



# MICHIGAN STRATEGIC FUND

## BOARD MEETING AGENDA

June 22, 2021

10:00 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: May 25, 2021..... 2
- b. MTRAC Guidelines Administrative Update Request ..... 10
- c. MTRAC Advanced Materials, Advanced Computing, and Advanced Transportation:  
Funding Reallocation..... 18
- d. Tech Transfer Talent Network (T3N): Funding Allocation ..... 32
- e. Connected Nation Michigan: Extension of Existing Contract..... 37

### V. COMMUNITY VITALITY

- a. Whirlpool Corporation and Harbor Shores Community Redevelopment, LLC: A resolution to approve an MCRP performance-based grant in the amount of up to \$750,000, a Brownfield Act 381 Work Plan including state tax capture in the amount of \$1,894,405, and to amend the existing Michigan 21<sup>st</sup> Century Jobs Fund Grant Agreement and ancillary agreements to extend the due date for Key Milestone Number Two and revise the Renovation Construction amount to \$5,190,000 and New Construction amount to \$65,410,000. .... 52  
*Capital Investment: over \$80,000,000; Locations: City of Benton Harbor and City of St. Joseph*
- b. City of Houghton Pier Placemaking Project: A resolution to approve \$4,035,010 in Community Development Block Grant (CDBG) funds. .... 74  
*Location: City of Houghton*

### VI. BUSINESS INVESTMENT

- a. American Axle and Manufacturing: A resolution to approve up to \$2,000,000 in CDBG funds and a 100% SESA Exemption for up to five years valued at up to \$468,888..... 82  
*Capital Investment: \$40,608,000; Job Creation: 100 jobs Location: City of Three Rivers*
- b. Hollingsworth Logistics Group LLC: A resolution to approve an MBDP performance-based grant in the amount of \$1,500,000..... 99  
*Capital Investment: up to \$17,075,000; Job Creation: 250 jobs; Location: Brownstown Charter Township*

### VII. INFORMATIONAL

- a. Monthly Delegation of Authority Report ..... 105

**MICHIGAN STRATEGIC FUND  
PROPOSED MEETING MINUTES  
May 25, 2021**

**Members joined remotely**

Britany L. Affolter-Caine, participating from Ypsilanti Township, MI  
Paul Ajegba, participating from Ann Arbor, MI  
Susan Corbin, participating from Lansing, MI  
Rachael Eubanks, participating from East Lansing, MI  
Paul Gentilozzi, participating from Lansing, MI  
September Hargrove, participating from Detroit, MI  
Amanda Bright McClanahan (on behalf of Chairman Noel), participating from East Lansing, MI  
Charles P. Rothstein, participating from Farmington Hills, MI  
Susan Tellier, participating from Grand Rapids, MI  
Cindy Warner, participating from Traverse City, MI

**Member absent**

Ronald W. Beebe

**I. CALL TO ORDER & ROLL CALL**

Ms. Bright McClanahan called the meeting to order at 10:01 a.m. The meeting was held virtually via Microsoft Teams.

Ms. Bright McClanahan introduced Katelyn Wilcox Surmann, MSF Board Liaison, who reminded members to identify their physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely, as required under the Open Meetings Act. Ms. Wilcox Surmann then conducted the attendance roll call.

**II. PUBLIC COMMENTS**

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

**III. COMMUNICATIONS**

Ms. Wilcox Surmann advised Board members that revised material for the 7303 West McNichols LLC project in Detroit will be sent to members prior to consideration of the agenda item. She also advised members that a letter was received from Senator Wayne Schmidt in support of the GLC Northern Michigan Pine, LLC project in Traverse City; the letter is attached to the minutes.

**IV. CONSENT AGENDA**

**Resolution 2021-067 Approval of Consent Agenda Items**

Ms. Bright McClanahan asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Susan Corbin motioned for the approval of the following:

- a. Proposed Meeting Minutes: April 27, 2021
- b. Dakkota Integrated Systems, LLC: Next Michigan Development Corporation Renaissance Zone Amendment – **2021-068**

- c. iSourceWorldwide, LLC and SkyPoint Ventures, LLC: MBDP Loan Amendment – **2021-069**
- d. Ratification of Federal Funding Applications and Approval of MSF Authorized Representative Designation – **2021-070**

September Hargrove seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Susan Corbin, Rachael Eubanks, September Hargrove, Amanda Bright McClanahan (on behalf of Chairman Noel, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

*Paul Gentilozzi joined the meeting at 10:18 a.m.*

## V. ADMINISTRATIVE

### a. **Resolution 2021-071 State Historic Tax Credits: Acknowledgement of Draft Program Rules**

*Michele Wildman, Senior Vice President of Community Development, and Robb McKay, Historic Architect, provided the Board with information regarding this action item. The action involves approval of draft State Historic Tax Credit Program rules and delegate authority to the MSF Fund Manager to execute all documents related to completion of the rule promulgation process.* Following discussion, Susan Tellier motioned for the approval of Resolution 2021-071. Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Amanda Bright McClanahan (on behalf of Chairman, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

## VI. COMMUNITY VITALITY

### a. **Resolution 2021-072 Bagley Development Group LLC: Michigan Community Revitalization Program Loan Participation Award Amendment and Allocation of Funds (United Artist Building Project)**

*Julius Edwards, Senior Commercial Real Estate Investment Manager, provided the Board with information regarding this action item. This action involves approval to increase a Michigan Community Revitalization Program (MCRP) loan participation award by \$2,000,000 to \$7,000,000 and transfer \$2,000,000 in funds from the Jobs for Investment Fund to the MCRP for the purpose of this project through MCL 125.2088b(2) to support a community development project in the City of Detroit. The project is expected to result in total capital investment of \$85,770,009.* Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2021-072. Cindy Warner seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Amanda Bright McClanahan (on behalf Chairman Noel, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

*Cindy Warner, recused from the next item, temporarily disconnected from the meeting; a recusal letter is attached to the minutes.*

**b. Resolution 2021-073 GLC Northern Michigan Pine, LLC: Michigan Community Revitalization Program Loan Participation Award (309 W. Front Street Project)**

*Dan Leonard, Senior Community Assistance Team Specialist, provided the Board with information regarding this action item. This action involves approval of a \$2,900,000 Michigan Community Revitalization Program loan participation award, with up to \$750,000 forgivable upon construction completion and achievement of other performance criteria, to support a community development project in the City of Traverse City. The project is expected to result in total capital investment of \$25,339,947. Following discussion, Susan Corbin motioned for the approval of Resolution 2021-073. Britany L. Affolter-Caine seconded the motion. **The motion carried: 8 ayes; 0 nays; 1 recused; 1 abstained.***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Susan Corbin, Rachael Eubanks, September Hargrove, Amanda Bright McClanahan (on behalf of Chairman Noel, designation attached), Charles P. Rothstein, Susan Tellier; Nays: None; Recused: Cindy Warner; Abstained: Paul Gentilozzi

*Cindy Warner rejoined the meeting.*

**c. Resolution 2021-074 Exchange Building LLC: Michigan Community Revitalization Program Loan Participation Award Agreement Amendment**

*Lori Mullins, Managing Director of Community Development Incentives, provided the Board with information regarding this action item. This action involves approval of a resolution to rescind an existing Michigan Community Revitalization Program (MCRP) loan participation agreement and replace it with a MCRP performance-based direct loan and to authorize the MSF Fund Manager to consent to approximately \$4.7 million in future funding from TCF Bank. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2021-074. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Amanda Bright McClanahan (on Chairman Noel, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

*September Hargrove, recused from the next item, temporarily disconnected from the meeting; a recusal letter is attached to the minutes.*

**d. Resolutions 2021-075 & 2021-076 7303 West McNichols LLC / City of Detroit Brownfield Redevelopment Authority: Michigan Community Revitalization Program Direct Loan and Brownfield Act 381 Work Plan Approval**

*Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. These actions involve approval of a \$1,250,000 Michigan Community Revitalization Program performance-based direct loan and state tax capture capped at \$228,537 for Act 381 eligible activities to support a community development project in the City of Detroit. The project is expected to result in total capital investment of \$10,441,789. Following discussion, Paul Gentilozzi motioned for the approval of Resolution*

2021-075. Charles P. Rothstein seconded the motion. **The motion carried: 9 ayes; 0 nays; 1 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Amanda Bright McClanahan (on behalf of Chairman Noel, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: September Hargrove

Paul Gentilozzi then motioned for the approval of Resolution 2021-076. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 1 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Amanda Bright McClanahan (on behalf of Chairman Noel, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: September Hargrove

*September Hargrove rejoined the meeting.*

## **VII. INFORMATIONAL**

Ms. Bright McClanahan noted the quarterly reporting for MSF delegated authority activity has switched to a monthly format. The report for the period April 1 to April 30, 2021, was included in the meeting packet. She asked if there were any questions from Board members regarding the information; there were none.

Ms. Bright McClanahan adjourned the meeting at 11:17 a.m.



**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION

March 18, 2021

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

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

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

Sincerely,

D. Jeffrey Noel  
President & Chairman, MSF  
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



**WAYNE A. SCHMIDT**

37TH DISTRICT  
P.O. BOX 30036  
LANSING, MI 48909-7536

**THE SENATE  
STATE OF MICHIGAN**

PHONE: (517) 373-2413  
TOLL-FREE: (855) 347-8037  
FAX: (517) 373-5144  
senwschmidt@senate.michigan.gov

May 21, 2021

Michigan Strategic Fund

Dear Chairperson Noel,

Please accept this letter as a formal recommendation for GLC Northern Michigan Pine, LLC to receive a Michigan Community Revitalization Program (MCRP) loan participation award in Traverse City Michigan. Based on the impact that the project would have on the community it is a worthy cause to receive the award.

As State Senator for the Thirty-Seventh District of Michigan, and as a Traverse City native and current resident, I can personally speak to the importance of developments such as the one proposed in the 309 W. Front Street project. Across the State of Michigan and especially in Northern Michigan, there is a housing crisis. The multi-use development will provide much needed housing in Traverse City as well as more commercial use space. The blended income plan for the residential units is an intriguing and beneficial aspect of the development that will benefit the community.

I believe that the 309 W. Front Street project being undertaken by GLC Northern Michigan Pine, LLC would be worthy recipient of the Michigan Community Revitalization Program loan participation award. If you have any questions, please do not hesitate to call my office at (517) 373-2428.

Sincerely,

Wayne A. Schmidt  
State Senator  
37<sup>th</sup> District

May 24, 2021

Katelyn Wilcox  
Assistant Chief of Protocol  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: 7303 West McNichols LLC/McNichols Redevelopment

Dear Ms. Wilcox

This letter is to advise that I am recusing myself from deliberations and voting on the 7303 West McNichols LLC/McNichols Redevelopment agenda item during the Michigan Strategic Fund board meeting on Tuesday, May 25, 2021.

The reason for the recusal is that I have a conflict of interest with respect to the parties involved in the agenda item.

Regards,

September Hargrove



May 25, 2021

Katelyn Wilcox  
Assistant Chief of Protocol  
Michigan Economic Development Corporation  
300 North Washington Square  
Lansing, MI 48913

RE: 309 West Front Street, Traverse City

Dear Katelyn,

I would like to recuse myself from the discussion on the above referenced property/ project as I know the developer, and I own the property directly across the street from this project. If this project moves forward it could potentially enrich me and increase my property value, therefore I prefer to not be involved in the discussion and will certainly not vote on the approval of this project.

Please let me know if questions.

Sincerely,

Cindy L. Warner



## MEMORANDUM

**Date:** June 22, 2021

**To:** Michigan Strategic Fund Board

**From:** Denise Graves, University Relations, Entrepreneurship and Innovation

**Subject:** Request to Amend Michigan Translational Research and Commercialization (“MTRAC”) Program Guidelines

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### Request

The Michigan Economic Development Corporation (“MEDC”) requests approval to amend the Michigan Translational Research and Commercialization (“MTRAC”) Program Guidelines to permit grant terms that coincide with the terms of the Innovation Hub designations and to ensure a competitive application process for future Innovation Hubs designations (the “Request”).

### Background

The MTRAC Program was created pursuant to Section 880 of the MSF Act, MCL 125.20880, to 1) encourage and work with the State of Michigan’s public universities to identify commercial potential in advanced technologies from individual institutions of higher education; 2) facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities; 3) encourage business formation efforts in institution of higher education technology transfer offices to increase the number of institution of higher education related start-up companies; 4) encourage institutions of higher education to provide their faculty with incentives for participating in the technology transfer and commercialization activities; and 5) facilitate the use of applied research expertise within institutions of higher education by qualified businesses.

The MTRAC Program, through its five Innovation Hubs, provides collaboration, matching funds and mentoring to research universities, hospital systems and non-profit research centers support for their cutting-edge projects with the desire to translate the research into the commercial market. The program provides a pathway for the projects to receive funding, mentorship and interaction with industry and investment capital professionals to facilitate engagement with the technology transfer offices and encourage startup creation and licensing activities that result in job growth and follow-on funding. The five Innovation Hubs that are part of the MTRAC Statewide program and their designated technology focus areas which align with the MEDC Strategic Plan sector focus areas, are as follows:

University of Michigan Life Sciences– medical devices, diagnostics, therapeutics and healthcare IT

University of Michigan Advanced Transportation– mobility, robotics and autonomy, sensors, electric vehicle drivetrain/propulsion

Michigan State University Ag Bio– food, fuel & fiber, bio-derived/bio-based materials, natural resources and animal health

Michigan Tech University Advanced Materials– novel materials, novel applications of conventional materials, equipment or processes that enable application of either novel materials or conventional materials for novel purpose

Wayne State University Advanced Computing– cognitive computing, immersive technologies, cybersecurity, internet of things, industry x.0, blockchain and next generation computing

### **Summary of Proposed Changes**

Currently the MTRAC Program Guidelines allow the MSF to designate Innovation Hubs for a term of six years with grant terms of only two years. This creates a significant administrative burden on the MEDC and the universities that have been designated as Innovation Hubs and creates disruptions in the administration of the various Innovation Hub activities. The proposed amendment to the MTRAC Guidelines would allow for a grant term of six years to coincide with the term Innovation Hub designation. The modification will streamline the administration and implementation of Innovation Hub activities. The MSF Board would still approve all Innovation Hub designations and approve annual funding requests within the six-year grant term. The proposed changes also seek to clarify that a competitive application process will be undertaken to seek applications from eligible institutions of higher education for future Innovation Hub designations.

### **Recommendation**

MEDC Staff recommends approval of the Request, with such amendments taking immediate effect.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-078**

**APPROVAL OF MICHIGAN TRANSLATIONAL RESEARCH  
AND COMMERCIALIZATION INNOVATION HUB GRANT AMENDMENT**

**WHEREAS**, Public Acts 215 and 225 of 2005 (collectively, the “Act”) established the 21<sup>st</sup> Century Jobs Fund initiative;

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

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

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

**WHEREAS**, the MEDC recommends that the MSF Board adopt amendments to the MTRAC Guidelines as set forth in Attachment A to this Resolution that will result in more efficient and effective administration of the MTRAC Program, with such modifications taking immediate effect upon approval (the “Guideline Amendment Recommendation”); and

**WHEREAS**, the MSF Board wishes to approve the Guideline Amendment Recommendation.

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

Ayes: Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
June 22, 2021

# **MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION STATEWIDE PROGRAM GUIDELINES**

## **IN GENERAL**

- The Michigan Translational Research and Commercialization Statewide Program (the “MTRAC Statewide Program”) is created pursuant to Section 88o of the MSF Act, MCL 125.2088o, to 1) encourage and work with the State of Michigan’s public universities to identify commercial potential in advanced technologies from individual institutions of higher education; 2) facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities; 3) encourage business formation efforts in institution of higher education technology transfer offices to increase the number of institution of higher education related start-up companies; 4) encourage institutions of higher education to provide their faculty with incentives for participating in the technology transfer and commercialization activities; and 5) facilitate the use of applied research expertise within institutions of higher education by qualified businesses.
- In furtherance of these objectives, the Michigan Strategic Fund (“MSF”) wishes to provide grant funding to up to five (5) Innovation Hubs in key technology areas of Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology and Life Sciences to accelerate technology transfer from Michigan’s institutions of higher education, non-profit research centers and hospital systems for commercialization of competitive edge technologies, as defined in Section 88a of the MSF Act, MCL 125.2088a et seq., to the private sector.

