



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA September 22, 2020 9:00 a.m.

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 – August 25, 2020	3
	b. MSF-MEDC Administrative Services MOU.....	11
	c. Designation of MSF Fund Manager	15
V.	CAPITAL ACCESS	
	a. DTE Electric Company: Resolution to authorize an Inducement Resolution in the amount of \$500,000,000.....	22
	<i>Locations: City of Monroe, City of Trenton, East China Township, City of River Rouge</i>	
	b. Gerdau Macsteel, Inc.: Resolution to authorize an amendment to extend the approved Solid Waste Inducement Resolution project expiration date.	29
	<i>Location: City of Monroe</i>	
VI.	BUSINESS INVESTMENT	
	a. Gerber: Resolution to authorize an MSF Designated Renaissance Zone for ten years	34
	<i>Job Creation: 50 jobs; Capital investment: up to \$36,000,000; Location: City of Fremont</i>	
	b. 400 Island Avenue LLC: Resolution to authorize a Brownfield Act 381 Work Plan in the amount of \$1,050,133.....	42
	<i>Job Creation: 15 jobs; Capital investment: \$12,000,000; Location: City of Parchment</i>	
	c. International Trade – SBA STEP: Resolution to accept an award of up to \$1,350,000 from the U.S. Small Business Administration (SBA), authorize up to \$450,000 in required match funds and to approve FY21 guidelines	55
	d. International Trade – MI-PEP: Resolution to approve the Michigan Project Exception Program (MI-PEP) FY21 program eligibility guidelines	62
VII.	COMMUNITY VITALITY	
	a. Exchange Development: Resolution to authorize a Brownfield Act 381 Work Plan in the amount of \$2,553,172.....	68
	<i>Capital investment: \$64,623,450; Location: City of Detroit</i>	
	b. Island City Parks Improvement: Resolution to authorize a Community Development Block Grant in the amount of \$2,905,898.....	80
	<i>Project Investment: \$4,124,203; Location: City of Eaton Rapids</i>	

c.	Michigan Avenue Placemaking Project: Resolution to authorize a Community Development Block Grant in the amount of \$1,968,130	87
	<i>Project Investment: \$3,598,034; Location: Village of Paw Paw</i>	
d.	James Street Plaza and Legacy Park Project: Resolution to authorize a Community Development Block Grant Public Facilities grant agreement in the amount of \$2,123,190 ...	96
	<i>Project Investment: \$2,512,900; Location: City of Ludington</i>	
e.	CDBG Infrastructure Funding Round: Resolution to approve \$10,613,314 in Community Development Block Grant funds ...	106
f.	CDBG COVID-19 (CARES) Funding Allocations: Resolution to approve \$19,885,924 of the Community Development Block Grant Coronavirus Aid, Relief and Economic Security Act (CARES) funding to fund COVID related projects	112

***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
August 25, 2020**

Members joined remotely

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

I. CALL TO ORDER

Mr. Burton called the meeting to order at 10:02 a.m. The meeting was held virtually via Microsoft Teams due to the COVID-19 pandemic. He noted the agenda format has been updated and a description has been added for items under consideration to be more transparent.

II. PUBLIC COMMENTS

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

III. COMMUNICATIONS

Katelyn Wilcox advised Board members that there is a revised resolution for the Vandenberg Center redevelopment project, which was shared electronically with them prior to the meeting. She also advised Board members that comments were received from several stakeholders in support of the Michigan Small Business Development Center request to shift funds from the Emerging Technology Fund (ETF) to the Business Accelerator Fund (BAF); the comments were shared electronically with Board members and are attached to the minutes.

IV. CONSENT AGENDA

Resolution 2020-096 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes – July 28, 2020
- b. International Trade Small Business Services Agreements: No-Cost Contract Extension – **2020-097**
- c. International Trade Foreign Office: No-Cost Contract Extension – **2020-098**
- d. Michigan Manufacturing Technology Center Support Services: No-Cost Contract Extension – **2020-099**
- e. Third and Grand LLC: Michigan Community Revitalization Program Loan Participation Amendment – **2020-100**

Susan Tellier seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Paul Gentilozzi joined the call at 10:22 a.m.; September Hargrove left the call briefly and rejoined at 10:28 a.m.; and Jeff Donofrio joined the call at 10:30 a.m.

V. BUSINESS INVESTMENT

a. Resolution 2020-101 Detroit Manufacturing Systems, LLC: Jobs Ready Michigan Program Grant

Jibran Ahmed, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a \$1,500,000 Jobs Ready Michigan Program performance-based grant. The project is expected to result in the creation of 225 new jobs and a capital investment of up to \$31,900,000 in the City of Detroit. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2020-101. Charles P. Rothstein seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

b. Resolutions 2020-102 & 2020-103 Clearcover Inc.: Michigan Business Development Program Grant and Jobs Ready Michigan Program Grant

Jibran Ahmed, Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of a \$3,500,000 Michigan Business Development Program performance-based grant and a \$400,000 Jobs Ready Michigan Program performance-based grant. The project is expected to result in the creation of up to 303 new jobs and a capital investment of up to \$5,000,000 in the City of Detroit. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2020-102. Charles P. Rothstein seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

Andrew Lockwood then motioned for the approval of Resolution 2020-103. Cindy Warner seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

c. Resolution 2020-104 Porter Hills Presbyterian Village, Inc.: Bond Authorizing

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves adoption of a resolution to authorize refunding bonds not to exceed \$20,000,000. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2020-104. September Hargrove seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

d. Resolution 2020-105 Michigan Small Business Development Center: Transfer of Funds

Maggie McCammon, Portfolio Manager, provided the Board with information regarding this action item. The action involves transferring \$700,000 from the Emerging Technology Fund (ETF) program to the Business Accelerator Fund (BAF) program to meet changed economic needs. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2020-105. Susan Tellier seconded the motion. The motion carried: 11 ayes; 0 nays; 0 recused

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

VI. COMMUNITY VITALITY

a. Resolution 2020-106 City of Grand Rapids Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Vandenberg Center Redevelopment Project)

Dana Kollewehr, Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$4,431,657 to support a redevelopment project in the City of Grand Rapids. The project is expected to result in total capital investment of \$134,713,558. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-106. Cindy Warner seconded the motion. The motion carried: 11 ayes; 0 nays; 0 recused.

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

b. Resolution 2020-107 City of Detroit Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Royal Palm Detroit Redevelopment Project)

Dominic Romano, Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$2,521,176 to support a redevelopment project in the City of Detroit. The project is expected to result in total capital investment of \$50,314,900. Following discussion, Jeff Donofrio motioned for the approval of Resolution 2020-107. Andrew Lockwood seconded the motion. The motion carried: 11 ayes; 0 nays; 0 recused.

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

c. Resolutions 2020-108 & 2020-109 City of Detroit Brownfield Redevelopment Authority / Life is a Dreamtroit, LLC: Brownfield Act 381 Work Plan and Michigan Community Revitalization Program Direct Loan (Life is a Dreamtroit Development Project)

Dominic Romano, Community Assistance Team Specialist, provided the Board with information regarding these action items. The actions involve approval of state tax capture for Act 381 eligible activities capped at \$1,264,729 and two Michigan Community Revitalization Program performance-based direct loans totaling up to \$2,493,900 to support a development project in the City of Detroit. The project is expected to result in total capital investment of \$19,759,028. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-108. Michael B. Kapp seconded the motion. The motion carried: 11 ayes; 0 nays; 0 recused.

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

Jeff Donofrio then motioned for the approval of Resolution 2020-109. Cindy Warner seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

Mr. Burton adjourned the meeting at 12:04 p.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

COMMENTS FROM STAKEHOLDERS SUPPORTING SBDC REQUEST TO SHIFT FUNDS FROM EMERGING TECHNOLOGIES FUND (ETF) TO BUSINESS ACCELERATOR FUND (BAF)

Frank Urban, Director, Venture Creation – Life Science, Spartan Innovations:

“Our immediate needs are with the BAF as most of our SBIR/STTR applications would likely receive funding next year and not this year. Also, getting that early support from BAF is more critical for our companies. We need to get the business, strategy, IP, financial and development plans established first and then go after the funding to execute those plans using SBIR/STTR dollars, not the other way around. Thus, not having access to BAF can actually hinder or delay our SBIR/STTR efforts. I would be happy to discuss further with anyone that has questions/concerns. Thank you for your continued support and commitments to our startup programs!”

(see page 2 for Spartan Innovations pipeline of BAF companies)

Michael Psarouthakis Director - UM Tech Transfer Venture Center:

“While ETF has benefitted several University of Michigan spinouts over the years, I do support the SBDC’s request to shift funds from ETF to BAF. I’ve reviewed the numbers with SBDC and am confident that even after the shift, there will be sufficient ETF funding available for all eligible SBIR/STTR recipients in 2020. Furthermore, BAF is an important program that serves the same niche of early stage tech companies. For example, Asalyxa Bio recently received BAF support to help commercialize University of Michigan technology that will treat COVID-19 patients with acute respiratory distress.”

Kris Bergman, Managing Partner, BBC Entrepreneurial Training and Consulting:

“BBCetc is supporting the request to shift funds from ETF to BAF. 2020 has been a most unusual and unpredictable year for SBIR/STTR funding. The largest funding agencies, DoD, NIH and NSF were forced to change their focus mid budget year to the COVID-19 pandemic. That shift has required resources that would normally focus on SBIR/STTR funding and management. Federal agencies have been slow to process and award pending applications. The result is lower than normal ETF awards made. While the Michigan SBIR/STTR Assistance program has a large pipeline of companies applying for funding in 2020 the majority will not receive funding notices until 2021. Having reviewed the ETF budget with Phil, it is clear that, due to the circumstances, there will be a substantial surplus of dollars this budget year. The BAF program is an important program that provides great value to the entrepreneurial community and the funds for the program are fully committed. Moving funds from ETF to BAF will support small businesses to further advance technology development.”

J. Kevin McCurren, Commercialization Program Director, Gateway Grand Rapids Michigan State University:

“The BAF is critical to the entrepreneur ecosystem and our ability to help early stage companies for several reasons:

1. Companies that are in their earliest stages often cannot raise outside funds because they are too early in their development for an investor. An early stage investor (I have been member of the Grand Angels for 10+ years) generally judges an early stage investment on growth prospects, protection from competitors, traction, business model and management team. We often use BAF funds to overcome weaknesses. This includes filing IP, creating first sales, proving their business model or hiring a temporary CEO.
2. The second reason that the BAF is critical is that it drives early stage companies to the SmartZones and their resources when they are in their earliest stages. When they are in an early stage, the SmartZones can lay out a capital strategy and development plans when the company is young, avoiding critical, company ending mistakes. We also develop a relationship early in their development which lasts till the company is self-sustaining.”

Bill Mayer, Vice President, Entrepreneur Services, Ann Arbor SPARK:

“What is really amazing about this special program is that it works outside of the regular maximums by which companies are normally bound. This additional flexibility and focus on our local companies working to be part of the solution to this pandemic is part of why we exist as economic developers. Thank you for creating this program and if it is re-funded we will be submitting seven more applications under the category two {advanced technology} Covid-19 related innovations.”

SPARTAN INNOVATIONS BAF PIPELINE

If funds are reallocated from ETF to BAF, Spartan Innovations, in partnership with LEAP plans to submit BAF proposals for the following companies

- Fibrosis: \$35k
- IASO: \$15k
- Nimble Acoustics: \$15k
- Vertexer: \$15k
- AZ Solutions: \$15k
- GEL Studios: \$40k
- MAID3: \$15k
- Tarn BioSciences: \$15k
- Lansing BioSciences: \$15k



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Mark Morante, MSF Fund Manager

Subject: Request to Extend Administrative Services Memorandum of Understanding

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) extend the term of the Memorandum of Understanding (“MOU”) for administrative services to September 30, 2021 and allocate up to 4% of the Annual Appropriation from the 21st Century Jobs Trust Fund to the MEDC to provide administrative services to the MSF for fiscal year 2021, with such funding allocation subject to approval of the State’s fiscal year 2021 budget (the Request”).

Background

On January 25, 2006, the MSF and the MEDC entered into a MOU for the purpose of specifying responsibilities between the MSF and the MEDC in administering the 21st Century Jobs Trust Fund initiative and other programs operated and/or created by the MSF. The MOU was amended each successive year to our current fiscal year.

Every year, the MSF Board is asked to accept and allocate funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. These funds are to be used for business attraction and community development programs and activities, the entrepreneurship ecosystem, and the Pure Michigan campaign as well as business marketing and administration.

Recommendation

MEDC staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND BOARD

**RESOLUTION
2020-111**

EXTENSION OF MEMORANDUM OF UNDERSTANDING BETWEEN THE MICHIGAN STRATEGIC FUND AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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

WHEREAS, at its January 25, 2006 meeting, the Michigan Strategic Fund (the “MSF”) Board approved the Memorandum of Understanding (subsequently amended at its July 13, 2006, September 26, 2007, September 24, 2008, September 30, 2009, September 22, 2010, September 21, 2011, September 27, 2012, October 23, 2013, September 17, 2014, September 22, 2015, September 27, 2016, September 26, 2017, August 28, 2018 and September 24, 2019 meetings) between the MSF and the Michigan Economic Development Corporation (the “MEDC”) describing the administrative services associated with the 21st Century Jobs Trust Fund programs to be provided by the MEDC to the MSF (the “MOU”);

WHEREAS, consistent with the terms of the MOU, the MEDC and MSF desire to extend the effective date of the MOU through September 30, 2021; and

WHEREAS, to appropriately and fully fund such administrative expenses, the MSF Board believes it is reasonable to exercise its discretion pursuant to MCL 125.2088b(3), and as otherwise may be provided under the MSF Act, MCL 125.2001 et. seq., as may be amended from time to time (the “MSF Act”) to authorize an expenditure of four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund for administrative expenses for fiscal year 2020-2021.

NOW, THEREFORE, BE IT RESOLVED, subject to the control and direction of the MSF Board, the MEDC shall provide administrative services through September 30, 2021 for all 21st Century Jobs Trust Fund programs, other programs and activities administered by the MSF, and programs and activities additionally included and described in the Michigan Strategic Fund Act;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to sign an amendment to the MOU extending the term of the MOU to September 30, 2021; and

BE IT FURTHER RESOLVED, that the MSF Board, acting pursuant to the MSF Act, authorizes four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund to be incurred for administrative costs related to the administration of programs and activities authorized under the MSF Act for fiscal year 2020-2021.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
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January 16, 2020

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

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020
To: Michigan Strategic Fund Board
From: Mark Morante, MSF Fund Manager
Subject: Designation of Fund Manager

Request

The Michigan Economic Development Corporation (“MEDC”) recommends that the Michigan Strategic Fund (“MSF”) Board designate Valerie Hoag as Fund Manager, effective October 1, 2020 (the “Request”).

Background

On May 19, 2020 the MSF Board designated Ms. Hoag as the Alternate Fund Manager in order to provide cross-training and succession planning for the position of Fund Manager, which a critical role and function within the organization. The position is currently held by Mark Morante, who is retiring at the end of October.

Ms. Hoag and Mr. Morante have worked closely together and with members of the board over the past six months on training over the various duties and functions performed by the MSF Fund Manager. At this time and in anticipation of Mr. Morante’s retirement, the MEDC recommends designating Ms. Hoag as the Fund Manager effective October 1, 2020.

Recommendation

MEDC staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-112**

DESIGNATION OF FUND MANAGER

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

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

WHEREAS, the MEDC recommends that the MSF Board designate Valerie Hoag as the Fund Manager, effective as of October 1, 2020.

