BOARD MEETING AGENDA
January 26, 2021
10:00 a.m.

I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES

III. COMMUNICATIONS
   a. Chief Compliance Officer Quarterly Report .............................................................. 3

IV. CONSENT AGENDA
   a. Proposed Meeting Minutes: December 8, 2020.......................................................... 5
   b. Proposed Meeting Minutes: January 14, 2021.......................................................... 15
   c. Sugar Hill Redevelopment: Brownfield MBT Amendment ........................................ 18
   d. Newell Brands: MBDP Amendment ........................................................................... 25

V. CAPITAL ACCESS
   a. Grow Michigan: Appointment to the Board of Managers: Resolution to remove Mark Morante and appoint Julius Edwards, Senior Commercial Real Estate Investment Manager Community Development, to the Grow Michigan Board of Managers ............................. 33
   b. Neighborhood Club: Resolution to approve a supplement to the amended and restated trust indenture for MSF Series 2011 bonds by providing a new formula for calculating the interest rate on the bonds and a five-year extension to the current bank purchase rate period ......................................................................................... 36

VI. ENTREPRENEURSHIP
   a. University Early-Stage Proof-of-Concept: Resolution to approve the ADVANCE Fund RFP process and allocate $250,000 from the FY21 Entrepreneurship and Innovation Budget to the program, and approve the Joint Evaluation Committee Members, scope of work and scoring criteria ................................................................. 41

VII. COMMUNITY VITALITY
   a. Lofts on Rowe Redevelopment: Resolution to approve a CDBG Spot Blight grant agreement in the amount of up to $2,030,000 and to approve state tax capture for the Brownfield Act 381 eligible activities capped at $1,554,279 ......................................................... 49
      Capital investment: $12,788,712; Location: City of Ludington
   b. Peerless Flats: Resolution to approve a transfer of funds from the Investment Fund to the Michigan Community Revitalization Program, approve state capture for the Brownfield Act 381 eligible activities capped at $1,378,865 and to approve a MCRP Other Economic Assistance Loan Participation Award in the amount of up to $4,750,000 ......................... 69
      Capital investment: $24,750,000; Location: City of Grand Haven
   c. Keefer House Hotel, LLC: Resolution to approve a MCRP Other Economic Assistance – Equity Investment Award in the amount of $2,000,000 and a transfer of funds from the Investment Fund to the Michigan Community Revitalization Program ....................................... 89
      Capital investment: $12,346,601; Location: City of Hillsdale
d. Cadillac Lofts: Resolution to approve an amendment to the existing Brownfield Act 381 Work Plan to increase state tax capture to $622,273 and to approve an amendment to the MCRP Grant Agreement and any ancillary agreements to extend the Milestone Two due date to April 30, 2021 and the Pre-Grant Disbursement Due Diligence Conditions due date to August 31, 2021 .......................................................................................................................... 107

Total Private Investment: $19.2 million; Location: City of Cadillac

VIII. INFORMATIONAL
a. Quarterly Reports .................................................................................................................. 115

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

January 12, 2021

TO: Honorable Gretchen Whitmer
   Governor and Chairperson of the State Administrative Board.

   Mark Burton
   President
   Michigan Strategic Fund Board

FROM: Kevin L. Francart
   Chief Compliance Officer

RE: FY2021 Q1 Report of the Chief Compliance Officer.

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures and with applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the first quarter of the 2021 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law. The Chief Compliance Officer (CCO) monitored and reviewed a discrimination complaint investigation regarding an MEDC employee. The complaint was forwarded to the MSF/MEDC Equity and Inclusion Officer, investigated, and the report was filed with the Governor’s compliance office in accordance with established procedure. The Equity and Inclusion Officer found that no discriminatory actions were taken by the employee and no additional action needed to be taken by the MSF/MEDC. The CCO is working with MEDC and the AG on issues concerning state wide base jobs and qualified businesses. This is an ongoing project. The CCO assisted staff with drafting amendments to the BDP guidelines. The CCO assisted staff with amendments to expired contracts questions. The CCO’s advice was that once a contract has expired, and revision or amendment would be a new agreement, subject to the policies and procedures governing that agreement. As reported previously, because of staffing changes the site visit guidelines were modified. Because of the staffing changes the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines.
The Chief Compliance Officer provided informal advice regarding various issues arising this quarter concerning such topics as the conflict of interest determination, breadth of delegated Board authority, authorized use of 21st century job fund funds, and compliance with established Board policy and limitations.
Members joined remotely
Britany L. Affolter-Caine, participating from Ypsilanti Township, MI
Paul Ajegba, participating from Superior Township, MI
Ronald W. Beebe, participating from Bay City, MI
Mark Burton, participating from Meridian Township, MI
Susan Corbin, participating from Petoskey, MI
Paul Gentilozzi, participating from Lansing, MI
Michael B. Kapp (on behalf of Director Ajegba), participating from Wheatfield Township, MI
  o participated until Director Ajegba joined the meeting
Andrew Lockwood (on behalf of Treasurer Eubanks), participating from Grand Ledge, MI
Susan Tellier, participating from Grand Rapids, MI
Cindy Warner, participating from Traverse City, MI

Members absent
September Hargrove
Charles P. Rothstein

I. CALL TO ORDER & ROLL CALL
Mr. Burton called the meeting to order at 9:01 a.m. The meeting was held virtually via Microsoft Teams due to the COVID-19 pandemic. It was moved to an earlier time due to a lengthy agenda.

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

II. PUBLIC COMMENTS
Katelyn Wilcox explained the process for members of the public to participate; there were no public comments.

III. COMMUNICATIONS
Katelyn Wilcox advised Board members that letters were received from Senator Dan Lauwers, the Community Foundation of St. Clair County, and the City of Port Huron Downtown Development Authority in support of the Wrigley Center, LLC project in Port Huron; the letters are attached to the minutes.

IV. CONSENT AGENDA
Resolution 2020-142 Approval of Consent Agenda Items
Mr. Burton asked if there were any questions from the Board regarding items under the Consent Agenda. There being none, Andrew Lockwood motioned for the approval of the following:

a. Proposed Meeting Minutes: October 27, 2020
b. Proposed Special Session Meeting Minutes: November 30, 2020
c. Acrisure LLC: GJFM Incentive Agreement Amendment and MBDP Grant Amendment – 2020-143 & 2020-144
d. CDBG Program Year 2019 Action Plan Third Amendment: CDBG COVID Response Funds – 2020-145
Susan Tellier seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

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

Paul Ajegba joined the meeting at 9:08 a.m.

V. ADMINISTRATIVE

Resolution 2020-146 FY 2021 Michigan Business Development Program (MBDP): Guidelines Amendments

a. Trevor Friedeberg, Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of amendments to MBDP Guidelines, including document structure, eligibility requirements, project considerations, and job metrics. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-146. Cindy Warner seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

VI. CAPITAL ACCESS


Aileen Cohen, Capital Project and Portfolio Manager, provided the Board with information regarding this action item. The action involves approval of $5,000,000 in collateral support for a draw to term construction line of credit to support construction of a new training facility in the City of Detroit. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2020-147. Susan Corbin seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None


Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves approval of supplements to indentures for MSF Series 2013A and 2013B bonds related to the Chelsea-Area Wellness Foundation project. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-148. Susan Tellier seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None
VII. BUSINESS INVESTMENT

Josh Hundt, Executive Vice President & Chief Business Development Officer, provided an overview of the Michigan Economic Development Corporation’s Industry 4.0 Signature Initiative, including what it is and how Michigan can lead the nation in the fourth phase of this industrial revolution. This will be accomplished by implementing a multi-pronged effort to ensure that by 2025 50 percent of all Michigan manufacturers will be prepared to adopt Industry 4.0.

a. **Resolution 2020-149 Automation Alley: FY 2021 Funding Allocation**

   Natalie Chmiko, Vice President of PMBC & International Trade, provided the Board with information regarding this action item. The action involves allocation of $2,500,000 in funding to support Automation Alley Industry 4.0 services to Michigan small and medium-sized manufacturers. Following discussion, Paul Gentilozzi motioned to amend the resolution to modify the term extension from “an additional five years” to “an additional five one-year terms” and to bring the item back to the board annually for approval. Ronald W. Beebe seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

   **ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

   Paul Gentilozzi then motioned for the approval of Resolution 2020-149, as amended. Ronald W. Beebe seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

   **ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

b. **Resolution 2020-150 Michigan Manufacturing Technology Center (MMTC): FY 2021 Funding Allocation**

   Natalie Chmiko, Vice President of PMBC & International Trade, provided the Board with information regarding this action item. The action involves approval of a grant amendment to allocate $3,050,000 in additional funding to support MMTC Industry 4.0 services for Michigan small and medium-sized manufacturers. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-150. Susan Corbin seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

   **ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

c. **Resolution 2020-151 Industry 4.0 Regional Grant: Request for Proposals and Funding Allocation**

   Eric Shreffler, Vice President of Market Development, provided the Board with information regarding this action item. The action involves allocation of $2,000,000 in funding and approval of scope of work for a Request for Proposals to solicit regional proposals from eligible organizations to increase manufacturers’ awareness and readiness to adopt Industry 4.0 technologies, appoint a Joint Evaluation Committee to review proposals, and adopt scoring and evaluation criteria. Following discussion, Paul Ajegba motioned to amend the resolution to modify the allocation from $2,000,000 to “up to” $2,000,000 and to approve Resolution 2020-151, as amended. Paul Gentilozzi seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.
d. Resolution 2020-152 Industry 4.0 Awareness and Education
Doug Kuiper, Senior Vice President of Marketing and Communications, provided the Board with information regarding this action item. The action involves allocation of $1,000,000 in funding to McCann Erickson for business marketing advertising services to generate awareness and connect Michigan manufacturers to statewide Industry 4.0 opportunities, resources, and services. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-152. Susan Corbin seconded the motion. The motion carried: 6 ayes; 3 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

e. Resolution 2020-153 NorthPoint Development, LLC / City of Detroit Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Former Cadillac Stamping Plant Redevelopment Project)
Jibran Ahmed, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at $3,330,293 to support a business development project in the City of Detroit. The project is expected to result in total capital investment of $47,943,883. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2020-153. Ronald W. Beebe seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

VIII. COMMUNITY VITALITY
a. Middleville Main, LLC: Michigan Community Revitalization Program Grant and Property Qualification
Sue DeVries, Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of a $990,000 Michigan Community Revitalization Program performance-based grant and property qualification consistent with the finding and declarations in Section 90 of the MSF Act to support a community development project in the Village of Middleville. The project is expected to result in total capital investment of $2,840,448. Following discussion and questions by Board members, Mark Burton motioned to table this agenda item. Ronald W. Beebe seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

Ronald W. Beebe disconnected from the meeting at 11:52 a.m.

