



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA
February 13, 2023
12:30pm

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES**
- III. COMMUNICATIONS**
- IV. CONSENT AGENDA**
 - a. Proposed Meeting Minutes: January 24, 2023 2
- V. ATTRACT, RETAIN AND GROW**
 - Ford Motor Company 9
 - a. A resolution to approve a Critical Industry Program grant.
 - b. A resolution to approve a Renaissance Zone
 - c. A resolution to approve a Marshall Area Economic Development Alliance Jobs for Michigan Investment Fund MSF Loan.

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

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
JANUARY 24, 2023**

Members Present

Susan Corbin
Michael B. Kapp (on behalf of Acting Director Wieferich)
Paul Gentilozzi
Quentin L. Messer, Jr.

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

Mr. Messer called the meeting to order at 10:01 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. He thanked members for their service and sacrifices during an incredibly busy year in 2022.

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

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. Cori Feldpausch, an Eagle Township resident in Clinton County, expressed concern about the Lansing mega site. She believes citizens impacted by the site have not had sufficient input in what is going on in the community and they need more opportunity to offer public comments.

Kristina Dawkins also expressed concern about the Lansing mega site. She bought a farmhouse in the area about two years ago and her house is surrounded by some of the parcels that are part of the site. She is worried about the access to the Grand River, the clay bed, and water quality.

Bob Trezise, President & CEO of the Lansing Economic Area Partnership (LEAP), spoke in support of the Lansing mega site, which has been named the Michigan Manufacturing Innovation Campus that consists of approximately 1,400 acres. Michigan's lack of build-ready sites for developers shopping now for large industrial deals hurts the state's ability to land projects like electric vehicle battery and chip factories. The Lansing mega site is ideally located for these types of facilities. He feels property owners have been treated with great respect. Public hearings will be held, and citizens also will have a voice in community master planning meetings. Michigan has a unique opportunity right now to secure large projects and it is important to find the right balance between community concerns and the goal of boosting the state's competitiveness for large industrial deals.

III. COMMUNICATIONS

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

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported members met with MEDC staff to discuss the 411 Piquette, LLC in Detroit that is on the agenda, and the Uptown Reinvestment Corporation, Inc. project in Flint that will be considered at a future meeting. Subcommittee members recommended support for both projects. They also received an update on SOAR-related projects. He expressed appreciation for MEDC staff's quest to improve the due diligence process and ongoing review of projects.

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported members met to receive an update on SOAR-related and other impending large projects, and asked for additional meetings before the projects are in a public forum so board members can make informed decisions. They also discussed how to work better in 2023 with DDAs and other local authorities and expanding entrepreneurship in the state.

IV. CONSENT AGENDA

Resolution 2023-001 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: December 13, 2022
- b. LG Energy Solution Michigan, Inc.: MBDP and JRMP Reauthorization and Renewable Energy Renaissance Zone Amendment – **2023-002, 2023-003 & 2023-004**

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, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

V. DEVELOP ATTRACTIVE PLACES

a. Resolution 2023-005 AWJ Holdings, LLC: Michigan Community Revitalization Program Other Economic Assistance Loan Participation Award

Rachel Elsinga, Community Development Manager, provided the Board with information regarding this action item. The action involves approval of a \$2,270,000 Michigan Community Revitalization Program performance-based loan participation award to support a community development project in the City of DeWitt, Clinton County. The project is expected to result in total capital investment of \$4,871,789. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2023-005. 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, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

b. Resolution 2023-006 411 Piquette, LLC: Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreement Amendment

Julius Edwards, Director of Commercial Real Estate Investment, provided the Board with information regarding this action item. The action involves approval of an amendment to the Michigan Community Revitalization Program loan participation agreement to increase the award amount by \$2,045,000 to \$7,045,000 to support a community development project in the City of Detroit, Wayne County. Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2023-006. 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, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

VI. SUPPORT SMALL BUSINESS

a. Resolution 2023-007 William Davidson Foundation: Private Activity Bond Authorization

*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 issuance of private activity bond financing not to exceed \$60,000,000 for construction of a new headquarters building in the City of Bloomfield Hills, Oakland County. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2023-007. Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

VII. ADMINISTRATIVE

a. Resolution 2023-008 Strategic Site Readiness Program: Amended Guidelines

*Terri Fitzpatrick, EVP, Chief Real Estate & Global Attraction Officer, provided the Board with information regarding this action item. The action involves approval of amendments to the Strategic Site Readiness Program Guidelines to reflect program amendments included in Public Act 194 of 2022, to: 1) add a category to redevelop or remediate landfill facilities for future economic development purposes; 2) add requirements and certain criteria for consideration in the awarding of grants; 3) direct funding for specific purposes; 4) permit eligible applicants to enter into subgrant agreements to expedite site readiness; and 5) require the completion of a mega-strategic site strategic plan by a national site selection consultant. The MSF Board approved an RFP for the mega site plan on November 9, 2022, that is in process and must be completed and delivered to the Governor, Speaker of the House of Representatives, and Senate Majority Leader by April 1, 2023. The amended guidelines reflect these amendments. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2023-008. 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, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

VIII. INFORMATIONAL

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

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



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-009**

**APPROVAL OF THE FEBRUARY 13, 2023 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

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

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

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

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

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

Consent Agenda Item:

- a. Proposed Meeting Minutes: January 24, 2023

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 Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
February 13, 2023



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: February 13, 2023

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

From: Josh Hundt, Executive Vice President & Chief Projects Officer
Terri Fitzpatrick, Executive Vice President, Chief Real Estate & Global Attraction Officer

Subject: Incentive Request

Ford Motor Company (“Ford” or the “Company”) Request – Critical Industry Program (CIP) Grant Request and MSF Renaissance Zone Designation
Marshall Area Economic Development Alliance (“MAEDA”) Request– Jobs for Michigan Investment Fund MSF Loan Request

Request Summary

This is a request from the above-named entities (collectively the “Applicants”) for incentive assistance for a new electric vehicle battery manufacturing facility in Calhoun County. The project has the potential to result in the creation of up to 2,500 new jobs and a capital investment of up to \$3.5 billion.