NOW, THEREFORE, BE IT HEREBY RESOLVED, the MSF Board designates Valerie Hoag as the Fund Manager, effective as of October 1, 2020; and

BE IT FURTHER RESOLVED, that previous designations for the position of Fund Manager are hereby rescinded.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

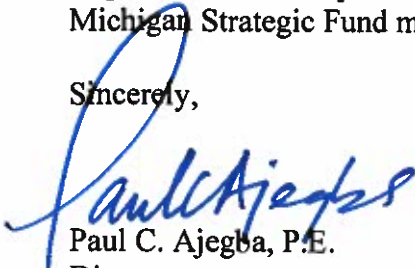
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-110**

**APPROVAL OF THE SEPTEMBER 22, 2020 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

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

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

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

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

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

Consent Agenda Items:

August 25, 2020 MSF Board Meeting Minutes
MSF-MEDC Administrative Services MOU
Designation of MSF Fund Manager

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

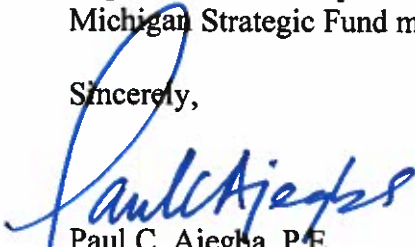
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Chris Cook, Director of Capital Access

Subject: Private Activity Bond – Bond Inducement
DTE Electric Company
Solid Waste – \$500,000,000 – New

Request

DTE Electric Company (“DTE”) is requesting private activity bond financing for the purpose of issuing bonds for certain solid waste facilities.

Background

DTE Electric Company is a Michigan corporation organized in 1903 and an indirect wholly-owned subsidiary of DTE Energy Company. DTE Electric Company is a wholly-owned subsidiary of DTE Electric Holdings, LLC which is a wholly-owned subsidiary of DTE Energy Company. DTE Electric Company is a public utility engaged in the generation, purchase, distribution and sale of electricity to approximately 2.2 million customers in southeastern Michigan. DTE Electric Company is regulated by the Michigan Public Service Commission and certain activities of DTE Electric Company are regulated by the Federal Energy Commission.

DTE has approximately 4,900 employees as of December 31, 2019.

Description of Project:

DTE is requesting tax-exempt financing for certain solid waste exempt facilities, as permitted under the Internal Revenue Code of 1986, in order to fund various projects in compliance with the EPA’s Effluent Limitation Guidelines (“ELG”) and provisions of the coal combustion residuals (“CCR”) rule. These projects involve capital expenditures pertaining to various solid waste facilities, including the treatment, handling and relocation of fly ash, bottom ash and flue-gas desulfurization (“FGD”) waste water at the Monroe Power Plant located in the City of Monroe, County of Monroe; the Sibley Quarry Landfill Ash Disposal facility located in the City of Trenton, Wayne County; the St. Clair and Belle River Power Plants located in East China Township, St. Clair County; the Range Road Landfill Ash Disposal facility located in East China Township, St. Clair County; and the River Rouge Power Plant located in the City of River Rouge, Wayne County.

The Proposed projects include:

1. Monroe Dry Fly Ash Conversion Project

The EPA's ELG dictates that the Monroe Power Plant must cease using water to transport fly ash to the fly ash basin by December 31, 2023. This project ensures ELG compliance by adding and upgrading major plant components to replace current wet transport system with a dry system that reliably collects and transports fly ash to two collection silos. The project scope includes:

- a. Replacing existing dry-handling components of Monroe generating units 1 and 2 to allow for the reliable collection and transportation of fly ash;
- b. Modifying hoppers, valves and piping on all units to ensure reliable flow of ash to load-out silos;
- c. Installing new dry-hauling system on units 3 & 4 comprising major equipment such as filter separators, exhausters, pressure blowers, electrical and piping.
- d. Adding new 4,000-ton storage and loadout silo for units 3 & 4 with cross tie with existing units 1 & 2 silo for system redundancy.

DTE Electric has selected Midwest Power Constructors, a joint venture between AECOM and Barton Malow, as the engineering, procurement, and construction ("EPC") provider. Project completion 2023.

2. Monroe Bottom Ash Closure Project

This project is required to attain compliance under the forced-closure provisions of the coal combustion residuals ("CCR") rule. The project will "clean-close" the inactive bottom ash basin at Monroe Power Plant by removing 1.5 million cubic yards of material and transporting to DTE Electric Company's Sibley Quarry Landfill fly ash storage basin in Trenton, Michigan. The project also includes infrastructure upgrades and fill plan modifications at Sibley Quarry Landfill Ash Disposal facility in order to accept this large amount of material. The project scope includes:

- a. Infrastructure upgrades including adding drain systems and road improvements and material handling equipment at Monroe Power Plant and Sibley Quarry Landfill Ash Disposal facility.
- b. Removal and transportation of fly ash from Monroe Power Plant to Sibley Quarry Landfill Ash Disposal facility.

Timing for the project will be in compliance with CCR rules which require the latest possible closure date of September 30, 2025.

3. Other ELG Compliance Projects

DTE Electric Company is also assessing ELG compliance projects to address Bottom Ash and FGD Wastewater at Monroe Power Plan, and Bottom Ash at Belle River Power Plant.

4 Other CCR Compliance Projects

DTE Electric is also assessing CCR compliance projects to address Fly Ash Impoundment at Monroe Power Plant and Bottom Ash Impoundment at Belle River Power Plant, the St. Clair Power Plant, the River Rouge Power Plant, and the Sibley Quarry Landfill Ash Disposal facility and Range Road Landfill Ash Disposal Facility.

Plans of Finance:

DTE intends to public offer bonds from time to time in several separate issues as the Company's judgement appears to be economic. DTE will engage the services of a regional or national investment banking company or companies to act as underwriter or placement agent for the several issues.

Recommendation

After reviewing the private activity bond application for DTE Electric Company, staff finds this project to meet the requirements for an Inducement Resolution in an amount of \$500,000,000.

MICHIGAN STRATEGIC FUND

INDUCEMENT RESOLUTION

2020-113

DTE Electric Company Project

WHEREAS, DTE Electric Company ("DTE") a Michigan corporation, is a wholly-owned subsidiary of DTE Electric Holdings, LLC which is a wholly-owned subsidiary of DTE Energy Company (the "Borrower"):

WHEREAS, the Borrower desires to finance the costs of funding various projects in compliance with the EPA's Effluent Limitation Guidelines ("ELG") and provisions of the coal combustion residuals ("CCR") rule. These projects involve capital expenditures pertaining to various solid waste facilities, including the treatment, handling and relocation of fly ash, bottom ash, and flue-gas desulfurization ("FGD") waste water at the Monroe Power Plant located in the City of Monroe, Monroe County; the Sibley Quarry Landfill Ash Disposal facility located in the City of Trenton, Wayne County; the St. Clair and Belle River Power Plants located in East China Township, St. Clair County; the Range Road Landfill Ash Disposal Facility located in East China Township, St. Clair County; and the River Rouge Power Plant located in the City of River Rouge, Wayne County.

WHEREAS, the Borrower has applied to the MSF for a loan (the "Loan") to finance the Projects as defined in 1984 PA 270 (the "Act");

WHEREAS, the Borrower has advised the MSF that the cost of the Projects will not exceed Five Hundred Million Dollars (\$500,000,000);

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

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

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

1. The MSF intends to provide the Loan to the Borrower subject to the conditions of this Resolution.
2. The Loan shall be designated for the Projects in accordance with the Borrower's Tax-Exempt Application Form dated June 18, 2020.
3. The maximum principal amount of the bonds (the "Bonds") expected to be issued to provide the Loan to finance the Projects shall not exceed Five Hundred Million Dollars (\$500,000,000). The Borrower shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the Bonds under applicable federal and state laws, and b) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.
5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.

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

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

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

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

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

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

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

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

ADOPTED

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

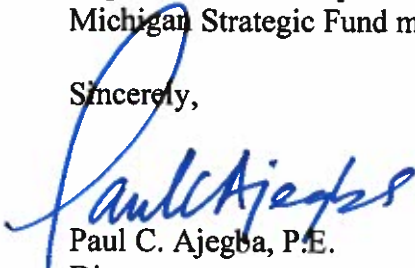
February 3, 2020

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

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Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



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LANSING

GRETCHEN WHITMER
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RACHAEL EUBANKS
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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Chris Cook, Director of Capital Access

Subject: Private Activity Bond –
Gerdau Macsteel, Inc. – Solid Waste – Amend Inducement
To Extend Expiration Date

Request

Gerdau Macsteel, Inc. (“Gerdau”) is requesting an amendment of a previous inducement for a solid waste \$80,000,000 approved project on September 25, 2018. Gerdau is requesting the prior inducement expiration date be extended to September 22, 2022.

The extension is being requested due to the adverse economic impact of COVID-19 on the steel industry and the uncertainty of future demand. Construction of the described project has been delayed accordingly. However, some construction expenditures have been made and more are anticipated, which makes the extension of the 2018 inducement critical in order to ensure that such expenditures can be included in the financing.

Background

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

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

Description of Project:

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

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

Recommendation

Staff recommends the approval of the amending resolution to extend the expiration date for the inducement resolution to September 22, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-114**

GERDAU MACSTEEL, INC.

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

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

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

WHEREAS, the Borrower requests that the Fund amend Resolution 2018-156 to extend the expiration date of the inducement resolution from September 25, 2020 to September 22, 2022.

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

1. Resolution 2018-156 is amended to change the induced project expiration date from September 25, 2020 to September 22, 2022.
2. This resolution shall become effective upon adoption.

Adopted:

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

Nays: None

Recused: None

September 22, 2020
Lansing Michigan



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

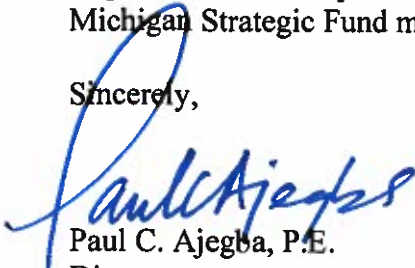
February 3, 2020

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Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund (“MSF”) Board

From: Julia Veale, Business Development Project Manager

Subject: Newaygo County (the “Applicant”) – Gerber Products Company (the “Company”)
MSF Designated Renaissance Zone

Request Summary

- This is a request from the Applicant for an MSF Designated Renaissance Zone for ten (10) years for the Company in the city of Fremont, Newaygo County.
- This project involves the creation of 50 Qualified New Jobs, and a capital investment of up to \$36 million in the city of Fremont, Newaygo County.

Background

The Company is a subsidiary of Nestle USA, Inc. and is a global baby foods and baby products company headquartered in Arlington, Virginia. Since 1927, Gerber has been a trusted name in baby food and baby care, as shown by Gerber’s commitment to promoting nutrition and healthy eating habits for children. Gerber owns ten baby food facilities, with two located in the United States in Fremont, Michigan and Fort Smith, Arkansas.

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

The Company was designated a 15-year Agricultural Processing Renaissance Zone (“APRZ”) commencing in January of 2009 with expiration in December of 2023. In June of 2019, the APRZ was revoked due to the Company's failure to create and maintain headcount. The reason for the reduction in head count was that after Nestle acquired Gerber, it transitioned 400-500 employees from Gerber Life Insurance to Western and Southern Financial (formerly owned by Gerber Life Insurance), which was not an entity covered under the original agreement. The jobs are still in Fremont; however, they could not be counted for an APRZ.

Project Description

The Company is currently evaluating options to maintain future US operations and product viability, which will lead to transformation and optimization of Gerber's fixed cost structure, pricing and headcount as well consolidation of duplicate product lines. As part of this optimization the company is exploring where to locate an aseptic line for purees that is currently operating in both Fort Smith, Arkansas and Fremont, Michigan. The line has experienced decline in sales of approximately 50% over a five year period due to the reduction in the baby population and other competitive factors such as more people choosing to make their own food at home versus purchasing. Consolidation of the products lines will reduce cost and will still allow the company to keep up with customer demands. The Company is also evaluating where to place a freeze dry yogurt line that is currently on the West coast; the new freeze dry line would require the creation of 50 new jobs.

If the Fremont location is chosen, the new freeze dry line will add approximately 50 new jobs over the next two years and Fremont will be the location selected for future new product lines and programs, positively impacting the local supply chain and ensure that Fremont will become the hub for new programs and technologies in the future. The Company's goal is to make the selected location the most globally competitive plant in its North American portfolio. If the company locates the project in Fort Smith, the Fremont location will have to reduce employment by 100 and over time the aseptic line will phase out, which would result in job loss of approximately 300 total and consideration for future investment and job creation would go to Fort Smith.

Employment Impact

Gerber is the largest employer in the Fremont area, which is a rural community with a population of approximately 4000 people. The Company offers competitive wages and benefit packages. The investment in the Fremont plant will solidify the Company's presence in Fremont as the "baby food capital of America" and will secure future opportunities for new technologies and investment over the competing site in Fort Smith, Arkansas. The investment is important for continued relationships with Michigan growers and suppliers and to strengthen the regionally significant Agribusiness industry.

Demonstrated Need

The Company is considering either Fort Smith or Fremont for the consolidation and expansion. Due to the decline in sales and potential phase out of an aseptic line, the Company must increase efficiencies and technology for the aseptic lines.

The decision on where to locate is being made by the parent Company, (Nestle). Nestle is taking the following into consideration when making its final decision: overall cost of doing business, tax structure, and incentive assistance. The Arkansas location provides the company with more capacity; lower energy costs and Arkansas has offered the company a retention incentive.

However, the company would like to locate in Fremont where they have existing operations and strong relationships with the community. Michigan also provides a better corporate income tax rate and personal property is not taxed at industrial processing facilities.

Request

The MSF Designated Renaissance Zone is necessary to address the cost barriers associated with expanding within Fremont versus locating this project in Arkansas. Incentive assistance is necessary to offset a portion of the financial disadvantages of locating in Michigan and to compete with the Arkansas's retention tools. Along with the property tax savings the company is already realizing, the MSF Designated Renaissance Zone incentive is vital in order to secure 50 jobs along with any future investment and job creation in Michigan.

This project is consistent with the MEDC's Strategic Plan goal of attracting, retaining, and supporting businesses. The project will secure future growth of a strong corporate citizen and community partner in the industry of agricultural processing. The jobs being created will offer opportunities to residents of geographically disadvantaged areas where many employees reside, and supplying farms are located.

Appendix A addresses the programmatic requirements.

RECOMMENDATION

MEDC Staff recommends the following:

- 1) Approval of the requested renaissance zone for 10 years;
- 2) Agreement to the Payment in Lieu of Taxes arrangement to the City of Fremont, to the exclusion of the State and the County;
- 3) Execution of a Development Agreement between Gerber Products Company and the MSF which incorporates the terms and conditions set forth in the resolution (collectively, the "Request"). MEDC Staff further recommends that the MSF Fund Manager be authorized to execute all documents necessary to effectuate the Request; and
- 4) Commitment will remain valid for 120 days with approval for MSF Fund Manager to extend the commitment an additional 60 days.

APPENDIX A

PROPERTY DESCRIPTION

The Applicant has made application on behalf of Gerber Products Company for a MSF Designated Renaissance Zone for a 10 year designation. The request is for 64.59 acres and will include property parcels: 62-13-35-300-014, 62-13-35-400-025, 62-50-43-055-800.

Project Information:

Job Creation

50 by December 31, 2022

Private Investment

\$36,000,000 by December 31, 2022

Number of Acres

64.59 acres

Tax Information

It is estimated that an average of \$700,000 will be abated annually in property taxes.

Period of Designation

10-year designation

Payment in Lieu of Taxes

The Company has agreed to pay the city of Fremont a Payment in Lieu of Taxes equaling \$700,000 that will remain with the City and not have to be proportionately distributed. The State will not be correspondingly reimbursed.

