



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA December 13, 2022 10:00am

- 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: November 9, 2022..... 3
 - b. 40 Hague: Brownfield Act 381 Work Plan Amendment 17
 - c. Mayville Engineering: Michigan Business Development Program Amendment 22
 - d. Industry 4.0 Implementation Grants: FY2023 Funding Allocation 27
- V. DEVELOP ATTRACTIVE PLACES**
 - a. City of Monroe Brownfield Redevelopment Authority: 1284 & 1248 North Telegraph Road: A resolution to approve a Brownfield Act 381 Work Plan including State tax capture capped at the amount of \$2,699,779. 34
Location: City of Monroe
 - b. 16530 East Warren, LLC – The Ribbon Redevelopment Project: A resolution to approve an amendment to the existing Michigan Community Revitalization Program Performance-Based Direct Loan award to increase the award by \$190,663 for a total of \$1,500,000 and convert the award to a Performance-Based Grant..... 43
Location: City of Detroit
 - c. The Beauton, LLC: A resolution to approve a Michigan Community Revitalization Performance-Based Grant in an amount up to \$1,497,697. 48
Location: City of Detroit
- VI. ATTRACT, RETAIN AND GROW BUSINESS**
 - a. Lear Corporation: A resolution to approve a Michigan Business Development Program Grant in the amount of \$4,500,000 and a 15-year 100% State Essential Services Assessment Exemption Request with an estimated value of up to \$1,913,275 including a waiver of the Eligible Distressed Area Requirement and Investment Requirement. 59
Location: Township of Independence, Oakland County; City of Traverse City, Grand Traverse County; and the City of Sterling Heights, Oakland County
 - b. Economic Development Alliance of St. Clair County: A resolution to approve a Michigan Strategic Fund Performance-Based Grant request in the amount of \$3,600,000. 69
Location: City of St. Clair
 - c. Deloitte Consulting LLP/UL LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of \$1,000,000, a 50% Alternative State Essential Services Assessment Exemption Request, and a Jobs Ready Michigan Program Grant in the amount of \$500,000. 75
Location: City of Auburn Hills

- d. Hooponassu OZ, LLC: A resolution to approve an allocation of FY23 Funding in the amount of \$3,000,000 to support the Shop House Technology Park and Innovation Center. 86
Location: City of Marquette
- e. Billerud: A resolution to approve a Forest Products Processing Renaissance Zone for a period of 15 years with an estimated annual property tax abatement valued in the amount of \$1.96 million annually. 95
Location: Delta County

VII. ADMINISTRATIVE

- a. Consent Agenda Policy 101

VIII. INFORMATIONAL

- a. October & November Delegation of Authority Report..... 111

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

**MICHIGAN STRATEGIC FUND
APPROVED SPECIAL SESSION MINUTES
NOVEMBER 9, 2022**

Members Present

Michael B. Kapp (on behalf of Director Ajegba)
Quentin L. Messer, Jr.

Members joined remotely

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

Member Absent

Paul Gentilozzi

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 9:03 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely. He noted that the MSF Board has met 16 times this year, including 10 regularly scheduled meetings and six special meetings. He expressed appreciation to Board members, Attorney General staff, and MEDC colleagues for their work on behalf of the State of Michigan.

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

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. State Representative Sarah Anthony and Eric Olmscheid, Executive Director for the Wharton Center, offered comments in support of the Ovation Performing Arts Center project in Lansing.

III. COMMUNICATIONS

Ms. Wilcox Surmann advised Board members that letters were received from State Senator Curtis Hertel, Jr. and State Representative Sarah Anthony in support of the Ovation Performing Arts Center project in Lansing. Letters also were received from the individuals identified below in support of the former Buick City site redevelopment project in Flint. The letters are attached to the minutes.

- State Senator Jim Ananich
- State Representative John Cherry
- State Representative Tim Sneller
- Domonique Clemons, Chairperson of the Genesee County Board of Commissioners
- Sheldon Neeley, Mayor of the City of Flint and Samantha Fountain, Economic Development Director for the City of Flint

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported members met recently to review three projects on the special meeting agenda. Subcommittee members recommend approval of award requests for the City of Lansing, Downtown Detroit Partnership, and Flint Commerce Center, LLC projects.

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported members met recently to receive an overview of projects on the special meeting agenda.

IV. CONSENT AGENDA

Resolution 2022-186 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: October 25, 2022
- b. JR Automation Technologies LLC: MBDP Amendment – **2022-187**

Quentin L. Messer Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

V. DEVELOP ATTRACTIVE PLACES

a. Resolution 2022-188 City of Lansing: Michigan Strategic Fund Performance-based Grant (Ovation Performing Arts Center)

Lori Mullins, Managing Director of Community Development Incentives, provided the Board with information regarding this action item. The action involves approval of a \$5,000,000 Michigan Strategic Fund (MSF) performance-based grant under MCL 125.2088b(2)(c) of the MSF Act to support a place-based performing arts center project in the City of Lansing (Ingham County). Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-188. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

b. Resolution 2022-189 Downtown Detroit Partnership: Michigan Strategic Fund Performance-based Grant (Pedestrian Infrastructure Equipment)

Jake Winder, Manager of Community Development Incentives, provided the Board with information regarding this action item. The action involves approval of a \$2,000,000 Michigan Strategic Fund (MSF) performance-based grant under MCL 125.2088b(2)(c) of the MSF Act to support the purchase of pedestrian infrastructure equipment and public space improvements that will help ensure safety and accessibility for all attendees at various downtown events in the City of Detroit (Wayne County). Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-189. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

VI. ATTRACT, RETAIN AND GROW BUSINESS

a. Resolution 2022-190 Michigan Automotive Compressor, Inc.: State Essential Services Assessment Exemption

*Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a 100% State Essential Services Assessment (SESA) Exemption for up to five years valued at up to \$984,000 and an Eligible Distressed Area Requirement Waiver related to the SESA Exemption to support a business development project in the Village of Parma (Jackson County). The project is expected to result in the retention of 241 jobs and a capital investment of up to \$82,000,000. Following discussion, Susan Corbin motioned for the approval of Resolution 2022-190. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

Dimitrius Hutcherson briefly disconnected from the meeting and rejoined at 9:46 a.m.

b. Resolution 2022-191 Flint Commerce Center, LLC: Michigan Strategic Fund Performance-based Loan (Ashley Capital/Former Buick City Site)

*Jeremy Webb, Interim Managing Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of a \$8,500,000 Michigan Strategic Fund (MSF) performance-based loan under MCL 125.2088b(2)(c) of the MSF Act, with the ability to be forgiven based on achievable performance requirements, to support a speculative development project in the City of Flint (Genesee County). Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-191. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

Rachael Eubanks disconnected from the meeting at 9:55 a.m. Andrew Lockwood joined the meeting on her behalf.

c. Resolution 2022-192 Mega-Site Strategic Plan: Request for Proposals (RFP)

Terri Fitzpatrick, EVP, Chief Real Estate and Global Attraction Officer, provided the Board with information regarding this action item. The action involves approval of a statement of work for an RFP in the amount of up to \$1,500,000 to solicit proposals for development of a Michigan mega-site strategic plan and authorize the release of the RFP; appoint a Joint Evaluation Committee (JEC) to review proposals received in response to the RFP and provide a recommended bidder; adopt scoring and evaluation criteria to be used by the JEC in its review of responses to the RFP; and authorize the MSF Fund Manager and the MSF President

to identify the successful bidder based on the JEC's recommendation and execute a final agreement with that bidder on behalf of the MSF. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-192. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Mr. Messer adjourned the meeting at 9:58 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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



CURTIS HERTEL JR.
STATE SENATOR
MICHIGAN SENATE

DISTRICT 23
P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-1734
FAX: (517) 373-5397
senchertel@senate.michigan.gov

COMMITTEES:
APPROPRIATIONS (MVC)
ADVICE AND CONSENT (MVC)
HEALTH POLICY AND
HUMAN SERVICES
APPROPRIATIONS SUBCOMMITTEES:
HEALTH AND HUMAN SERVICES (MVC)
CAPITAL OUTLAY
UNIVERSITIES AND
COMMUNITY COLLEGES

Michigan Strategic Fund Board
300 N Washington Sq.
Lansing, MI 48913

November 2, 2022

Dear Chair Messer and Board Members,

It is undeniable that the arts are a viable tool for education, self-discovery, and both economic and cultural growth. These are just a few reasons why I am supportive of the city of Lansing’s plans to build a music venue downtown. I know that many people are working toward funding this project and I would greatly appreciate your consideration of support in helping bring this pivotal project to fruition.

Lansing has not seen a major investment in the arts or arts education in more than 40 years. To fulfill this need, a performance venue has been a long-standing goal. Back in 1998, the City of Lansing conducted a full-market feasibility study, which determined that the mid-Michigan region would support a new performing arts center. Then, four years ago, the idea was brought back to life; after conducting multiple feasibility studies and research, it has become clear that there is critical need for a performance space in our region, and that The Ovation has potential to thrive and inspire while providing community spaces for youth, artists, and non-profit organizations.

Located in the heart of Downtown Lansing, the strategically placed venue will increase walkability, strengthen the downtown core, and attract talent. The Ovation will also house retail space, community rooms, as well as offices for local non-profit arts groups. Most importantly, the venue will stand on its own financially, requiring no annual operating subsidy. Conservative projections estimate that the overall economic impact will be more than \$12 million dollars every year.

This venue will be much more than a place to see a show; it has the potential to bring crucial and measurable benefits to local youth, families, neighborhoods, businesses, and the local economy — demonstrating the true power of the arts.

I am in full support of this project and there is no doubt in my mind that it will breathe new life to downtown Lansing. Thank you for your consideration.

Sincerely,

Curtis Hertel, Jr.
State Senator
District 23



68TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-0826
FAX: (517) 373-5698
E-MAIL: sarahanthony@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

SARAH ANTHONY
STATE REPRESENTATIVE

November 9, 2022

Quentin L. Messer, Jr.
President and Chairperson
Michigan Strategic Fund Board
300 N. Washington Sq.
Lansing, MI 48913

Dear Chairperson Messer,

I am writing to lend my formal support for the City of Lansing's request for a place-based infrastructure grant from the Michigan Strategic Fund for the Ovation Performing Arts Center. This project would be transformational for downtown Lansing and the Greater Lansing region.

I have been extremely encouraged at the pace with which the Ovation Performing Arts Center in downtown Lansing has progressed through its planning and implementation phases. Many long-time members of the Lansing business community were forced to close their doors permanently during the Covid-19 pandemic. A project such as this, which would attract 190,000 visitors to Lansing, would spring life back into the areas hit the hardest. This opportunity to bring together people from our Lansing community, residents, from Mid-Michigan, and from across the state, is unparalleled.

As Lansing's state representative and a life-long resident, I have seen the effect that decades of divestment have had on this community. Our region deserves the adequate funding for innovative projects like these. By approving the request for the Ovation Performing Arts Center, Lansing will persist as a destination for residents, business owners, and tourists. Ultimately, such a transformation to the area will provide positive change for our entire community.

Thank you for your time and attention to my letter. I respectfully request your serious consideration of the City of Lansing's request for a place-based infrastructure grant from the Michigan Strategic Fund for the Ovation Performing Arts Center.

In Service,

Sarah Anthony
State Representative



JIM ANANICH
SENATE MINORITY LEADER
MICHIGAN SENATE

27TH DISTRICT
P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-0142
FAX: (517) 373-3938
senjananich@senate.michigan.gov

November 9, 2022

Quentin L. Messer, Jr., Chairperson
Michigan Strategic Fund Board of Directors
300 N Washington Sq
Lansing, MI 48913

Dear Chairman Messer and Members of the Michigan Strategic Fund Board:

As the State Senator representing Flint and its surrounding communities, I am writing to encourage the approval of an \$8.5 million performance-based loan to Flint Commerce Center LLC to support its efforts to rehabilitate a large portion of the Buick City Site. This project involves a potential capital investment of approximately \$300 million over time to develop the entire Buick City Site, allowing for the potential ability to generate approximately 2,000 to 3,000 employees in the City of Flint.

It is my understanding that the entities involved are committed to constructing a building of at least 275,000 square feet in size, with plans to further develop up to 3.5 million square feet on the Buick City Site. The new light industrial space will be a host for thousands of workers in new high-skill, high-wage, high-tech jobs. It should go without saying that a project of this magnitude can and will have an economic ripple effect that will be felt far and wide in our community.

The Buick City Site is the biggest symbol of our region's automotive history. It tells the story of when our economy drew workers from across the country and when we established our status as the premier leader in putting the world on wheels. Its subsequent closure was devastating for our area to a degree that we have yet to completely recover from. Now, as Flint is poised to begin a new era, I can think of no better time to reinvent the legendary site.

I am proud to support the Flint Commerce Center's bold vision for the Buick City Site. I hope you will take this into consideration as you review their request for support. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Jim Ananich".

Jim Ananich
Senate Minority Leader
District 27



49TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

JOHN D. CHERRY
STATE REPRESENTATIVE

PHONE: (517) 373-7515
FAX: (517) 373-5817
JohnCherry@house.mi.gov

Michigan Economic Development Corporation
Michigan Strategic Fund Board
Attn: Quentin L. Messer, Jr.

Chairperson Messer,

As State Representative for the 49th House District, it is my duty to help my community succeed. I am requesting that the Michigan Strategic Fund board approve the request for funding from the Flint Commerce Center to develop the Buick City Site.

The scale of job loss that followed the closure of Buick City would be devastating no matter where it occurred, and we have seen the impact that it has had on our community. Taking one of the largest brownfield sites in Michigan and transforming it for economic development will have a major impact on economic opportunity and quality of life for all of Genesee County. It will create thousands of jobs, make use of a site that has been a major obstacle to progress in our community, and breathe life into our struggling economy by attracting new businesses to our area.

The redevelopment of Buick City is key to creating a vibrant future for Genesee County. I was in high school when the closure was announced, and I watched my community suffer. This funding is an opportunity unlike any other, to undo decades of decay right in the heart of Flint, and I encourage the board to approve this request.

Sincerely,

John D. Cherry
State Representative
House District 49

Michigan Economic Development Corporation
Michigan Strategic Fund Board
Attn: Quentin L. Messer, Jr.

Chairperson Messer,

As State Representative for the 50th House District, it is my duty to help my community succeed. I am requesting that the Michigan Strategic Fund board approve the request for funding from the Flint Commerce Center to develop the Buick City Site.

The scale of job loss that followed the closure of Buick City would be devastating no matter where it occurred, and we have seen the impact that it has had on our community. Taking one of the largest brownfield sites in Michigan and transforming it for economic development will have a major impact on economic opportunity and quality of life for all of Genesee County. It will create thousands of jobs, make use of a site that has been a major obstacle to progress in our community, and breathe life into our struggling economy by attracting new businesses to our area.

The redevelopment of Buick City is key to creating a vibrant future for Genesee County. This funding is an opportunity unlike any other, to undo decades of decay right in the heart of Flint, and I encourage the board to approve this request.

Should you have any questions for me, please do not hesitate to reach out by email at TimSneller@house.mi.gov, or by phone at 517-373-3906. Thank you for your time and consideration.

Sincerest regards,



Tim Sneller
State Representative
50th House District



11/01/2022

RE: Pending Industrial Development Investment at Buick City

COMMISSIONERS

Bryant W. Nolden

District 1

Charles H. Winfrey

District 2

Ellen Ellenburg

Vice-Chair

District 3

Domonique Clemons

Chair

District 4

James Avery

District 5

Shaun Shumaker

District 6

Meredith Davis

District 7

Debra Newman

District 8

Gary Peppin

District 9

To Whom it May Concern,

Genesee County is excited about Ashley Capital’s industrial development project planned for the Buick City site. It is our understanding that this project will result in a significant amount of private investment and when complete will create many jobs on the site.

This site has set vacant for decades. Finally, because of this collaboration, we are on the cusp of reinventing one of the largest brownfield sites in the State of Michigan. Genesee County strongly believes this partnership will lead to our future success in this region.

Genesee County approved a \$3.25 million grant to support site readiness activities. Together with the City of Flint and the C.S. Mott Foundation, we have committed over \$8.5 million to ensure the development of this site.

I strongly urge this Board to approve the application, as presented, so that we can move forward with this transformative project.

All of us on the Genesee County Board of County Commissioners are excited for the opportunity this development will bring to our county and region.

Please feel free to contact me if you have any questions.

Sincerely,



Domonique Clemons,
Chairperson



City of Flint

Economic Development

Sheldon A. Neeley
Mayor

11/03/2022

Quentin L. Messer, Jr.

President and Chairman of the MSF

Michigan Economic Development Corporation

300 N. Washington Sq., Lansing, MI 48913

Re: Buick City Redevelopment

Dear Mr. Messer,

The City of Flint is excited about Ashley Capital's potential redevelopment project at the old Buick City site. It is our understanding this project would result in a significant amount of private investment, roughly \$300,000,000 and when complete, the tenants will create thousands of jobs on the site. We also understand that there are unique environmental challenges with this site. These challenges include crushing and removing concrete slabs and removing underground utilities. The estimated total to remove those challenges is \$17,000,000. This is necessary to make this project financially viable for Ashley Capital to redevelop this site.

To that end, the City of Flint has approved a grant of \$3,250,000, in addition to the Charles Stewart Mott Foundation's support of a \$2,000,000 grant, for a total of \$5,250,000. Genesee County has also contributed a grant of \$3,250,000. These funds are contingent on Ashley Capital completing at least 275,000 sq/ft of building space within three years.

The City of Flint is very excited to see this project move forward, and the positive change it will have on not only Flint, but Genesee County, and the entire state of Michigan. We hope the Michigan Strategic Fund shares our views on this project and will contribute the remaining \$8,500,000 to make this project possible for the City of Flint.

If you have questions, please do not hesitate to contact Samantha Fountain at sfountain@cityofflint.com or at (810) 237-0297.

For the love of the community,

Sheldon A. Neely,
Mayor, City of Flint

A handwritten signature in black ink, appearing to read 'Sheldon A. Neely', written in a cursive style.

Samantha Fountain,
Economic Development Director
City of Flint

A handwritten signature in black ink, appearing to read 'Samantha Fountain', written in a cursive style.