Susan Tellier disconnected from the meeting at 12:02 p.m.
b. Resolutions 2020-154 & 2020-155 Wrigley Center Master Tenant, L.L.C. and Wrigley Center, L.L.C. / City of Port Huron Brownfield Redevelopment Authority: Michigan Community Revitalization Program Grant and Brownfield Act 381 Work Plan (Wrigley Center Development Project)

Charles Donaldson, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. These actions involve approval of state tax capture capped at $689,143 for Act 381 eligible activities and a $1,500,000 Michigan Community Revitalization Program performance-based grant to support a community development project in the City of Port Huron. The project is expected to result in total capital investment of $14,450,770. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-154. Paul Gentilozzi seconded the motion. The motion carried: 7 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Cindy Warner; Nays: None; Recused: None

Cindy Warner then motioned for the approval of Resolution 2020-155. Paul Gentilozzi seconded the motion. The motion carried: 7 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Cindy Warner; Nays: None; Recused: None

IX. IMAGE BRANDING

a. Resolution 2020-156 McCann Erickson USA, Inc: Business Marketing Advertising Contract Amendment

Doug Kuiper, Senior Vice President of Marketing and Communications, provided the Board with information regarding this action item. The action involves approval of a request to encumber up to $5,782,500 from FY 2021 appropriated funds and authorize the Fund Manager to enter into a contract amendment with McCann Erickson for business marketing advertising services. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-156. Susan Corbin seconded the motion. The motion carried: 7 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Cindy Warner; Nays: None; Recused: None

Mr. Burton adjourned the meeting at 12:14 p.m.
December 4, 2020

To Whom It May Concern:

I am writing to offer my full support of The Wrigley Center, LLC grant application.

This important project, located at 318 Grand River Avenue, will build upon the city of Port Huron’s continuing revitalization. The renovation and expansion of a now one-story vacant building into a four-story multi-use building will provide much needed affordable commercial space. The Wrigley Center will also house a farmer’s market, which will provide access to fresh local food supplied by the farmers and growers in the surrounding communities.

Port Huron is the main urban center for the 25th Senate District and it’s continued improvement and revitalization benefits many people in the Thumb region. Knowing the benefits this project would provide, I fully support The Wrigley Center, LLC development project.

Thank you for your time and consideration of my support.

Sincerely,

Dan Lauwers
State Senator, 25th District
December 2, 2020

Mr. Chuck Donaldson
Region 6 Specialist
MEDC

Dear Chuck:

On behalf of the Community Foundation of St. Clair County I am pleased to let you and the MEDC know that we are pledging $350,000 in financing to the Wrigley Center project in Port Huron.

The redevelopment of the former Art Van building in downtown Port Huron is perhaps our region’s top economic priority. The building has been vacant and off the tax rolls for many years and is a drain on our downtown.

Our Foundation, along with the Blue Meets Green coalition and other regional stakeholders are convinced that this mixed-use redevelopment will have a significant impact on our region.

The Community Foundation is proud to be an investor in this project, and hope that the MEDC joins us.

Sincerely,

Randy Maiers
December 2, 2020

To whom it may concern,

On behalf of the City of Port Huron Downtown Development Authority (DDA), I am pleased to offer our support for Wrigley Center, LLC at 318 Grand River in Downtown Port Huron. This is a much anticipated project that will entirely change the landscape of Downtown Port Huron and all economy boosting projects moving forward.

Downtown Port Huron has completely transformed in the past five years; and new projects are not just on the horizon, they’re happening now. The Wrigley Center will undoubtedly change the game by transforming 318 Grand River from a dilapidated building to a beautiful mixed-use center for shopping, a farmers market, and unique spaces. Additionally, while Downtown is growing at an exciting rate, the need for additional lofts is present by the year or longer waiting list we are currently seeing. The Wrigley Center Project moving forward is precisely the action that Downtown Port Huron needs to see in order to transform the landscape and raise the stakes as to what Port Huron is capable of.

The DDA has long-desired to see 318 Grand River renovated in order to forward the goals and development plan of the City of Port Huron. The Wrigley Center not only meets those goals, but exceeds them. On behalf of the DDA, downtown businesses owners and the community as a whole, we look forward to seeing this project come to fruition. Please do not hesitate to contact me if I can provide any additional assistance to this matter.

Sincerely,

Cynthia M. Cutright
DDA Director
City of Port Huron
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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 16, 2020

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
    Andrew Lockwood
Members joined remotely
Britany L. Affolter-Caine, participating from Ypsilanti Township, MI
Paul Ajegba, participating from Ann Arbor, MI
Ronald W. Beebe, participating from St. Johns, MI
Mark Burton, participating from Meridian Township, MI
Susan Corbin, participating from Petoskey, MI
Paul Gentilozzi, participating from East Lansing MI
September Hargrove, participating from Detroit, MI
Andrew Lockwood (on behalf of Treasurer Eubanks), participating from Grand Ledge, MI
Charles P. Rothstein, participating from Franklin, MI
Susan Tellier, participating from Grand Rapids, MI
Cindy Warner, participating from Palm Springs, CA

I. CALL TO ORDER & ROLL CALL
Mr. Burton called the special meeting to order at 12:01 p.m. The meeting was held virtually via Microsoft Teams due to the COVID-19 pandemic. He stated the purpose of the special meeting is for Board members to consider supplemental budget items that provide support to live music and entertainment venues and small businesses disproportionately impacted by the COVID-19 crisis.

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

II. PUBLIC COMMENTS
Katelyn Wilcox Surmann explained the process for members of the public to participate.
- John Jablonski expressed concern that the legislature directed the Michigan Independent Venue and Promoter Association, a relatively new organization, to administer the Michigan Stages Survival Grant Program. He asked how the organization will decide which venues will receive funding, particularly for those that are not members of the association. Mr. Burton stated this would be addressed during the presentation on the agenda item.
- Richard Stewart was an applicant for COVID-19-related small business loan and grant programs and his application was denied for both. He expressed concern on how diversity was defined in the application process and encouraged the development of a universal definition for diversity to prevent discriminatory practices by organizations administering the grants.

The following comments were submitted through the Microsoft Teams chat feature at 12:53 p.m.
- Alex Kofsky - Accelerate UP: For consideration. My organization assists entrepreneurs in the startup and expansion phases of their business. A number of businesses I work with acquired financing in 2018-2019; one in particular investing $800k in the remodeling of a downtown building which took 1.5 years. This business opened February 15th, 2020, and is unable to obtain assistance through the PPP and EIDL, as well as many grants they have applied for. The issue being an inability to showcase income loss in relation to their 2019 income numbers. The business is still paying on the loans associated with the buildout, however, being a wellness/fitness center has been devastated by Covid-19 related restrictions. Thank you all for the hard work you do for our State. Please take this issue into consideration, as we need to encourage start-ups during these challenging times. Innovation and entrepreneurship will be a major source of economic success as we move forward into 2021.
III. COMMUNICATIONS
Katelyn Wilcox Surmann advised Board members that no communications were received for this meeting.

IV. SUPPLEMENTAL BUDGET ITEMS
Amanda Bright McClanahan, Chief Operating Officer, provided an overview of the supplemental budget items included in SB 748 that was signed into law by Governor Whitmer on December 29, 2020. The guidelines for the programs being considered follow the statutory requirements.

Resolution 2021-001 Michigan Stages Survival Grant Program: Approval of Funding, Program Guidelines, Michigan Independent Venue and Promoter Association (MIVPA) Agreement and Background Review Policy Waiver
Amanda Bright McClanahan, Chief Operating Officer, provided the Board with information regarding this action item. The action involves approval of funding, program guidelines, MIVPA agreement, and background review policy waiver for the Michigan Stages Survival Grant Program. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2021-001. Susan Tellier seconded the motion. The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.

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

Resolution 2021-002 Michigan Small Business Survival Grant Program: Approval of Funding, Funding Allocations, Program Guidelines and Background Review Policy Waiver
Joshua Hundt, Executive Vice President & Chief Business Development Officer, provided the Board with information regarding this action item. The action involves approval of funding, funding allocations, program guidelines, and background review policy waiver for the Michigan Small Business Survival Grant Program. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2021-002. Susan Tellier seconded the motion. The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.

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

Resolution 2021-003 Delegation of Authority
The action involves approval of delegation of authority for the MSF President or the MSF Fund Manager to make all decisions that are necessary and appropriate to administer the Michigan Stages Survival Grant Program and the Michigan Small Business Survival Grant Program. Cindy Warner motioned for the approval of Resolution 2021-003. Paul Ajegba seconded the motion. The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.

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

Mr. Burton adjourned the meeting at 12:54 p.m.
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:  

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

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
    Andrew Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Rob Garza, Manager, Statutory Analysis

Subject: Request for Amendment Two
Brownfield Michigan Business Tax (MBT) Credit
Sugar Hill Redevelopment Project

Request
POAH DD Sugar Hill, LLC (“Qualified Taxpayer” or “QT”) requests approval of an amendment to the Brownfield MBT Credit project to change the project scope to recognize project completion as the completion of the structural shell to support a 5-story building and the completion of approximately 23 apartment units and to add Dreambuilders Nonprofit Housing Corporation as a Qualified Taxpayer. The value of the Credit is not changing, and the entire 5-story building will need to receive a permanent certificate of occupancy before the Credit is issued.

Background
The project was originally approved by the Michigan Economic Growth Authority (“MEGA”) on December 14, 2010 as a two-phase project that included the construction of a 213-space parking deck and a 5-story mixed-use building containing residential and commercial space located at 81, 95, 107, and 119 Garfield Street in Detroit. The project qualifies for an MBT credit because it is blighted.

The MBT credit was previously amended on December 17, 2019 to add POAH DD Sugar Hill, LLC as a qualified taxpayer and change the scope to reflect a single-phase project that will contain a 5-story mixed-use building with ground floor commercial space, four stories of market rate and affordable housing, and an integrated parking structure.

The reason for this request is because the development team has experienced construction delays due to the pandemic. The building will not be able to be fully completed by the MBT credit’s statutory expiration date of June 14, 2021, which is 10 years from the date the original Pre-Approval Letter was issued. The development team has requested that the MBT project scope be amended to consist of the completion of the structural shell to support a 5-story building and the completion of approximately 23 apartment units. Eligible investment would be incurred through June 14, 2021 and is anticipated to be approximately $13,710,510. The originally approved Credit amount is capped at less than 20% of the proposed revised scope, so the amount of the Credit will remain the same or may be reduced if the actual eligible investment incurred is less than anticipated. The MBT Certificate of Completion request for this phase would not be reviewed until the permanent certificate of occupancy is issued by the City of Detroit following completion of the entire building, which is anticipated by September 30, 2021. Total capital investment for the project is $37,289,950.
Dreambuilders Nonprofit Housing Corporation is an affiliated entity of POAH DD Sugar Hill, LLC and includes the same principals. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

**Appendix A** addresses the Brownfield MBT tax credit structure and **Appendix B** includes the Ownership Organizational Chart.