Development Agreement

A development agreement will be entered into between Gerber Products Company and the Michigan Strategic Fund.

Legislative Information

Senator: Jon Bumstead - State Senate District 34

Representative: Scott VanSingel- State House District 100

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-115**

**MSF DESIGNATED RENAISSANCE ZONE
Gerber Products Company**

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) Board to designate up to twenty-seven (27) renaissance zones (a “Renaissance Zone”) in one or more city, village, or township if consented to by the local unit of government in which the proposed renaissance zone will be located;

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

WHEREAS, the MEDC received an application from the County of Newaygo (the “Application”) for a renaissance zone designation for Gerber Products Company (the “Company”) under Section 8a(2) of the Act;

WHEREAS, the Company plans to expand their operations in the City of Fremont within the County of Newaygo;

WHEREAS, the Company has agreed to make a payment in lieu of taxes to the City of Fremont for reimbursement of some of the taxes abated by the renaissance zone designation, to the exclusion of the State of Michigan and the County of Newaygo (the “PILOT”); and

WHEREAS, the MEDC recommends that the MSF Board approve the Application for designation of a Renaissance Zone in the City of Fremont, Newaygo County for the property parcels 62-13-35-300-014, 62-13-35-400-025, and 62-50-43-055-800, as well as the PILOT, subject to the following conditions:

1. Execution of a development agreement consistent with the terms of this Resolution between the Michigan Strategic Fund, the real property owner(s), and the Company (the “Development Agreement”) within 120 days of this Resolution, or within 180 days should the MSF Fund Manager authorize an extension not exceeding 60 additional days.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board agrees to the PILOT and approves the Application designating a Renaissance Zone for the Company for a term of ten (10) years for the property parcels 62-13-35-300-014, 62-13-35-400-025, and 62-50-43-055-800 in the City of Fremont, Newaygo County. The Renaissance Zone designation shall begin on December 31, 2020 for property tax purposes and January 1, 2021 for all other purposes, provided that:

1. Execution of a development agreement consistent with the terms of this Resolution between the Michigan Strategic Fund, the real property owner(s), and the Company within 120 days of this Resolution, or within 180 days should the MSF Fund Manager authorize an extension not exceeding 60 additional days; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of and to execute the Development Agreement 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, Mark Burton, Jeff Donofrio, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
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PAUL AJEGBA
DIRECTOR

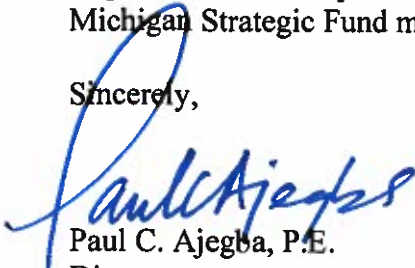
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Director

cc: M. Kapp
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State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Erik Wilford, Senior Business Development Project Manager
Lisa Edmonds, MCRP and Brownfield Program Specialist

Subject: Request for Approval of an Act 381 Work Plan
Project Wolverine Champions Project - 400 Island Avenue LLC

Project Summary

The request will support a business development project that will redevelop an underutilized and partially vacant 28-acre site located in the City of Parchment. The redevelopment of the site will include demolition of two buildings, infrastructure improvements and site preparation. Once cleanup is complete, 400 Island Avenue, LLC (the “Applicant”) intends to construct a new 232,000 square foot speculative facility targeted to warehousing and light manufacturing representing \$12,000,000 in total capital investment. The project will include 3,200 square feet of public improvements consisting of drives, curbs, and gutters.

This project is located on the former site of the Crown Vantage paper mill which ceased operations in 2000. Since then, the site has experienced over 10 years of stalled rebuilding efforts of previous developers due to the cost-prohibitive nature. The redevelopment of the site will alleviate Brownfield conditions, including controls to eliminate public exposures to contaminants protecting human health and environment, making it suitable for active reuse. Once complete, the project will make use of land that is currently underutilized and an unattractive nuisance to nearby residential neighbors which will generate additional tax revenues to the city and state and improve surrounding property values.

A financing gap exists due to both environmental issues at the brownfield site and the risks associated with speculative development making this project cost-prohibitive and not market-viable without state incentives. While the end users are not yet known, the Company has many clients in the MEDC’s targeted industries of advanced manufacturing, automotive manufacturing and medical device manufacturing that are prevalent in greater Kalamazoo. The project would add much needed industrial capacity to the Kalamazoo market, which has not seen a speculative build in decades. Southwest Michigan First has already begun to provide site details to clients for potential attraction projects.

Request

The City of Parchment Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$1,050,133 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$12,000,000.

Program Summary

The request for Brownfield support is consistent with program requirements as it is reactivating vacant and contaminated property. The project is also consistent with the MEDC's strategic plan of developing attractive places and attracting businesses and the project also meets local objectives by providing redevelopment of underutilized and contaminated land. The property is a former paper mill that has become an unattractive nuisance to surrounding neighborhoods. The project will increase the taxable value of the property and create a new spec building which can be used to attract business expansion in the region. The project qualifies for the Brownfield Act 381 program because the site is a facility.

Local Support

Local support for the project includes the local portion of the Work plan with an estimated value of \$1,584,421.

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Parchment, which is not a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on August 3, 2020. Per the definition of Eligible Activities in Act 381, an eligible property that is a former paper mill may include infrastructure improvements and site preparation as eligible activities. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 23, 2020.

There are 60.2039 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (39.86%) and local millage equaling 36.2039 mills (60.14%). Tax increment capture will begin in 2021 and is estimated to continue for 15 years. The state tax capture is recommended to be capped at \$1,050,133, which is the amount of tax increment revenue anticipated to be generated in 15 years. Total MSF eligible activities are estimated at \$2,634,554. MSF eligible activities breaks down as follows:

State tax capture	(39.86%)	\$	1,050,133
Local tax capture	(60.14%)	\$	1,584,421
TOTAL		\$	2,634,554

Cost of MSF Eligible Activities

Demolition	\$	56,500
Infrastructure Improvements		110,000
Site Preparation	+	1,735,500
Sub-Total	\$	1,902,000
Contingency (15%)	+	285,300
Sub-Total	\$	2,187,300
Interest (3%)	+	402,254
Sub-Total	\$	2,589,554
Brownfield/Work Plan Preparation		15,000
Brownfield/Work Plan Implementation	+	30,000
TOTAL	\$	2,634,554

In addition, the project is requesting \$43,758 in TIF from EGLE to assist with environmental eligible activities.

Applicant History

400 Island Avenue LLC is the agent for L.C. Howard Company, Inc. Created in 2016, the entity is specific to this site and has not received previous incentives from the Michigan Strategic Fund (“MSF”). A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

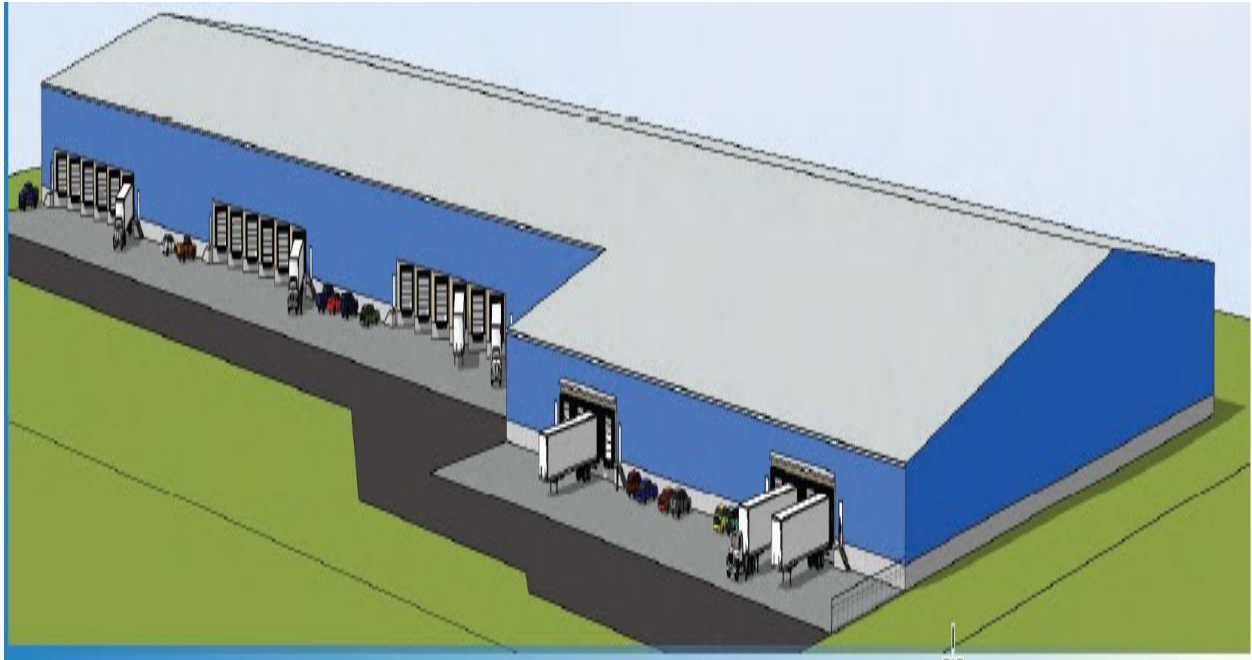
Appendix A includes a project map and renderings, **Appendix B** addresses the programmatic requirements and **Appendix C** contains the Organizational Chart.

Recommendation

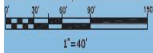
MEDC staff recommends approval of (the “Recommendation”) State tax capture for the Act 381 eligible activities capped at \$1,050,133, utilizing the current state to local capture ratio.

APPENDIX A – Project Map and Renderings

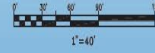




SOUTH EAST TRUCK DOCKS



NORTH EAST TRUCK DOCKS



EAST ELEVATION

APPENDIX B – Programmatic Requirements

Key Statutory Criteria

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

a) Overall Benefit to the Public:

The project makes use of land that is currently underutilized and an unattractive nuisance to nearby residential neighbors. The property is contaminated, and the redevelopment will include controls to eliminate public exposures to contaminants. The project will increase the taxable value of the property and create a new spec building which can be used to attract business expansion in the Kalamazoo region from local, regional, and out-of-state prospects.

b) Jobs Created (Excluding Construction and other Indirect Jobs):

This project is expected to create approximately 15 new, full-time equivalent jobs in production and warehousing with an average hourly wage of \$15.00.

c) Area of High Unemployment:

Unemployment data for the City of Parchment is not available. The City is regionally part of the Greater Kalamazoo Area. According to Michigan Bureau of Labor Market Information, the most recent (May 2020) unemployment rate for the Kalamazoo-Portage Metropolitan Statistical Area was 15.6%

d) Level and Extent of Contamination Alleviated:

The project will result in the extensive covering of contaminated soil with building(s), concrete, asphalt, or landscaping to minimize the public's direct contact with contaminated soil.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:

The project is not qualifying as functionally obsolete or blighted.

f) Whether Project will Create a New Brownfield Property in the State:

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

From the materials received, the MEDC infers that the project is financially and economically sound.

h) Other Factors Considered:

LC Howard has a successful track record of developing industrial speculative buildings that are rapidly deployed into productive use. This "educated spec" approach means that the completed project is likely to have one or more users anxious to deploy upon completion. LC Howard requests a look-back for eligible activity expenses incurred before formal MSF approval.

David A. Stegink Vice President, Manager of Redevelopment Services

EDUCATION

Bachelor of Science: Chemistry & Biology
Hope College

CONTINUING EDUCATION:

- Certified Storm Water Operator—Industrial Sites
- Accredited Asbestos Inspector
- Hazardous Materials Emergency Response, Michigan State University
- Emergency Planning and Communications Sponsored by Tricil Environmental Ltd., Inc.
- Asbestos 2-Hour Awareness Training
- Lead Hazard Awareness Training
- Implementation of Environmental Management Systems
- National Brownfield Conventions

PROFESSIONAL AFFILIATIONS:

- City of Portage Environmental Board
- UST Legislative Work Group
- Board Member, West Michigan Chapter Air & Waste Management Association
- Contributor to DELEG Green Jobs Initiative visioning process

AREAS OF EXPERTISE:

Brownfield Redevelopment; Environmental Site Assessments; Baseline Environmental Assessments; Environmental Regulations; Hazardous Waste Management; Environmental Permitting and Reporting; RCRA Closure Activities and Corrective Action; Underground Storage Tanks; Safety and Health

EXPERIENCE:

- 35 years of experience
- Management of daily operations at a hazardous waste disposal facility (TSDF) and hazardous waste transportation operations
- Management of RCRA closure activities
- Environmental site assessments to determine environmental conditions of property for real estate and financing activities
- Successful preparation of grant applications for Federal and State brownfield grants
- Implementation of multiple U.S. EPA Brownfield Assessment, Cleanup, and Revolving Loan Fund Grants
- Implementation of numerous Brownfield Redevelopment projects using various funding sources
- Baseline Environmental Assessments and Due Care Evaluations Analyses for the Transfer of Contaminated Properties
- Preparation of Brownfield Plans and Act 381 Work Plans for brownfield sites
- Management of liability protection for property transfers in multiple states
- Development and implementation of safety and health programs
- HAZWOPER instructor, Western Michigan University Hydrogeological Field Camp, 1996–present

Envirollogic Technologies, Inc.
2960 Interstate Parkway
Kalamazoo, MI 49048

Phone: 269-342-1100
Fax: 269-342-4945
Email: stegink@envirollogic.com

CHRIS HOWARD
&
MIKE HOWARD
760 EAST VINE STREET, KALAMAZOO, MI 49001 · (269) 344-0144

Chris Howard and Mike Howard were born and raised in Kalamazoo, Michigan. Mike, his brother Chris, and their father Lewis Howard started an industrial warehousing and transportation business (Lewis C. Howard, Inc.).

EXPERIENCE

DATES FROM – TO
OWNERS/OPERATORS, LEWIS C. HOWARD, INC.

Mike and Chris have owned and operated the business since 1975. The company currently spans 1.8 million square feet in Kalamazoo County and supports more than 100 employees and their families. Chris and Mike have also invested heavily in their community to redevelop and redeploy properties to productive use that would otherwise remain vacant, contaminated, or functionally obsolete.

EDUCATION

MAY 1976 – MIKE HOWARD
HACKETT HIGH SCHOOL

MAY 1977 – CHRIS HOWARD
HACKETT HIGH SCHOOL

ACTIVITIES

More than 2 million square feet of warehouse space and a fleet of 60 power units. Specializing in paper, packaging, lumber, metals and transload options, Lewis C. Howard is growing yet today with a third generation working to carry on Lewis Howard's vision. Of the 15 properties owned and managed by Chris and Mike, several were acquired as long-abandoned and/or functionally obsolete properties that they successfully redeveloped and placed into productive use.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-116**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF PARCHMENT BROWNFIELD REDEVELOPMENT AUTHORITY
PROJECT WOLVERINE CHAMPIONS PROJECT**

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

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

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

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

WHEREAS, the City of Parchment Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 100 Eunice Street within the City of Parchment, known as Project Wolverine Champions Project (the “Project”);

WHEREAS, the project site is a former mill and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204;

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 39.86% to 60.14% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, and infrastructure improvements as presented in the Work Plan dated August 26, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities

with a maximum of \$2,187,300 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$402,254 in interest, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$30,000 for Brownfield/Work Plan Implementation and with the total capture of state school taxes capped at a maximum of \$1,050,133.