## **ELIGIBILITY REQUIREMENTS OF INNOVATION HUBS**

In order to be designated as an Innovation Hub and to receive funding from the MSF under the MTRAC Statewide Program, an applicant must meet all of the following criteria:

- Be a state research university with a designated technology transfer office;
- Can meet or exceed the following metrics at the Innovation Hub or through a Subawardee (defined below), or a combination thereof: 1) create a minimum of five (5) jobs; 2) create a minimum of two (2) start-up companies; 3) issue a minimum of three (3) licenses to corporate partners; and 4) obtain a minimum of \$2,000,000 in follow on funding.
- Demonstrated expertise in one of the following five key areas: Advanced Computing, Life Sciences, Advanced Transportation, Advanced Materials or Agriculture-Biology.
- Demonstrate a financial match according to the tiers below, as an institution of higher education based upon research expenditures as reported through the Higher Education Research and Development (HERD) survey:

>\$150 Million – 100% match

\$50 Million - \$150 Million – 75% match

<\$50 Million –whereas institutions of higher education that fall below \$50 million in research expenditures, the match requirement will be 10% of their proposed project budget

- Maintain an annual Request for Proposals or alternative competitive process in which proposals can be submitted to the Innovation Hub from internal faculty of the state research university with which the Innovation Hub is affiliated, other Innovation Hubs, institutions of higher education, non-profit research centers and hospital systems throughout the State of Michigan (the “Subawardee(s)”) for funding of Eligible Technology Transfer Activities (defined below).
- Have a Commercialization Program Director (“CPD”) who is responsible for program management, oversight and reporting to ensure program efficiency and future success.
- Have an Oversight Committee comprised of industry experts and investment professionals to review and score proposals, provide commercialization goals and milestones to projects, vote on project awards and mentor projects to completion.
- Demonstrate a commitment from the state research university with which the Innovation Hub is affiliated to support the commercialization of advanced technologies and bio economy technologies on a statewide basis through the collaboration with other Innovation Hubs, industry, institutions of higher education, non-profit research centers and hospital systems throughout the State of Michigan.

#### **SUBAWARDEE ELIGIBILITY REQUIREMENTS**

In order to apply for project funding from the Innovation Hub, a Subawardee must meet all of the following criteria:

- Be a Michigan institution of higher education, non-profit research center or hospital system.
- Propose a project that encompasses supporting translational research into a commercial market related to competitive edge technologies as defined in Section 88a of the MSF Act, MCL 125.2088a et seq., with the outcome being a new startup company or a license to a corporate partner (“Eligible Technology Transfer Activities”).
- Adhere to the Innovation Hub submission and reporting requirements and timelines.
- Demonstrate a 1:1 financial match in its request for funding to the Innovation Hub as a non-profit research center or hospital system. Demonstrate a financial match according to the tiers below, as an institution of higher education based upon research expenditures as reported through the Higher Education Research and Development (HERD) survey:

>\$150 Million – 100% match

\$50 Million - \$150 Million – 75% match

<\$50 Million – 50% - whereas institutions of higher education that fall below \$50 million in research expenditures, the match requirement will be 10% of their proposed project budget

- Provide a project manager to assist in budget, milestone management and reporting requirements.

#### **ADDITIONAL PROGRAM DETAILS**

- The MEDC provides administrative services to the MSF for the program, including conducting due diligence and compliance processes, and promoting the collaboration of Innovation Hubs with institutions of higher education, non-profit research centers, and hospital systems.
- The grant to a research university for an Innovation Hub shall be performance based. The research university managing an Innovation Hub may apply for additional funding annually. The Innovation Hub will receive a grant award that coincides with the term of the Innovation Hub designation. The MSF Board may allocate additional funding to the Innovation Hub grant award throughout the term of the grant. Increases in the grant awards will be based on the successful completion of the requirements, including but not limited to milestones and budget from a previous award and will include submission of detailed annual program milestones, metrics and budgets.
- The designation as an Innovation Hub and its ability to receive funding from the MSF under the MTRAC Statewide Program is valid for a period up to six (6) years from the effective date of designation. The MSF will initiate a competitive application process to designate an Innovation Hub.
- All MSF Support will be memorialized in a final written grant with terms and conditions in accordance with these guidelines and otherwise satisfactory to the MSF, including without limitation, requiring performance based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF Board and the Michigan legislature, including periodic reporting after completion of a project and repayment for misappropriation, event of default, or other actions or activities prohibited under the MSF Act.
- All decisions for MSF Support are subject to approval of the full MSF Board and available funding.



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood





June 15, 2021

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, June 22, 2021.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees of MTRAC and T3N associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

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

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



**MEMORANDUM**

**Date:** June 22, 2021  
**To:** Michigan Strategic Fund Board  
**From:** Denise Graves, University Relations, Entrepreneurship and Innovation  
**Subject:** Funding Allocations for the Michigan Translational Research and Commercialization Program, Advanced Transportation, Advanced Materials and Advanced Computing Innovation Hubs

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**Request**

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve the following amendments under the Michigan Translational Research and Commercialization (“MTRAC”) Statewide Program: 1) extend the term of the MTRAC grant to the University of Michigan (“UM”) for the Advanced Transportation Innovation Hub to February 28, 2023 and allocate \$117,383 in additional funding; 2) extend the term of the MTRAC grant to Michigan Technological University (“MTU”) for the Advanced Materials Innovation Hub to February 28, 2023 and allocate \$34,798 in additional funding; and 3) extend the term of the MTRAC grant to Wayne State University (“WSU”) for the Advanced Computing Innovation Hub to February 28, 2025 and allocate \$25,154 in additional funding (the aforementioned, collectively, the “Request”).

**Background**

The MTRAC Program, through its five innovation hubs, provides collaboration, matching funds and mentoring to research universities, hospital systems and non-profit research centers support for their cutting-edge projects with the desire to translate the research into the commercial market. The program provides a pathway for the projects to receive funding, mentorship and interaction with industry and investment capital professionals to facilitate engagement with the technology transfer offices and encourage startup creation and licensing activities that result in job growth and follow-on funding. The MSF Board adopted the MTRAC Program Guidelines on April 26, 2016 to allow for designation of five Innovation Hubs in the following key technology areas: Agriculture-Biology, Life Sciences, Advanced Materials, Advanced Transportation, and Advanced Computing. Under the guidelines the MSF Board may designate an institution of higher education as an Innovation Hub for a period of six years. One June 22, 2021, the MTRAC Program Guidelines were amended to allow for grant awards to coincide with the terms of the Innovation Hubs, with the MSF Board having the discretion to allocate additional funding to the Hubs throughout the grant term.

Since the program’s creation, the MSF Board designated the following Innovation Hubs:

<b>Innovation Hub</b>	<b>University</b>	<b>Designation Date</b>
Agriculture-Biology	Michigan State University	6/28/2016
Life Sciences	University of Michigan	7/26/2016
Advanced Materials	Michigan Tech University	2/28/2017
Advanced Transportation	University of Michigan	2/28/2017
Advanced Computing	Wayne State University	2/26/2019

MEDC staff is seeking approval from the MSF Board to extend the terms of the grants awarded to the Advanced Materials, Advanced Transportation and Advanced Computing Innovation Hubs to the end of the month in which their Hub designation expires and to allocate additional funding to support a continuation of Hub activities. Program results for the Advanced Transportation, Advanced Materials, and Advanced Computing Innovation Hubs for activity from Hub designation through March 31, 2021 are included below:

<b>Metrics</b>	<b>Advanced Transportation</b>	<b>Advanced Materials</b>	<b>Advanced Computing</b>
Number of proposals reviewed	78	56	22
Number of projects funded	35	14	6
Startups formed	14	4	
Jobs created	47	5	
Licenses and options	6	7	
Follow on Funding	\$36,497,120	\$15,869,838	\$930,389
Institutions supported	University of Michigan, Michigan State University, Wayne State University, Michigan Technological University, Western Michigan University	Michigan Technological University, University of Michigan, Michigan State University, Wayne State University, Metropolitan Detroit Research and Education Foundation (MDREF)	University of Michigan, Michigan State University and Wayne State University

**Recommendation**

MEDC Staff recommends approval of the Request.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-079**

**APPROVAL OF MICHIGAN TRANSLATIONAL RESEARCH  
AND COMMERCIALIZATION PROGRAM ADVANCED MATERIALS  
INNOVATION HUB GRANT AMENDMENT**

**WHEREAS**, Public Acts 215 and 225 of 2005 (collectively, the “Act”) established the 21<sup>st</sup> Century Jobs Fund initiative;

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

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

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

**WHEREAS**, under the MTRAC Guidelines, the MSF Board provides funding to Innovation Hubs in key technology areas of Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology, and Life Sciences;

**WHEREAS**, under the MTRAC Guidelines adopted on April 26, 2016, the MSF may designate a state research university as an Innovation Hub, a designation which lasts for up to six years, and may authorize grants of up to two years during the term of the Innovation Hub;

**WHEREAS**, on February 28, 2017, the MSF the MSF Board designated Michigan Technological University (“Michigan Tech”) as the Innovation Hub for Advanced Materials activities;

**WHEREAS**, on October 27, 2020, the MSF Board authorized a grant of up to \$275,000 to Michigan Tech with an initial term of one year, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF (the “FY 2021 MTRAC Grant”);

**WHEREAS**, on June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of up to six years to coincide with the term of the Innovation Hub designation;

**WHEREAS**, the MEDC recommends that the MSF Board extend the term of the FY MTRAC Grant to February 28, 2023, and allocate \$34,798 in additional funding (the “Amendment Request”); and

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

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

**BE IT FURTHER RESOLVED**, the MSF Board authorizes the MSF Fund Manager to take all action necessary to effectuate the Amendment Request, consistent with the terms and conditions of this resolution.

Ayes: Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



June 15, 2021

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, June 22, 2021.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees of MTRAC and T3N associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-080**

**APPROVAL OF MICHIGAN TRANSLATIONAL RESEARCH  
AND COMMERCIALIZATION ADVANCED COMPUTING INNOVATION HUB  
GRANT AMENDMENT**

**WHEREAS**, Public Acts 215 and 225 of 2005 (collectively, the “Act”) established the 21<sup>st</sup> Century Jobs Fund initiative;

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

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

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

**WHEREAS**, under the MTRAC Guidelines, the MSF Board provides funding to Innovation Hubs in key technology areas of Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology, and Life Sciences;

**WHEREAS**, under the MTRAC Guidelines adopted on April 26, 2016, the MSF may designate a state research university as an Innovation Hub, a designation which lasts for up to six years, and may authorize grants of up to two years during the term of the Innovation Hub;

**WHEREAS**, on February 26, 2019, the MSF the MSF Board designated Wayne State University (“WSU”) as the Innovation Hub for Advanced Computing activities;

**WHEREAS**, on October 27, 2020, the MSF Board authorized a grant of up to \$425,000 to WSU with an initial term of one year, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF (the “FY 2021 MTRAC Grant”);

**WHEREAS**, on June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of up to six years to coincide with the term of the Innovation Hub designation;

**WHEREAS**, the MEDC recommends that the MSF Board extend the term of the FY MTRAC Grant to February 28, 2025, and allocate \$25,154 in additional funding (the “Amendment Request”); and

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

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



**BE IT FURTHER RESOLVED**, the MSF Board authorizes the MSF Fund Manager to take all action necessary to effectuate the Amendment Request, consistent with the terms and conditions of this resolution.

Ayes: Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

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Andrew Lockwood



June 15, 2021

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Sincerely,

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-081**

**APPROVAL OF MICHIGAN TRANSLATIONAL RESEARCH  
AND COMMERCIALIZATION PROGRAM ADVANCED TRANSPORTATION INNOVATION  
HUB GRANT AMENDMENT**

**WHEREAS**, Public Acts 215 and 225 of 2005 (collectively, the “Act”) established the 21<sup>st</sup> Century Jobs Fund initiative;

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

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

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

**WHEREAS**, under the MTRAC Guidelines adopted on April 26, 2016, the MSF may designate a state research university as an Innovation Hub, a designation which lasts for up to six years, and may authorize grants of up to two years during the term of the Innovation Hub;

**WHEREAS**, on February 28, 2017, the MSF Board designated the University of Michigan as the Innovation Hub for Advanced Transportation;

**WHEREAS**, on December 17, 2019, the MSF Board approved a new grant award under the MTRAC Program to the UM Advanced Transportation Hub in the amount of \$500,000 from the MTRAC Program budget and for an initial term of one year, with the option to extend for one additional year and to allocate additional funding at the sole discretion of the MSF Board (the “MTRAC Grant”);

**WHEREAS**, on October 27, 2020, the MSF Board exercised its option to extend the term of the MTRAC Grant for one year and allocated \$425,000 in additional funding;

**WHEREAS**, on June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of up to six years to coincide with the term of the Innovation Hub designation;

**WHEREAS**, the MEDC recommends that the MSF Board extend the term of the MTRAC Grant to February 28, 2023, and allocate \$117,383 to the MTRAC Grant to permit a continuation of the grant activities (the “Amendment Request”); and

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

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

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

Ayes: Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
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Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



June 15, 2021

MSF Fund Manager  
MEDC  
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Lansing, Michigan

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- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees of MTRAC and T3N associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

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



## MEMORANDUM

**Date:** June 22, 2021

**To:** Michigan Strategic Fund Board

**From:** Denise Graves, University Relations, Entrepreneurship and Innovation

**Subject:** Request for reallocation of funds for the Technology Transfer Talent (T3N) Program

### Request

Michigan Economic Development Corporation (“MEDC”) staff requests the Michigan Strategic Fund (“MSF”) Board approve the reallocation of funds, in the amount of \$250,000, from the Entrepreneurship and Innovation program budget to the T3N Program (the “Request”).

### Background

The Technology Transfer Talent Network (T3N) program is a statewide university network supporting the commercialization of university technologies, licenses to industry partners and startup creation through key talent and business expertise programs; mentors-in-residence, postdocs, fellows and shared services. Since 2012, the program has supported, on a 1:1 basis, matching funds to universities for key talent expertise. These targeted resources are a critical component of the entrepreneurial and startup ecosystem across the state in support of getting technology from the university into the commercial market. On an annual basis the program has been supporting an average of 23-25 Mentors-in-residence and 2-5 Postdocs. Based on increased activity in university projects at the larger institutions and increased requests for additional mentor support from smaller institutions this additional allocation request will help to support the hiring of mentors and Postdocs to focus on commercialization activities.

In October 2020, the MSF Board approved an allocation of \$500,000 for an additional one year of support for the program through 12/31/2021.

In its most recent progress report, the program reported the following results for 2020:

Projects engaged	623
Issued patents	462
Companies created	28
Licenses with industry	278
Follow on funding	\$803,864,533 (includes \$423,000,000 acquisition and \$53,120,000 IPO)

### Recommendation

MEDC Staff recommends approval of the Request.



**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-082**

**UNIVERSITY TECHNOLOGY AND COMMERCIALIZATION PROGRAM  
GRANT AMENDMENT**

**WHEREAS**, Public Acts 215 and 225 of 2005 (“Act”) established the 21st Century Jobs Trust Fund initiative;

**WHEREAS**, MCL 125.2088o authorizes the Michigan Strategic Fund (“MSF”) Board to create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

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

**WHEREAS**, on August 22, 2017, the MSF issued a Request for Proposals (“RFP”) to award grant funding to institutions of higher education for the purpose of: 1) encouraging collaboration and identification of the commercial potential in advanced technologies from individual institutions; 2) facilitating the bundling of inventions into packages that could be of interest to the public sector; 3) encouraging business formation efforts; and 4) increasing the number of university related start-up companies (the “University Technology and Commercialization Program RFP”);

**WHEREAS**, on August 22, 2017, the MSF Board appointed a Joint Evaluation Committee (“JEC”) to review proposals received in response to the University Technology and Commercialization Program RFP; and adopted scoring and evaluation to be used by the JEC in its review of proposals received in response to the University Technology and Commercialization Program RFP;

**WHEREAS**, on October 24, 2017, the University of Michigan received a grant award for the Technology Transfer Talent Network (“T3N”) in the initial amount of \$1,260,000 and an initial one year term of January 1, 2018, to December 31, 2018, with the option to extend the term for an additional four one-year terms and allocate additional funding, at the sole discretion of the MSF Board (the “T3N Grant Award”);

**WHEREAS**, on October 23, 2018, the MSF Board exercised its first option to extend the T3N Grant by one year to December 31, 2019, and allocated \$1,175,000 in additional funding;

**WHEREAS**, on December 17, 2019, the MSF Board exercised its second option to extend the T3N Grant to December 31, 2020, and allocated \$500,000 in additional funding;

**WHEREAS**, on October 27, 2020, the MSF Board exercised its third option to extend the T3N Grant to December 31, 2021, and allocated \$500,000 in additional funding;

**WHEREAS**, the MEDC recommends that the MSF Board allocate \$250,000 in additional funding (the “T3N Grant Amendment Request”); and

**WHEREAS**, the MSF Board wishes to approve the T3N Grant Amendment Request.

**NOW, THEREFORE, BE IT RESOLVED**, that the MSF approves the T3N Grant Amendment Request; and

**BE IT FURTHER RESOLVED**, that the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the T3N Grant Amendment Request.

Ayes: Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
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January 8, 2021

Katelyn Wilcox Surmann  
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Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



June 15, 2021

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, June 22, 2021.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees of MTRAC and T3N associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

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

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



## MEMORANDUM

**Date:** June 22, 2021

**To:** Michigan Strategic Fund Board

**From:** Christine Whitz, Director, Community Development Block Grant Program  
Sarah Tennant, Sector Development Director & Cyber Initiatives

**Subject:** *Community Development Block Grant Program  
Extension of Existing Connected Nation Michigan Contract*

---

### **Request**

Michigan Economic Development Corporation (“MEDC”) staff requests to extend the term of the existing contract with Connected Nation Michigan to December 31, 2021 and requests up to \$500,000 of Community Development Block Grant (“CDBG”) Coronavirus Aid, Relief and Economic Security (“CARES”) funds to continue the existing contract scope of work.

### **Background**

On July 26, 2020 a contract with Connected Nation Michigan was approved via MSF delegated authority and was executed on August 10, 2020 in the amount \$985,000 to technically assist the CDBG program with broadband. This partnership has manifested itself in a number of activities designed to improve the coordination of state and federal broadband activities, provide resources to key state, regional, and local stakeholders, engage and provide technical assistance to communities, and provide education and informational resources to build Michigan’s capacity to address the state’s broadband challenges.