**Recommendation**
MEDC staff recommends approval of the Brownfield MBT Credit amendment request to revise the scope to recognize the completion of the structural shell to support a 5-story building and the completion of approximately 23 apartment units and associated eligible investment incurred through the Brownfield MBT Credit statutory expiration date of June 14, 2021 and to add Dreambuilders Nonprofit Housing Corporation as a Qualified Taxpayer. A permanent certificate of occupancy for the 5-story building must be issued by the City of Detroit before MEDC staff can review any Certificate of Completion request.
APPENDIX A – Brownfield Tax Credit Structure

Brownfield MBT Credit Amendment Request By:

POAH DD Sugar Hill, LLC
1 LaSalle, Suite 1300
Chicago, IL 60602

Contact: Aaron Gornstein, President

<table>
<thead>
<tr>
<th></th>
<th>Previous Approval</th>
<th>Amendment</th>
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</thead>
<tbody>
<tr>
<td>Project Eligible Investment</td>
<td>$20,648,114</td>
<td>$13,710,510</td>
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<tr>
<td>Requested Credit Amount</td>
<td>$2,496,943</td>
<td>$2,496,943 (Capped)</td>
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<tr>
<td>Requested Credit Percentage:</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**TOTAL COST OF ELIGIBLE INVESTMENTS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>New Construction</td>
<td>13,710,510</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 13,710,510</strong></td>
</tr>
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</table>
### APPENDIX B – Organizational Chart

**Dreambuilders Nonprofit Housing Corporation Organizational Structure**

<table>
<thead>
<tr>
<th>Member/Company name and manager</th>
<th>Ownership Interest</th>
<th>EIN</th>
<th>State of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dreambuilders Nonprofit Housing Corporation Owner</td>
<td>The entity is nonprofit and has no key owners</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
At the meeting of the Michigan Strategic Fund (“MSF”) held on January 26, 2021 in Lansing, Michigan;

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) is authorized by 1995 PA 24, as amended, to amend projects for brownfield redevelopment tax credits authorized by Section 437 of the Michigan Business Tax Act, PA 36 of 2007, as amended (the “Act”), or by former section 38(g) of the Michigan Single Business Tax Act, PA 228 of 1975;

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 MSF;

WHEREAS, by Resolution 2010-218 on December 14, 2010, the MEGA Board awarded a Brownfield MBT Tax Credit to Sugar Hill Residential Building, LLC (the “Applicant”) to make eligible investment up to $12,484,714 at an eligible property in the City of Detroit (the “Project”);

WHEREAS, by Resolution 2019-197 on December 17, 2019, the MSF Board amended the Project to reflect a 5-story mixed-use building containing approximately 11,761 square feet of commercial/retail space on the first floor and approximately 68 residential units occupying approximately 62,270 square feet on floors 2-5, the addition of POAH DD Sugar Hill, LLC as a qualified taxpayer, and an increase of the eligible investment amount to $20,648,114;

WHEREAS, Section 437(9) of the Act allows approved projects to request an amendment to the Project if the Project is unable to be completed as described in the original application;

WHEREAS, a request has been submitted to amend the Project to add Dreambuilders Nonprofit Housing Corporation as a qualified taxpayer and define the project scope to reflect the construction of the structural shell of the 5-story mixed-use building and the completion of approximately 23 apartment units; and

WHEREAS, no certificate of completion has been issued for the Project; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and recommends approval of the amendment by the MSF Board, provided that the maximum credit amount does not exceed $2,496,943;

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board amends the Project by modifying the scope of the Project to reflect the construction of the structural shell of the 5-story mixed-use building and the completion of approximately 23 apartment units.
BE IT FURTHER RESOLVED, that Dreambuilders Nonprofit Housing Corporation is added as a qualified taxpayer.

BE IT FURTHER RESOLVED, that the Project is required to submit a Certificate of Completion request within one year of project completion.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date: January 26, 2021
To: Michigan Strategic Fund (“MSF”) Board Members
From: Erik Wilford, Senior Business Development Project Manager
Subject: Grant Amendment Request

Michigan Business Development Program (“MBDP”)
Newell Brands Inc. (“Company”)

Request
This is a request to amend the Company’s existing MBDP Grant Agreement under the Awardee Relief Initiative to (collectively, the “MBDP Amendment Request”):

- Extend Key Milestones Two and Three from December 31, 2019 to April 30, 2021 and December 31, 2020 to April 30, 2022 respectively
- As a result, the Term of the Grant would be extended to October 31, 2022

Background
On September 26, 2017, the MSF Board approved an incentive for the Company in the amount of up to $1,479,000 in the form of a performance-based grant under the Business Development Program. This grant was for the creation of 87 Qualified New Jobs (“QNJs”) and a capital investment of $7,298,600 in the City of Kalamazoo. The incentive assistance was necessary to secure the project for a 22,225 square foot expansion to its design center in Michigan and was in competition with Hoboken, New Jersey and Chicago, Illinois.

On October 23, 2018, the MSF Board approved an amendment to the BDP Agreement to include the related entity Newell Rubbermaid Development LLC for the purposes of counting Base Employment and Qualified New Jobs.

The Company began in 1903 as Newell Manufacturing Company in Ogdensburg, New York. In 1999 it became known as Newell Rubbermaid, and after a more recent acquisition of Jarden, became Newell Brands. The Company is a leading global consumer goods manufacturing company with a portfolio of well-known market-leading brands including Sharpie, Elmer’s, Coleman, Sunbeam and Crock-Pot. In 2014, the Company opened the Kalamazoo Design Center with the objective of bringing together multiple disciplines within the full range of product design and innovation disciplines including graphic and industrial design, prototyping, usability and trend analysis.

The expansion project was completed in December 2019 with capital expenditures totaling $7.4 million. The Company was on track and nearly met Key Milestone Two on time by adding 57 QNJs above the Base Employment Level of 113 which is 5 below the 62 required QNJs for Key Milestone Two. The social distancing orders required due to the Covid-19 pandemic forced the Company to rework its operations and delayed adding additional employees that are needed. The Company has since resumed hiring and is confident it will meet both Key Milestones by the amended due dates.
**Recommendation**
MEDC Staff recommends approval of the following under the Awardee Relief Initiative (collectively, “Recommendation”):

a) Approval of the MBDP Amendment Request; and
b) All other aspects of the approval remain unchanged.
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 (“MEDC”) provides administrative services to the Michigan Strategic Fund (“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 (“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 (“Guidelines”);

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

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

WHEREAS, the MSF Board approved a $1,479,000 Michigan Business Development Program performance-based grant on September 26, 2017 for the expansion of its Design Center in the City of Kalamazoo (the “Project”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the Michigan Business Development Program performance-based grant by extending the due dates of Milestone Two and Milestone Three (the “Grant Amendment Request”);

WHEREAS, the MEDC recommends approval of the Grant Amendment Request; and

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Grant 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 Grant Amendment Request.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant Amendment - Term Sheet

The following is a summary of the highlights of the amendment and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP Incentive Amendment is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: July 30, 2020

Company Name: Newell Brands, Inc. ("Company")

Company Address ("Project"): 3300 Research Way
Kalamazoo, Michigan 49008

MBDP Incentive Type: Performance Based Grant

Current Status of the MBDP Incentive, as set forth in the final MBDP Incentive Award Agreement ("Agreement"):

- **Maximum Amount of MBDP Incentive:** Up to $1,479,000 ("MBDP Incentive Award")
- **Base Employment Level** At least 113
- **Total Qualified New Job Creation:** At least 87
  - *(above Base Employment Level)*
- **Company Investment:** $7,298,600 in computers and IT, furniture and fixtures, and new construction, or any combination thereof, for the Project.
- **Municipality supporting the Project:** City of Kalamazoo

**Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award are outlined in Exhibit B of the Agreement, and include:

- **Disbursement Milestone 1:** Up to $629,000
  - Upon demonstrated creation of 37 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than June 30, 2018.

- **Disbursement Milestone 2:** Up to $425,000
  - Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 62 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2019.

- **Disbursement Milestone 3:** Up to $425,000
  - Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of
87 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2020.

- **Term of Agreement:** Execution of Agreement to June 30, 2021

**Proposed MBDP Incentive Amendment**

- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award will be amended as follows:
  - **Disbursement Milestone 2:** Up to $425,000
    Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 62 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2021.
  - **Disbursement Milestone 3:** Up to $425,000
    Upon completion of Disbursement Milestone 1, and Disbursement Milestone 2, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 87 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2022.

- **Term of Agreement:** Execution of Agreement to October 31, 2022

Any final MBDP Incentive Amendment is contingent upon several factors, including: (i) submission by the Company of a completed amendment application and all other documentation required under the MBDP (ii) satisfactory municipality support, if applicable (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory to the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Amendment containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award Amendment for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by August 15, 2020, the MEDC may not be able to proceed with any recommendation to the MSF.

**Acknowledged as received by:**

Newell Brands, Inc.

By:  

John Pursell  

Printed Name: John Pursell  

Its: Real Estate Director  

Dated: 09/04/2020

Michigan Economic Development Corporation

By: Erik Wilford  

Printed Name: Erik Wilford  

Its: Sr. Business Development Project Manager  

Dated: 9/8/2020
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MICHIGAN STRATEGIC FUND

RESOLUTION
2021-004

APPROVAL OF THE JANUARY 26, 2021 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD

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

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

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

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

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

Consent Agenda Items:

- December 8, 2020 MSF Board Meeting Minutes
- January 14, 2021 MSF Board Meeting Minutes
- Sugar Hill Redevelopment: Brownfield MBT Amendment
- Newell Brands: MBDP Amendment

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Chris Cook, Director of Capital Access

Subject: Appointment to the Board of Managers of Grow Michigan, Inc.

Request
This request is to appoint Julius Edwards, Senior Commercial Real Estate Investment Manager to replace Mark Morante as one of the MSF appointed members to the Board of Managers of Grow Michigan, Inc. (“GMI”).

Background
On September 27, 2012 the Michigan Strategic Fund Board (“MSF”, “MSF Board”) approved an award to GMI to operate a mezzanine lending fund designed to provide financing for growth, acquisition, and succession planning for Michigan based operating companies. The MSF awarded an investment of up to $9.5 million in the form of an equity investment designated for funding loans made by GMI and $500,000 loan to GMI to pay for expenses related to its establishment. At the same meeting the MSF appointed three individuals to represent its interests in Grow Michigan, Inc. (“GMI”). In addition to the MSF, investors in the fund include 15 lending institutions operating in Michigan.

The Board of Managers of GMI is comprised of nine members. The composition of the nine-member Board of Managers is as follows:

- Three members appointed from private investors
- Three members appointed by the management team
- Three members appointed by the Michigan Strategic Fund

Program History
To date GMI has invested $61.7 million in transactions involving a total leveraged capital investment of $320.1 million. GMI II remains in the fundraising stage and has not yet funded an investment.