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

BE IT FURTHER RESOLVED, that the MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of \$402,254 related to the eligible activities for the Project.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

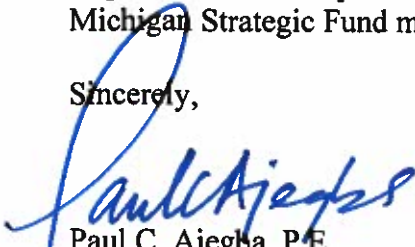
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Alyssa Tracey, Director, International Trade

Subject: International Trade Program – State Trade Expansion Program Award Acceptance and MI-STEP Eligibility Guidelines Modification, and Reimbursement Percentage Increase

Request

The Michigan Economic Development Corporation (MEDC) requests the Michigan Strategic Fund (MSF) Board approve the authorization of the MSF Fund Manager to accept an award of up to \$1,350,000 from the U.S. Small Business Administration (SBA) to support the State Trade Expansion Program (STEP) and to approve required match funds of 25% of the total award, up to \$450,000. MEDC also requests that the MSF Board approve the MI State Trade Expansion Program (MI-STEP) updated program guidelines and reimbursement ceiling. Program guidelines are being updated based on directive from SBA.

Background

The International Trade program assists Michigan-based companies by linking them to resources and opportunities to expand exports to new international markets. The program focus is primarily on small business that meet SBA's definition and size standards. Through its strategic statewide network of export partners, the International Trade program assists companies located throughout the state of Michigan to ensure they are connected with available resources to evaluate export opportunities and increase global competitiveness.

STEP helps Eligible Small Business Concerns (ESBCs) export to international markets and increase the value of their exports. STEP began as a pilot program to support President Obama's 2010 initiative to double U.S. exports in five years. In February 2016, STEP became a permanent program. MSF has received SBA STEP funding in each of the eight years that funds have been available. In FY20, Michigan received the maximum level award at \$900,000, out of an award pool of \$18,150,000 and MSF provided the requisite \$300,000 match. Funds for FY20 are expected to be fully expended by year end.

Michigan submitted an application for the FY21 STEP funding opportunity in July 2020, naming the MSF as the applicant. On March 23, 2020, Governor Gretchen Whitmer by letter endorsed and designated the MSF as the State of Michigan's official applicant for STEP. MEDC Staff expects within the next several weeks to receive notification of an award from the SBA for MI-STEP of up to the maximum state award of \$1,350,000, out of an award pool of \$19 million for FY21 (the "SBA Award"). To accept the award, MSF must commit to matching the total award 25% match of \$450,000 (the "Match"). Authorizing the MSF Fund Manager to accept the SBA Award and approve the Match will ensure that these actions occur within the 30-day deadline provided by the SBA after the award has been offered. The SBA Award combined with the Match will make up to \$1,800,000 in funds available to support direct grant reimbursements to ESBCs in Michigan.

STEP allows states to incentivize ESBCs to begin to export or to expand their current exports to support allowable export development activities into new markets. The International Trade program

provides financial assistance awards to ESBCs, reimbursing up to 50% of expenses for eligible export related activities for a maximum of \$15,000 per eligible small business award per award year. Eligible export activities include: participation in foreign trade missions; subscription to services provided by U.S. Department of Commerce; international website development; design of marketing media; trade show exhibition; participation in export training workshops; reverse trade missions; sample shipping; or other export activities approved by SBA.

In coordination with MEDC's COVID-19 response, staff requests the following changes to the FY21 MI-STEP Eligibility Guidelines to provide increased support for Michigan exporters, in line with updated SBA eligible expenses. First, staff requests an increase to the reimbursement ceiling from 50% to 75% for all services. In May 2020, MSF had approved the increase from 50% to 75% only for international website development expenses, allowing for additional access to virtual assistance by companies impacted by COVID-19. In order to better serve Michigan exporters financially impacted by the COVID-19 pandemic, especially companies new to exporting, staff proposes increasing the MI-STEP grant reimbursement ceiling for all eligible approved expenses. The reduced ESBC matching requirement fits within SBA's terms and conditions and has been approved by the SBA's Program Manager. Second, staff requests the addition of eligible website, e-commerce platform, and compliance testing expenses to the Eligibility Guidelines. These additional items align with SBA's new guidance, build upon MEDC's COVID-19 response efforts, and adapt MI-STEP to the dynamic trade environment that is increasingly relying on e-commerce to facilitate international transactions and export sales growth. Updated website and e-commerce expenses include:

1. Design and develop websites with an international focus
2. Oversight and maintenance/monitoring fee for search engine optimization (SEO)
3. Online market listing fees
4. E-commerce platform (including hosting and/or maintenance fees)
5. Expenses to set up websites to accept international payments.

Since STEP first started in 2011, Michigan has received the top award nearly every year, with a total cumulative federal award of over \$8.3 million. Combined with the matching funds and additional MEDC support, Michigan has awarded close to \$15 million in direct grants to Michigan companies seeking to export, which equates to nearly 4,000 grants administered. During that same timeframe, the International Trade program has facilitated more than \$3.5 billion in export sales using both federal and state funding.

Recommendation

MEDC Staff recommends the following (collectively, "Recommendation"):

- 1) Authorize the MSF Fund Manager to: (i) accept the SBA Award for MI-STEP, and (ii) approve the required Match funding.
- 2) Approve the updated MI-STEP eligibility guidelines in accordance with the SBA and outlined in Exhibit A.
- 3) Approve the increase of MI-STEP grant reimbursement to ESBCs from 50% to 75% for all eligible export activities as outlined in Exhibit A.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-117**

**INTERNATIONAL TRADE PROGRAM FUNDING ALLOCATION
STATE TRADE EXPANSION PROGRAM SBA AWARD AUTHORIZATION AND GUIDELINE
ADOPTION**

WHEREAS, the Michigan Strategic Fund (“MSF”) desires to assist eligible Michigan-based small businesses, increase the number of small businesses that are exporting, increase the value of exports for those small businesses that are currently exporting, and to expand their customer base through a variety of international trade services that lead to international market expansion (“International Trade Program”);

WHEREAS, under the Michigan Strategic Fund Act, MCL 125.2001 et seq. (“Act”), the MSF has the power to make grants, loans and investments, which includes business development and business marketing, creating or retaining jobs, and increasing capital investment activity;

WHEREAS, Section 2 of the Act provides that the purposes of the Act and of the MSF is to, among other things, foster export activity and promote and develop export markets and export activities;

WHEREAS, on October 23, 2013, via MSF Resolution 2013-165, the MSF created the Pure Michigan Export Program, now called the Michigan State Trade Expansion Program (the “MI-STEP”), for the purpose of disbursing funds provided by the federal Small Business Administration (“SBA”) State Trade Expansion Program in conjunction with MSF matching funds;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for a variety of programs overseen by the MSF, including the MI-STEP within the boundaries of the MI-STEP program guidelines previously adopted by the MSF (the “MI-STEP Program Guidelines”);

WHEREAS, the federal Small Business Administration (“SBA”) State Trade Expansion Program is expected to offer an award of up to \$1,350,000 for fiscal year 2021 to the MSF for the Michigan State Trade Expansion Program (MI-STEP) (the “SBA Award”), provided the MSF commits to a funding match of 25% of the SBA Award (the “SBA Match”);

WHEREAS, from time to time, it is necessary for the MSF to adopt modified MI-STEP program guidelines to ensure MI-STEP is compliant with SBA requirements and enable efficient program administration, among other reasons; and

WHEREAS, the MEDC recommends the MSF authorize the MSF Fund Manager to accept the SBA Award and approve the SBA Match on behalf of the MSF for fiscal year 2021, and adopt the updated MI-STEP Program Guidelines attached as Exhibit A to this resolution to be utilized for the operation of the MI-STEP.

NOW, THEREFORE, BE IT RESOLVED, that the MSF hereby: (i) authorizes the MSF Fund Manager to accept the SBA Award and approve the SBA Match on behalf of the MSF for fiscal year 2021, and (ii) approves the adoption of the updated MI-STEP Program Guidelines to replace all those previously approved by the MSF;

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to approve any modifications to the MI-STEP program application in accordance with the MI-STEP Program Guidelines; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of and to execute any documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020

Exhibit A

Michigan's State Trade Expansion Program (MI-STEP) Program Eligibility and Application Guidelines

GENERAL INFORMATION

The MI-STEP program is designed to spur job creation by empowering Michigan small businesses to export their products. The program has three primary objectives:

- Increase the number of Michigan small businesses that export
- Increase the dollar value of Michigan exports
- Increase the number of Michigan small businesses exploring significant new trade opportunities

ELIGIBILITY

Up to \$15,000 in assistance to offset 75 percent of approved expenses per fiscal year. Michigan companies must meet the following eligibility criteria to qualify for MI-STEP program funds:

1. Be in accordance with Small Business Administration (SBA) guidelines and size standards: www.sba.gov/content/small-business-size-standards
2. Demonstrate an understanding of the costs associated with exporting and doing business with foreign purchasers, including the costs of freight forwarding, customs brokers, packing, and shipping, per SBA guidelines
3. Demonstrate potential for export success and positive impact on the regional economy
4. Provide an EIN number linked to a Michigan address
5. Be in good standing with the Michigan Department of Treasury and other regulatory agencies
6. Must be an export-ready U.S. company seeking to export goods or services of U.S. origin or have at least 51 percent U.S. content

ALLOWABLE USES OF MI-STEP PROGRAM FUNDS

Program funds may be approved for export marketing-related activities including:

1. Participation in foreign trade missions
2. U.S. Department of Commerce services
3. International website design, development, and translation; search engine optimization and localization maintenance and monitoring; e-commerce fees including hosting and maintenance capped at \$10,000 reimbursement per award year

4. Design and translation of international marketing media, including social media and digital ad placements, capped at \$6,000 reimbursement per award year
5. International trade show participation
6. Foreign sales trip
7. U.S.-based international trade show participation
8. Participation in export training workshops
9. Reverse foreign buyer missions (meeting space/audio visual)
10. Export compliance testing capped at \$6,000 reimbursement per award year
11. Sample product shipping capped at \$4,000 reimbursement per award year

EXPENSE/REIMBURSEMENT LIMITATIONS

- Meals, entertainment, cell phone charges, gifts, and personal expenses are ineligible
- Passport and visa fees are ineligible
- Immunization expenses are ineligible
- Travel reimbursement is limited to two (2) travelers who must be U.S. citizens
- Flights must adhere to Fly America/Open Skies agreements. Only economy flights are eligible for reimbursement.
- Travel expenses for distributors or sales representatives not employed by the Michigan company are ineligible
- Fees for shipping products to be sold in market are ineligible
- Mileage is reimbursable at the federal per diem rate – no gas receipts, unless used with a rental car
- Printing materials/services are ineligible

To get started, complete the online intake form at <https://www.michiganbusiness.org/services/international-trade/> or contact your regional International Trade Manager.

Questions may be sent to export@michigan.org

Funded in part
through a grant
with the U.S.
Small Business
Administration



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

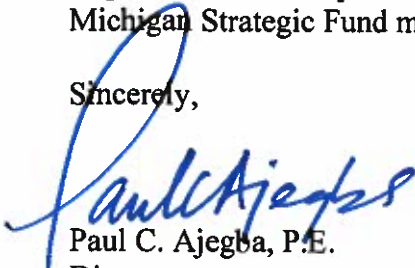
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Alyssa Tracey, Director, International Trade

Subject: International Trade Program – MI-PEP Eligibility Guidelines Modification and Reimbursement Percentage Increase

Request

Michigan Economic Development Corporation (MEDC) requests that the MSF Board approve the MI Project Exception Program (MI-PEP) updated program guidelines. Program guidelines are being updated to maintain symmetry with the MI State Trade Expansion Program (MI-STEP) guidelines.

Background

MI-PEP is an MEDC program that mirrors MI-STEP and assists companies that do not meet the U.S. Small Business Administration (SBA) size standards. As a result of the ongoing COVID-19 pandemic, the International Trade Program requests to increase the reimbursement ceiling for all eligible export activities from 50% to 75%, allowing for additional access to export support for companies impacted by COVID-19. In addition, the International Trade program requests to include expenses related to website improvements and e-commerce platforms as eligible export expenses under MI-PEP Eligibility Guidelines.

In May 2020, MSF had approved the increase from 50% to 75% only for international website development expenses, allowing for additional access to virtual assistance by companies impacted by COVID-19. In order to better serve Michigan exporters financially impacted by the COVID-19 pandemic, the International Trade program proposes increasing the MI-PEP grant reimbursement ceiling for all eligible approved expenses. Since MI-PEP was established in 2016, 58 grants totaling \$229,139 have supported 27 unique companies with eligible export activities.

The addition of eligible expenses, including website, e-commerce, and compliance testing expenses in alignment with SBA's guidelines, builds upon MEDC's COVID-19 response efforts and adapts the MI-PEP program to the dynamic trade environment that is increasingly relying on e-commerce and digital presence to facilitate international transactions and export sales growth. Updated website and e-commerce expenses include:

1. Design and develop websites with an international focus
2. Oversight and maintenance/monitoring fee for search engine optimization (SEO)
3. Online market listing fees
4. E-commerce platform (including hosting and/or maintenance fees)
5. Expenses to set up websites to accept international payments.

Recommendation

MEDC Staff recommends the following (collectively, "Recommendation"):

- 1) Approve the updated MI-PEP eligibility guidelines as outlined in Exhibit A.
- 2) Approve the increase of MI-PEP grant reimbursement from 50% to 75% for all eligible export activities as outlined in Exhibit A.