To support this project, the Applicants are requesting the following:

- **Ford Request:**
 - CIP Performance-based Grant in the amount up to \$210 million that will support investments that will lead to the creation of 2,500 new jobs and \$3.5 billion of investment (“CIP Request”).
 - MSF Designated Renaissance Zone that will reduce both real and personal property taxes for a period of 15 years with a waiver of the PILOT requirements under the Renaissance Zone Guidelines. (“MSF Renaissance Zone Request”);
- **MAEDA Request:**
 - Jobs for Michigan Investment Fund MSF Loan in the amount of \$36 million to purchase, improve and convey Marshall site parcels in and around Calhoun County (“MSF Loan Request”).

Background

On December 20, 2021, Governor Gretchen Whitmer, in collaboration with the Legislature, labor leaders, economic development agencies and various business groups, signed a package of economic incentives that will allow Michigan to compete for, and win, transformational projects that will bring long-term economic opportunity and security to regions and communities across the state.

As Michigan continues its efforts to attract projects in key sectors of electric vehicle battery manufacturing and semiconductors, today’s request is a once in a generation investment in Michigan that would not have been possible without the creation of the Critical Industry Program. This Critical Industry Program support will ultimately secure up to \$3.5 billion investment to build a new EV battery manufacturing facility and create of 2,500 new jobs along with the development of the project site.

Project Description

Ford, through a wholly owned subsidiary, will be building a battery manufacturing plant to support its goal of producing two million electric vehicles annually by 2026. Ford will invest \$3.5 billion to construct and equip a new 2.5 million square foot facility in Marshall to manufacture batteries that will go into several of the company's key electric vehicles. The Company anticipates the creation of 2,500 quality jobs over the next several years. To support the development, MAEDA will undertake site readiness activities at the project site in Marshall that are necessary to complete time sensitive activities – including land acquisition and site improvements.

Project Impact:

The automotive industry is in an accelerated, full-fledged transition to electrified propulsion, the impact of which will be transformative and far-reaching. Battery development and production remains strategically important for the U.S. as part of the transition to a clean energy economy and as a key element of the competitiveness for the automotive industry. As electric vehicle sales continue to gain market share, the demand for batteries is ramping up with 30 percent year-over-year growth around the world.

In order to maintain automotive manufacturing relevance, let alone leadership, it is imperative for the State of Michigan to capture as much investment in the research, development, and production of advanced battery technologies as possible. Unlike traditional power train systems (e.g., engines and transmissions) Ideally, EV battery packs would be produced in proximity to vehicle assembly. Therefore, to grow Michigan's vehicle assembly opportunities, the state must ensure that there is a ready supply of nearby battery production. Further, the more the state grows its battery production capacity, the better positioned it will be to win future OEM vehicle assembly plants and related suppliers including potential chipmakers.

In addition to the direct benefits of this investment, there will also be positive supply chain impacts. Batteries require special materials to produce anodes, cathodes, and electrolyte. Michigan has a growing supply chain producing all of these components but will also have the opportunity to attract new investment with increased demand. Battery production requires highly integrated and automated manufacturing processes, providing significant growth opportunities for Michigan's automation companies. Growth within Michigan's battery supply chain will provide pathways for workers currently employed in internal combustion engine (ICE)-related firms to transition into this new, growing sector.

Employment Impact

The project will be significant to the area by bringing a large amount of well-paying manufacturing jobs to the State. The project is expected to result in the creation of 2,500 jobs. The estimated starting wage varies by the type of position and ranges from \$20/hour up to \$50/hour. It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$29.7 billion in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 20 years.

Applicant History

Ford was incorporated in Delaware in 1919. It acquired the business of a Michigan company, also known as Ford Motor Company, which had been incorporated in 1903 to produce and sell automobiles designed and engineered by Henry Ford. It is a global company based in Dearborn, Michigan. With about 173,000 employees worldwide, the Company designs, manufactures, markets and services a full line of Ford trucks, utility vehicles, and cars - increasingly including electrified versions - and Lincoln luxury vehicles; provides financial services through Ford Motor Credit Company LLC; and is pursuing leadership positions in electrification; mobility solutions, including self-driving services; and connected vehicle services.

MAEDA is a non-profit economic development alliance in the city of Marshall, Michigan that is responsible for attracting new business and industry, retaining businesses, and promoting tourism in the Marshall area.

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

Demonstrated Need

Ford has been involved in a multi-state, multi-country site selection process to determine where to locate the new battery manufacturing facility and investment. Ford is focused on the ability to meet project timelines and the most cost competitive locations when making decisions. Considerations include availability of shovel ready sites, incentives, property taxes, utility rates on renewable energy sources, and labor costs. Ford has selected competitor states for previous projects based on availability of shovel-ready sites and incentive assistance offered by those states. Incentive assistance is necessary to ensure this project moves forward in Michigan, particularly in a highly competitive environment.

In addition to MSF support, the local taxing jurisdiction also anticipate approval of a MSF Designated Renaissance Zone and a real property tax abatement under Public Act 198 of 1974.

Request

In order to secure the project in Michigan, the Applicants are requesting the following incentives:

- A \$210,000,000 CIP performance-based grant;
- A \$36,000,000 Jobs for Michigan Investment Fund MSF Loan; and
- A MSF Designated Renaissance Zone for a period of 15 years with a waiver of the PILOT requirements under the Renaissance Zone Guidelines.