RECOMMENDATION
Staff recommends the appointment of Julius Edwards to the Grow Michigan, Inc. Board of Managers.
MICHIGAN STRATEGIC FUND

RESOLUTION

2021-007

APPOINTMENT OF BOARD OF MANAGERS MEMBER FOR
GROW MICHIGAN – CAPITAL CONDUIT PROGRAM,
OPERATING COMPANY INITIATIVE AWARD RECIPIENT

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

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

WHEREAS, pursuant to MCL.125.2088d(1) the MSF shall create and operate a loan enhancement program;

WHEREAS, on May 20, 2009, the MSF created the Michigan Supplier Diversification Fund (“MSDF”) as a loan enhancement program;

WHEREAS, on December 21, 2011, the MSF approved the creation and operation of a Grow Michigan – Capital Conduit Program under the MSDF (“CCP”);

WHEREAS, on December 21, 2011, the MSF (1) approved the creation and operation of the Operating Company Initiative (“OCI”) under the CCP and (2) adopted guidelines for the OCI (“OCI Guidelines”);

WHEREAS, on January 25, 2012, the MSF approved an award to Grow Michigan, LLC (“Grow Michigan Award”) under the OCI;

WHEREAS, pursuant to the OCI Guidelines and the terms of the OCI Award, the MSF Board has the right to appoint three members to the Grow Michigan board of managers;

WHEREAS, on September 27, 2012, the MSF approved the appointment of Doug Luciani, David Zilko, and Rich Baird to the Grow Michigan board of managers;

WHEREAS, on June 26, 2018, the MSF approved the removal of Rich Baird and David Zilko, and the appointment of Chris Cook and Mark Morante to the Grow Michigan board of managers;

WHEREAS, the MEDC recommends and the MSF Board desires to remove Mark Morante, and appoint Julius Edwards, Senior Commercial Real Estate Investment Manager Community Development, to the Grow Michigan board of managers;

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves the Grow Michigan Appointees.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: Private Activity Bond – Neighborhood Club – Non-profit – Supplement to Amended and Restated Bond Indenture

Request
The Neighborhood Club (“Neighborhood Club”) is seeking MSF Board approval for approving a supplement to the amended and restated trust indenture for MSF Series 2011 bonds. The bonds are held by Huntington Public Capital Corporation. The MSF approval to the supplement to the indenture will provide a new formula for calculating the interest rate on the bonds and a five-year extension to the current bank purchase rate period.

Background
Neighborhood Club is a 501(c)(3) tax-exempt nonprofit corporation with a mission to engage in recreational, social and public service and welfare activities for the residents of the cities of Grosse Pointe Park, Grosse Pointe, Grosse Pointe Farms, Grosse Pointe Woods, and the Village of Grosse Pointe Shores, and adjacent areas. Neighborhood Club was founded in 1912. Neighborhood Club is organized upon a directorship basis and is managed by a board of trustees.

The $7,000,000 MSF Series 2011 bonds financed the demolition of an existing facility and the construction, furnishing and equipping of an approximately 45,000 square foot facility (housing a gymnasium, swimming pool, fitness center and related facilities for recreation, physical therapy and children’s integrative development programs). The facility is owned and operated by the Neighborhood Club for youth and family activities, health and recreational activities, conferences and its office operations.

Recommendation
Staff recommends the approval of the supplement to the indenture for this project.
RESOLUTION APPROVING EXECUTION AND DELIVERY OF SUPPLEMENTAL TRUST INDENTURE AND APPROVING CERTAIN OTHER MATTERS RELATING THERETO (NEIGHBORHOOD CLUB PROJECT)

Resolution 2021-008

Background

A. The Michigan Strategic Fund (the “Fund”) has previously issued its $7,000,000 Variable Rate Limited Obligation Revenue Bonds, Series 2011 (Neighborhood Club Project) (the “Series 2011 Bonds”), pursuant to a Trust Indenture dated as of September 1, 2011 (the “2011 Indenture”), between the Fund and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), for the purpose of providing funds to make a loan to the Neighborhood Club, a Michigan nonprofit corporation (the “Obligor”).

B. In 2013, the Series 2011 Bonds were converted to a bank purchase rate period and purchased by Huntington Public Capital Corporation (the “Purchaser”) pursuant to an Amended and Restated Trust Indenture dated as of December 2, 2013 (the “Amended and Restated Indenture”).

C. The Purchaser purchased the Series 2011 Bonds for an initial commitment period expiring on December 1, 2020.

D. The Obligor and the Purchaser have agreed to extend the commitment period during which the Purchaser agreed to continue to hold the Series 2011 Bonds until December 1, 2025, and the Purchaser has agreed to do so upon the terms and conditions set forth in the Second Amendment to Bond Purchase and Continuing Covenant Agreement dated November 30, 2020 (the “Bond Purchase Agreement”).

E. In connection with the extension of the Purchaser’s commitment period for the Series 2011 Bonds, the Obligor has requested that the Fund and the Trustee approve certain amendments to the Amended and Restated Indenture pursuant to Supplemental Indenture Number 1 to the Indenture (the “Indenture Supplement”).

F. The Fund desires to authorize a member of the Fund’s Board of Directors (a “Member”) or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”), or any of them individually, to negotiate, execute and deliver, on behalf of the Fund, the Indenture Supplement.

NOW, THEREFORE, Be It Resolved by the Board of the Fund:
Section 1. Indenture Supplement; Replacement Bonds. The form of the Indenture Supplement, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are hereby approved, subject to such changes and insertions as, upon the advice of Bond Counsel and the Attorney General of the State of Michigan, are not materially adverse to the Fund. Any Member or Authorized Officer are authorized to execute and deliver the Indenture Supplement in the form approved hereby, with such changes and insertions as may be necessary or desirable, permitted by applicable law, and not materially adverse to the Fund in the opinion of Bond Counsel and the Attorney General of the State of Michigan.

If deemed necessary in connection with the execution and delivery of the Indenture Supplement, upon advice of Bond Counsel and the Attorney General of the State of Michigan, a Member or an Authorized Officer may execute and deliver by manual or facsimile signature replacement bonds on behalf of the Fund in substitution for, and in replacement of, the definitive Series 2011 Bonds previously issued and delivered by the Fund. Any replacement Series 2011 Bonds shall be substantially as set forth in the Amended and Restated Indenture, with such appropriate variations, omissions, and insertions as are permitted or required by the Amended and Restated Indenture and the Indenture Supplement and as approved by Bond Counsel and the Attorney General of the State of Michigan. Any replacement bonds shall be executed on behalf of the Fund, and authenticated by the Trustee, in the manner provided in the Amended and Restated Indenture.

Section 2. Authorization of Tax Certificate and Other Documents. If determined to be necessary or advisable by Bond Counsel and the Attorney General of the State of Michigan in connection with the extension of the Purchaser’s commitment period for the Series 2011 Bonds as described in the Bond Purchase Agreement and/or in connection with the execution and delivery of the Indenture Supplement, an Authorized Officer is authorized to approve and execute a Non-Arbitrage Certificate relating to the Series 2011 Bonds and to execute and file, or cause to be filed with the Internal Revenue Service, an IRS Form 8038, together with such other certificates and documents as may be required in order that the interest on the Series 2011 Bonds continue to be excluded from gross income for federal income tax purposes.

In the event that the Obligor shall enter into an interest rate swap agreement with respect to all or a portion of the Series 2011 Bonds, either on the date of execution and delivery of the Indenture Supplement or on any date subsequent thereto, and if so requested by the Obligor, an Authorized Officer is authorized to execute one or more swap identification certificates, in the form or forms approved by Bond Counsel and the Attorney General of the State of Michigan, in order to cause such interest rate swap agreement to be treated as a “qualified hedge” for purposes of federal income taxation.
Section 3. Approval of Other Actions. An Authorized Officer is hereby authorized to approve, execute, and deliver such other agreements, certificates and documents as may be necessary in order to carry out and give effect to the transactions authorized by this Resolution.

Section 4. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption.

Adopted.

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

Nays: None

Recused: None

January 26, 2021 Meeting
Lansing, Michigan
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
    Andrew Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Denise Graves, University Relations Director, Entrepreneurship & Innovation

Subject: University Early Stage Proof of Concept – ADVANCE Fund RFP Request

Request
The MEDC requests that the MSF Board approve support for the University Early Stage Proof of Concept -ADVANCE Fund Request for Proposals (“RFP”) in the amount of $250,000 for one year from the Entrepreneurship and Innovation FY21 Budget. The purpose of the RFP is to award a grant to a university for the implementation and execution of the University Early Stage Proof of Concept - ADVANCE Fund program.

Background
The University Early Stage Proof of Concept -ADVANCE Fund has been supporting very early stage work within the universities, with grant matching funds using a competitive process, since the spring of 2016. The program is filling a gap in the pipeline of moving university projects with the commercial potential of a discovery into the commercial market. Such technology is usually at an early stage of development and requires additional studies or a working prototype before it can be shown to have commercial potential. This program will provide matching funds, resources and specialized services, by way of the university technology transfer offices at all institutions of higher education. This will assist university projects in the transition from scientific research to applied research to translational research through analyzing the market application, proving out the concept validation, demonstrating technical feasibility and developing a prototype in the preparation for implementation and testing.

The current program, administered by Michigan State University, on a statewide basis, has reported the following metrics from inception of the program through 9/30/2020:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of proposals submitted</td>
<td>63</td>
</tr>
<tr>
<td>Number of proposals funded</td>
<td>51</td>
</tr>
<tr>
<td>Follow on funding received from funded projects</td>
<td>$1,580,000</td>
</tr>
<tr>
<td>Number of universities participating</td>
<td>7</td>
</tr>
</tbody>
</table>

Participating universities include: University of Michigan, Michigan State University, Wayne State University, Michigan Technological University, Western University, Ferris State University and Grand Valley State University

The MEDC anticipates the following proposed timeline for the execution of this RFP:

- Issue RFP to the Public: January 27, 2021
- Questions due from the Public: February 1, 2021
- Answers posted to the MEDC web page: February 5, 2021
- Applications Deadline: February 19, 2021
The MEDC requests the MSF approve the Scope of Work and the following Joint Evaluation Committee ("JEC") comprised of MEDC staff and external partners to review the proposals submitted and make award recommendations to the MSF Board:

- Fred Molnar, Vice President Entrepreneurial Services, MEDC
- Denise Graves, University Relations Director, MEDC
- Alain Piette, SBDC Technology Team Manager
- Bill Mayer, Vice President, Entrepreneurial Services, Ann Arbor SPARK
- Vince Nystrom, Vice President of Business Development, Renaissance Ventures

**Recommendation**

MEDC Staff recommends the MSF Board approve the following actions:

1) Approval of the RFP process and Allocation of $250,000 from the FY2021 Entrepreneurship and Innovation Budget;
2) Approval of the Joint Evaluation Committee (JEC) Members;
3) Approval of the Scope of Work attached as Exhibit A;
4) Approval of the Scoring Criteria attached as Exhibit B.
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 Michigan Strategic Fund (“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, the MSF has reviewed a scope of work, timeline, and eligibility requirements for awarding grants to one or more Michigan institutions of higher education to provide resources and specialized services that will enhance and support the transition of institution of higher education projects from scientific research to applied research to translational research to the commercial market (the “Proof of Concept RFP”), as set forth in Attachment A to this Resolution;

WHEREAS, the MEDC recommends and the MSF desires to initiate the competitive proposal process to award grants to Michigan institutions of higher education by issuing the Proof of Concept RFP and allocating $250,000 for the Proof of Concept RFP (the “Proof of Concept RFP Issuance and Funding Request”);

WHEREAS, the MEDC recommends and the MSF desires to appoint the following individuals to the JEC for the Proof of Concept RFP:

Fred Molnar, VP of Entrepreneurship and Innovation, MEDC
Denise Graves, University Relations Director, MEDC
Alan Piette, SBDC Technology Team Member
Bill Mayer, Vice President, Entrepreneurial Services, Ann Arbor SPARK
Vince Nystrom, Vice President of Business Development, Renaissance Ventures

WHEREAS, the MEDC recommends and the MSF Board desires to adopt the scoring and evaluation criteria contained in Attachment B to this Resolution for use by the JEC in its review of proposals received in response to the Proof of Concept RFP (the “Proof of Concept RFP Scoring and Evaluation Criteria”).
NOW, THEREFORE, BE IT RESOLVED, that the MSF approves 1) the Proof of Concept RFP Issuance and Funding Request; 2) the JEC as set forth above; and 3) the Proof of Concept RFP Scoring and Evaluation Criteria;

BE IT FURTHER RESOLVED, that the MSF authorizes the MSF Fund Manager to modify the Proof of Concept RFP as may be necessary or appropriate, so long as the modifications are not material or adverse to the interests of the MSF; and

BE IT FURTHER RESOLVED, that the MSF authorizes the MSF Fund Manager to appoint alternate members to the JEC if any of the members identified above are unable to or unwilling to serve.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
Purpose of the grant

The intent of the proposals in response to this RFP should be for the Applicant organization to provide resources and assistance to researchers on technology projects through the university technology transfer offices at all institutions of higher education. This will accelerate the process of technology transfer through the assessment of the technology for use in the commercial market through a license to industry or a startup company. The university projects, through this process, will request matching funds, via a proposal process, for completion of key milestones (analyzing market application, proving out the concept validation, demonstrating technical feasibility and developing a prototype) over a 6 to 12-month period.

Technology Sectors supported under the grant

Proposals submitted MUST be to assist university projects in advancing their research into the commercial market and supporting the commercialization of technology within one or more of the competitive edge technology sectors defined in Section 125.2088a of the MSF Act, as amended, and as approved by the MSF Board, including Advanced Automotive, Manufacturing, Materials, Information, and Agricultural Processing Technology, Alternative Energy, Homeland Security and Defense Technology, Life Sciences, and Other Innovative Technologies.

Eligibility

- Michigan institutions of higher education are eligible to receive funding through this RFP. The Applicant must also fulfill the following criteria:
  - Encourage and work with the State’s institutions of higher education to identify the commercial potential in advanced technologies from individual institutions of higher education AND;
  - Facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities AND;
Work with institutions of higher education in encouraging the institutions to provide their faculty with incentives for participating in technology transfer and commercialization activities.

**Timeline**

Issue RFP to the Public: January 27, 2021
Questions due from the Public: February 1, 2021
Answers posted to the MEDC web page: February 5, 2021
Applications Deadline: February 19, 2021
## Proposal Evaluation Form

**University Early Stage Proof of Concept – ADVANCE Fund RFP**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Reviewer’s Comments</th>
<th>Points</th>
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<tbody>
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<tr>
<td>o Non-profit, proposing a statewide plan.</td>
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<td><strong>Executive Summary:</strong></td>
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<td>Overview</td>
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<tr>
<td>• NAME OF THE APPLICANT ORGANIZATION</td>
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<td></td>
</tr>
<tr>
<td>• ELIGIBILITY CRITERIA</td>
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<tr>
<td>• AMOUNT OF FUNDS REQUESTED</td>
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<tr>
<td>• AMOUNT OF MATCHING FUNDS</td>
<td></td>
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<tr>
<td>• TERM</td>
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<tr>
<td>• PURPOSE</td>
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<tr>
<td>• The TARGETED NUMBERS FOR:</td>
<td></td>
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</tr>
<tr>
<td>o Projects funded</td>
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<td>o Projects ended/redirected</td>
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<td>o Number of universities applying and funded</td>
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<td>o Follow on funding</td>
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<td></td>
</tr>
<tr>
<td><strong>Purpose:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The Applicant must clearly indicate that the organization is a university/non-profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The Applicant must clearly describe how the proposed use of funds will:</td>
<td></td>
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</tr>
<tr>
<td>o assist university technology transfer offices with vetting, de-risking and advancing projects for commercial market application</td>
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<td></td>
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<tr>
<td>o demonstrate the ability to operate within a university setting, working with faculty to advance their research into the commercial market</td>
<td></td>
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<tr>
<td>o collaborate with university technology transfer offices, or equivalent, to build talent around and commercialize university IP</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Past Experience:</strong></td>
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</tr>
<tr>
<td>• The Applicant should indicate past experience with providing assistance to university technology transfer, or equivalent, offices in the process of vetting, de-risking and advancing early stage high technology projects to the commercial market and specifically discuss how the ELIGIBILITY CRITERIA that the Applicant fulfilled and its success will play a role in this program.</td>
<td></td>
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<td><strong>Team:</strong></td>
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<tr>
<td>• Identified key players</td>
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<td></td>
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<tr>
<td>• Identified collaborators</td>
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<td><strong>Milestones/Deliverables:</strong></td>
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<tr>
<td>• Identified meaningful milestones/deliverables</td>
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<td></td>
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<tr>
<td>• Achievable and leading to economic impact</td>
<td></td>
<td></td>
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<tr>
<td><strong>Budget:</strong></td>
<td></td>
<td></td>
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<tr>
<td>• Identified meaningful budget for proposal</td>
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<tr>
<td>• Organization budget clearly indicates need for funding</td>
<td></td>
<td></td>
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<tr>
<td>• Demonstrate matching funds</td>
<td></td>
<td></td>
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<tr>
<td><strong>Economic Impact:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Realistic assumptions and expectations based on university technology transfer knowledge and past reported performance</td>
<td></td>
<td></td>
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<tr>
<td>• Identified targeted metrics:</td>
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<td></td>
</tr>
<tr>
<td>o Projects Funded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o Number of universities applying and funded</td>
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<tr>
<td>o Follow on Funding</td>
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<tr>
<td><strong>Total Score:</strong></td>
<td></td>
<td>47</td>
</tr>
</tbody>
</table>
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

[Signature]

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
    Andrew Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Sue DeVries, Community Assistance Team Specialist
      Louis Vinson III, Senior Program Specialist, Community Development Block Grant
      Lisa Edmonds, Program Specialist, MCRP and Brownfield
      Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval Community Development Block Grant Program and a Request for Approval of an Act 381 Work Plan

City of Ludington – Michigan Community Capital - Haskell Building/Lofts on Rowe Redevelopment Project

City of Ludington, County of Mason

Project Summary
The request will support a community development project in the City of Ludington that will convert a long-vacant manufacturing building into a residential structure with an office component on the first floor, representing $12,788,712 in total capital investment. Built in 1890, the 3-story, 46,746 square foot brick building located at 801 N. Rowe Street has had numerous uses, most of which were manufacturing. It has been vacant for many years with minimal use as a storage facility. As a result, the property has fallen into a condition of significant blight and will require a full rehabilitation. The 1.81 acre property has been rezoned to meet the proposed uses of the redevelopment. Once completed the building will house 65 attainable housing units and one 740 square foot office space on the first floor. In addition, the project will create a new parking lot and sidewalks to support building uses and will relocate two municipal facilities that include an approximately 18,540-square foot single-story metal building and an approximately 3,900-square-foot, single-story frame building. Currently, the building is an eyesore that discourages neighboring property owners from investing in their property. If action is not taken, the building will fall into further blight and require demolition. The City has prioritized this building for historic restoration. Total construction cost is estimated at $179.95 per square foot which is reasonable for historic restoration and conversion of uses. The development will include 2,667 square feet of public improvements including curbs, gutters, and sidewalks.

A financing gap exists on this project because of the cost of historic restoration and the community’s commitment to creating attainable workforce housing. The developer has obtained a commitment for a bank loan of $5,200,000, is using Historic Tax Credits with an estimated value of $1,633,500 and is contributing $2,955,212 in owner equity to the project. They have also leveraged a $1,000,000 local foundation grant; however, a financing gap remains, which is being proposed to be filled with a CDBG grant and tax increment revenue reimbursement for brownfield eligible activity costs. The development is being conducted by Michigan Community Capital, which is a non-profit entity and even with the layering of public and foundation support on this project the developer return is currently projected at -1.9%.
**Request**
The City of Ludington ("City") is requesting a Community Development Block Grant (CDBG) in the amount of $2,000,000 for elimination of blight and up to $30,000 for certified grant administrator services and the Mason County Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of $1,554,279 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of $12,788,712.

**Program Summary**
The request for CDBG support is consistent with program requirements and screening guidelines as it qualifies under the national objective of the elimination of blight as defined in the Brownfield Redevelopment Financing Act 381 of 1996, MCL 125.2652 (c)(i)-(vii). The Project meets a national objective by eliminating blight on a spot basis.

The request for Brownfield support is consistent with program requirements because it is facilitating the development of brownfield property by reactivating an historic resource. The project qualifies for the Brownfield Act 381 program because the site is a facility, blighted, functionally obsolete, and a historic resource. The project is consistent with the MEDC’s strategic plan and will address multiple important community development goals for the City of Ludington and MEDC. In relation to MEDC’s strategic plan the project will develop an attractive place by transforming a no longer utilized and blighted property into a unique, historic and vibrant place near the downtown. The new housing units will help the City attract, retain, and support businesses. The proposed project will create year-round housing at a price point that is needed in the community. Ludington’s tourism appeal results in high priced summer seasonal rental housing which displaces many in the local workforce who are looking for attainable year-round rental housing. The need for year-round attainable housing in the City of Ludington is outlined in the target market analysis completed in 2015.

**Local Support**
The City of Ludington is contributing an Obsolete Property Rehabilitation Act ("OPRA") tax abatement for 12 years, estimated to be worth $1,825,802. Other local support includes the local portion of the Brownfield TIF for MSF eligible activities estimated as $1,574,302 and for EGLE eligible activities at $219,798. The Pennies from Heaven Foundation has contributed a $1,000,000 grant to the project. The city is engaged with the MEDC’s Redevelopment Ready Communities ("RRC") Program.

**CDBG Grant Summary**
The CDBG eligible activities for this project include five primary areas of work. All wall areas where the masonry brickwork has deteriorated mortar joints will be tuck pointed. Wall areas where the masonry brickwork is missing or damaged beyond repair will be replaced. The roof will be replaced. All damaged, deteriorated, or outdated HVAC systems will be replaced in a manner that meets the current code requirements. All damaged, deteriorated, or outdated electrical systems will be replaced in a manner that meets the current code requirements. Private eligible activities include additional HVAC work, engineering, acquisition, abatement and remediation, demolition, concrete and gyp-crete work, metals and metal work, carpentry, joint sealing, historical windows, aluminum framing and glass, framing, drywall, acoustics, flooring, tile, painting, appliances, window treatments, elevator, fire protection, plumbing, and fire alarms.
Tax Capture Summary
In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Ludington, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on October 26, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on December 16, 2020, deemed functionally obsolete as verified by a Michigan Advanced Assessing Officer (MAAO) assessor on August 14, 2019, and deemed blighted by the City of Ludington on August 17, 2020. The building also qualifies as a historic resource as it is listed on the National Register of Historic Places.

There are 55.7465 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24,0000 mills (43.05%) and local millage equaling 31.7465 mills (56.95%). There is a OPRA tax abatement on the property for 12 years, which makes the blended ratio 49.68% to 50.32%, state to local, respectively. Tax increment capture will begin in 2022 and is estimated to continue for 26 years. The state tax capture is recommended to be capped at $1,554,279, which is the amount of tax increment revenue anticipated to be generated in 26 years. Total MSF eligible activities are estimated at $3,128,581. MSF eligible activities breaks down as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>State tax capture</td>
<td>(49.68%)</td>
<td>$ 1,554,279</td>
</tr>
<tr>
<td>Local tax capture</td>
<td>(50.32%)</td>
<td>$ 1,574,302</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td><strong>$ 3,128,581</strong></td>
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</tbody>
</table>

Cost of MSF Eligible Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Demolition</td>
<td>$297,100</td>
</tr>
<tr>
<td>Lead &amp; Asbestos Abatement</td>
<td>693,500</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>27,000</td>
</tr>
<tr>
<td>Relocation of Public Building</td>
<td>975,000</td>
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<tr>
<td>Site Preparation</td>
<td>+ 49,680</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
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<tr>
<td>Contingency (15%)</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>$2,347,872</td>
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<tr>
<td>Interest (5%)</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>$3,097,781</td>
</tr>
<tr>
<td>Brownfield/Work Plan Preparation</td>
<td>+ 17,600</td>
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<tr>
<td>Brownfield/Work Plan Implementation</td>
<td>+ 13,200</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$3,128,581</td>
</tr>
</tbody>
</table>

In addition, the project is requesting $436,801 in TIF from EGLE to assist with environmental eligible activities.

Applicant History
The City of Ludington has successfully managed and closed out several façade and rental rehab grants. It was the certified grant administrator for the Mason County housing program in the past and currently is a Certified Grant Administer for MEDC CDBG projects. The City is currently constructing the James Street Plaza/Legacy Park project and the Second Floor Living rental rehab project.

Lofts on Rowe is a single purpose entity formed and owned by Michigan Community Capital, (MCC). MCC is a private non-profit corporation and 501c3 public charity that was created to attract and deploy capital for use in job creation and community development in Michigan. Some examples of sources of
capital include: Program Related Investment loans from corporations and foundations, private donations of land and cash, Investments from banks to satisfy Community Reinvestment Act requirements, New Market Tax Credits and Other federal resources. MCC facilitates investment from banks into low-income census tracts. MCC acts as a partner and facilitator to complete projects that would otherwise not be addressed by the market.

Since 2006, MCC has been awarded $255 million of New Market Tax Credits that have been used to support projects exclusively in Michigan, many in conjunction with the MEDC. Some of these projects include: the Book Cadillac in Detroit, Lofts on Ludington in Escanaba, Verso Paper in Quinnesec and the Allen Neighborhood Center in Lansing. In 2017, the Michigan Strategic Fund approved a $22.5 million, 1% interest Workforce Housing Loan to MCC. This has been used across 7 projects in Detroit, Cadillac, Mount Pleasant, Grand Rapids, Lansing, and Traverse City to create 300 housing rental units, of which 218 will be income restricted to 80% AMI households. In addition, MCC has partnered with the MEDC and MSF on several important catalytic downtown projects which include, Bridge Street Lofts in Grand Rapids, Cadillac Lofts in Cadillac, and the Temple Redevelopment in Lansing. MCC has provided capital to projects totaling $742,508,172 in combined investment, 100% within the state of Michigan. MCC has supported no less than 672 units of multi-family housing, nearly all in a mixed-use, mixed-income context. MCC has also redeveloped or constructed over 161,000 square feet of retail, commercial, and light industrial space across the state.

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

Appendix A includes a project map and renderings, Appendix B addresses the programmatic requirements, Appendix C contains the Organizational Chart and Appendix D includes the CDBG Terms Sheet.

**Recommendation**
MEDC Staff recommends approval of the following (“Recommendation”):
- A CDBG Spot Blight grant agreement up to the amount of $2,030,000 be authorized for the City of Ludington for the Haskell Building Project.
- State tax capture for the Act 381 eligible activities capped at $1,554,279, utilizing the current state to local capture ratio.
APPENDIX A – Map, Renderings and Site Photos
APPENDIX B – Brownfield Act 381 Programmatic Requirements

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

a) Overall Benefit to the Public:
The project will transform an underutilized property into a mixed-use property. By doing so, this development will create jobs and further increase urban density in the City of Ludington. Promoting a dense, urban environment benefits the community through more efficient delivery of goods and services in both the private and public sectors.

b) Jobs Created (Excluding Construction and other Indirect Jobs):
This redevelopment is projected to create at 3 new, full time equivalent jobs at an average wage of $14.50 per hour. Job projections include a mix of professional office and retail positions including staff and management level positions.

c) Area of High Unemployment:
As of August 2020, the Michigan Bureau of Labor Market Information and Strategic Initiatives (www.milmi.org) indicated Mason County’s unemployment rate was 9.1%, compared to 8.7% for the State of Michigan and 8.4% for the U.S.

d) Level and Extent of Contamination Alleviated:
Redevelopment activities at the property will include appropriate due care measures and asbestos and lead abatement measures to the extent necessary to be protective of the proposed use of the property.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:
As previously stated, the building planned for redevelopment is vacant and has been declared a functionally obsolete and blighted structure. The outcome of the project will be the elimination of blight, the preservation of a historic structure and the creation of new residential and commercial square footage.

f) Whether Project will Create a New Brownfield Property in the State:
No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:
From the materials received, the MEDC infers that the project is financially and economically sound.

h) Other Factors Considered:
No additional factors need to be considered for this project.
APPENDIX B – CDBG Programmatic Requirements & Screening Guidelines

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

- **National Objective:**
  This Project qualifies for CBDG funding as the project meets the definition of blight as defined in the Brownfield Redevelopment Financing Act 381 of 1996, MCL 125.2652 (c)(i) - (vii). The Project meets a national objective by eliminating or preventing slums and blight on a spot basis.

- **Eligible Activity:**
  This Project involves eligible activities identified in Section 105(a) (4) of Title I of the Housing and Community Development Act of 1974, as amended.

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

- **Economic Impact:** The economic impact of this Project was evaluated. It was determined that the Project is:
  - Located in a highly visible location
  - Prior use of downtown development incentives (TIFs, abatements, etc.)
  - Local organizational capacity to successfully complete this project
  - A full-time downtown development professional or community staff member able to administer the project
  - Adopted a downtown development plan, also:

The Project will consist of a building that has the following characteristics:
- Multi-story Building
- Mixed-use components
- Eligible for Historic or Contributing Designation
- Partially or completely vacant building being returned to active use

**Local Support:** Local support for the project includes an OPRA estimated to be worth $1,825,802 and the Mason County Brownfield Redevelopment Authority has approved Brownfield TIF for the project for approximately $3,970,490, with the local portion estimated as $1,773,595. The City of Ludington is engaged with the Redevelopment Ready Communities (RRC) program.

- **Minimum Leverage Ratio:** The private leverage contribution, to be provided by Michigan Community Capital, equals $10,788,712, which results in a leverage ratio of approximately 5.39:1 of the CDBG grant.
- **Financial Viability:** The business receiving the benefit from this project has been determined to be financially viable.

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

The MEDC staff has concluded that the Project meets the minimum program requirements and screening guidelines to be eligible under the CDBG program.
## APPENDIX C – Organizational Chart

### Lofts on Rowe LLC Organizational Structure
Lofts on Rowe LLC EIN: 84-2049456  
Lofts on Rowe LLC Manager: Marilyn Elizabeth Crowley

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<th>Member/Company name and manager</th>
<th>Ownership Interest</th>
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<th>State of Organization</th>
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<td>100%</td>
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<tr>
<td></td>
<td></td>
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<td>Member/Company name and manager</td>
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<td>10.00%</td>
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<td></td>
<td>10.00%</td>
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<tr>
<td>Member/Company name and manager</td>
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<td>Member/Company name and manager</td>
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### Key Principals/Guarantors:

<table>
<thead>
<tr>
<th>Amount of Guarantee</th>
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<tbody>
<tr>
<td>Michigan Community Capital</td>
</tr>
<tr>
<td>Member Name</td>
</tr>
<tr>
<td>Member Name</td>
</tr>
</tbody>
</table>

59
APPENDIX D – Terms Sheet

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

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

Date: December 3, 2020

1. Community Name (“Grantee”): City of Ludington

2. Company Name (“Company”): Michigan Community Capital

3. Company Address: 507 S. Grand Ave.
   Lansing, MI 48933

4. Project Address: 801 N. Rowe Street
   Ludington, MI 49431

5. Project Description and Activities: Built in 1890, the 2-story, 46,746 square foot brick building located at 801 N Rowe Street in Ludington, Michigan has had numerous uses, most of which were manufacturing. The property has been re-zoned to meet the proposed uses of the redevelopment which will include 65 residential rental units and one office space. CDBG eligible activities in this historic blight project include work in five major categories. All wall areas where the masonry brickwork has deteriorated mortar joints will be tuck pointed. Wall areas where the masonry brickwork is missing or damaged beyond repair will be replaced. The roof will be replaced. All damaged, deteriorated, or outdated HVAC systems will be replaced in a manner that meets the current code requirements. All damaged, deteriorated, or outdated electrical systems will be replaced in a manner that meets the current code requirements. Private eligible activities include HVAC, engineering, acquisition, abatement and remediation, demolition, concrete and gypcrete work, metal and metal work, carpentry, joint sealing, historical windows, aluminum framing and glass, framing, drywall, acoustics, flooring, tile, painting, appliances, window treatments, elevator, fire protection, plumbing, and fire alarms.

6. Total Estimated Project Costs: $12,788,712

7. CDBG Grant Incentive Type: Blight for Historic Preservation

8. CDBG Grant Amount: $2,000,000

Grant funding will be committed at two million dollars ($2,000,000) if the 50% match requirement listed in the Funding Guide is met. The CDBG amount will not be reduced unless the project hard costs go below the 50% match requirement. Funds will be made available to the community on a reimbursement basis for eligible costs.

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

9. Minimum Company Investment: $10,788,712

10. Type of Financing for Investment: ☑ Loan ☒ Private equity, grant from a private foundation, and historic tax credits

(COMMUNITY/COMPANY) 1 CD Terms Sheet
11. **Project Milestones:** The final terms and conditions of each of the Project Milestones shall be included in the final Agreement. Before any disbursement is made to the Company through the Community, the Company must demonstrate compliance with Project Milestones, as required, and otherwise be in full compliance with all terms and conditions of the final Agreement, and further shall include:
   a) **Grant Agreement Executed:** February 2021
   b) **Construction Commencement:** June 2021
   c) **Construction Completed:** January 2023

12. **Term of Agreement:** The term of the Agreement is from execution of the Agreement for a period of two (2) years term includes completing all required project activities and investment.

13. **Community Support for Project:** A condition for execution of the final Agreement is that the municipality has agreed to be the Grantee and committed to provide: an OPRA estimated to be worth $1,537,746 and the City of Ludington has approved Brownfield TIF with MSF eligible activities for the project of approximately $2,524,837, with the local portion estimated as $1,773,595 and Brownfield TIF with EGLE eligible activities of approximately $445,651, with the local portion estimated as $224,240. The final terms and conditions evidencing this support shall be included in the final Agreement.

14. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment was an essential factor in persuading the Grantor that this project is economically viable, and further, in the absence of this commitment by the Company, this grant would not have been awarded and the Company has verified that the CDBG Funds are not substituted for non-federal funds.

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

15. **Environmental Review:** The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.

16. **Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of $2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work. For this project, Davis Bacon requirements apply to both CDBG and non-CDBG funded activities.
17. Reporting Requirements: The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:
   a) Progress Reports beginning July 1, 2021, and every six (6) months thereafter.
   b) Final Progress Report 60 days after completion of the Term.

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

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

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

The Company cannot assign this Term Sheet without the prior written consent of the MEDC. If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible CDBG Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by November 30, 2020, the MEDC may not be able to proceed with any recommendation to the MSF.

Michigan Economic Development Corporation
By:  Sue DeVries
Its:  Community Assistance Specialist
Signature: [Signature]
Dated: 11/1/2020

Acknowledged as received by:
Michigan Community Capital
By: Eric Hanna
Its: President
Signature: [Signature]
Dated: 12/3/2020

Acknowledged as received by:
City of Ludington
By: Mitch Foster
Its: City Manager
Signature: [Signature]
Dated: 12/3/2020

Cc: Christine Whitz, Director, CDBG Program
Louis Vinson III, CDBG Specialist
Lisa Edmonds, MCRP and Brownfield Program Specialist
Mary Kramer, MCRP, Brownfield & SmartZone Programs Manager
Sarah Rainero, CATeam Director
WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State’s economic development functions and programs and their accompanying powers in the Michigan Strategic Fund (the “MSF”);

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2020 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133 and 2020-093 authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants now known as the 2020 Program Year Funding Guide Excerpt;

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

WHEREAS, the City of Ludington (the “Community”) has submitted a complete application for approval requesting funding to be used to fund the Haskell Building/Lofts on Rowe Redevelopment and Blight Elimination Project (the “Project”);

WHEREAS, CDBG program staff reviewed the proposed Project in light of the Criteria, Guide and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, and will eliminate specific conditions of blight or physical decay on a spot basis not located in a designated slum or blighted area; and

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

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed $2,030,000 for the payment or reimbursement of costs associated with the Project, and allocates up to $2,030,000 from the Michigan CDBG program for the purpose of funding the Community’s proposed Project contingent upon the MSF’s continued receipt of CDBG funds and availability of adequate funds; and

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

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
    Andrew Lockwood
MICHIGAN STRATEGIC FUND

RESOLUTION
2021-011

APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
COUNTY OF MASON BROWNFIELD REDEVELOPMENT AUTHORITY
LOFTS ON ROWE REDEVELOPMENT PROJECT

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

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

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

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

WHEREAS, the County of Mason Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 801 N. Rowe Street and 806 N. Harrison Street within the City of Ludington, known as Lofts on Rowe Redevelopment Project (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 49.68% to 50.32% 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, relocation of public building and infrastructure improvements as presented in the Work Plan dated September 27, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of
taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of $2,347,872 for the principal activity costs of non-environmental activities and a contingency, a maximum of $749,909 in interest, a maximum of $17,600 for Brownfield/Work Plan preparation, and a maximum of $13,200 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of $1,554,279.

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

BE IT FURTHER RESOLVED, that the MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of $749,909 related to the eligible activities for the Project.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

[Signature]

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
    Andrew Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Dana Kollewehr, Community Assistance Team Specialist
       Julius Edwards, Senior Commercial Real Estate Investment Manager
       Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval Michigan Community Revitalization Program (MCRP) Other Economic Assistance – Loan Participation Award and a Request for Approval of an Act 381 Work Plan
       Peerless Flats Project

Project Summary
The request will support a community development project located on 4.66 acres in the City of Grand Haven that will include the demolition of four existing buildings on a mostly vacant site and construction of four multi-family residential buildings, an amenities building, outdoor recreation space and parking, representing $24,750,000 in total capital investment. Two of the buildings are three-stories, contain 24 units. The remaining two residential buildings are both four-story and are comprised of 40 units, and 36 units, respectively. The amenities building will contain approximately 4,300 square feet. The residential buildings will consist of studio, one- and two-bedroom units while the amenities building will include a kitchenette, meeting space, exercise area and community room. In total, the development is comprised of approximately 122,750 square feet and 124 residential market rate units. The total construction cost per square foot is $175.28, which is consistent with other similar construction projects in the region. The project will also include 74,498 square feet of publicly maintained improvements including sidewalks, parking, roadway, and curbs and gutters.

The property has been largely vacant since the late 1980’s when a manufacturing facility expanded and relocated to the nearby Township. As a result, the 4.6-acre site has long been a priority redevelopment site for the City and DDA.

A financing gap exists due to the current cost of construction, high cost of the environmental, site preparation and infrastructure activities needed to complete this project. To help address the costs associated with these items the applicant is seeking State tax capture but due to the length of time to capture and reimburse for the costs of eligible activities there is still a significant financing gap necessitating the request for MCRP. The development team is in the process of securing senior debt from First National Bank of Michigan in the amount of $15,500,000 or 62.63% of the total development cost. Additionally, the development is applying for an EGLE Loan of $1,000,000 and is contributing $3,500,000 or 14.14% of the total development cost. The remaining financing gap would be filled by the proposed MCRP loan of $4,750,000. The MCRP award would allow the development team to achieve an anticipated return of just under 11% from operations.

Request
Peerless Caddis, LLC (“Applicant”) and First National Bank of Michigan (“Lender”) is requesting an MCRP Other Economic Assistance – Loan Participation Award in the amount of $4,750,000 and the City
of Grand Haven Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of $1,378,865 to reimburse for MSF eligible activities. Additionally, staff is requesting transfer of funds from the Investment Fund to the Michigan Community Revitalization Program through MCL 125.2088b(2)(c) for the specific purpose of this project. The Applicant anticipates that the project will result in a total capital investment in the amount of $24,750,000.

**Program Summary**

The request for MCRP and Brownfield support is consistent with program goals because it is reactivating a vacant and underutilized Brownfield site in order to attract talent to the downtown and West Michigan region. The project qualifies for the MCRP and Brownfield Act 381 program because the site is a facility. The project is consistent with the MEDC Strategic Plan by transforming underutilized properties into vibrant areas and developing attractive places where talent is interested in locating.

The recommendation includes an exception to the brownfield program requirement that the local and state capture retain the same percentage of mills being captured. The reason for the exception is that the Grand Haven DDA currently has negative capture and therefore they requested that 25% of the new taxes from this development be passed through rather than captured. With this exception, the state contribution to the TIF capture is approximately 53% of the total capture and the local contribution is approximately 47% of the total capture.

The project meets local objectives by providing increased density and new rental housing units which contributes to the local and regional goal of increasing year-round housing units within the area as there is high unmet demand at all price points. Although this area of the City allows for short-term rentals, the City is committed to year-round living and approved the project on the condition that there would be no short-term rental units. The project will provide new housing options where talent can locate and small businesses on and around Main Street will see increased support with the addition of new year-round residents living in downtown Grand Haven.

**Local Support**

Local support for the project includes the local portion of the Brownfield Tax Increment Financing Plan, valued at $1,220,962 and $1,114,889 in local-only eligible activities. The City of Grand Haven is certified with the MEDC’s Redevelopment Ready Communities (RRC) program and is a Master Level Michigan Main Street community.

**Financing Opportunity – Other Economic Assistance Loan Participation**

The senior lender, along with the Applicant has requested the MSF participate in up to $4,750,000 of a total $20,250,000 in construction to permanent loan financing. The MCRP Other Economic Assistance – Loan Participation Award will be used to help offset the significant environmental clean-up and remediation required on the site. It is anticipated that disbursements to the project on the loan will be made on a pro-rata basis. Additionally, a portion of the MSF Share has been structured as interest only for 60 months in order to allow additional financial flexibility as the project leases up. The projected rents are considered to be above what has currently been achieved within the market. The rental structure is based on the superior offerings of the project. Other comps in the area are considered to be inferior due to age and amenities offered. Below outlines a summary of the development sources and the proposed structure of the loan participation. With the financing structure described below, it is anticipated that the investors will be able to achieve a return of just under 11% from operations.
Loan Terms

MSF Facility: MCRP Other Economic Assistance Loan Participation

Borrower: Peerless Caddis, LLC

Senior Lender: First National Bank of Michigan

Total Amount of Loans: Currently estimated at $20,250,000

Lender Share: Currently estimated at $15,500,000

Total Capital Investment: Currently estimated at $24,750,000

MSF Eligible Investment: Currently estimated at $17,659,791

Minimum Eligible Investment: Currently estimated at $15,834,000

MSF Share: Up to the lesser of 30% of “Eligible Investment” or $4,750,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Grand Haven is less than 15,000.

Funding: The MSF will fund up to $4,750,000 to be disbursed at closing of the financing and completion of other performance criteria.

Developer Fees: N/A

Contingencies/Reserves: Anticipated to be over $1,400,000 in construction interest, lease up, and operating deficit reserves, and construction and environmental contingencies.

Other Conditions: The MSF’s investment will be contingent upon the following:
- 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 $3,500,000
- Other documents may be required for review.

MSF Note #1:

MSF Loan Amount: $4,000,000

Interest Rate: 1.00% per annum

MSF Fee(s): Equal to 1.00% of the loan amount

Term: Shall match that of the Lender, anticipated to be 120 months

Amortization: Shall match that of the Lender, anticipated to be 360 months

Repayment Terms: Monthly interest only for up to 36 months, followed by monthly principal and interest payments with principal due at maturity.
Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.

**MSF Note #2:**

**MSF Loan Amount:** Up to $750,000

**Interest Rate:** 1.00% per annum

**MSF Fee(s):** Equal to 1.00% of the loan amount

**Term:** Anticipated to be 144 months

**Amortization:** Shall match that of the Lender, anticipated to be 360 months

**Repayment Terms:** Monthly interest only payment for 60 months, followed by equal monthly payments of principal and interest with remaining principal due at maturity.

Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.