MICHIGAN STRATEGIC FUND

RESOLUTION 2020-118

MICHIGAN PROJECT EXCEPTION PROGRAM GUIDELINES UPDATE

WHEREAS, the Michigan Strategic Fund (“MSF”) desires to assist eligible Michigan-based small businesses, increase the number of small businesses that are exporting, increase the value of exports for those small businesses that are currently exporting, and to expand their customer base through a variety of international trade services that lead to international market expansion (“International Trade Program”);

WHEREAS, under the Michigan Strategic Fund Act, MCL 125.2001 et seq. (“Act”), the MSF has the power to make grants, loans and investments, which includes business development and business marketing, creating or retaining jobs, and increasing capital investment activity;

WHEREAS, on July 28, 2015 via MSF Resolution 2015-094, the MSF Board approved an amendment to the International Trade Program’s State Trade Expansion Program (“MI-STEP”) guidelines to create the Pilot Exception Program to assist businesses that do not meet the Small Business Administration eligibility guidelines, using state funds previously allocated to the MI-STEP program budget (the “Pilot Program”);

WHEREAS, on December 20, 2016 via MSF Resolution 2016-246, the MSF Board approved a renewal of the Pilot Program and authorized the use of uncommitted state funds approved for the previous fiscal year for MI-STEP to be carried over for use for the Pilot Program;

WHEREAS, on August 22, 2017 via MSF Resolution 2017-131, the MSF Board converted the Pilot Program into a permanent program named the “Project Exception Program” (the “PEP”) and approved the continuation of the funding mechanism for future years;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for a variety of programs overseen by the MSF, including the PEP within the boundaries of the PEP program guidelines previously adopted by the MSF;

WHEREAS, from time to time, it is necessary for the MSF to adopt modified PEP program guidelines to enable efficient program administration, among other reasons; and

WHEREAS, the MEDC recommends the approval of the updated PEP program guidelines attached as Exhibit A to this resolution to be utilized for the operation of the PEP (the “PEP Program Guidelines”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF hereby approves the PEP Program Guidelines to replace all those previously approved by the MSF; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to approve any modifications to the PEP program application in accordance with the PEP Program Guidelines.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020

Exhibit A

Michigan's Project Exception Program (MI-PEP) Program Eligibility and Application Guidelines

GENERAL INFORMATION

The MI-PEP program is designed to spur job creation by empowering Michigan small businesses to export their products. The program has three primary objectives:

- Increase the number of Michigan small businesses that export
- Increase the dollar value of Michigan exports
- Increase the number of Michigan small businesses exploring significant new trade opportunities

ELIGIBILITY

Up to \$15,000 in assistance to offset 75 percent of approved expenses per fiscal year. Michigan companies must meet the following eligibility criteria to qualify for MI-PEP program funds:

1. Demonstrate an understanding of the costs associated with exporting and doing business with foreign purchasers, including the costs of freight forwarding, customs brokers, packing, and shipping, per SBA guidelines
2. Demonstrate potential for export success and positive impact on the regional economy
3. Provide an EIN number linked to a Michigan address
4. Be in good standing with the Michigan Department of Treasury and other regulatory agencies

ALLOWABLE USES OF MI-PEP PROGRAM FUNDS

Program funds may be approved for export marketing-related activities including:

1. Participation in foreign trade missions
2. U.S. Department of Commerce services
3. International website design, development, and translation; search engine optimization and localization maintenance and monitoring; e-commerce fees including hosting and maintenance capped at \$10,000 reimbursement per award year
4. Design and translation of international marketing media, including social media and digital ad

placements, capped at \$6,000 reimbursement per award year

5. International trade show participation
6. Foreign sales trip
7. U.S.-based international trade show participation
8. Participation in export training workshops
9. Reverse foreign buyer missions (meeting space/audio visual)
10. Export compliance testing capped at \$6,000 reimbursement per award year
11. Sample product shipping capped at \$4,000 reimbursement per award year

EXPENSE/REIMBURSEMENT LIMITATIONS

- Meals, entertainment, cell phone charges, gifts, and personal expenses are ineligible
- Passport and visa fees are ineligible
- Immunization expenses are ineligible
- Travel reimbursement is limited to two (2) travelers who must be U.S. citizens
- Flights must adhere to Fly America/Open Skies agreements. Only economy flights are eligible for reimbursement.
- Travel expenses for distributors or sales representatives not employed by the Michigan company are ineligible
- Fees for shipping products to be sold in market are ineligible
- Mileage is reimbursable at the federal per diem rate – no gas receipts, unless used with a rental car
- Printing materials/services are ineligible

To get started, complete the online intake form at <https://www.michiganbusiness.org/services/international-trade/> or contact your regional International Trade Manager.

Questions may be sent to export@michigan.org





STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

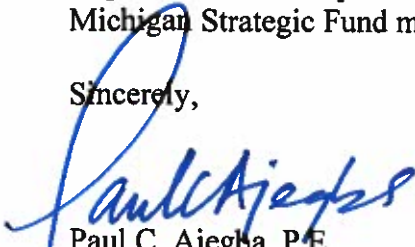
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Dominic Romano, Community Assistance Team Specialist
Debbie Stehlik, Commercial Real Estate Investment Manager
Jake Winder, Brownfield Program Specialist

Subject: Request for Approval of an Act 381 Work Plan
Exchange Development Project

Project Summary

The request will support a community development project that will transform the current 0.5-acre site into a 16-story mixed-use building with residential, retail and private office space in the Greektown neighborhood of Detroit, representing \$64,623,450 in total capital investment. The project will involve the demolition of surface parking lots on five parcels and construction of a building with 6,502 square feet of ground floor retail and office space and 165 residential units in 101,474 square feet, with residential amenities including a fitness room, clubroom and deck. Residential units will include 153 rental units and 12 condominiums. Of the rental units, 20% will be priced to meet affordable unit requirements for 80% of the Area Median Income (AMI). Parking will be addressed through valet to surface parking and parking decks available in the immediate area. Public improvements will include 15,038 square feet of enhancements to curbs, gutters, sidewalks, landscaping, lighting, benches, road improvements and connections to storm and water mains. The cost per square foot for construction is \$366 per square foot which is in line with other recent projects in Detroit.

A financing gap exists due to the high cost of construction and acquisition in downtown Detroit. Meeting the local requirements for mixed-income housing also constrains the project revenue. The development has exhausted all other financing sources and is utilizing senior lending at 52%, developer equity at 24%, and PACE financing at 24% of the capital stack. Once the condominiums are sold the project yields a modest 4.17% return and a debt service coverage ratio of 1.18 to 1.00.

Request

The City of Detroit Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$2,553,172 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$64,623,450.

Program Summary

The request for Brownfield support is consistent with program requirements because this project will transform five vacant parcels of land in downtown Detroit into a hub of commercial and residential space and includes over 15,000 square feet of public infrastructure improvements. The project qualifies for the Brownfield Act 381 program because the parcels are either a facility or adjacent and contiguous to a facility parcel. The project is consistent with the Michigan Economic Development Corporation's Strategic Plan because it develops attractive places and is located within a geographically disadvantaged area. The project meets the MEDC's community development guidance by reactivating unused space in downtown Detroit,

and it also supports the vision and goals of the City of Detroit and is further supported through their financial participation. The development has the mass, density and scale appropriate for downtown Detroit and contributes to a dense, mixed-use area.

Local Support

Local support for the project includes the local portion of the Brownfield TIF capture estimated at \$188,444 and a proposed Neighborhood Enterprise Zone Abatement anticipated to be approved for 15 years, valued at approximately \$12,500,000. The City of Detroit is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on July 21, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 21, 2020.

There are 29.6380 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (80.98%) and local millage equaling 5.6380 mills (19.02%). Tax increment capture will begin in 2021 and is estimated to continue for 18 years. The state tax capture is recommended to be capped at \$2,553,172, which is the amount of tax increment revenue anticipated to be generated in 18 years. Total MSF eligible activities are estimated at \$2,741,616. The eligible property is located in the DDA and is subject to an anticipated Neighborhood Enterprise Zone abatement for 15 years, limiting the local mills available for capture, therefore, the blended ratio for the MSF eligible activities breaks down as follows:

State tax capture	(93.13%)	\$	2,553,172
Local tax capture	(6.87%)	\$	188,444
TOTAL		\$	2,741,616

Cost of MSF Eligible Activities

Demolition		\$	209,835
Infrastructure Improvements			334,540
Site Preparation		+	1,813,552
Sub-Total		\$	2,357,927
Contingency (15%)		+	353,689
Sub-Total		\$	2,711,616
Brownfield/Work Plan Preparation		+	15,000
Brownfield/Work Plan Implementation		+	15,000
TOTAL		\$	2,741,616

In addition, the project is requesting \$90,937 in TIF from EGLE to assist with environmental eligible activities.

Applicant History

Exchange Detroit, LLC was created specifically for this project and is owned and managed by its sole member, Gratiot Acquisition Partners, LLC. Gratiot Acquisition Partners, LLC includes Alex Ivanikiw of Barton Malow and Ryan Maibach, President and CEO of Barton Malow. Barton Malow will be the

contractor for this project. The team represents decades of construction and development experience and neither these representatives nor Gratiot Acquisition LLC have received previous incentives from the Michigan Strategic Fund (MSF). A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

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

Recommendation

MEDC staff recommends approval of state tax capture for the Act 381 eligible activities capped at \$2,553,172, utilizing the current state to local capture ratio.

APPENDIX A – Project Map and Renderings



APPENDIX B – Programmatic Requirements

Key Statutory Criteria

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

a) Overall Benefit to the Public:

The proposed development will create a sense of place, encourage increased spending, and create new jobs and a mix of living units in an area characterized by vacant buildings, underutilized parking lots and disinvestment. Upon successful redevelopment, the development will generate increased property and income taxes. Furthermore, the project will provide housing for those working in the neighborhood and create new jobs, increase daytime and nighttime density, and strengthen security. Additionally, there will be other indirect benefits such as spin off spending in the neighborhood that will contribute to the economic benefits produced by this investment. It will further help meet the demand for a mix of housing in the Greektown neighborhood. This investment will support the fabric of the neighborhood by building out underutilized space and activating public space around it.

b) Jobs Created (Excluding Construction and other Indirect Jobs):

This project is expected to create approximately 7 new, full-time equivalent jobs with an average hourly wage of \$24.04.

c) Area of High Unemployment:

The City of Detroit unadjusted jobless rate was 31.9% in June 2020. This compares to the statewide seasonally adjusted average of 15.0% in June 2020.

d) Level and Extent of Contamination Alleviated:

Based on environmental site assessments conducted on the property, contamination has been identified that exceeds Part 201 Residential and Nonresidential Drinking Water Protection (DWP) and Groundwater Surface Water Interface Protection (GSIP) cleanup criteria as a result of the former operations at the property. These concentrations of contamination are located within the subsurface of the property. The proposed redevelopment and eligible activities included within this 381 Work Plan will ensure the developer meets due care obligations and does not exacerbate or expose occupants to existing contamination.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:

The project is not qualifying as functionally obsolete or blighted.

f) Whether Project will Create a New Brownfield Property in the State:

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

From the materials received, the MEDC infers that the project is financially and economically sound.

h) Other Factors Considered:

No additional factors need to be considered for this project.

APPENDIX C - Organizational Chart

exchange Detroit LLC, a Delaware limited liability company, Organizational Structure

exchange Detroit LLC EIN: 85-2008445

exchange Detroit LLC / member managed, by its member, Gratiot Acquisition Partners, LLC, by its manager, Gratiot Manager LLC

Member	Ownership Interest	EIN	State of Organization
Gratiot Acquisition Partners LLC	100.00%		
Gratiot Class A Partner LLC	40.00%	84-3887602	Michigan
LB Gratiot Sponsor LLC	25%	84-4936167	Michigan
Note: none of the remaining members of Gratiot Class A Partners LLC have an effective interest of 20% or more in the applicant	75%	85-1961799	Michigan
Gratiot Opportunity Fund LLC	60.00%	84-3782023	Michigan
Note: none of the members of Gratiot Opportunity Fund LLC have an effective interest of 20% or more in the applicant	100.00%		



28 YEARS OF EXPERIENCE

EDUCATION + PROFESSIONAL QUALIFICATIONS

1996, Bachelor of Science,
Purdue University

Class XXXI, Leadership Detroit

Detroit Regional Chamber, Board of
Directors and Executive Committee;
Mackinac Policy Chair - 2020

Purdue Civil Engineering
Department, Advisory Board

Young President's Organization,
Motor City Chapter, Chair - 2018-19

The Parade Company, Board Member
and Executive Committee

Detroit Children's Fund, Board of
Directors and Executive Committee

Ryan Maibach

PRESIDENT + CHIEF EXECUTIVE OFFICER

BOARD MEMBER, BARTON MALOW ENTERPRISES

Ryan has 28 years of experience in the construction industry. A fourth generation builder, he is responsible for the operation of the company and its work throughout North America. Since becoming President, Ryan has worked to build a stronger Barton Malow. Along with his leadership team, Ryan is setting a clear direction and aligning resources to reach significant goals by the company's 100th anniversary in 2024.

Ryan's leadership style embraces a culture of empowerment where employees are equipped and enabled to deliver results. Ryan is a major proponent of open, two-way communication. He is known to engage in continual communication with employees throughout the company to share news, provide recognition and ask for feedback on current happenings. He also hosts regular peer group meetings to meet with employees face-to-face to engage in dialog about various company issues.

In 2011, Ryan was named President of Barton Malow Company. Since that time, he has expanded the enterprise through rapid alignment, strategic growth, and innovation. With a vision for industry transformation, Ryan leads the Barton Malow Family of Companies through a culture of empowerment and continuous improvement. His passion for making a positive impact on the industry is rivaled only by his unique ability to connect with employees and serve his community.

CURRENT MAIN AREAS OF RESPONSIBILITY

- The mastermind behind Barton Malow's Basecamp goals and initiatives, including a goal of doubling efficiency by the organization's 100-year anniversary in 2024.
- Oversees operations throughout 14 Barton Malow locations in North America.
- Leads weekly Business Plan Review meetings with members of leadership where executives analyze the current state of Barton Malow and discuss how to improve operations and adapt to changing market conditions.



43 YEARS OF EXPERIENCE

EDUCATION + PROFESSIONAL QUALIFICATIONS

1976, Bachelor of Science / Lawrence Technological University

1978, Bachelor of Architecture / Lawrence Technological University

1980, Masters of Business Administration / Wayne State University

Registered Architect, States of Michigan, Pennsylvania, New Jersey, Washington

Member, American Institute of Architects Detroit Chapter

Board of Directors - Treasurer, Engineering Society of Detroit

Alex Ivanikiw, AIA, FESD, LEED AP

EXECUTIVE VICE PRESIDENT

MANAGING DIRECTOR, LIFTbuild

BOARD MEMBER, BARTON MALOW ENTERPRISES

Alex Ivanikiw, AIA, LEED AP is Executive Vice President of Barton Malow and has 43 years' experience in the construction industry. Alex earned a Bachelor of Science in Architecture from Lawrence Technological University and a Master of Business Administration from Wayne State University. Alex spent the first ten years of his career in architectural practices where he gained a strong background in the technical aspects of building design, as well as an understanding of the entire AE delivery process. He spent the next several years of his career with a Fortune 500 Company as the Manager of Facilities Design and Construction Services.

Now with 31 years at Barton Malow, Alex has played a fundamental role in the creation of the company's vision and strategic direction. He has developed long-lasting relationships with key clients, played a large role in expanding the firm geographically and contributed to initiating Barton Malow's efforts into BIM technology and collaborative delivery methods such as Integrated Project Delivery and Design-Build. Through his experiences, Alex has gained a keen understanding of issues from a contractor's perspective. He has been a leader in all aspects of the construction business and his unique credentials and experience give him the ability to see all sides of an issue with equal understanding.

Alex is passionate about innovating the architectural, engineering and construction industry and is dedicated to driving change within it. **Since 2017, Alex has served as managing director of LIFTbuild, a member of the Barton Malow Family of companies.** LIFTbuild technology modernizes the construction process through a vertical manufacturing approach to assemble traditional building components in a different sequence. This assembly process enables reduced structural complexity, increased assembly efficiency, standardization of components and work activities, all while providing a much safer work platform. As managing director, Alex provides strategic development and implementation of the company business model, identifying new market and client opportunities, establishing strategic partnerships, and providing leadership and direction for the LIFTbuild team.

CURRENT MAIN AREAS OF RESPONSIBILITY

- Overall leadership of LIFTbuild – a new construction technology company
- Strategic development and implementation of the company business model, including further development of the unique technology, identifying new market and client opportunities, establishing strategic partnerships, and providing leadership and direction for the growth and development of the LIFTbuild team
- Member of the Barton Malow Enterprise Board of Directors
- Leadership of the Pre-Fabrication Community

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-119**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
EXCHANGE DEVELOPMENT**

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

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

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

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

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at multiple addresses within the City of Detroit, known as Exchange Development (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 93.13% to 6.87% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, and infrastructure improvements as presented in the Work Plan dated August 26, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities

with a maximum of \$2,711,616 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$15,000 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$2,553,172.

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

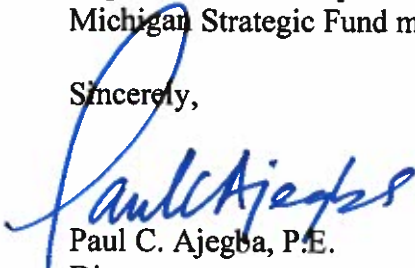
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Charles Donaldson, Senior Community Assistance Team Specialist
Gregory West, Program Manager, Community Development Block Grant
Christine Whitz, Director, Community Development Block Grant Program

Subject: Island City Parks Improvement Project
City of Eaton Rapids, County of Eaton

Request

The City of Eaton Rapids (“City”) is requesting \$2,885,498 in Community Development Block Grant (CDBG) funds for area wide improvements for the Island City Parks Improvement Project (‘Project’) located in Eaton County, Michigan. In addition, the City is requesting \$20,400 for administration funds for a CDBG certified grant administrator.