The request will appropriately and necessarily address the cost disadvantage of locating the project in Michigan when compared to competing sites outside of the State which include competitive incentive offers. There is already significant competition with key competitors winning EV battery-related projects recently, including Georgia, Tennessee, Indiana, Ohio and Kansas.

The project aligns with the organization's strategic focus areas to **attract, retain and support businesses** and **foster high-wage skills growth** in the focus industries of **mobility and automotive manufacturing** and **advanced manufacturing**. The proposed project will have a profound impact on the regions surrounding Marshall site by generating thousands of jobs and a capital investment of up to \$3.5 billion.

Appendixes A and B address programmatic considerations.

Funding

The CIP will be funded through the Strategic Outreach and Attraction Reserve ("SOAR") Fund. Upon MSF approval of the recommendations for the CIP Request, the process for legislative transfer of actual funds through the SOAR Fund will be initiated to the MSF to implement funding this incentive. The \$36,000,000 MSF Loan Request will be funded through the Jobs for Michigan Investment Fund. It is anticipated that the MSF Loan Request will repaid through a future Strategic Site Readiness Program grant that will also be funded through SOAR funds. It is also anticipated the project will require a future State of Michigan appropriation to fund additional land acquisition and site development activities.

Recommendation

MEDC Staff recommends approval of the following:

- **Ford Recommendation**
Approval of the CIP Request as outlined in the attached resolution.
Approval of the MSF Renaissance Zone Request as outlined in the attached resolution.
- **MAEDA Recommendation:**
Approval of the MSF Loan Request as outlined in the attached resolution.

APPENDIX A – CIP Programmatic Considerations

Key Statutory Criteria

Per section 88s of Act 270, the MSF shall consider at a minimum all of the following criteria to the extent reasonably applicable as reasonably determined by the MSF to the type of project proposed before entering into a written agreement for a qualified investment:

- a) **The importance of the Project to the Community where it is located:**
The project will be significant to the area by bringing a large amount of well-paying manufacturing jobs to the State. The project is expected to result in the creation of 2,500 jobs and a capital investment of up to \$3.5 billion in Calhoun County. The estimated starting wage varies by the type of position and ranges from \$20/hour up to \$50/hour.
- b) **If the Project will act as a Catalyst for Additional Revitalization of the Community and in Michigan:**
The project will result in significant job creation and capital investment. It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$29.7 billion in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 20 years. This personal income will be utilized to not only support the many small businesses in the community, but will spur demand to redevelop underutilized and blighted properties in the community and the state for commercial and residential purposes.
- c) **The amount of local financial and Community Support of the Project:**
The City of Marshall anticipates approval of a 15-year Renaissance Zone and a PA 198 of 1974 (“PA 198”) tax abatement in support of the project which will help reduce the overall cost of doing the project in Michigan.
- d) **The Applicant’s Financial Need for a Qualified Investment from the CIP:**
The Company has been involved in a multi-state and multinational site selection process to determine where to locate the new facility and investment. Consideration on placement includes the availability of a shovel-ready site and costs of implementation and ongoing operations, availability of talent, utility and labor costs. Incentive assistance is necessary to defray additional costs incurred in Michigan compared to other locations.
- e) **The extent of reuse of Public or Private Vacant Buildings, Reuse of Historic Resources, and Redevelopment of Blighted Property:**
Not applicable
- f) **The Creation or Retention of Qualified Jobs as a Result of a Technological Shift in Product or Production at the Project Location and Michigan:**
All new jobs will be the result of a fundamental technological shift in production.
- g) **The level of other public funds, including but not limited to, the appropriation of federal or Michigan funds and any federal or Michigan tax credits:**
Additional incentive support includes the following: a Jobs for Michigan Investment Fund MSF Loan to MAEDA in the amount of \$36 million; a 15 year Renaissance Zone estimated to be worth \$772 million and a PA 198 property tax abatement estimated to be worth \$52 million to support the project. It is anticipated the project will require a future State of Michigan appropriation to fund additional land acquisition and site development activities.
- h) **The level of any private funds, investments, or contributions into the project, including but not limited to, the Qualified Business’s own investments in the project:**
Private capital investment is estimated to reach \$3.5 billion and will support new building construction, machinery and equipment and other personal property.
- i) **Whether and How the Project is Financially and Economically Sound:**

The project, once evaluated and approved by Ford's Board of Directors, is being financed by Ford and is financially and economically sound.

j) Whether and How the Project Promotes Sustainable Development:

Ford's investment in electric vehicles will contribute to Michigan's Healthy Climate Action Plan. Incorporating a new battery chemistry will allow Ford to manufacture more electric vehicles in pursuit of its goal to produce two million annually by 2026. In addition, Ford's goal of carbon neutrality by 2050 will encourage sustainable practices in its manufacturing facilities as well.

k) Whether and How the Project Involves the Rehabilitation of a Historic Resource:

Not applicable

l) Whether and How the Project Addresses Areawide Redevelopment and its Overall Economic Benefit to the Existing Supply Chain:

Based on an economic impact analysis of this project using REMI (Regional Economic Models Inc), this opportunity has an employment multiplier of 4.38. This means that an additional 3.38 jobs in Michigan's economy are anticipated to be created for every new direct job, due to the extensive supply chain that exists in Michigan that can support this opportunity. In addition, these new jobs are generating new income, much of which is spent at local small businesses throughout the community and the state. Over 20 years, the total direct, indirect, and induced jobs will generate over \$29.7 billion in new personal income in Michigan.

m) The Extent and Level of Environmental Contamination:

An environmental assessment of the site has been completed and shows soil conditions are suitable for construction of the planned facility.

n) Whether and How the Project will Compete with or effect Existing Michigan Businesses Within the Same Industry:

Ford is investing in a battery manufacturing plant in its pursuit of electric vehicle leadership. Ford does compete against other Michigan-based OEMs in this space. However, EV battery packs must be produced in proximity to vehicle assembly, with each OEM needing their own supply near in-state production facilities.

o) Whether and How the Project's Proximity to Rail and Utility will Impact Performance of the Project and Maximize Energy and Logistics needs in Michigan and in the Community Where the Project is Located:

This facility will utilize rail and significant amounts of energy in the manufacturing process. Having robust rail and utility infrastructure is critical to the project's success.

p) The Risk of Obsolescence of the Project, Products, and Investments in the Future:

The investment would be Ford's only LFP battery plant to support several models of electric vehicles. The electric vehicle products being supported by this batteries are an emerging and increasingly popular option for certain customers. This project represents an investment in one of the technologies of the future.

q) The Overall Return on Investment to Michigan:

In total, the project will result in over \$1.6 billion in state taxes generated for the state of Michigan over a period of 20 years. This calculation was completed using a Regional Economic Modeling Inc (REMI) model.

r) How the Project Addresses Food Supply Challenges:

Not applicable

s) Other Factors Considered:

In addition to the direct benefits of this investment, there will also be positive supply chain impacts. Battery production requires highly integrated and automated manufacturing processes, so there will be major opportunities for Michigan's automation companies. Growth within Michigan's battery supply chain will provide pathways for workers currently employed in ICE-related firms to transition into this new, growing sector.

APPENDIX B – Renaissance Zone Programmatic Considerations

PROJECT EVALUATION

Job Creation

Up to 2,500 by March 31, 2027

Private Investment

A minimum of \$3.5 billion by March 31, 2027

Size

2.5-million square feet of building and related site improvements

Tax Information

The annual savings is estimated to be between \$17M and \$66M annually less the cost of the yet-to-be determined payment in lieu of taxes.

Period of Designation

15-year designation

ADDITIONAL INFORMATION

Payment in Lieu of Taxes

The Company has agreed to enter into a payment in lieu of taxes for the duration of the designation.

Other Local Support

The City of Marshall anticipates approval of a PA 198 in support of the project.

Development Agreement

A development agreement will be entered into between Ford and the Michigan Strategic Fund.

Legislative Information

Senator: Thomas Albert - State Senate District 18

Representative: Sarah Lightner - State House District 45

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-010**

**CRITICAL INDUSTRY PROGRAM GRANT TO
FORD MOTOR COMPANY**

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (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, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF;

WHEREAS, pursuant to Section 88s of the MSF Act, MCL 125.2088s, the MSF shall create and operate the critical industry program to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result of a technological shift in product or production or make capital investments (the “Critical Industry Program”);

WHEREAS, the Critical Industry Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

WHEREAS, on January 11, 2022, the MSF Board created the Critical Industry Program and approved the guidelines for the implementation and operation of the Critical Industry Program;

WHEREAS, Ford Motor Company (the “Company”) submitted an application on January 26, 2023 seeking a Critical Industry Program grant in the amount of \$210,000,000, in order to support a capital investment of a projected \$3,500,000,000 and a minimum of 2,500 Qualified Jobs at a site in Calhoun County, in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A to this Resolution (the “Grant Request”);

WHEREAS, the MEDC recommends the MSF approve the Grant Request, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request;

WHEREAS, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF wishes to approve the Grant Request.

NOW, THEREFORE, BE IT RESOLVED, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board approves the Grant Request;

BE FURTHER RESOLVED, the MSF President and the MSF Financial Officer are authorized to take all actions necessary to request transfer of SOAR funds to the MSF to fund the Grant Request; and

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

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 Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
February 13, 2023

Critical Industry Program (“CIP”) Grant Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of Ford Motor Company and its Affiliates (collectively, the “Company” or “Ford”). “Affiliate(s)” means an entity that is wholly owned by Ford Motor Company.

The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on Company obtaining all necessary corporate approvals, and the MEDC obtaining all necessary Michigan Strategic Fund Board and State of Michigan Legislature approvals.

PROJECT SUMMARY

Scope of the Project: The Company intends to create a new electric vehicle battery manufacturing facility located within Calhoun County (the “Marshall Mega Site”). The Company expects to ramp up over the course of the next several years resulting in an expected creation of at least 2,500 new jobs and a projected investment of \$3.5 billion, to construct and equip a new facility to manufacture batteries that will go into several of the Company’s key electric vehicles (the aforementioned, collectively, the “Project”).

CIP Award Amount: A maximum grant of up to \$210,000,000 (the “CIP Award”)

Term of the Agreement: The effective date of the agreement through June 30, 2027 (the “Term”).

Overall Investment Commitment: Investment by the Company of no less than a total of \$3.5 billion in Eligible Expenses by March 31, 2027 (the “Investment Performance Deadline”) at the Project (collectively, the “Investment Commitment”).

Overall Jobs Commitment: Creation of a minimum of 2,500 Qualified Jobs (the “Overall Jobs Minimum”) at the Project, above a Statewide Base of 40,200 jobs (the “Overall Base”), on March 31, 2027 (the “Jobs Performance Deadline”), which QJ’s must have been maintained for the previous 12 months (collectively, the “Overall Jobs Commitment”).

- A “Qualified Job” or “QJ” is defined as a job that the Company creates at the Project, on or after February 13, 2023, and is performed by either: (i) a Michigan resident whose state income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident who is employed by the Company at the Project, as determined and verified by the MSF. Employees hired at the Project may not be considered a Qualified Job if the employee was previously employed by the Company at a location in the state unless the transferred or rehired employee’s job was backfilled at another location in the state but such job(s) may be counted as part of the Overall Base, if applicable.
- **Security Interest and Other Interests:** Security interests and other interests in favor of the MSF must comply with the requirements of Section 88s(4) of the MSF Act, MCL 125.2088s(4), and notwithstanding anything to contrary, may include, but is not limited to, real and/or personal property at Project, such as transfer and reconveyance rights, a mortgage, right of first offer, reverter rights, collateral in equipment, fixture, deposit account control, intangibles, inventory, or other personal property interests. Such interests will be used to secure repayment of any

amounts owed to the MSF under the grant agreement and exercise other MSF rights through the end of the Term.