**Exhibit A** attached to this memo provides a summary of their work over the last several months.

As the state and nation work through the multiple issues created by the COVID-19 pandemic, broadband connectivity is critical in accessing telework opportunities, telehealth, and distance learning. Communities need collaborative support and coordination to address the myriad of connectivity issues that have been exacerbated by the COVID-19 emergency with a goal of creating digital equality.

The MEDC staff would like to extend the term of the contract with Connected Nation Michigan until December 31, 2021. This extension will allow the continuation of the following activities:

- a) Serve as resource for entities seeking information on broadband and technology access, adoption and use. All activities will be done in coordination with other state agency programming and planning including the new Michigan High-Speed Internet office.
- b) Serve as a subject matter expert on broadband for the CDBG Program.

- c) Convene small state-level taskforce comprised of representation from multiple state agencies to assist with broadband coordination in response to the COVID-19 recovery, serve as a clearinghouse on federal broadband/technology initiatives applicable to their sectors and areas of expertise, provide support to Internet Service Providers (ISP) and communities regarding the forthcoming funding opportunities, work with ISPs and communities to address barriers and serve as a communications conduit, listening to and understanding the barriers of eligible entities and providing guidance and resources.
  
- d) Assist with broadband coordination by providing information to the CDBG program which will identify the needs of communities and will assist to prioritize CDBG broadband funding.

**Exhibit B** attached to this memo provides a summary of broadband adoption, access and use funding sources of existing and future funding opportunities.

**Recommendation**

The MEDC Staff recommends the MSF approve:

- The extension of the existing contract with Connected Nation Michigan until December 31, 2021, and
- Increase the existing contract amount up to \$500,000 in CDBG CARES funds.

The following provides a summary of this work over the last several months.

### **Connecting Michigan Taskforce (CMIT)**

The primary component of the MEDC/CN-MI partnership is the Connecting Michigan Taskforce (CMIT). CMIT is an interagency working group designed to better coordinate broadband activities at the state level, advocate for Michigan in broadband matters at the federal level, and develop and implement projects to expand broadband access, adoption, and use in the state.

CMIT is comprised of representatives from twelve state agencies/units including The Office of the Lieutenant Governor, MEDC, Library of Michigan, MDCR, MDARD, DTMB, LEO, MDOT, Michigan Infrastructure Council, MDHHS, MPSC, and MDE. CMIT created four subgroups of members to address more specific topics including Funding, Infrastructure, Federal Advocacy, and Community Anchor Institutions. Each subgroup, along with CMIT, meets monthly.

At the outset, CMIT prioritized several projects the group envisioned as being beneficial to improving broadband in the state. These projects include the following:

- Advocate for additional and permanent state broadband infrastructure funding.
- Coalesce backhaul and fiber infrastructure data to a single point; establish policies for “dig once” model.
- Promote the establishment of public-private partnerships for infrastructure expansion.
- Conduct a statewide school and library technology assessment.
- Create an annual \$750,000 recurring fund to provide matching dollars to schools and libraries applying for E-Rate.
- Inventory community anchor institution (CAI) connectivity.
- Build awareness for Federal broadband (and related) funding among eligible entities in the state.
- Advocate for broadband at the federal level.
- Create a fund to overcome the affordability and device barriers to home broadband adoption; and
- Research, identify, and create alternative funding opportunities for broadband.

These projects are at various stages of implementation, and CMIT remains vigilant to federal broadband activity that could support these projects or add other projects to the list of those to implement.

### **Virtual Listening Tour**

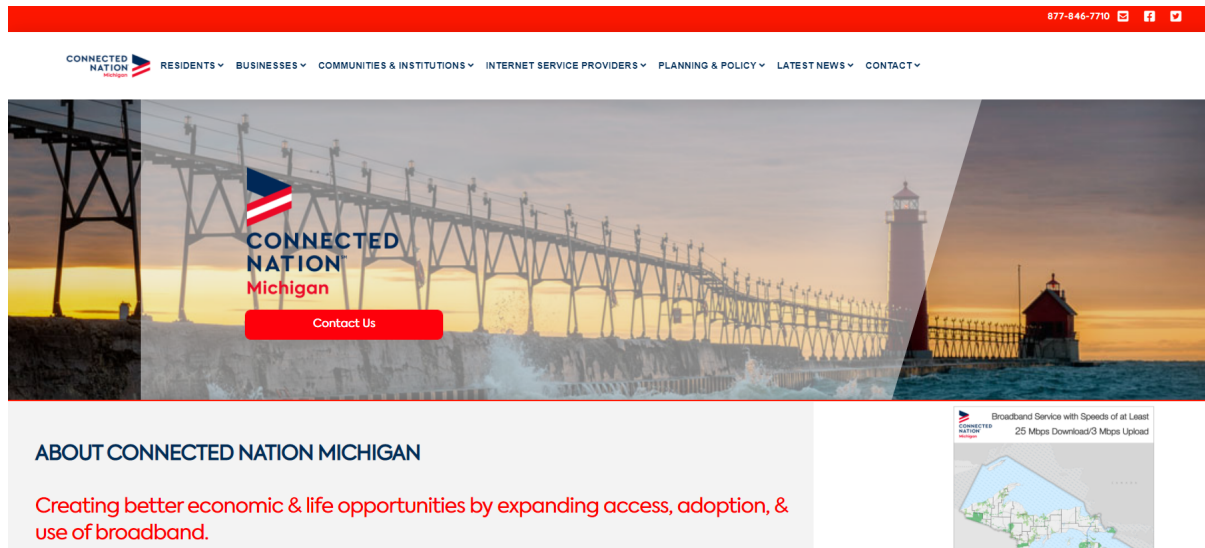
With feedback from some stakeholder groups and CMIT members, the taskforce decided to host a virtual listening tour. Each listening tour session included an overview of the CMIT, a summary of Michigan’s broadband availability and adoption issues, an update on recent federal and state broadband activities, and an open discussion period to hear from participants regarding their broadband-related issues and recommendations. Participants were invited to submit questions/comments for discussion during each webinar and were also provided an opportunity to supply additional issues, ideas, and comments in a post-webinar survey that was distributed to all attendees immediately after each session.

Twelve sessions were held over a two-week period and were organized geographically. Overall, the tour had participation from 542 unique stakeholders representing 326 organizations. Tour hosts answered 121 questions from participants and received 155 post-session survey responses. Sixty unique recommendations and ideas were identified after processing the information received from participants. This information was shared with all CMIT members to help guide future decisions.

### **Stakeholder Resources and Broadband Single Point of Contact:**

At the outset of the project, CN-MI updated and enhances its web presence to provide easier access to more broadband-related for various audiences. The website, (<https://connectednation.org/michigan/>), contains resources for residents, businesses, communities, institutions, and internet service providers,

along with data, maps, policy documents, news, and other content. The website is designed to be a “one-stop-shop” for everything broadband related in Michigan.



The CN-MI website averaged 3,200 unique visitors each month between July 2020 and March 2021, a 15% increase from the first half of 2020. The most popular areas of the website include the broadband maps, telehealth information repository, and the virtual listening tour page.

### Broadband Education and Training

CN-MI developed a bi-weekly webinar series and a series of podcasts as part of the effort to build Michigan’s capacity for addressing broadband challenges. Webinar topics include digital education, regional broadband planning, state and local broadband efforts, broadband mapping, federal broadband updates, broadband technologies, and community-based broadband. The webinars have had participation from 488 unique participants over the course of the series with at least 34% of participants attending more than one session. Webinar recordings are available:

<https://connectednation.org/michigan/broadband-technologies-connecting-michigan-communities/>.

The podcast series features interviews with state broadband leaders to provide perspective, context, and guidance on addressing the digital divide. Interviewees include Josh Edmonds (City of Detroit), Ken Chinavare (Clare-Gladwin RESA), Judd Herzer (LEO), Jessica Moy (MIC), Commissioner Phillips (MPSC), Joe Polasek (MDE), Laura Kilfoyle (MDHHS), Shannon White (Library of Michigan), Chris Jackson (MDHHS), Pam Matelski (DTMB), David Judd (MDE), and Amanda Bright McClanahan (MEDC). The most popular podcast is the one featuring MEDC’s Amanda Bright McClanahan. Podcasts are available for download: <https://connectednation.org/michigan/keeping-connected-podcast/>.



## Community Engagement and Technical Assistance

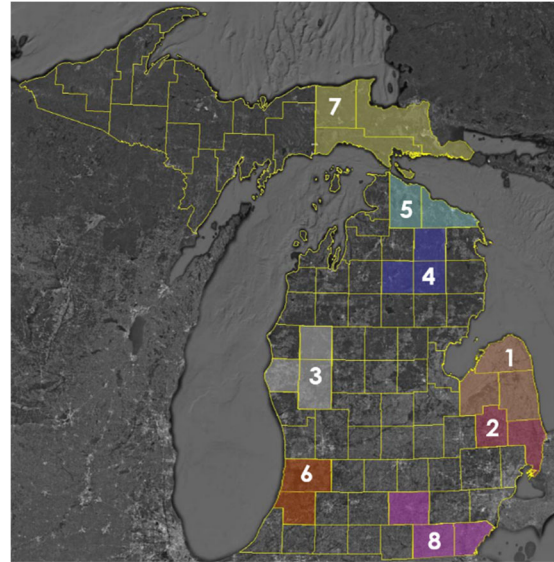
CN-MI's two Community Technology Advisors have been engaging with local stakeholders in eight multi-county regions across the state with the purpose of providing technical assistance and community broadband planning and data gathering support. The following provides a summary of broadband activity for each community engaged with CN-MI.

**Newaygo County:** Newaygo County has completed data gathering via CN-MI's Connected Community survey process. The county's broadband team is led by the director of the local EDC. The committee has remained active through COVID and held bi-monthly meetings with CN-MI staff. The community has been in detailed discussions with both Great Lakes Electric Coop (GLEC) and Point Broadband regarding deployment. Both companies have announced fiber to the home builds in Newaygo County with the GLEC build funded by board approval and Point's build funded by the 2018 FCC 903 reverse auction. Both builds were delayed for 2021 due to permitting delays by the US Forest Service. This issue has delayed access to gigabit broadband service for a year for 8,800 GLEC customers in both Newaygo and Barry County. Point Broadband also indicates that permitting issues have delayed service to customers.

**Oceana County:** Oceana County is currently collecting local data via CN-MI's Connected Community survey process and has reached 98% of their goal. The Oceana County Broadband Committee is mainly comprised of their EDC. The team hopes to close the survey by April 19th of 2021. During the engagement, the CM staff has held meetings with the team and various groups to both promote the survey and update the community on broadband activities that effect the community. Both Point Broadband and GLEC have been actively participating.

**Lake County:** Lake County implemented the CN-MI Connected Community surveys in late 2020. The team reached more than 100% of their response goal and closed the survey in early March of 2021. With considerations give to the timing of the COVID vaccines, the team will hold a series of community meetings starting April 20th to review the data and decide recommended actions. With the American Rescue Plan guidelines being announced on May 10th the team may wait until those guidelines are published before finalizing their action items. Lake County is an economically distressed community that has had limited access to broadband; therefore the team is looking at training programs to educate the community on how to fully leverage the gigabit service that is currently being built out by Point Broadband and those providers that won funding through the FCC's RDOF auction. A large proportion of the land in Lake County is either controlled by the US Forest Service or the MDNR. Permitting issues have already greatly hindered the expansion of broadband in this county despite the large amount of funding the FCC has poured into ISPs in the community under the 903 auction, USDA loans to GLEC, and now RDOF.

**Cheboygan County:** Cheboygan County implemented the Connected Community surveys from CN-MI in late 2020. The team had reach 97% of their residential survey response goal on January 21st and closed the survey since over 30% of their population were 'snowbirds' wintering in warm climates. The effort was led by the newly reformed Cheboygan County EDC and the county administrator with the intent on using the technology action plan developed after the survey data was collected as a launch pad for the EDC. Due to politics and a severe COVID outbreak, an in-person plan presentation has been cancelled twice in March on once in April 2021, with the team hoping for an in-person presentation before the county commissioners in May. During this engagement, the EDC has been meeting with the representative of both Great Lakes Energy and Presque Isle Electric who will be building FTTH to the vast majority of residents, businesses, and organizations in rural Cheboygan County allowing them access to gigabit broadband service.



Presque Isle County: The county is waiting for PIEG to announce their build schedule after a meeting in December where CN-MI staff explained the RDOF program and PIEG's plan to build fiber to all their customers in the county. In a meeting with the team members in March, CN-MI was informed they recently held a meeting with Tom Sobeck, the CEO of PIEG where they were pleased to hear the level of service they will be receiving.

Upper Peninsula: The three counties in the eastern UP have technology action plans that were created in 2012 and 2013 that are still being implemented, and CN-MI is providing assistance with that implementation. CN-MI has been meeting regularly with regional leaders from EUPPDR, CUPPAD, WUPPAD discussing broadband programs and working with community leaders and Cloverland Electric cooperative on applying for CMIC and EDA grants as well as discussing RDOF. Once RDOF was announced, CN-MI worked with community leaders in the UP to set up a UP Wide Broadband Meeting on March 26th, 2021 with AEG presenting the upcoming \$157 million FTTH build. The meeting was hosted by; InvestUP, Eastern Upper Peninsula Regional Planning & Development, Western Upper Peninsula Planning & Development Region (WUPPDR), CUPPAD, and the Lake Superior Community Partnership. At this meeting we had 118 local, regional, state, and federal leaders attend as AEG discussed their build out and timeline.

Lapeer County: The county formed their broadband committee in September 2020 and conducted their broadband survey from October through January. Led by Lapeer Development, their economic development organization, and Lapeer County officials, the committee included key representatives from the Lapeer Community Foundation, public safety, K-12 schools, the agricultural community, and local businesses. CN-MI shared its analysis, key findings, and recommended actions from these survey results in March and the team is now employing that action plan to work with local providers and identify projects to expand service across the county. Other priorities include expanded use of the E-rate program to help schools and promoting the use of low-income broadband programs (EBB) to help address the barrier of costs for many local residents.

Sanilac County: Sanilac County has long struggled with the lack of fast and reliable broadband service throughout the county but lacked direction on how to effectively pursue improvements. CN-MI initially met with the county's EDA Director and board of commissioners in September and provided that guidance for broadband planning through our Connected program. The Sanilac County Broadband Initiative kicked off in late October, followed by a series of meetings with local providers, commissioners, and other identified broadband committee members to discuss current projects, underlying issues and some broadband education to provide the committee a common understanding of the technology. Surveys were conducted from November through February and into March to reach as many residents as possible, many of which lacked connections. Results from these surveys are being shared with the team on April 19 and several actions are already underway to engage further with local providers.

Huron and Tuscola Counties: Both counties have recently completed their community surveys through their respective broadband committees, with these results and action planning efforts taking place later in April. Broadband committees in each county are being led by local economic development groups and include representatives from local businesses, agricultural organizations, K-12 schools and government leaders. Key focus areas for both counties are greater connectivity for residents and businesses and to specifically help their agricultural and tourism-based economies. Partnerships with local broadband providers, combined with RDOF investments through new players Thumb Electric Fiber, Mercury Broadband and AEG, will be key elements of their resulting action plans to bring relief and high levels of service over the next few years.

St. Clair County: The county has been a long-term partner with CN-MI, having initially participated in our community engagement program back in 2013. In late 2020, St Clair County and their long-standing broadband committee re-launched the updated Connected Community surveys to enable a more current assessment of the county's broadband environment. This has also led to the introduction of a "new" broadband provider to the county, Duke Broadband, who has already established projects to bring

enhanced broadband service to Cottrellville and St. Clair townships. Both projects are being supported by Duke's successful application for Connecting Michigan Communities (CMIC) grant.

Early efforts are now underway to engage with the other targeted "underserved" sub-regions in southeast Michigan (Monroe, Lenawee and Jackson counties) and southwest Michigan (Van Buren and Allegan counties). Several discussions and small projects have already taken place in these counties, including the introduction of Great Lakes Energy to Allegan County's broadband committee to help plan for GLE's fiber-to-the-home buildout via their TrueSteam business. Pursuit of potential projects in these counties will take place over the next couple of months upon identification of key sponsors/champions in each county to help initiate these projects.

Access to reliable and affordable high-speed internet (broadband) is critical for all Michiganders. The following provides a summary of funding opportunities for communities, internet services providers, non-profits, and others to improve broadband access and affordability in Michigan. The list is not exhaustive but provides information on newly created funding sources and recently awarded programs.

**Emergency Broadband Benefit**      FCC      <https://getemergencybroadband.org/>

This program provides a \$50/month discount on internet service (\$75/month in tribal communities) to low-income and other vulnerable households. The program launched on May 12, 2021.

**Funds Available: \$3.1 Billion Nationwide – (over 86K households in Michigan have signed up to date)**

**Emergency Connectivity Fund**      FCC      <https://www.fcc.gov/document/fcc-launch-717-billion-connectivity-fund-program>

This program will provide eligible schools and libraries 100% reimbursements for expenses associated with eligible remote learning and remote library services. 45-day application period is expected to open in June 2021.

**Funds Available: \$7.1 Billion Nationwide (Schools and Libraries)**

**ReConnect**      USDA      <https://www.usda.gov/reconnect>

The program offers three types of funding options for broadband infrastructure to connect rural areas. The program has already released two rounds of funds, however, the 2022 White House budget includes an additional \$700M for the program. A timeline for new funds available has not been determined.

**Potential Funds Available: \$1.3 Billion Nationwide**

**Tribal Broadband Connectivity**      NTIA      <https://broadbandusa.ntia.doc.gov/resources/grant-programs>

The program is directed to tribal governments to be used for broadband deployment on tribal lands, as well as for telehealth, distance learning, broadband affordability, and digital inclusion. An application period opened June 3<sup>rd</sup> closes September 1<sup>st</sup>

**Funds Available: \$1 Billion Nationwide**

**Broadband Infrastructure Program**      NTIA      <https://broadbandusa.ntia.doc.gov/resources/grant-programs>

The program provides grants for fixed broadband projects in areas currently without 25/3 Mbps broadband service. The program will support partnerships between a state, or one or more political subdivisions of a state and providers of fixed broadband service. An application opened May 19<sup>th</sup>, Application Deadline August 17<sup>th</sup>. Competitive Process.

**Funds Available: \$288 Million, Expected Award Range \$5 - \$30 Million, expected number of awards 200**

**Connecting Minority Communities**      NTIA      <https://broadbandusa.ntia.doc.gov/resources/grant-programs>

This pilot program will provide grants to historically black colleges and universities, tribal colleges and universities, and minority-servicing institutions for the purchase of broadband internet access service or any eligible equipment, or to hire and train information technology personnel. An application period is expected to open in June 2021.

**Funds Available \$285 Million Nationwide**

**Local Fiscal Recovery Funds**      US Treasury      <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

This program provides \$350B in funding to state, local, territorial, and tribal governments in response to the COVID-19 emergency. Funds can be used for a variety of eligible costs, including broadband. If used for broadband, projects must deliver 100/100 Mbps service to areas currently without at least 25/3 Mbps.

**Funds Available: \$350 Billion (Broadband is an eligible expense) Michigan allocation \$10B**

**Connecting Michigan Communities Grant** MI DTMB <https://michigan.gov/cmigrant>

This state-based program provides funds to internet service providers to build broadband into areas without 25/3 Mbps service. The program has already distributed two rounds of funds, but a third round of funding is anticipated in the fall of 2021.

Additional Funds Available: TBD Funds Awarded: \$12.7 Million

**Distance Learning & Telemedicine** USDA <https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>

This program helps rural communities use the unique capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. The program is currently accepting applications until June 4, 2021.

Funds Available: \$44.5 Million Nationwide

**Coronavirus Capital Projects Fund** US Treasury <https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>

Supports “critical capital projects directly enabling work, education and health monitoring, including remote options, in response to health emergency”. Treasury will establish applications process no later than 60 after enactment. Projected application window July-August 2021

Funds Available: \$10 Billion, Michigan estimated allocation \$100M- \$249M

**American Jobs Plan** US Treasury <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

Build high-speed broadband infrastructure to reach 100% coverage. Prioritizes support for broadband networks owned, operated by, or affiliated with local governments, non-profits and co-operatives.

Potential Funds Available: \$65 Billion

**RDOF (Rural Digital Opportunity Fund)** FCC <https://www.fcc.gov/reports-research/maps/rdof-phase-i-dec-2020/>

Michigan Secured \$363 Million in federal funding to increase access to rural high-speed internet. Nearly 250k locations in Michigan to have expanded access to broadband, 13 companies awarded projects.

Funds Awarded: \$9.2 Billion Nationwide, Funds Awarded in Michigan: \$363 Million

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-083**

**APPROVAL OF AN EXTENSION, AND ADDITIONAL FUNDING, TO  
THE CONNECTED NATION MICHIGAN CONTRACT**

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

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

**WHEREAS**, the CDBG program has policies, criteria, and parameters that are enumerated in the 2020 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 and 2020-093 authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants now known as the 2020 Program Year Funding Guide Excerpt;

**WHEREAS**, On July 26, 2020, a service contract with Connected Nation Michigan was approved via MSF delegated authority and was executed on August 10, 2020, in the amount \$985,000 to technically assist the CDBG program with the state’s broadband needs (“Connected Nation Contract”);

**WHEREAS**, (i) an extension to the end of the term of the Connected Nation Michigan contract from June 30, 2021 to December 31, 2021, and (ii) adding additional CDBG funding of up to \$500,000 for continuation of contract activities, are necessary to continue coordination of CDBG technical assistance for broadband efforts with other state agency programming and planning (collectively, the “Amendment Request”);

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

**WHEREAS**, staff recommends approval of the Amendment Request; and

**WHEREAS**, pursuant to SFCR 10.1-1(3), the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards or decisions approved under the CDBG program.

**NOW, THEREFORE, BE IT RESOLVED**, that the MSF approves the Amendment Request subject to available CDBG funding; and

**BE IT FURTHER RESOLVED**, consistent with SFCR 10.1-1(3), the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the Amendment Request, subject to available CDBG funding.

Ayes: Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Brittany L. Affolter-Caine

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



June 15, 2021

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, June 22, 2021.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees of MTRAC and T3N associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

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

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



**MICHIGAN STRATEGIC FUND**

**RESOLUTION**

**2021-077**

**APPROVAL OF THE JUNE 22, 2021 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:

Proposed Meeting Minutes: May 25, 2021

MTRAC Guidelines Administrative Update Request

MTRAC Advanced Materials, Advanced Computing, and Advanced Transportation:  
Funding Reallocation

Tech Transfer Talent Network (T3N): Funding Allocation

Connected Nation Michigan: Extension of Existing Contract

Ayes: Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove,  
Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached),  
Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Brittany L. Affolter-Caine

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

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

Sincerely,

*Rachael Eubanks*

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



June 15, 2021

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

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Sincerely,

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

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



## MEMORANDUM

**Date:** June 22, 2021

**To:** Michigan Strategic Fund Board

**From:** Michelle Audette-Bauman, Community Assistance Team Specialist  
Lisa Edmonds, Program Specialist, MCRP and Brownfield  
Debbie Stehlik, Commercial Real Estate Investment Manager  
Jeremy Webb, Sr. Business Development Project Manager

**Subject:** Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant – Harbor Shores Community Redevelopment LLC (Harbor Shores Apartments); and  
Request for Approval of an Act 381 Work Plan - County of Berrien Brownfield Redevelopment Authority – Whirlpool Corporation (The Global Laundry and Dishwasher Technical Center); and  
Request for Approval of 21<sup>st</sup> Century Jobs Fund Grant Amendment #2 – Cornerstone Alliance (Project Tech)

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### Project Summary

This request will support a collaborative Community Development and Business Development project that will construct a new four-story residential apartment building in the City of Benton Harbor, as well as a new two-story office and research facility in the City of St. Joseph, representing over \$80 million in total capital investment in Berrien County. Harbor Shores Community Redevelopment LLC (“Applicant”) in partnership with Whirlpool Corporation (“Company”) plans to construct Harbor Shores Apartments, a multifamily development with 80 apartments and 120 parking spaces over a 10.65 acre site which is anticipated to result in \$20,912,055 in total capital investment in the City of Benton Harbor. Additionally, Whirlpool Corporation plans to invest over \$60,000,000 to rehabilitate and reconstruct the Global Laundry and Dishwasher Technical Center located on approximately 14.23 acres in the City of St. Joseph. By moving these developments forward together, Whirlpool can make a business case for this transformative investment that supports the retention and attraction of talent and will help the company continue to thrive in Southwest Michigan. Securing this investment is a very high priority for the City of Benton Harbor, the City of St. Joseph and Berrien County as the project will add high-quality housing units to the local market, retain over 400 high-paying jobs in the focus industries of engineering, design and development and professional and corporate services, support future talent attraction, address brownfield conditions, and grow the tax base by leveraging significant private investment.

The apartment development is expected to total 89,654 square feet with construction costs projected at \$213 per square foot, which is comparable to similar projects in the region. Monthly rents for the apartments range from \$1,120 to \$1,682 with an average of \$1.64 per square foot; these rental rates are attainable for households earning between 80% and 120% of Berrien County’s area median income. In addition to private improvements associated with the construction of new apartments, the development will also repair Riverview Drive and add public sidewalks adjacent to the project site resulting in 29,726 square feet of public improvements.

The new Technical Center will involve the demolition of a four-story 157,800 square foot building, construction of a new 153,000 square foot facility, and renovation of 20,000 square feet of the existing 58,825 square foot Technical Center that is to remain. Public improvements including landscaping, sidewalks, and pavement drive aprons associated with the Technical Center are anticipated to total 3,456 square feet. The current and future intended buildings are to be utilized as office space and laboratory testing of pre-manufactured home appliances. The Technical Center project will retain 400 full-time engineering, research and development, and administrative support positions, all of which average \$140,000 in annual wages.

The multifamily apartment development has a financial need due to the cost to construct the project, which is higher due to the rising cost of construction materials as well as the special fill and foundations required to develop a former brownfield site, combined with the relatively low rents that can be commanded in the market. These financial conditions limit both cash flow and value, making an adequate level of debt to support the project infeasible and maximizing the equity required. The limited access to traditional financing, higher than typical equity requirement and low developer returns make this an unattractive development opportunity with difficulty attracting investment. By coupling the investment in new housing units with the redevelopment of the nearby Technical Center, the applicant will be able to generate positive business impacts, including the ability to attract and retain needed talent. Additionally, the investment in the apartment project supports broader community need for quality rental housing and offers substantial increase in the tax base. The revitalization of underutilized property into new housing and commercial development that supports both community priorities and talent attraction would not be feasible without the requested Michigan Community Revitalization Program and Brownfield Tax Increment Financing support.

In collaboration with Whirlpool Corporation's anticipated improvements to its St. Joseph Technology Center, Cornerstone Alliance was previously awarded a 21<sup>st</sup> Century Jobs Fund Grant in the amount of up to \$1,200,000 to coordinate development and construction of an approximate 200-foot pedestrian bridge to connect the City of St. Joseph and the City of Benton Harbor over the Paw Paw River, to create better access to the St. Joseph Technology Center. The pedestrian walking and biking bridge was completed in 2019 at a cost of \$1,095,060. An amendment to the grant agreement for this previously approved award is part of this request. Since the approval of the grant, the planned St. Joseph Technology Center investment amount has increased, and the timeline has been extended.

### **Request**

Harbor Shores Community Redevelopment LLC ("Applicant") is requesting a MCRP performance-based grant in the amount of \$750,000 and the Berrien County Brownfield Redevelopment Authority is requesting approval of a brownfield Act 381 work plan including state tax capture in the amount of \$1,894,405 to reimburse for MSF eligible activities. Additionally, Cornerstone Alliance is requesting approval of an amendment to the Michigan 21<sup>st</sup> Century Jobs Fund Grant Agreement ("Agreement") and any related ancillary agreements, per the amendment application dated April 30, 2021, to extend the due date for Key Milestone Number Two to June 30, 2024, revise the Renovation Construction amount from \$7,000,000 to \$5,190,000 and the New Construction amount from \$18,000,000 to \$65,410,000 to reflect the revised project scope. The Applicant anticipates that the project will result in a total capital investment in the amount of \$20,912,055 for the apartment development and over \$60,000,000 for the new Technical Center.

### **Program Summary**

The request for MCRP and Brownfield support is consistent with program requirements as the project will leverage private investment to transform underutilized property into vital new development. The multifamily apartment project qualifies for the MCRP as "any other property" as determined by the fund

board, because development of the property will promote community revitalization consistent with the findings and declarations in Section 90 of the Act.

*Sec.90. The legislature finds and declares that any activity under this chapter to promote community revitalization will accelerate private investment in areas of historical disinvestment, contribute to Michigan's reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete properties, reduce blight, support the rehabilitation of historic resources, and protect the natural resources of this state and is a public purpose and of paramount concern in the interest of the health, safety, and general welfare of the citizens of this state.*

The apartment development is consistent with Section 90 of the Act, because it is accelerating private investment in an area of historical disinvestment and contributing to Michigan's reinvention as a vital, job generating state. The Technical Center development qualifies for Brownfield support because the site is a facility.

The project is consistent with the MEDC strategic plan because it retains over 400 high-paying jobs in the focus industries of engineering, design and development and professional and corporate services; the project also contributes to the development of vibrant places that attract and retain talent by providing needed housing. Additionally, the apartment project supports private investment in a Geographically Disadvantaged Business Location, while the Technical Center supports investment immediately adjacent to a Geographically Disadvantaged Business Location. This transformational project is also a very high priority for community and local partners who have identified the need for quality housing, retention of high paying jobs, addressing brownfield conditions and growing the local tax base.

### **Local Support**

Local support for the project includes the local portion of the existing Harbor Shores Brownfield plan which is projected to be valued at \$2.3 million; that plan was approved in 2006 for \$110 million in state and local capture to support redevelopment of over 500 acres of land spanning the City of Benton Harbor, the City of St. Joseph and Benton Charter Township. Additionally, Berrien County has approved an additional work plan for the property where the Technical Center is located which includes local capture valued at approximately \$2,433,518 and local-only brownfield activities of approximately \$3,124,947. In addition, an Industrial Facilities tax exemption was approved for the project for 12 years. The City of Benton Harbor and the City of St. Joseph are engaged with the MEDC's Redevelopment Ready Communities (RRC) program. The apartment development is located in a Michigan Geographically Disadvantaged Business Location.

### **Financing Opportunity – MCRP Grant**

The Applicant has requested a MCRP Performance Based Grant. A financing gap exists due to existing market rents that are not high enough to justify new construction or support the value required to obtain an adequate level of traditional debt. In addition, the development has committed to maintaining 20% of the units at rental rates attainable to households between 80% and 120% of area median income, further restricting project cash flow. This limit on cash flow impacts value, minimizing the amount of debt that the property can support and maximizing the equity required. This makes it an unattractive development opportunity from a traditional standpoint as the project cannot generate a return sufficient to attract investment. Even with Michigan Community Revitalization Program grant support, the project is not projected to generate a positive return.

## Grant Terms

<b>MSF Facility:</b>	MCRP Performance Based Grant
<b>Grantee:</b>	Harbor Shores Community Redevelopment LLC
<b>Lessor:</b>	SMBC Leasing & Finance, Inc.
<b>Synthetic Lease Value:</b>	Currently estimated at \$10,909,520
<b>Total Capital Investment:</b>	Currently estimated at \$20,912,055
<b>MSF Eligible Investment:</b>	Currently estimated at \$19,997,055
<b>Minimum Eligible Investment:</b>	Currently estimated at \$15,997,645
<b>MSF Share:</b>	Up to the lesser of 4% of “Eligible Investment” or \$750,000.
<b>Other Conditions:</b>	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none"><li>- Copies of final construction documents, including an executed “Guaranteed Maximum Price” construction contract.</li><li>- Final development budget.</li><li>- Executed ground lease.</li><li>- Other legal due diligence documentation as may be required.</li></ul>

### Summary of Development Sources:

Lessor Share**	\$	10,909,520	52.17%
MSF Share	\$	750,000	3.59%
Developer Equity	\$	9,252,535	44.24%
<b>TOTAL</b>	<b>\$</b>	<b>20,912,055</b>	<b>100.00%</b>

### Summary of Development Uses:

Acquisition	\$	660,000
Hard Construction Costs	\$	19,439,055
Eligible Soft Costs	\$	558,000
Other	\$	255,000
<b>TOTAL</b>	<b>\$</b>	<b>20,912,055</b>

*\*\*This is the amount of the lease the developer has allocated to the project on the proforma. The amount of the synthetic lease for this project is estimated up to \$22,000,000 and was split on the proforma by the developer between lease and equity.*

### Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the Berrien County Brownfield Redevelopment Authority on behalf of the City of St. Joseph, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on May 24, 2021. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on May 14, 2021.

There are 52.0294 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (46.13%) and local millage equaling 28.0294 mills (53.87%). Tax increment capture will begin in 2022 and is estimated to continue for 16 years. There is an Industrial Facilities Exemption (P.A. 198) with 100% SET abatement on the city property for the first 12 years. The blended ratio for this project is 43.77% to 56.23%, school to local, respectively. The state tax capture is recommended to be capped at \$1,894,405, which is the amount of tax increment revenue anticipated to be generated in 16 years. Total MSF eligible activities are estimated at \$4,327,923. MSF eligible activities breaks down as follows:

State tax capture	(43.77%)	\$	1,894,405
Local tax capture	(56.23%)	\$	2,433,518
<b>TOTAL</b>		\$	<b>4,327,923</b>

**Cost of MSF Eligible Activities**

Demolition		\$	313,257
Lead, Asbestos, or Mold Abatement			580,750
Infrastructure Improvements			451,733
Site Preparation		+	2,379,764
Sub-Total		\$	3,725,504
Contingency (15%)		+	554,419
Sub-Total		\$	4,279,923
Brownfield/Work Plan Preparation		+	23,000
Brownfield/Work Plan Implementation		+	25,000
<b>TOTAL</b>		\$	<b>4,327,923</b>

**Company & Applicant History**

Whirlpool Corporation was founded in 1911 as a small company in Benton Harbor, Michigan that began with a patent for an electric-driven wringer washer. Today the Company is a leading kitchen and laundry appliance conglomerate, with over 70,000 employees spread across 57 manufacturing and technology research centers worldwide. The applicant for the MCRP incentive is Harbor Shores Community Redevelopment LLC which includes the Whirlpool Foundation as a member and Whirlpool Corporation as a guarantor. Previously, Harbor Shores Community Redevelopment LLC led the 535-acre Harbor Shores Master planned development that spans Benton Harbor, St. Joseph, and Benton Charter Township. That development received multiple incentives from the Michigan Strategic Fund (MSF) including approval of an Act 381 work plan with total state and local capture of approximately \$110 million, as well as three Michigan Business Tax (MBT) credits valued at approximately \$8.9 million. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

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

**Recommendation**

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

- a) State tax capture for the Act 381 eligible activities capped at \$1,894,405, utilizing the current state to local capture ratio.
- b) A MCRP performance-based grant in an amount up to \$750,000 for Harbor Shores Community Redevelopment LLC.



- c) Property qualification for the multifamily apartments as “any other property” because development of the property will promote community revitalization consistent with the findings and declarations in Section 90 of the Act; and
- d) An amendment to the Michigan 21st Century Jobs Fund Grant Agreement (“Agreement”) and any related ancillary agreements to extend the due date for Key Milestone Number Two from June 30, 2021 to June 30, 2024, and modify the Renovation Construction amount to \$5,190,000 and the New Construction amount to \$65,410,000 to reflect the revised scope of the project.

APPENDIX A – Project Map and Renderings

HARBOR SHORES APARTMENTS



# WHIRLPOOL TECHNICAL CENTER



PROJECT SITE



# CORNERSTONE - PROJECT TECH

## Pedestrian Bridge



## APPENDIX B – Programmatic Requirements

### MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on October 27, 2020, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines, and a financial review has been completed.

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

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

This project is a very high priority for the City of Benton Harbor because it will add a significant number of new housing units near major employers like Whirlpool and along the primary downtown corridor that connects Benton Harbor to St. Joseph. Additionally, the project will redevelop an underutilized property into vibrant development with appropriate urban form to increase density and walkability, as well as positively impact the local tax base.

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

This project will act as a catalyst for additional revitalization in the community as new residents of the development spend dollars on goods and services in downtown and the larger community. Successful completion of the project is anticipated to encourage investment in nearby properties that are underutilized or in need of revitalization, including by demonstrating the viability of the market for housing and giving confidence to lenders that investments in the area are viable.

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

Local support for the project includes the local portion of the existing Harbor Shores Brownfield plan which is projected to be valued at \$2.3 million; that plan was approved in 2006 for \$110 million in state and local capture to support redevelopment of over 500 acres of land spanning the City of Benton Harbor, the City of St. Joseph and Benton Charter Township. Additionally, Berrien County has approved an additional work plan for the property where the Technical Center is located which includes local capture valued at approximately \$2,433,518 and local-only brownfield activities of approximately \$3,124,947. In addition, an Industrial Facilities tax exemption was approved for the project for 12 years.

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

A financing gap exists due to existing market rents that are not high enough to justify new construction or support the value required to obtain an adequate level of traditional debt. In addition, the project has committed to maintaining affordable residential rental rates for a minimum of 20% of the units, further restricting project cash flow. This limit on cash flow impacts value, minimizing the amount of debt that the property can support and maximizing the equity required. This makes it an unattractive development opportunity from a traditional standpoint as the project cannot generate a return sufficient to attract investment. Even with Michigan Community Revitalization Program grant support, the project is not projected to generate a positive return.

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

The development does not reuse vacant or historic buildings, or blighted property.

**F. Creation of jobs:**

The project is anticipated to create 12 full-time equivalent jobs with estimated hourly wages of \$18.00.

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

The total private sector investment is expected to be approximately \$20,162,055.

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

The Applicant is leveraging the credit rating and financial capacity of Whirlpool Corporation by maximizing Synthetic Lease financing provided by SMBC Leasing and Finance, Inc. Any project shortfalls, whether operating or during construction, will be covered by Whirlpool Corporation as part of the synthetic lease agreement.

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

The project increases density of the area by adding 80 apartment units to currently undeveloped property, which will add new residents to a primary downtown corridor connecting Benton Harbor and St. Joseph.

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

The project promotes mixed-use development and walkability by constructing residential units within walking distance to local businesses, major employers, public spaces and other community amenities. The project will also improve pedestrian infrastructure around the site by installing new sidewalks as part of making improvements to Riverview Drive. The site is also adjacent to the pedestrian bridge that was constructed in 2019 to enhance walkability between the City of Benton Harbor and the City of St. Joseph.

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

The development does not include abandoned public buildings.

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

At this time, the development is not incorporating formal sustainable development certifications, though the developer is reviewing Green Globes and LEED options through the design-build process.

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

The development does not involve the rehabilitation of a historic resource.

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

The project will address area-wide redevelopment by creating new housing units that can help to meet demand for quality apartments in the area. Bringing more housing units to the downtown corridor helps to support existing small businesses and can help drive demand for new businesses. The development will also support area employers seeking to attract and retain talent that is looking to locate in vibrant places that offer high quality housing within walking distance of businesses, public spaces, and other community amenities.

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

The development addresses underserved markets of commerce by providing high-quality housing in a location that has not seen substantial new housing creation in over 30-years.

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

The development will follow the due care plan prepared by Prism Environmental, and along with their consulting to ensure environmental care is managed for the site. It is noted that fill material consisting of slag and cinders is present at various locations across the Property. Additionally, site investigation activities performed on the Property have identified the presence of fill materials which contain metals and polynuclear aromatic compounds (PNAs) at concentrations in excess of residential cleanup criteria.

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

The development does not involve the rehabilitation of a historic resource.

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

The development will not compete with or affect existing Michigan businesses.

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

There are no additional criteria associated with the development.

**Brownfield TIF 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:**

Redevelopment of the eligible property will address potential site health and safety concerns, provide new and upgraded space for offices and laboratory testing, thereby retaining 400 high-paying jobs within the community, increase the tax-base, upgrade infrastructure, remove a deficient/outdated problematic (and possibly functionally obsolescent) building, create associated on-site parking that will eliminate pedestrian road-crossing conflicts on Upton Drive, and beautify the property.

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

The project will retain the current 400 full-time employees and contractors located at the site. These retained jobs are most suitably described as engineering, research, and development type with associated administrative support positions, all of which average \$140,000 in wages annually.

**c) Area of High Unemployment:**

The Berrien County unadjusted jobless rate was 5.8% in March 2021. This compares to the statewide seasonally adjusted average of 5.1% in March 2021.

**d) Level and Extent of Contamination Alleviated:**

Contaminant impacts to soil, groundwater, and soil gas vapor are confirmed as having occurred at the property. Contaminated soil will be removed where necessary to prepare the site for the new

development and to protect against potential direct contact and exacerbation of contamination. Contaminated soil left on site exhibiting constituents exceeding applicable direct contact Part 201 Nonresidential Generic Cleanup Criteria will be covered and capped as necessary to eliminate direct contact concerns. Due Care investigation of the site's soil vapor indicates that it will be necessary to place a vapor barrier beneath the footprint of the new building (91,620 square feet) and to also retrofit a Sub Slab Depressurization System (SSDS) beneath the existing building (58,000 square feet). These activities are necessary as Due Care measures to protect building inhabitants from potential exposure to contaminated soil vapors emanating from impacted soil and groundwater at the site and costs for these activities are being addressed outside of the Act 381 work plan.

**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

<b>HSCR, LLC Organizational Structure</b>			
<b>HSCR, LLC EIN: 26-3368306</b>			
<b>HSCR, LLC Manager: Jeffery D. Gilbertsen</b>			
<b>Member</b>	<b>Ownership Interest</b>	<b>EIN</b>	<b>State of Organization</b>
<b>Member/Company name and manager</b>	<b>100.00%</b>	26-3368306	Michigan
Renaissance Development Fund	60.00%		
Whirlpool Foundation	40.00%		
<b>Member/Company name and manager</b>	<b>100.00%</b>		
Member name	0.00%		
Member name	0.00%		
Member name	0.00%		
<b>Member/Company name and manager</b>	<b>0.00%</b>		
Member name	0.00%		
Member name	0.00%		
Member name	0.00%		
<b>Member/Company name and manager</b>	<b>0.00%</b>		
Member name	0.00%		
Member name	0.00%		

<b>Key Principals/Guarantors:</b>	<b>Amount of Guarantee</b>
Whirlpool Corporation	17,000,000
Member Name	
Member Name	

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-084**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM  
GRANT AWARD TO HARBOR SHORES COMMUNITY REDEVELOPMENT LLC**

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

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

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

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

**WHEREAS**, Harbor Shores Community Redevelopment LLC (“Company”) has requested a performance-based Grant of up to \$750,000 (“Award Request”), along with other general terms and conditions; and

**WHEREAS**, the property qualifies for MCRP support as “any other property” because development of the property will promote community revitalization consistent with the finding and declarations in Section 90 of the Act (“Property Qualification”);

**WHEREAS**, the MEDC has recommended that the MSF approve the Company’s Award Request subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 150 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 120 days (“MCRP Award Recommendation”); and

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

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-085**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN  
COUNTY OF BERRIEN BROWNFIELD REDEVELOPMENT AUTHORITY  
WHIRLPOOL GLOBAL LAUNDRY AND DISHWASHER TECHNICAL CENTER**

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

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

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

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

**WHEREAS**, the County of Berrien Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 387 Upton Drive within the City of St. Joseph, known as Whirlpool Global Laundry and Dishwasher Technical Center (the “Project”);

**WHEREAS**, the City of St. Joseph 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 approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 43.77% to 56.23% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, asbestos abatement, and infrastructure improvements as presented in the Work Plan dated June 3, 2021. 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 \$4,279,923 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$23,000 for Brownfield/Work Plan preparation, and a maximum of \$25,000 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$1,894,405.

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

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

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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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-086**

**APPROVAL OF AN AMENDMENT TO A MSF GRANT AWARD TO  
CORNERSTONE ALLIANCE**

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

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

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

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

**WHEREAS**, the Michigan legislature has appropriated certain funds for use by the MSF for business attraction and community revitalization incentives;

**WHEREAS**, the MSF has allocated certain legislative appropriations for business attraction and community revitalization to the 21<sup>st</sup> Century Jobs Fund Program, the Business Development Program and the Community Revitalization Program (“CRP”);

**WHEREAS**, Cornerstone Alliance, in collaboration with the Whirlpool Corporation’s anticipated improvements to its Tech Centers, intends to coordinate development and construction of a pedestrian bridge to connect Benton Harbor and St. Joseph over the Paw Paw River, which includes connection of Whirlpool Corporation’s Tech Centers on either side of the Paw Paw River (“Project”);

**WHEREAS**, by Resolution 2017-177 on September 26, 2017, the MSF Board approved the transfer of \$1,200,000 from CRP under MCL 125.2088b(2)(c) and awarded a grant of up to \$1,200,000 to facilitate the development and construction of the Project (“Award”);

**WHEREAS**, by Resolution 2018-141 on September 25, 2018, the MSF approved an amendment request to extend the due date of Key Milestone Number One from December 31, 2018, to July 1, 2019;

**WHEREAS**, the MEDC recommends that the MSF approve an amendment request to extend the due date of Key Milestone Number Two from June 30, 2021, to June 30, 2024, and to revise the Renovation Construction amount from 7,000,000 to \$5,190,000 and the New Construction amount from \$18,000,000 to \$65,410,000 to reflect the revised project scope as described in the amendment application dated April 30, 2021. All other requirements will remain in place from the original approval and previous amendment (“MSF Grant Award Amendment Recommendation”);

**NOW THEREFORE, BE IT RESOLVED**, the MSF Board approves the MSF Grant Award Amendment Recommendation; and

**BE IT FURTHER RESOLVED**, the MSF approves the MSF Fund Manager to negotiate the terms and conditions of the final documents necessary to effectuate the MSF Grant Award Amendment Recommendation.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
June 22, 2021





STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

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Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** June 22, 2021

**To:** Michigan Strategic Fund Board

**From:** Jen Tucker, Community Assistance Team Specialist  
Julie Gardner, Program Specialist, Community Development Block Grant Program

**Subject:** Community Development Block Grant Program  
City of Houghton - Pier Placemaking Project  
City of Houghton, County of Houghton

---

### Request

The City of Houghton is requesting \$4,035,010 in Community Development Block Grant (CDBG) funds for public improvements and infrastructure needed for the Pier Placemaking Project ("Project") located in Houghton County, Michigan. This request includes \$28,960 to provide the City with a CDBG Certified Grant Administrator to assist with grant compliance. The City anticipates that this project will spur increased private investment and economic activity within the downtown as a result of the creation of additional public space and amenities. The project will also provide benefit to members of the community, 62.79 percent of which are considered low-to-moderate income.

### Background

The Pier Placemaking Project will transform an underutilized waterfront into an active community space that serves the City of Houghton by creating a downtown recreational and community place. The City's Master Plan, in both the Recreation and in the Downtown Development sections, identifies the need for improved safety and accessibility in regard to the waterfront trail, establishing an all seasons gathering place for community events, creating relaxing niches for persons to gather or eat take-out on a summer night, enhancement of the waterfront and existing public attractions, pedestrian connections, green space and parking, and creating more waterfront space, along the waterfront in the central downtown. It is expected that the project will benefit this low-moderate income community by increasing outdoor, year-round recreational and cultural opportunities, and contribute to safer and more vibrant pedestrian and economic activity.

As part of the project, the City will be expanding their public space, access, and interface along the Portage Canal Waterway, through the reconstruction of a parking area, expansion and linkage of a waterfront trail system, and construction of a pier. The project will boast placemaking amenities including various landscape features, built-in utilities for events and future build out, preinstalled tie-downs and post sockets to allow for tents, and a removable band shell for concerts. During colder seasons the planned outdoor gas fireplaces will provide a gathering place as many residents are active through the winter. The surface is designed to be flooded for skating as several organizations have expressed interest in an outdoor skating or hockey venue downtown. The location will also create a perfect site for Houghton to build its "snow house"; a building constructed entirely of snow that has been a popular wintertime attraction downtown. The space will also serve as a venue for a variety of community events, live music, and the farmer's market. With Houghton's recent designation as a port of call for Great Lakes cruising lines, this pier feature will allow for visitors to disembark in the heart of downtown and leverage additional business opportunities, introducing them to Houghton for the sake of return visits.

It is expected that this project will enhance the downtown experience for residents, shoppers, visitors, and employees, and has evolved into a holistic transformational project that creates multifunctional, four-season public place with further catalytic effect on the Houghton waterfront and, in spurring future private development, will have a positive impact on the local and state economy. This project also represents an opportunity to provide significant outdoor space for properly distanced gatherings in the current pandemic, and then on into a post-COVID society. Such places were shown this past summer to be of vital importance to Houghton's downtown, as people from all over the area needed a place to get outside, talk with neighbors, or eat a take-out meal just steps from many downtown restaurants. In building on this momentum, the City intends to undertake this catalytic project by activating this space to its utmost. The City will contribute twenty two percent of the project costs, totaling \$1,160,010 through a general obligation bond, the City's general fund, local street fund, and sewer fund, however cannot complete a project to this extent, enhancing sense of place and providing such amenities and features, without significant support from CDBG funds.

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 \$4,035,010 be authorized for the City of Houghton for the Pier Placemaking 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 62.79 percent of the residents of the City of Houghton 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.

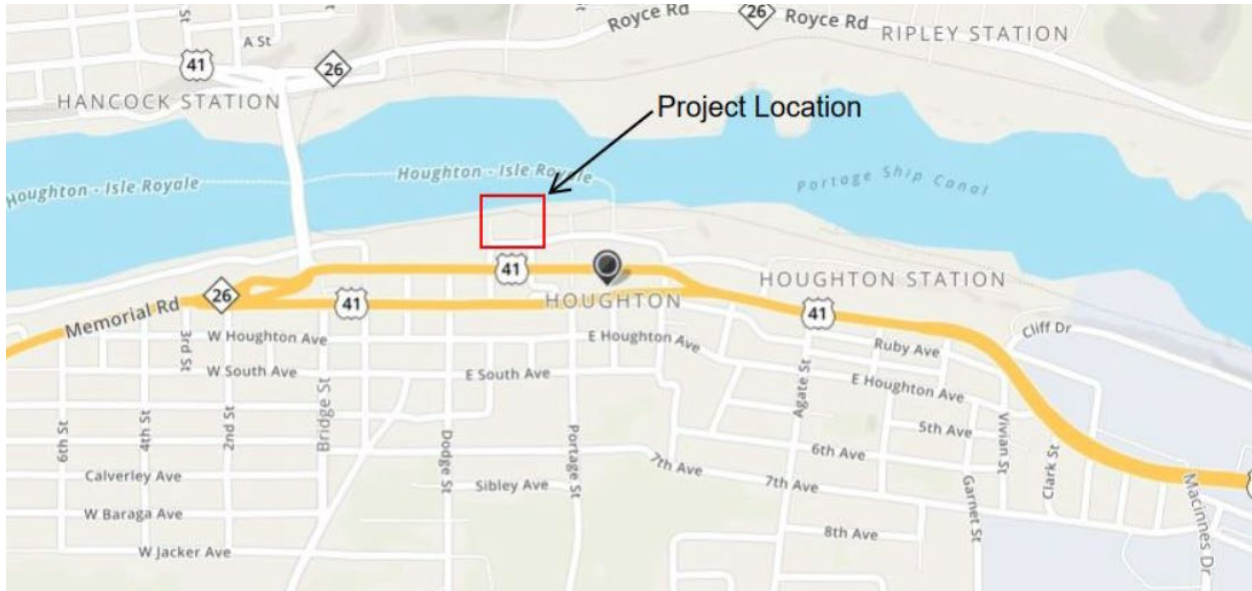
### Screening Guidelines

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
  - Consistent with the goals and objectives of the DDA's adopted a Downtown Development Plan and the City's Comprehensive Plan
  - Will provide a positive impact on downtown and invite new private investment into a targeted area of the community;and the community has:
  - Prior use of downtown development incentives (TIFs, abatements, etc.)
  - Local organizational capacity to successfully complete this project
  - A full-time professional staff member and Certified Grant Administrator able to administer the project
- **Minimum Local Participation:** The City of Houghton will make an anticipated contribution of \$1,160,010 which is twenty two percent (22%) of the total public facilities project costs. The funds will be provided by the City through a general obligation bond, the City's general fund, local street fund, and sewer fund.
- **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 – Map, Renderings and Site Photos



View of waterfront from the Portage Canal (looking at future Pier property in Houghton)



EXHIBIT II - Rendering of proposed Pier, Trail Relocation and Parking Area Improvements, as designed, overlaid on an aerial photo of the Houghton waterfront

## MICHIGAN STRATEGIC FUND

### RESOLUTION 2021-087

#### APPROVAL OF CITY OF HOUGHTON'S PIER PLACEMAKING 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 2020 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 and 2020-093 authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants now known as the 2020 Program Year Funding Guide Excerpt.

**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 Houghton (the "Community") has submitted a complete application for approval requesting funding to be used to fund the improvements to their Pier Placemaking project within their downtown (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 \$4,035,010 for the payment or reimbursement of costs associated with the Project, and allocates \$4,035,010 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; and

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
June 22, 2021





STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** June 22, 2021  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Jeremy Webb, Sr. Business Development Project Manager  
Lenore Costa, Sr. Program Specialist, Community Development Block Grant  
**Subject:** Community Development Block Grant (“CDBG”) Program  
American Axle & Manufacturing, Inc. – Project Bronco  
City of Three Rivers (“City”), County of St. Joseph

**State Essential Services Assessment (“SESA”) Exemption Request  
American Axle & Manufacturing, Inc. (“Company”)**

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### Request

- The City is requesting up to \$2,000,000 in CDBG funds for machinery and equipment needed for the Company located in St. Joseph County, Michigan (“CDBG Request”). The City expects that this project would result in private investment of up to \$38,608,000 and the creation of 100 jobs.
- In addition, the Company is requesting a 100% SESA Exemption for up to five years valued at up to \$468,888 for its \$40,608,000 Eligible Investment in Eligible Personal Property.

### Background

The Company was founded in 1994 with three facilities in Michigan, two facilities in New York, and total sales of approximately \$1.5 billion. Headquartered in Detroit, Michigan, the Company is a global tier 1 supplier that designs, engineers, and manufactures systems and technologies for the automotive industry. Today, the Company has a broad, global footprint with 80 facilities in 17 countries and total sales of \$6.6 billion. Within the State of Michigan, the Company has 16 facilities, employing over 3,300 associates, with the largest facility located in Three Rivers, Michigan, which employs over 1,000 associates.

### Project Description

The Company was awarded an eight-year program for the production and supply of advanced front and rear drive axle assembly systems for two pickup truck programs assembled in Missouri. The program will have annual production volumes of 130,000 front drive axles and 174,000 rear drive axles per year. The project requires over \$40.6 million of investment in new machinery and equipment to accommodate the production of the new product lines. Currently, the Three Rivers site manufactures front and rear drive axles for a heavy-duty truck line and disconnecting AWD systems for another line. This project would add new drivelines for new programs. The Company has identified a gap in the purchase of this equipment and without assistance, the Company will move forward with the project at its Guanajuato, Mexico facility.

### Demonstrated Need

The Company is also considering locating this project in its Guanajuato, Mexico facility. The Company has sufficient space available at this location and, as a result, would reduce the CAPEX required to get the program up and running. In addition, the Company would save on labor costs. Also, the work that is already being completed in Mexico compliments the new production work of this project and they would not need to expand but reconfigure the plant in Mexico. Though there are no financial disadvantages of locating this project in Mexico, the Company wishes to sustain and grow employment/competencies and believes commencing the project in Michigan would help the Company remain at the forefront of the future automotive and advanced mobility industry.

The Company would like to establish and maintain a Center of Excellence for axle manufacturing within Michigan to complement the Advanced Technology Development Center, the Rochester Hills Technical Center, and the Auburn Hills Manufacturing Complex where the Company performs advanced forging operations. Locating this project into Three Rivers will help the Company sustain the employment levels and competencies that are necessary for the Company and the State of Michigan to remain at the center and forefront of the future automotive and advanced mobility industry.

**Considerations for SESA**

- a) The Company is an “Eligible Claimant,” as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e).
- b) The Eligible Investments will be made after MSF approval and completed within three years of December 31, 2021 (“Commencement of the Project”).
- c) The Company has agreed to pay a State Essential Services Assessment Exemption administrative fee of \$4,689 payable to the Michigan Economic Development Corporation upon completion of the first performance milestone.
- d) The five-year SESA Exemption is estimated to be worth \$468,888.

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

CDBG Term Sheet for Project provided in **Appendix B**.

CDBG Project area map are provided in **Appendix C**.

**Recommendation**

The MEDC Staff recommends approval of the CDBG Request and SESA Request, as outlined in the attached resolutions.

## 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 are expected to result in the creation of 100 full time positions over the next two years. The business has agreed that at least 51 of the 100 positions will be held by low to moderate income persons. 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)(17) 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 Company will be able to add value to the local economy through additional opportunities to compete for larger contracts as well as create 100 jobs over two years, 51 of which will be low-to-moderate income individuals.
- **Minimum Local Participation:** The city of Three Rivers is supportive of the Project through resolution and has committed to serve as the applicant for the CDBG grant.
- **Minimum Leverage Ratio:** The private leverage contribution, to be provided by American Axle and Manufacturing, equals \$38,608,000, which results in a leverage ratio of approximately 1:19.3 of the CDBG grant.
- **Financial Viability and Background Check:** The business receiving the benefit from this project has completed a civil and criminal background check in accordance with the MSF Background Review Policy with no concerns and has been determined to be financially viable.

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 - TERM SHEET****MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
Performance Based Grant - Term Sheet**

The following is a summary of the highlights of the proposed project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Community Development Block Grant Program ("CDBG"). While the CDBG is operated and funded through the MSF, recommendation for approval of a CDBG incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

- Date:** February 24, 2021
1. **Community Name ("Grantee"):** City of Three Rivers
2. **Company Name ("Company"):** American Axle & Manufacturing, Inc.
3. **Company Address ("Project"):** 1 Manufacturing Drive  
Three Rivers, Michigan 49093
4. **Project Description and Activities:** CDBG Eligible Activities include the purchase of machinery and equipment for automotive manufacturing. The Company is a global tier 1 supplier that designs, engineers, and manufactures systems and technologies for the automotive industry. Currently, the Three Rivers site manufactures front and rear drive axles for a heavy-duty and a disconnecting AWD system. The estimated \$40,608,000 total investment allows for the purchase of machinery and equipment to add new drivelines for two new pickup truck programs that are anticipated to launch in the first quarter of 2023.
5. **Total Estimated Project Costs:** \$40,608,000
6. **CDBG Grant Incentive Type:** Machinery and Equipment performance-based grant
7. **CDBG Grant Amount:** \$2,000,000 (5.1% of the total final project costs)

In no event shall the amount of the grant assistance exceed more than five point one (5.1) percent of the Total Estimated Project Costs. If the actual cost is less than shown in the Total Estimated Project Costs, the amount of the Grant shall be reduced on a proportional basis. Funds will be made available to the community on a reimbursement basis for eligible costs.

**The Company and Grantee shall be responsible for any cost overruns.**

8. **Minimum Company Investment:** \$38,608,000
9. **Type of Financing for Investment:**  Loan  Cash Contribution by the Company and CDBG
10. **Base Employment Level:** 1,217 The number of jobs currently maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company's Project employment level in Michigan prior to the proposed project. The Base Employment Level, including identification of the Company date used to establish this level, shall be included in the final CDBG Incentive Award agreement ("Agreement").

(City of Three Rivers/American Axle & Manufacturing, Inc.)

11. **Minimum Job Creation:** 100 The minimum number of new jobs the Company must create at the Project (above the Base Employment Level), in addition to satisfying other milestones, if applicable, to be minimally eligible to receive the full amount of the CDBG Incentive Award.

*New jobs must meet the following requirements to be included:*

- *Must be full time (working 35 hours or more per week) or full-time equivalent employees (working 40 hours or more per week) of the company;*
- *At least 51% of the newly created jobs must be filled by low or moderate income persons based on household income. If the project results in more new jobs than expected, then the 51 percent requirement shall apply to the higher job number.*
- *Jobs must be created during the term of the Grant Agreements and must continue to be documented until the project is formally closed out; and*
- *Located at the project site.*

a. **Minimum Hourly Wage:** \$16 The new jobs must pay at least the Minimum Hourly Wage to be minimally eligible to receive the full amount of the CDBG Incentive Award.

b. **Start Date for Measurement of New Jobs** June 1, 2022

12. **Disbursement Schedule:** The final terms and conditions of each of the disbursements for any portion of the CDBG Incentive Award shall be included in the final Agreement, including that before any disbursement is made to the Grantee the Company must have maintained the Base Employment Level (exclusive of the number of New Jobs then created) and any New Jobs created for which disbursement by the MSF have been made, and must otherwise be in compliance with all terms and conditions of the final Agreement.

a. **Disbursement Milestone 1:** Up to \$2,000,000 Upon demonstrated creation of 100 Qualified New Jobs above the Base Employment Level and verification of the purchase of the machinery and tooling equipment for the new front and rear axle programs. At least 51 of the newly created positions must be properly documented as being filled by low or moderate income persons based on annual family household income. Job creation and the purchase of machinery and equipment for this milestone must be completed and verified no later than March 31, 2023.

13. **Project Milestones:** The final terms and conditions of each of the Project Milestones shall be included in the final Agreement. Before any disbursement is made to the Company through the Community, the Company must demonstrate compliance with Project Milestones, as required, and otherwise be in full compliance with all terms and conditions of the final Agreement, and further shall include:

a) **Property Acquisition Completed:** n/a

b) **Construction Commencement:** n/a

- c) **Construction Completed:** n/a
- d) **Job Creation Commencement:** June 1, 2022
- e) **Job Creation Completion:** n/a

14. **Term of Agreement:** The term of the Agreement is from execution of the Agreement for a period of two (2) years. This term includes completing all required project activities, including job creation and investment.
15. **Community Support for Project:** A condition for execution of the final Agreement is that the municipality is supportive of the Project through resolution and has committed to serve as the applicant for the CDBG grant.
16. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs was an essential factor in persuading the Grantor that this project is economically viable, and further, in the absence of this commitment by the Company, this grant would not have been awarded and the Company has verified that the CDBG Funds are not substituted for non-federal funds.

The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantee may require the repayment of the Grant up to the full amount from the Company. The MSF may require the Grantee and Company to execute a Development Agreement that will be acknowledged by the MSF outlining repayment provisions.

17. **Environmental Review:** The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; or performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.
18. **Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of \$2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work. For this project, Davis Bacon requirements apply to none of the Project.
19. **Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:
  - a) Progress Reports beginning July 15, 2021, and every six (6) months thereafter.
  - b) Final Progress Report 60 days after completion of the Term.
  - c) Job Creation Summary Report, along with the corresponding Income Certification Forms, on a six month basis during the Term and at close out.

20. **Public Announcements:** The Company shall not make, or cause, any announcement of the proposed CDBG Incentive Award parameters outlined in this letter before the date of approval by the MSF of the CDBG Incentive Award, unless authorized and coordinated in advance with the MEDC.

This Term Sheet is an outline of the structure of the proposed CDBG Incentive Award and does not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the CDBG Incentive Award contemplated hereby.

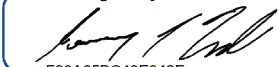
It should not in any way be viewed as a commitment by or an obligation of the MEDC, the MSF or any other entity to extend financial accommodations to the Company and is subject to, among other things, the approval of the request under MEDC's internal approval process and by the MSF Board. Any final CDBG Incentive Award is contingent upon several factors, including: (i) submission by the Community of a completed application and all other documentation required under the CDBG; (ii) satisfactory municipality support; (iii) available MSF funding; (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence, as required, the results of which must be satisfactory to the MEDC, the MSF, and as applicable, the Chief Compliance Officer; (v) approval of an award by the MSF; and (vi) execution of a final Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

The Company cannot assign this Term Sheet without the prior written consent of the MEDC. If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible CDBG Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by February 25, 2021, the MEDC may not be able to proceed with any recommendation to the MSF.

Michigan Economic Development Corporation

By: Jeremy J. Webb

Its: Sr. Director, Economic Development District Management

Signature:   
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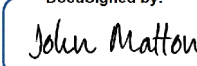
Dated: 2/24/2021

**Acknowledged as received by:**

American Axle & Manufacturing, Inc.

By: John Matton

Its: Director, Office of the Chairman & CEO

Signature:   
1B9336627BBA4BB...

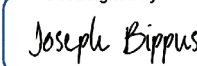
Dated: 2/24/2021

**Acknowledged as received by:**

City of Three Rivers

By: Joseph Bippus

Its: City Manager

Signature:   
B3EED939F9D748E...

Dated: 2/24/2021

Cc: Christine Whitz, Director, CDBG Program  
Madeline Clapp, Sr. CDBG Program Specialist  
Trevor Friedeberg, Director, Business Development Projects





## MICHIGAN STRATEGIC FUND

### RESOLUTION 2021-088

#### APPROVAL OF CITY OF THREE RIVERS AMERICAN AXLE & MANUFACTURING PROJECT

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

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

**WHEREAS**, the CDBG program has policies, criteria, and parameters that are enumerated in the 2020 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 and 2020-093 authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants now known as the 2020 Program Year Funding Guide Excerpt.

**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 Three Rivers (the "Community") has submitted a complete application for approval requesting funding to be used to fund the American Axle & Manufacturing Project (the "Project");

**WHEREAS**, the CDBG program staff reviewed the 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, will create jobs and at least 51% of the newly created jobs will be held by persons of low and moderate income; 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 \$2,000,000 for the payment or reimbursement of costs associated with the Project. The MSF allocates \$2,000,000 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;

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
June 22, 2021

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
**Performance Based Grant - Term Sheet**

The following is a summary of the highlights of the proposed project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Community Development Block Grant Program ("CDBG"). While the CDBG is operated and funded through the MSF, recommendation for approval of a CDBG incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

- Date:** February 24, 2021
1. **Community Name ("Grantee"):** City of Three Rivers
2. **Company Name ("Company"):** American Axle & Manufacturing, Inc.
3. **Company Address ("Project"):** 1 Manufacturing Drive  
Three Rivers, Michigan 49093
4. **Project Description and Activities:** CDBG Eligible Activities include the purchase of machinery and equipment for automotive manufacturing. The Company is a global tier 1 supplier that designs, engineers, and manufactures systems and technologies for the automotive industry. Currently, the Three Rivers site manufactures front and rear drive axles for a heavy-duty and a disconnecting AWD system. The estimated \$40,608,000 total investment allows for the purchase of machinery and equipment to add new drivelines for two new pickup truck programs that are anticipated to launch in the first quarter of 2023.
5. **Total Estimated Project Costs:** \$40,608,000
6. **CDBG Grant Incentive Type:** Machinery and Equipment performance-based grant
7. **CDBG Grant Amount:** \$2,000,000 (5.1% of the total final project costs)

In no event shall the amount of the grant assistance exceed more than five point one (5.1) percent of the Total Estimated Project Costs. If the actual cost is less than shown in the Total Estimated Project Costs, the amount of the Grant shall be reduced on a proportional basis. Funds will be made available to the community on a reimbursement basis for eligible costs.

**The Company and Grantee shall be responsible for any cost overruns.**

8. **Minimum Company Investment:** \$38,608,000
9. **Type of Financing for Investment:**  Loan  Cash Contribution by the Company and CDBG
10. **Base Employment Level:** 1,217 The number of jobs currently maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company's Project employment level in Michigan prior to the proposed project. The Base Employment Level, including identification of the Company date used to establish this level, shall be included in the final CDBG Incentive Award agreement ("Agreement").

(City of Three Rivers/American Axle & Manufacturing, Inc.)

11. **Minimum Job Creation:** 100 The minimum number of new jobs the Company must create at the Project (above the Base Employment Level), in addition to satisfying other milestones, if applicable, to be minimally eligible to receive the full amount of the CDBG Incentive Award.

*New jobs must meet the following requirements to be included:*

- *Must be full time (working 35 hours or more per week) or full-time equivalent employees (working 40 hours or more per week) of the company;*
- *At least 51% of the newly created jobs must be filled by low or moderate income persons based on household income. If the project results in more new jobs than expected, then the 51 percent requirement shall apply to the higher job number.*
- *Jobs must be created during the term of the Grant Agreements and must continue to be documented until the project is formally closed out; and*
- *Located at the project site.*

a. **Minimum Hourly Wage:** \$16 The new jobs must pay at least the Minimum Hourly Wage to be minimally eligible to receive the full amount of the CDBG Incentive Award.

b. **Start Date for Measurement of New Jobs** June 1, 2022

12. **Disbursement Schedule:** The final terms and conditions of each of the disbursements for any portion of the CDBG Incentive Award shall be included in the final Agreement, including that before any disbursement is made to the Grantee the Company must have maintained the Base Employment Level (exclusive of the number of New Jobs then created) and any New Jobs created for which disbursement by the MSF have been made, and must otherwise be in compliance with all terms and conditions of the final Agreement.

a. **Disbursement Milestone 1:** Up to \$2,000,000 Upon demonstrated creation of 100 Qualified New Jobs above the Base Employment Level and verification of the purchase of the machinery and tooling equipment for the new front and rear axle programs. At least 51 of the newly created positions must be properly documented as being filled by low or moderate income persons based on annual family household income. Job creation and the purchase of machinery and equipment for this milestone must be completed and verified no later than March 31, 2023.

13. **Project Milestones:** The final terms and conditions of each of the Project Milestones shall be included in the final Agreement. Before any disbursement is made to the Company through the Community, the Company must demonstrate compliance with Project Milestones, as required, and otherwise be in full compliance with all terms and conditions of the final Agreement, and further shall include:

a) **Property Acquisition Completed:** n/a

b) **Construction Commencement:** n/a

- c) **Construction Completed:** n/a
- d) **Job Creation Commencement:** June 1, 2022
- e) **Job Creation Completion:** n/a

- 14. **Term of Agreement:** The term of the Agreement is from execution of the Agreement for a period of two (2) years. This term includes completing all required project activities, including job creation and investment.
- 15. **Community Support for Project:** A condition for execution of the final Agreement is that the municipality is supportive of the Project through resolution and has committed to serve as the applicant for the CDBG grant.
- 16. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs was an essential factor in persuading the Grantor that this project is economically viable, and further, in the absence of this commitment by the Company, this grant would not have been awarded and the Company has verified that the CDBG Funds are not substituted for non-federal funds.

The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantee may require the repayment of the Grant up to the full amount from the Company. The MSF may require the Grantee and Company to execute a Development Agreement that will be acknowledged by the MSF outlining repayment provisions.

- 17. **Environmental Review:** The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; or performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.
- 18. **Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of \$2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work. For this project, Davis Bacon requirements apply to none of the Project.
- 19. **Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:
  - a) Progress Reports beginning July 15, 2021, and every six (6) months thereafter.
  - b) Final Progress Report 60 days after completion of the Term.
  - c) Job Creation Summary Report, along with the corresponding Income Certification Forms, on a six month basis during the Term and at close out.

20. **Public Announcements:** The Company shall not make, or cause, any announcement of the proposed CDBG Incentive Award parameters outlined in this letter before the date of approval by the MSF of the CDBG Incentive Award, unless authorized and coordinated in advance with the MEDC.

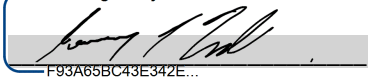
This Term Sheet is an outline of the structure of the proposed CDBG Incentive Award and does not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the CDBG Incentive Award contemplated hereby.

It should not in any way be viewed as a commitment by or an obligation of the MEDC, the MSF or any other entity to extend financial accommodations to the Company and is subject to, among other things, the approval of the request under MEDC's internal approval process and by the MSF Board. Any final CDBG Incentive Award is contingent upon several factors, including: (i) submission by the Community of a completed application and all other documentation required under the CDBG; (ii) satisfactory municipality support; (iii) available MSF funding; (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence, as required, the results of which must be satisfactory to the MEDC, the MSF, and as applicable, the Chief Compliance Officer; (v) approval of an award by the MSF; and (vi) execution of a final Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

The Company cannot assign this Term Sheet without the prior written consent of the MEDC. If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible CDBG Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by February 25, 2021, the MEDC may not be able to proceed with any recommendation to the MSF.

Michigan Economic Development Corporation

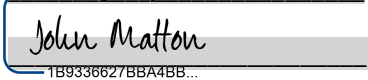
By: Jeremy J. Webb  
Its: Sr. Business Development Project Manager

Signature:   
F93A65BC43E342E...

Dated: 2/24/2021

**Acknowledged as received by:**

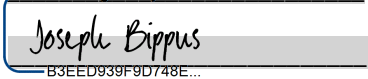
American Axle & Manufacturing, Inc.  
By: John Matton  
Its: Director, Office of the Chairman & CEO

Signature:   
1B9336627BBA4BB...

Dated: 2/24/2021

**Acknowledged as received by:**

City of Three Rivers  
By: Joseph Bippus  
Its: City Manager

Signature:   
B3EED939F9D748E...

Dated: 2/24/2021

Cc: Christine Whitz, Director, CDBG Program  
Madeline Clapp, Sr. CDBG Program Specialist  
Trevor Friedeberg, Director, Business Development Projects



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-089**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO  
AMERICAN AXLE & MANUFACTURING, INC.**

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

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

**WHEREAS**, SESA and Alternative SESA authorized the creation and operation of the SESA and the Alternative SESA Exemption Program by the MSF pursuant to MCL 211.1059;

**WHEREAS**, on October 28, 2014, the MSF Board approved the SESA and Alternative SESA Exemption Program Guidelines (“SESA and Alternative SESA Guidelines”).

**WHEREAS**, the Company has requested that the MSF Board approve a SESA exemption of up to five-years for up to \$40,608,000 in Eligible Investment in Eligible Personal Property, as defined in the SESA and Alternative SESA Exemption Guidelines, in the City of Three Rivers (“SESA Exemption Recommendation”);

**WHEREAS**, the Michigan Economic Development Corporation (“MEDC”) recommends the MSF Board approve the SESA Exemption Recommendation and require a one-time administrative fee in the amount of \$4,689 payable to the MEDC upon completion of the first performance milestone;

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board approves the SESA Exemption Recommendation.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
June 22, 2021



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood



## MEMORANDUM

**Date:** June 22, 2021  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Jibran Ahmed, Business Development Project Manager  
**Subject:** Grant Request  
Michigan Business Development Program (“MBDP”)  
Hollingsworth Logistics Group LLC (“Company” or “Applicant”)

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### Request Summary

- This is a request from the Applicant for a \$1,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of a minimum of 105 and up to a maximum 250 Qualified New Jobs and a capital investment of up to \$17,075,000 in Brownstown Charter Township, Wayne County.

### Applicant History

The Company was founded in 1991 and headquartered in Dearborn. It is a business serving as a leading third-party logistics supply chain innovator with over 3,500 employees across 31 US-based locations and over 550 employees in Michigan. From complex order fulfillment strategies to detailed assembly and kitting operations, the Company’s experience-backed supply chain solutions optimize the effectiveness, accuracy, and cost of logistics to drive business for its customer.

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

### Project Description

The Company is looking to expand its operations in a 500,000 square foot facility as a result of new business. The project will also result in the creation of up to 250 new jobs. These new jobs will align with positions in the production and transportation industry and allow for advancement within the Company. Pathways for entry-level employees include advancement to positions such as Area Managers, Supervisors, and Team Leaders. Training in soft skills, leadership, coaching, communication, and project management is provided to employees interested in these advanced positions. In addition, the Company provides health care, dental, vision, 401k, and life insurance to employees. The Company will retain its operations in Dearborn.

The Company is considering Brownstown Charter Township for the project and anticipates the project will result in capital investment of up to \$17,075,000. The project will also result in the creation of up to 250 new jobs paying an average wage of \$22.50 per hour plus benefits. These jobs include packers, team leaders, supervisors, and managers.

### Demonstrated Need

The Company is considering moving this project to one of its existing facilities in Texas, Ohio, or Tennessee. Compared to these sites, Michigan has a competitive disadvantage in wages as it relates to wages in the industries production, moving, and transportation. In addition, the Company has existing building space in these states to accommodate this new business, resulting in up to a 50% reduction in

capital investment needed to start production. The Company's headquarters is in Dearborn, Michigan with significant operations and business from within the region. The Company would prefer to put a project of this magnitude in Michigan so that its corporate headquarters personnel would be readily available to support the new facility. However, in order to make this project a reality in Michigan and address the disadvantages in Michigan when compared to the competing states, incentive assistance is needed. Brownstown Township has committed to support the project through supporting events such as job fairs and assistance with local permitting and approval processes.

### **Request**

In order to secure the project, the Applicant is requesting a \$1,500,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The MBDP funds will help offset the cost of expanding its operations in Michigan allowing the Company to establish its facility and become a strong employer in the region.

This project aligns with the MEDC's strategic focus industry of mobility and automotive manufacturing and the regional impact industry of logistics. The proposed project will impact the local region with immediate job growth with a large and expanding supply chain company. The Company has a history of employing disadvantaged populations with 75% of their workforce identifying as minority or immigrant. The Company has proven success in working with Michigan Works, local economic development organizations, and an employee leasing company to hire for part-time, entry-level positions. In addition to working with these organizations for hiring, the Company also utilizes organizational services to support employees with resources such as English as a Second Language (ESL) courses, workplace culture classes, and transportation services. This facility will result in the creation of up to 250 new jobs and up to \$17,075,000 in capital investment in Brownstown Charter Township, Wayne County.

### **Recommendation**

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2021-090**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO  
HOLLINGSWORTH LOGISTICS GROUP, LLC**

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

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

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

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

**WHEREAS**, on December 8, 2020, by Resolution 2020-146, the MSF adopted an amendment to the guidelines for the MBDP (“Guidelines”);

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

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

**WHEREAS**, pursuant to the Guidelines, the project is eligible as a Standard BDP because the Applicant committed to the creation of at least 50 QNJ’s;

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

**WHEREAS**, Hollingsworth Logistics Group, LLC (“Company”) has requested a performance based MBDP Grant of up to \$1,500,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

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

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
June 22, 2021



**EXHIBIT A**  
**MICHIGAN BUSINESS DEVELOPMENT PROGRAM**  
**Performance Based Incentive - Term Sheet - Summary**

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The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Michigan Business Development Program (“MBDP”).

**Date: 4/30/2021**

<b>Company Name:</b>	Hollingsworth Logistics Group, L.L.C. and/or its affiliates and subsidiaries.
<b>Project Location:</b>	Brownstown Charter Township, MI
<b>MBDP Incentive Type:</b>	Performance Based Grant
<b>Maximum Amount of MBDP Incentive:</b>	Up to \$1,500,000
<b>Base Employment Level:</b>	At least 557, at the time of first disbursement of funds and thereafter
<b>Qualified New Jobs (“QNJ”):</b>	At least 105 and up to 250 Full-Time Jobs in Michigan
<b>Municipality Supporting Project:</b>	Brownstown Township has agreed to provide staff, financial or economic assistance in support of the project.
<b>Start Date for Measurement of Creation of Qualified New Jobs:</b>	Date of MSF Approval
<b>Term of the Agreement:</b>	August 28 <sup>th</sup> , 2023
<b>Milestone Based Incentive:</b>	Disbursements will be made over a two-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$6,000 per QNJ for the creation of a minimum of 105 jobs up to a maximum of 150 jobs. \$6,000 per QNJ for the creation of a minimum of 175 jobs up to a maximum of 250 jobs.

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



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

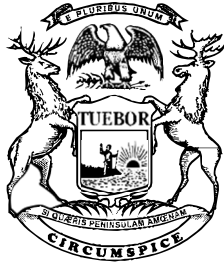
Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood





## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**Date:** June 22, 2021  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Val Hoag, Senior Advisor & MSF Fund Manager  
**Subject:** Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from May 1, 2021 to May 31, 2021, as well as information about the impact that those projects have had on communities across the state.

We remain committed to maintaining transparency in our efforts to communicate with you all about our work to create equitable opportunities throughout the state. Over time, we will continue identifying ways to evolve and grow this report based on the feedback and requests we receive from Board members.

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Val Hoag know if you have any questions or comments about this new reporting layout or with the contents of these quarterly reports.

# Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from May 1, 2021 to May 31, 2021.

Throughout the Fiscal Year, MSF delegates – with authority granted by the MSF Board – approve various projects within MSF programs in accordance with each program’s guidelines, as approved by the MSF Board. Under no circumstances will MSF delegates approve a project that does not meet the Board-approved guidelines for the program. Furthermore, each project approved through delegated authority must undergo the same rigorous vetting and verification process as do projects that come before the MSF Board for approval. By ensuring consistent safeguards are in place for both delegate-approved and Board-approved projects, we are ensuring fairness and uniformity in our process, as we work to enable long-term economic prosperity for the people of our state.

## MONTHLY IMPACTS

We are pleased to share the May delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout May 2021, 34% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all May approved projects through delegated authority have committed to create nearly 590 jobs and over \$130.2 million in private investment.

# MSF Quarterly Report

## Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during May 2021, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

### Brownfield Tax Increment Financing (TIF)

Through the Brownfield Redevelopment Financing Act, Brownfield TIF allows applicable taxing jurisdictions to receive property taxes on the property at the current level and capture the incremental increase in tax revenue resulting from a redevelopment project.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
The Pearl Building, LLC	5/7/2021	Howell	\$155,655	The Pearl Building, LLC/The Doyle Family Trust was awarded a \$538,000 MCRP grant, and the City of Howell Brownfield Redevelopment Authority received an Act 381 Work Plan approval with state capture valued at \$155,655 for the renovation of a functionally obsolete building in the heart of downtown Howell into four new mixed-income housing units and new ground level commercial space. The project is expected to create 20 full time equivalent jobs with a total private investment of approximately \$1.7 million.

### Michigan Community Revitalization Program (MCRP)

The Michigan Community Revitalization Program is available from the MSF, in cooperation with MEDC. The program is designed to accelerate private investment in Michigan’s communities through the redevelopment of functionally obsolete properties, reduction of blight, and the reuse of brownfield and historic properties.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
The Pearl Building, LLC	5/7/2021	Howell	\$538,000	The Pearl Building, LLC/The Doyle Family Trust was awarded a \$538,000 MCRP grant, and the City of Howell Brownfield Redevelopment Authority received an Act 381 Work Plan approval with state capture valued at \$155,655 for the renovation of a functionally obsolete building in the heart of downtown Howell into four new mixed-income housing units and new ground level commercial space. The project is expected to create 20 full time equivalent jobs with a total private investment of approximately \$1.7 million.

## Capital Access

The Capital Access team partners with lenders to assist in helping small businesses obtain financing that would otherwise not be available.

### State Small Business Credit Initiative – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
B & T Group Enterprises, LLC	5/7/2021	Hastings	\$808,000	B & T Enterprises Group is the real estate holding company to Tri-Clor, Inc. a locally owned fiberglass fabrication company located in Hastings, MI. Union Bank is seeking the use of the collateral support program for the real estate mortgage refinance from SBA.
C.J. Holdings UP, LLC	5/11/2021	Gladstone	\$967,561	Upper Peninsula State Bank is working with the borrower for acquisition of Iverson's Home Center requiring a term loan and a working capital line. Due to collateral shortfall, the bank is requesting collateral support from the MSF.

## Michigan Business Development Program (MBDP)

The Michigan Business Development Program is available from the MSF, in cooperation with MEDC. The program is designed to provide grants, loans or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Speedrack Products Group, Ltd.	5/19/2021	Grand Rapids	\$820,000	Speedrack Products Group has been manufacturing pallet style racks for warehouse use in the United States for more than 50 years. The Company established its first headquarters in Sparta, Michigan in 1989 and, in 2002, primary manufacturing moved from West Virginia and Alabama to Michigan. Since then, the Company has seen its business grow due to the rapid growth of e-commerce and system-based designs. The facilities primarily manufacture roll-form, weld, and powder-coat paint pallets and system type racks. Customers of the Company include major OEMs and online retailers. The Company was offered an \$820,000 MBDP grant to secure an expansion that includes the creation of 164 qualified new jobs and \$64.5 million investment in Kent County. The Company will be doubling production by 2023 and will be building a new facility to accommodate the expansion.

## Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Flex-N-Gate Troy, LLC	5/20/2021	Troy	\$1,000,000	Flex-N-Gate Troy, LLC is a Flex-N-Gate Group member company. The Group is an American Tier 1 enterprise that operates globally and delivers a broad range of exterior and interior plastic, structural metal, advanced vehicle lighting and mechanical assembly automotive systems and components to automotive OEMs. Established in 2019, Flex-N-Gate Troy was created to supply sequenced plastic fascia's and welded underbody rear rails. It acquired, modified and will operate out of the former Axelttech facility. The project is expected to generate a total private investment of \$52.1 million and create 245 jobs, resulting in a \$1 million Michigan Business Development Program performance-based grant.
L3 Harris - Aviation Systems	5/26/2021	Cascade Township	\$500,000	L3 Harris supplies a variety of services, systems, and products to the Department of Defense, Department of Homeland Security, U.S. Government intelligence agencies, NASA, aerospace contractors, commercial telecommunications, and wireless customers. The Cascade Township facility's main function is to design, assemble, and test "black boxes" of a variety of sizes and scale for airlines, ships, and rail transportation. The Company's parent was evaluating where to consolidate its manufacturing footprint across all of its locations in the United States. The Company selected its Cascade Township facility to expand, adding 34 well-paying jobs and \$2.8 million in renovation to the existing facility. This Project also retained 21 existing positions that were at risk if Michigan was not chosen. The MEDC supported the Project with a \$500,000 MBDP grant.

## Jobs Ready Michigan Program

The Jobs Ready Michigan Program is available from the MSF, in cooperation with MEDC. The program is designed to meet the talent needs of companies that are expanding or relocating to Michigan.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Mission Design & Automation	5/20/2021	Holland	\$400,000	Mission Design & Automation, a Holland-based leading industrial automation and robotics integrator, is building a new manufacturing facility to increase engineering and machine build capacity. The new facility will house new large-scale automation projects. Currently under construction, the facility is set to be fully operational by July 2021. The Michigan Strategic Fund is supporting this project with an estimated \$400,000 grant for job training through Jobs Ready Michigan. The program is designed to be flexible and responsive to the specific talent needs of companies and to address the costs associated with recruiting and training individuals for occupations that are high-wage, high-skill, or high demand.

## Michigan State Trade Expansion Program (MI-STEP)

The MI-STEP program is designed to spur job creation by empowering Michigan small businesses that meet U.S. Small Business Administration guidelines and size standards to export their products.

Project Name	Approval Date	Location	Incentive Amount
Brunswick Bowling Products - Asia IAAPA Shanghai	5/6/2021	Muskegon	\$15,000
L3 Harris Combat Propulsion Systems - Sales Trip to Turkey	5/6/2021	Muskegon	\$3,463
Scherdel Sales & Technology, Inc. - MD&M West	5/7/2021	Muskegon	\$15,000
BioPro Inc - Sterilization Validation Compliance Testing	5/3/2021	Port Huron	\$1,443
LifeLine Global Consulting - Automation Alley Virtual Trade Mission to India	5/3/2021	Detroit	\$1,125
Atlas Space Operations, Inc. - Marketing Campaign Brazil, UK, Japan	5/4/2021	Traverse City	\$4,125
Metal Craft Technologies - Automation Alley Virtual Trade Mission India	5/4/2021	Novi	\$750
Pettibone/Traverse Lift, L.L.C. - Digital Marketing Campaign Latin America & Middle East	5/4/2021	Baraga	\$12,750
Access Magnetics - Australian Web Development & Marketing	5/6/2021	Bay City	\$15,000
Airflow Sciences Corporation - ASC/ASE/Azore Webinar Campaign	5/6/2021	Livonia	\$3,825
Automatic Spring Products Corporation - DIVEX Mexico	5/6/2021	Grand Haven	\$2,475
EnBiologics, Inc. - Label & Language Translations Canadian/French	5/6/2021	Detroit	\$2,550
EVERLAST CONCRETE TECHNOLOGIES - Automation Alley Virtual Trade Mission to India	5/6/2021	Bloomfield Hills	\$1,125
Flint Technical Geosolutions - Sales Trip to South Africa	5/6/2021	Caledonia	\$3,105
Kamps Hardwoods - Forest Products Export Directory Advertising/Marketing	5/6/2021	Gaines Township	\$2,411
Temperance Distilling Company - US Commercial Services S. Korea Background Check	5/6/2021	Temperance	\$113
Adaptive Energy - Automation Alley Virtual Trade Mission India	5/7/2021	Ann Arbor	\$1,125
ATEQ CORP - Automotive Meetings Queretaro	5/7/2021	Livonia	\$375
Business-Connect - Latin America Sample Shipping & Marketing Campaign	5/10/2021	Grandville	\$4,875
Owosso Graphic Arts, Inc. - International Web Development Mexico & Canada	5/10/2021	Owosso	\$10,500

Project Name	Approval Date	Location	Incentive Amount
Hydra-Lock Corporation - Mexico Virtual Trade Mission	5/12/2021	Mount Clemens	\$750
Garrison Dental Solutions - Italian Marketing & Advertising	5/13/2021	Spring Lake	\$5,250
LiveRoad Analytics, Inc. - Michigan Mobility & Automotive Showcase (Japan)	5/13/2021	Ann Arbor	\$300
Vista IT Group - UNEDA Conference	5/13/2021	Grand Rapids	\$3,414
EPIC Translations - SelectUSA Investment Summit	5/19/2021	Canton	\$638

# Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in April 2021.

## Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Superior Extrusion Inc.	5/17/2021	Township of Forsyth	Increase QNJ requirement from 30 to 74 and grant amount from \$150,000 to \$422,000.

## Community Development Block Grant (CDBG)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
City of Bronson	5/17/2021	Bronson	Increased the CDBG budget by \$1,100 for the funding of environmental review by certified individuals.
City of Stanton	5/17/2021	Stanton	The increase is for SHPO and ER consultant \$5,330. The original CGA amount is for \$19,875.
Village of Nashville	5/17/2021	Nashville	The \$5,000 is for the CGA to hire an ER consultant for the environmental review. The original CGA amount was \$20,400.
City of Fennville	5/17/2021	Fennville	The budget increase is for the SHPO and ER consultant \$4,725. The original CGA amount was \$17,000.

## Michigan Community Revitalization Program (MCRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Midland DTH, LLC	5/25/2021	Midland	Consent memo to allow a change in how the first payments made in each year from 2020-2022 are applied by the MSF, per Fund Manager authority in the agreement.



# Financial Data Overview and Terminations



## Michigan Business Development Program - Terminations

Project Name	Project Location	Incentive Type	Amount	Disbursed	Date	Reason for Termination	Repayment
American Havel Motor Technology	Farmington Hills	New Development	\$1,500,000	\$500,000	5/6/2021	Unable to fulfill grant requirements	\$60,000
DAVID Corporation	Livonia	Expansion	\$150,000	\$104,000	5/6/2021	Unable to fulfill grant requirements	\$104,000
BizStream	Allendale	Expansion	\$60,000	\$15,000	5/11/2021	Unable to fulfill grant requirements	N/A
Faurecia Automotive Seating, LLC	Highland Park	New Development	\$2,000,000	\$200,000	5/11/2021	Unable to fulfill grant requirements	N/A
Veoneer US, Inc.	Southfield	Expansion	\$673,698	\$200,000	5/12/2021	Unable to fulfill grant requirements	N/A
Aetna Bearing Company	Livonia	Relocation	\$385,000	\$226,875	5/12/2021	Unable to fulfill grant requirements	N/A

# MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from May 1, 2021 to May 31, 2021 for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

## BD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
US Farathane Port Huron, LLC	Business Development Program	Port Huron	5/27/2021	Increase the Base Employment Level from 288 to 2,206; Extend the due date of Key Milestone Number Three from November 30, 2020 to December 31, 2021; and Extend the Term of the Grant from May 31, 2021 to June 30, 2022.

# MSF Confidentiality Memos



As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

Via MCL 125.2005(9), as amended by Public Act 251 of 2011, information of a financial or proprietary nature considered by the applicant as confidential and acknowledged as confidential by the Michigan Strategic Fund Board or its designee is exempted from disclosure by the Michigan Freedom of Information Act, Public Act 442 of 1976, as amended. On February 27, 2012, the MSF Board approved by resolution the delegation of this authority to the MSF Fund Manager, who acknowledges the confidentiality of eligible information on behalf of the MSF Board by executing a confidentiality memo.

## Approvals by Authorized Delegate

During the period between May 1, 2021 and May 31, 2021, the following confidentiality memos were approved by the MSF Fund Manager:

Company Name and Location	Overview of Confidential Information
Lakeshore Advantage Corporation 201 West Washington, Suite 410 Zeeland, MI 49464	The following information provided as part of its Semi-annual Progress Reports: Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections.
Lenawee Economic Development Corporation 5285 West US Highway 223 Suite A Adrian, MI 49221	The following information provided as part of its Semi-annual Progress Reports: Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections
Lean Rocket Lab 133 W. Michigan Ave. Jackson, MI 49201	The following information provided as part of its Semi-annual Progress Reports: Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections.
Bedrock Management Services 630 Woodward Ave Detroit, MI 48226-3438	Organizational Chart; Amended and Restated Operating Agreement for Bedrock Management Services LLC; Written Consent of Manager of Detroit Real Estate Holdings Company I LLC, Bedrock Management Services LLC and Bedrock Building Services LLC; Identity of Sole Member

Company Name and Location	Overview of Confidential Information
<p>Stage Survival Grants: *Approved in March 2021</p> <p>1265 Studios 1265 Griswold St. Detroit, MI 48226</p> <p>20 Front Street Concepts 20 E. Front St. Lake Orion, MI 49362</p> <p>360 Event Productions 1040 E. Silverbell Rd. Lake Orion, MI 48360</p> <p>Acorn Center for the Performing Arts 107 Generations Dr. Three Oaks, MI 49128</p> <p>Aloha Kalamazoo 241 E. Kalamazoo Ave., Ste. 300 Kalamazoo, MI 49007</p> <p>Alpena Civic Theatre 401 River St Alpena, MI 49707</p> <p>Ann Arbor Summer Festival 210 Huronview Blvd. Ann Arbor, MI 48103</p> <p>Avon Players 1185 Washington Rd. Rochester Hills, MI 48306</p> <p>Bach Festival Society of Kalamazoo 1200 Academy St. Kalamazoo, MI 49006</p> <p>Backwoods and Bonfires 2835 Bagley St. Detroit, MI 48216</p> <p>Bad Kitty LLC 22920 Woodward Ave. Ferndale, MI 48220</p> <p>Barn Theatre 13319 M96 Augusta , MI 49012</p> <p>Bay City Players 1214 Columbus Ave. Bay City, MI 48708</p> <p>BG Media 600 S. Washington Ave. Royal Oak, MI 48067</p> <p>Blissfest Music Organization 3695 Division Rd. Harbor Springs, MI 49740</p>	<p>Any portion of the application or ancillary or related documents or records submitted in support of this application that includes any of the following business or personal information pertaining to the applicant: financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer or service provider names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of the applicant containing any of the foregoing information.</p>

Brass Band of Battle Creek  
34 W. Jackson St., Ste 4B  
Battle Creek, MI 49017

Chamber Music Society of Detroit  
5470 Chene St., Ste. 205  
Detroit, MI 48211

Cheboygan Area Arts Council  
403 N. Huron  
Cheboygan, MI 49721

City of East Lansing  
819 Abbot Rd.  
East Lansing, MI 48823

City of Sturgis  
130 N. Nottawa St.  
Sturgis, MI 49091

City of Whitehall  
304 S. Mears  
Whitehall, MI 49461

Clarkston Village Players  
4861 White Lake Rd.  
Clarkston, MI 48346

Cliff Bells  
2030 Park Ave.  
Detroit, MI 48226

Cognito Brewing Company  
142 W. Monroe St.  
Bangor, MI 49013

Community Circle Theatre  
1700 Fulton St E  
Grand Rapids, MI 49506

Counter Culture Arts Collective  
620 Gratiot Ave.  
Saginaw , MI 48602

Crystal Theatre  
304 Superior Ave.  
Crystal Falls, MI 49920

Dark Horse Productions  
31 N. Walnut  
Mt. Clemens, MI 48043

Deluxx Fluxx Detroit  
1274 Library St. LL  
Detroit, MI 48226

DHP Inc.  
3539 S. Dort Hwy.  
Flint, MI 48507

DJ Jeffries Management  
206 W. Michigan Ave.  
Ypsilanti, MI 48197

Downriver Actors Guild  
2656 Biddle Ave.  
Wyandotte, MI 48192

Downriver Youth Performing Arts  
Center

2447 W. Jefferson  
Trenton, MI 48183

EFG Group  
4114 W. Vernor Hwy  
Detroit, MI 48209

Enchanted Productions  
2557 Military St.  
Port Huron, MI 48060

Encore Musical Theatre Company  
7714 Ann Arbor St.  
Dexter, MI 48130

Encore Performing Arts Center  
12 N. Saginaw  
Pontiac, MI 48342

Enter Stage Right  
647 New Hampshire Ave.  
Marysville, MI 48040

Excellency Music  
3357 Parkway Dr.  
Bay City, MI 48706

Farmers Alley Theatre  
221 Farmers Alley  
Kalamazoo, MI 49007

Ghostlight Productions  
101 Hinkley St.  
Benton Harbor, MI 49022

Go Comedy Improv Theater  
261 E. 9 Mile  
Ferndale, MI 48069

Great Escape  
110 E. Michigan Ave.  
Marshall, MI 49068

Great Lakes Center for the Arts  
800 Bay Harbor Dr.  
Bay Harbor, MI 49770

Green Door Blues Bar and Grill  
2005 E. Michigan Ave.  
Lansing, MI 48912

Grosse Pointe Theatre  
315 Fisher Rd.  
Grosse Pointe, MI 48230

Happy Ventures  
212 S. 4th Ave., Ste. A  
Ann Arbor, MI 48104

Hastings Street Ballroom  
715 E. Milwaukee  
Detroit, MI 48202

Hiawatha Music Non-Profit Corp.  
1015 N. 3rd St.  
Marquette, MI 49855

Holden Trumbull Ventures  
1501 Holden  
Detroit, MI 48208

Home Comfort Farms  
1865 Roby Rd.  
Johannesburg, MI 49751

Inspire Theatre  
33455 Warren Rd.  
Westland, MI 48185

JAG Entertainment  
127 N. Wixom Rd.  
Wixom, MI 48393

JTM Partners  
68 Commerce SW  
Grand Rapids, MI 49506

KBS Holdings  
2932 Caniff St.  
Hamtramck, MI 48212

Kerrytown Concert House  
415 N. Fourth Avenue  
Ann Arbor, MI 48104

Lansing Symphony Association  
104 S. Washington Sq., Ste. 300  
Lansing, MI 48913

Lenawee Symphony Orchestra  
110 S. Madison St.  
Adrian, MI 49221

LLSH, LLC  
133 Grandville Ave. SW  
Grand Rapids, MI 49503

Macomb Community College  
44575 Garfield Rd.  
Clinton Twp., MI 48038

Majestic Theatre Center  
4140 Woodward Ave.  
Detroit, MI 48201

Mardi Gras Enterprises  
404 S. Burdick St.  
Kalamazoo, MI 49007

Masonic Temple Association of  
Detroit  
500 Temple Ave.  
Detroit, MI 48201

Michigan Opera Theatre  
1526 Broadway  
Detroit, MI 48226

Michigan Philharmonic  
650 Church St.  
Plymouth, MI 48170

Michigan Theatre of Jackson  
124 N. Mechanic  
Jackson, MI 49201

Midtown Music Venture  
4120 Woodward Ave.  
Detroit, MI 48201

MiEntertainment Group  
503 Mall Ct., #329  
Lansing, MI 48912

Music Hall Center for the Performing  
Arts  
350 Madison Ave.  
Detroit, MI 48226

Necto LLC  
516 Liberty  
Ann Arbor, MI 48104

Oakland Theatre Arts Guild  
7370 Highland Rd.  
Waterford, MI 48327

Old Town Playhouse  
148 E. 8th St.  
Traverse City, MI 49684

Open Book Theatre Company  
1621 West Rd.  
Trenton, MI 48183

Opera MODO  
960 E. Jefferson  
Detroit, MI 48207

Orpheum Theater  
426 Quincy St.  
Hancock, MI 49930

Paxahau  
1551 Rosa Parks Blvd., Ste. A  
Detroit, MI 48216

Piano Bar  
139 S. Edwards St.  
Kalamazoo, MI 49007

Pike Street Pool  
1 S. Saginaw St.  
Pontiac, MI 48342

Purple Rose Theatre Company  
137 Park St.  
Chelsea, MI 48118

Riverbank Youth Theatre  
358 S. Water St.  
Marine City, MI 48039

Robin Theatre  
1105 S. Washington Ave.  
Lansing, MI 48910

Rogers City Community Theatre  
257 N. Third St.  
Rogers City, MI 49779

Saugatuck Center for the Arts  
400 Culver St.  
Saugatuck, MI 49453

Seven Steps Up LLC  
116 S. Jackson St.  
Spring Lake, MI 49456



St. Dunstan's Theatre Guild of  
Cranbrook  
400 Lone Pine Rd.  
Bloomfield Hills, MI 48304

Strand Events, LLC  
12 N. Saginaw  
Pontiac, MI 48342

T&F Adventures  
760 Butterworth St. SW  
Grand Rapids, MI 49504

TempleArts  
201 N. Washington Ave.  
Saginaw, MI 48602

The Ark  
117 N. First St., Ste. 40  
Ann Arbor, MI 48104

The Comedy Project  
540 Leonard St. NW, Ste. B  
Grand Rapids, MI 49504

The Comedy Series  
244 Walnut St., Ste. 2  
Frankenmuth, MI 48734

The Players  
3321 E. Jefferson  
Detroit, MI 48207

The Right Productions  
2600 Atwater  
Detroit, MI 48207

The Theatre Ensemble  
378 Meadow Brook Rd.,  
Wilson Hall - Room 207  
Rochester, MI 48309

Tipping Point Theatre  
361 E. Cady St.  
Northville, MI 48167

Trinity House Theatre  
38840 W. Six Mile Rd.  
Livonia, MI 48152

Trinosophes  
1464 Gratiot Ave.  
Detroit, MI 48207

Twin City Players  
600 W. Glenlord Rd.  
St. Joseph, MI 49085

USA Concerts  
14238 Harper Ave.  
Detroit, MI 48213

Wheatland Music Organization  
7251 50th Ave.  
Remus, MI 49340

WOW 360 LLC  
2903 Biddle Ave.  
Wyandotte, MI 48192