Background

Island Park is an approximately 2-acre park located on an island on the Grand River in downtown Eaton Rapids. The park is historically significant to area residents as it serves as a site for weddings, memorials, concerts, and other significant events. The park houses a playground, natural areas for fishing/picnicking, historic monuments such as civil war cannons, a fire station monument, and historic gazebo. The project includes rehabilitating existing Island City park infrastructure, constructing new pedestrian pathways to enhance connectivity, and incorporating placemaking features throughout the park system.

The community has documented several needs and necessary upgrades to the park in their Parks & Recreation Plan, Capital Improvements Plan, and River Improvements Master Plan. The plans call for a River Walk, completing a loop to connect Island Park to Mill Pointe Park to the canoe launch and the proposed new park bridge. This will not only improve the connectivity of all downtown parks but is also anticipated to increase recreational activity in the park and trail system. The existing park bridge is deteriorating and needs to be updated to improve access for all residents. It would be replaced with a new prefab self-weathering steel bridge, conforming to the design of the bridges on the west side of downtown. The stairs to access the park bridge would be eliminated and replaced with an ADA ramp to provide universal park access. In addition, new park benches and LED, solar powered trail lights will be installed in various locations along the park trail system. The existing playground equipment will be replaced with new modern equipment. The project includes structural work to the flood protection walls on the north side of Island Park. The flood protection walls are necessary to protect the Island during flooding events.

The City of Eaton Rapids has a maintenance plan and budget that is specific to park maintenance. The City has a Department of Public Works that regularly maintains the park grounds and facilities.

This placemaking effort is intended to increase vibrancy, walkability, and activity in the downtown. The proposed project would encourage more residents and visitors to come to the downtown, which would help stimulate economic development. The CDBG funds would be used for certified grant administration, site improvements, and construction costs. The match funds would be primarily used for architecture and engineering. The project is estimated to cost \$4,124,203 (including \$20,400 for Certified Grant Administration), and without significant grant assistance, the community would not be able to fund such a catalytic project.

Program specific requirements and screening guidelines are addressed in **Appendix A**.

A Project rendering is provided in **Appendix B**.

Recommendation

The MEDC Staff recommends:

- A CDBG public facilities grant agreement in the amount of \$2,905,898 be authorized for the City of Eaton Rapids for the Island City Parks Improvement Project.

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The Project was evaluated utilizing the CDBG requirements. It has been determined that the Project meets the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
This project qualifies for CBDG funding as the project activities will benefit all residents of the project area and 53.02 percent of the residents of the City of Eaton Rapids are low- and moderate-income persons as determined by census data provided by the U.S. Department of Housing and Urban Development. The project meets a national objective by providing benefit to at least 51 percent low- and moderate-income persons.
- **Eligible Activity:**
This project involves eligible activities identified in Section 105(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended.

Screening Guidelines

The Project was evaluated utilizing the CDBG guidelines. It has been determined that the Project meets the following standards to qualify as an eligible project under the CDBG program:

- **Economic Impact:** The economic impact of this Project was evaluated. It was determined that the Project is:
 - Located in a highly visible location
 - Located in a DDA or other like districtsand the community has:
 - Prior use of downtown development incentives (TIFs, abatements, etc.)
 - Local organizational capacity to successfully complete this project
 - Adopted a downtown development plan,
- **Minimum Local Participation:** The City of Eaton Rapids will make an anticipated contribution of \$1,218,305, which is twenty nine percent (29%) of the total project costs. The funds will be provided by the City.
- **Financial Viability:** The community receiving the benefit from this project has been determined to be financially viable.
- **Background Check:** A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

The MEDC staff has concluded that the Project meets the minimum program requirements and screening guidelines to be eligible under the CDBG program.

APPENDIX B – Project Rendering



MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-120**

APPROVAL OF CITY OF EATON RAPIDS' ISLAND CITY PARKS IMPROVEMENT PROJECT

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2019 Program Year Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133, authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for area benefit grants;

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

WHEREAS, the City of Eaton Rapids (the "Community") has submitted a complete application for approval requesting funding to be used to fund their Island City Parks Improvement project (the "Project");

WHEREAS, the CDBG program staff reviewed the application and proposed Project in light of the Criteria and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, and at least 51 percent of the project beneficiaries are low and moderate income persons; and

WHEREAS, staff recommends that a grant agreement be authorized and entered into with the Community for funds from the CDBG program for the reasons set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed \$2,905,898 for the payment or reimbursement of costs associated with the Project, and allocates \$2,905,898 from the Michigan CDBG program for the purpose of funding the Community's proposed Project contingent upon the MSF's continued receipt of CDBG funds and availability of adequate funds; and

BE IT FURTHER RESOLVED, the MSF Fund Manager, in coordination with MEDC staff is directed to negotiate the terms of a grant agreement for the Project consistent with this Resolution.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

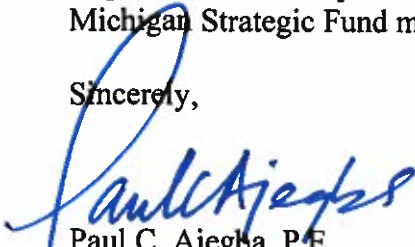
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Paula Holtz, Community Assistance Team Specialist
Madelaine Clapp, Senior Program Specialist, Community Development Block
Christine Whitz, Director, Community Development Block Grant Program

Subject: Community Development Block Grant Program
Michigan Avenue Placemaking and Streetscape Project
Village of Paw Paw, County of Van Buren

Request

The Village of Paw Paw (“Village”) is requesting \$1,968,130 in Community Development Block Grant (CDBG) funds for public improvements for the Michigan Avenue Placemaking and Streetscape project (“Project”) located in Van Buren County, Michigan.

Background

The Village of Paw Paw has been working for two years to engage the community in a public engagement process to plan for and implement needed improvements to Michigan Avenue, the primary commercial corridor in downtown. The results of that engagement, as well as goals outlined in the community’s Master Plan, Walkability Initiative, Capital Improvement Plan and DDA plan, all informed the Michigan Avenue Placemaking and Streetscape project that will transform over 189,000 square feet of public space in downtown Paw Paw. Improvements included in the project include eliminating the dangerous, unappealing steps that divide downtown sidewalks, improving a sense of place by adding mid-block bump outs and public seating, improving street lighting and sidewalks, adding corner bump outs as appropriate to reduce the distance of pedestrian crossings at intersections and improving water and sewer infrastructure. Additionally, the project will add improved landscaping, green space and rain gardens to mitigate hardscape elements and align with green infrastructure goals. These improvements will enhance the aesthetics and infrastructure of the district, while also improving connectivity and access of low- and moderate-income community members to local businesses and services, creating a sense of place that will improve the economic viability of downtown Paw Paw and enhancing walkability and safety, especially for pedestrians.

The Village anticipates that this project will improve 189,632 square feet of public space and result in increased private investment, increased support for local businesses and increased economic opportunities for residents by enabling accessibility, enhancing public amenities and improving infrastructure throughout downtown Paw Paw. Additionally, the project is expected to improve safety and walkability for pedestrians throughout the downtown area by eliminating steps that currently divide the sidewalks and make access challenging for community residents and visitors.

The total project cost is anticipated to be \$3,598,034, including all hard and soft costs. The Village and Downtown Development Authority are contributing \$804,423 or approximately 22 percent of the total project budget. Local match funds will cover architectural and engineering costs, water infrastructure costs and construction costs associated with roadway improvements. The \$1,968,130 in CDBG funds requested, which represents fifty-five percent of the total project, will cover construction costs associated with placemaking, streetscape and roadway improvements. In addition to local funds and Community Development Block Grant funds, the Village has also secured \$374,192 in MDOT Small Urban funding, \$362,284 in MDOT Transportation Alternative Program funds and \$89,025 in USDA Rural Development funding. The project budget includes a ten percent contingency and the Village is prepared to cover any cost increases entirely from local sources of funding. Without support from MEDC's Community Development Block Grant program, the Village would not be able to complete critical elements of the project, such as sidewalk and streetscape improvements, which would undermine the placemaking and economic development goals this transformational project is designed to achieve.

This project aligns with MEDC's Strategic Plan by supporting the strategic focus area to develop attractive places that attract talent through innovative placemaking. The project also supports the Strategic Plan Guiding Principles of regional impact and equitable growth via the project location in a geographically disadvantaged business location and low-to-moderate income community. Additionally, the project aligns with MEDC Community Development goals because it supports the vision and goals outlined in the community Master Plan and other local planning documents, leverages multiple other funding sources, including strong local financial support, contributes to a traditional downtown district, improves pedestrian access and safety, revitalizes a significant amount of public space and incorporates sustainable and universal design elements.

By investing in downtown streetscape, placemaking and infrastructure improvements the Village anticipates benefits for low- and moderate-income community residents through improved access to businesses, services and economic opportunity in downtown, as well as enhanced downtown amenities to attract new investment, residents and visitors to the community. This project is a very high priority for the Village of Paw Paw as it enhances the quality of life for existing community members and lays the foundation for future economic growth and investment in the Village.

The project is located in a Michigan Geographically Disadvantaged Business Location and the Village of Paw Paw is an engaged Redevelopment Ready Community.

Program specific requirements and screening guidelines are addressed in **Appendix A**.

Project area map, including renderings and before photos are provided in **Appendix B**.

Recommendation

The MEDC Staff recommends:

- A CDBG public improvement grant agreement in the amount of \$1,968,130 be authorized for the Village of Paw Paw for the Michigan Avenue Placemaking and Streetscape Project.

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The Project was evaluated utilizing the CDBG requirements. It has been determined that the Project meets the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
This Project qualifies for CBDG funding as the project activities will benefit all residents of the Project area and 68.3 percent of the residents of the Village of Paw Paw are low- and moderate-income persons as determined by census data provided by the U.S. Department of Housing and Urban Development. The project will improve safety for pedestrians and bicyclists, while also enhancing public amenities and infrastructure in downtown Paw Paw, which will provide benefits to the entire community. The Project meets a national objective by providing benefit to at least 51 percent low- and moderate-income persons.

- **Eligible Activity:**
This Project involves eligible activities identified in Section 105(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended.

Screening Guidelines

The Project was evaluated utilizing the CDBG guidelines. It has been determined that the Project meets the following standards to qualify as an eligible project under the CDBG program:

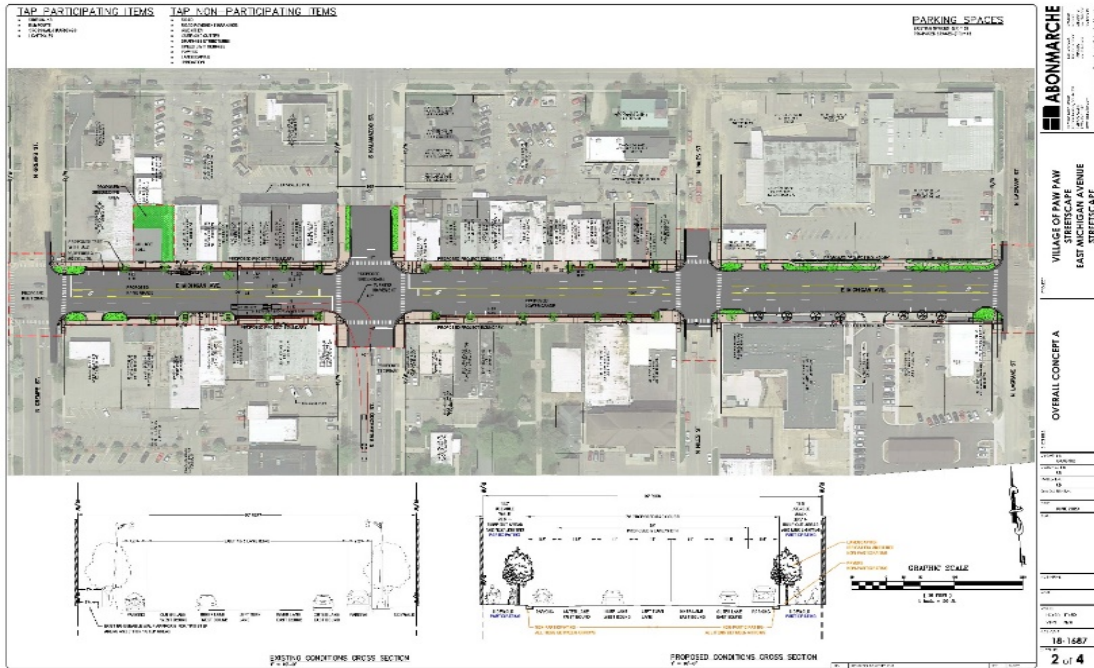
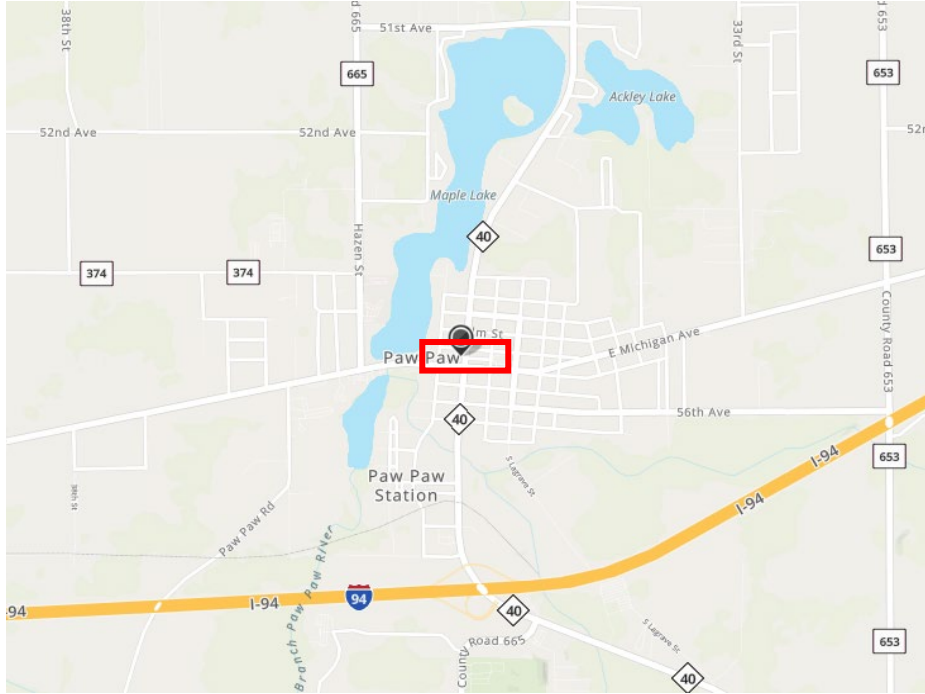
- **Economic Impact:** The economic impact of this Project was evaluated. It was determined that the Project is:
 - Located in a highly visible location
 - Located in a DDA or other like districtsAnd the community has:
 - Prior use of downtown development incentives (TIFs, abatements, etc.)
 - Local organizational capacity to successfully complete this project
 - A full-time staff member able to administer the project
 - Adopted a community Master Plan that prioritizes and identifies downtown streetscape improvements that will be completed through this project.