GRANT DISBURSEMENTS

The CIP Award will be disbursed on a reimbursement basis for Eligible Expenses (defined below) and in accordance with the requirements set forth below up to the maximum CIP Award. The Company shall submit one or more reimbursement requests, but no more frequently than quarterly, together with a certification of the Company's compliance with the grant agreement. Requests for reimbursement will be verified by the Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds.

- "Eligible Expenses" means costs for site preparation, construction, infrastructure, development, machinery, equipment, tooling, computers, furniture, fixtures, and other such capital expenditures for the Project beginning on or after February 13, 2023. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals and entertainment expense, are not eligible for reimbursement.
- To the extent the Company requests any grant disbursements on or after March 31, 2027, but, in any event no later than June 30, 2027, the amount of the CIP Award available for disbursement based on Eligible Expenses shall be limited to the CIP Award less the value of any Repayment Amounts.

Pre-Disbursement Milestone One – Anticipated to be complete on or before June 30, 2023, with the final date to be agreed upon by the MSF and the Company ("Milestone One Deadline")

- Receipt by the Company of building pad ready site areas for the Project within the Marshall Mega Site from Marshall Area Economic Development Alliance ("MAEDA"), which areas shall be more particularly described and agreed to by the MSF and the Company.

Milestone One Disbursements – Up to \$105,000,000

If Pre-Disbursement Milestone One is completed by the Milestone One Deadline, then the Company may seek disbursement of the CIP Award on a reimbursement basis for 50 percent of the Company's Eligible Expenses up to \$95,000,000; if Pre-Disbursement Milestone One is completed after the Milestone One Deadline, then the Company may seek disbursement of the CIP Award on a reimbursement basis for 75 percent of the Company's Eligible Expenses up to \$105,000,000. The Company may begin submitting requests for reimbursement only after verification that Pre-Disbursement Milestone One has been completed, which verification is to be performed promptly in order to ensure the Company's construction and operational timelines may be achieved without delay.

Pre-Disbursement Milestone Two – Anticipated to be complete on or before October 2, 2023, with the final date to be agreed upon by the MSF and the Company ("Milestone Two Deadline")

- Receipt by the Company of additional or expanded building pad ready site areas for the Project within the Marshall Mega Site, which areas shall be more particularly described and agreed to by the MSF and the Company.

Milestone Two Disbursements – Up to \$105,00,000

If Pre-Disbursement Milestone Two is completed by the Milestone Two Deadline, then the Company may seek disbursement of the CIP Award on a reimbursement basis for 50 percent, which shall be 75 percent in the event a Pre-Disbursement Milestone One was not completed by the Milestone One Deadline, of the Company's Eligible Expenses up to an additional \$95,000,000; if Pre-Disbursement Milestone Two is completed after the Milestone Two Deadline, then the Company may seek disbursement of the CIP Award on a reimbursement basis for 75 percent of the Company's Eligible Expenses, which shall be 100 percent in the event Pre-Disbursement Milestone One was not completed by the Milestone One Deadline, of the Company's Eligible Expenses up to an additional \$105,000,000. The Company may begin submitting requests for reimbursement only after verification that Pre-Disbursement Milestone Two has been completed, which verification is to be performed promptly in order to ensure the Company's construction and operational timelines may be achieved without delay.

Changes or Delays to Completion of Pre-Disbursement Milestones

If the Company requests or requires any changes to the scope of work under the Development Agreement between it and MAEDA, or to any related project management contract between MAEDA and any subcontractor or subawardee, for development of the building pad ready site(s) for the Project, or if the Company's fails to provide timely responses to the MSF, MEDC, or MAEDA requests for information necessary to development of the pad ready site(s) for the Project that result in a delay in achieving either of the Pre-Disbursement Milestones by the due dates, then the CIP Award will be disbursed on a reimbursement basis for 50 percent of the Company's Eligible Expenses up to \$190,000,000.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company will be required to repay all or a portion of any disbursements actually received under the CIP Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis.

- **Failure to Meet Investment Commitment** – The Company's failure to satisfy the Investment Commitment will result in the Company's obligations to repay a portion of the CIP Award actually received by the Company to the MSF, which will be calculated by dividing: (A) the actual amount of demonstrated investment by the Company for the Project by (B) the Investment Commitment (the "Investment Performance Percentage"). Company shall repay the difference between (A) the amount of CIP Award actually received by the Company and (B) the amount of CIP Award actually received by the Company multiplied by the Investment Performance Percentage.
- **Failure to Meet Overall Jobs Commitment** – The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a portion of the CIP Award actually received by Company (or the remainder of such funds following any repayment that would be required by the Investment Performance Deadline). The Repayment Amount shall be calculated by the dividing (A) the Peak Overall Jobs Attained by (B) the Overall Jobs Minimum (the "Jobs Performance Percentage"). The Company shall repay the difference between (A) the amount of the CIP Award actually received by the Company and (B)

the amount of the CIP Award actually received by the Company multiplied by the Jobs Performance Percentage (the “Eligible CIP Award”). “Peak Overall Jobs Attained” is the peak number of Qualified Jobs above the Overall Base at any point within one year prior to the Jobs Performance Deadline.

