

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
SEPTEMBER 27, 2022**

Members Present

Paul Gentilozzi
John Groen (on behalf of Director Corbin)
Michael B. Kapp (on behalf of Director Ajegba)
Jennifer Nelson (on behalf of Chairman Messer)

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Rachael Eubanks
Dimitrius Hutcherson
Charles P. Rothstein
Cindy Warner

Member Absent

Susan Tellier

I. CALL TO ORDER & ROLL CALL

Ms. Nelson called the meeting to order at 10:00 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely.

Ms. Nelson introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate; there were no public comments.

III. COMMUNICATIONS

The MSF Board received a follow-up email from Dominic Cochran, Director of the Lansing Public Media Center, the Mayor's Office of Community Media, and Co-Founder and Co-Director of the Capital City Film Festival who offered public comments at the September 7 meeting about a Revitalization and Placemaking (RAP) program subgrant application submitted by the City of Lansing. In addition, the Board received a follow-up letter from Wendy Caldwell-Liddell as well as materials from Jared Belka with Warner Norcross regarding the former proposed AMC headquarters project in Detroit. These communications were included in the MSF Board meeting packet.

The MSF Board also received letters from State Senator Ken Horn and State Representative Amos O'Neal in support of the Nexteer Automotive Corporation project in Buena Vista Charter Township. The letters are attached to the minutes.

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported the subcommittee met twice in recent weeks to receive an overview of FY 2023 Funding Allocations and an update on SOAR-related projects. He noted Dimitrius Hutcherson has participated as a guest in the meetings and recommended that he be added as a member of the subcommittee. Charles P. Rothstein motioned for approval to add Dimitrius Hutcherson to the MSF Finance and Investment Subcommittee. 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, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported the subcommittee recently met with regional economic development organizations from around the state. It was a very productive meeting with opportunities discussed for improvement in the working relationship between the MSF and the regional partners. The subcommittee has a FY 2023 planning meeting after the MSF Board meeting and will report back to the full Board on proposed recommendations.

IV. CONSENT AGENDA

Resolution 2022-142 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: September 7, 2022
- b. CDBG Action Plan: Annual Funding – **2022-143**
- c. 20 Fathoms: Business Incubator Gateway Grant – **2022-144**
- d. MSF Administrative Services MOU Extension – **2022-145**

John Groen seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Ronald W. Beebe, recused from the next item, temporarily disconnected from the meeting; a recusal email is attached to the minutes.

V. ATTRACT, RETAIN AND GROW BUSINESS

- a. **Resolutions 2022-146 & 2022-147 Nexteer Automotive Corporation / Buena Vista Charter Township: Community Development Block Grant Program Funds and State Essential Services Assessment Exemption**

Jeremy Webb, Interim Managing Director of Business Development Projects, provided the Board with information regarding these action items. The actions involve approval of up to \$25,530,000 in Community Development Block Grant Program Coronavirus Aid, Relief and Economic Security (CARES) funds and a State Essential Services Assessment Exemption valued at up to \$2,273,225 to support a business development project in Buena Vista Charter Township, Saginaw County. The project is expected to result in private investment of up to

\$51,000,000 and the retention 1,100 jobs over the next two years related to the CDBG CARES funds, with additional investment over the next ten years related to the SESA Exemption. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-146. Dimitrius Hutcherson seconded the motion. **The motion carried: 9 ayes; 0 nays; 1 recused.**

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

Paul Gentilozzi then motioned for the approval of Resolution 2022-147. Cindy Warner seconded the motion. **The motion carried: 9 ayes; 0 nays; 1 recused.**

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

Ronald W. Beebe rejoined the meeting at 10:16 a.m.

b. Resolution 2022-148 Michigan Potash Company: Private Activity Bond Inducement (Sewage/Solid Waste)

Chris Cook, Managing 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 private activity bond financing not to exceed \$225,000,000 in connection with the company's construction of a potash and salt production plant and processing facility and corresponding infrastructure in Evart Township with reserves and operations in Osceola and Mecosta counties. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-148. 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, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

e. Resolution 2022-149 L. Perrigo Company: Michigan Business Development Program Grant Reauthorization and Amendment

Sara Bishop, Business Development Project Manager, provided the Board with information regarding this action item. The action involves reauthorization of a \$2,000,000 Michigan Business Development Program performance-based grant and approval of amendments to reduce the base employment level from 4,170 to 4,124 due to a divestiture within the company's Rx pharmaceutical business and one-year extensions of three milestones. The project is expected to result in the creation of 170 new jobs and a capital investment of up to \$44,782,094 in the City of Grand Rapids. Following discussion, Cindy Warner motioned for the approval of Resolution 2022-149. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

VI. SUPPORT FOR SMALL BUSINESS

a. Ginosko Development Company/Optimum Modular, LLC: SSBCI Michigan Business Growth Fund (MBGF) Loan Participation Program

*Chris Cook, Managing Director of Capital Access, provided the Board with information regarding this action item. The action involves approval of loan participation in an amount not to exceed \$4,990,000 to support financing of an equity bridge loan of up to \$10,000,000 for the construction and equipping of a modular housing production factory in the City of Romulus, Wayne County. Following discussion, Ronald W. Beebe motioned to table the agenda item until the next meeting of the MSF Board to allow Board members time to review and understand the funding structure of the project. Paul Gentilozzi seconded the motion. **The motion carried: 6 ayes; 3 nays; 0 recused; 1 abstained.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, Charles P. Rothstein, Cindy Warner; Nays: John Groen (on behalf of Director Corbin, designated attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designated attached); Recused: None; Abstained: Dimitrius Hutcherson

VII. DEVELOP ATTRACTIVE PLACES

a. Resolutions 2022-150 & 2022-151 411 Piquette, LLC / City of Detroit Brownfield Redevelopment Authority: Michigan Community Revitalization Program Loan Participation Award and Brownfield Act 381 Work Plan (411 Piquette Project)

*Rob Garza, Manager of Statutory Analysis, provided the Board with information regarding these action items. The actions involve approval of a Michigan Community Revitalization Program performance-based loan participation award of up to \$5,000,000, transfer of funds from the Jobs for Michigan Investment Fund for the specific purpose of this project through MCL 125.2088b(2)(c), and state tax capture for Act 381 eligible activities capped at \$883,821 to support a community development project in the City of Detroit. The project is expected to result in total capital investment of \$40,420,468. Following discussion, Cindy Warner motioned for the approval of Resolution 2022-150. John Groen seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

Cindy Warner then motioned for the approval of Resolution 2022-151. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

VIII. ADMINISTRATIVE

a. **Resolution 2022-152 FY 2023 Funding Allocations and FY 2023 Agreement Extensions**

Jill Trepkoski, Chief Financial Officer, provided the Board with information regarding this action item. The action involves approval of FY 2023 funding allocations totaling \$151,160,057 and terms of agreement extensions between the MSF and various entities for one year from their current expiration dates to allow a continuation of services and activities. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-152. John Groen seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused**

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

IX. INFORMATIONAL

Ms. Nelson noted the MSF delegated authority report for the period August 1 to August 31, 2022, was included in the meeting packet. She asked if there were any questions from Board members regarding the information; there were none.

Ms. Nelson adjourned the meeting at 11:41 a.m.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF 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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

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

Sincerely,

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

PURE *M*ICHIGAN®

From: Francart, Kevin (OCCO) <FrancartK@michigan.gov>
Sent: Monday, September 26, 2022 7:36 AM
To: Katelyn Wilcox (MEDC) <wilcoxk5@michigan.org>
Cc: Valerie Hoag (MEDC) <hoagv@michigan.org>; Ronald W. Beebe <ron@euclidindustries.com>
Subject: Nexteer MSF 9/27/22 meeting - Beebe Conflict

Katelyn, Mr. Beebe's company, Euclid, does business with Nexteer, which has a project being discussed at the September 27, 2022, MSF Board Meeting. In an abundance of caution, Mr. Beebe is going to recuse himself to avoid any appearance of a conflict. There has not been an actual conflict established.

The below email can serve as his notice to the board for your records.

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov
Cell: 517-899-6043

From: Francart, Kevin (OCCO)
Sent: Monday, September 26, 2022 7:27 AM
To: Ron Beebe <ron@euclidindustries.com>; Valerie Hoag (MEDC) <hoagv@michigan.org>
Subject: RE: Question for you

Thanks Ron. Since you are going to recuse yourself from the discussion we can skip any further analysis for a conflict check. I'll let Katelyn know so she can make the appropriate arrangements during the meeting.

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov
Cell: 517-899-6043

From: Ron Beebe <ron@euclidindustries.com>
Sent: Friday, September 23, 2022 5:34 PM
To: Francart, Kevin (OCCO) <FrancartK@michigan.gov>; Valerie Hoag (MEDC) <hoagv@michigan.org>
Subject: Re: Question for you

Answers

1. No
2. Yes
3. No
4. I don't think so, but will not speak or vote on this item.

From: Francart, Kevin (OCCO) <FrancartK@michigan.gov>

Sent: Friday, September 23, 2022 1:35:37 PM

To: Valerie Hoag (MEDC) <hoagv@michigan.org>; Ron Beebe <ron@euclidindustries.com>

Subject: RE: Question for you

Ron, a couple of questions to do the conflict check:

1. Is Euclid receiving any of the funds directly from the Nexteer incentive?
2. Does the business between Euclid and Nexteer amount to more than 2% of Euclid's annual revenue?
3. Does the relationship between Euclid and Nexteer influence your judgment in the performance of your duties or responsibilities to the MSF?
4. Would your interest in Euclid and the relationship between Euclid and Nexteer lead a reasonable person, to conclude that it may influence your judgment in the performance of your duties or responsibilities to the MSF, thus giving the appearance of improper influence?

Questions 1 and 2 are just objective facts.

Question 3 is subjective and based on your opinion and if you feel the deal would influence your judgment.

Question 4 is a reasonable person analysis that is normally done by me and the AG if there is sufficient entanglement to warrant the analysis.

Thank You

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov

Cell: 517-899-6043



COMMITTEES:

ECONOMIC AND SMALL BUSINESS
DEVELOPMENT, CHAIR
EDUCATION AND CAREER READINESS,
VICE CHAIR
ENERGY AND TECHNOLOGY,
VICE CHAIR
INSURANCE AND BANKING

MICHIGAN SENATE
KEN HORN
STATE SENATOR
32ND DISTRICT

APPROPRIATIONS SUBCOMMITTEES:

CAPITAL OUTLAY, CHAIR
TALENT AND ECONOMIC
DEVELOPMENT /MEDC, CHAIR
UNIVERSITIES AND COMMUNITY
COLLEGES, VICE CHAIR

September 26, 2022

Mr. Quentin L. Messer, Jr.
Chairperson, Michigan Strategic Fund board
300 N. Washington Sq.
Lansing, MI 48913

Dear Mr. Messer:

I write today to express my strong support for the following incentives for Nexteer Automotive Corporation projects in Buena Vista Charter Township:

- \$25,500,000 requested by the township through a Community Development Block Grant (CDBG) Coronavirus Aid, Relief and Economic Security (CARES) funds.
- A 100% State Essential Services Assessment (SESA) Exemption for the company for up to 15 years valued at up to \$2,273,225.

As you and the board are well aware, Nexteer is a critical employer and partner in Buena Vista township and all of Saginaw County. They are the largest manufacturer in my district and provide thousands of jobs that are essential to the economic health of the region.

Nexteer is taking the lead in research and development for electrification and autonomous vehicle capabilities, which serves as a prime example of why a research and development credit is also needed in Michigan if we are to remain a competitive leader in the future of mobility.

I urge the Michigan Strategic Fund Board's approval of these incentives to be paired with significant investments by the company in the next ten years and beyond. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Horn", with a long horizontal flourish extending to the right.

Ken Horn
State Senator
32nd District



95TH DISTRICT
N-1199 House Office Building
P.O. Box 30014
Lansing, MI 48909-7514
517-373-0152
AmosONeal@house.mi.gov

Michigan House of Representatives
Amos O'Neal
STATE REPRESENTATIVE

Committees:
Minority Vice Chair – Joint Capitol
Outlay
Workforce, Trades & Talent
Appropriations

September 26th, 2022

Quentin L Messer Jr.,

I write you today in support of the Nexteer Automotive Corporation expansion project in Buena Vista Charter Township.

Within our community, Nexteer is one of the key manufacturer groups that we rely on for many opportunities. The funding for this project would help to ensure that Nexteer can continue to stay competitive and offer operations within Buena Vista Township. The funds for this project would go towards essential needs, such as the purchase of equipment to support the increased demands for electric vehicles.

If awarded this funding, the project is expected to retain a minimum of 1,100 jobs and invest \$51 million through June 2024 with support from the CDBG CARES funding. I had the pleasure of touring Nexteer last month to create the opportunity for open dialog with my colleagues to help stay on top of the research and development tax credits that will also affect this company and its operations. The additional \$261 million that Nexteer plans for R&D investment over the next ten years is possible through support from the SESA Exemption. I, along with Representative Matt Hall, Representative Graham Filler, and Senator Horn were all present to help support the work that Nexteer is accomplishing within Buena Vista.

Again, please accept this letter in support and do not hesitate to contact me directly with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Amos O'Neal". The signature is written in a cursive style with a large, stylized 'O'.

Amos O'Neal
State Representative
95th House District
Michigan House of Representatives
124 North Capitol Avenue
Lansing, MI 48933
AmosOneal@house.mi.gov