MEMORANDUM

Date: December 13, 2022
To: Michigan Strategic Fund Board
From: Rob Garza, Manager, Statutory Analysis
Subject: Request for Approval of an Act 381 Work Plan Amendment #1
City of Detroit Brownfield Redevelopment Authority
40 Hague Redevelopment Project

Request

The City of Detroit Brownfield Redevelopment Authority (the “BRA”) is requesting approval of an amendment to the Act 381 Work Plan (the “Work Plan”). The amended Work Plan includes a request to increase the approved state tax capture for the purpose of reimbursement for MSF eligible activities from \$206,313 to \$239,928. The amendment allows for correct allocation of eligible costs between MSF eligible activities and the Department of Environment, Great Lakes and Energy (EGLE) eligible activities (also called department-specific activities) which will not result in a change to the total state tax capture for the project.

Background

The Michigan Strategic Fund Board approved a Work Plan with state tax capture in the amount of \$206,313 on September 24, 2019, to the BRA for the purpose of creating 38 apartments by rehabilitating a vacant, two-story building in the city of Detroit.

Upon completion of the project and submission of invoices to the BRA by RainCheck Development, LLC (the “Developer”) for cost certification, the BRA determined that a portion of the eligible activities originally approved by EGLE, should have been qualified as MSF eligible activities and thus costs could not be reimbursed to the Developer without amending the Work Plan. This amendment recognizes that some of the eligible activity costs are MSF non-environmental costs rather than EGLE eligible activity costs. The overall MSF eligible activity costs have increased, but the total amount of eligible activity costs between MSF and EGLE, and the amount of state tax capture necessary to reimburse those cost, remains unchanged.

ORIGINAL PROJECT

State tax capture – MSF activities	(36.74%)	\$	206,313
Local tax capture	(63.26%)	\$	355,225
TOTAL		\$	561,538

AMENDED PROJECT

State tax capture – MSF activities	(36.74%)	\$	239,928
Local tax capture	(63.26%)	\$	413,104
TOTAL		\$	653,032

The City of Detroit BRA is currently compliant with Act 381 Brownfield Reporting.



Recommendation

The MEDC staff recommends approval of an amendment to the Act 381 Work Plan to increase the approved state tax capture for the purpose of reimbursement for MSF eligible activities from \$206,313 to \$239,928.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-194**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
40 HAGUE REDEVELOPMENT PROJECT
AMENDMENT #1**

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 (the “MSF”);

WHEREAS, the MSF Board approved an Act 381 Work Plan (the “Work Plan”) request dated September 2, 2019, for the 40 Hague Redevelopment Project (the “Project”), by Resolution 2019-147 on September 24, 2019, authorizing the City of Detroit Brownfield Redevelopment Authority (the “Authority”) to capture taxes levied for school operating purposes based on a maximum of \$546,538 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$10,000 for Brownfield/Work Plan preparation, and a maximum of \$5,000 for Brownfield/Work Plan implementation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$206,313;

WHEREAS, the Authority wishes to amend the scope of the Project by increasing the maximum amount for non-environmental eligible costs;

WHEREAS, the Authority is requesting MSF Board approval of an amended work plan to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of MSF eligible activities on an eligible property (the “Amended Plan”); and

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Amended Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 36.74% to 63.26% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the Amended Work Plan. 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 \$638,032 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$5,000 for brownfield and work plan implementation, and a maximum of \$10,000 for brownfield and work plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$239,928.

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

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

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2019-147 are reaffirmed, and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022
To: Michigan Strategic Fund (“MSF”) Board
From: Colleen Horton – Director-Business Compliance
Subject: Mayville Engineering Company, Inc. – Michigan Business Development Program Grant Amendment

Request Summary

Mayville Engineering Company, Inc., (“Mayville” or “Company”) is requesting an amendment to its Michigan Business Development Program (“MBDP”) grant to reduce the award amount from \$2,500,000 to \$1,776,483.50, reduce required Qualified New Jobs (“QNJ”) from 387 to 275, reduce Base Jobs from 398 to 338, extend milestone due dates and reallocate Qualified New Job creation. Requested milestone due date extensions, Base Job reduction and QNJ reallocation is as follows:

- Reduce Base jobs from 398 to 338 as the Company included part-time and temporary positions in the initial grant application that no longer exist today.
- Extend the Milestone 1 due date from May 31, 2022 to December 31, 2022; reduce the required QNJ) from 105 to a minimum of 35 allowing for a maximum of 50 total QNJ).
- Extend the Milestone 2 due date from November 30, 2022 to December 31, 2023; reduce the required QNJ) from 221 to a minimum of 105 allowing for a maximum of 150 total QNJ).
- Extend the Milestone 3 due date from November 30, 2023 to December 31, 2024; reduce the required QNJ) from 245 to a minimum of 193 allowing for a maximum of 275 total QNJ).
- Eliminate Milestone 4 in its entirety.
- Extend the grant term from May 30, 2025 to June 30, 2025.

Grant milestone disbursements of \$6,459.94 per additional QNJ will also be reallocated to be in line with the revised milestone requirements. To date no funds have been disbursed.

(the aforementioned, collectively, the “Request”).

Background

On April 27, 2021, Mayville was awarded a \$2,500,000 MBDP performance grant for the creation of 387 QNJ) above a statewide base job requirement of 398 and projected investment of \$51,500,000 in the State of Michigan. On October 26, 2021, the MSF Board amended and reauthorized the award to include the Company’s wholly owned subsidiaries, Center Manufacturing Corporation and Center Manufacturing Holdings, Inc. for job creation purposes.

The MBDP Agreement executed on March 29, 2022, includes the following key milestones:

- Key Milestone One: disbursement of \$6,459.94 per QNJ for the creation of a minimum of 105 to a maximum of 150 QNJ) above the Base Employment Level of 398 by May 31, 2022.
- Key Milestone Two: disbursement of \$6,459.94 per QNJ for the creation of an additional 221 QNJ) (for a cumulative total of 315 QNJ) above the Base Employment Level of 398 by November 30, 2022.
- Key Milestone Three: disbursement of \$6,459.94 per QNJ for the creation of an additional 245 QNJ) (for a cumulative total of 350 QNJ) above the Base Employment Level of 398 by November 30, 2023.

- Key Milestone Four: disbursement of \$6,459.94 per QNJ for the creation of an additional 271 QNJs (for a cumulative total of 387 QNJs) above the Base Employment Level of 398 by November 30, 2024.

Continued market uncertainty in their heavy and medium-duty commercial vehicle, construction, powersport, and agricultural customer base has forced the Company to scale back production levels and revise hiring plans. The Company has made significant investment in the project and expects the site in Hazel Park to be a flagship manufacturing facility to showcase the company's ability to deliver high-profile products.

The Company fully expects to be able to fulfill the grant requirements and create 275 Qualified New Jobs in the State if this request is approved.

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-195**

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
AMENDMENT
MAYVILLE ENGINEERING COMPANY, INC.**

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

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

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (the “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 Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP as later amended on December 8, 2020 by resolution 2020-146 (the “Guidelines”);

WHEREAS, on April 27, 2021, the MSF Board authorized a performance-based MBDP grant of up to \$2,500,000 (the “MBDP Award”) to Mayville Engineering Company, Inc. (the “Company”);

WHEREAS, on October 26, 2021, the MSF Board amended and reauthorized the MBDP Award to include the Company’s wholly owned subsidiaries, Center Manufacturing Corporation and Center Manufacturing Holdings, Inc. for job creation purposes.

WHEREAS, on March 29, 2022, the Company and the MSF entered into an MBDP Grant Agreement under which the Company agreed to create 387 Qualified New Jobs (“QNJ”) above a statewide Base Job requirement of 398 jobs at facilities located in the State of Michigan (the “MBDP Grant Agreement”);

WHEREAS, the Company has requested that the MSF approve an amendment with respect to the remaining term of the MBDP Grant Agreement with terms and conditions that shall include:

- a) Reduction of the Base Jobs requirement to 338 (the “Base Jobs Request”);
- b) Modification to Key Milestones as follows (the “Milestone Request”):
 - 1. Key Milestone One: Disbursement of \$6,459.94 per QNJ for the creation of a minimum of 35 QNJs up to 50 total cumulative QNJs by December 31, 2022.
 - 2. Key Milestone Two: Disbursement of \$6,459.94 per QNJ for the creation of up to a minimum of 105 QNJs up to 150 total cumulative QNJs by December 31, 2023.

3. Key Milestone Three: Disbursement of \$6,459.94 per QNJ for the creation of a minimum of 193 QNJs up to 275 total cumulative QNJs by December 31, 2024.
- c) Extension of the MBDP Grant term from May 30, 2025 to June 30, 2025. (the “Term Request”).

WHEREAS, the MEDC recommends approval of the Base Jobs Request, the Milestone Request, and the Term Request (collectively, 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 authorizes the MSF Fund Manager to negotiate the final terms and conditions of the final documents necessary to effectuate the Amendment Request.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022
To: Michigan Strategic Fund Board
From: Natalie Chmiko, SVP, Small Business Solutions
Subject: FY23 Funding Allocation – Industry 4.0 Implementation Grants

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board exercise its option allocate additional funding for I4.0 Implementation Grants (defined below) as set forth in the following table:

Grantee	Regional Coverage	Award Increase
Great Lakes Bay Manufacturers Association	Regions 5 & 6	\$ 176,471
Macomb County Department of Planning and Economic Development	Macomb County	\$ 176,471
Manufacturing Growth Alliance	Regions 1, 3, 7, 9, Oakland & Wayne Counties	\$ 617,647
Networks Northwest	Region 2	\$ 88,235
Southwest Michigan First	Region 8	\$ 117,647
The Right Place	Region 4	\$ 323,529
TOTAL		\$ 1,500,000

The MEDC further recommends that the MSF Board allocate an additional \$1,500,000 to be further allocated to the I4.0 Implementation Grants at the discretion of the MSF Fund Manager (the “Additional Grant Funding Opportunity”) if the applicable I4.0 Implementation Grant awardee can demonstrate sufficient demand for additional funding and so long as no more than 50% of the Additional Grant Funding Opportunity may be awarded to any single I4.0 Implementation Grant awardee (the aforementioned, collectively, the “Request”).

Background

On January 25, 2022, the MSF Board approved the release of a request for proposals seeking proposals from one or more Michigan-based non-profit entities and/or Michigan-based governmental entities to administer grants for Michigan small manufacturers throughout the state Industry 4.0 (“I4.0”) technology implementation projects (the “I4.0 Implementation Grants RFP”).

On April 26, 2022, the MSF Board approved funding to support the following entities in the initial grant amounts listed below and for initial two-year terms, with the option to extend the term for an additional two

years and allocate funding at the sole discretion of the MSF Board (collectively, the “I4.0 Implementation Grants”):

Entity	Regional Coverage	Initial Award Amount
Great Lakes Bay Manufacturers Association	Regions 5 & 6	\$294,118
Macomb County Department of Planning and Economic Development	Macomb County	\$382,353
Manufacturing Growth Alliance	Regions 1, 3, 7, 9, Oakland & Wayne Counties	\$1,323,529
Networks Northwest	Region 2	\$117,647
Southwest Michigan First	Region 8	\$294,118
The Right Place	Region 4	\$588,235

At its April 26, 2022 meeting, the MSF Board also approved the eligibility guidelines and program requirements use by the grantees listed above in administering the I4.0 Implementation Grants (the “I4.0 Implementation Grants Criteria”). The I4.0 Implementation Grants Criteria specify that companies receiving support must be a manufacturer as defined by NAICS code, must be classified as a small business by the Small Business Administration, must complete a I4.0 technology assessment or provide documentation of an executed strategy for determining technology to implement, and must be an essential member with Automation Alley. In addition, the I4.0 Implementation Grants Criteria requires that grant awards to companies be reimbursement-based for up to 50% of the actual expenses incurred in implementing new I4.0 technology, up to a maximum of \$25,000 per company.

Since the launch of the I4.0 Implementation Grants in June 2022, the regional partners have awarded 82 grants totaling over \$1.9 million of the \$2.55 million of available grant dollars. The allocated funds were awarded to small manufacturers in all ten regions of the state, across 38 counties. From initial application materials, the collective group of small manufacturer awardees expect to achieve \$87.4 million in increased revenue, create 271 jobs and retain 1,395 jobs as a result of the I4.0 projects funded. Additionally, these projects leverage \$11.7 million of private investment from small manufacturers.

Recommendation

MEDC staff recommends that MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-196**

**INDUSTRY 4.0 INITIATIVE IMPLEMENTATION GRANTS
AWARD RECOMMENDATIONS**

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

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

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

WHEREAS, on January 25, 2022, the MSF Board approved issuance of a request for proposals to solicit proposals from Michigan-based non-profit entities, Michigan institutions of higher education, and Michigan governmental entities that are currently engaged in and have prior experience with economic development activities to increase manufacturers awareness and readiness to adopt and implement Industry 4.0 (I4.0”) technologies (the “Industry 4.0 RFP”), appointed a Joint Evaluation Committee (“JEC”) to review proposals received in response to the Industry 4.0 RFP, and adopted scoring and evaluation criteria for use by the JEC in reviewing proposals received in response to the Industry 4.0 RFP;

WHEREAS, on April 26, 2022, the MSF Board authorized grants to the following entities in the initial amounts listed below for an initial two-year term, with the option to extend the term for up to an additional two years and allocate additional funding at the sole discretion of the MSF:

Entity	Initial Award Amount
Great Lakes Bay Manufacturers Association	\$294,118
Macomb County Department of Planning and Economic Development	\$382,353
Manufacturing Growth Alliance	\$1,323,529
Networks Northwest	\$117,647
Southwest Michigan First	\$294,118
The Right Place	\$588,235

(the aforementioned, collectively, the “I4.0 Implementation Grants”);

WHEREAS, the MEDC staff recommends that the MSF Board exercise its option to allocate additional funds to the I4.0 Implementation Grants for the amounts listed below:

Entity	Amount of Increase
Great Lakes Bay Manufacturers Association	\$176,471
Macomb County Department of Planning and Economic Development	\$176,471
Manufacturing Growth Alliance	\$617,647
Networks Northwest	\$88,235
Southwest Michigan First	\$117,647
The Right Place	\$323,529

(the aforementioned, collectively, the “I4.0 Grant Allocations”);

WHEREAS, MEDC staff recommends that MSF Board allocate an additional \$1,500,000 to be further allocated to the I4.0 Implementation Grants at the discretion of the MSF Fund Manager (the “Additional Grant Funding Opportunity”) if the applicable I4.0 Implementation Grant entity can demonstrate sufficient demand for additional funding and so long as no more than 50% of the Additional Grant Funding Opportunity may be awarded to any single I4.0 Implementation Grant entity (the “Delegation of Authority”); and

WHEREAS, the MSF Board wishes to approve the I4.0 Grant Allocations, the Additional Grant Funding Opportunity, and the Delegation of Authority.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the I4.0 Grant Allocations, the Additional Grant Funding Opportunity, and the Delegation of Authority; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the I4.0 Grant Allocations and the Additional Grant Funding Opportunity and to execute all documents necessary to effectuate the I4.0 Grant Allocations and the Additional Grant Funding Opportunity in accordance with this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-193**

**APPROVAL OF THE DECEMBER 13, 2022 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:

- a. Proposed Meeting Minutes: November 9, 2022
- b. 40 Hague: Brownfield Act 381 Work Plan Amendment
- c. Mayville Engineering: Michigan Business Development Program Award Amendment
- d. Industry 4.0 Implementation Grants: FY2023 Funding Allocation

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022

To: Michigan Strategic Fund Board

From: Paula Holtz, Senior Community Development Manager, Region 9
Sarah McKinley, Program Specialist, ED Incentives & Services
Jake Winder, Manager, CD Incentives

Subject: Request for Approval of an Act 381 Work Plan
City of Monroe Brownfield Redevelopment Authority (BRA) – 1284 & 1248 N. Telegraph Road

Project Summary & Request

The City of Monroe Brownfield Redevelopment Authority is requesting reimbursement for eligible activities for a nine-parcel brownfield site along Telegraph Road in Monroe that includes 1284 and 1248 North Telegraph Road. The total site is over 17 acres in size, is owned by the City of Monroe and the City is serving as the developer for the purposes of the Work Plan request. The Reimbursement Agreement will be between the City of Monroe and the City of Monroe BRA for activities already undertaken and planned to be undertaken by the City of Monroe; including infrastructure installation, lead and asbestos abatement, demolition costs, and interest. The Brownfield Tax Increment Financing reimbursement request for state tax capture is in the amount of \$2,699,779 over 17 years. The total future private investment is expected to be approximately \$60 million with a combination of uses including commercial and residential components.

PROJECT SUMMARY;	
Project Eligibility	Facility
Total Approximate Square Feet Revitalized - Public	163,000
Total Approximate Acres Activated	17
Current Taxable Value	\$0
Total Anticipated Capital Investment	\$60,000,000
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$2,699,779

As part of its strategic community vision, the City of Monroe began assembling this property for a mixed-use redevelopment in November 2019 and has been proactively readying the site for a catalytic project along Monroe’s largest corridor. In anticipation of this project, the City of Monroe established the Telegraph Road Corridor Improvement Authority TIF district, adopting a development plan to implement a more pedestrian-friendly setting and modernized design principles that stress the importance of natural elements, greenspace, and safer corridor passage for all users. Further, a new zoning code was adopted to affirm the City’s commitment to high-quality development standards for the two-mile Telegraph Road corridor.

The City of Monroe has bonded municipal funds to undertake the preliminary activities to ready the site and will be investing additional funding to complete infrastructure improvements which will transform the area into an attractive public amenity, benefitting the City of Monroe residents and business owners. This project will ultimately prepare the subject property for the infusion of private investment and mixed-use development which will revitalize the North Telegraph Road corridor. Monroe is actively engaged with two developers ready to implement the redevelopment plan that includes a national grocer as an anchor tenant for the commercial space. Total future private investment is expected to be approximately \$60 million.

The City of Monroe has completed eligible activities totaling approximately \$1.3 million and has committed to completing future eligible activity costs totaling approximately \$5.4 million to prepare the site for redevelopment, including \$110,000 in EGLE eligible environmental activities.

This site qualifies as a facility and is located within an Opportunity Zone. The City of Monroe is engaged in the MEDC's Redevelopment Ready Communities program.

Act 381 of 1996 (the "Act"), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing MSF Program Guidelines (the "Guidelines"). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Guidelines and programmatic requirements, and a financial review has been completed. An MSF Eligible Activities and Tax Capture Summary are included in Appendix B.

Demonstrated Need

The total investment associated with this Work Plan request is estimated to be \$25 million. The City of Monroe will finance all eligible activities under this Act 381 Work Plan related to improvements on the subject property and will utilize tax increment revenues from the new development on the site to repay the Bond from the Brownfield Redevelopment Authority for site-readiness activities that have occurred on the site in a strategic effort to attract viable redevelopment to a challenged property.

Local Support

The City of Monroe has been actively pursuing the redevelopment of this site for many years. The City of Monroe will support the development with local TIF in the amount of \$3,876,432.

Applicant Background / Qualifications

The City of Monroe Brownfield Redevelopment Authority is requesting the approval of this Act 381 Work Plan and will reimburse the City of Monroe for eligible expenses.

An Organizational Chart for The City of Monroe Brownfield Redevelopment Authority is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Recommendation

MEDC staff recommends approval of State tax capture for Act 381 eligible activities capped at \$2,699,779, utilizing the current state to local capture ratio.

RENDERING OF PROPOSED DEVELOPMENT



APPENDIX A – Organizational Chart

City of Monroe Organizational Structure
Company Name EIN: 38-6004638
 Company Name Manager: Vincent Dimitrius Pastue

Member	Ownership Interest	EIN	State of Organization
City of Monroe	100.00%	38-6004638	Michigan
City of Monroe City of Monroe Brownfield Redevelopment Auth. 100.00% Vincent Pastue - CEO Edward Sell, Jr. - CFO Mark Cochran - Incentive Manager			

APPENDIX B – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Monroe, a Qualified Local Governmental Unit, has duly approved brownfield plan for this property on December 4, 2019. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on September 13, 2022.

There are 58.4600 non-homestead mills available for capture, with state mills from school operating and SET millages equaling 24.00 mills 35.46% and local millage equaling 34.4600 mills 65.54%. Tax increment capture will begin in 2023 and is estimated to continue for 17 years. The state tax capture is recommended to be capped at \$2,699,779 which is the amount of tax increment revenue anticipated to be generated in 16 years. The Obsolete Property Rehabilitation Act tax abatement impacts the total capture, so the blended ratio is show below. Total MSF eligible activities are estimated at \$6,576,211. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	41.1%	\$	2,699,779
Local tax capture	58.9%	\$	3,876,432
TOTAL		\$	6,576,211

Cost of MSF Eligible Activities

Demolition		\$	1,449,000
Lead, Asbestos, or Mold Abatement			423,440
Infrastructure Improvements			3,072,200
Sub-Total		\$	4,944,640
Contingency 15%		+	501,961
Sub-Total		\$	5,446,601
Interest 3%		+	1,099,609
Sub-Total		\$	6,546,211
Brownfield/Work Plan Preparation		+	15,000
Brownfield/Work Plan Implementation		+	15,000
TOTAL		\$	6,576,211

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:

This development will increase urban density and provide new housing options for Monroe area residents. In addition, it will promote usage of the City’s public walkways and will make this commercial corridor safer for community members. The development will also respond to the demand for high quality commercial space that the neighborhood lacks, expanding the local economy and creating new jobs. The subject property has underperformed as a taxable interest in the City for a number of years, and this will assist with restoring its productivity. Completion of

this project will bring additional investment and stabilization to the neighborhood and will result in additional tax revenue for all taxing jurisdictions once eligible activities have been reimbursed.

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

During construction, the City of Monroe expects to create 100 construction jobs and upon completion and stabilization, the City of Monroe expects to create approximately 45 full time equivalent (“FTE”) jobs. Average wages for new hires post construction are expected to be \$18/hour or for salary positions, \$45,000/annually.

c) Area of High Unemployment:

According to the Michigan Labor Market Information system, the City of Monroe’s (within Monroe County) unadjusted jobless rate was 3.4% in August 2022.

d) Level and Extent of Contamination Alleviated:

The subject property will be prepared to make it suitable for development, and appropriate department specific activities will be performed to prevent exposure to materials hazardous to human health, safety, and the environment.

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.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-197**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN CITY OF MONROE
BROWNFIELD REDEVELOPMENT AUTHORITY
1284 & 1248 NORTH TELEGRAPH ROAD**

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 (the “MSF”);

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

WHEREAS, the City of Monroe Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated December 4, 2019 for property located at 1284 & 1248 North Telegraph Road within the City of Monroe, known as 1284 and 1248 North Telegraph Road, and two associated vacant lots (the “Project”);

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

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the 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 41.1% to 58.9% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the Brownfield Work Plan. 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 \$5,446,601 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$1,099,609 in interest, a maximum of \$15,000 for brownfield and work plan preparation, and a maximum of \$15,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$2,699,779.

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Director, Commercial Real Estate Investment

Subject: Request for Approval of a Michigan Community Revitalization Program Award
Amendment #1
16530 East Warren, LLC

Request

16530 East Warren, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (the “MCRP”) Performance-Based Direct Loan Award. The amendment request dated October 31, 2022 includes a request to increase the award by \$190,663 for a total of \$1,500,000 and convert the award to a Performance-Based Grant. Additionally, MEDC staff is requesting authorization to assign the award to a related entity.

Background

The Michigan Strategic Fund (the “MSF”) Board approved a \$1,309,337 MCRP Performance-Based Direct Loan Award on March 22, 2022 (the “MCRP Award”) to the Company for the purpose of rehabilitating and expanding an existing vacant building into a three-story mixed-use building in the East Warren Corridor of the City of Detroit consisting of 6,150 square feet of retail space, 1,170 square feet of common space, and 18 residential units.

Closing for the project has been delayed due to the loss of the original commercial tenant. The development team has worked diligently to find a suitable replacement tenant and has been successful in that endeavor. As a result of the delayed closing the project has experienced significant development cost increase of over 30% or approximately \$2.1 million which can be attributed primarily to an industry wide increase in raw material costs.

To help fill the gap, the development team is working with Invest Detroit to secure a New Market Tax Credit allocation of up to \$7.5 million which is anticipated to generate proceeds of approximately \$2 million. Staff is requesting ability to increase the MCRP Award by up to \$190,663, convert the award from a loan to a performance based grant, and assign the award to a related entity to accommodate the NMTC structure. The financing partners which include Capital Impact Partners, LISC, Invest Detroit, and the City of Detroit remain committed to the project. See Exhibit A of the Resolution for a detailed “Term Sheet”.

The development is being led by a native Detroit resident Edward Carrington. He is a graduate of Capital Impact Partner’s Equitable Development Initiative and Building Community Value’s Better Building’s Better Blocks training programs. Support for this project is important as it is located in one of Detroit’s ten Strategic Neighborhoods and will serve as a catalyst within the district in which it is located. Additionally, support for the project aligns with the MEDC’s efforts to support emerging developers.

16530 East Warren, LLC

December 13, 2022

Page 2 of 2

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Award giving staff the ability to:

- 1) increase the award up to \$1,500,000;
- 2) convert the MCRP Award to a Performance Based Grant; and
- 3) assign the MCRP Award to a related entity to support the NMTC structure.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-198**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM PERFORMANCE BASED AWARD FOR
16530 EAST WARREN
(THE RIBBON REDEVELOPMENT PROJECT)**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, (the “Delegation”) 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; (the “Transactional Documents”)

WHEREAS, the Act and the Delegation require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, by Resolution 2022-044 on March 22, 2022 the MSF Board awarded a MCRP Performance Based Direct Loan award to 16530 East Warren, LLC (the “Company”), in furtherance of The Ribbon Redevelopment Project of up to \$1,309,337 (the “Award”);

WHEREAS, the Company is requesting and MEDC staff is recommending that the MSF amend the Award to give staff ability to: 1) increase the Award by up to \$190,663 for a total amount of \$1,500,000; 2) convert the Award to a MCRP Performance Based Grant; and 3) authorize the Company to assign the award to a related entity to support a New Market Tax Credit structure (the “MCRP Amendment Recommendation”) in accordance with the “Term Sheet” attached as Exhibit A; and

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

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Abstained: Ronald W. Beebe

Lansing, Michigan
December 13, 2022

EXHIBIT A

“TERM SHEET”

Loan GRANT Terms

MSF Facility:	MCRP Performance Based Direct Loan GRANT
Borrower:	16530 East Warren, LLC or a Related Entity
Total Capital Investment:	Currently estimated at \$6,189,337 \$8,283,699
MSF Eligible Investment:	Currently estimated at \$5,237,348 \$6,696,757
Minimum Eligible Investment:	Currently estimated at \$5,237,348 \$6,000,000
Loan GRANT:	Up to the lesser of 25% of “Eligible Investment” or \$1,309,337 \$1,500,000 .
Term:	To match that of the senior lender, not to exceed 120 months. Includes a 27-month interest only period.
Amortization:	To match that of the senior lender, not exceed 420 months following the interest only period.
Interest Rate:	1.00% per annum
Repayment Terms:	Monthly interest only payment for 27 months, followed by equal monthly principal and interest payment until maturity.
Collateral:	Anticipated to be a security interest in the real estate and TIF reimbursements, and assignment of leases and rents. Priority of security position to be determined by MSF Fund Manager, anticipated to be a 2nd or 3rd priority interest.
Guarantee:	Anticipated to the full joint and several guarantees of Edward Carrington and Flux City.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan and any third-party fees incurred in closing the loan.
Funding:	The MSF will fund up to \$1,309,337 \$1,500,000 to be disbursed at closing of the financing and AFTER completion of other TO BE DETERMINED performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- A copy of an executed Guaranteed Maximum Price (GMP) construction contract between the Applicant and its contractor.- Copies of final construction documents.- Final development budget.- Minimum owner equity investment of \$420,000 \$508,000.- PROJECT COMPLETION WILL BE A REQUIRED TERM OF THE MSF AGREEMENT- Other documents may be required for review.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022

To: Michigan Strategic Fund Board

From: **Brittney Hoszkiw, Senior Community Development Manager**
Jake Winder, Manager, Community Development Incentives
Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: **Request for Approval of a Michigan Community Revitalization Program (MCRP)**
Grant – The Beauton LLC

Project Summary & Request

The request will support a community development project located in the City of Detroit that will demolish two vacant blighted homes and construct a 29-unit multifamily building, representing \$7,100,635 in total capital investment. The project will consist of a 29-unit, three-story apartment building with retail office space, four integrated parking spaces, lobby, and adjacent surface parking. The total structure makes up 17,598 square feet on a 0.34 acres site located just a few blocks East of Woodward in the North End neighborhood of Detroit. The building will include two-bedroom, one bedroom, studio, and micro units. There will also be one 285 square foot office space on the first floor. The project also includes roughly 1,000 square feet of public improvements which would include new sidewalks along Beaubien and Horton Streets.

PROJECT SUMMARY	
Project Eligibility	Blighted
Total Approximate Square Feet Revitalized	17,598
Total Approximate Acres Activated	0.34
Estimated # of Residential Units	29
Estimated Commercial Square Footage	285
Current Taxable Value	\$20,486
Projected Taxable Value at Completion	\$595,117
Total Anticipated Capital Investment	\$7,100,635
MCRP Grant	\$1,497,697

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (the “MCRP”) and adopted the program guidelines for the MCRP, and on January 25, 2022, the MSF Board approved its restated program guidelines (the “MCRP Guidelines”). 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 programmatic requirements, and a financial review has been completed.

Demonstrated Needs

A financing gap exists due to the limited revenue generated by market rate rents for the emerging North End neighborhood combined with the project’s commitment to affordable rents, as 15 of the 29 units will be restricted to rents between 50% and 80% of Area Median Income. The remaining 14 units will be restricted to rents between 100% and 120% of Area Median Income. This is in addition to the high costs of construction in Southeast Michigan, which has only been exacerbated by the pandemic and access to construction materials. Multiple financing sources have been explored and maximized, including loans from Capital Impact Partners and LISC’s Detroit Housing for the Future Fund (DHFF). The project is also leveraging an equity investment from LISC’s DHFF, grants from both Capital Impact Partners and LISC, and a Neighborhood Enterprise Zone abatement. The Applicant is contributing over \$514,000 in equity and an additional \$413,000 is being contributed via the recently established Ebiara Fund. The Ebiara is a partnership between URGE Imprint and Invest Detroit, both of whom have successfully executed on MSF supported projects in the past. The proposed MCRP incentive will fill the remaining financing gap and allow the project to remain financially feasible. Even with MCRP support, the projected return over a 20-year time horizon is projected to be 4.1%.

Local Support

Local support for the project includes a Neighborhood Enterprise Zone tax abatement with an estimated value of \$743,956 over 15 years. Detroit is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

Applicant Background / Qualifications

The Beauton LLC is led by Charles Dickerson. Dickerson has limited experience with purchasing, rehabilitating, and leasing small multi-family properties in Southeast Michigan, including Detroit. This will be Dickerson’s first infill development project with the desire to do more in the future. He is a graduate of Capital Impact Partners Equitable Development Initiative, which is a technical assistance program that trains individuals on program design and project financing to support developers of color grow their careers in real estate. Dickerson has not received previous incentives from the Michigan Strategic Fund (MSF). An Organizational Chart for The Beauton LLC is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Financial Highlights

- Construction cost per square foot is \$326.87, which is consistent with the current Detroit area market.
- Rental rates are projected between \$700 and \$1,200 for Studio units, \$1,400 for one-bedroom units and \$1,650 for two-bedroom units, with an average of \$2.61 per square foot.
- Rental rates will be restricted as follows:
 - Five (5) units at or below 50% AMI
 - Five (5) units at or below 60% AMI
 - Five (5) units at or below 80% AMI
 - Seven (7) units at or below 100% AMI

-Seven (7) units at or below 120% AMI

- The average projected debt service coverage ratio is 1.17 to 1.0 with most years between year one and ten dipping below 1.20 to 1.0. However, given the senior lender's required reserves and debt service coverage ratio covenants, staff is comfortable with this deviation from the underwriting preference of 1.2 to 1.0.
- Developer return over a 20-year timeframe is projected at 4.1%.
- Developer equity of 7.2% is below the preferred 10% minimum, however, Charles Dickerson is considered an emerging developer, so this is considered an acceptable deviation. In addition, equity contributions from other sources brings total project equity to over 20%.

From the materials received and reviewed, staff considers the project to be financially and economically sound. A detailed Sources and Uses and financial terms for the MCRP Incentive are included in Appendix C.

Recommendation

MEDC staff recommends approval of a MCRP performance-based Grant in an amount up to \$1,497,697 for The Beauton LLC.

APPENDIX A – Organizational Chart

The Beauton LLC
The Beauton LLC : 84-4035801
The Beauton Manager: Charles Allen Dickerson III

Member	Ownership Interest	EIN	State of Organization
Member/Company name and manager	100.00%	84-4035801	Michigan
Charles Allen Dickerson III 100.00%			

APPENDIX B – Project Map and Renderings



APPENDIX C – Financial Terms

Summary of Development Sources:

CIP Senior Loan	\$	2,450,000	34.50%
DHFF (LISC) Loan	\$	1,550,000	21.83%
DHFF (LISC) P.E.	\$	550,000	7.75%
MSF Grant	\$	1,497,697	21.09%
Other Grants	\$	125,000	1.76%
Other Equity	\$	413,641	5.83%
Developer Equity	\$	514,297	7.24%
TOTAL	\$	7,100,635	100.00%

Summary of Development Uses:

Acquisition	\$	205,268
Hard Construction Costs	\$	5,752,213
Eligible Soft Costs	\$	238,575
Other	\$	904,579
TOTAL	\$	7,100,635

Grant Terms

- MSF Incentive:** MCRP Performance Based Grant
- Grantee:** The Beauton LLC
- Total Capital Investment:** Currently estimated at \$7,100,635
- MSF Eligible Investment:** Currently estimated at \$5,990,788
- Minimum Eligible Investment:** Currently estimated at \$4,792,631
- MSF Share:** Up to the lesser of 25% of “Eligible Investment” or \$1,497,697.
- Other Conditions:** Project completion will be a required term of the Agreement. If requested by Lender, MSF may allow for the assignment of the Grant rights and responsibilities to the Lender, per section 8.8 of the Grant Agreement.

MCRP Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (the “MCRP”) and on January 25, 2022, 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. The project meets the MCRP Guidelines, and a financial review has been completed.

As required under the MCRP, the following statutory criteria have been reviewed:

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

The project is uniquely positioned in the North End neighborhood to allow for the momentum and investment in Midtown and Milwaukee Junction to positively impact the North End residential neighborhoods. The density of residential units will create activity, improving safety and creating increased sales for neighborhood business. The mix of incomes ensure that as investment occurs in the North End that all Detroiters continue to have a home in their community. The project, a multifamily infill is the first of its kind and scale in this neighborhood showing proof of market and functioning as a catalyst for other investment.

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

The Beauton will be the first of its kind in the North End area drawing development from the New Center and Woodward corridor into the neighborhood. The project can demonstrate the market demand for housing in the North End neighborhood and the community support for investment of this kind.

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

The project is being supported with a Neighborhood Enterprise Zone tax abatement valued at \$743,956 over the course of 15 years.

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

A financing need exists due to a combination of factors including the high cost of construction in the Detroit market, the limited revenue generated by market rate rents for the emerging North End neighborhood and the project’s commitment to affordable rents, as 15 of the 29 units will be restricted to rents between 50% and 80% of Area Median Income. The remaining 14 units will be restricted to rents between 100% and 120% of Area Median Income. These conditions have limited the projected cash flow available for leveraging and servicing traditional debt. All other financing sources have been explored and maximized and the Applicant is contributing over \$514,000 in equity. The proposed MCRP incentive will fill the remaining financing gap and allow the project to remain financially feasible. Even with MCRP support, the projected return over a 20-year time horizon is projected to be 4.1%.

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

The project does not reuse any vacant or historic buildings. The property does demolish two vacant blighted residential homes to allow for this infill development.

F. Creation of jobs:

The developer anticipates the creation of one full time position at construction completion for property management. The average hourly wage is estimated to be \$15.

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

The project is financed through loans from area CDFI's Capital Impact Partners and LISC as well as grant funding from both organizations. In addition to the developer's equity contribution, he has raised an additional 13.5% of total project cost. The project is also anticipating a Neighborhood Enterprise Zone Tax Abatement from the local municipality which will improve cash flow and the developer's ability to pay down debt.

H. Whether the project is financially and economically sound:

The average projected debt service coverage ratio is 1.17 to 1.0 with most years between year one and ten dipping below 1.20 to 1.0. Given the senior lender's required reserves and debt service coverage ratio covenants, staff is comfortable with this deviation. All financing sources have been maximized, including loans from Capital Impact Partners and LISC's Detroit Housing for the Future Fund (DHFF), equity investments from LISC's DHFF and the Ebiara Fund, grants from both Capital Impact Partners and LISC, and a Neighborhood Enterprise Zone abatement. Staff considers the project to be financially and economically sound.

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

There are a substantial number of vacant homes and lots within the North End neighborhood including the site where the project will be located. The Beauton will inject 24-40 new residents into the neighborhood who will patronize the surrounding businesses.

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

Project will bring residential density to the site just East of the Woodward corridor increasing foot traffic and patronage to surrounding businesses. Given its location adjacent to the Woodward Corridor, residents will enjoy walkability of the district as well as a variety of existing public transportation options.

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

The project does not convert an abandoned public building into private use.

L. Whether the project promotes sustainable development:

The project plans to focus on energy efficiencies through lighting, appliance, and HVAC systems which are anticipated to be energy star rated.

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

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

N. Whether the project addresses area-wide redevelopment:

The project is anticipated to act as a catalyst in the area as the first project infill project of this scale in the neighborhood. The project is part of a network of investment in the North end including a Framework Plan led by the City of Detroit.

O. Whether the project addresses underserved markets of commerce:

The North End neighborhood is a geographically disadvantaged area. The district has seen drastic population loss, as have many areas of the City. The project will bring tax base and energy to the corridor.

P. The level and extent of environmental contamination:

The property has completed a Phase I environmental assessment and was not deemed a facility. However, there is substantial fill on the site making some stabilization work necessary.

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 project does not include the rehabilitation of a historic resource.

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

The project is not anticipated to affect any existing Michigan business.

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:

No other additional criteria has been identified.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-199**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
GRANT AWARD TO THE BEAUTON LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d), to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1 (the “Delegation”), 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, (the “Transaction Documents”);

WHEREAS, the Act and the Delegation require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, The Beauton LLC (“Company”) has requested a performance-based Grant of up to \$1,497,697 (the “Award Request”), along with other general terms and conditions; and

WHEREAS, the MEDC has recommended that the MSF approve the 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 180 days of the date of this Resolution (the “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 180 days (collectively, the “MCRP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Erik Wilford, Sr. Business Development Project Manager
Subject: Incentives Request

Lear Corporation (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request
State Essential Services Assessment (“SESA”) Exemption Request

Request Summary

This is a request from the Applicant for (collectively, the “Incentives Request”):

- Approval of a \$4,500,000 MBDP Grant, as outlined in the attached Term Sheet.
- Approval of a 15-year 100% SESA Exemption with an estimated value of up to \$1,913,275 for its \$84,100,000 eligible investment in Eligible Personal Property (“SESA Request”).
 - Additionally, due to the competitive nature of the project and the desire to capture as much investment as possible, the Applicant is requesting the following waivers to the SESA Guidelines (1) that the project to be located in an Eligible Distressed Area and (2) qualified investments to be greater than \$100,000,000 (collectively, the “Waiver Request”).
- This project involves the creation of up to 500 Qualified New Jobs and a capital investment of up to \$112,486,520 in the Township of Independence, Oakland County, the City of Traverse City, Grand Traverse County and the City of Sterling Heights, Macomb County.

Applicant Background

Lear Corporation, founded in Detroit in 1917, is a global automotive technology leader in Seating and E-Systems and is headquartered in Southfield, Michigan. The Company went public in 1994 and today employs more than 160,000 employees at the 253 facilities it operates in 38 countries. The Company manufactures complete seating and electrical systems for automobiles.

The Company previously received MSF approval of a MEGA tax credit abatement in 2009 as well as a MBDP grant for the creation of 435 new jobs in 2017. Requirements for both incentives were met and were completed in compliance with the agreements.

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 planning to manufacture highly technical electrification sub-systems for batteries that will be supplied to its customers through 2030. The specific components to be supplied are battery disconnect units (BDUs) and interconnect cell boards (“ICB”s), which are highly complex components that control power transfer from the vehicle’s battery to its electrical systems. Together, the BDU and ICB allow EVs to charge faster and driver farther, while delivering higher performance requirements.

The Company has identified a 120,000 square feet facility in Independence Township that would be suitable to manufacture these components. It is anticipated that 52% of the floorspace would be used for production, 36% for warehousing and 12% for lab, testing, and office space.

In addition to the Independence Township facility, to support this new project, the Company is also considering expanding its current Traverse City plant for manufacturing components relating to the EV battery pack, specifically busbars, battery interface, and battery module components. Related to this project, the Company is considering upgrading its Sterling Heights facility in order to increase production of the engineered plastics necessary for the BDUs and ICBs.

The Company anticipates the project will result in capital investment of up to \$112,486,520 collectively, at the Independence Township, Traverse City and Sterling Heights locations. The project will also result in the creation of up to 500 new jobs paying an average wage of \$20.30 per hour plus benefits.

There will be significant training associated with the project for employees on assembly techniques for high power modules and safe handling of electronics, as well as for high voltage handling. The Company also supports personal growth of its employees by offering career development for its team members to further engage and expand their skillsets. The Company also employs the Together We Win program for its hourly workforce, which is designed to improve engagement, communication and productivity through various initiatives, including ergonomics awareness training, goal alignment planning, employee roundtables and more. The growth of employee skillsets can lead to wage increases.

Demonstrated Need

The Company is considering locating this project in Michigan due to its skilled labor force, proximity to its customers and potential for inventory and transportation cost savings. However, the Company will have to choose to build a new site or find one that is available immediately due to customer timing. As much as the Company understands Michigan has made the electric vehicle market a high priority and believes the several locations in Michigan being considered have potential for long term growth, it also has existing facilities in Mexico and Texas that with appropriate expansions could accommodate the component manufacturing for this project. The Company's decision of whether to build out a new facility in Michigan instead of expanding operations in other locations outside of Michigan requires incentive support to ensure the new work is located in Michigan.

In addition to MSF support, both the Township of Independence and Traverse City have pledged staff time and resources in support of the project.

Request

In order to secure the project, the Applicant is requesting a \$4,500,000 MBDP performance-based grant and a SESA Exemption. The Incentives Request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. A strong offer of support for the Applicant's new project will ensure that not only will the new project be located in Michigan but that the jobs associated with it will be created and maintained.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also impact the local region with immediate job growth with a large and expanding automotive supplier.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-200**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
LEAR CORPORATION**

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

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

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (the “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, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1 (the “Delegation”), the MSF Board 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 (the “Transaction Documents”);

WHEREAS, the MSF Act, MCL 125.2001 et seq. and the Delegation require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, Lear Corporation (the “Company”) has requested a performance based MBDP Grant of up to \$4,500,000 (the “Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to lease a facility for assembling electrification sub-systems for batteries (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business, and the Project is eligible as an Innovation MBDP because the Company committed to the creation of at least 25 Qualified New Jobs and because the Project falls within motor vehicle parts, an innovation industry and will result in a Qualified Investment in Michigan;

WHEREAS, pursuant to the Guidelines, the Project is eligible as an Innovation MBDP because the Company committed to the creation of at least 500 Qualified New Jobs and the Project falls under motor vehicle parts, an Innovation Industry;

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

WHEREAS, the MEDC recommends that the MSF Board approve the 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 (collectively, the “MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

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

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

Date: November 15, 2022

Company Name:	Lear Corporation and/or its affiliates and subsidiaries.
Project Location:	5600 Bow Point Drive Clarkston (Independence Township), Michigan 48346 1110 South Woodmere Traverse City, Michigan 49686 6450 Dobry Drive Sterling Heights, Michigan 48314
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$4,500,000
Base Employment Level:	At least 3,265, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs ("QNJ"):	Up to 500 Full-Time Jobs at the Project Location
Municipality Supporting Project:	Independence Township has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	November 16, 2022
Term of the Agreement:	April 30, 2028
Milestone Based Incentive:	Disbursements will be made over a 4 year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$9,000 per QNJ for the creation of a minimum of 100 jobs up to a maximum of 250 jobs. \$9,000 per QNJ for the creation of a minimum of 250 jobs up to a maximum of 350 jobs. \$9,000 per QNJ for the creation of a minimum of 350 jobs up to a maximum of 425 jobs. \$9,000 per QNJ for the creation of a minimum of 425 jobs up to a maximum of 500 jobs.

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

Acknowledged as received by:

Lear Corporation

By: *William P. McLaughlin*

Printed Name: William P. McLaughlin

Its: VP Global Tax & Trade

Michigan Economic Development Corporation

By: *Erik Wilford*
DocuSigned by:

Printed Name: Erik Wilford
31BCCB0697004B5...

Its: Sr. Business Development Project Manager



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-201**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
LEAR CORPORATION**

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 (the “SESA”) and the Alternative State Essential Services Assessment Act (the “Alternative SESA”);

WHEREAS, SESA and Alternative SESA authorized the creation and operation of the SESA Exemption and the Alternative SESA Program by the Michigan Strategic Fund (the “MSF”) pursuant to MCL 211.1059;

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

WHEREAS, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF for the SESA Exemption and Alternative SESA Program;

WHEREAS, the Program Guidelines require that a project be located in an Eligible Distressed Area to qualify for the SESA Exemption (the “EDA Requirement”);

WHEREAS, the Program Guidelines require that qualifying investments be greater than \$100 million in order to qualify for a SESA Exemption of up to 15 years (the “Investment Requirement”);

WHEREAS, Lear Corporation (the “Company”) has requested that the MSF Board approve a fifteen-year SESA Exemption estimated to be worth \$1,913,275 for up to \$84,100,000 in qualified investment in Eligible Personal Property in the Township of Independence (the “Township”), Oakland County (the “SESA Exemption Request”);

WHEREAS, the Company has requested waivers to the (1) EDA Requirement and (2) the Investment Requirement (collectively, the “Waiver Request”); and

WHEREAS, the MEDC recommends that the MSF Board approve (1) the Waiver Request; and (2) approve the SESA Exemption Request and require a one-time administrative fee of \$10,000 payable to the MSF upon completion of the first performance milestone (collectively, the “Recommendation”).

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

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of the Recommendation and to execute all documents necessary to effectuate the Recommendation in accordance with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022

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

From: Jeremy Webb, Interim Managing Director, Business Development Projects

Subject: Incentive Request

Economic Development Alliance of St. Clair County (“Applicant”)
MSF Performance-based Grant Request

Request

This is a request from the Applicant for a \$3.6 million MSF Performance-Based Grant under MCL 125.2088b(2)(c) of the MSF Act, based on performance requirements, as outlined on the term sheet attached to the resolution (the “MSF Grant Request”).

The MSF Grant Request will be used by the Applicant, in coordination with the City of St. Clair, to support infrastructure improvements related to Magna Electric Vehicle Structures – Michigan, Inc.’s (the “Company”) water needs at the site.

Background

On February 23, 2021, the MSF approved a \$1,500,000 award for the Company under the MBDP. The Company proposed to open a new facility in the City of St. Clair which would result in the creation of 304 Qualified New Jobs and \$70,106,000 in capital investment. The City of St. Clair committed to provide a property tax abatement in support of the project.

On October 25, 2022, the MSF Board approved an amendment to the February 23, 2021 MBDP approval to:

- Increase the Qualified New Jobs (“QNJ”) requirement from 304 to 1,224; and
- Increase the MBDP Award from \$1,500,000 to \$7,500,000.

Project Descriptions

2021 Approved Project: The Company has been awarded a new program from a major OEM for the next eight years. This new program will grow new business to support electrification strategy which is a key growing priority for the Company to increase its leadership position in the battery frame market. This new facility will include numerous manufacturing processes to produce complex structural battery enclosures for electric propulsion vehicles to be produced in Michigan and Ohio. These tightly tolerance and tested products require multiple state of the art metal joining techniques. In order to support the growth, the Company will need to construct an initial 345,000 square foot facility with the ability to support expansion capabilities of up to a 1 million square foot facility, hire 304 new employees and invest \$70,106,000 in the City of St. Clair over the next five years.

The Company will hire various positions, which include General Manager, IT Manager, Weld Engineer, Administrative Assistant, Skilled Trades Technician, Team Leaders, and Operators. Wages for the newly created positions range from \$17 per hour up to \$48 per hour, with an overall average wage of \$27 per hour.

2022 New Project: Focusing its attention on growing the business, the Company secured a new contract to supply battery frames for electric propulsion vehicles produced in the Midwest. This new business will require welding (laser, spot, and MIG), sealer application, leak testing, general assembly, and E-coating. In order to house this new business, the Company will need to expand its existing 372,000 square foot facility in St. Clair by 740,000 square feet, putting the entire footprint at 1,112,000 square feet. In addition, the Company plans to create 920 additional jobs and \$426,599,000 additional investment for the project.

The Company will hire various positions, including production workers, mechanical engineers, machinery maintenance works, and mechanical engineering technicians. Wages for the new positions range from over \$19 per hour to over \$62 per hour with an overall average wage of over \$29 per hour. All operators will go through extensive training and have opportunities for advancement within the organization. The Company has developed a training program and mentorship program that have been created to support career growth through a Master Operator, Team Leader, or Quality Team Leader. The Company will work with local workforce development organizations to assist with their recruitment efforts.

Request

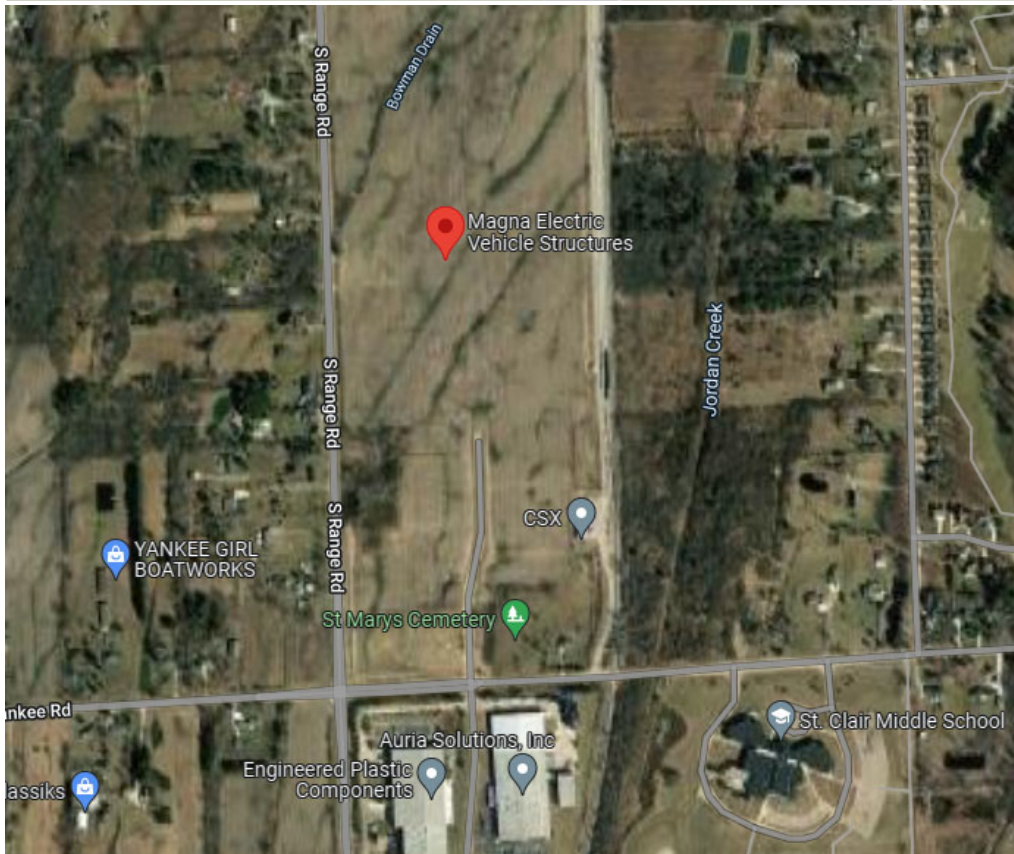
In order to support the Company's expansion and water needs, the Applicant is requesting a \$3.6 million MSF Performance-Based Grant under MCL 125.2088b(2)(c) of the MSF Act, based on performance requirements. The overall cost for constructing the water tower, booster station, and piping to the water tower totals \$7,450,000. In addition, the municipal water plant requires \$8,200,000 in upgrades, some of which will be apportioned to the project, though the percentage of which is not yet known.

Appendix A includes the rendering and project map.

Recommendation

MEDC Staff recommends approval of the transfer of \$3.6 million from the MBDP to be awarded as an MSF Performance-Based Grant to the Applicant to support infrastructure improvements related to the Company's water needs at the site.

APPENDIX A – Rendering and Project Map



MICHIGAN STRATEGIC FUND

RESOLUTION

2022-202

ECONOMIC DEVELOPMENT ALLIANCE OF ST. CLAIR COUNTY GRANT AWARD

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

WHEREAS, the Michigan Economic Development Corporation (the “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 MCL 125.2007(c), the MSF has, among other things, the power to make grants and investments;

WHEREAS, on September 27, 2022, the MSF Board allocated \$58,942,251 for Business and Community Development Programs and Activities (the “FY23 Funding Allocation”);

WHEREAS, the Economic Development Alliance of St. Clair County (the “EDA”) has requested a \$3,600,000 Performance-Based Grant to support infrastructure improvements related to Magna Electric Vehicle Structures – Michigan, Inc.’s (the “Company”) water needs as a result of the Company’s expansion (the “Grant Request”);

WHEREAS, the MEDC recommends the MSF Board approve a grant to the EDA to support the Grant Request with an allocation of \$3,600,000 from the FY23 Funding Allocation in accordance with the term sheet attached herein as Exhibit A (the “EDA Grant”); and

WHEREAS, the MSF Board wishes to approve the EDA Grant.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the EDA Grant; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate the final terms and conditions of the EDA Grant and to execute all documents necessary to effectuate the EDA Grant, consistent with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022

EXHIBIT A
“Term Sheet”

Grant Terms

MSF Facility:	MSF Performance-based grant
Grantee:	Economic Development Alliance of St. Clair County or related entity
Grant Amount:	Not to exceed \$3,600,000
Total Capital Investment:	Estimated to be \$7,450,000
Term:	Up to four years
MSF Milestones:	Award is contingent upon the project securing all financing within 18 months of award and completing construction by December of 2026
Disbursement of Funds:	\$3,600,000 to be disbursed from the MSF on a reimbursement basis.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Matthew Chasnis, Sr. Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”) Alternative State Essential Services Assessment (“ASESA”) Exemption Request
Jobs Ready Michigan Program (“JRMP”) Grant Request
UL LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for (collectively, the “Incentives Request”):
 - \$1,000,000 MBDP Grant, as outlined in the attached Term Sheet (“the MBDP Request”);
 - 50% Alternative SESA for up to five years valued at up to \$143,760 for its \$37,200,000 eligible investment in Eligible Personal Property (“ASESA Request”); and
 - \$500,000 JRMP Grant, as outlined in the attached Term Sheet (“the JRMP Request”)
- This project involves the creation of up to 61 Qualified New Jobs (QNJ) and a capital investment of up to \$72,700,000 in the City of Auburn Hills, Oakland County.

Applicant History

The Company’s parent, Underwriters Laboratories, Inc., established its headquarters in 1894 in Northbrook, Illinois and is a global leader in applied safety science. The parent entity is composed of three organizations, UL Research Institutes, UL Standards & Engagement and UL Solutions, that make up the UL enterprise. UL LLC is part of UL Solutions. The UL enterprise delivers testing, inspection, and certification services, with software products and advisory offerings that help customers innovate, launch new products and services, navigate global markets, and complex supply chains, and grow sustainably and responsibly into the future. The UL Enterprise was restructured in 2012 to create a separation between research and standards, and testing, inspection and certifications. UL Solutions remains the organization serving customers in testing, inspection, certification, and advisory. UL Solutions employs over 14,000 people worldwide with 90 Michigan residents.

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 purchase 10-20 acres of industrial zoned property to build an 89,000 square foot testing facility. This testing facility will be a part of the Company’s long-term strategy to support battery manufacturers as they endeavor to increase the safety and reliability of their energy storage products. Once the Company has purchased property, it will have considerable expenses associated with constructing an 89,000 square foot facility. The unique services provided by the Company require specific intelligence-building digital tools and databases, laboratory and storage space, and major rehab to the property to accommodate testing.

The Company is considering Auburn Hills, Oakland County for the project and anticipates the project will result in capital investment of up to \$72,700,000. The project will also result in the creation of up to 61 new jobs paying an average wage of \$1,573 per week plus benefits.

The Company supports personal growth of its employees by offering opportunities to work with the best in the industry. Staff is encouraged to explore what options are available through hands-on experience working in the field with experienced, long-time leadership staff. The growth in skillset acquired from cross training leads to continuous wage increases and seniority within the Company. The Company strives to promote from within and looks to reach underrepresented employees.

Demonstrated Need

The Company is considering facilities in Indiana and Ohio, where it has received very competitive incentive offers. In addition, the locations in both Indiana and Ohio offer existing facilities that greatly minimize the upfront company investment versus the construction costs associated with the site being considered in Michigan.

The Company is attracted to expanding in Michigan due to the deep history of automobile manufacturing history that Michigan offers. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure the project moves forward in Michigan.

In addition to MSF support, the City of Auburn Hills anticipates approval of a real property tax abatement in support of the project. The MEDC also authorized an State Education Tax abatement to be used in conjunction with the locally approved abatement.

Request

To secure this project, the Applicant is requesting a \$1,000,000 MBDP performance-based grant, a \$500,000 Jobs Ready Michigan Program Grant, and an Alternative State Essential Services Assessment. The incentive requests will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The funding will help offset the cost of constructing a new facility allowing the Company to expand its Michigan presence and become a strong employer in the region.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of engineering design and development and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also impact the local region by offering job growth with a large and expanding, internationally recognized and respected company. This facility will result in the creation of up to 61 new jobs and up to \$72,700,000 in capital investment in the City of Auburn Hills, Oakland County.

Recommendation

MEDC Staff recommends approval of the Incentives Request, as outlined in the attached resolutions.

MICHIGAN STRATEGIC FUND

RESOLUTION 2022-203

APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO UL LLC

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

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

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (the “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 Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1 (the “Delegation”), the MSF Board 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 (the “Transaction Documents”);

WHEREAS, the MSF Act, MCL 125.2001 et seq. and the Delegation require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, UL LLC (“Company”) has requested a performance based MBDP Grant of up to \$1,000,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”) to purchase property to build a testing facility] (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business, and the Project is eligible as a Micro MBDP because the Company committed to the creation of at least 61 Qualified New Jobs and the Project operates within the MEDC Strategic Focus Industry of Engineering, Design, and Development, and will result in a Qualified Investment in Michigan;

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

WHEREAS, the MEDC recommends that the MSF Board approve the 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 (collectively, the “MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



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

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

Date: October 13, 2022

Table with 2 columns: Field Name and Description. Fields include Company Name, Project Location, MBDP Incentive Type, Maximum Amount of MBDP Incentive, Base Employment Level, Maximum Number of Qualified New Jobs ("QNJ"), Municipality Supporting Project, Start Date for Measurement of Creation of Qualified New Jobs, Term of the Agreement, and Milestone Based Incentive.

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

Acknowledged as received by:

UL LLC
By: [Signature]
Printed Name: Todd Denison
Its: Senior VP, Global Regions

Michigan Economic Development Corporation
DocuSigned by: [Signature]
Printed Name: Matthew Chasnis
Its: Business Development Projects Manager



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-204**

**APPROVAL OF AN ALTERNATIVE STATE ESSENTIAL SERVICES ASSESSMENT TO
UL LLC**

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 (the “SESA”) and the Alternative State Essential Services Assessment Act (the “Alternative SESA”);

WHEREAS, the SESA and the Alternative SESA authorized the creation and operation of the SESA Exemption and the Alternative SESA Program by the Michigan Strategic Fund (the “MSF”) pursuant to MCL 211.1059;

WHEREAS, on October 28, 2014, by Resolution 2014-176, the MSF Board approved (i) the SESA and the Alternative SESA Exemption Program (the “SESA Program”) and (ii) program guidelines for the SESA Program (the “Program Guidelines”);

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board 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 SESA Program;

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

WHEREAS, UL, LLC (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);

WHEREAS, the Company has requested that the MSF Board approve a five-year Alternative SESA estimated to be worth \$143,760 for up to \$37,200,000 in qualified investment in Eligible Personal Property in the City of Auburn Hills (the “City”), Oakland County (the “Alternative SESA Request”); and

WHEREAS, the MEDC recommends that the MSF Board approve the Alternative SESA Request and require a one-time administrative fee of \$1,438 payable to the MSF upon completion of the first performance milestone (collectively, the “Recommendation”).

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

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of the Recommendation and to execute all documents necessary to effectuate the Recommendation in accordance with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-205**

**APPROVAL OF A JOBS READY MICHIGAN PROGRAM GRANT TO
UL LLC**

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

WHEREAS, pursuant to the MSF Act, specifically MCL 125.2088(b)(2)(c), funds appropriated to the MSF under the Michigan Business Development Program (the “MBDP”) are authorized to be expended for programs or activities authorized under the MSF Act, so long as the programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable milestones;

WHEREAS, on April 23, 2019, via MSF Resolution 2019-066, the MSF (i) created the Jobs Ready Michigan Program (the “JRMP”) by transferring funds from the MBDP to fund grants to eligible business applicants to support talent recruitment or training needs to retain or create jobs, and (ii) adopted the guidelines for the JRMP (the “Guidelines”);

WHEREAS, UL LLC (the “Company”) has requested a JRMP grant of up to \$500,000 (the “Grant Request”) for attainment of the milestones and other general terms and conditions outlined in the term sheet attached as Exhibit A (the “Term Sheet”);

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

WHEREAS, the MEDC recommends that the MSF Board approve the 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 a grant agreement in accordance with the MSF Act and the Guidelines, 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 (collectively, the “JRMP Award Recommendation”).

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

BE IT FURTHER RESOLVED, the MSF Fund Manager, or the MSF President, is directed to negotiate the terms and conditions and execute all final documents necessary to effectuate the JRMP Award Recommendation in accordance with the MSF Act and the Guidelines.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

EXHIBIT A
JOBS READY MICHIGAN PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Jobs Ready Michigan Program ("JRMP").

Date: October 14, 2022

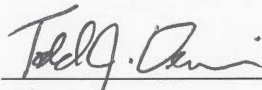
Company Name:	UL LLC and/or its affiliates and subsidiaries.
Project Location:	Oakland County, Michigan
JRMP Incentive Type:	Performance Based Grant
Maximum Amount of JRMP Incentive:	Up to \$500,000
Start Date for Measurement of Eligible Activities:	MSF Approval Date
Term of the Agreement:	April 30, 2027
Milestone Based Incentive:	Disbursements will be made over a three-year period and will be performance based on job creation as follows: Milestone 1: \$204,918 upon demonstrated documentation of testing facility training associated with new machinery and equipment reflected in a completion certificate for at least 25 new employees by no later than November 30, 2024. Milestone 2: \$295,082 upon demonstrated documentation of testing facility training associated with new machinery and equipment reflected in a completion certificate for an additional 36 (for a total of 61) new employees by no later than November 30, 2026.

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

Acknowledged as received by:

UL LLC

By:



Printed Name:

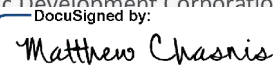
Todd Denison

Its:

Senior VP, Global Regions

Michigan Economic Development Corporation

By:

DocuSigned by:


Printed Name:

Matthew Chasnis

Its:

Business Development Projects Manager

October 14, 2022-UL LLC



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022

To: Michigan Strategic Fund Board

From: Tino Breithaupt, Managing Director-Regional Prosperity

Subject: FY22 Funding Allocation – Hoponassu OZ, LLC (the “Applicant”)

Request

Michigan Economic Development Corporation (the “MEDC”) staff requests that the Michigan Strategic Fund (the “MSF”) Board allocate \$3,000,000 in FY23 funding from the Business and Community Development Programs and Activities allocation approved by the MSF Board in September 2022 to assist the Applicant with the development and construction of the Shop House Park Technology and Innovation Hub (the “Project” or “Shop House Park”). To support the Project, the Applicant is requesting a \$3 million performance based grant as described in the attached Summary of Terms (the “Grant Request”).

Background

Michigan is uniquely situated to focus on the outdoor recreation industry and the potential economic impact on economic development. The outdoor recreation industry represents nearly \$900 Billion in economic activity annually in the United States. Increasingly, a larger share of that economic activity is attributable to electrification of the outdoor mobility industry, including products such as all-electric watercraft, ATVs, UTVs, RVs, motorcycles, bicycles and snowmobiles. To date, no state has capitalized on the opportunity that a project like Shop House Park brings, including hundreds of millions of dollars in follow-on economic activity and development. That includes both co-location of the leaders expanding and improving the industry’s offerings, as well as improvement, maintenance and development of additional facilities such as multi-use trail networks. The Project will solidify Michigan’s place as the leader in the advancement of the outdoor mobility space, drawing companies and teams from across the globe to develop new technologies and vehicles. It will draw additional private investment and capital, and will consolidate and focus talent in the region. It will also facilitate the development of a regional smart and electrified trail network, which can be used as a model for other regions, with the technology being developed right here in Michigan. The Project will coordinate with other outdoor industry efforts across Michigan, including attracting venture capital targeting the outdoor recreation industry.

The Project is not a tan piece of dirt shaped in a rectangle. Rather, the Applicant will capitalize on collection of outdoor assets unique to Michigan’s Upper Peninsula to facilitate research and development, product testing and evaluation. The Upper Peninsula is home to 8 million acres of accessible land, 10,000 miles of trails, 4,300 lakes, 1,700 miles of Great Lakes shoreline and 12,000 river miles. All of this means that it is a great place for all manner of recreation, and thus a great location for companies to research, test and develop new outdoor recreation products. The Project space itself will be developed and used as a destination for short-to-medium term remote working, off-site team meetings and product assessment, customer events, product rollouts and industry events. The Project will capitalize on private sector funding, as well as state and federal grant opportunities, to facilitate product innovation, development, testing, branding and proof-of-concept for new products. It’s central location in the Upper Peninsula provides proximity to a wide array of outdoor amenities and connections to Michigan’s mobility industry and makes Shop House Park an excellent location for the State’s investment.

Project Description

The Project will consist of a technology park, research and development center, and outdoor recreation incubator. It will consist of eight buildings totaling 40,000 square feet located on 3.44 acres in Marquette, Michigan. It will include live, work, and research and development space to serve the outdoor recreation and mobility industries. The Project is essentially a commercial, residential, and industrial campus where forest meets factory. The Project will include a collection of small-footprint live-work-innovate space, located in Marquette, Michigan. It is strategically located in an area that allows its users to take advantage of the wide variety of terrain and conditions that Michigan's Upper Peninsula has to offer, while facilitating the knowledge base that Michigan has developed in the outdoor mobility space. In addition to experienced development and management teams, the project team will collaborate with ecosystem collaborators to harness the energy and capture the attention of the industry. That includes a broad array from across the state, including the Detroit Regional Partnership, InvestUP, Centropolis Accelerator, universities, private industry and federal, state and local units of government. The Project will also focus the attention of the national and international recreation industry on Michigan, leveraging investment and bringing more business opportunities to the Upper Peninsula and across the state. A rendering for the project is attached as Exhibit 1.

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

Development Team

The development team will be led by the Owner/Developer, David Ollila. The balance of the team will be comprised of entities with proven development track records. (See Exhibit 2).

Management Team:

The management team will be led by David Ollila as Chief Executive Officer. The balance of the management team will be comprised of individuals with significant experience in managing the ongoing operations of mixed use projects and innovation districts. (See Exhibit 2).

Deliverables

The deliverable will consist of the completion of the Project as defined above.

For three years after completion, the developer expects to track and report additional project impact information to the extent is available. That information may include the following:

- Number of new start-ups supported (in and out of state) by the Shop House Park.
- Number of new dollars spent in the U.P. on research and development through Shop House Park.
- Number of Michigan companies leveraging/using Shop House Park.
- Number of statewide ecosystem collaborations (e.g. Centropolis, Lean Rocket Labs, Tech Town, Ann Arbor SPARK, 100k ideas, etc.) involving Shop House Park.

Recommendation

MEDC staff recommends that the MSF Board approve the Grant Request as outlined in the attached resolution.

EXHIBIT 1
Shop House Park Rendering

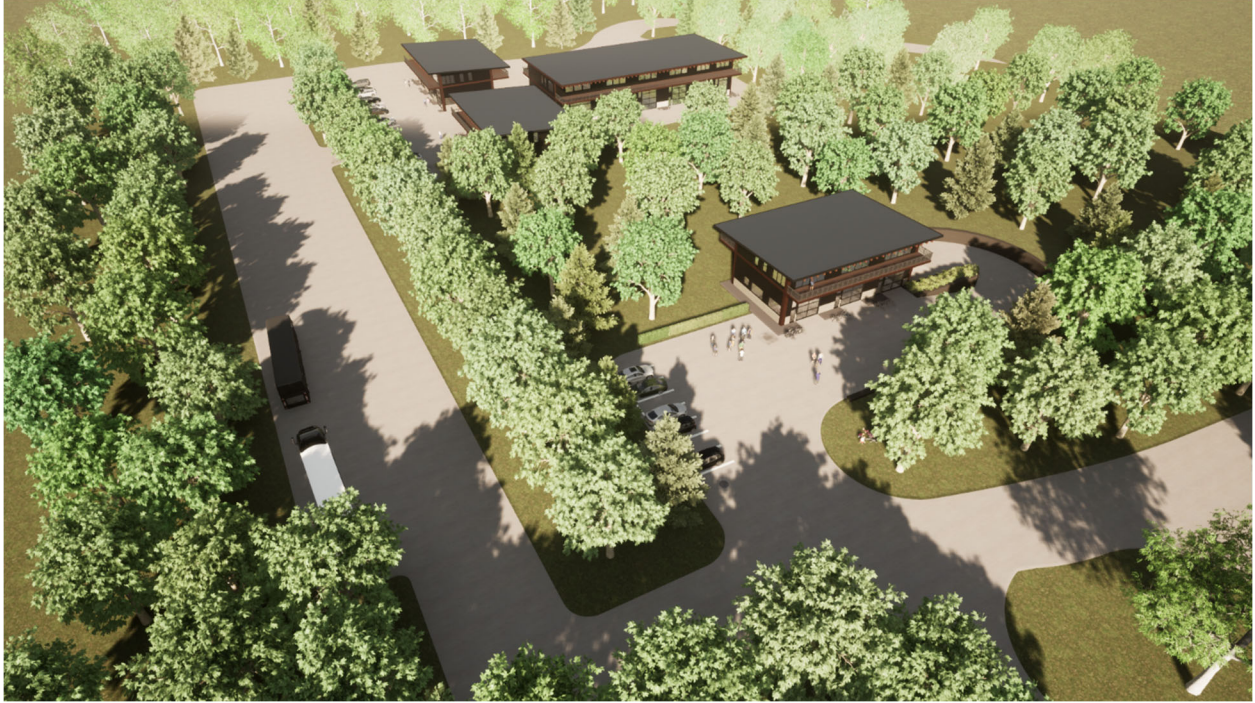


EXHIBIT 2
Development Team and Management Team

Shop House Park

Outdoor Recreation Community, Innovation & Technology Hub
 Marquette, MI

Real Estate Development Team

Owner Developer – Hoponassu OZ, LLC, solely owned by David Ollila
 Architect & Project Management – Aaron Leppanen of Leppanen + Anker Architecture along with Ellie Abrons of T+E+A+M Architecture
 General Contractor- TBD (Either Closner or Cross)
 Tax & Accounting- Anderson Tackman & Company
 Legal- Warner Norcross & Judd

Operational Management Team

CEO – David Ollila
 Inventor, Entrepreneur, Developer, Co-founder 100K Ideas, Invent@NMU, Viosport
 CFO – Jon Mommaerts
 Certified Financial Planner, Multi- Business Owner, Investor, Founder Noquemanon Ski Marathon
 Community/Property Manager - TBD
 Hiring date 6-8 months prior to opening, a full-time management for an experienced professional in hospitality, sales, management, and community engagement.
 Facility Manager - TBD
 Hiring date 8-12 months prior to opening, a full-time for facility manager with light construction, maintenance, carpentry, mechanical and grounds experience
 Tax & Accounting- Anderson Tackman & Company, Dan Bianchi
 Legal- Warner Norcross & Judd, Mike Stone

Project Advisors – (This will be fluid and added to over time.)

Sector	Organization	Individual	Title
State Economic Development	MEDC-Outdoor Recreation Industry Office	Brad Garmon	Director
Regional Economic Development	InvestUP	Marty Fittante	CEO
Research & Education	MTU – Advanced Power Systems Lab	Jeremy Worm	Director
Local Economic Development	Innovate Marquette SmartZone	Joe Thiel	CEO
Public Technical Assistance	City of Marquette	Dave Stensaas	City Planner & Zoning Admin.
Mobility Trade Association	MichAuto	Glenn Stevens	Executive Director
Outdoor Industry	Consultant	Michael Browne	Strategic Consultant
Urban DEI	100K Ideas	Brandee Cooke Browne	Executive Director

MICHIGAN STRATEGIC FUND

RESOLUTION

2022-206

HOPONASSU OZ, LLC TO SUPPORT THE SHOP HOUSE PARK TECHNOLOGY AND INNOVATION HUB GRANT AWARD

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

WHEREAS, the Michigan Economic Development Corporation (the “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 MCL 125.2007(c), the MSF has, among other things, the power to make grants and investments;

WHEREAS, on September 27, 2022, the MSF Board allocated \$58,942,251 in appropriated funds for Business and Community Development Programs and Activities (the “FY23 Funding Allocation”);

WHEREAS, Hoponassu OZ, LLC (the “Applicant”) has requested an MSF performance based grant in the amount of \$3,000,000 for the planning, development, construction, and establishment of the physical location of the Shophouse Park Technology and Innovation Hub (“Shop House Park”) in accordance with the terms and conditions outlined in the Summary of Terms attached as Exhibit A to this Resolution (the “Shop House Park Grant Request”);

WHEREAS, the MEDC recommends that the MSF Board 1) allocate \$3,000,000 from the FY23 Funding Allocation to support the Shop House Park Grant Request (the “Shop House Park Funding Allocation”) and 2) approve the Shop House Park Grant Request; and

WHEREAS, the MSF Board wishes to approve the 1) Shop House Park Funding Allocation and 2) the Shop House Park Grant Request.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the 1) Shop House Park Funding Allocation and 2) the Shop House Park Grant Request; and

BE IT FURTHER RESOLVED, the MSF Fund Manager or MSF President is authorized to negotiate the final terms and conditions of the Shop House Park Funding Allocation and the Shop House Park Grant Request and to execute all documents necessary to effectuate the Shop House Park Funding Allocation and the Shop House Park Grant Request, consistent with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022

Exhibit A

Shop House Park Technology and Innovation Hub Summary of Terms

This document summarizes the key terms and conditions of the potential Michigan Strategic Fund performance based grant award to the Applicant. These proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Summary of Terms are contingent on the Applicant obtaining all necessary approvals, and the MEDC obtaining all necessary MSF Board approvals.

Grant Award: Up to \$3,000,000 to the Applicant in accordance with the Disbursement of Grant Funds section of this Summary of Terms (the “MSF Award”) The MSF Award will be used to plan, develop, construct, and establish the built environment of Shop House Park. The MSF Award will be distributed to the Applicant, which is the owner of the Project and whose sole member is David Ollila.

Term of the Agreement: Effective date of the grant agreement through the earlier of: (i) December 31, 2026; (ii) the MSF grant manager’s approval of the project completion milestone; or (iii) the Parties otherwise agree in writing.

Disbursement of Grant Funds: The MSF Award will be disbursed based on the Applicant’s achievement of the following key milestones and, except as to Key Milestone One, only after the Applicant has actually expended at least ninety percent (90%) of the MSF Award funds disbursed under the immediately preceding Key Milestone in accordance with the Project Budget:

- Key Milestone One: Not to exceed \$375,000 (preconstruction costs)
 - Disbursement request in the form provided by the MEDC;
 - Evidence of a firm owner equity investment, in the amount of \$300,000 satisfactory to the MSF grant manager. (Includes commitment of land valued at not less than \$200,000.)(SmartZone and City of Marquette investment shall count toward this equity investment number.);
 - Evidence of a private equity commitment, in the amount of \$750,000, satisfactory to the MSF grant manager; and
 - Evidence of a firm funding commitment from a commercial lending institution, or other similar entity, in the amount of \$4,950,000, satisfactory to the MSF grant manager.

- Key Milestone Two: Not to exceed \$2,025,000
 - Disbursement request in the form provided by the MEDC;
 - A narrative describing in detail the Eligible Activities to be completed with the grant disbursement received under Key Milestone Two;
 - A copy of the bid specifications and/or construction contracts for the real property improvements and infrastructure upgrades; and
 - Evidence of at least \$2,000,000 in other funds committed or expended for construction or other costs related to the development of Shop House Park satisfactory to the MSF grant manager.

- **Key Milestone Three: Not to exceed \$300,000**
 - Disbursement request in the form provided by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure for Eligible Activities of grant disbursements received under Key Milestone Number Two. The spreadsheet shall include the corresponding category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Evidence of at least \$300,000 in other funds expended for construction or other related costs for the development of Shop House Park satisfactory to the MSF grant manager; and
 - A narrative describing in detail the Eligible Activities to be completed with the grant disbursement received under Milestone Three.

- **Project Completion Milestone: Not to exceed \$300,000**
 - A final milestone certificate in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure of grant disbursements for all Eligible Activities completed during the Term. The spreadsheet shall include the corresponding reference category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation; and
 - Documentation satisfactory to the MSF grant manager that the Project is complete.

Eligible Activities: Architectural/engineering design, consulting, legal, permitting, infrastructure, site preparation, building construction and other costs related to the development of the Project.

Suspension of Disbursements: The MSF may immediately suspend making disbursements of the MSF Award upon the occurrence of: (i) an event resulting in a Repayment Amount following any applicable cure period, (ii) an uncured event of default, which shall be defined in the grant agreement, but shall include, without limitation, material noncompliance with the terms of the grant agreement, (iii) an uncured event of default in any material respect under any other agreement with the State of Michigan or (iv) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default, which remains uncured following the applicable cure period. The MSF shall notify the Applicant prior to suspending any disbursements.

Clawback Provisions: The Applicant may be required to repay all or a portion of the grant disbursements made under the MSF Award upon the occurrence of one or more of the following events (each resulting in a “Repayment Amount”). All Repayment Amounts must be paid no later than 90 days after written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis:

- **Project Abandonment:** if the Applicant voluntarily abandons the Project after the MSF Award is disbursed and on or before the end of the Term, it will be required to repay 100% of all grant disbursements made under the MSF Award.
- **Bankruptcy or Insolvency** – If the Applicant files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Applicant not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Applicant’s operation of the Project, it will be required to repay 100% of all grant disbursements made under the MSF Award.

- **Material Misrepresentation.** If the Applicant makes a material misrepresentation of fact under the grant agreement, any required submissions thereunder, or any payment request to the MSF on or before the end of the Term, it will be required to repay 100% of all grant disbursements previously made under the MSF Award.
- **Misuse of Funds:** if the Applicant uses the MSF Award for a prohibited purpose during the Term, it will be required to repay 100% of all grant disbursements made under the MSF Award. Prohibited uses shall be identified in the final grant agreement.
- **Material Failure to Comply.** If the Applicant fails to materially comply with its obligations to submit materials required under the: (i) Key Milestones, (ii) annual progress reports, or (iii) annual compliance certificates under the grant agreement, it will be required to repay 100% of all grant disbursements made under the MSF Award.

Additional State Required Terms:

- **Annual Compliance Certificate** – During the Term, the Applicant will be required to sign and submit an annual compliance certificate certifying that the Applicant is in compliance with the terms and conditions of the grant agreement.
- **Annual Progress Report** – During the Term, the Applicant will be required to submit annual progress reports no later than October 15th of each year for the prior State of Michigan fiscal year. This information will be transmitted by the MSF to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights** – During the Term, and for a period of three years after the expiration of the Term, and upon reasonable advance notice, the Applicant is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Applicant, and any other location where books and records of the Applicant are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the MSF Award, all at times and locations mutually agreed upon by the parties.
- **Other provisions.** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, non-discrimination and unfair labor practices, termination of funding, any other requirements as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, MCL 125.2001 et seq. including, without limitation, cross default, and any other provisions of Section 88t.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 13, 2022

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

From: Jeremy Webb, Interim Managing Director, Business Development Projects

Subject: Incentive Request

Delta County (the “County”) - Forest Products Processing Renaissance Zone (“FPPRZ”) Request
Billerud U.S. Production Holding LLC (the “Company” or “Billerud”)
(Collectively, the “Applicants”)

Request Summary

The Applicants are requesting a Forest Products Processing Renaissance Zone for a period of 15 years (“FPPRZ Request”).

Today’s request is an important first step to enable approximately \$1 billion investment in Michigan by Billerud retaining a minimum of 1,240 jobs here in the state, to serve the advanced paper product industry.

Project Description

The Company is proposing to transform its Escanaba plant from producing paper to producing a more technologically advanced paper product known as paperboard or cartonboard. This is a multi-ply product with a bulky mid-ply holding two strong and stiff coated outer plies apart. It is used as packaging for cosmetics, pharma and healthcare, luxury drinks, and confectionary, among others, and will allow the Company to compete in a growth market for this product.

The most critical component to achieve the right board stiffness, bulk and caliper is Bleached-Chemical-Thermo-Mechanical-Pulp (“BCTMP”) which is a high yield pulp that is used in creating the bulky mid-ply section. The outer portion of the product contains a bleached chemical pulp layer for high-quality printing. The Company has a long history of using BCTMP for cartonboard products. It’s Gruvön Mill in Sweden is the world’s most modern board machine and one of the largest machines in the world at 350 meters long. With the necessary governmental support, the Company will bring this same technology and advanced manufacturing capability to Escanaba. The North America facility will be integrated, which when coupled with a new, modern energy efficient machine(s) will result in a high- quality product with a low energy footprint.

Project Impact

The anticipated transformation of the Escanaba Mill will be the cornerstone of expansion into North America. North America is one of the largest and growing markets in primary fiber containerboard and cartonboard. This project will transform current papermill operations into world-class paperboard production. This project will act as a catalyst for additional revitalization of the community as the Company makes a significant investment to deploy leading-edge technology and advanced manufacturing capability in the United States. It will serve as model of sustainable industrial development with best-in-class CO2E performance and significantly improved energy efficiency.

Completing this project will be a monumental effort that will include investments to improve the infrastructure around the mill. A large number of construction workers will be employed for years on this transformation, bringing with them the need for housing, food, entertainment and more, which will require significant spending in the region. There will be an expanded need for suppliers and businesses in the supply chain during the construction period, and after, as the Company taps into a growing market for paperboard. In addition, Company employees will be equipped with new skills running high tech equipment and manufacturing a sustainable product.

Employment Impact

The Escanaba Mill is the largest manufacturing employer and economic driver north of Midland, Michigan, and has an estimated annual impact in the local community of nearly \$360 million, including wages, salaries and taxes paid, as well as raw materials and services purchased. The Escanaba Mill provides good paying jobs with an average wage that is much higher than most other manufacturing jobs in the region. Employees also receive an excellent benefits package which includes medical, dental, vision and 401(k) plans. Most employees live within a 60-mile radius of the mill, more than 95% of them in Michigan.

As the largest manufacturing employer of full-time workers in the region, the Escanaba Mill indirectly supports thousands of jobs throughout the supply chain. The indirect economic activity and employment includes:

- Pulpwood (4,253 tons per day)
- Transportation (17 trucks and 12 rail cars per day)
- Contractors (average 97 workers per day)
- Vendors (747 per year)

The Company's community participation is driven by its employees who generously contribute hundreds of hours and monetary gifts each year in various company-sponsored and individual efforts to enhance the quality of life in our communities. In 2021, the Escanaba Mill and its employees contributed more than \$81,000 to a wide variety of community organizations with a focus on education, sustainability and local health and human services.

Without a transformational project, the Escanaba plant's eventual closure due to market conditions would have a devastating impact on the local community and regionally in the Upper Peninsula. Over a 10-year period, the direct economic activity lost would be \$3.6 billion.

The project will be significant in that it will enable the Company to retain a large number of well-paying jobs to the State. The average hourly wage for the project in the Upper Peninsula is \$43.65 which is well above the Dickinson County ALICE target wage of \$21.75 and the Delta County ALICE target wage of \$17.30. The ALICE threshold is the average income that a household needs to afford the basic necessities defined by the Household Survival Budget for each county in Michigan. Both facilities are located adjacent to a geographically disadvantaged area which will provide residents with employment opportunities and the Company with a talent pipeline.

Company History

The Company's parent, Billerud (f/k/a BillerudKorsnäs) (the "Parent Company"), was formed in 2012 with the merger of two historic companies. Billerud AB was established in 1883 as a pulp factory and Korsnäs AB was established in 1855 as a sawmill. The new company became a leading virgin fibre-based packaging materials and packaging solutions company with headquarters in Stockholm, Sweden. Earlier this year, the Parent Company acquired Verso Corporation ("Verso"). Verso, headquartered in Miamisburg, Ohio, was the leading producer of coated paper in North America. The acquisition of Verso reinforces the Parent

Company's strategy to drive profitable and sustainable growth and its ambition to accelerate its growth in North America.

As a result of the acquisition of Verso, the Parent Company is now one of the largest providers of virgin paper and packaging materials with a cost and quality advantage. The acquisition included Verso's production operations in Wisconsin Rapids, Wisconsin; Escanaba and Quinnesec Michigan. Verso had previously closed its Wisconsin Rapids paper mill in June of 2020, leaving only a sheeting operation in place. With the acquisition of Verso, the Parent Company has ten production units in Sweden, the United States and Finland with 5,800 employees in 13 countries. The Parent Company's annual revenue is \$3.6 billion USD and its stock is listed on the Nasdaq Stockholm.

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

Demonstrated Need

The Company has analyzed all three of its newly-acquired North American facilities for the transformational project. The facilities include: Escanaba, MI; Quinnesec, MI; and Wisconsin Rapids, WI. If the Quinnesec or Wisconsin Rapids facilities were selected for the investment, the Escanaba plant would very likely not survive long-term.

When comparing the three facilities, in addition establishing the foundation for a sustainable business in Michigan for generations to come, there were a number of other factors that were considered by the MEDC. In particular, the plant in Wisconsin Rapids has more favorable labor rates, electric utility costs due to the Company's ownership of the hydroelectric facility serving the plant, and logistics costs due to its proximity to customers. When the high cost of this transformational project is considered in the context of the near term turbulent and uncertain economy, economic incentives are a critical component to achieving the financial foundation for the project to be successfully implemented at Escanaba for the benefit of the employees, the community and the region, and ultimately the State of Michigan.

In addition to MSF support, Wells Township and Escanaba Township anticipate approval of a PA 198 real property tax abatement.

Request

In order to secure the project in Michigan, the Applicants are requesting a Forest Products Processing Renaissance Zone estimated to be worth \$29.4 million.

The project aligns with the MEDC's strategic focus areas to **attract, retain and support businesses** and **foster high-wage skills growth** in the regional impact industry of **other manufacturing**. The proposed project will impact the regions around Delta and Dickinson Counties with the retention of 1,240 high paying jobs and an investment of approximately \$1 billion.

Appendix A addresses programmatic considerations.

Recommendation

MEDC Staff recommends approval of the FPPRZ Request for a period of 15 years as outlined in the attached resolution.

APPENDIX A – Renaissance Zone Programmatic Considerations

PROJECT EVALUATION

Job Retention

At least 1,240

Billerud Private Investment

Up to \$1.06 billion by December 31, 2029

Size

1,881 acres

Tax Information

It is estimated that an average of \$1.96 million will be abated annually in property taxes.

Period of Designation

15-year designation

ADDITIONAL INFORMATION

Other Local Support

Wells Township and Escanaba Township anticipate approval of a PA 198 in support of the project. The estimated value of the abatement is \$657 thousand over 12 years for each year of investment.

Development Agreement

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

Legislative Information

Senator: Ed McBroom - State Senate District 38

Representative: Beau LaFave - State House District 108

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-207**

**FOREST PRODUCTS PROCESSING RENAISSANCE ZONE:
DELTA COUNTY AND BILLERUD U.S. PRODUCTION HOLDING LLC**

WHEREAS, Section 8f of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the State Administrative Board (the “SAB”) to designate up to ten (10) renaissance zones for forest products processing facilities (a “Forest Products Processing Renaissance Zone”) upon the recommendation of the Michigan Strategic Fund (the “MSF”) and the consent of the local unit of government in which the proposed Forest Products Processing Renaissance Zone will be located;

WHEREAS, the SAB has designated two (2) of the ten (10) allowed Forest Products Processing Renaissance Zones available under the Act;

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

WHEREAS, the MEDC received a draft application from Delta County (the “Application”) for a fifteen (15) year Forest Products Processing Renaissance Zone for Billerud U.S. Production Holding LLC (the “Company”) under Section 8f of the Act for approximately 1,881 acres in Delta County (the “Property”);

WHEREAS, the MEDC recommends that the MSF Board approve the Application for recommendation to the SAB, for designation of a Forest Products Processing Renaissance Zone for a period of fifteen (15) years, effective December 31, 2023 for property tax purposes and January 1, 2024 for all other purposes, subject to the following conditions (collectively, the “Renaissance Zone Recommendation”):

1. On or before June 30, 2023, the finalized Application including the appropriate local approval resolutions will be submitted to the SAB by Delta County;
2. On or before December 31, 2023, the SAB approves the Forest Products Processing Renaissance Zone designation consistent with this Resolution; and
3. On or before March 31, 2024, a development agreement is entered into between the Company and the MSF that incorporates the terms described in this Resolution and otherwise consistent with Section 8f of the Act.

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

BE IT FURTHER RESOLVED, that the MSF Board authorizes the Fund Manager to negotiate the final terms and conditions of and to execute all documents necessary to effectuate the Renaissance Zone Recommendation, consistent with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: December 13, 2022

To: Michigan Strategic Fund Board

From: Valerie Hoag, MSF Fund Manager

Subject: Amended and Restated Consent Agenda Policy

REQUEST

In collaboration with the MSF Fund Manager, Chief Compliance Officer, and Legal and Compliance team of the Michigan Economic Development Corporation (the “MEDC”), we are requesting that the Michigan Strategic Fund (the “MSF”) Board approve the Amended and Restated Consent Agenda Policy (the “Request”).

BACKGROUND

On November 20, 2013, the MSF Board approved use of a consent agenda in order to increase the efficiency of the monthly MSF Board meetings (the “Consent Agenda”). On February 25, 2014, the MSF Board approved guidelines to the Consent Agenda to assist MEDC staff in the development of the monthly MSF Board agenda (the “Consent Agenda Guidelines”).

On December 19, 2017, the MSF Board approved revisions to the Consent Agenda Guidelines to address the types of actions that were more frequently prepared for the consent agenda (the “Revised Guidelines”).

In an effort to continually refine the use of the Consent Agenda for the monthly MSF Board meetings, attached hereto as EXHIBIT A is the proposed Amended and Restated Consent Agenda Policy (the “Amended and Restated Consent Agenda Policy”) which updates the Revised Guidelines.

A redline of the Amended and Restated Consent Agenda Policy marked against the Revised Guidelines is attached hereto as EXHIBIT B to illustrate the proposed changes.

RECOMMENDATION

The Department of Attorney General, together with the MSF Fund Manager, Chief Compliance Officer, and Legal and Compliance team of the MEDC, recommends that the MSF Board approve the Request.

EXHIBIT A

Michigan Strategic Fund Amended and Restated Consent Agenda Policy	Eff. February 25, 2014
	Rev. December 13, 2022

Background

The Michigan Strategic Fund (“MSF”) Board (the “Board”) adopted the use of a consent agenda (the “Consent Agenda”) on November 20, 2013, via Resolution 2013-203, and approved Consent Agenda Guidelines on February 25, 2014, via Resolution 2014-002, in order to streamline its monthly meetings and assist staff in the development of the MSF Board agenda each month. The Board approved revisions to the Guidelines on December 19, 2017, via Resolution 2017-209, and approved an Amended and Restated Consent Agenda Policy on December 13, 2022 via Resolution **2022-###**.

Consent Agenda

A Consent Agenda is a tool that streamlines meeting procedures by compiling items that are routine and not expected to prompt discussion or deliberation by the Board into a single group. The items on the Consent Agenda are then approved by the Board through a single Consent Agenda Resolution without discussion or individual motions.

The Consent Agenda allows the Board to efficiently approve such items without discussion or individual motions and therefore facilitates more time for the Board to address more substantial and strategic items.

Supporting documentation for each item on the Consent Agenda, including a resolution for each item, will be enclosed in the Board packet provided to the Board for review prior to the meeting.

Items Eligible to be included on the Consent Agenda

Items appropriate for placement on the Consent Agenda include, but are not limited to, the following:

1. Approval of meeting minutes
2. Amendments to incentives where no Delegation of Authority has been approved, for the following purposes:
 - a. Extension of milestone due dates
 - b. Restructuring of milestone requirements
 - c. Extension of loan grace periods
 - d. Exercise options to extend and allocate additional funding to unexpired, multi-year contracts
 - e. Addition of Qualified Taxpayers
 - f. Project location changes within the same municipality as originally approved
 - g. Loan to equity conversions where the conversion right is triggered under the terms of the loan agreement
 - h. Loan payoffs
 - i. Reduction of incentive amount
 - j. Transfer and/or assignment of an incentive
3. Reauthorization of incentives whose approval has expired and terms remain the same
4. Forbearance agreements for incentives in default status
5. Termination of incentives
6. Write off of uncollectable debt for accounting purposes
7. Revocation of benefits such as tax credits or Renaissance Zone designations

Michigan Strategic Fund Amended and Restated Consent Agenda Policy	Eff. February 25, 2014
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8. Issuance of new or amended Memorandums of Understanding and/or Interagency Agreements for which the MSF is a party
9. New Act 381 tax increment financing projects without any other MSF economic incentive being approved
10. New projects with an award amount that is less than or equal to \$1,000,000 in cumulative benefit from the MSF where no Delegation of Authority has been approved
11. New projects with an award amount that is less than or equal to \$1,000,000 where Delegation of Authority has been approved, but where one or more provisions of the applicable program guidelines are being waived
12. Revisions to the MSF Compiled Resolutions

Process for using the Consent Agenda

An item must be recommended for placement on the Consent Agenda by either the MSF President or MSF Fund Manager based on their analysis that the item is routine and is not expected to prompt deliberations or discussions by the Board. An item will be removed from the Consent Agenda, before or at a Board meeting upon request of the MSF President, any other Board Member, the MSF Fund Manager, the Attorney General, or the Chief Compliance Officer.

The Consent Agenda will be a separate and distinct item on the MSF Board agenda. The Consent Agenda will be placed on the agenda after Call to Order, Roll Call, Public Comment and Communications. The Consent Agenda items will be approved pursuant to a single Consent Agenda Resolution. If the Consent Agenda is not approved, then all items are moved to the regular agenda and taken up individually.

Before presenting the Consent Agenda Resolution to the Board for approval the Chair (or acting Chair) will inquire if there are any questions or comments on any item on the Consent Agenda. If any questions or comments are offered on an item, that item will be removed from the Consent Agenda and taken up either immediately after the Consent Agenda or placed later on the regular agenda at the discretion of the Chair. If any items are removed from the Consent Agenda, the Chair presents the modified Consent Agenda Resolution to the Board for approval.

Recording Consent Agenda in the Minutes

Consent Agenda items are recorded separately in the minutes with each item described as a separate line item along with the item's resolution number. Upon approval, the minutes should state the Consent Agenda was approved by a majority vote and indicate if any identified items were removed and addressed separately in the regular agenda.

EXHIBIT B

<u>Michigan Strategic Fund Amended and Restated Consent Agenda Policy</u>	<u>Eff. February 25, 2014</u>
	<u>Rev. December 13, 2022</u>
<u>Michigan Strategic Fund Consent Agenda Guidelines</u>	<u>Eff. February 25, 2014</u>
	<u>Rev. December 19, 2017</u>

Background

~~On November 20, 2013, the~~ The Michigan Strategic Fund (“MSF”) Board (the “Board”) adopted the use of a consent agenda (the “Consent Agenda”) on November 20, 2013, via Resolution 2013-203, and approved Consent Agenda Guidelines (the “Guidelines”) on February 25, 2014, via Resolution 2014-002, in order to streamline its monthly meetings. ~~The MSF Board wishes to implement these guidelines to~~ and assist staff of the Michigan Economic Development Corporation (“MEDC”) in the development of the MSF Board agenda each month.

Guidelines

~~The MSF President or MSF Fund Manager may place items on the~~ Board approved revisions to the Guidelines on December 19, 2017, via Resolution 2017-209, and December 13, 2022 via Resolution 2022-###.

Consent Agenda ~~when~~

~~A Consent Agenda is a tool that item is streamlines meeting procedures by compiling items that are routine, uncontroversial, and not expected to prompt deliberations~~ discussion or discussions ~~deliberation~~ by the ~~MSF Board.~~ Board into a single group. The items on the Consent Agenda are then approved by the Board through a single Consent Agenda Resolution without discussion or individual motions.

The Consent Agenda allows the Board to efficiently approve such items without discussion or individual motions and therefore facilitates more time for the Board to address more substantial and strategic items.

Supporting documentation for each item on the Consent Agenda, including a resolution for each item, will be enclosed in the Board packet provided to the Board for review prior to the meeting.

Items Eligible to be included on the Consent Agenda

- Items appropriate for placement on the Consent Agenda include, but are not limited to, the following:

- ⊖1. Approval of meeting minutes
- ⊖2. Amendments to incentives where no Delegation of Authority has been approved, for the following purposes:
 - *a. Extension of milestone due dates
 - *b. ~~Restructure~~ Restructuring of milestone requirements
 - *c. Extension of loan grace periods
 - *d. Exercise ~~of~~ options to extend and allocate additional funding to unexpired, multi-year contracts
 - *e. Addition of Qualified Taxpayers

<u>Michigan Strategic Fund Amended and Restated Consent Agenda Policy</u>	<u>Eff. February 25, 2014</u>
	<u>Rev. December 13, 2022</u>

- *f. Project location changes within the same municipality as originally approved
 - *—~~Modification of local support if within the same municipality as originally approved~~
- *g. Loan to equity conversions where the conversion right is triggered under the terms of the loan agreement
- *h. Loan payoffs
- *i. Reduction of incentive amount
- *j. Transfer and/or assignment of an incentive
- 3. Reauthorization of incentives whose approval has expired and terms remain the same
- 4. Forbearance agreements for incentives in a default status
- 5. Termination of incentives
- 6. Write off of uncollectable debt for accounting purposes
- 7. Revocation of benefits such as tax credits or Renaissance Zone designations
- 8. Issuance of new or amended Memorandums of Understanding and/or Interagency Agreements ~~to~~for which the MSF is a party
- 9. New Act 381 tax increment financing projects without any other MSF economic incentive being approved
- 10. New projects with an award amount that is ~~of~~ less than or equal to \$1,000,000 in cumulative benefit from the MSF where no Delegation of Authority has been approved
- 11. New projects with an award amount that is ~~of~~ less than or equal to \$1,000,000 where Delegation of Authority has been approved, but where one or more ~~provision~~provisions of the applicable program guidelines are being waived.
- 12. Revisions to the MSF Compiled Resolutions

Process for using the Consent Agenda

An item must be recommended for placement on the Consent Agenda by either the MSF President or MSF Fund Manager based on their analysis that the item is routine and is not expected to prompt deliberations or discussions by the Board. An item will be removed from the Consent Agenda, before or at a Board meeting upon request of the MSF President, any other Board Member, the MSF Fund Manager, the Attorney General, or the Chief Compliance Officer.

—The Consent Agenda will be a separate and distinct item on the MSF Board agenda. The Consent Agenda will be placed on the agenda after the Call to Order and, Roll Call, Public Comment, and Communications. The Consent Agenda items will be approved pursuant to a single Consent Agenda Resolution. Supporting documentation for each item on If the Consent Agenda will be included in the Consent Agenda Resolution.

- Any member of the MSF Board may request that an item on the Consent Agenda be ~~is~~ not approved, then all items are moved to the regular agenda prior to or during a meeting of the MSF Board and taken up individually.

The official meeting minutes will reflect all items included in the Consent Agenda as approved by the MSF Board. Before presenting the Consent Agenda Resolution to the Board for approval the Chair (or acting Chair) will inquire if there are any questions or comments on any item on the Consent Agenda. If any questions or comments are offered on an item, that item will be removed from the Consent Agenda and taken up either immediately after the Consent Agenda or placed later on the regular

<u>Michigan Strategic Fund Amended and Restated Consent Agenda Policy</u>	<u>Eff. February 25, 2014</u>
	<u>Rev. December 13, 2022</u>

agenda at the discretion of the Chair. If any items are removed from the Consent Agenda, the Chair presents the modified Consent Agenda Resolution to the Board for approval.

Recording Consent Agenda in the Minutes

Consent Agenda items are recorded separately in the minutes with each item described as a separate line item along with the item's resolution number. Upon approval, the minutes should state the Consent Agenda was approved by a majority vote and indicate if any identified items were removed and addressed separately in the regular agenda.

-

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-208**

APPROVAL OF AMENDED AND RESTATED CONSENT AGENDA POLICY

WHEREAS, Public Act 270 of 1984, MCL 125.2001 et seq. (the “MSF Act”), established the Michigan Strategic Fund (the “MSF”);

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

WHEREAS, on November 20, 2013, by Resolution 2013-203, the MSF Board approved the use of a consent agenda for its monthly board meetings;

WHEREAS, on February 25, 2014, by Resolution 2014-002, the MSF Board approved consent agenda guidelines to assist MEDC staff in the development of the monthly board agenda, as later amended on December 19, 2017, by Resolution 2017-209 (the “Consent Agenda Guidelines”);

WHEREAS, the Department of Attorney General, together with the MSF Fund Manager, Chief Compliance Officer, and Legal and Compliance team of the MEDC, recommends that the MSF Board replace the Consent Agenda Guidelines with the Amended and Restated Consent Agenda Policy attached hereto as EXHIBIT A (the “Revised Consent Agenda Policy”); and

WHEREAS, the MSF Board wishes to approve and adopt the Revised Consent Agenda Policy.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves and adopts the Revised Consent Agenda Policy.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 13, 2022

EXHIBIT A

Michigan Strategic Fund Amended and Restated Consent Agenda Policy	Eff. February 25, 2014
	Rev. December 13, 2022

Background

The Michigan Strategic Fund (“MSF”) Board (the “Board”) adopted the use of a consent agenda (the “Consent Agenda”) on November 20, 2013, via Resolution 2013-203, and approved Consent Agenda Guidelines on February 25, 2014, via Resolution 2014-002, in order to streamline its monthly meetings and assist staff in the development of the MSF Board agenda each month. The Board approved revisions to the Guidelines on December 19, 2017, via Resolution 2017-209, and approved an Amended and Restated Consent Agenda Policy on December 13, 2022 via Resolution 2022-208.

Consent Agenda

A Consent Agenda is a tool that streamlines meeting procedures by compiling items that are routine and not expected to prompt discussion or deliberation by the Board into a single group. The items on the Consent Agenda are then approved by the Board through a single Consent Agenda Resolution without discussion or individual motions.

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EXHIBIT A

Michigan Strategic Fund Amended and Restated Consent Agenda Policy	Eff. February 25, 2014
	Rev. December 13, 2022

8. Issuance of new or amended Memorandums of Understanding and/or Interagency Agreements for which the MSF is a party
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10. New projects with an award amount that is less than or equal to \$1,000,000 in cumulative benefit from the MSF where no Delegation of Authority has been approved
11. New projects with an award amount that is less than or equal to \$1,000,000 where Delegation of Authority has been approved, but where one or more provisions of the applicable program guidelines are being waived
12. Revisions to the MSF Compiled Resolutions

Process for using the Consent Agenda

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The Consent Agenda will be a separate and distinct item on the MSF Board agenda. The Consent Agenda will be placed on the agenda after Call to Order, Roll Call, Public Comment and Communications. The Consent Agenda items will be approved pursuant to a single Consent Agenda Resolution. If the Consent Agenda is not approved, then all items are moved to the regular agenda and taken up individually.

Before presenting the Consent Agenda Resolution to the Board for approval the Chair (or acting Chair) will inquire if there are any questions or comments on any item on the Consent Agenda. If any questions or comments are offered on an item, that item will be removed from the Consent Agenda and taken up either immediately after the Consent Agenda or placed later on the regular agenda at the discretion of the Chair. If any items are removed from the Consent Agenda, the Chair presents the modified Consent Agenda Resolution to the Board for approval.

Recording Consent Agenda in the Minutes

Consent Agenda items are recorded separately in the minutes with each item described as a separate line item along with the item's resolution number. Upon approval, the minutes should state the Consent Agenda was approved by a majority vote and indicate if any identified items were removed and addressed separately in the regular agenda.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

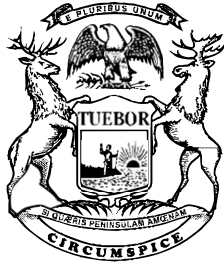
I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: December 13, 2022
To: Michigan Strategic Fund ("MSF") Board Members
From: Quentin Messer, Jr., Chief Executive Officer
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 October 1, 2022, to November 30, 2022, 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 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 October 1, 2022 to November 30, 2022.

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 October and November delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout November 2022, 5% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all October and November approved projects through delegated authority have committed to create just over 1,400 jobs and over \$44 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during October and November 2022, 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.

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
Invotek Group USA	10/27/2022	Grand Blanc Township	\$1,000,000	Mara Technologies USA Inc. is a subsidiary of Invotek Group Inc., a Markham, Ontario-headquartered provider of communication infrastructure parts for the global broadband telecom industry. The company is active in 22 countries and employs more than 11,000 people worldwide, but currently does not have a presence in Michigan. The company needs to launch manufacturing in the U.S. to meet the needs of one of its customers, a worldwide leader in radio broadcast technology. Mara Technologies plans to purchase a facility in Grand Blanc Township, where it will consolidate multiple services as well as bring manufacturing from China to Michigan. The facility will also serve as the company's U.S. headquarters. The project is expected to generate a total capital investment of \$20.7 million and create 298 jobs, supported by a \$1 million Michigan Business Development Program performance-based grant. Michigan was chosen for the project over a competing site in Mexico.
EAVX	10/28/2022	Ypsilanti Township	\$600,000	JB Poindexter & Co., Inc. is a diversified manufacturing company headquartered in Houston, TX. The company manages a portfolio of business units engaged in the production of a wide range of vehicles and bodies, including commercial trucks, service utility trucks, limousines, mid-sized buses and more. EAVX is JB Poindexter's innovation center and technology hub business unit, with 95 percent of its business dedicated to transportation. To meet increased customer demand and become the bodybuilder of choice for the alternative fuel market, the company plans to expand its operations in Ypsilanti Township where it will add the EAVX business unit. EAVX will specialize in manufacturing alternative power. The project is expected to generate a total capital investment of \$3.79 million and create 75 high-wage jobs, supported by a \$600,000 Michigan Business Development Program performance-based grant.

Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
HNTB Corporation	11/03/2022	Detroit	\$1,000,000	HNTB Corporation is a professional engineering firm with extensive expertise in planning, design, program management, and construction oversight for transportation infrastructure projects. The company was founded in Kansas City, Missouri in 1914 and currently has five locations in Michigan, employing 164 Michigan residents. HNTB continues to add to its robust customer contracts to accommodate the growing demand for infrastructure construction and plans to expand at its facility in the Renaissance Center in Detroit, as well as add staff at its East Lansing location. The expansions are expected to generate a total capital investment of \$922,203 and create 165 high-wage jobs, supported by a \$1 million Michigan Business Development Program performance-based grant. Michigan was chosen for the project over other competing sites in the Midwest.
The Home Depot Inc.	11/07/2022	Warren	\$480,000	Home Depot U.S.A. plans to establish a new, state-of-the-art distribution center at the former Warren Transmission Plant in the city of Warren. The distribution center will provide same-day and next-day delivery to customers in the Midwest. The project will include the demolition of the existing structures, site and utility infrastructure development and 1.4 million square feet of new industrial space that will house multiple tenants. The project is expected to generate a total capital investment of \$6.1 million and create 80 jobs, supported by a \$480,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over a competing site in Ohio.

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
Axis Automation	10/14/2022	Walker	\$500,000	Axis Automation is experiencing growth from new customers and markets and plans to add 50 high-tech STEM jobs in the coming years to support demand. The company plans to lease a second facility in Walker to accommodate its growing operations. The project is expected to generate a total capital investment of up to \$5.7 million and create up to 50 jobs, supported by a \$500,000 Jobs Ready Michigan Program performance-based grant. Michigan was chosen for the project over a competing site in Illinois.

Jobs Ready Michigan Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
360 Digilab LLC	10/25/2022	Monroe	\$600,000	360 Digilab, LLC is a family-owned business specializing in the latest technology to deliver state-of-the-art fitting dental restorations. The company works with intraoral scanners to manufacture crowns, bridges, implants, bite splints and surgical guides. Established in 2018 and headquartered in the city of Monroe, the company has quickly become a leader in dental restorations with increased sales and company contracts. Today, 360 Digilab employs 40 Michigan residents, 22 of which are full time. 360 Digilab is experiencing significant growth and has outgrown its current workspace. The company plans to purchase a new building in Monroe that will provide additional space to grow its current product portfolio, including the development of dentures and orthodontics. The project is expected to generate a total capital investment of \$1.44 million and create up to 100 jobs in the life sciences and medical device industry, supported by a \$600,000 Jobs Ready Michigan grant.

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 2.0 – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Total Food Package	10/06/2022	Spring Lake	\$510,000	Company is looking to purchase new real estate and finance improvements to the interior to double existing capacity to support company growth. United Bank of Michigan is requesting the assistance of the MBGF 2.0 CSP due to collateral shortfall.
JAK Tar, L.L.C	10/31/2022	Traverse City	\$700,000	JAR TAR, LLC & Omena Boat Company is working with West Shore Bank to obtain a loan to purchase an existing business and all business assets. Due to a collateral shortfall the bank is requesting support from the MBGF 2.0 CSP.
18 th Street Deli	11/23/2022	Hamtramck	\$450,751	18 th Street Deli is working with First Merchant's Bank to acquire new equipment for their facility. The company is also requesting an increase to their working capital line of credit. Due to collateral shortfall, the bank is requesting assistance from the MBGF 2.0 CSP for the equipment. The bank is also asking for assistance from the MBGF 1.0 CSP to support the increase to their LOC.

State Small Business Credit Initiative 2.0 – Loan Guaranty

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Detroit Development Fund	11/03/2022	Detroit	\$3,000,000	Detroit Development Fund is requesting a loan guarantee using SSBCI 2.0 funds. DDF plans to lend \$12 million over the next 3 years to businesses within the City of Detroit that have 2-25 employees and with annual revenue of \$50,000 - \$1,000,000 with loans generally ranging from \$20,000 – \$325,000. The MSF will guarantee up to 80% of each enrolled loan. MSF exposure will be capped at 25% of total enrolled loans.
Northern Initiatives	11/03/2022	Marquette	\$5,000,000	Northern Initiatives is requesting a loan guarantee using SSBCI 2.0 funds. NI plans to lend \$20 million over the next 3 years to businesses within their 77-county service area. Businesses with 1 or more employees and with annual revenue of \$500,000 or less and the loans will range from \$1,000 to \$1,000,000. The MSF will guarantee up to 80% of each enrolled loan. MSF exposure will be capped at 25% of total enrolled loans.

Community Development Block Grant (CDBG)

The U.S. Department of Housing and Urban Development (HUD) allocates Community Development Block Grant (CDBG) funding to the State of Michigan, through the Michigan Strategic Fund with assistance from the MEDC, for further distribution to eligible units of general local government (UGLGs) to carry out MSF- approved activities. CDBG program funds are used to provide grants and loans to UGLGs, usually with populations under 50,000 (referred to as non-entitlement jurisdictions), in support of economic or community development projects.

CDBG Business Growth Grants

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
City of Lansing	10/28/2022	Lansing	\$1,000,000	The purpose of the Small Business Assistance CARES program is to provide vital funding assistance, in the form of grants, in amounts ranging from \$10,000 to \$50,000 to support Downtown Lansing Inc. small businesses looking to be a part of Downtown Lansing's transformation as the community works towards recovery following the COVID pandemic.

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
Vianis Realty, LLC	10/05/2022	Calumet	\$574,648	Project will rehabilitate a vacant, blighted, historic building for a commercial operation adding 5 jobs to downtown Calumet, representing \$646,785 in capital investment.
Fire Tower Property Group, LLC	11/07/2022	Calumet	\$307,176	Fire Tower Property Group, LLC was awarded a \$307,176 MCRP performance-based grant to renovate a vacant, blighted, two-story downtown building into the new home of Fire Tower Engineered Timber, representing 2,480 square feet of space revitalized downtown Calumet. The project is expected to retain five jobs with a total capital investment of approximately \$337,650.
Menominee Range Investments, LLC	11/11/2022	Iron Mountain	\$334,798	Project will rehabilitate a vacant, functionally obsolete building in downtown Iron Mountain into a fully functioning commercial space.

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
Scherdel Sales & Technology, Inc. - PDA Universe of Pre-Filled Syringes	10/11/2022	\$10,421	Muskegon
Scherdel Sales & Technology, Inc. - CPhi22	10/25/2022	\$4,455	Muskegon
Scherdel Sales & Technology, Inc. - DDL 2022 Scotland	11/14/2022	\$10,958	Muskegon
Ascent Aerospace - IMTS	10/03/2022	\$15,000	Macomb
Dell Marking Systems, Inc. - Automation Alley Tradeshow Mexico	10/03/2022	\$5,475	Rochester Hills
Advanced Blending Solutions, LLC - K Show Germany	10/10/2022	\$15,000	Wallace
Devereaux Sawmill, Inc. - Australia and New Zealand Sales Trip	10/10/2022	\$4,512	Lyons Township
Grotnes - EuroBlech 22 Germany	10/10/2022	\$15,000	Niles
Independent Drum Lab, LLC - Percussive Arts Society Expo	10/10/2022	\$3,286	Portage
Michigan Instruments - EXIM Q1	10/10/2022	\$600	Kentwood
Michigan Instruments - EXIM Q2	10/10/2022	\$600	Kentwood
Michigan Instruments - Medica Show in Germany	10/10/2022	\$1,875	Kentwood
Nautical Specialties - US Sailboat Show	10/10/2022	\$7,554	Manistee
Portland Products - Automotive Interiors Expo 22	10/10/2022	\$6,527	Portland
Self Lube - MexiMold 22	10/10/2022	\$9,800	Coopersville
Sundberg Ferar - Sales Trip to India	10/10/2022	\$5,183	Walled Lake
Viking Spas - International Pool and Spa Expo	10/10/2022	\$15,000	Wyoming
Airflow Sciences Corporation - POWER GEN India	10/11/2022	\$3,665	Livonia
Curriculum Crafter - Educationworld India	10/11/2022	\$5,931	Grand Rapids
Eckhart - USCS Advanced Manufacturing BD Mission	10/11/2022	\$6,357	New Baltimore
Filler Specialties - Pack Expo International Chicago	10/11/2022	\$15,000	Zeeland
Harpco Systems, Inc. - USCS Trade Mission to Indonesia and Singapore	10/11/2022	\$8,055	Novi
IBS Global Consulting - International Trade Mission to Europe	10/11/2022	\$1,979	Detroit
Messersmith Manufacturing, Inc. - Canadian Greenhouse Expo	10/11/2022	\$2,700	Bark River

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Miniature Golf Services by Arne Lundmark dba Adventure Golf Services - IAAPA Trade Show	10/11/2022	\$15,000	Traverse City
Newtech Dealer Services - RVDA Convention Las Vegas	10/11/2022	\$6,885	Bay City
Octava - EASA European and World Convention Greece	10/11/2022	\$7,473	Warren
Riveer Environmental - Global Defense Helicopter Poland	10/11/2022	\$14,561	South Haven
The Bohning Company - World Dairy Expo Wisconsin	10/11/2022	\$4,011	Lake City
Vantage Plastics - Pack Expo International 22 Chicago	10/11/2022	\$15,000	Standish
Nautical Specialties - METS Amsterdam	10/12/2022	\$13,127	Manistee
RJG Inc - K Show 22	10/12/2022	\$15,000	Traverse City
International Met Systems - Meteorological Tech World Expo 22	10/13/2022	\$10,961	Kentwood
Logic Solutions Inc - Occupational Safety and Health Symposium Expo	10/18/2022	\$4,062	Plymouth
Michigan Wheel - Fort Lauderdale International Boat Show	10/18/2022	\$15,000	Grand Rapids
Oxus America, Inc - Medica	10/18/2022	\$6,150	Auburn Hills
Tech Defenders - European Broker Show Greece	10/18/2022	\$8,624	Grand Rapids
VS Aviation LLC - MRO Europe 22	10/18/2022	\$4,767	Grand Rapids
Celcius Corp dba GC Biowater - Singapore ITAP India Sales calls	10/19/2022	\$4,493	Bloomfield hills
Danlaw, Inc. - Costa Del Sol PlugFest	10/19/2022	\$5,250	Novi
Loc Performance Products - SIMA 22 France	10/19/2022	\$8,009	Plymouth
MajesTec 125LLC DBA FreedomLift - Ft. Lauderdale International Boat Show	10/19/2022	\$15,000	Grand Rapids
V3 Distribution - Brokerbin 22	10/19/2022	\$3,292	Grand Rapids
eAgile, Inc. - EXIM Export Credit Insurance Q1	10/20/2022	\$3,750	Grand Rapids
eAgile, Inc. - ISO Certification Surveillance Audit	10/20/2022	\$2,625	Grand Rapids
Flint Technical Geosolutions - Sales Trip to Mexico	10/20/2022	\$2,550	Caledonia
Grip Studios Inc. - EU Marketing Campaign 23	10/20/2022	\$15,000	Livonia
Michigan Wheel - International Workboat Show	10/20/2022	\$13,470	Grand Rapids
Oliver Carbide Products - International Amazon Ecommerce Q1 22	10/20/2022	\$15,000	Cottrellville
Ultimation Industries LLC - Website Translation SEO Localization PCC Services	10/20/2022	\$15,000	Roseville

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
UnOrdinary Group - EU Expansion Phase 1	10/20/2022	\$15,000	Ypsilanti
Zero Gravity Filters - Italy and Serbia Sales Trip	10/20/2022	\$3,107	Brighton
Argonics, Incorporated - Sales and Training Trip to Australia and New Zealand	10/21/2022	\$10,502	Gwinn
Becker Metal Works Incorporated - ISO 9001:2015 Certification	10/21/2022	\$11,250	St. Clair
Challenge Machinery Company - Printing United Expo	10/21/2022	\$15,000	Norton Shores
Hurley Marine, Inc. - Ft. Lauderdale International Boat Show	10/21/2022	\$13,061	Escanaba
Lindenwood Inc dba Uncle Goose - Shoppe Object Winter 23	10/21/2022	\$14,033	Grand Rapids
Medicus Health - Medica 22 Germany	10/21/2022	\$14,880	Kentwood
Sunrise SRL - Growtech 22 Turkey	10/21/2022	\$11,601	East Lansing
Dynamic Conveyor Corporation - Pack Expo International 22 Trade Show	10/24/2022	\$9,048	Muskegon
Erie Signs - ISA Sign Expo Las Vegas	10/24/2022	\$10,031	Saginaw
FlexPost Inc. - CPA Tradeshow	10/24/2022	\$7,500	Holland
FlexPost Inc. - International Web Dev. Q1 and Q2	10/24/2022	\$2,250	Holland
FlexPost Inc. - International Web Dev Q3 and Q4	10/24/2022	\$2,250	Holland
K. Walker Collective LLC - Export Tech	10/24/2022	\$900	Detroit
Sakor Technologies, Inc. - International Test Expo	10/24/2022	\$7,862	Owosso
Altus Brands, LLC - 2023 SHOT Show	10/25/2022	\$15,000	Traverse City
APEC - IPPE 2023	10/25/2022	\$15,000	Lake Odessa
ATD Engineering & Machine - GIFA 2023 Germany	10/25/2022	\$11,457	Au Gres
Atlas Space Operations, Inc. - Space Tech Expo Europe	10/25/2022	\$15,000	Traverse City
Boride Engineered Abrasives - Bauma Germany	10/25/2022	\$5,166	Traverse City
Business-Connect - Innovate 4 WASH Trade Expo Kenya	10/25/2022	\$1,350	Grandville
Hurley Marine, Inc. - METS Tradeshow Amsterdam	10/25/2022	\$13,742	Escanaba
La Salonniere, LLC - Paris Plus Art Fair and EU Sales Meetings	10/25/2022	\$10,103	Detroit
MCM Learning - Michigan Pavilion AUSA 22	10/25/2022	\$8,579	Madison Heights
MVP Medical Products LLC - MEDICA 22	10/25/2022	\$3,375	Ionia

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
NeuroNexus Technologies, Inc - Society for Neuroscience	10/25/2022	\$15,000	Ann Arbor
OG Technologies - South Korea and Taiwan Sales Trip	10/25/2022	\$4,786	Ann Arbor
Owosso Graphic Arts, Inc. - Automotive Interiors Arts	10/25/2022	\$11,676	Owosso
Fairrer Samani Group - LATAM and Caribbean Export MEdweek	10/27/2022	\$1,982	River Rouge
C2Dx - MEDICA	10/28/2022	\$4,984	Schoolcraft
Singh Automation - ITAP Show and Trade Mission Indonesia and Singapore	11/01/2022	\$7,047	Portage
Electro-Matic Products, Inc. - SPS Show Germany	11/02/2022	\$4,253	Farmington Hills
H3D, Inc - Fire Safety Conference Singapore	11/02/2022	\$10,686	Ann Arbor
Hastings Manufacturing Company - Online Catalog Europe South Africa and Mexico	11/02/2022	\$15,000	Hastings
MHR, Inc. - Translate to Spanish	11/02/2022	\$525	Holland
Reink Media Group, LLC - Finance Magnates London and Ireland Sales Trip	11/02/2022	\$12,720	Royal Oak
Snow Machines, Incorporated - InterAlpin Tradeshow Austria	11/02/2022	\$15,000	Midland
Automatic Spring Products Corporation - Automation Alley Trade Mission to India	11/03/2022	\$3,750	Grand Haven
Black Swamp Percussion LLC - PASIC Indiana	11/03/2022	\$5,562	Zeeland
Boride Engineered Abrasives - Mexico Sales Trip	11/03/2022	\$5,543	Traverse City
Q-Sage, Incorporated - ASTA and Seed Expo 22	11/03/2022	\$8,079	Mt. Pleasant
Chrysan Industries, Inc. - Sales Trip to Korea	11/07/2022	\$7,260	Plymouth
Ares Technology, LLC - ITAR and EAR Training	11/09/2022	\$548	Shelby Charter Township
Banks Hardwoods, Inc. - Design and Spanish Translation	11/09/2022	\$2,250	White Pigeon
Curriculum Crafter - International Sales and Innovation Africa 22	11/09/2022	\$5,160	Grand Rapids
FoodTools Inc. - Gulfood Manufacturing Dubai	11/09/2022	\$14,209	South Haven
Great Lakes Label, LLC - Sales Presentation in Mexico City	11/09/2022	\$4,314	Comstock Park
Humphrey Products - 22 Medica Booth and Travel Final Expenses	11/09/2022	\$9,301	Kalamazoo
IQ Designs, Inc. - Medica Trade Show Germany	11/09/2022	\$15,000	Manistique
Magnetic Products Inc. - MPI Expo Pack International Chicago	11/09/2022	\$15,000	Highland Township
Munro & Associates, Inc. - Automation Alley Trade Mission to India	11/09/2022	\$11,288	Auburn Hills

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Spark EDM - AS9100 Certification	11/09/2022	\$3,750	Warren
Sundberg Ferar - Trade Mission to India 23	11/09/2022	\$11,100	Walled Lake
The BTL Group - Lagos Nigeria	11/09/2022	\$4,206	Detroit
EZM LLC dba EZMETROLOGY - Doors and Closures in Car Engineering Germany	11/10/2022	\$5,250	Commerce Charter Township
in2being, LLC - Medica	11/10/2022	\$5,156	Saline
Managed Programs, LLC - SEMA and AAPEX Trade Show	11/10/2022	\$2,633	Auburn Hills
Bigg Baby Auto Parts LLC - Market Research and Sales Trip Nigeria and Ghana	11/14/2022	\$6,218	Kalamazoo
RCO Engineering & Aerospace, Inc. - NBAA Orlando	11/14/2022	\$15,000	Roseville
RnD Engineering - US Commercial Services Trade Mission Cameroon	11/14/2022	\$12,636	Chelsea
Michigan Instruments - CE Mark Consulting Safetytech	11/17/2022	\$7,500	Kentwood
Saint Clair Systems - Netherlands Sales Trip	11/17/2022	\$5,052	Washington Township
Maelstrom Chemical Technologies, LLC - ISO 9001 Certification	11/18/2022	\$2,625	Shelby Township
Deviate Detroit Fashion - ExporTech Virtual	11/21/2022	\$900	Detroit
Slurry Monster LLC - Bauma Munich Germany	11/22/2022	\$8,117	Livonia
Becker Orthopedic Appliance Company - ISPO Guadalajara	11/29/2022	\$14,558	Troy
Health 4 Hire, Inc. - International Marketing Research Outreach	11/29/2022	\$5,250	Grand Rapids
Health 4 Hire, Inc. - International Optimization of Website	11/29/2022	\$5,946	Grand Rapids
Boride Engineered Abrasives - Sales Trip to Canada	11/30/2022	\$4,393	Traverse City
Kentucky Trailer Technologies - IDEX in Abu Dhabi MEDC Booth	11/30/2022	\$9,489	Wixom
Sensitile Systems, LLC - Sample Product Shipping to European and Asian Markets	11/30/2022	\$2,625	Ypsilanti
Stonebridge Coatings Laboratory - ISO 17025 Certification	11/30/2022	\$6,788	Howell
V3 Distribution - HPE Replacement Parts Business Summit 2022	11/30/2022	\$4,469	Grand Rapids

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives 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. From October 1, 2022, to November 30, 2022, no amendments were approved via delegate approval.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from October 1, 2022, to November 30, 2022, 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
Heidtman Steel Product	Business Development Program	Erie	10/10/2022	Amended to extend Milestone 1 from 5/31/2022 to 5/31/2023; extend Milestone 2 due date from 5/31/23 to 5/31/24; extends grant term from 11/30/23 to 11/30/24 and changes local support from Bedford Township tax abatement to support services provided by Monroe County Business Development Corporation.

CD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
Kzoo Hotel Partners - 303 North Rose Street	Community Revitalization Program	Kalamazoo	10/10/2022	Allow the refinance of the loan from the current Senior Lender, Fifth Third Bank to Center Bank, including an initial 18-month interest only period.
MDH Development, LLC-Heritage Tower-The Milton	Community Revitalization Program	Battle Creek	10/14/2022	Consent to the request to refinance under the terms described in the loan commitment from United Federal Credit Union dated June 8, 2022, and requests authorization for the MSF Fund Manager to enter into a new Intercreditor Agreement.
Sweetwater Development Partners, LLC - The Leonard	Community Revitalization Program	Muskegon	10/20/2022	Extend the Milestone Three: Completion of Construction Date by 180 days from November 30, 2022, to May 29, 2023, per the Company's request dated September 20, 2022.
Battle Dog, LLC - Battle Dog/New Holland Brewing Company	Community Revitalization Program	Battle Creek	11/03/2022	Extend the Milestone Two Project Completion due date from November 30, 2022, to November 30, 2023, and the Pre-Grant Disbursement Due Diligence Conditions due date from February 28, 2023, to February 28, 2024.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

Project Name	Project Location	Incentive Type	Amount	Date	Reason for Termination	Repayment
Workit Health	Washtenaw	Expansion	\$1,000,000	10/26/2022	Unable to fulfill grant requirements	\$0