- **Failure to Complete Construction of the Facility** – If the Company fails to complete the construction of the facility by the end of the Term, it may be required to repay all or a portion of state or MEDC funds utilized to purchase, develop, and transfer the any portion of the Marshall Mega Site then received by the Company, and may be required to transfer or convey to an entity designated by the MSF the such parcels in their pre-construction condition or as otherwise agreed to by the parties.
- **Sale or Transfer of Land** – The fully executed written agreement will include security or other interests and repayment language in the event land purchased by or transferred to the Company or improved utilizing any state or MEDC funding source proceeds is sold or transferred. If the Company sells or transfers any land purchased by, improved by, or transferred to the Company utilizing any state or MEDC funds, it may be required to pay all or a portion of state or MEDC funds utilized to purchase and/or improve the applicable lands.
- **Mass Relocation** – If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements actually received under the CIP Award. The Company may also be required to repay all or a portion of any state or MEDC funds utilized to purchase, improve, and transfer the portion of the Marshall mega site then received by the Company.
- **Project Abandonment** – If the Company abandons Eligible Expense activities at the Project for a period of one hundred twenty (120) consecutive days after the CIP Award is disbursed or permanently ceases production before the end of the Term, it will be required to repay a proportionate amount of disbursements actually received made under the CIP Award. The Company may also be required to repay all or a portion of any state or MEDC funds utilized to purchase, improve, and transfer the portion of the Marshall Mega Site then received by to the Company, and may be required to transfer or convey to an entity designated by the MSF the portion of the Marshall Mega Site then received in their pre-construction condition or as otherwise agreed to by the parties.
- **Company Bankruptcy or Insolvency** – If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company’s operations at the Project, it will be required to repay 100% of disbursements actually received under the CIP Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the CIP Award.
- **Material Misrepresentation** – If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of disbursements actually received under the CIP Award.
- **Misuse of Funds** – If the Company uses the CIP Award for a prohibited purpose during the Term it will be required to repay 100% of disbursements actually received by the Company under the CIP Award.

Suspension of Disbursements: The MSF may immediately suspend making disbursements of the CIP Award to the Company upon the occurrence of: (i) an event that would otherwise result in a Repayment

Amount, or (ii) an event of default, which shall be defined in the grant agreement, but shall include, without limitation, material noncompliance with the terms of the grant agreement, (iii) default in any other grant, loan, or other economic assistance agreement with the State of Michigan or (iv) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

ADDITIONAL STATE REQUIRED TERMS

- **Amendments** – As required under Section 88s(5) of the MSF Act, MCL 125.2088s(5), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written grant agreement and will otherwise comply with requirements of Section 88s(5) prior to taking any action on such amendment request.
- **Annual Compliance Certificate** – During the Term the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the grant agreement.
- **Annual Progress Report** – During the Term the Company will be required to submit annual progress reports, which shall include the total number of Qualified Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights** – During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the Grant, all at times and locations mutually agreed upon by the parties.

Other provisions. The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Critical Industry Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of Section 88s.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-011**

**APPROVAL OF AN MSF-DESIGNATED RENAISSANCE ZONE
Marshall Area Renaissance Zone**

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (the “MSF”) to designate up to twenty seven (27) renaissance zones (an “MSF-Designated Renaissance Zone”) with the consent of the city, village, or township within which the boundaries of the MSF-Designated Renaissance Zone reside;

WHEREAS, the MSF has designated twenty-four (24) of the twenty-seven (27) MSF-Designated Renaissance Zones available under the Act;

WHEREAS, Section 6(5) of the Act allows the MSF Board to choose the beginning date of an MSF-Designated Renaissance Zone designation made pursuant to Section 8a(2) of the Act, provided that the beginning date must be January 1 of a year for income tax and Michigan Business Tax purposes and December 31, for property tax purposes, and must not be more than five (5) years after the date of designation;

WHEREAS, on June 28, 2016, via MSF Resolution 2016-091, the MSF adopted guidelines for MSF-Designated Renaissance Zones (the “Guidelines”), which require, among other things, that any payment in lieu of taxes must be proportionate between the county, city, village or township, and state in which the Renaissance Zone is located unless otherwise approved by each governmental unit and the MSF Board (the “PILOT Restriction”);

WHEREAS, the MSF desires to foster economic opportunities in an area identified in or adjacent to the City of Marshall, as more particularly depicted in the map attached as Exhibit A (the “Property”);

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

WHEREAS, the MEDC recommends that MSF approve: (i) the designation of an MSF-Designated Renaissance Zone for the Property for a maximum term of fifteen (15) years, the term of which, pursuant to Section 6(5) of the Act, to begin upon the occurrence of certain conditions established by the MSF Board and that, subsequently or coincidentally, certain areas of the proposed renaissance zone on the Property have beginning dates determined upon the occurrence of certain other conditions; and (ii) waiver of the PILOT Restriction (collectively, the “Renaissance Zone Recommendation”).

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

BE IT FURTHER RESOLVED, the MSF-Designated Renaissance Zone designation for all or a portion of the Property shall start the January 1 (and the preceding December 31 for property tax purposes) approved by the MSF Fund Manager, but in no case later than five (5) years after the date of this resolution, for the portions of the Property that have met the following conditions:

1. A qualified local governmental unit has submitted an MSF Application for Creating a Michigan Strategic Fund Designated Renaissance Zone to the MEDC delineating all or a

portion of the Property to activate (the “Initial Subzone”), which includes a resolution of the applicable city, village, township, or combination thereof, consenting to the MSF-Designated Renaissance Zone designation, and such application has been approved by the MSF Fund Manager; and

2. A development agreement has been executed between the MSF and one or more business entities which will either own, lease, or operate on the Initial Subzone, to govern the terms and conditions of the renaissance zone benefits. Such development agreement shall be subject to final due diligence performed to the satisfaction of the MEDC and any applicable MSF required policies.