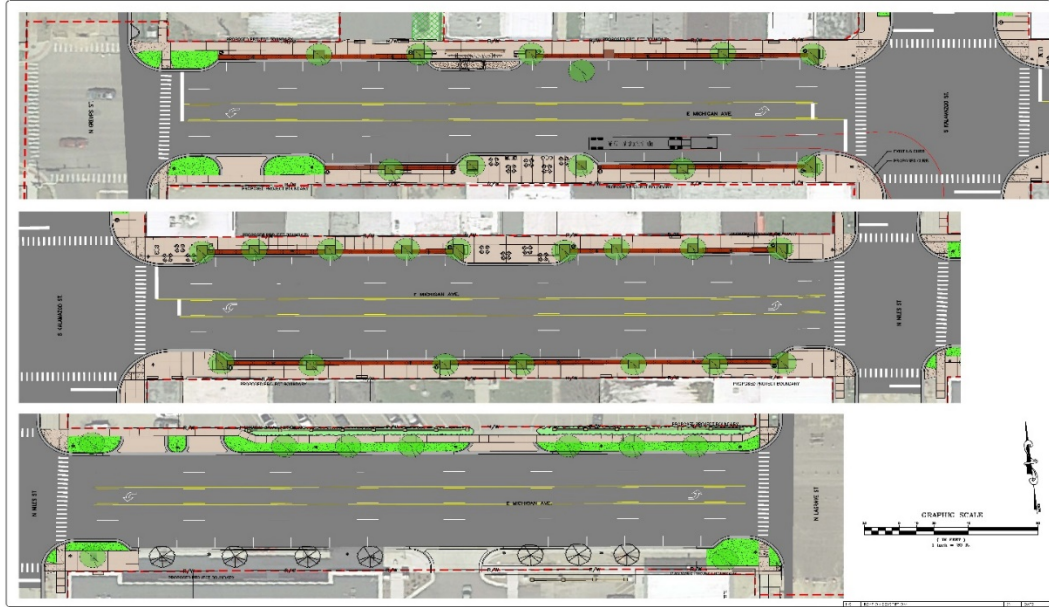
- **Minimum Local Participation:** The Village of Paw Paw and Paw Paw Downtown Development Authority will make an anticipated contribution of \$804,423 which is twenty-three percent (22%) of the total project cost. Additionally, funds totaling \$736,476 will be contributed to the project by the Michigan Department of Transportation through their Small Urban and Transportation Alternative Programs which represents twenty percent (20%) of the project costs. Finally, the community has secured \$89,025 in funds from the United States Department of Agriculture through the Rural Business Development Grant program which is two percent (2%) of the project costs. Overall, the request to MEDC represents fifty-five percent (55%) of the total public improvement project costs.

- **Financial Viability:** The community receiving the benefit from this project has been determined to be financially viable.

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

APPENDIX B – Map, Renderings and Site Photos





ABONMACHE
 Landscape Architecture
 10000 E. 15th Ave., Suite 100
 Denver, CO 80231
 Phone: 303.755.1111
 Fax: 303.755.1112
 Email: info@abonmache.com
 Website: www.abonmache.com

**CONCEPT A
 ENLARGED PLAN**

**VILLAGE OF PARK PARK
 STREESCENE
 EAST MICHIGAN AVENUE
 STREESCENE**

DATE: 10/15/18
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 PROJECT NO: 18-11687
 SHEET NO: 3 of 4

MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-121**

**APPROVAL OF VILLAGE OF PAW PAW’S MICHIGAN AVENUE PLACEMAKING AND
STREETSCAPE PROJECT**

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2019 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133, authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for area benefit grants;

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

WHEREAS, the Village of Paw Paw (the “Community”) has submitted a complete application for approval requesting funding to be used to fund their Michigan Avenue Placemaking and Streetscape project (the “Project”);

WHEREAS, the CDBG program staff reviewed the application and proposed Project in light of the Criteria and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, and at least 51 percent of the project beneficiaries are low and moderate income persons; and

WHEREAS, staff recommends that a grant agreement be authorized and entered into with the Community for funds from the CDBG program for the reasons set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed \$1,968,130 for the payment or reimbursement of costs associated with the Project, and allocates \$1,968,130 from the Michigan CDBG program for the purpose of funding the Community’s proposed Project contingent upon the MSF’s continued receipt of CDBG funds and availability of adequate funds; and

BE IT FURTHER RESOLVED, the MSF Fund Manager, in coordination with MEDC staff is directed to negotiate the terms of a grant agreement for the Project consistent with this Resolution.

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

Nays: None

Recused: None



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Sue DeVries, Community Assistance Team Specialist
Louis Vinson III, Program Specialist, Community Development Block Grant
Christine Whitz, Director, Community Development Block Grant Program

Subject: Community Development Block Grant Program
James Street Plaza/Legacy Park
City of Ludington, County of Mason

Request

The City of Ludington is requesting \$2,123,190 in Community Development Block Grant (CDBG) funds for public facility improvements needed for the James Street Plaza/Legacy Park located in Mason County, Michigan.

Background

The James Street Plaza/Legacy Park project transforms a temporary town square on a closed one-way street into an active community space that serves Ludington residents. It creates a permanent downtown recreational and community space. The Downtown Ludington TIF Plan identifies the proposed project site as a priority redevelopment. Investing in downtown placemaking and permanently activating this public space are priorities of the City of Ludington and the Ludington Downtown Development Authority. It is expected that the project will benefit this low-moderate income community by increasing outdoor, year-round recreational and cultural activities. The City anticipates that this project will spur community pride, increased private investment, and economic activity within the downtown as a result of the creation of a permanent public space and amenities.

The City will permanently close this core downtown street and repurpose the land for the development of the James Street Plaza/Legacy Park, as well as leverage a community contribution of \$389,710. The James Street Plaza will include event space with a permanent pavilion, a year-round bathroom structure, event storage, a fireplace, and a great public gathering place in the heart of downtown Ludington. Green elements will include a rain garden, LED lighting, and a water bottle filling station.

This area will take residents on a walk-through Ludington's history. Residents will be greeted with a nod to their proud maritime history with a sculpture reflecting the maritime heritage of Ludington. A fireplace will be built in a way that represents the three tribes that first settled the area as the Council of the Three Fires with representation of the Ottawa, the Ojibwa, and the Potawatomi people. Representatives from the tribes have been part of the park planning to ensure that proper respect is given. The pavilion structure will

be built with timber components to honor the vast lumbering heritage of Ludington. The north end of the plaza will be home to the relocated clock tower that was placed on Ludington Ave in the 1980's. With these renovations the area will be able to house the farmers market, festivals and events, and become a gathering place that truly speaks of Ludington's current atmosphere as well as honor its roots. The space will host a variety of community events such as Oktoberfest, the summertime Friday Night Live which in a normal summer draws 5,000-8,000 for each monthly event, and the New Year's Eve ball drop which draws 10,000 residents, friends and family as community spectators. It is also well positioned to host smaller social distancing events such as the Friday Night Live Unplugged events that Ludington has been holding in 2020.

Bearing in mind the COVID-19 pandemic, the City planned healthy concepts into their final design. The permanent stage has been positioned to provide a larger space and allow for better social distancing than what currently is possible in the temporary plaza. Touch-free automation has been incorporated with sensors in the sink faucets, urinals, and toilet flush valves. The hand dryers have a sensor for automatic on/off and all the lighting in the restrooms and vestibule is automated.

Program specific requirements and screening guidelines are addressed in **Appendix A**.

Project area map, including renderings and before photos are provided in **Appendix B**.

Recommendation

The MEDC Staff recommends:

- A CDBG Public Facilities grant agreement in the amount of \$2,123,190 be authorized for the City of Ludington for the James Street Plaza/Legacy Park project.

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The project was evaluated utilizing the CDBG requirements. It has been determined that the project meets the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**

This project qualifies for CDBG funding as the project activities will benefit all residents of the project area and 54.68 percent of the residents of the City of Ludington are low and moderate income persons as determined by census data provided by the U.S. Department of Housing and Urban Development. The project meets a national objective by providing benefit to at least 51 percent low- and moderate-income persons.

Low- and moderate-income residents will have more consistent community programming in an area that is safe, healthy, and conducive to the events planned for the space. They will not have road curbs and pothole tripping hazards that result from events on a closed off street. Ludington residents will have more access to fresh food with a permanent farmers market pavilion and the market hours will extend farther into the spring and fall seasons. Farmers and shoppers will both benefit from shopping that takes place under a roof when the weather is poor. Events will benefit from a restroom facility and pavilion that is built for flexible use with many touch free features.

- **Eligible Activity:**

This project involves eligible activities identified in Section 105(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended.

Screening Guidelines

The project was evaluated utilizing the CDBG guidelines. It has been determined that the project meets the following standards to qualify as an eligible project under the CDBG program:

- **Economic Impact:** The economic impact of this project was evaluated. It was determined that the project is:

- Located in a highly visible location
- Located in a DDA
- Consistent with the goals and objectives of the DDA's adopted Downtown Development Plan also,

the community has:

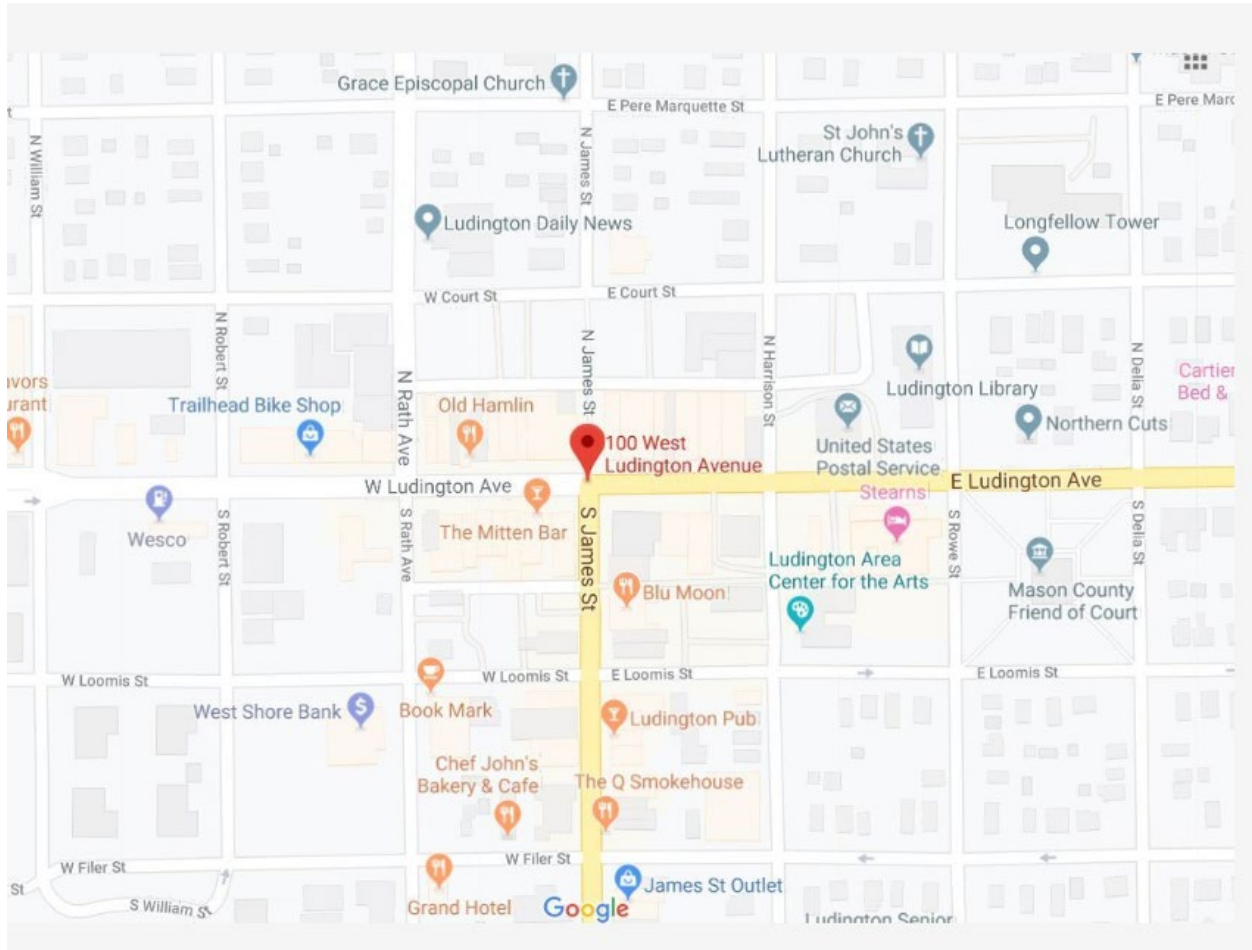
- Prior use of downtown development incentives (TIFs, abatements, etc.)
- Local organizational capacity to successfully complete this project
- A full-time community staff member able to administer the project
- Adopted a downtown development plan

- **Minimum Local Participation:** The City of Ludington will make an anticipated contribution of \$389,710 which is fifteen percent (15%) of the total public facilities costs. The funds will be provided by the City of Ludington Downtown Development Authority.

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

The MEDC staff has concluded that the project meets the minimum program requirements and screening guidelines to be eligible under the CDBG program.

APPENDIX C – Map, Renderings and Site Photos

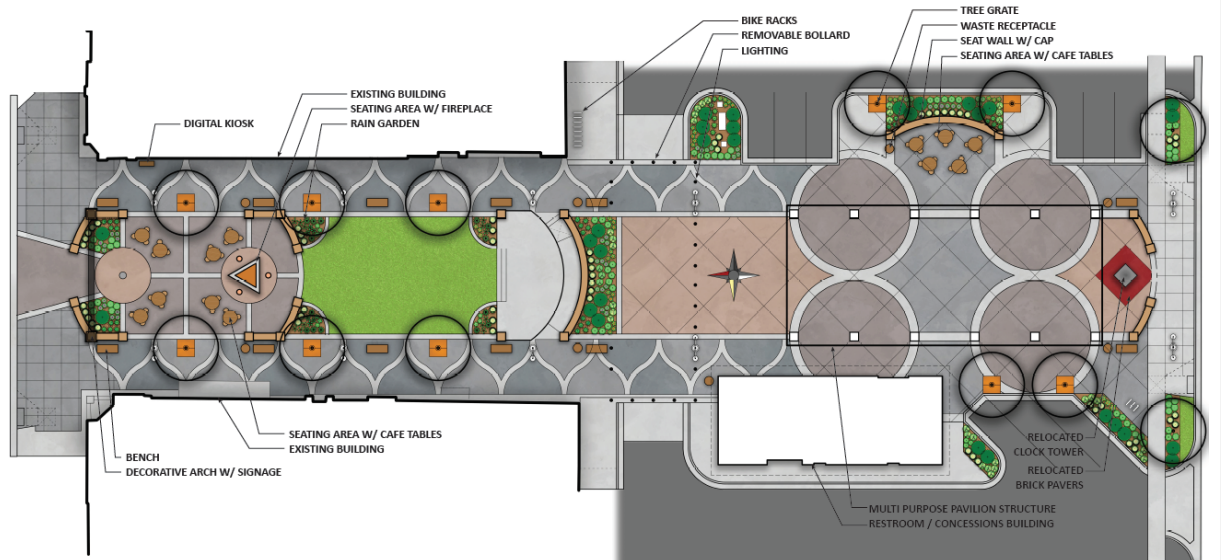


CITY OF LUDINGTON

LEGACY PLAZA - CONCEPT PLAN

6/17/2020

#2200237




SCALE: 1" = 10'

Prein&Newhof



MICHIGAN STRATEGIC FUND

**RESOLUTION
2020-122**

APPROVAL OF CITY OF LUDINGTON’S JAMES STREET PLAZA/LEGACY PARK PROJECT

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2019 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133, authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for area benefit grants;

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

WHEREAS, the City of Ludington (the “Community”) has submitted a complete application for approval requesting funding to be used to fund their James Street Plaza/Legacy Park project (the “Project”);

WHEREAS, the CDBG program staff reviewed the application and proposed Project in light of the Criteria and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, and at least 51 percent of the project beneficiaries are low and moderate income persons; and

WHEREAS, staff recommends that a grant agreement be authorized and entered into with the Community for funds from the CDBG program for the reasons set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed \$2,123,190 for the payment or reimbursement of costs associated with the Project, and allocates \$2,123,190 from the Michigan CDBG program for the purpose of funding the Community’s proposed Project contingent upon the MSF’s continued receipt of CDBG funds and availability of adequate funds; and

BE IT FURTHER RESOLVED, the MSF Fund Manager, in coordination with MEDC staff is directed to negotiate the terms of a grant agreement for the Project consistent with this Resolution.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

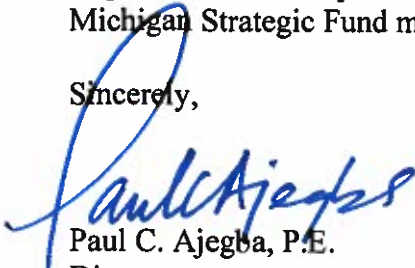
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

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

Subject: Community Development Block Grant Program
2020 Infrastructure Grants

Request

Eight (8) units of general local government (UGLG) are requesting a total of \$10,448,264 in Community Development Block Grant (CDBG) funds for infrastructure improvements in their communities. In addition, MEDC staff is requesting up to \$165,050 in CDBG funds to provide CDBG Certified Grant Administrators (CGA) to assist these communities with the compliance and administrative requirements of the awards.

