relief Program**

(1) The MSF President or the MSF Fund Manager may make all decisions to develop, finalize, and revise a Convention Facility Program application and overall process to operate the Convention Center COVID-19 Relief Program, each in accordance with the Convention Center COVID-19 Relief Program guidelines adopted by the MSF Board.

(2) The MSF President and the MSF Fund Manager, with both required to act, may approve grants of up to \$1,000,000 to eligible applicants in accordance with the Convention Center COVID-19 Relief Program.

(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 Convention Center COVID-19 Relief Program.

(4) The MSF President or the MSF Fund Manager may make all decisions that are necessary and appropriate to administer the Convention Center COVID-19 Relief Program in accordance with the Convention Center COVID-19 Relief Program guidelines adopted by the MSF Board.

**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, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
October 27, 2020





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

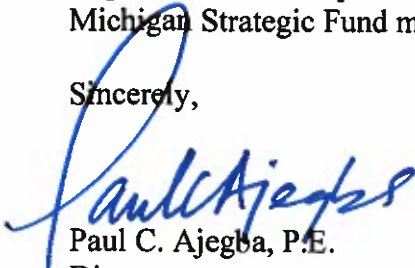
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** October 27, 2020

**To:** Michigan Strategic Fund Board

**From:** Amanda Bright McClanahan, Chief Operating Officer

**Subject:** Approval of Coronavirus Relief Grants and Background Review Policy Waiver

---

### **Request**

The Michigan Economic Development Corporation (“MEDC”) requests the Michigan Strategic Fund (“MSF”) Board to 1) authorize new grants to seven organizations identified herein to provide Coronavirus Relief Grants as required in Public Act 166 of 2020; 2) delegate authority to the MSF Fund Manager and MSF President to select a vendor that meets the requirements of Section 1052(8) of Public Act 166 of 2020 and execute a grant agreement to achieve the statutory objective of Section 1052(8); and 3) to waive application of the Background Review Policy for these grantees (the “Request”).

### **Background**

The United States Congress appropriated funds to the United States Department of Treasury under the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, 15 USC 116 (the “CARES Act”) to be allocated and disbursed to states, including Michigan, to provide funding for necessary expenditures incurred due to the COVID-19 public health emergency. Per the CARES Act, expenditures must be incurred during the period that began on March 1, 2020 and ends on December 30, 2020. From the state’s allocation of CARES Act funds, Public Act 166 of 2020 appropriated \$10,000,000 for Coronavirus Relief Fund Grants. The statute requires the MSF to disburse the funds as follows:

1. \$2,452,900 shall be awarded to a human services agency that is a member of the Association of Accredited Child and Family Agencies with an administration office located in a county with a population greater than 1,800,000 and in a city with a population of between, 11,500 and 11,600 according to the most recent federal decennial census for eligible expenses related to COVID-19.
2. \$1,902,300 shall be awarded to a human services agency that is a member of the Association of Accredited Child and Family Agencies located in a county with a population greater than 1,800,000 and in a city with a population of between 84,000 and 84,100 according to the most recent federal decennial census for eligible expenses related to COVID-19.
3. \$81,900 shall be awarded to a human services agency that is a member of the Association of Accredited Child and Family Agencies with a location in a county with a population of between 1,200,000 and 1,203,000 and in a city with a population of between 71,700 and 71,800 according to the most recent federal decennial census for eligible expenses related to COVID-19.
4. \$77,100 shall be awarded to a human services agency that is a member of the Association of Accredited Child and Family Agencies located in a county with a population of between 1,200,000 and 1,203,000 and in a city with a population of between 59,000 and 60,000 according to the most recent federal decennial census for eligible expenses related to COVID-19.
5. \$85,800 shall be awarded to a human services agency that is a member of the Association of Accredited Child and Family Agencies with a location in a county with a population of between 425,700 and 426,000 and in a city with a population of between 102,000 and 103,000 according to the most recent federal decennial census for eligible expenses related to COVID-19.

6. \$2,000,000 shall be allocated on a competitive basis to hospitals for the purchase and installation of ultraviolet control technology filtration and cleaning systems for control of harmful pathogens in the air and on surfaces.
7. \$400,000 shall be awarded for a COVID-19 testing facility associated with a university located in a county with a population of between 36,600 and 37,000 and in a city with a population of between 7,700 and 7,800 according to the most recent federal decennial census for eligible expenses related to COVID-19.
8. \$3,000,000 is appropriated for the purchase of rapid COVID-19 tests. The awarded vendors must offer both antibody testing and PCR testing with two types – nasal and noninvasive saliva. Emergency use authorization should be registered with the FDA at 100% accuracy and have turnaround in the country at 12-24 hours guaranteed. The purchased rapid COVID-19 tests shall be distributed to hospitals, health systems, or nursing homes that wish to employ the rapid testing system described above to complete tests for health care workers or health care patients where tests are necessary prior to an expected aerosolizing health care procedure. The rapid COVID-19 tests shall be distributed upon application from a hospital or health system with no more than 50% being awarded to a specific hospital or health system.

The MEDC has identified the following entities as meeting the requirements of Public Act 166 of 2020:

Above Item	Grantee	Amount	Purpose
1	Wolverine Human Services	\$2,452,900	Grant for eligible expenditures
2	Spectrum Human Services	\$1,902,300	Grant for eligible expenditures
3	Orchard’s Children Services	\$81,900	Grant for eligible expenditures
4	Oakland Family Services	\$77,100	Grant for eligible expenditures
5	Ennis Center	\$85,800	Grant for eligible expenditures
6	Michigan Hospital Association	\$2,000,000	Grant to administer competitive process and award subgrants
7	Michigan Technology University	\$400,000	Grant for eligible expenditures

The MEDC is still working to identify an entity that meets the statutory requirements of Section 1052(8) of Public Act 166 of 2020 and recommends that the MSF delegate authority to the MSF Fund Manager and the MSF President to select to select an entity that satisfies the requirements to receive a grant of \$3,000,000 for the purchase and distribution of COVID-19 rapid tests to hospitals, health systems or nursing homes.

**Recommendation**

The MEDC recommends the MSF Board approve the Request.

## MICHIGAN STRATEGIC FUND

### RESOLUTION 2020-139

#### APPROVAL OF CORONAVIRUS RELIEF GRANTS

**WHEREAS**, in the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, 15 USC 116 (the “CARES Act”), the US Congress appropriated funds to the US Department of Treasury to be allocated and disbursed to states to address the economic impacts of COVID-19;

**WHEREAS**, the Michigan legislature passed, and the Governor signed into law the legislation being Public Act 166 of 2020, which appropriates CARES Act funding through various principal State departments and agencies therein, including the Michigan Strategic Fund (“MSF”);

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

**WHEREAS**, Section 1052 of Public Act 166 of 2020 appropriated \$10,000,000 to the MSF to be granted as follows:

- (1) \$2,452,900 to a human services agency that is a member of the Association of Accredited Child and Family Agencies with an administration office located in a county with a population greater than 1,800,000 and in a city with a population of between, 11,500 and 11,600 according to the most recent federal decennial census for eligible expenses related to COVID-19;
- (2) \$1,902,300 to a human services agency that is a member of the Association of Accredited Child and Family Agencies located in a county with a population greater than 1,800,000 and in a city with a population of between 84,000 and 84,100 according to the most recent federal decennial census for eligible expenses related to COVID-19;
- (3) \$81,900 to a human services agency that is a member of the Association of Accredited Child and Family Agencies with a location in a county with a population of between 1,200,000 and 1,203,000 and in a city with a population of between 71,700 and 71,800 according to the most recent federal decennial census for eligible expenses related to COVID-19;
- (4) \$77,100 to a human services agency that is a member of the Association of Accredited Child and Family Agencies located in a county with a population of between 1,200,000 and 1,203,000 and in a city with a population of between 59,000 and 60,000 according to the most recent federal decennial census for eligible expenses related to COVID-19;
- (5) \$85,800 to a human services agency that is a member of the Association of Accredited Child and Family Agencies with a location in a county with a population of between 425,700 and 426,000 and in a city with a population of between 102,000 and 103,000 according to the most recent federal decennial census for eligible expenses related to COVID-19;
- (6) \$2,000,000 to be allocated on a competitive basis to hospitals for the purchase and installation of ultraviolet control technology filtration and cleaning systems for control of harmful pathogens in the air and on surfaces;
- (7) \$400,000 to a COVID-19 testing facility associated with a university located in a county with a population of between 36,600 and 37,000 and in a city with a population of between 7,700 and 7,800 according to the most recent federal decennial census for eligible expenses related to COVID-19; and
- (8) \$3,000,000 for the purchase of rapid COVID-19 tests. The awarded vendors must offer both antibody testing and PCR testing with two types – nasal and noninvasive saliva. Emergency use authorization should be registered with the FDA at 100% accuracy and have turnaround in the country at 12-24 hours guaranteed. The purchased rapid COVID-19 tests shall be

distributed to hospitals, health systems, or nursing homes that wish to employ the rapid testing system described above to complete tests for health care workers or health care patients where tests are necessary prior to an expected aerosolizing health care procedure. The rapid COVID-19 tests shall be distributed upon application from a hospital or health system with no more than 50% being awarded to a specific hospital or health system (the “Rapid Testing Grant”).

**WHEREAS**, by Resolution 2019-063, the MSF Board approved a Background Review Policy, which among things requires the submission of certification and disclosures forms from, and a civil and criminal background check on, the applicant, and certain of its affiliated individuals and owners (“Background Review Policy”);

**WHEREAS**, pursuant to the MSF Act, MCL 125.2007(c), the MSF has the power to make grants;

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

**WHEREAS**, the MEDC has determined that the following entities satisfy the requirements of Public Act 166 of 2020:

- (1) Wolverine Human Services is a human services agency that is a member of the Association of Accredited Child and Family Agencies with an administration office located in a county with a population greater than 1,800,000 and in a city with a population of between, 11,500 and 11,600 according to the most recent federal decennial census;
- (2) Spectrum Human Services is a human services agency that is a member of the Association of Accredited Child and Family Agencies located in a county with a population greater than 1,800,000 and in a city with a population of between 84,000 and 84,100 according to the most recent federal decennial census;
- (3) Orchard’s Children Services is a human services agency that is a member of the Association of Accredited Child and Family Agencies with a location in a county with a population of between 1,200,000 and 1,203,000 and in a city with a population of between 71,700 and 71,800 according to the most recent federal decennial census;
- (4) Oakland Family Services is a human services agency that is a member of the Association of Accredited Child and Family Agencies located in a county with a population of between 1,200,000 and 1,203,000 and in a city with a population of between 59,000 and 60,000 according to the most recent federal decennial census;
- (5) Ennis Center is a human services agency that is a member of the Association of Accredited Child and Family Agencies with a location in a county with a population of between 425,700 and 426,000 and in a city with a population of between 102,000 and 103,000 according to the most recent federal decennial census;
- (6) Michigan Technological University is a university associated with a COVID-19 testing facility and located in a county with a population of between 36,600 and 37,000 and in a city with a population of between 7,700 and 7,800 according to the most recent federal decennial census.

**WHEREAS**, the MEDC recommends the MSF authorize the following grants:

Wolverine Human Services	\$2,452,900
Spectrum Human Services	\$1,902,300
Orchard’s Children Services	\$81,900
Oakland Family Services	\$77,100
Ennis Center	\$85,800
Michigan Technological University	\$400,000

(the aforementioned, collectively, the “Coronavirus Relief Grants”);

**WHEREAS**, the MEDC recommends the MSF authorize a grant of \$2,000,000 to the Michigan Hospital Association to administer a competitive process and award sub-grants to hospitals for the purchase and installation of ultraviolet control technology filtration and cleaning systems for control of harmful pathogens in the air and on surfaces (the “MHA Grant”);

**WHEREAS**, the MEDC recommends the MSF authorize the MSF Fund Manager and the MSF President to select an entity that satisfies the requirements of Section 1052(8) of Public Act 166 of 2020 to receive a grant of \$3,000,000 for the purchase and distribution of COVID-19 rapid tests to hospitals, health systems or nursing homes (the “Delegation to Award Rapid Testing Grant”);

**WHEREAS**, the MEDC recommends the MSF Board waive the application and requirement of the Background Review Policy for the Coronavirus Relief Grants, the MHA Grant, and the Delegation to Award Rapid Testing Grant (“Background Check Policy Waiver”);

**WHEREAS**, the MSF wishes to approve the Coronavirus Relief Grants, the MHA Grant and the Delegation to Award Rapid Testing Grant; and

**WHEREAS**, the MSF wishes to approve the Background Check Policy Waiver.

**NOW THEREFORE, BE IT RESOLVED**, the MSF Board approves Coronavirus Relief Grants, the MHA Grant, and the Delegation to Award Rapid Testing Grant;

**BE IT FURTHER RESOLVED**, the MSF Board approves the Background Check Policy Waiver; and

**BE IT FURTHER RESOLVED**, the MSF Board authorizes the MSF Fund Manager to negotiate all final terms and conditions and execute all final documents necessary to effectuate the Coronavirus Relief Grants, the MHA Grant, and the Rapid Testing Grant.

Ayes: Britany L. Affolter-Caine, Mark Burton, Susan Corbin, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: Ronald W. Beebe

Recused: None

Lansing, Michigan  
October 27, 2020



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

PAUL AJEGBA  
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File





STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2020.

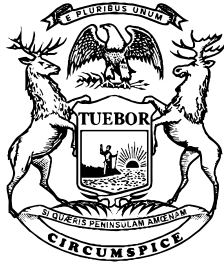
If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**Date:** October 27, 2020  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Mark A. Burton, President & CEO  
**Subject:** Quarterly MSF Delegated Authority and Activities Report

Last quarter, we introduced a new format for our quarterly reports to the MSF Board in an effort to provide a more intentional and comprehensive review of our delegated authority activity over the previous three months. Based on the positive feedback we received from our Board members in response to this update, we will be maintaining this format in our quarterly reports moving forward, with the following pages featuring a narrative detailing the types of projects supported through delegated approval in the fourth quarter (Q4) of Fiscal Year 2020, along with the impact that those projects have had in communities throughout the state. This format reflects our continued commitment to transparency in our efforts to support equitable opportunities for all communities across Michigan.

As mentioned in our Q3 quarterly report memo, these reports will continue to evolve over time, and we look forward to building further upon them to provide you with a holistic report updated on each quarter’s delegated authority activities.

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 quarterly reports.

# Q4 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 the fourth quarter (Q4) of Fiscal Year 2020.

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.

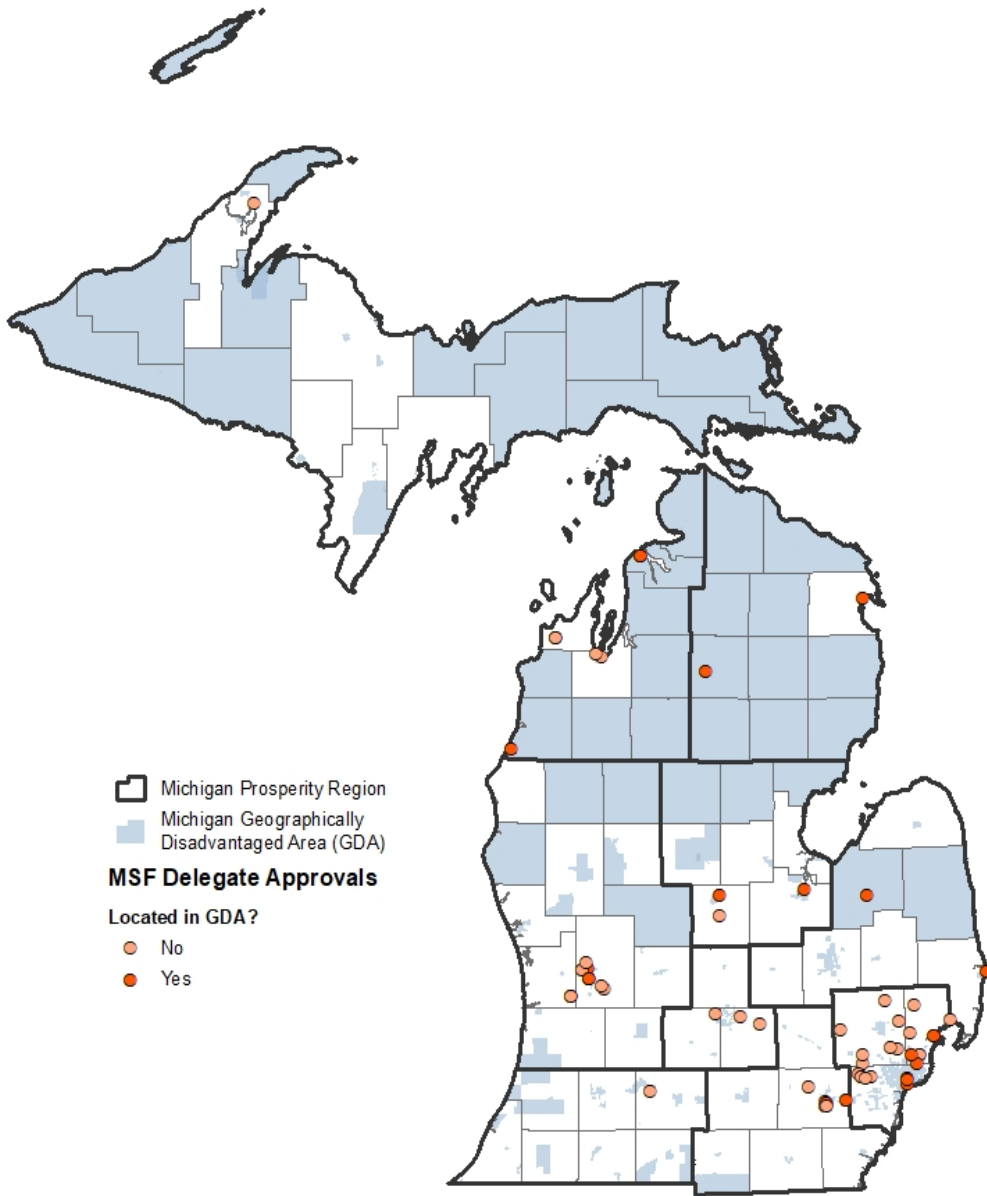
## **Q4 IMPACTS**

We are pleased to share that throughout Q4, the delegate-approved projects represented our continued emphasis on supporting underserved populations and geographically disadvantaged areas. Throughout Q4, 34% of the projects approved through delegated authority were located in geographically disadvantaged areas. Meanwhile, 43% of the grants and loans awarded through the Michigan Small Business Relief Program and 27% of the grants awarded through the Michigan Agricultural Safety Grant Program occurred in geographically disadvantaged areas across every prosperity region of the state.

## Delegate Approvals: July 1, 2020 to September 30, 2020

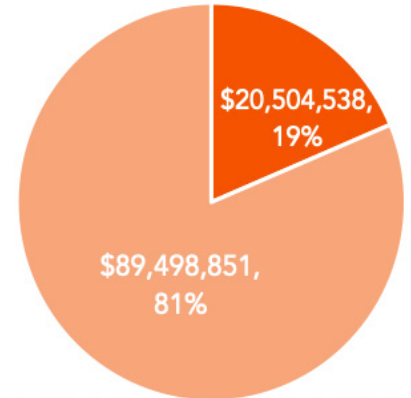
# ASSISTANCE TO DISADVANTAGED AREAS

Of the 70 delegate approvals in the 4th quarter of FY20, 24 of those approvals (34%) occurred in disadvantaged areas.

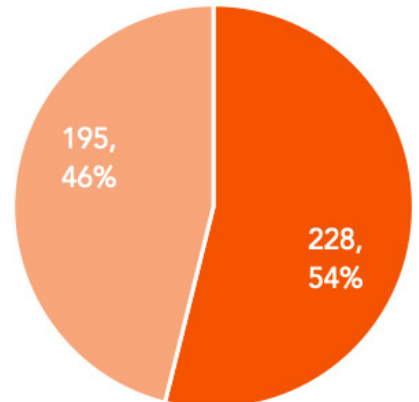


Source: Q4 MEDC Project Data and Esri, Inc.

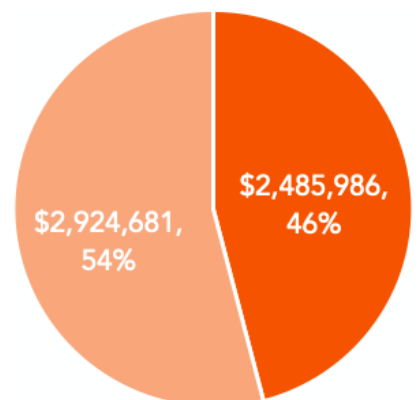
### PRIVATE INVESTMENT



### PROJECTED JOBS



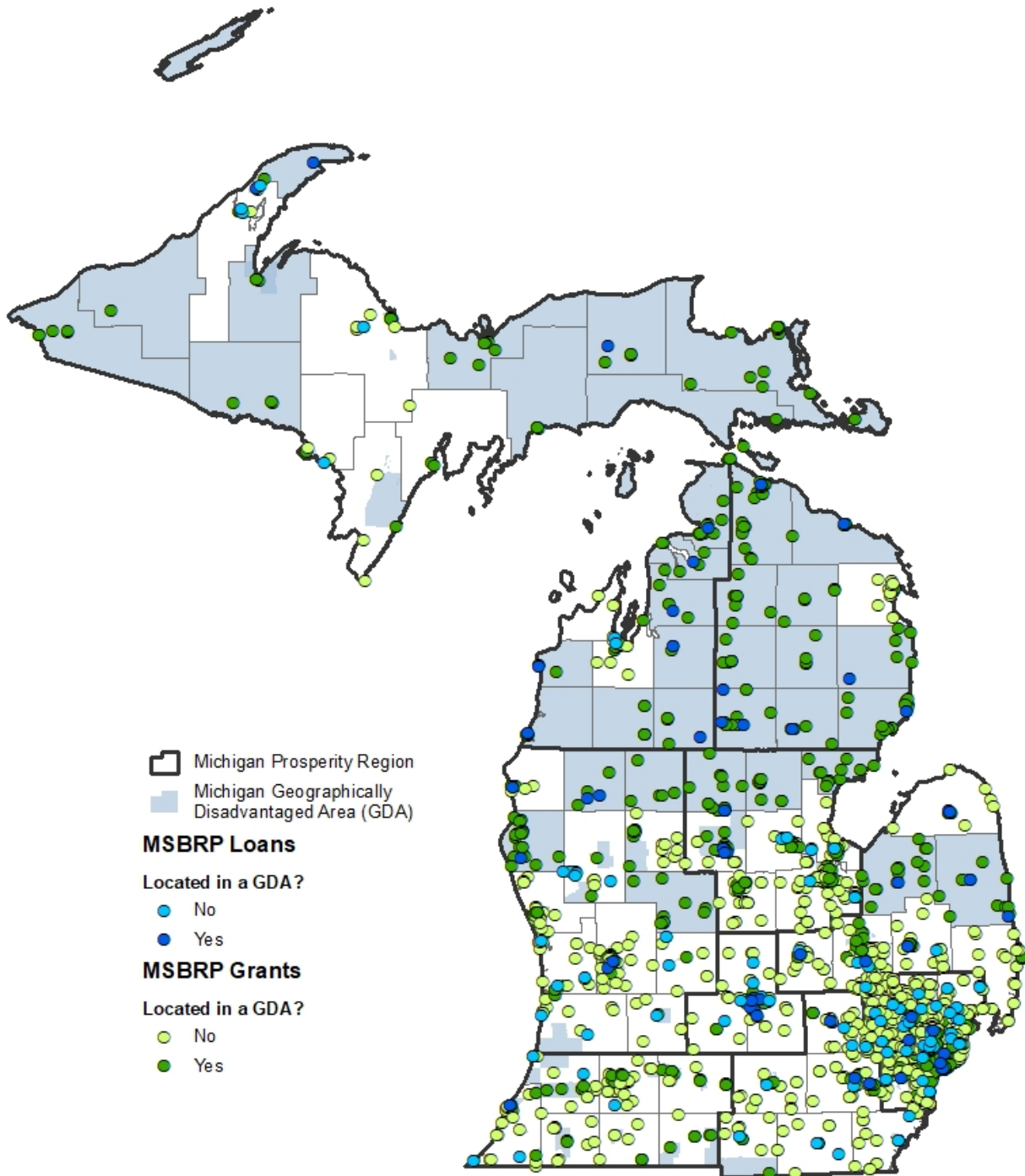
### APPROVED AMOUNT



## MI Small Business Relief Program

# ASSISTANCE TO DISADVANTAGED AREAS

Of the 2,715 grants and loans awarded through the MI Small Business Relief Program, 1,166 of those awards (43%) occurred in disadvantaged areas.

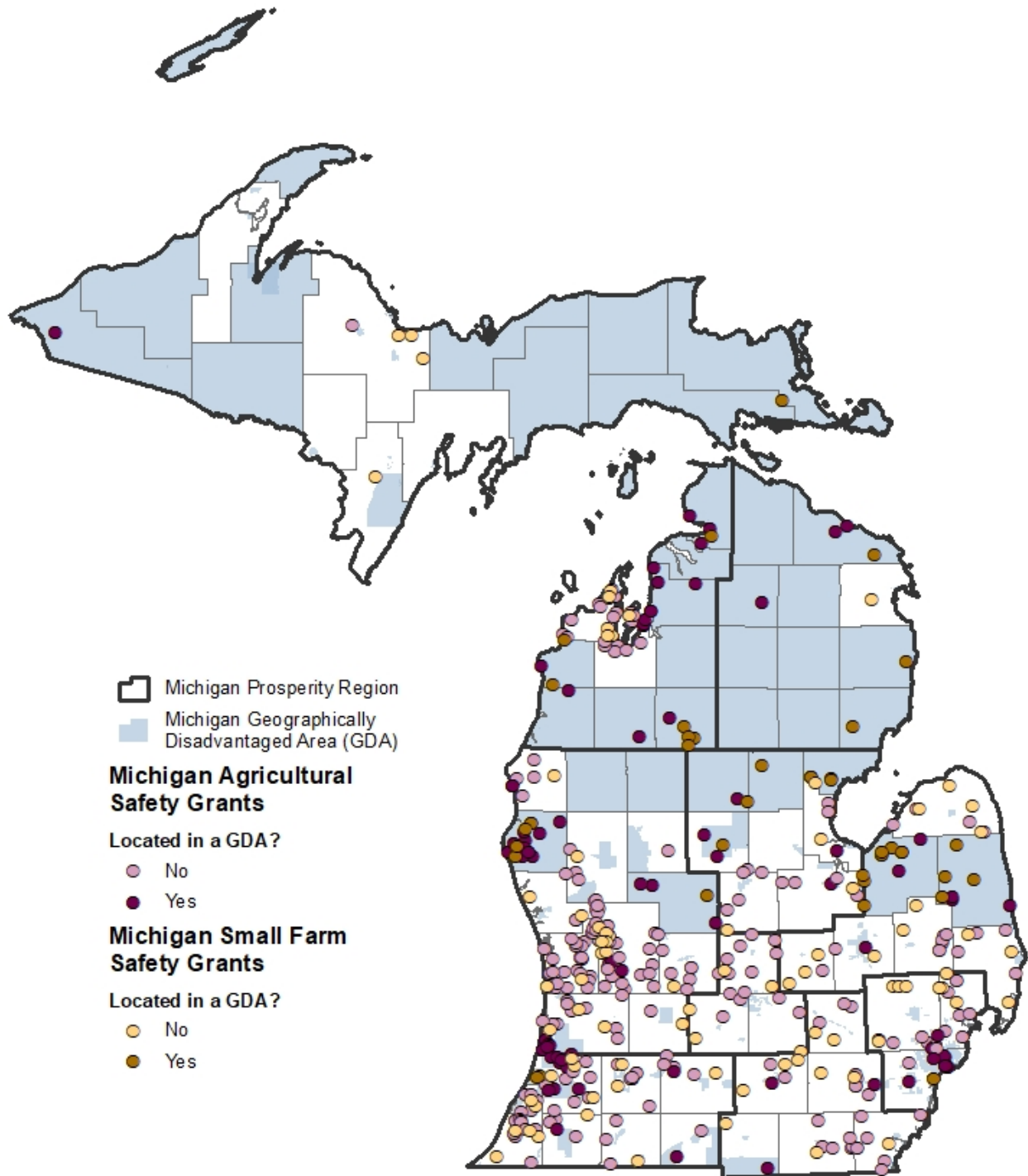


Source: MI Small Business Relief Program Data and Esri, Inc.

## MI Agricultural Safety Grant Programs

# ASSISTANCE TO DISADVANTAGED AREAS

Of the 461 grants awarded through the MI Agricultural Safety Programs, 125 of those awards (27%) occurred in disadvantaged areas.



Source: MI Agricultural Safety and MI Small Farm Agricultural Safety Programs Data and Esri, Inc.

# MSF Quarterly Report

## Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during Q4, 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.

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
--------------	---------------	----------	--------------------	------	------------	--------------------

### 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.

Broadway Square, LLC	9/25/20	Clawson	\$275,868	20	\$9,999,281	An Act 381 Work Plan with state tax capture valued at \$275,868 was awarded to the County of Oakland Brownfield Redevelopment Authority to develop a 3-story, mixed-use building containing approximately 24,502 square feet of commercial space and approximately 31 residential units, occupying 32,033 square feet in the city of Clawson. The project is expected to create 20 full-time equivalent jobs and \$9,999,281 in private investment.
Corktown Housing, LLC	8/27/20	Detroit	\$62,333	N/A	\$3,330,184	An Act 381 Work Plan with state tax capture valued at \$62,333 was awarded to the City of Detroit Brownfield Redevelopment Authority to construct three, 3-story structures containing 14 2-bedroom, for sale, townhomes totaling approximately 20,226 square feet in the city of Detroit. The project is expected to generate approximately 50,314,900 in private investment.
Method MJ LLC	9/20/20	Detroit	\$606,800	175	\$12,918,181	An Act 381 Work Plan with state tax capture valued at \$606,800 was awarded to the City of Detroit Brownfield Redevelopment Authority to rehabilitate three buildings totaling 90,216 square feet into a mixed-use development containing retail space, office space and approximately 18 residential units in the Milwaukee Junction neighborhood in the city of Detroit. The project is expected to create 175 full-time equivalent jobs and \$12,918,818 in private investment.



Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
--------------	---------------	----------	--------------------	------	------------	--------------------

## Michigan Community Revitalization Program (MCRP)

MCRP is a program available from the MSF, in cooperation with MEDC, designed to promote community revitalization that will accelerate private investment in areas of historical disinvestment, contribute to Michigan’s reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete or historic properties, reduce blight; and protect the natural resources of the state.

3:10 to Huron, LLC	8/7/20	Port Huron	\$630,000	40	\$2,456,662	3:10 to Huron, LLC was awarded a \$630,000 MCRP performance-based grant to historically rehabilitate a vacant, functionally obsolete two-story building in downtown Port Huron estimated at 32,262 square feet. The new mixed-use development will contain an urban grocery store on the main floor and the second floor will hold three new office spaces, and one residential loft. The project is expected to create 40 full-time equivalent jobs with total capital investment of approximately \$3,086,662. Local support for the project includes a \$2,000 Façade Grant from the City of Port Huron DDA, and a \$10,491 grant from the St. Clair County Brownfield Redevelopment Authority for a Hazardous Substances survey.
Gemini Capital Management VIII, LLC	7/9/20	Ithaca	\$818,000	5	\$999,570	Gemini Capital Management VIII, LLC will restore the façade, upgrade two ground-floor commercial spaces, and create two ground-floor universally accessible residential units (facing the back alley), and eight market-rate apartments on the second and third stories of 146 E. Center in downtown Ithaca. The apartments will be a combination of one studio and nine 1BR/1BTH units. The total development cost for this project is estimated at \$1,792,570. Private investment into this project is \$974,641 (55% of TDC).
Gemini Capital VI, LLC	8/24/20	Saint Louis	\$373,913	N/A	\$550,597	Rehabilitation of a historic building in downtown St. Louis that will result in five market-rate apartments. The building is comprised of 8,357 square feet. 3,335 square feet will be dedicated to the five residential units and 5,022 square feet will be retained as four commercial spaces. Total capital investment will be \$924,510.
MBSHAW LLC	9/25/20	Grayling	\$274,482	13	\$439,851	Redevelopment of an approximately 4,700 square foot two-story blighted building in downtown Grayling into approximately 3,300 square feet of commercial space on the first floor and basement, and two market-rate residential units on the second floor, totaling approximately 1,400 square feet.
Thunder Bay Properties, LLC	9/28/20	Alpena	\$441,600	N/A	\$809,063	A commercial mixed use building in the heart of downtown Alpena will undergo façade renovations to the highly visible side and rear of the building. The project will also create five new residential units on the second level, which has previously been vacant and underutilized.



Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
--------------	---------------	----------	--------------------	------	------------	--------------------

## 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.

May Mobility	7/27/20	Ann Arbor	\$700,000	100	\$10,500,000	May Mobility is looking to expand all aspects of its services, including enhancements to its Autonomous Vehicle shuttle fleet and adding 100 high-wage engineering and tech jobs. As a result, the company has been awarded a \$700,000 Michigan Business Development Program performance-based grant. Michigan was favored by May Mobility over alternative sites that boasted available talent and established tech communities. This planned growth aligns with several of MEDC's strategic focus areas, including supporting a business in the target industry of mobility and fostering high-wage job growth. Ann Arbor SPARK has offered to assist the company in finding candidates for its new positions.
Wacker Chemical Corporation	9/22/20	Ann Arbor	\$1,000,000	70	\$68,000,000	Wacker Chemical Corporation, a subsidiary of the Munich-based chemical company Wacker Group, began its U.S. operations in New York in 1965. Four of the group's business divisions are represented in the U.S. by Wacker Corporation's North American headquarters in the city of Adrian, MI. Currently, the site is a state-of-the-art research facility dedicated to innovation, including wet labs and an analytical area, and is located within a life science startup incubator. Wacker plans to relocate its headquarters and the lab/R&D site into one consolidated location in a new facility in Pittsfield Charter Township. The project is expected to create 110 new high-paying jobs as well as retain more than 200 positions. Michigan was chosen over a competing site in Tennessee. Ann Arbor SPARK plans to offer workforce development services in support of the project.

Project Name	Demographics	Approval Date	Location	Incentive Approved
--------------	--------------	---------------	----------	--------------------

## 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.

AHB Tooling & Machinery LLC (dba AHB Tooling & Machinery) - FY20 MI-STEP International Web Development		7/1/20	Roseville	\$4,500
DataFactZ / Loven Systems - FY20 MI-STEP Canadian Marketing Design and Campaign - 2	Minority owned	7/1/20	Northville	\$2,250
Octava - FY20 MI-STEP International Web Development	Minority-owned	7/1/20	Warren	\$6,000
Xoran Technologies - FY20 MI-STEP VetCAT Virtual Conference and Webinar - Germany	Woman-owned	7/1/20	Ann Arbor	\$600
EnBiologics, Inc. - FY20 MI-STEP Canadian Advertising, Translation & Compliance Testing		7/3/20	DETROIT	\$1,325
eVitamins - FY20 MI-STEP Brazil Marketing & Google AdWords		7/16/20	Utica	\$6,000
RG Resource Technologies DBA Power Panel, Inc - FY20 MI-STEP International Web Design - Brazil & India		7/17/20	Oxford	\$4,500
NeuroNexus Technologies, Inc - FY20 MI-STEP Marketing Campaign - China		7/28/20	Ann Arbor	\$6,000
NeuroNexus Technologies, Inc - FY20 MI-STEP Web Design/Translation - China		7/28/20	Ann Arbor	\$6,000
Duperon Corporation - FY20 MI-STEP ExporTech Training		7/30/20	Saginaw	\$2,195
Airflow Sciences Corporation - FY20 MI-STEP International Marketing Campaign Q4		8/6/20	Livonia	\$8,500
Health 4 Hire, Inc. - FY20 MI-STEP Design of International Marketing Materials	Woman-owned	8/17/20	Grand Rapids	\$3,200
Business-Connect - FY20 MI-STEP African Marketing Campaign & Shipping		8/18/20	Grandville	\$3,750
Business-Connect - FY20 MI-STEP SEED Symposium and Sales Trip		8/18/20	Grandville	\$1,893
Health 4 Hire, Inc. - FY20 MI-STEP International Web Design, SEO, Localization	Woman-owned	8/18/20	Grand Rapids	\$6,000
Professional Apparel Company - FY20 MI-STEP CMVA Shipping & Marketing	Woman-owned	8/18/20	Battle Creek	\$2,745
Redi-Rock International - FY20 MI-STEP International Marketing/Advertising Campaign		8/18/20	Charlevoix	\$5,000
Boride Engineered Abrasives - FY20 MI-STEP International Website SEO		8/31/20	Traverse City	\$6,000
Bulman Products - FY20 MI-STEP International Marketing Campaign	Woman-owned	8/31/20	Grand Rapids	\$9,000
Jacar Systems LLC - FY20 MI-STEP International Web Design		8/31/20	Fair Haven	\$4,000
Link Engineering Company - FY20 MI-STEP Automation Alley Virtual Trade Mission to Mexico		8/31/20	Plymouth	\$500
Link Engineering Company - FY20 MI-STEP Automotive Test Expo (ATE) China		8/31/20	Plymouth	\$9,650

Project Name	Demographics	Approval Date	Location	Incentive Approved
Magnetic Products Inc. - FY20 MI-STEP International Web Development (SEO)		8/31/20	Highland Township	\$459
Redi-Rock International - FY20 MI-STEP Belgium Sales Trip & Trade Show - SBA		8/31/20	Charlevoix	\$8,175
Redi-Rock International - FY20 MI-STEP Intermat 2021 Booth Pre-Payment		8/31/20	Charlevoix	\$1,968
Sesame Solar Inc - FY20 MI-STEP Virtual Grid Revitalization Conference	Woman-owned	8/31/20	Ypsilanti	\$148
Saint Clair Systems - FY20 MI-STEP Mexico Sales Trip (December)		9/3/20	Washington Township	\$1,290
Binsfeld Engineering Inc - FY20 MI-STEP Indo InterTek Booth Space Pre-Payment		9/9/20	Maple City	\$1,440
Binsfeld Engineering Inc - FY20 MI-STEP International Web Development/Design/ Translation		9/9/20	Maple City	\$12,000
Binsfeld Engineering Inc - FY20 MI-STEP Marine Shaft Power Meter Market Research Report		9/9/20	Maple City	\$900
Bulman Products - FY20 MI-STEP International Website Design	Woman-owned	9/9/20	Grand Rapids	\$6,000
Business-Connect - FY20 MI-STEP International Web Design - Spanish & African		9/9/20	Grandville	\$6,000
Business-Connect - FY20 MI-STEP Project Fair 2020 & Uniendo Las Americas		9/9/20	Grandville	\$1,837
Dr. Shrink, Inc. - FY20 MI-STEP International Web Design - IBT Online Global		9/9/20	Manistee	\$1,500
Laser Marking Technologies - FY20 MI-STEP Social Media Marketing & Virtual Trade Show Series		9/9/20	Caro	\$15,000
RightAnswer.com - FY20 MI-STEP Arab Health		9/9/20	Midland	\$5,598
Unist, Inc - FY20 MI-STEP Spanish Language Translation Marketing Media		9/9/20	Grand Rapids	\$502
Dhake Industries - FY20 MI-STEP Automation Alley Virtual Trade Mission Mexico	Minority-owned	9/15/20	Plymouth	\$900
eAxe Solutions Group LLC - FY20 MI-STEP US Commercial Service Background Check		9/15/20	Birmingham	\$150
Hydra-Lock Corporation - FY20 MI-STEP Automation Alley Virtual Trade Mission Mexico		9/15/20	Mount Clemens	\$500
MajesTec 125LLC DBA FreedomLift - FY20 MI-STEP FL International Boat Show Pre-Payment (booth & airfare)		9/15/20	Grand Rapids	\$4,767
The Nitrate Elimination Company LLC dba NECI Superior Enzymes - FY20 MI-STEP International Web Development	Woman-owned	9/17/20	Lake Linden	\$3,750
Lifeline Firehose - FY20 MI-STEP FDIC International 2020		9/18/20	Lansing	\$6,571
Cone Drive Operations Inc. - FY20 MI-STEP Export Trainings w/GVSU		9/20/20	Traverse City	\$840
Metal Craft Technologies - FY20 MI-STEP Automation Alley Virtual Trade Mission - Mexico		9/22/20	Novi	\$500
College Park Industries (CPI) - FY20 MI-STEP Polish and Turkish Web Translation		9/25/20	Warren	\$2,050

Project Name	Demographics	Approval Date	Location	Incentive Approved
Constructive Eating, Inc. - FY20 MI-STEP Sample Product Shipping	Woman-owned	9/25/20	Ann Arbor	\$946
Dell Marking Systems, Inc. - FY20 MI-STEP Automation Alley Virtual Trade Mission to Mexico		9/25/20	Rochester Hills	\$500
Link Engineering Company - FY20 MI-STEP Brake Colloquium Online 2020		9/25/20	Plymouth	\$1,500
Link Engineering Company - FY20 MI-STEP Google AdWords - Europe		9/25/20	Plymouth	\$600
Midway Rotary Die Solutions - FY20 MI-STEP Video Translation		9/25/20	Williamston	\$1,000
RnD Engineering - FY20 MI-STEP Africa Sales Trip - September	Minority owned	9/25/20	Livonia	\$3,375
GCH Tool Group - FY20 MI-STEP ITMS Trade Show Marketing Leads		9/28/20	Warren	\$1,010
Aztec Labs LLC - FY20 MI-STEP Automotive Supplier Forum (Virtual)	Minority-owned	9/29/20	Okemos	\$750
k-Space Associates, Inc - FY20 MI-STEP Design and Translation of Digital Marketing Media		9/29/20	Dexter	\$1,750
Michigan Wheel - FY20 MI-STEP Fort Lauderdale International Boat Show		9/29/20	Grand Rapids	\$8,985
Michigan Wheel - FY20 MI-STEP International Workboat Show 2020		9/29/20	Grand Rapids	\$8,892
Michigan Wheel - FY20 MI-STEP Miami International Boat Show		9/29/20	Grand Rapids	\$9,660
Xoran Technologies - FY20 MI-STEP IBT Online Global International Web Development	Woman-owned	9/30/20	Ann Arbor	\$6,000

## Michigan Project Exception Program (MI-PEP)

The MI-PEP program mirrors the MI-STEP program but offers export assistance to companies that do not meet the U.S. Small Business Administration guidelines and size standards.

Supply Chain Shipping LLC - FY20 MI-PEP Automation Alley Virtual Trade Mission		9/25/20	Grand Rapids	\$750
--	--	---------	--------------	-------

# Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in Q4.

## Michigan Community Revitalization Program (MCRP)

Account	Project Location	Incentive Type	MSF Delegate Approval Date	Type of Request
515 Ionia, LLC	Lansing	Grant	9/9/20	Extend Milestone One and Two to Dec. 31, 2020 and extend Pre-Grant Disbursement Due Diligence Conditions to March 31, 2021.

## Community Development Block Grant (CDBG)

Grantee	Approval Date	CDBG Funds	Brief Summary of Project
Village of Middleville	7/16/20	\$39,175	CDBG budget increase of \$39,175 and Private Investment increase of \$94,000. Extend term extension from Sept. 1, 2020 to Dec. 3, 2020.
City of Durand	7/16/20	\$36,007	The City of Durand requested a budget extension from grant term end date from Dec. 31, 2020 to July 31, 2021. They also requested \$36,007 in CDBG to cover construction. The city is also increasing its match in the project.
City of Mason	8/31/20	\$36,444	Increase CDBG funds by \$36,444. Increase Private funds by 35,240.

## Business Development

Company Name	Program Name	Project Location	Geographically Disadvantaged Area?	Minority or Women Owned?	MSF Delegate Amended Date	Type of Request
Covenant Eyes, Inc. - Expansion - FY2019	Business Development Program	Owosso	No	No	7/29/20	Decrease maximum grant amount from \$490,000 to \$187,500, decrease qualified new jobs from 65 to 25, and decrease term from Oct. 31, 2022 to Oct. 31, 2021.
Arlington Industries	Business Development Program	Village of Romeo	No	No	7/22/20	Reduce qualified new job requirement from 70 to 50, reduce overall grant award from \$450,000 to \$320,000, modify the terms of the payout to not be until 50 jobs have been created, and extend the term of the grant to Sept. 30, 2022.
Repair Center LLC, dba Tech Defenders	Business Development Program	City of Grand Rapids	No	No	8/19/20	Extend milestone due dates, as well as term of the grant, by one year, and include flexible base language in agreement.
Sanctus LLC	Business Development Program	City of Birmingham	No	No	8/26/20	Amend the company EIN.
Cintas Corp	Business Development Program	Delta Township	No	No	9/23/20	Combine job creation requirements for Milestone 1 and Milestone 2 and extend the due date of this single milestone to Dec. 31, 2021.
Dennis Engineering Group	Business Development Program	City of Battle Creek	Yes	No	9/23/20	Extend all disbursement milestones by 1 year.

## Entrepreneurship and Innovation

Account	MSF Delegate Amended Date	Type of Request
Michigan State University - 2016 University Early Stage Proof of Concept Fund	8/17/20	Amendment was to add a budget table to the current grant agreement to assist the university accountants with tracking previously awarded funds.

# MI Small Business Relief Program Grants and Loans



Through delegated authority as authorized in March 2020 when the Michigan Small Business Relief Program was approved, the following small businesses have received grants and loans in Q4 from the 15 local economic development organizations administering the program in response to the COVID-19 outbreak. The grants under the Michigan Small Business Relief Program supported businesses facing drastic reductions in cash flow and the continued support of their workforce, including for working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of business.

## Grants

EDO Name	Grant amount Received	Grant amount Disbursed	Grant amount TO BE Disbursed	Number Of Companies That Received Grant	Retained Jobs <sup>1</sup>
DEGC	\$1,600,000.00	\$1,600,000.00	\$0.00	310	2039
Flint & Genesee Chamber	\$850,000.00	\$850,000.00	\$0.00	191	N/A
Invest UP	\$500,000.00	\$500,000.00	\$0.00	80	N/A
Lakeshore Advantage	\$300,000.00	\$300,000.00	\$0.00	31	387
LEAP	\$600,000.00	\$600,000.00	\$0.00	60	353
Macomb County	\$800,000.00	\$800,000.00	\$0.00	123	1449
Middle Michigan Development Corp	\$200,000.00	\$200,000.00	\$0.00	165	1296
Networks Northwest <sup>2</sup>	\$500,000.00	\$520,000.00	-\$20,000.00	75	741
Oakland County	\$1,150,000.00	\$1,150,000.00	\$0.00	774	5308
Otsego County Economic Alliance	\$200,000.00	\$200,000.00	\$0.00	55	419
Sagnia Future	\$400,000.00	\$400,000.00	\$0.00	209	N/A
SPARK	\$900,000.00	\$900,000.00	\$0.00	198	2077
SWMF	\$800,000.00	\$800,000.00	\$0.00	145	1671
Target Alpena	\$200,000.00	\$200,000.00	\$0.00	116	N/A
The Right Place	\$1,000,000.00	\$1,000,000.00	\$0.00	196	1759
<b>TOTAL</b>	<b>\$10,000,000.00</b>	<b>\$10,020,000.00</b>	<b>\$0.00</b>	<b>2728</b>	<b>17498</b>

**Notes:**

1. The reporting of the number of retained jobs are optional in the weekly report. However, the number of retained jobs required to be reported in the progress report forthcoming.
2. Networks Northwest: The EDO contributed \$20,000 of its own money. This explains why the amount disbursed amount is greater than amount received.

## Loans

Account Name	MSF Board Date	Incentive Amount	Jobs Retained <sup>1</sup>	Opportunity Industry	Street	City	Zip	MI County
Wilderness Resort LLC	4/8/20	\$50,000	1	Other	6309 5th Street	Lac Le Belle	49950	Keweenaw
Superior Lakes Investments, Inc.	4/19/20	\$50,000	20	Other	3322 North US 23	Oscoda	48750	Iosco
Alcona Canoe Rental, Inc.	4/23/20	\$50,000	13	Other	6351 Bamfield Road	Glennie	48737	Alcona
BCC Poured Walls & General Contracting, Inc.	4/23/20	\$50,000	5	Other	6463 East Falmouth Road	Falmouth	49632	Missaukee
Blue Water Enterprises, LLC dba Blue Water Kitchens and More	4/23/20	\$51,169	10	Other	7355 Kipling Road	Lexington	48450	Sanilac
Driftwood Motel II, Inc.	4/23/20	\$50,000	1	Other	540 N Third Street	Rogers City	49779	Presque Isle
Dunes Acquisitions	4/23/20	\$63,040	20	Other	333 Blue Star Highway	Douglas	49406	Allegan
Envirodyne, Inc.	4/23/20	\$50,000	6	Other	315 Washington Street	Manistee	49660	Manistee
Great Lakes Golf Cars Inc	4/23/20	\$50,000	8	Other	112 CO. Road 612	Kalkaska	49646	Kalkaska
Hudsonville Winery, Inc.	4/23/20	\$50,000	19	Other	3768 Chicago Drive	Hudsonville	49426	Ottawa
Nelis, Inc.	4/23/20	\$63,040	21	Other	12350 James Street	Holland	49424	Ottawa
Nifty Things, L.L.C.	4/23/20	\$50,000	10	Other	3881 Windy Hill	Bellaire	49615	Antrim
Old Boys Brewhouse, Inc.	4/23/20	\$63,040	33	Other	971 West Savidge Street	Spring Lake	49456	Ottawa
Park Place Enterprises & Management, LLC dba Bay Port Lodging	4/23/20	\$50,000	5	Other	905 Forest Avenue Post Office Box 1171	Frankfort	49635	Benzie
Simply Pearls L.L.C.	4/23/20	\$50,000	10	Other	223 North Main Street	Cheboygan	49721	Cheboygan
The Sassy Olive	4/23/20	\$60,880	13	Other	125 Locust Street	Allegan	49010	Allegan
Laser Marking Technologies	4/27/20	\$102,791	17	Advanced Manufacturing	1101 West Sanilac Road	Caro	48723	Tuscola
McBride Construction, Inc.	4/27/20	\$50,000	11	Other	2125 M 119	Petoskey	49770	Emmet
Owosso Community Players	4/27/20	\$50,000	4	Other	114 East Main	Owosso	48867	Shiawassee
Burkholder Transport Inc.	4/29/20	\$50,000	2	Other	315 Regional Way	Imlay City	48444	Lapeer
Cubby, LLC	4/29/20	\$50,000	14	Other	117 South Union Street	Traverse City	49684	Grand Traverse
Klasek L.L.C.	4/29/20	\$74,301	5	Other	700 South Main Street	Lapeer	48446	Lapeer
MainStreet Cafe	4/29/20	\$50,000	3	Other	40 South Elk Street	Sandusky	48471	Sanilac
Pyro Paradise, LLC	4/29/20	\$50,000	10	Other	860 North Van Dyke Road	Bad Axe	48413	Huron



Account Name	MSF Board Date	Incentive Amount	Jobs Retained <sup>1</sup>	Opportunity Industry	Street	City	Zip	MI County
Redwood Brewing Co., Inc.	4/29/20	\$100,000	30	Other	5304 Gateway Center Dr.	Flint	48507	Genesee
Skatmore, Inc.	4/29/20	\$79,587	35	Other	5315 South Saginaw Road	Flint	48507	Genesee
CCBD Inc.	4/30/20	\$54,899	25	Other	1488 North M-52	Owosso	48867	Shiawassee
Doerr Real Estate & Management, Inc	4/30/20	\$50,000	N/A	Other	200 Woodland Pass, Suite A	East Lansing	48823	Ingham
Events To Rent, Inc.	4/30/20	\$50,000	3	Other	144 North Harrison Road	East Lansing	48823	Ingham
Markee Fashion & Design Inc	4/30/20	\$74,750	5	Other	11419A South Saginaw Street	Grand Blanc	48439	Genesee
Stiggs Brewing Company	4/30/20	\$50,000	4	Other	112 South Park	Boyne City	49712	Charlevoix
Valley Gear and Machine Incorporated	4/30/20	\$50,000	11	Other	514 Chickory Street	Bad Axe	48413	Huron
Wild Customs LLC	4/30/20	\$50,000	2	Other	960 South Harrison Road	Houghton Lake	48629	Roscommon
Grand Blanc Lanes, Inc.	5/1/20	\$62,504	23	Other	5301 South Saginaw Road	Flint	48507	Genesee
Mandilay Inc.	5/1/20	\$50,000	4	Other	309 South Washington Square	Lansing	48933	Ingham
Maniaci's Banquet Center, Inc.	5/1/20	\$50,000	10	Other	69227 Main Street	Richmond	48062	Macomb
Silver Dollar Pub & Grill, Inc.	5/1/20	\$50,000	38	Other	9925 West Higgins Lake Drive	Roscommon	48653	Roscommon
Springbrook Investments, LLC	5/1/20	\$50,000	13	Other	565 W West Branch Road	Prudenville	48651	Roscommon
TLSix, Inc.	5/1/20	\$50,000	20	Other	342 East Houghton Avenue	West Branch	48661	Ogemaw
Wild Strawberry Flowers & More LLC	5/1/20	\$50,000	N/A	Other	2018 Cedar Street	Holt	48842	Ingham
Ahptic Productions, LLC	5/6/20	\$50,000	2	Other	901 Cleveland Street	Lansing	48906	Ingham
All About The Hair LLC	5/6/20	\$50,000	7	Other	13820 East 14 Mile Road	Warren	48088	Macomb
Cross Country Sports, Inc.	5/6/20	\$50,000	8	Other	507 Oak Street	Calumet	49913	Houghton
Cycle & Fitness III, Inc.	5/6/20	\$192,551	14	Other	18517 Hall Road	Macomb Township	48044	Macomb
Hang Lo LLC	5/6/20	\$50,000	7	Other	4500 South US 27	St. Johns	48879	Clinton
JAD Fitness, LLC	5/6/20	\$50,000	8	Other	19364 East 10 Mile Road	Eastpointe	48021	Macomb
Kellie's Consignments LLC	5/6/20	\$50,000	N/A	Other	5000 Marsh Road	Okemos	48864	Ingham
Madoak LLC	5/6/20	\$50,000	N/A	Other	12800 US 27	Dewitt	48820	Clinton
Oak Pointe Investments, LLC	5/6/20	\$50,000	77	Other	506 West Broadway Street	Mount Pleasant	48858	Isabella

Account Name	MSF Board Date	Incentive Amount	Jobs Retained <sup>1</sup>	Opportunity Industry	Street	City	Zip	MI County
Petemoors, Inc	5/6/20	\$60,660	1	Other	19080 East 10 Mile Road	Eastpointe	48081	Macomb
Peters Building Contractors, Inc.	5/6/20	\$50,000	5	Other	1908 White Oak Lane	Houghton	49931	Houghton
Smarty's L.L.C.	5/6/20	\$50,000	5	Other	212 Iron Street	Negaunee	49866	Marquette
TLB Enterprises, Inc.	5/6/20	\$50,000	6	Other	6452 Millennium Drive Suite 170	Lansing	48917	Eaton
Windermere Equestrian Center, Inc.	5/6/20	\$50,000	15	Other	20615 Dunham Road	Clinton Township	48038	Macomb
All About Jumping, LLC	5/8/20	\$50,000	2	Other	19782 Yvonne Drive	Macomb	48044	Macomb
Berrien Metal Products, Inc.	5/8/20	\$79,860	30	Other	460 Post Road	Buchanan	49107	Berrien
Coco Joe's Beach House, Inc.	5/8/20	\$50,000	41	Other	4855 East Blue Grass Road	Mount Pleasant	48858	Isabella
Doherty Operating Corporation	5/8/20	\$50,000	66	Other	604 North McEwan	Clare	48617	Clare
Jeannette LLC	5/8/20	\$70,994	15	Other	117 West Lafayette Street	Romeo	48065	Macomb
Stage Flights, L.L.C.	5/8/20	\$50,000	15	Other	524 Phoenix Street	South Haven	49090	Van Buren
True North Outpost, Inc.	5/8/20	\$50,000	3	Other	W5768 Old Piers Gorge Road	Norway	49870	Dickinson
CLVTHEO, Inc.	5/12/20	\$50,000	20	Other	705 Cross Street	Ypsilanti	48197	Washtenaw
Dome Associates, LLC	5/12/20	\$50,000	12	Other	12733 North U.S. Highway 131	Schoolcraft	49087	Kalamazoo
Jewish Family Services of Washtenaw County, Inc.	5/12/20	\$50,000	51	Other	2245 South State Street	Ann Arbor	48104	Washtenaw
Lucky Girl Brewing Company - Cross Roads LLC	5/12/20	\$50,000	15	Other	34016 M 43	Paw Paw	49079	Van Buren
Nature's Kennel Sled Dog Racing and Adventures, LLC	5/12/20	\$50,000	4	Other	14785 County Road 415	McMillan	49853	Luce
Relaxing Waters Spa, LLC	5/12/20	\$50,000	3	Other	49163 Schoenherr Road	Shelby Township	48315	Macomb
R P M Group Inc.	5/12/20	\$50,000	10	Other	6300 Grand River Avenue	Brighton	48114	Livingston
Saeun Corporation	5/12/20	\$50,000	15	Other	241 East Liberty Street	Ann Arbor	48105	Washtenaw
The Tri City Brewing Company	5/12/20	\$50,000	8	Other	4170 Shrestha Drive	Bay City	48706	Bay
A & M Supreme Auto Repair, Inc.	5/15/20	\$50,000	N/A	Other	5700 South Pennsylvania Avenue	Lansing	48911	Ingham
BBD & K Inc.	5/15/20	\$50,000	15	Other	120 East Front Street	Monroe	48161	Monroe
Capital City Entertainment, LLC	5/15/20	\$50,000	6	Other	3262 McConnel Highway	Charlotte	48813	Eaton

Account Name	MSF Board Date	Incentive Amount	Jobs Retained <sup>1</sup>	Opportunity Industry	Street	City	Zip	MI County
Crooked Creek Investment Co.	5/15/20	\$50,000	10	Other	9387 Gratiot Road	Saginaw	48609	Saginaw
Frankenmuth Cheese Haus, Inc.	5/15/20	\$50,000	3	Other	545 South Main Street	Frankenmuth	48734	Saginaw
Grandpapa's Inc.	5/15/20	\$93,269	N/A	Other	6500 East Davison Street	Hamtramck	48212-1422	Wayne
Hathaway House, Inc.	5/15/20	\$50,000	10	Other	424 West Adrian Street	Blissfield	49228	Lenawee
Om Cafe' TC, LLC	5/15/20	\$50,000	21	Other	205 Lake Avenue	Traverse City	49684	Grand Traverse
OPM Doctors P.C.	5/15/20	\$100,000	N/A	Other	16000 Southfield Road	Allen Park	48101	Wayne
Sugarhigh, LLC	5/15/20	\$50,000	5	Other	925 South Main Street, G1	Frankenmuth	48734	Saginaw
U.P Michigan Rentals, LLC	5/15/20	\$50,000	7	Other	3509 Biddle Avenue	Wayandotte	48192	Wayne
Beer Church Hospitality Group, Inc.	5/19/20	\$87,960	45	Other	24 South Whitaker Street	New Buffalo	49117	Berrien
Dear Prudence, LLC	5/19/20	\$110,000	17	Other	119 North Center Street	Northville	48167	Wayne
Environmental Advisory Services, Inc.	5/19/20	\$122,001	7	Other	410 East Dowland Street	Ludington	49431	Mason
One Beer At A Time, LLC	5/19/20	\$115,102	42	Other	925 Cherry Street SE	Grand Rapids	49506	Kent
Royal Controls & Process Services LLC	5/19/20	\$50,000	6	Other	509 East Maple Street	Fremont	49412	Newaygo
Secure Realty Investments LLC	5/19/20	\$66,279	8	Other	89 East Edsel Ford Freeway Suite 400	Detroit	48208	Wayne
Shah & Ankenbrandt LLC	5/19/20	\$50,000	3	Other	7427 Rockhollow Lane	Midland	48642	Midland
Soothsayer Analytics	5/19/20	\$182,861	N/A	Other	20361 Middlebelt Road	Livonia	48152	Wayne
Thornapple Ophthalmology Associates, P.C.	5/19/20	\$50,000	10	Other	915 West Green Street, Suite 101	Hastings	49058	Barry
Leelanau Peninsula Vintners, Inc.	5/20/20	\$50,000	3	Other	10781 East Cherry Bend Road, Studio 1	Traverse City	49684	Leelanau
Dartis Enterprises, Inc.	5/21/20	\$50,000	19	Other	3227 Ripple Way	White Lake	48383	Oakland
General Automatic Machine Products Company	5/21/20	\$50,000	20	Mobility and Automotive Manufacturing	266 Industrial Drive	Hillsdale	49242	Hillsdale
Generations Family Dental Care PLLC	5/21/20	\$50,000	6	Other	26776 West 12 Mile Road Suite 203	Southfield	48034	Oakland
Greater Detroit Agency for the Blind and Visually Impaired	5/21/20	\$50,000	N/A	Other	16625 Grand River Avenue	Detroit	48227	Wayne
High Velocity Sports Group Recreation, L.L.C.	5/21/20	\$200,000	17	Other	46245 Michigan Avenue	Canton	48188	Wayne
Ipersevered, Inc.	5/21/20	\$150,000	95	Other	58540 US 41	Calumet	49913	Houghton

Account Name	MSF Board Date	Incentive Amount	Jobs Retained <sup>1</sup>	Opportunity Industry	Street	City	Zip	MI County
Legacy Center, LLC	5/21/20	\$50,000	90	Other	9299 Goble Drive	Brighton	48116	Livingston
Macker Basketball, LLC	5/21/20	\$50,000	6	Other	107 East Main Street	Belding	48809	Ionia
Superior Marine Products, LLC	5/21/20	\$50,000	6	Mobility and Automotive Manufacturing	20134 Gagnon Circle	Hancock	49930	Houghton
The Sweet Onion, Inc.	5/21/20	\$50,000	62	Other	2424 South Mission Street	Mount Pleasant	48858	Isabella
Versah, LLC	5/21/20	\$50,000	28	Other	2000 Spring Arbor Road, Suite D	Jackson	49203	Jackson
ACE Mudjacking and Concrete Leveling LLC	6/2/20	\$50,000	9	Other	2485 East Wardlow Road	Highland	48356	Oakland
Baldwin Creek Lodge, LLC	6/2/20	\$50,000	3	Other	7038 South M37	Baldwin	49304	Lake
CAPE, Inc.	6/2/20	\$71,014	50	Other	18215 24 Mile Road	Macomb	48044	Macomb
J & M Construction Services, LLC	6/2/20	\$66,736	6	Other	2400 Clyde Park Avenue, SW	Wyoming	49509	Kent
James Goergen Bowling Company, Inc.	6/2/20	\$50,000	10	Other	1129 East Saginaw Road	Sanford	48657	Midland
Powers Motors Sports, Inc.	6/2/20	\$50,000	9	Other	11995 North Maple Island Road	Fremont	49412	Oceana
Studio City Photography	6/2/20	\$50,000	N/A	Other	7767 Locust Avenue	Newaygo	49337	Newaygo
Durr Trucking L.L.C.	6/4/20	\$50,000	3	Regional Impact - Logistics	23630 Gardner	Oak Park	48237	Oakland
Exclusive Physicians, PLLC	6/4/20	\$100,000	1	Other	911 East 9 Mile Road	Ferndale	48220	Oakland
Fawn's Den LLC	6/4/20	\$50,000	2	Other	2321 East US 10	Idlewild	49642	Lake
Ian Bolton Law PLLC	6/4/20	\$50,000	4	Other	24361 Greenfield Road, Suite 201	Southfield	48075	Oakland
International Strategic Management, Inc.	6/4/20	\$50,000	3	Other	440 Burroughs Road	Detroit	48083	Wayne
Johnston's Flooring, L.L.C.	6/4/20	\$50,000	5	Other	5499 Perry Drive	Waterford	48348	Oakland
Mondo Holdings LLC	6/4/20	\$50,000	8	Other	8136 West Nine Mile Road	Oak Park	48237	Oakland
NorthPointe Companies LLC	6/4/20	\$50,000	12	Other	7577 West 48th Street	Fremont	49412	Newaygo
RAAC Hospitality, Inc.	6/4/20	\$100,239	N/A	Other	1040 Woodward Avenue	Detroit	48220	Wayne
R Collective LLC	6/4/20	\$50,000	10	Other	122 South Main Street	Clawson	48017	Oakland
RTS Construction Group, LLC	6/4/20	\$164,160	3	Other	5983 South Warner Avenue	Fremont	49412	Newaygo
Slusarski Excavating & Paving, Inc.	6/4/20	\$50,000	36	Other	119 Greenly Street	Adrian	49221	Lenawee

Account Name	MSF Board Date	Incentive Amount	Jobs Retained <sup>1</sup>	Opportunity Industry	Street	City	Zip	MI County
TBMH, Inc.	6/4/20	\$50,000	19	Other	48661 Grand River Avenue	Novi	48374	Oakland
The Cardinal Group	6/4/20	\$50,000	3	Mobility and Automotive Manufacturing	266 Industrial Drive	Hillsdale	49242	Hillsdale
West Michigan Scoops, Inc	6/4/20	\$50,000	9	Other	5324 South Water Road	New Era	49446	Oceana
Cradles to Crayons Child Care LLC	6/8/20	\$50,000	N/A	Other	4711 South Martin Luther King Jr. Boulevard	Lansing	48910	Ingham
Saranac Tank, LLC	6/8/20	\$82,001	3	Mobility and Automotive Manufacturing	100 West Main Street	Saranac	48881	Ionia
Adam Merkel Restaurants, LLC	6/29/20	\$50,000	4	Other	101 West Grand River	Howell	48843	Livingston
Compeau-Bros., Inc.	6/29/20	\$100,000	35	Other	12480 Telegraph Road	Carleton	48117	Monroe
Honest to Goodness Breakfast & Smoothies, LLC	6/29/20	\$50,000	18	Other	1166 South Lapeer Road	Lake Orion	48360	Oakland
Kapones LLC	6/29/20	\$50,000	30	Other	24301 Harper Avenue	Saint Clair Shores	48080	Macomb
Tri City Sports Complex, LLC	6/29/20	\$50,000	8	Other	5117 Garfield Road	Auburn	48611	Bay
Wayne Family Dental, PLLC	6/29/20	\$200,000	10	Other	35100 East Michigan Avenue	Wayne	48184	Wayne
Citadel Dance and Music Center, Inc.	7/14/20	\$50,000	28	Other	204 Water Street	Benton Harbor	49022	Berrien
Hart EMS Medical Services, PLLC	7/14/20	\$101,279	20	Other	220 Bagley, Suite 912	Detroit	48226	Wayne
Nostrum High Performance Inc.	7/14/20	\$150,000	21	Other	1145 Oak Valley Drive Suite B	Ann Arbor	48108	Washtenaw
River Rouge Brewing Company, LLC	7/14/20	\$50,000	3	Other	111 North Main Street, Unit 311	Royal Oak	48067	Oakland
Advance Management Solutions Group, LLC	7/16/20	\$50,000	7	Other	967 Hollow Corners Court	Rochester	48307	Oakland
Loya Organic L.L.C.	7/16/20	\$50,000	5	Other	4284 Orchard Lake Road	West Bloomfield	48323	Oakland
Orthopedic Spine & Sports Therapy AH, Inc.	7/16/20	\$50,000	10	Other	2558 North Squirrel Road	Auburn Hills	48326	Oakland
Statewide Food Equipment LLC	7/16/20	\$50,000	7	Other	1035 Wheaton Avenue	Troy	48083	Oakland
MEL'S GRILL 2, L.L.C.	7/21/20	\$50,000	14	Other	7080 Gateway Park Drive	Clarkston	48346	Oakland
Renaissance Athletic Club LLC	7/21/20	\$80,000	42	Other	501 Graham Avenue	Benton Harbor	49022	Berrien
Holly Lanes Ventures LLC	7/22/20	\$50,000	9	Other	2430 Grange Hall Road	Fenton	48430	Oakland
Elysian The Imagine Company, Inc.	7/28/20	\$50,000	25	Other	2655 Orchard Lake Road	Sylvan Lake	48320	Oakland

Account Name	MSF Board Date	Incentive Amount	Jobs Retained <sup>1</sup>	Opportunity Industry	Street	City	Zip	MI County
Strand Events, LLC	8/8/20	\$50,000	1	Other	12 North Saginaw	Pontiac	48342	Oakland
Michigan Decking LLC	8/26/20	\$50,000	3	Other	304 West Liberty Street	South Lyon	48178	Oakland
Prestige Transportation, LLC	9/1/20	\$50,000	9	Other	1900 Marie Circle	Bloomfield Hills	48302	Oakland
Gamars, Inc.	9/16/20	\$54,781	16	Other	28655 Schoenherr Road	Warren	48088	Macomb

**Notes:**

1. The reporting of the number of retained jobs are optional in the weekly report. However, the number of retained jobs required to be reported in the progress report forthcoming.

# MSF Awardee Relief Report Grants and Loans



The following include delegated approvals for the MSF Awardee Relief Program from Q4, demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

## CD Awardee Relief

Account	Program Name	Project Location	Incentive Type	MSF Delegate Approval Date	Type of Request
Exchange Building, LLC	Community Revitalization Program	Kalamazoo	Other Economic Assistance-Loan Participation	7/1/2020	Extension of interest-only period and all dates related to the construction loan conversion by 90-days from July 31, 2020 to Oct. 31, 2020
Brush Park Development Company Phase I, LLC and City Modern 440 Alfred Street LLC	Community Revitalization Program	Detroit	Loan	7/30/2020	Extension of the original approval expiration by 90 days
Liberty Way Hospitality, LLC	Community Revitalization Program	Marquette	Other Economic Assistance-Loan Participation	9/1/2020	Extension of Maturity Date up to 36 months to match refinancing term of Lender and 90 day deferral of principal payments
POAH DD Sugar Hill LLC	Community Revitalization Program	Detroit	Loan	9/1/2020	Extension of loan payments for 12 months and extension of Milestone 3 due date by 90 days
Canute Properties, LLC	Community Revitalization Program	Alpena	Grant	9/1/2020	Extension of Milestone Two (Project Completion) and Pre-Grant Disbursement Due Diligence Conditions Milestone by six months
Sweetwater Development Partners, LLC	Community Revitalization Program	Muskegon	Other Economic Assistance-Loan Participation	9/1/2020	Extension of the original approval expiration by 90 days
Exchange Building, LLC	Community Revitalization Program	Kalamazoo	Other Economic Assistance-Loan Participation	9/22/2020	Extend interest-only period and all dates related to the construction loan conversion by three months from Oct. 31, 2020 to Jan. 31, 2021
Landmark Port Huron-Winkelmans	Community Revitalization Program	Port Huron	Grant	9/28/2020	Extension of the original approval expiration by 30 days

# Financial Data Overview and Terminations



## Michigan Community Revitalization Program - Financial Overview<sup>1</sup>

Types of Incentives	# of Incentives in Monitoring <sup>2</sup>	% of Incentives in Monitoring	Amount of Incentives in Monitoring <sup>3</sup>	% Amount of Incentives in Monitoring	Funds Returned to MSF <sup>4</sup>	% of Funds Returned to MSF
Grants	69	53%	\$45,451,021	17%	\$0	0%
Loan Participations	27	21%	\$91,224,101	34%	\$26,236,046	77%
Direct Loans	18	15%	\$57,753,344	25%	\$6,792,106	20%
Equity	13	10%	\$63,570,194	24%	\$885,005	3%
<b>Totals</b>	<b>129</b>	<b>100%</b>	<b>\$268,413,193</b>	<b>100%</b>	<b>\$33,913,157</b>	

# of Incentives Ended <sup>5</sup>	# Incentives Terminated <sup>6</sup>	CRP Funds Written Off
61	2	\$0

## Michigan Business Development Program - Terminations

Company Name	Project Location	Incentive Type	Amount	Disbursed	Date	Reason for Termination	Repayment
Nachi Robotic Systems Inc.	Novi, Oakland County	MBDP - Expansion	\$360,000	\$0	7/7/20	Unable to fulfill grant requirements	\$-
Zhongding USA Inc	Northville, Wayne County	MBDP - New Development	\$650,000	\$0	8/5/20	Unable to fulfill grant requirements	\$-
NAVYA	Saline, Washtenaw County	MBDP - New Development	\$435,000	\$217,500	8/20/20	Eliminated Qualified New Jobs	\$78,300
SL America	Auburn Hills, Oakland County	MBDP - Expansion	\$615,000	\$615,000	8/27/20	Eliminated Qualified New Jobs	\$59,792
Tri-Mer Corporation	Owosso, Shiawassee County	MBDP - Expansion	\$100,000	\$0	8/31/20	Unable to fulfill grant requirements	\$-
Disher Corp	Ann Arbor, Washtenaw County	MBDP - Expansion	\$117,000	\$47,000	9/10/20	Eliminated Qualified New Jobs	\$47,000
FEV North America	Auburn Hills, Oakland County	MBDP - Expansion	\$1,200,000	\$0	9/21/20	Unable to fulfill grant requirements	\$-

1. See MCRP financial data as attachment 1 in appendix.

2. This represents the total number of active agreements under CRP.

3. This represents the total approved dollar amount of active agreements under CRP whether disbursed or not.

4. This represents principal and interest payments from direct and participated loans, cash returns on equity investments, and certain fees.

5. Means the company successfully met all requirements of the written agreements and paid off, if required.

6. Means the company did not proceed to a final written agreement or the agreement was terminated before disbursement of funds.



# MSF Confidentiality Memos



As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Public disclosure of this information creates the potential for significant competitive harm to the applicant companies. The following MSF confidentiality memos were signed in Q4.

Approvals by Authorized Delegate

Company Name and Location	• Overview of Confidential Information
Tenneco Inc One International Drive Monroe, MI 48161	<ul style="list-style-type: none"> <li>• Letter dated August 4, 2020 from Tenneco, Inc. to American Entertainment Properties Corp.</li> <li>• Acknowledgment signed by American Entertainment Properties Corp.</li> </ul>
Marelli North America, Inc. 300 Automation Avenue Auburn Hills, MI 48326	<ul style="list-style-type: none"> <li>• Financial Statements for the Company and the Company's parent</li> </ul>
Lawrence Technological University 21000 West Ten Mile Rd Southfield, MI 48075 United States	<ul style="list-style-type: none"> <li>• Employment information (including but not limited to numbers of employees and compensation)</li> <li>• Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments)</li> <li>• Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements)</li> <li>• Revenue</li> <li>• Employment projections</li> </ul>
Grand Valley State University Muskegon Innovation Hub 200 Viridian Drive Muskegon, MI 49440 United States	<ul style="list-style-type: none"> <li>• Employment information (including but not limited to numbers of employees and compensation)</li> <li>• Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments)</li> <li>• Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements)</li> <li>• Revenue</li> <li>• Employment projections</li> </ul>
Grand Valley State University 1020 L William Seidman Center, 50 Front Ave SW Grand Rapids, MI 49504 United States	<ul style="list-style-type: none"> <li>• Employment information (including but not limited to numbers of employees and compensation)</li> <li>• Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments)</li> <li>• Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements)</li> <li>• Revenue</li> <li>• Employment projections</li> </ul>

BBC Entrepreneurial Training & Consulting, LLC  
18650 W Old US HWY 12  
Chelsea, MI 48118

- Employment information (including but not limited to numbers of employees and compensation)
- Private sector financing (including but not limited to banks, investors, venture capital, owner/founder investments)
- Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements)
- Revenue
- Employment projections

- Any portion of the Michigan Agricultural Safety Grant Program Application ("Application") or ancillary or related documents or records submitted in support of this Application that includes any of the following business or personal information pertaining to the Applicant: financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer or service provider names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of the Applicant containing any of the foregoing information

Heritage Farming Enterprises  
528 W Garfield Rd, Rothbury,  
MI 49452

New Era's American Apple  
LLC  
2112 W Grant Rd New Era, MI  
49446

Tom Walkers Grist Mill INC  
8507 Parshallville Rd, Fenton,  
MI 48430

Gavin Orchards, LLC  
16495 40th Ave, Coopersville,  
MI 49404

Dykhuis Farms, Inc.  
3759 46th St, Hamilton, MI  
49419

Dairy Farmers of America  
1163 Comet Lane, Suite 200,  
Grand Ledge, MI 48837

Clemens Food Group, LLC  
572 Newton Road, Coldwater,  
MI 49036

UNCLE JOHN'S CIDER MILL,  
INC  
8614 NORTH US, 127 ST  
JOHNS, MI 48879

Michigan Sugar Company  
122 Uptown Drive, Suite 300,  
Bay City, Michigan 48708

A&L Farms Inc  
13982 Lake Michigan Dr,  
West Olive, MI 49460

Cherry Central Cooperative,  
Inc  
1771 US-31, Traverse City, MI  
49685

Country Dairy, Inc.  
3476 80th Ave., New Era, MI  
49446

Carpenter Farms Pumpkins,  
LLC  
2534 E. U.S. 223 Adrian, MI  
49221

GREENRIDGE FRUIT, INC.  
5154 PEACH RIDGE AVE NW,  
GRAND RAPIDS, MI 49544

Ray Wiegand's Nursery Inc  
47747 Romeo Plank, Ma-  
comb, MI 48044

Almar Orchards LLC  
1431 Duffield Rd., Flushing,  
MI 48433

Shoreline Fruit LLC  
10850 E. Traverse City, MI  
49684

GDW Farms, LLC  
280 North River, Suite B, Hol-  
land, MI 49424

Marysville Ethanol, LLC  
2512 Busha Highway, Marys-  
ville, MI 48040

Koeze Company  
2555 Burlingame Avenue SW,  
Wyoming, MI 49509

Snackwerks of Michigan, LLC  
180 E Goodale Ave, Battle  
Creek, MI 49037

Iorio's Gelatiere, LLC  
3756 Plaza Drive, Suite 5, Ann  
Arbor, MI 48108

Halbert Dairy Farm LLC  
23675 Banfield Road, Battle  
Creek, MI 49017

Hamlin Farms  
6679 111th Ave, South Haven,  
MI 49090

Berrybrook Enterprises  
28230 Elm Street, Dowagiac,  
MI 49047

Country Mill Farms LLC  
4648 Otto Road, Charlotte, MI  
48813

Michigan Turkey Producers,  
LLC  
1100 Hall Street, SW, Grand  
Rapids, MI 49503

Veritas Vineyard, LLC  
117 W. Louis Glick Highway,  
Jackson, MI 49201

Reenders Blueberry Farms,  
LLC  
14079 168th Avenue, Grand  
Haven, MI 49417

S&F Foods, Inc.  
29411 Beverly Rd., Romulus,  
MI 48174

Couturier Blueberry Farm Inc  
2687 N. Jebavy Dr, Ludington,  
MI 49431

The Bainbridge Beverage  
Company  
2941 Friday Rd, Coloma, MI  
49038

Schilling Family Farms, LLC  
5795 Scottdale Road, Saint  
Joseph, MI 49085

PFI Holdco LLC  
3104 W. Baseline Rd, Shelby,  
MI 49455

Cherry Ke Inc  
6137 Quarterline Rd., Kewa-  
din, MI 49648

New Day Berry Farms LLC  
6906 103rd Ave, South Hav-  
en, MI 49090

Swanson Grading & Brining,  
Inc.  
11561 Heights Ravenna Road,  
Ravenna, MI 49451

Wiards Orchards INC  
5565 Merritt Rd, Ypsilanti, MI  
48197

Sklarczyk Seed Farm LLC.  
8710 M-32 East, Johannes-  
burg, MI 49751

HOLLI FOREST PRODUCTS,  
INC  
900 S. COOPER LAKE ROAD,  
Ishpeming, MI 49849

Steve T Bardenhagen  
7990 E Horn Rd, Lake Leela-  
nau, MI 49653

King Orchards, Inc  
4620 N. M-88, Central Lake,  
MI 49622

Langeland Farms, Inc  
5085 Garfield St, Coopers-  
ville, MI 49404

Walters Gardens, Inc. 1992 96th Avenue, Zeeland, MI 49464	Carini Farms INC 15039 Port Sheldon St, West Olive, MI 49460	Unity Vibration Kombucha 93 Ecorse Road, Ypsilanti, MI 48198	Harris Blueberries LLC 00520 46th St, Bloomingdale, MI 49026
Swanson Pickle Co., Inc. 11561 Heights Ravenna Rd, Ravenna, MI 49451	Hawkeye Farms, LLC 5795 Scottsdale Road, St Jo- seph, MI 49085	The Mennel Milling Company of Michigan 310 S Mill St, Dowagiac, MI 49047	Lew-Max LLC 2500 N. Marble Rd, Belding MI 48809
LYNN MAYER'S GREAT LAKES GLADS, INC. 652 SOUTH PARHAM ROAD, BRONSON, MI 49028	Home Style Foods, Inc. 5163 Edwin, Hamtramck, MI 48212	Jeff Scherer Farms LLC 44846 County Road 380, Bloomingdale, MI 49026	Herbruck Poultry Ranch, Inc. 6425 Grand River Ave, Sara- nac, MI 48881 William Charles Platte 15471 Lehman Road, West- phalia, MI 48894
Chateau Operations, LTD. 15900 Rue De Vin, Traverse City, MI 49686	Berville Farms LLC PO Box 100, Capac, MI 48104	HAPPY HOWIE'S, INC. 1380 E. Jefferspm Ave., De- troit, MI 48207	POET Biorefining Caro LLC 1551 Empire Drive, Caro, MI 48723
Rasch Bros. Apple Storage LLC 6192 Stage Ave NW, Grand Rapids, MI 49544	Kristopher Wardin 6522 W Colony Rd, St Johns, MI 48879	Kenny Inc. P.O. Box 68, Merrill, MI 48637	Harbor Hill Fruit Farms inc. 34 S Manitou Trail, Lake Leela- nau, MI 49653
Meachum Family Farms LLC 59370 Red Arrow Highway, Hartford MI, 49057	Panther James LLC 2070 W. 11 Mile Road, Berk- ley, MI 48072	Fresh Solution Farms LLC 70255 Blue School Rd, White Pigeon, MI 49099	Ottawa Farms, LLC PO Box 56, Allendale, MI 49401
Visser Farms 10791 Blair Street, Zeeland, MI 49464	Maurer Meat Processors LLC 4075 Purdy Rd, Ubly, MI 48475	Packard Farms LLC 6584 S Brand Ave, Clare, MI 48617	Pero Family Farms Food Com- pany, LLC 2130 Yore Ave, Benton Har- bor, MI 49022
Valley Farms LLC 804 N Van Dyke Rd, Imlay City, MI 48444	Brys Winery LC 3309 Blue Water Road, Tra- verse City, MI 49686	Redstone Dairy, LLC 4715 S County Line Rd, St. Louis, MI 48880	Walcott Elevator, LLC PO Box 56, Allendale, MI 49401
Corullo Forest Products Corp. 216 S Massie Ave, Bessemer, MI 49911	Gary F Bartley 53138 Townhall Rd, Dowagi- ac, MI 49047	Michigan Agricultural Com- modities, Inc. 445 N. Canal Rd, Lansing, MI 48917	Amie Nicole Van Den Berg 7497 Shaw Road, Imlay City, MI 48444
Mibelloon Dairy, LLC 4071 W South County Line Rd, St. Louis, MI 48880	Lake Michigan Berry LLC 846 64th St, South Haven, MI 49090	Maple Grove Acres Inc 5186 S Ruth Rd, Ruth, MI 48470	Jack Brown Produce 8035 Fruit Ave NW, Sparta, MI 49345
MI Local Hops LLC 5720 Bates Road, Williams- burg, MI 49690	Cherry Republic Inc 6026 South Lake Street, Glen Arbor, MI 49636	Coloma Frozen Foods LLC 4145 Coloma Road, Coloma, MI 49038	C Roy Inc 444 Roy Dr, Yale MI 48097
Harold Hamlin 6679 111th Ave, South Haven, MI 49090	Wheeler Dairy, LLC 7478 N. County Line Rd., Breckenridge, MI 48615	Piedt Farms, LLC 7373 E. Main St, Suite 1, Eau Claire, MI 49111	Brys Estate Secret Garden, LLC 3309 Blue Water Road, Tra- verse City, MI 49686
Kowalski Companies, Inc. 2270 Holbrook Street, Ham- tramck, MI 48212	New Era's American Aspara- gus Packing LLC 2112 W Grant Rd, New Era, MI 49446	West Michigan Turkey Farms, LLC PO Box 56, Allendale, MI 49401	Hart Freeze Pack PO Box 30, Hart, MI 49420
Harvey Milling Co Inc 729 W Main St, Carson City, MI 48811	WILLIAMS FARMS LLC 6425 E. NAPIER AVE, BENTON HARBOR, MI 49022	AGROPUR INC. 5252 Clay Ave., Grand Rapids, MI 49548	Brearley Farms Inc 9292 Goddard road, Portland, MI 48875
NYBLAD ORCHARDS INC. 16170 FRUIT RIDGE AVE, KENT CITY, MI 49330	Peaceful Road Farms LLC. 2125 9th St, Shelbyville, MI 49344	J & DC Chocolates LLC 11590 S. Lacore Rd, Empire, MI 49630	N.J. Fox & Sons, Inc. 40 W. 2nd St., Shelby, MI 49455
	Bier Barrel Distillery LLC 5295 West River Dr. NE, Com- stock Park, MI 49321		

Walravens Markets 6120 E M115, Cadillac, MI 49601	Lewis Orchards, Inc 4180 W M20, New Era, MI 49446	E.H. Tulgestka & Sons, Inc. P.O. Box 169/ 1160 County Road 451, Rogers City, MI 49779	Star of the West Milling Com- pany 121 E. Tuscola Road, Franken- muth, MI 48734 Alpha Baking Co.,Inc 1661 28th St SW, Wyoming, MI 49519
Konos Inc. 1240 8th Street, Martin, MI 49070	Bayside Best Beans, LLC 418 Union Street, Sebewaing, MI 48759	Horkey Brother Farms 15175 Dixon Rd, Dundee, MI 48131	Superior Sales, Inc. 2929 Corporate Grove Dr., Hudsonville, MI 49426
GLCC Co. 39149 W. Red Arrow Highway, Paw Paw, MI 49079	Brookwood Farm II 4577 Kelsey Hwy, Ionia, MI 48846	Sandyland Farms 13375 Deaner Road, Howard City, MI 49329	Applewood Orchards, Inc. 2998 Rodesiler Hwy., Deer- field, MI 49238
PGI of Saugatuck Inc 413 3rd Street, Fennville, MI 49408	CALEDONIA PACKING LLC 3892 92ND ST SE, Caledonia, MI 49316	Kellogg Company 2 Hamblin Ave, Battle Creek, MI 49017	Blue Star Farms Inc. 2647 68th St., Fennville MI 49408
IOTT FARMS, INC. 3369 RODESILER HWY, Deer- field, MI 49238	Packers Canning Company, INC P.O. Box 907, 72100 HWY 40, Lawton, MI 49065	Corey Lake Orchards Opera- tions LLC 12147 Corey Lake Road, Three Rivers, MI 49093	E.B. Ridge Dairy, LLC 8068 Buchanan Rd, Middle- ton, MI 48856
Iott Ranch & Orchard, Inc. 5245 Alt Rd, Petersburg, MI 49270	Stony Creek Dairy LLC 12015 W Dexter Trail, West- phalia, MI 48894	Revolution Farms LLC 2901 76th St SE, Caledonia, MI 49316	V-Spa International 464 Stanton Farms Drive, Caledonia, MI 49316
House of Flavors, Inc. 110 N. William Street, Luding- ton, MI 49431	HASKIN FARMS LLC 13058 STATE ROAD, Lake Odessa, MI 48849	Leelanau Fruit Co 2900 S West Bay Shore Dr, Suttons Bay, MI 49682	Lemon Creek Winery, Ltd 533 E. Lemon Creek Rd., Ber- rien Springs, MI 49103
Gielow Pickles Inc 5260 Main Street, Lexington, MI 48450	CHATEAU AERONAUTIQUE WINERY LLC 101 CHIEF DRIVE, Jackson, MI 49201	Green Point Dairy LLC 3981 Aitken Rd., Marlette, MI 48456	Request Foods Inc 3460 John F Donnelly Drive, Holland, MI 49422
Gravity Vineyards and Winery, LLC 10220 Lauer Road, Baroda, MI 49101	Yem Foods LLC 29236 Lyon Oaks Drive, Wix- om, MI-48393	Gerber Products Company 405 State Street, Fremont, MI 49413	Sunrise Acres, INC 3380 Gordon St., Hudsonville, MI 49426-9664
Allan Overhiser 6317-107th Ave, South Haven, MI 49090	SCHIPPER EGGS, LLC 4852 142ND AVENUE, HOL- LAND, MI 49423	Blake's Orchard Inc. 17985 Armada Center Road, Armada, MI 48005	Blake Farms Hard Apple Cider LLC 17985 Armada Center Road, Armada, MI 48005
Hartung Brothers, Inc 412 S. Blacks Corner Road, Imlay City, MI 48444	Swisslane Farms Inc 12877 84th Street SE, Alot, MI 49302	Malkowski Orchard Market Inc., 8400 N. U.S. 31, Free Soil, MI 49411	Aaron Molter 6740 N Branch Rd, Benton Harbor, MI 49022
Food for Thought, Inc 7738 N Long Lake Rd, Tra- verse City, MI 49865	Victory Farms LLC 5790 22nd Ave, Hudsonville MI 49426	Field & Fire LLC 435 Ionia Ave SW, STE 109, Grand Rapids MI 49503	Relentless Holdings LLC 1030 Woodward Heights, Ferndale, MI 48220
Litehouse Inc. 1400 Foreman St., Lowell, MI 49331	Paramount Coffee Company 5133 W. Grand River, Lansing, Michigan 48906	Arbre Group Holdings 6362 N. 192nd Ave, Walker- ville, MI 49459	Plants Unlimited Inc 5995 Market Street, Kalama- zoo, MI 49048
Knaebe's Mmmunchy Krunchy Apple Farm and Cider Mill, LLC 2621 S. Karsten Rd, Rogers City, MI 49779	Walther Farms LLC 52944 US Hwy 131 Three Rivers, MI 49093	Ridgeview Orchards, LLC 1567 Wilson, Conklin, MI 49403	Karnemaat, LLC 5118 W 72nd St, Fremont, MI 49412
Crane's Pie Pantry Restaurant, Inc 6054 124th Ave, Fennville, MI 49408	Hidden Drive Greenhouse, Inc. 6600 N 14th St, Kalamazoo, MI 49009		Sportel Greenhouses, LLC 5912 East L Ave., Kalamazoo, MI 49048

Laier Farms Inc. 7416 Argentine Rd, Howell Township, MI 48855	Dawn Food Products, Inc. 3333 Sargent Road, Jackson, MI 49201	Riveridge Produce Marketing, Inc. 14046 Mason Drive, Grant, MI 49327	Russell P Costanza 3114 Dutch Lane, Sodus, MI 49126
Rajzer Farms LLC. 76301 M-51, Decatur, MI 49045	Post Gardens of Battle Creek Inc 3055 West Michigan Ave, Battle Creek, MI 49037	Hearthside Food Solutions  2455 Oak Industrial Drive NE, Grand Rapids, MI 49505	Byron Center Wholesale Meats 8375 Freeland Avenue SW, Byron Center, MI 49315
Vita Plus Corporation 6506 Mill Street, Gagetown, MI 48735	Streek's Greenhouse 8500 E "H" Ave, Kalamazoo, MI 49048	Mike Pirrone Produce Inc 15313 Bryce Rd, Capac, MI 48014	Rasch Family Orchards LLC 6191 Stage Ave NW, Grand Rapids, MI 49544
Safie Specialty Foods Co., Inc. 25565 Terra Industrial Drive, Chesterfield, MI 48051	KRB, Inc 65075 Van Dyke Rd, Washing- ton Township, MI 48095	Eding Brothers Celery Farm LLC 4552 134th Ave., Hamilton, MI, 49419-8533	Wagenmaker Farms, Inc. 11455 N. Maple Island Rd., Fremont, MI 49412
MI Frozen Food, LLC 1820 Mack Ave, Detroit, MI 48207	Grand Traverse Distillery 781 Industrial Circle, Ste 5, Traverse City, MI 49686	Green Wagon Farm 4960 Quiggle Ave SE, Ada, MI 49301	Sand Creek Dairy LLC 1045 Solomon Rd, Hastings, MI 49058
Jon Brian Hinkelman 2201 N. M-140, Watervliet MI 49098	Heeren, LLC 1055 7 Mile Rd NW, Comstock Park, MI 49321	Sietsema Farms 11304 Edgewater Dr, Suite A, Allendale MI 49401	SAHA FOODS INC. 221 N. MABLE ST., PINCON- NING, MI 48650
Lakeside Pic-N-Pac LLC 7131 West Olive Road, Hol- land, MI 49424	JOHN & STACEY ALT FARMS 243 KENOWA AVE, KENT CITY, MI 49330	Clearwater Farms Inc 142 West Elmwood Rd, Caro, MI 48723	Stan Ouding Bedding Plnats, Inc 5291 Market St., Kalamazoo, MI 49048
Lemon Creek Fruit Farm 533 E. Lemon Creek Rd., Ber- rien Springs, MI 49103	SBFI, Inc 54239 14th Avenue, Grand Junction, MI 49056	A & B Costanza Farms LLC 4485 River Road, Sodus, MI 49126	LEITZ FARMS LLC 5109 RIVER ROAD, SODUS, MI 49126
Cornerstone Ag Holdings, LLC 61747 County Road 388, South Haven, MI 49090	The Hillshire Brands Co 8300 96th Ave, Zeeland, MI 49464	Erie Orchards and Cider Mill 1235 Erie Rd, Erie, MI 48133	NORTHERN LAKES SEAFOOD & MEATS LLC 12301 CONANT STREET, DETROIT, MI 48212
Homestead Orchards LLC 1335 Wilson St, Conklin, MI 49403	Hearthside Food Solutions, LLC 3061 Shaffer Ave, SE, Kent- wood, MI 49512	Sandy View Farm LLC 3723 34th Street, Hamilton, MI 49419	Lehmans Orchard LLC 2280 Portage Rd., Niles, MI 49120
Asbury Community Develop- ment Corporation 1653 Davison Road, Flint, MI 48506	MICHIGAN MILK PRODUCERS ASSOCIATION 41310 BRIDGE STREET, NOVI, MI 48376	L. Mawby, LLC 4519 S Elm Valley Rd, Suttons Bay, MI 49682	Rabe Orchards LLC 3877 S 28th Ave, Shelby, MI 49455
Brian Altonen 11595 South US 31, Williams- burg, MI 49690	The Winery at Young Farms LLC 8396 70th Ave, Mecosta, MI 49332	THE GREAT BREAD COMPA- NY 4876 ALLENPARK DR #3, ALLENDALE, MI 49401	Burgdorfs Winery LLC 5635 Shoeman Rd, Haslett, MI 48840
Joe Rasch Orchards, Inc. 9140 Kenowa Ave, Sparta, MI 49345	Jason Thomas 57481 4th Ave, Grand Junc- tion, MI 49056	Hausbeck Pickle Company 1626 Hess Avenue, Saginaw, MI 48601	Paulen Farms, Inc 7340 Paepke Rd, Howard City, MI 49329
Munsell's Poultry Processing LLC 6131 MASON RD, Fowlerville, MI 48836	Leelanau Wine Cellars Ltd 35 Research Drive Suite 300, Ann Arbor, MI 48103-2981	Temperance Distilling Com- pany 177 Reed Drive, Temperance, MI 48182	Norris Dairy Farm Inc. 8100 West 3 Mile Rd, Hesper- ia, Michigan 49421
Ryan Malburg Farms LLC 1107 W. Jackson Rd, Hart, MI 49420	Riveridge Packing, LLC 7777 Venture Ave NW, Sparta, MI 49345	Riveridge Land Co., LLC 9000 Fruit Ridge Avenue, Sparta, MI 49345	B & T Partnership 13185 E W Ave, Vicksburg, MI 49097



Wunsch Farms 16888 Wunsch Rd, Traverse City, MI 49686	Centennial Fruit Inc 1432 Wilson, Conklin, MI 49403	KDS, LLC 914 Livernois St, Ferndale, MI 48220	Neyer Farms Inc 262 E Wing Rd, Mt. Pleasant, MI 48858
Mastronardi Produce-USA Inc. 28700 Plymouth Road, Livonia, MI 48150	Heidi's Farmstand LLC 11999 Cascade Rd SE, Lowell, MI 49331	The Kitchen Inc. 35445 Beattie Dr., Sterling Heights, MI 48312	Big Paw Vineyard Services LLC 4740 E. Dufek Road, Lake Leelanau, MI 49653
RIVER RIDGE FARMS, INC 15585 68TH AVE, Coopers- ville, MI 49404	Kludy Farms, LLC 6699 W. Buchanan Rd., Shel- by, MI 49455	Post Gardens Inc. 21189 North Huron River Dr., Rockwood, MI 48173	All Crop Farms 2637 7 Mile Rd, Comstock Park, MI 49321
TCB FOOD PROCESSING LLC 39021 CR 673, BANGOR, MI 49013	Raymond louis peltier 5697 Harris Rd, Jeddo, MI 48032	Maeder Brothers Inc 5016 W Weidman Rd, Weid- man, MI 48893	Fish Hook Distilling Co. 965 Wanda St., Ferndale, MI 4220
KBDetroit, LLC 1939 Adelaide St, Detroit, MI 48207	The Andersons, Inc. 485 S Hemlock Rd, Hemlock, MI 48626	Flamm Pickle & Packing Co. Inc. 4502 Hipps Hollow Rd, Eau Claire, MI 49111	Overlook Harvesting Michi- gan, LLC 13496 S Elder Ave, Grant, MI, 49327
Kent Fruit Farms LLC 220 Stanley Street, Casnovia, MI 49318	Adkin's Blue Ribbon Packing Company, INC 6583 106th Ave, South Haven, MI 49090	VAN DYK AG PROPERTIES 7176 MUCK RD., Imlay City, MI 48444	Applewood Orchards, Inc. 2998 Rodesiler Hwy., Deer- field, MI 49238
Joe Leduc 37146 30th St, Paw Paw, MI 49079	Chateau Management Ser- vices 15900 Rue De Vin, Traverse City, MI 49686	Bake Station Bakeries Of Michigan Inc 30760 Southfield Rd, South- field, MI 48076	Legacy Labor, Inc 49B N Morey Rd., Lake City, MI 49651
Railside Orchards, Inc 12024 Four Mile Rd NE, Low- ell, MI 49331	Hardys LLC 10015 Wisner Hwy., Tipton, MI 49287	Apple Quest, Inc 1380 Coolidge St, Conklin, MI 49403	Bay View Food Products Company 2606 N Huron Rd, Pinconning, MI 48650
Interwater Farms 11017 US 31 S, Williamsburg, MI 49690	Teresa Ostroski 7481 Moores Jct. Rd., Sterling, MI 48659	Paramount Baking Co.Inc. 29790 Little Mack, Roseville, MI 48066	Jon Boy, LLC 9662 E Michigan 21, Ovid, MI 48866
Dietrich Orchards LLC 250 Wilson St, Conklin, MI 49403	Brookwood Farms Creamery 4576 Kelsey Hwy, Ionia, MI 48846	Harvest Ridge Processing 142 W Elmwood Rd, Caro, MI 48723	Twin City Foods, Inc. PO BOX 699, Stanwood, WA 98292
Larsen farms 332 W Sugar Grove Rd, Scott- ville, MI 49454	Continental Dairy Facilities, LLC 999 W. Randall St, Coopers- ville, MI 49404	CHERRY BAY ORCHARDS, INC 2801 N. JACOBSON ROAD, Suttons Bay, MI 49682	Pineview Greenhouses Inc. 2100 N 30th Street, Kalama- zoo, MI 49048
Bowerman Blueberries LTD 2480 N 160th Ave, Holland, MI 49424	Durand Meat Processing 6354 Reed Rd, Durand, MI 48429	Iron Fish Distillery Inc 14234 Dzuibanek Road, Thompsonville, Michigan 49683	Zoet Poultry, Inc. 4847 140th Ave., Holland, MI 49423
K&K Dairy Farms, LLC 11325 Pioneer Rd, Westpha- lia, MI 48894	Graceland Fruit, Inc. 1123 Main Street, Frankfort, MI 49635	Mediterranean Foods Group LLC 32150 Howard Ave, Madison Heights, MI 48071	DEGROOT, INC. PO BOX 934, COLOMA, MI 49038
BLUESTEM FARM LLC 4218 M 32, East Jordan, MI 49727	Ken Reister Orchards LLC 644 Gooding St., Conklin, MI 49403	Pond Hill Farm LLC 5699 S Lake Shore Drive, Har- bor Springs, MI 49740	Abele Greenhouse, Inc 3500 Wadsworth Rd, Saginaw, MI 48601
Kuehnle Farms LLC 66940 48th Ave, Hartford, MI 49057	Cooperative Elevator Co. 7211 E. Michigan Avenue, Pigeon, MI 48755	HOUSE OF FLAVORS, INC. 110 N. WILLIAM STREET, Lud- ington, MI 49431	Kalamazoo Specialty Plants, LLC 5560 Market Street, Kalama- zoo, MI 49048
Burnette Foods, Inc. 701 US-31 South, Elk Rapids, MI 49629			

Great Lakes Packing CO. 6556 Quarterline Rd, Kewadin, MI 49648	Belding Fruit Storage, Inc. 11900 Fisk Road, Belding, MI 48809	Green Meadow Farms Enterprises, LLC 6400 N. Hollister Rd., Elsie, MI 48831	TCWC LLC 13975 S. Robinson Rd., Traverse City, MI 49684
S&W Huggett Holdings, Inc. 4114 Marlette Rd, Marlette, MI 48453	Eastern Market Corporation 2934 Russell St., Detroit, MI 48207	PETOSKEY BREWING COMPANY LLC 1844 M-119, PETOSKEY, MI 49770	E&S Produce, Inc. 6757 Pope Rd, Palmyra, MI 49268
Dusseau Farms 2363 Stearns Hwy, Deerfield, MI 49238	Zingerman's Bakehouse, Inc. 3711 Plaza Drive, Ann Arbor, MI 48108	CF LLC 3239 W St Charles Rd, Ithaca, MI 48847	Triple D Orchards Inc 8310 Stormer Rd., Empire, MI 49630
Tom Rasch & Son Orchards LLC 13777 10 Mile Rd. NE, Greenville, MI 48838	True Blue Processing, Inc. 9548 Co Rd 215, Grand Junction, MI 49056	WINDY RIDGE ORCHARDS LLC 452 HARDING ST, Conklin, MI 49403	Zilke Vegetable Farm LLC 12725 Half Rd., Milan, MI 48160
Jubilee Blueberry Farms, LLC 49411 County Road 380, Grand Junction, MI 49056	INDIAN SUMMER COOPERATIVE INC 3958 WEST CHAUVEZ ROAD, Ludington, MI 49431	Belding Fruit Storage, Inc. 11900 Fisk Road, Belding, MI 48809	ConAgra Brands Inc. 415 S. Blacks Corners Rd., Imlay City, MI 48444
Zingerman's Creamery, LLC 3723 Plaza Drive, Unit 2, Ann Arbor, MI 48108	BUURMA FARMS INC 7450 WELLER RD, GREGORY, MI 48137 & 3909 KOK RD, WIL-LARD, OH 44890	Wahmhoff Farms LLC 11121 M 40, Gobles, MI 49055-8639	May Brothers LLC 7828 Fruit Ridget Ave NW, Sparta, MI 49345
Schafer Agronomy LLC 8333 S. DeWitt Rd., Dewitt, MI 48820	TODD GREINER FARMS PACKING, LLC 2542 N. 128TH AVE, Hart, MI 49420	SVF, Inc. 5540 N Jelinek Road, Northport, MI 49670 Larry Dean Westrate 6166 Celery Street, Kalamazoo, MI 49048	
Ronald F. Richter 90487 60th Street, Deactur, MI 49045	Green Gardens Farm, LLC 14201 H DR N, Battle Creek, MI 49014	Stephen L. VanOeffelen Trust 305 Hoover Street, Conklin, MI 49403	
Wenke Greenhouses Inc. 2525 N 30th Street, Kalamazoo, MI 49048	D & D Freeland's Green Top LLC 4511 21 Mile Rd., Kent City, MI 49330	Royal Farms, Inc. 10445 N US 31, Ellsworth, MI 49729	
DeVries Meats Inc 17685 80th Ave., Coopersville, MI 49409	Sun Foods, Inc. 14401 Dexter Ave, Detroit, MI, 48238	Iott Ranch & Orchard, Inc 5245 Alt Rd, Petersburg, MI 49270	
New Era's American Apple Packing LLC 2112 W. Grant Rd, New Era, MI 49446	Creek Valley Farms 6600 Camden Road, Waldron, MI 49288	Golden Plain Farms, Inc. PO Box 335, Hartford, MI 49057	
Opel Growers Inc 6275 Tyler St., Hudsonville, MI 49426	Steffens Orchards LLC 4344 13 mile Rds, Sparta, MI 49345	Heritage Blueberries LLC 44667 28th Ave, Bangor, MI 49013	
Elite Apple Company, LLC 2755 10 Mile Rd., NW, Sparta, MI 49345	Coveyou Farms LLC 4160 US Highway 131, Petoskey, MI 49770	Tim Campbell Farm LLC 2313 Brown City Rd, Imlay City, MI 48444	
Riveridge Packing, LLC 7777 Venture Drive NW, Sparta, MI 49345	Shoreline Growers Inc 5401 Port Sheldon Street, Hudsonville, MI 49426	Sparks Cedarlee Farm LLC 59085 Gards Prairie Rd, Cassopolis, MI 49031	
Riveridge Cider Co., LLC 14046 S. Mason Drive, Webberville, MI 48892	Oxley Bros. Farm LLC P. O. Box 426, Lawton, MI 49065		

# Appendix: MCRP Financial Data



## CRP Equity

Inception to December 31, 2009\*\*\*

Company	Date of Operating Agreement	Occupancy Date	Initial Contribution	Additional Contributions	Accumulated Net Income/Loss	Total Distributions To MSF	Adjusted Capital Account as of December 31, 2019	Notes
URC - Health and Wellness	12/13/13	10/22/14	\$5,649,071	\$0	\$58,547	\$14,418	\$5,693,200	
70 West University Cultural Center Association	12/3/14	6/13/16	\$3,500,000	\$0	-\$2,289	\$102,401	\$3,395,310	
Outfield Partners, LLC	12/11/15	6/23/16	\$1,455,000	\$0	\$0	\$106,024	\$1,348,976	
Griswold Project, LLC	10/22/15	1/30/17	\$4,798,000	\$0	\$58,716	\$5,839	\$4,850,877	
Rivertown Phase I, LLC/Community Capital Equity LLC	7/12/15	2/2/17	\$8,110,000	\$0	\$300,162	\$0	\$8,410,162	
Du Charme Place, LLC*	8/5/15	6/27/17	\$5,700,000	\$0	-\$1,026,770	\$66,456	\$4,606,774	
250 West Larned LLC- Foundation Hotel Lender and MT	3/1/16	9/29/17	\$5,840,000	\$0	\$231,637	\$416,735	\$5,654,902	
The Plaza Midtown, LLC*	6/3/16	11/6/17	\$3,500,000	\$0	\$881,771	\$0	\$4,381,771	
URC - Capitol Theatre	6/29/16	11/21/17	\$5,500,000	\$0	-\$12	\$0	\$5,499,988	
SUBTOTAL PROJECTS WITH OCCUPANCY			\$44,052,071	\$0	\$501,762	\$711,873	\$43,841,960	
Trident-Corktown Investment, LLC	9/20/17	N/A	\$6,900,000	\$0	\$150,733	\$0	\$7,050,733	Under construction
Y Site, LLC*	8/6/18	N/A	\$2,957,000	\$0	\$0	\$0	\$2,957,000	Under construction
URC - Flint Hotel	12/20/18	N/A	\$7,949,000	\$0	\$0	\$173,132	\$7,775,868	Under construction
Heritage Tower BC, LLC*	5/23/19	N/A	\$8,287,877	\$0	\$0	\$0	\$8,287,877	Under construction
SUBTOTAL PROJECTS UNDER CONSTRUCTION			\$26,093,877	\$0	\$150,733	\$173,132	\$26,071,478	
GRAND TOTAL EQUITY			\$70,145,948	\$0	\$652,495	\$885,005	\$69,913,437	

\*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.

\*\*Lender is a CDFI.

\*\*\*CRP Equity is updated on an annual basis after yearly financial documents have been reviewed



## CRP Direct Loan Inception to July 31, 2020

Borrower	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Late Fees/ Other Fees	Maturity Date	Notes
618 South Main*	12/19/13	6/29/16	\$3,000,000	\$0	0.00%	\$180,000	\$2,820,000	\$0	\$30,000	7/1/55	Refinanced in 2018, required to \$75,000 annually in fees to amortize loan
1215 Griswold LLC	8/3/17	3/16/17	\$1,000,000	\$0	1.00%	\$0	\$1,000,000	\$26,945	\$10,000	4/1/38	Principal payments made only when cash flow is sufficient
Strand Theater Owner LLC	2/23/16	4/27/17	\$4,500,000	\$1,500,000	0.00%	\$0	\$3,000,000	\$0	\$45,000	10/31/36	
Midland DTH LLC*	8/21/14	6/20/17	\$4,780,000	\$0	0.00%	\$1,257,631	\$3,522,369	\$0	\$75,600	9/27/32	Bi-Annual payments through TIF reimbursements
Parkland Muskegon, LLC*	2/20/17	5/9/18	\$1,950,000	\$0	0.00%	\$0	\$1,950,000	\$0	\$0	3/31/39	
SVRC Industries Inc.	5/31/17	6/1/18	\$3,475,000	\$1,500,000	2.00%	\$14,213	\$1,960,787	\$125,666	\$34,914	6/30/45	
HM Detroit Hotel*	6/30/16	10/10/18	\$3,500,000	\$0	2.00%	\$12,818	\$3,487,182	\$246,510	\$37,329	7/15/23	New Market Tax Credit transaction (should have no principal reductions)
33 John R Partners LLC*	6/16/17	10/17/19	\$6,500,000	\$0	5.00%	\$0	\$6,500,000	\$888,333	\$65,000	5/31/24	New Market Tax Credit transaction
SUBTOTAL DIRECT LOANS			\$28,705,000	\$3,000,000		\$1,464,662	\$24,240,338	\$1,287,454	\$297,843		
The Corner Lender, LLC*	3/29/18	N/A	\$4,375,000	\$0	4.00%	\$18,326	\$4,356,674	\$395,586	\$0	3/12/25	Under construction (New Market Tax Credit transaction)
RainCheck Development, LLC*	11/19/19	N/A	\$1,400,000	\$0	1.00%	\$0	\$1,400,000	\$0	\$14,000	1/1/52	Under construction
Kercheval Associates	11/22/19	N/A	\$3,500,000	\$0	1.00%	\$0	\$3,500,000	\$0	\$35,000	1/1/53	Under construction
HB BM East Lansing LLC*	11/14/18	N/A	\$6,750,000	\$0	1.25%	\$0	\$6,750,000	\$136,875	\$67,500	12/1/21	Under construction
Heritage Tower BC LLC*	5/23/19	N/A	\$1,712,123	\$0	1.00%	\$0	\$1,712,123	\$14,260	\$0	5/1/51	Under construction
213 Development, LLC*	3/1/19	N/A	\$1,400,000	\$0	2.00%	\$14,358	\$1,385,642	\$36,617	\$24,000	3/1/45	Under construction
POAH Support Corporation 2	6/20/20	N/A	\$4,000,000	\$0	3.00%	\$0	\$4,000,000	\$40,000	\$40,000	12/31/27	Under construction
SUBTOTAL DIRECT LOANS UNDER CONSTRUCTION			\$23,137,123	\$0		\$32,684	\$23,104,439	\$623,338	\$180,500		
Whitney Partners, LLC*	3/25/13	8/28/15	\$0	\$0	0.00%	\$1,000,000	-\$1,000,000	\$0	\$50,000	9/30/22	Paid in full
Woodward and Erskine*	3/4/15	6/28/17	\$0	\$0	5.00%	\$1,500,000	-\$1,500,000	\$56,042	\$15,000	2/13/23	Paid in full
SUBTOTAL DIRECT LOANS			\$0	\$0		\$2,500,000	-\$2,500,000	\$56,042	\$65,000		

\*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.

\*\*Lender is a CDFI.

\*\*\*CRP Equity is updated on an annual basis after yearly financial documents have been reviewed

Borrower	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Late Fees/ Other Fees	Maturity Date	Notes
Grand Rapids Downtown Market*	6/17/13	1/29/14	\$2,965,000	\$0.00	1.00%	\$136,966	\$2,828,034	\$44,230	-	3/31/21	Converted from participation loan in September 2018
740 Lofts on Michigan*	11/17/17	3/7/16	\$1,846,221	\$0.00	1.00%	\$53,910	\$1,792,311	\$19,054	9,641.37	6/6/29	Converted from participation loan in May 2019
Lofts on Alabama*	4/3/20	10/17/16	\$1,100,000	\$0.00	2.50%	\$14,088	\$1,085,912	\$6,693	-	5/1/30	Converted from participation loan in April 2020
SUBTOTAL CONVERTED PARTICIPATION LOANS			\$5,911,221	-		\$204,964	\$5,706,257	\$69,977	9,641.37		
GRAND TOTAL DIRECT LOANS			\$57,753,344	\$3,000,000		\$4,202,311	\$50,551,034	\$2,036,810	\$552,985		

## CRP Direct Loan Inception to July 31, 2020

Borrower	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Late Fees/ Other Fees	Maturity Date	Notes
Woodward Theatre, L.L.C.*	DEGC**	10/25/12	12/13/12	\$750,000	\$0	4.75%	\$0	\$750,000	\$418,135	\$0	
Veridea Group*	First National Bank	6/3/13	5/9/14	\$1,857,151	\$357,151	1.00%	\$105,679	\$1,394,321	\$167,954	\$8,550	
Mid Towne Hospitality, LLC*	Mercantile Bank of Michigan	4/18/14	11/20/15	\$3,000,000	\$0	1.00%	\$486,842	\$2,513,158	\$176,954	\$36,000	
55 Ionia Partners, LLC	Macatawa Bank	11/19/15	12/21/15	\$4,325,000	\$0	3.00%	\$177,533	\$4,147,467	\$579,860	\$43,250	
Fulton and Seward*	Chemical Bank	9/9/15	6/24/16	\$3,000,000	\$0	1.00%	\$42,351	\$2,957,649	\$392,610	\$30,000	
Lofts on 820	Macatawa Bank	10/27/14	8/1/16	\$3,100,000	\$200,000	2.50%	\$444,409	\$2,455,591	\$352,768	\$35,058	
Bridge and Turner LLC*	Mercantile Bank of Michigan	2/23/16	12/5/16	\$2,500,000	\$0	1.00%	\$96,164	\$2,403,836	\$294,816	\$25,000	
Liberty Way Hospitality (Loan 1)*	Chemical Bank	6/1/15	1/19/17	\$3,100,000	\$0	1.00%	\$253,235	\$2,846,765	\$124,714	\$31,000	
Liberty Way Hospitality (Loan 2)*	Chemical Bank	6/1/15	1/19/17	\$1,000,000	\$0	1.00%	\$0	\$1,000,000	\$25	\$50,000	
OMH, LLC*	Old National Bank	3/14/16	3/18/17	\$5,400,000	\$0	2.00%	\$390,375	\$5,009,625	\$429,755	\$54,000	
Selden Partners, LLC	Capital Impact Partners**	4/4/17	5/18/17	\$1,000,000	\$0	2.00%	\$33,315	\$966,685	\$53,049	\$10,000	
Geenen DeKock Properties, LLC*	Macatawa Bank	12/12/18	5/30/18	\$1,000,000	\$0	1.00%	\$0	\$1,000,000	\$14,805	\$10,000	

\*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.

\*\*Lender is a CDFI.

\*\*\*CRP Equity is updated on an annual basis after yearly financial documents have been reviewed

Borrower	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Late Fees/ Other Fees	Maturity Date	Notes
601 West LLC*	Chemical Bank	8/30/16	6/7/18	\$2,900,000	\$0	5.00%	\$38,385	\$2,861,615	\$361,333	\$29,000	
Diamond Place LLC*	Capital Impact Partners**	12/1/16	7/31/18	\$2,826,000	\$0	2.00%	\$0	\$2,826,000	\$230,790	\$28,260	
Detroit Entrepreneur Development - Lofts on Louis	Dart Bank	2/22/17	2/12/19	\$1,300,000	\$0	2.50%	\$31,330	\$1,268,669	\$32,204	\$13,000	
SUBTOTAL PARTICIPATION LOAN				\$37,058,151	\$557,151	2.05%	\$2,099,617	\$34,401,382	\$3,629,773	\$403,118	
351 W Western	Community Shores Bank	8/3/18	N/A	\$1,500,000	\$750,000	1.00%	\$0	\$750,000	\$23,760	\$15,000	Under construction
400 Rose, LLC*	1st Source Bank	1/18/19	N/A	\$4,400,000	\$0	1.00%	\$0	\$4,400,000	\$26,124	\$44,000	Under construction
Bridge & Stocking*	Mercantile Bank of Michigan	9/27/17	N/A	\$6,300,000	\$0	3.00%	\$0	\$6,300,000	\$367,465	\$63,000	Under construction
Exchange Building LLC*	Chemical Bank	7/7/17	N/A	\$6,400,000	\$0	3.00%	\$0	\$6,400,000	\$142,423	\$64,000	Under construction
George F. Eyde, LLC - Oliver Tower*	Wells Fargo Bank	11/19/18	N/A	\$2,400,000	\$1,000,000	1.00%	\$0	\$1,400,000	\$10,748	\$24,000	Under construction
Jackson Entertainment LLC*	Mercantile Bank	12/5/18	N/A	\$5,500,000	\$0	3.50%	\$0	\$5,500,000	\$174,097	\$55,000	Under construction
Kzoo Hotel Partners, LLC*	Fifth Third Bank	5/17/19	N/A	\$7,454,000	\$0	2.00%	\$0	\$7,454,000	\$0	\$74,540	Under construction
Temple Group Holdings, LLC*	Chemical Bank	5/8/19	N/A	\$5,697,000	\$0	3.50%	\$0	\$5,697,000	\$0	\$56,970	Under construction
Third & Grand LLC*	Invest Detroit***	11/9/16	N/A	\$2,000,000	\$0	3.00%	\$0	\$2,000,000	\$147,849	\$20,000	Under construction
Thompson Block*	TCF Bank	3/21/19	N/A	\$3,175,000	\$1,200,000	1.00%	\$0	\$1,975,000	\$13,412	\$31,750	Under construction
Jackson Downtown Partners, LLC	County National Bank	2/11/20	N/A	\$3,066,250	\$1,500,000	1.00%	\$0	\$3,066,250	\$0	\$30,663	Under construction
SUBTOTAL PARTICIPATION LOAN UNDER CONSTRUCTION				\$47,892,250	\$4,450,000		\$0	\$44,942,250	\$905,878	\$478,923	
Woodward Brown Associates, LLC.	The Private Bank and Trust	6/2/14	1/12/16	\$3,278,890	\$0	4.00%	\$3,278,890	\$0	\$234,852	\$32,789	Paid in full
609 E Kirby Lofts, LLC*	Capital Impact Partners**	2/27/14	8/2/16	\$1,000,000	\$300,000	1.00%	\$700,000	\$0	\$36,021	\$4,800	Paid in full
Arena Place Development, LLC (Loan 1)	Mercantile Bank of Michigan	6/3/14	3/17/17	\$2,500,000	\$0	3.00%	\$2,500,000	\$0	\$658,344	\$52,200	Paid in full

\*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.

\*\*Lender is a CDFI.

\*\*\*CRP Equity is updated on an annual basis after yearly financial documents have been reviewed

Borrower	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Late Fees/ Other Fees	Maturity Date	Notes
Arena Place Development, LLC (Loan 2)	Mercantile Bank of Michigan	6/3/14	3/17/17	\$2,000,000	\$0	N/A	\$2,000,000	\$0	\$0	\$0	Paid in full
Offsite Lake Drive, LLC*	Lake Michigan Credit Union	12/21/16	6/29/18	\$1,773,700	\$0	3.00%	\$1,773,700	\$0	\$144,452	\$17,737	Paid in full
1212 Griswold St, LLC*	Develop Michigan, Inc.**	3/13/14	N/A	\$6,000,000	\$0	1.00%	\$6,000,000	\$0	\$55,147	\$130,531	Paid in full prior to project completion
SUBTOTAL PARTICIPATION LOAN PAID IN FULL				\$16,552,590	\$300,000		\$16,252,590	\$0	\$1,128,815	\$238,057	
Grand Rapids Downtown Market*	Fifth Third Bank	6/17/13	1/29/14	\$2,965,000	\$0	2.00%	\$0	\$2,965,000	\$315,083	\$8,600	Converted to direct loan in September 2018
Lofts on Alabama*	Macatawa Bank	9/22/15	10/17/16	\$3,000,000	\$0	2.50%	\$201,680	\$2,798,320	\$282,218	\$30,000	Converted to direct loan in April 2020
740 Lofts on Michigan, LLC*	Mercantile Bank of Michigan	11/17/17	3/7/16	\$2,450,000	\$500,000	1.00%	\$103,779	\$1,846,221	\$116,658	\$41,258	Converted to direct loan in May 2019
SUBTOTAL PARTICIPATION LOAN CONVERTED TO DIRECT LOAN				\$8,415,000	\$500,000		\$305,459	\$7,609,541	\$713,958	\$79,858	
GRAND TOTAL LOAN PARTICIPATION				\$109,917,991	\$5,807,151		\$18,657,666	\$86,953,173	\$6,378,424	\$1,199,955	

## CRP Grants Inception to July 31, 2021

As of July 31, 2020 103 grants have received disbursement.	<b>Approved Amount</b>	<b>Disbursed Amount</b>
	\$64,705,655	\$60,578,345

\*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.

\*\*Lender is a CDFI.

\*\*\*CRP Equity is updated on an annual basis after yearly financial documents have been reviewed