BE IT FURTHER RESOLVED, the portions of the Property outside of the Initial Subzone (the “Inactive Zone”) shall have a beginning date of the January 1 (and the preceding December 31 for property tax purposes) immediately after the satisfaction of the following conditions, provided that the beginning date is coincident or subsequent to when Initial Subzone begins and does not exceed five (5) years from the date of this resolution:

1. A qualified local governmental unit has submitted an MSF Application for Creating a Michigan Strategic Fund Designated Renaissance Zone to the MEDC delineating all or a portion of the Property to activate (a “Subsequent Subzone”), which includes a resolution of the applicable city, village, township, or combination thereof, consenting to the MSF-Designated Renaissance Zone designation, and such application has been approved by the MSF Fund Manager; and
2. A development agreement has been executed between the MSF and one or more business entities which will either own, lease, or operate on the applicable Subsequent Subzone, to govern the terms and conditions of the renaissance zone benefits. Such development agreement shall be subject to final due diligence performed to the satisfaction of the MEDC and any applicable MSF required policies.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions of and to execute the development agreements and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

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 Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier


Nays: None

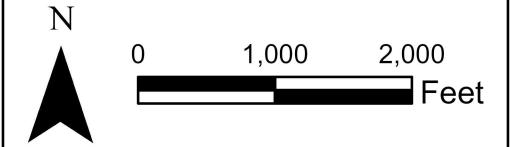
Recused: None

Lansing, Michigan
February 13, 2023

Exhibit A

Legend

 APPROXIMATE PARCEL BOUNDARY OF PARCELS WITHIN RENAISSANCE ZONE



Project Name:
**MARSHALL
 RENAISSANCE
 ZONE BOUNDARY**

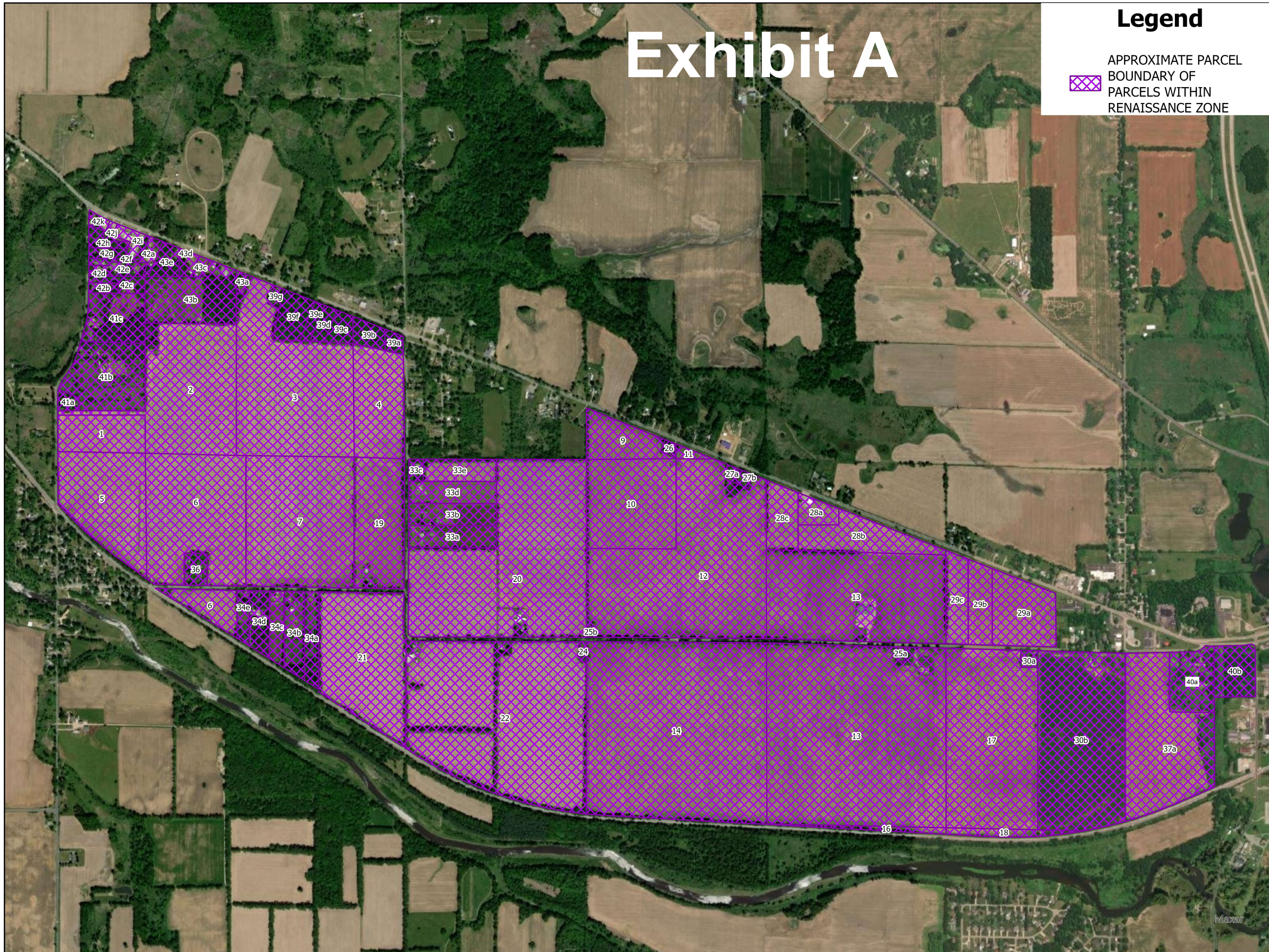
Project Location
**MARSHALL,
 MICHIGAN**

Sheet Name
**RENAISSANCE ZONE
 BOUNDARY**

No.	Revision Date
1	02-09-2023
2	
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<input type="checkbox"/>	<input type="checkbox"/>
Date	01-04-2023
CADD	T. MAHANY
Designer	A. REED
Scale	AS SHOWN
Project	091434.00
Figure No.	1

MAP NOTE: SCALE DEPICTED IS MEANT FOR 11' X 17" AND WILL SCALE INCORRECTLY IF PRINTED ON ANY OTHER SIZE MEDIA

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GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-012

JOBS FOR MICHIGAN INVESTMENT FUND LOAN TO MARSHALL AREA ECONOMIC DEVELOPMENT ALLIANCE

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (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, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF;

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

WHEREAS, pursuant to MCL 125.2088h(5)(b), the Investment Fund consists of, among other things, return on investments, return on principal, payments made, or other money received by or payable to the MSF under agreements related to grants, loans or investments made by the MSF under Chapter 8A or Chapter 8C of the MSF Act;

WHEREAS, pursuant to MCL 125.2088h(3)(a)-(e), the Investment Fund shall be invested as authorized under Chapter 8A of the MSF Act for the purpose of creating incentives for activities arising out of retaining or creating jobs, or increasing capital investment activity, or increasing commercial lending activity or encouraging the development and commercialization of competitive edge technologies, or revitalizing Michigan communities;

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

WHEREAS, pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants, loans, and investments;

WHEREAS, Marshall Area Economic Development Alliance (the “Company”) has requested a loan in the amount of \$36,000,000 (the “Loan Request”) from the Investment Fund to support its efforts to purchase real estate parcels toward enhancing economic development projects in and around Calhoun County, Michigan in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to this Resolution (the “Project”);

WHEREAS, the MEDC recommends that the MSF Board approve the Loan Request in accordance with the Term Sheet, subject to (i) available funding and (ii) final due diligence performed to the satisfaction of the MEDC (the “Loan Recommendation”); and

WHEREAS, the MSF Board wishes to approve the Loan Recommendation.

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

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Loan Recommendation and this Resolution; and

BE IT FURTHER RESOLVED, the MSF Board delegates the authority to the MSF Fund Manager to extend the Maturity Date of the Loan consistent with the terms of the Loan Recommendation and this Resolution.

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 Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
February 13, 2023

Exhibit A

MSF Loan Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential loan by the Michigan Strategic Fund (the “MSF” or “Lender”) in favor of the Marshall Area Economic Development Alliance (“Company” or “Borrower”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written Loan agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on Company obtaining all necessary corporate approvals, and the MEDC obtaining all necessary Michigan Strategic Fund Board approvals.

Scope of the Project: The Company will purchase, improve and convey real property consisting of Marshall mega-site parcels in and around Calhoun County, Michigan toward enhancing economic development projects in Michigan (the “Project”).

MSF Incentive: Term Loan

Borrower: Marshall Area Economic Development Alliance

Loan Amount: \$36,000,000 (“Loan”)

Interest Rate: The principal sum outstanding shall bear interest at a fixed rate per annum equal to one percent (1%) per annum (except in the Event of Default), which is anticipated to be calculated on the basis of a 365-day year. All interest hereunder shall begin accruing on January 1, 2027.

Default Interest Rate: After an event of default, including failure to pay upon final maturity, the interest rate on the outstanding balance shall be equal to seven percent (7%) per annum.

Payment/Maturity: Borrower shall pay the outstanding balance of principal and accrued interest of the Loan (“Loan Balance”) on the first to occur of: (i) Borrower’s receipt of funding for the Project from State of Michigan appropriations, or (ii) December 31, 2028 (“Maturity Date”). Provided however, the Maturity Date may be extended for up to sixty (60) month intervals, upon request of the Borrower. Notwithstanding anything to the contrary, after purchase by the Borrower of real property for the Project, Borrower shall pay the proceeds of such subsequent conveyance, net of reasonable and customary closing costs, on the then outstanding Loan Balance.

Security: The Borrower shall, coincident with the Borrower’s closing on the purchase of each of the real property parcels for the Project, grant security interests in the real property to the MSF, including securing MSF rights to direct the conveyance of such real properties to an entity designated by the MSF. The Borrower will sign all ancillary security and other instruments acceptable to the Borrower and the MSF. Such interests for the MSF will be used to exercise rights in and to the parcels, and/or to direct the conveyance of such real property to an entity designated by the MSF and to secure the repayment of any amounts owed to the MSF under the Loan.

Additional State Required Terms:

- **Acceleration:** The Maturity Date and/or all indebtedness owed the MSF under the Loan may be accelerated for events of default, which shall include, but not limited to, the Borrower's failure to comply with any the Loan agreement or any other of its contracts arising out of the Project.
- **Annual Compliance Certificate:** Until the Loan Balance is paid in full, the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Loan agreement.
- **Annual Progress Report:** Until the Loan Balance is paid in full, the Company will be required to submit annual progress reports, which shall include the total number of jobs created at the Project, the average annual salary of jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights:** While the Loan is outstanding and for a period of three years thereafter, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the Loan, all at times and locations mutually agreed upon by the parties.
- **Other provisions:**
 - The Loan agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification as permitted by law, non-discrimination and unfair labor practices, cross-default, termination of funding and any other requirements of the Michigan Strategic Fund Act or the MSF Board.
 - The Loan agreement will include duties and other obligations of the Borrower, including without limitation, as to permitted activities, use of Loan proceeds according to a Project budget, the purchase and subsequent conveyance of any real property for the Project on specified timelines, and requiring that the Borrower's rights in the real property may only be conveyed to an entity designated by the MSF. Additionally, prior to closing on each land transaction, Borrower shall cooperate, collaborate and submit for review proposed real estate closing documents, including proposed closing statements, and forms of deeds, to the MEDC Legal and Compliance division.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File