Background

On November 22, 2019, the CDBG Program opened an Infrastructure and Resiliency competitive funding round in the amount of \$10,000,000. Activities eligible for funding included upgrades or replacement of existing public infrastructure related to water, sewer and wastewater systems. These activities included: water lines and related facilities; sanitary and storm sewer lines and related facilities; and wastewater treatment plants and related activities, with only road replacement activities related to these activities being eligible. The CDBG Program received thirty-five (35) infrastructure applications requesting a total of \$45,622,854.

Program specific requirements and screening guidelines are addressed in **Appendix A**.

A list of the eight (8) recommended projects is attached as **Appendix B** to the resolution and totals \$10,448,264 with the additional up to \$165,050 in administrative cost. The list includes the CDBG applicants, project description, percentage of low- and moderate-income people living in the community, grant amount requested, grant administration amount requested and local match commitment.

Recommendation

MEDC Staff recommends the MSF to authorize:

- CDBG infrastructure grants in total of \$10,613,314 for the eight (8) projects listed in **Appendix B** of the resolution.

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The projects were evaluated utilizing the CDBG requirements. It has been determined that the projects meet the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
The projects qualify for CBDG funding as the project’s activities will benefit all residents of the project area and at least 51 percent of the residents of the community are low- and moderate-income persons as determined by census data provided by the U.S. Department of Housing and Urban Development or an income survey previously approved by staff. The projects meet a national objective by providing benefit to at least 51 percent low- and moderate-income persons.
- **Eligible Activity:**
The projects involve eligible activities identified in Section 105(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended.

Screening Guidelines

All recommended projects have met the following criteria:

- Located in a Community listed on the CDBG Low-Moderate Income Community Customer list and the project benefits the entire community.
- Shall be for an existing system capital replacement or upgrade, not system maintenance.
- Community has a locally approved Capital Improvements Plan (CIP) and the proposed project is specifically identified within the CIP as a non-maintenance capital expenditure.
- Includes only eligible CDBG activities and Community owns or can acquire easement to the property encompassing the project.
- Community is contributing a minimum cash match equal to 10% of total project costs.
- Communities demonstrated a management/maintenance plan for the proposed project for its useful life.
- Timeline of project to be completed by December 31, 2022.
- Grant request between \$500,000 and \$2,000,000. (One grant request per community)
- Community had a set of project plans and specifications.

The MEDC staff has concluded that the projects meet the minimum program requirements and screening guidelines to be eligible under the CDBG program.

Background Check: A background check has been completed for the eight (8) communities in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

MICHIGAN STRATEGIC FUND

RESOLUTION 2020-123

APPROVAL OF THE 2020 INFRASTRUCTURE FUNDING ROUND GRANTS

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2019 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133, authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

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

WHEREAS, the Communities listed in **Appendix B** (the “Community”) have submitted a complete application for approval requesting funding to be used to fund their Infrastructure Project (the “Project”);

WHEREAS, the CDBG program staff reviewed the applications and proposed Projects in light of the Criteria and HUD regulations and concluded the Projects are eligible for funding, are not speculative in nature, are economically sound, are ready to proceed, and at least 51 percent of the project beneficiaries are low and moderate income persons; and

WHEREAS, CDBG program staff recommends the MSF approve \$10,613,314 to fund Infrastructure projects and, that a grant agreement be authorized and entered into with the Communities identified in **Appendix B** for funds from the CDBG program for the reasons set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes grants to the Communities identified in **Appendix B** not to exceed \$10,613,314 for the payment or reimbursement of costs associated with their Project, and allocates \$10,613,314 from the Michigan CDBG program for the purpose of funding the Community’s proposed Project contingent upon the MSF’s continued receipt of CDBG funds and availability of adequate funds; and

BE IT FURTHER RESOLVED, the MSF Fund Manager, in coordination with MEDC staff is directed to negotiate the terms of the grant agreements for the projects consistent with this Resolution.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020

Appendix B - Recommended Projects

Applicant/Communities	Project Description	Percent Low/Mod	CDBG Request	Admin Cost Request	Total Local Match
Village of Baraga	Lagoon and wastewater system upgrades.	58.33	1,500,000	22,425	500,000
City of Bronson	Sanitary and storm sewer and watermain replacement.	53.93	1,322,850	27,240	440,950
City of Fennville	Water main replacement.	71.83	1,050,000	17,000	500,000
Mackinaw City Village	Water storage tank and sanitary pump station replacement.	57.55	1,350,000	17,200	450,000
City of Manistique	Sewer interceptor and pipe replacement.	66.44	740,480	13,560	91,520
Village of Mayville	Sanitary and storm sewer and watermain replacement.	55.8	1,700,000	27,350	432,000
Nashville Village	Water pump, sanitary sewer pipe lining and storm sewer improvements.	59.09	1,095,360	20,400	208,640
City of Stanton	Sanitary and storm sewer and watermain replacement.	65.34	1,689,574	19,875	563,191
			10,448,264	165,050	3,186,301



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: September 22, 2020

To: Michigan Strategic Fund Board

From: Christine Whitz, Director, Community Development Block Grant Program
Jonathon Lukco, Financial Analyst, Community Development Block Grant Program

Subject: Community Development Block Grant Program
CDBG CARES County Allocations

Request

MEDC staff is requesting that 77 non-entitlement Michigan counties receive a formula allocation totaling \$19,885,924 of the Community Development Block Grant (CDBG) Coronavirus Aid, Relief and Economic Security Act (CARES) funding through the CDBG Program. (Exhibit A)

Background

On March 27, 2020 the CARES Act was passed by the U.S. Congress and signed into law. On May 19, 2020, the Michigan Strategic Fund (MSF) board approved MEDC staff to amend the CDBG PY19 Action Plan to add the anticipated COVID (CDBG-CV1) funding allocated to the State of Michigan in the amount of \$20,500,953.

The formula allocation to the 77 non-entitlement counties was calculated based on HUD's methodology for their Round 2 allocation of the CDBG-CV CARES Act funds to the states but was modified, taking into consideration public health needs, economic and housing market disruptions, the risk of transmission of COVID-19 and other factors.

The state CDBG Program considered populations impacted by the virus and the services counties have had to pay for thus far in the pandemic. CDBG replaced the two public health need considerations with a more comprehensive index created by the Center for Disease Control, which also contains these two considerations. (Exhibit B)

The funding is designated for COVID-19 related unbudgeted county expenditures used to prevent, prepare for and respond to the coronavirus. The CDBG program will reimburse eligible expenses, not already paid with other federal or state funding, dating back to January 21, 2020, which was the date of the first confirmed U.S. COVID-19 case. Counties, as grantees of the CDBG-CV1 funds, may also submit to the state CDBG program eligible reimbursements from non-entitlement cities, villages, and townships in their jurisdictions.

Examples of eligible reimbursable expenditures:

Health Care Equipment

- Purchasing and distributing personal protective equipment (PPE)
- Purchase of sanitation equipment
- Purchase of telehealth equipment to allow assisted residents access to health care providers from home

Public Services

- COVID-19 testing costs
- Setup of quarantine sites
- Assist vulnerable populations in accessing food, medical care or prescriptions
- Providing units for temporary quarantine purposes
- Emergency housing for health care workers

Salaries

- Reimbursement for overtime costs for staff time related to COVID-19 response including hazard pay
- Hazard pay for essential workers that are managing or maintaining units, or staffing emergency or isolation units (County Sheriff or EMT)

Recommendation

MEDC Staff recommends the MSF to authorize:

- A total of \$19,885,924 of CDBG funds be allocated to the 77 counties listed in Exhibit A for eligible reimbursable expenditures related to the coronavirus pending that a background check has been completed in accordance with the MSF Background Review Policy.

MICHIGAN STRATEGIC FUND

RESOLUTION 2020-124

APPROVAL OF THE CDBG CARES COUNTY ALLOCATIONS

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2019 Program Year Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133, authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants.

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

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

WHEREAS, the Counties listed in **Exhibit A** (the "County") have been formula allocated CDBG CARES funding to be used to fund their eligible COVID related expenditures (the "Project");

WHEREAS, the CDBG program staff will be reviewing the proposed Projects in light of the Criteria and HUD regulations for eligibility, Projects will not be speculative in nature, will be economically sound, and meet a CDBG national objective; and

WHEREAS, CDBG program staff recommends the MSF approve \$19,885,924 to fund COVID related projects and, that a grant agreement be authorized and entered into with the Communities identified in **Exhibit A** for funds from the CDBG program for the reasons set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes grants to the counties identified in **Exhibit A** not to exceed \$19,885,924 for the payment or reimbursement of costs associated with their Projects, and allocates \$19,885,924 from the Michigan CDBG program for the purpose of funding the County's proposed Projects contingent upon the MSF's continued receipt of CDBG funds and availability of adequate funds; and

BE IT FURTHER RESOLVED, the MSF Fund Manager, in coordination with MEDC staff is directed to negotiate the terms of the grant agreements for the projects consistent with this Resolution.

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

Nays: None

Recused: None

Lansing, Michigan
September 22, 2020

CDBG County Allocation

County	Allocation
Alcona County	\$143,813
Alger County	\$103,437
Allegan County	\$320,354
Alpena County	\$405,702
Antrim County	\$237,095
Arenac County	\$254,020
Baraga County	\$199,315
Barry County	\$291,256
Bay County	\$281,714
Benzie County	\$213,427
Berrien County	\$377,363
Branch County	\$311,902
Calhoun County	\$439,771
Cass County	\$189,299
Charlevoix County	\$340,868
Cheboygan County	\$271,084
Chippewa County	\$147,629
Clare County	\$181,403
Clinton County	\$393,411
Crawford County	\$287,332
Delta County	\$71,088
Dickinson County	\$27,976
Eaton County	\$355,322
Emmet County	\$347,398
Gladwin County	\$207,877
Gogebic County	\$65,777
Grand Traverse County	\$327,741
Gratiot County	\$278,336
Hillsdale County	\$220,792
Houghton County	\$280,203
Huron County	\$334,471
Ingham County	\$455,541
Ionia County	\$351,107
Iosco County	\$339,894
Iron County	\$42,878
Isabella County	\$298,558
Jackson County	\$390,601
Kalamazoo County	\$451,819
Kalkaska County	\$156,005

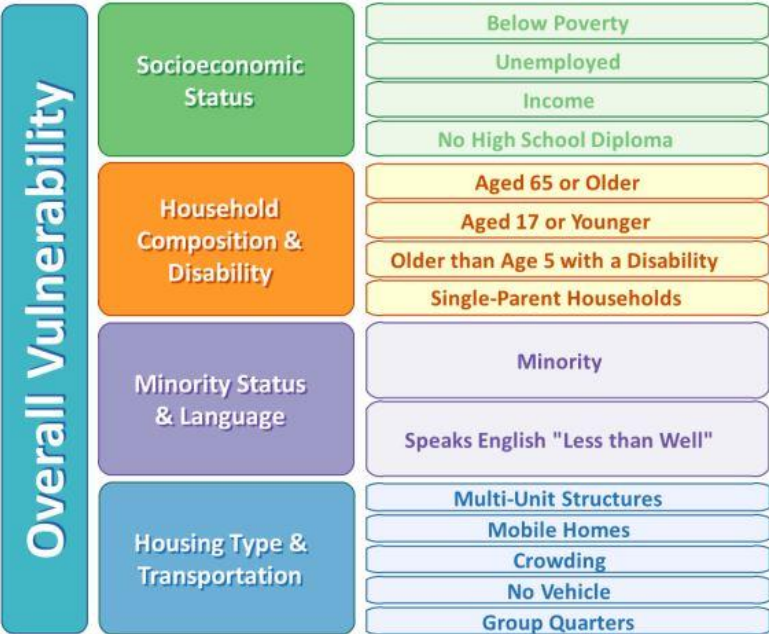
County	Allocation
Keweenaw County	\$32,314
Lake County	\$292,456
Lapeer County	\$208,739
Leelanau County	\$368,776
Lenawee County	\$263,820
Livingston County	\$370,302
Luce County	\$155,462
Mackinac County	\$147,630
Manistee County	\$154,238
Marquette County	\$238,841
Mason County	\$130,160
Mecosta County	\$307,982
Menominee County	\$163,153
Midland County	\$284,628
Missaukee County	\$372,374
Monroe County	\$290,498
Montcalm County	\$287,022
Montmorency County	\$83,246
Muskegon County	\$433,470
Newaygo County	\$193,125
Oceana County	\$314,489
Ogemaw County	\$351,959
Ontonagon County	\$57,424
Osceola County	\$212,554
Oscoda County	\$151,417
Otsego County	\$259,766
Ottawa County	\$431,207
Presque Isle County	\$151,001
Roscommon County	\$251,634
Saginaw County	\$422,506
Sanilac County	\$93,667
Schoolcraft County	\$57,422
Shiawassee County	\$378,007
St. Clair County	\$442,810
St. Joseph County	\$217,976
Tuscola County	\$274,010
Van Buren County	\$290,603
Wexford County	\$355,659
Total	\$19,885,924

CDBG Allocation Formula:

- 60% - Center for Disease Control’s Social Vulnerability Index
- 40% - Aggregate count of approved unemployment insurance (UI) claims for week ending 4/25/2020 – 5/30/2020 less the aggregate count of UI claims during the same time period last year (week ending 4/27/2019 – 6/1/2019)
- 15% modifier - Per capita rate of confirmed coronavirus cases

$(60\% * SVI + 40\% * UI \text{ Claims}) + 15\% * COVID-19 \text{ Cases} = \text{Weighted Score}^*$

*This weighted score is then ranked to establish the allocation amount.





STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
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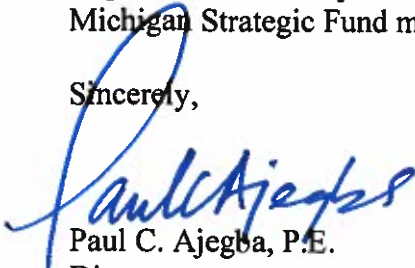
February 3, 2020

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



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LANSING

GRETCHEN WHITMER
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RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood