

**MICHIGAN STRATEGIC FUND
PROPOSED MEETING MINUTES
May 24, 2016**

Members Present

Paul Anderson
Steve Arwood
Dan Boge
Shelly Edgerton
Larry Koops
Andrew Lockwood (on behalf of Treasurer Khouri)
Shaun Wilson
Wayne Wood

Members Absent

Terri Jo Umlor
Jody DePree Vanderwel

Mr. Arwood called the meeting to order at 10:02 am.

Public Comment: Mr. Arwood asked that any attendees wishing to address the Board come forward at this time. No public comment.

Mr. Arwood recognized the following legislators in attendance: Senator Bert Johnson, who wished to show support for Flex N Gate Detroit, LLC, on the agenda under D1. Business Investment; Joe Becker attending on behalf of Senator Rick Jones, who wished to show support for Spartan Motors/City of Charlotte on the agenda under D1. Business Investment; State Representative Nancy Jenkins who wished to show support for the City of Adrian Façade Improvement, on the agenda under E. Community Vitality; Corey Welch attending on behalf of Senator Dale Zorn who wished to show support for the City of Adrian Façade Improvement, on the agenda under E. Community Vitality; Collin McDonough attending on behalf of Senator Margaret O'Brien who wished to show support for Peregrine PNC, LLC/City of Kalamazoo, on the agenda under E. Community Vitality; Julie Vogel on behalf of State Representative Jon Hoadley, who wished to show support for Peregrine PNC, LLC/City of Kalamazoo, on the agenda under E. Community Vitality.

Communications: Andrea Robach, MSF Administrator advised the Board that the Covisint Forbearance agenda item, under B. Administrative, has been pulled. Additionally, the Board has been provided revised resolutions for Cosworth, and Detroit Renewable Power, under agenda items C1 & C2 respectively, at the table.

A. CONSENT AGENDA

Resolution 2016-058 Approval of Consent Agenda Items

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

Proposed Meeting Minutes – **April 26, 2016**

MidTowne Village, LLC/City of Grand Rapids – MCRP Amendment **2016-059**

Lofts on 820, LLC/City of Grand Rapids – MCRP Amendment **2016-060**

Appointment to DMI Board of Directors – **2016-061**
Approval of Additional MSF Bond Counsel – **2016-062**

Dan Boge seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

B. ADMINISTRATIVE

Resolution 2016-063 Community Revitalization Program – Incentive Parameters

Lisa Pung, Manager, MCRP, Brownfield & Smart Zone Programs and Julius Edwards, Manager, Real Estate Investment & Portfolio, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2016-063. Dan Boge seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

C. IMAGE/STATE BRANDING

Resolution 2016-064 China Tourism Development Svcs. – RFP Award Recommendation

Dave Lorenz, Vice President, Travel Michigan, provided the Board with information regarding this action item. Following brief discussion, Dan Boge motioned for the approval of Resolution 2016-064. Paul Anderson seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-065 Detroit Convention and Visitors Bureau – MOU Renewal

Dave Lorenz, Vice President, Travel Michigan, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2016-065. Wayne Wood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

D. BUSINESS INVESTMENT

D1. Business Growth

Resolution 2016-066 Spartan Motors, Inc./City of Charlotte – Act 381 Work Plan

Trevor Friedeberg, Development Finance Manager, provided the Board with information regarding this action item. Following brief discussion, Wayne Wood motioned for approval of Resolution 2016-066. Paul Anderson seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-067 Cosworth, LLC – Michigan Business Development Program

Marcia Gebarowski, Development Finance Manager, provided the Board with information regarding this action item. Following brief discussion, Dan Boge motioned for the approval of Resolution 2016-067. Shaun Wilson seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-068 Flex N Gate – Michigan Business Development Program

Marcia Gebarowski, Development Finance Manager, provided the Board with information regarding this action item. Following brief discussion, Shaun Wilson motioned for the approval of Resolution 2016-068. Dan Boge seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Mr. Wilson recused from next item, leaves the room.

D2. Access to Capital

Resolution 2016-069 Detroit Renewable Power, LLC – Bond Authorizing

Chris Cook, Director, Capital Programs, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2016-069. Dan Boge seconded the motion. **The motion carried via roll call vote: 7 ayes; 0 nays; 1 recused.**

Mr. Wilson rejoined the meeting.

Resolution 2016-070 Potluri Group, LLC/Digital Terrain, Inc. – SSBCI Collateral Support

Rachel Bakken, Project Manager, provided the Board with information regarding this action item.

Following brief discussion, Larry Koops motioned for approval of Resolution 2016-070. Wayne Wood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

E. COMMUNITY VITALITY

Resolutions 2016-071 & 2016-072 Peregrine PNC, LLC/City of Kalamazoo – MCRP & Act 381 Work Plan

Emily Petz, Community Assistance Team, provided the Board with information regarding these action items. Following brief discussion, Larry Koops motioned for the approval of Resolutions 2016-071 & 2016-072. Wayne Wood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolutions 2016-073 & 2016-074 601 Bond/City of Grand Rapids – Act 381 Work Plan & MBT Amendments

Rob Garza, Brownfield Specialist, provided the Board with information regarding these action items.

Following brief discussion, Wayne Wood motioned for the approval of Resolutions 2016-073 & 2016-74. Dan Boge seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-075 & 2016-076 Sperry’s Theatre/City of Port Huron – Brownfield & MBT Amendments

Rob Garza, Brownfield Specialist, provided the Board with information regarding these action items.

Following brief discussion, Larry Koops motioned for the approval of Resolutions 2016-075 & 2016-76. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-077 City of Adrian – CDBG Façade Improvement

Marilyn Crowley, Community Assistance Team, provided the Board with information regarding this action item.

Following brief discussion, Wayne Wood motioned for the approval of Resolution 2016-077. Larry Koops seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Mr. Arwood adjourned the meeting at 11:23 am.



THE SENATE
STATE OF MICHIGAN

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COMMITTEE ASSIGNMENTS

CHAIRMAN:

LOCAL GOVERNMENT

VICE CHAIRMAN:

OUTDOOR RECREATION
AND TOURISM

MEMBER:

BANKING AND FINANCIAL
INSTITUTIONS

ENERGY AND TECHNOLOGY

VETERANS, MILITARY AFFAIRS
AND HOMELAND SECURITY

May 24, 2016

Dear Michigan Strategic Fund Board Members,

I am writing to share my utmost support for the approval of the City of Adrian's Community Development Block Grant application for much needed façade projects in downtown Adrian.

There is a great deal of community support for these projects from citizens and businesses alike and it is expected that \$558,533 of private investment will be forthcoming as well. This funding would be used to restore a total of six historic buildings, each of which are extremely important to the community. There are many benefits to restoring these buildings, including economic growth and helping to revitalize the downtown Adrian area. The buildings include 127-129 East Maumee Street which is owned by the Croswell Opera House & Fine Arts Association. The Croswell Opera House was voted Michigan's Favorite Theater in the state and these CDBG funds would be used to enhance the experience with handicapped access and other additional amenities.

I urge the Michigan Strategic Fund Board to give your utmost consideration to the City of Adrian's application for a total of \$1,450,346 in CDBG funds. These funds will continue the great work the City of Adrian is already doing to revitalize their downtown area. The benefits the City of Adrian will receive from this grant will span generations and the many benefits cannot be measured in mere words, but go far in the City of Adrian.

Sincerely,

Dale W. Zorn
State Senator
District 17



Tuesday, May 24, 2016

Steve Arwood, President and Chairman
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Dear Chairman Arwood and Board Members,

It has been brought to our attention there is a pending request from Cosworth LLC to approve a \$2.1 million Michigan Business Development Program performance-based loan (with the ability to convert to a grant based on job creation milestones) to support a new manufacturing facility to machine V8 cylinder heads for an OEM. As this development will lease a facility in the Cherry Creek Corporate Park in Shelby Township, which is in both of our districts, we wanted to reach out and convey to the board that both Rep. Peter Lucido and Sen. Jack Brandenburg wish to demonstrate on the record their support for this loan.

In our view, the capital investment of \$17.5 million and the creation of 50 jobs over five years is a worthwhile investment in our community and is worthy of this loan. Most importantly, as Cosworth LLC has received a competing offer from Indiana to build this facility and while Michigan has improved since the Great Recession, we should always be striving forward and actively competing to bring more jobs to Michigan.

Kindly contact either one of us at our offices, Rep. Lucido at 517-373-0843, or Sen. Brandenburg at 517-373-7670, if you have any questions for us on this matter. We hope you grant this request and continue to do the work necessary to ensure a brighter tomorrow for all Michigan residents. With appreciation of your anticipated cooperation, we therefore remain,

Respectfully,

A handwritten signature in black ink that reads "Peter J. Lucido".

Peter J. Lucido
State Representative
36th District

A handwritten signature in black ink that reads "Jack Brandenburg".

Jack Brandenburg
State Senator
8th District



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

January 22, 2016

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

Dear Ms. Robach,

I hereby designate Andrew Lockwood to represent me at Michigan Strategic Fund Meetings I am unable to attend.

Sincerely,

A handwritten signature in black ink, appearing to read "N.A. Khouri", with a long horizontal stroke extending to the right.

N.A. Khouri
State Treasurer

Cc: Andrew Lockwood



Tuesday, May 24, 2016, 2016

Andrea M. Robach, EDFP
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Dear Andrea,
Please consider this communication as a letter of recusal for the Detroit Renewable Power, LLC agenda item listed for the **Tuesday, May 24, 2016** Michigan Strategic Fund board meeting.

I will be recusing myself due to our firm's direct business dealings with Detroit Renewable Power.

Thank you,

Shaun W. Wilson

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