**Summary of Development Sources:**

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<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Bank Share</td>
<td>$15,500,000</td>
<td>62.63%</td>
</tr>
<tr>
<td>MSF Share</td>
<td>$4,750,000</td>
<td>19.19%</td>
</tr>
<tr>
<td>EGLE Loan</td>
<td>$1,000,000</td>
<td>4.04%</td>
</tr>
<tr>
<td>Developer Equity</td>
<td>$3,500,000</td>
<td>14.14%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$24,750,000</strong></td>
<td><strong>100.00%</strong></td>
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**Summary of Development Uses:**

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<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Acquisition</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Hard Construction Costs</td>
<td>$20,989,488</td>
</tr>
<tr>
<td>Eligible Soft Costs</td>
<td>$862,500</td>
</tr>
<tr>
<td>Other</td>
<td>$1,398,012</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$24,750,000</strong></td>
</tr>
</tbody>
</table>
**Tax Capture Summary**

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Grand Haven, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on November 2, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on November 17, 2020.

There are 50.2386 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (47.77%) and local millage equaling 26.2386 mills (52.23%). Tax increment capture will begin in 2022 and is estimated to continue for 11 years. 25% of local millages will flow through to the taxing jurisdictions, while 75% will be used to reimburse the developer, which impacts the tax capture ratio. The blended tax capture ratio is shown below. The state tax capture is recommended to be capped at $1,378,865, which is the amount of tax increment revenue anticipated to be generated in 11 years. Total MSF eligible activities are estimated at $2,599,827. MSF eligible activities breaks down as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>State tax capture</td>
<td>1,378,865</td>
</tr>
<tr>
<td>Local tax capture</td>
<td>1,220,962</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,599,827</strong></td>
</tr>
</tbody>
</table>

**Cost of MSF Eligible Activities**

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Demolition</td>
<td>$107,206</td>
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<tr>
<td>Lead and Asbestos Abatement</td>
<td>73,000</td>
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<tr>
<td>Infrastructure Improvements</td>
<td>614,614</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>+ 673,866</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>$1,468,686</td>
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<tr>
<td>Contingency (15%)</td>
<td>+ 220,303</td>
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<tr>
<td>Sub-Total</td>
<td>$1,688,989</td>
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<tr>
<td>Interest (5%)</td>
<td>+ 888,338</td>
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<tr>
<td>Sub-Total</td>
<td>$2,577,327</td>
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<tr>
<td>Brownfield/Work Plan Preparation</td>
<td>+ 15,000</td>
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<tr>
<td>Brownfield/Work Plan Implementation</td>
<td>+ 7,500</td>
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<tr>
<td><strong>TOTAL</strong></td>
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</tbody>
</table>

In addition, the project is requesting $2,739,467 in TIF from EGLE to assist with environmental eligible activities. There is also a local-only TIF in the amount of $1,114,889 being contributed to the project.

**Applicant History**

Peerless Caddis, LLC is managed by Kevin McGraw, President of River Caddis, LLC. Other development partners include SSS Leasing, LLC which is owned by Gerald Slagel, Jr., Scott Slagel and Benjamin Slagel. Additional ownership includes Grand Haven Caddis, LLC which is owned by Kevin McGraw, William Demmer and Michael Driver. Members of the development team have extensive experience in developing and redeveloping properties throughout Michigan and outside of Michigan. Peerless Caddis, LLC has not previously been awarded incentives from the Michigan Strategic Fund (MSF), however, the Managing Partner from Peerless Caddis, LLC has previously been awarded incentives from the MSF. Previous incentives include an Act 381 Work Plan for the Stadium District project in Midland and an Act 381 Work Plan for the Trowbridge Village project in East Lansing. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.
Appendix A includes a project map and renderings, Appendix B addresses the programmatic requirements and Appendix C contains the Organizational Chart.

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

a) Approval of funds to be transferred for the specific purpose of this project through MCL 125.2088b(2)(c) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

b) State tax capture for the Act 381 eligible activities capped at $1,378,865, utilizing the proposed state to local capture ratio

c) A MCRP Other Economic Assistance Loan Participation Award in the amount of up to $4,750,000 for Peerless Caddis, LLC on terms and conditions outlined in Exhibit A found in the resolution.
APPENDIX A – Project Map and Renderings
APPENDIX B – Programmatic Requirements

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

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

A. The importance of the project to the community in which it is located:
The project site is a significant and strategic location within downtown Grand Haven that serves as an unofficial gateway in and out of the downtown and along a popular route to Lake Michigan. The property has been largely vacant since the late 1980’s when a manufacturing facility expanded and relocated to the nearby Township. As a result, the 4.6-acre site has long been a priority redevelopment site for the City and DDA. The project contributes to the local and regional goal of increasing housing units within the area, as there is high residential demand at all price points. The additional housing options will attract talent and the additional density is expected to enhance the customer base of local businesses.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:
The project will contribute to the revitalization of the community through financial contributions of ongoing resident spending in the community on goods and services. Additional real estate investment is anticipated near the project site and within downtown with renewed interest in several nearby sites. The successful completion of this project will prove the market viability and increase the likelihood of other projects being successfully completed and sustainable.

C. The amount of local community and financial support for the project:
The City of Grand Haven’s Brownfield Redevelopment Authority has agreed to support the project through a local portion of the Brownfield Tax Increment Financing Plan in the amount of $1,220,962 to reimburse for Brownfield eligible activity costs associated with the project, as well as $1,114,889 in local-only eligible activity reimbursement.

D. The applicant's financial need for a community revitalization incentive:
This project is more complicated and more expensive than suburban multifamily projects as the land has taken longer to put into a position to allow for the development due to the complex high costs associated with the environmental cleanup, site preparation and infrastructure activities required to construct this project. With the requested incentive programs the project is able to meet debt service coverage ratio requirements and a return of just under 11%. Without these incentives the project would not be financially viable.
E. The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:
This project is not qualifying as blighted and there are no historical buildings existing on the site. The vacant buildings currently on the site will be demolished as a part of this project.

F. Creation of jobs:
It is anticipated that the project will lead to the creation of approximately 3 full-time equivalent jobs associated with maintenance and management positions. The estimated average hourly wage is $20.

G. The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:
Total private investment for this project is estimated at $24,750,000 which includes project financing from First National Bank of Michigan in the amount of $15,500,000, a loan from the Michigan Department of Energy, Great Lakes, and Environment valued at $1,000,000 and owner equity of $3,500,000.

H. Whether the project is financially and economically sound:
It is anticipated that upon reaching stabilized occupancy the project will be able to generate cash flow to maintain a greater than 1.20 to 1.00 debt service coverage ratio. Additionally, the MCRP award has been structured to provide some financial flexibility and the project is supported by the guarantors of the owners. The owners have adequate financial strength to support any potential financial shortcomings the project may experience.

The projected rents for the project are above market. Staff is comfortable with the projected rental structure due to the superior offerings of the proposed and the inferiority of the comps. Additionally, the developments in sub-markets near Grand Rapids comparable have been able to achieve higher than the projected rents.

I. Whether the project increases the density of the area:
The project will increase density by adding 124 apartment units in the downtown district, creating year-round activity on the site and surrounding areas. Many local businesses are within walking distance and will benefit from the new residents and their guests frequenting their establishments.

J. Whether the project promotes mixed-use development and walkable communities:
The project is located in the downtown and within walking distance of the Lake Michigan, the Grand River, the farmers market and other community amenities. The new residents added via this development will help existing retail and restaurant businesses and further establish the downtown as a year-round destination to live, work and play.

K. Whether the project converts abandoned public buildings to private use:
The project does not include abandoned public buildings.

L. Whether the project promotes sustainable development:
The redevelopment project is near transit and employment centers which reduces the distance people need to drive and provides other transportation options. Green building practices are being implemented for stormwater management activities and the project incorporates energy efficiency appliances where appropriate.
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:
Redeveloping this site will connect the Main Street district to the adjoining residential neighborhood to create a more walkable and pedestrian oriented space. The addition of multi-family residential will provide year-round customers to downtown Grand Haven businesses and provide living options for residents and those looking to move to the community. This development will help to address the rental demand present in the region due to regional employer and population growth.

O. Whether the project addresses underserved markets of commerce:
There is no new commercial space being created with this project.

P. The level and extent of environmental contamination:
Based on environmental site assessments conducted on the property, contamination has been identified that exceeds residential criteria as a result of former uses of the property. Soil, groundwater and soil gas samples revealed contaminant concentrations exceeding EGLE Generic Residential Cleanup Criteria and/or site-specific Volatilization to Indoor Air Criteria, including various volatile organic compounds, metals and per and polyfluorinated compounds (PFAS).

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 is not qualifying as a historic resource.

R. Whether the project will compete with or affect existing Michigan businesses within the same industry:
Rental housing is in high demand in downtown Grand Haven but there is low stock of quality, market rate housing. This project will add 124 rental units that fit with the market demand in terms of size and function. There is room in the marketplace for additional rental housing units and therefore will not negatively impact other existing housing developments.

S. Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter:
There are no additional criteria associated with the project.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:
The Ottawa County unadjusted jobless rate was 5.4% in September 2020.

B. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:
The project is not qualifying as functionally obsolete or blighted.

C. Whether project will create a new brownfield property in the State:
No new Brownfields will be created by this project.
## APPENDIX C - Organizational Chart

### Peerless Caddis, LLC Organizational Structure

**Company Name EIN:** 85-3256313  
**Company Name Manager:** Kevin T. McGraw

<table>
<thead>
<tr>
<th>Member</th>
<th>Ownership Interest</th>
<th>EIN</th>
<th>State of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JBS Leasing, LLC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gerald Slagel Jr.</td>
<td>33.33%</td>
<td>TBD</td>
<td>Michigan</td>
</tr>
<tr>
<td>Scott Slagel</td>
<td>33.33%</td>
<td>TBD</td>
<td>Michigan</td>
</tr>
<tr>
<td>Benjamin Slagel</td>
<td>33.33%</td>
<td>TBD</td>
<td>Michigan</td>
</tr>
<tr>
<td><strong>Grand Haven Caddis, LLC</strong></td>
<td></td>
<td>50.00%</td>
<td>TBD</td>
</tr>
<tr>
<td>Kevin McGraw</td>
<td>45.00%</td>
<td>TBD</td>
<td>Michigan</td>
</tr>
<tr>
<td>William Demmer</td>
<td>45.00%</td>
<td>TBD</td>
<td>Michigan</td>
</tr>
<tr>
<td>Michael Driver</td>
<td>10.00%</td>
<td>TBD</td>
<td>Michigan</td>
</tr>
</tbody>
</table>

### Key Principals/Guarantors:

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

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

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

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

WHEREAS, the City of Grand Haven Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 125 Elliott Avenue, 132 Elliott Avenue, 133 Elliott Avenue, 215 North 2nd Street, 309 North 2nd Street, 311 North 2nd Street, 317 North 2nd Street, North 2nd Street, 105 Fulton Avenue, and North Harbor Drive within the City of Grand Haven, known as the Peerless Flats Project (the “Project”);

WHEREAS, the City of Grand Haven 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 Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 53.04% to 46.96% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement and infrastructure improvements as presented in the Work Plan dated December 7, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points
must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of $1,688,989 for the principal activity costs of non-environmental activities and a contingency, a maximum of $888,338 in interest, a maximum of $15,000 for Brownfield/Work Plan preparation, and a maximum of $7,500 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of $1,378,865.

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

BE IT FURTHER RESOLVED, that the MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of $888,338 related to the eligible activities for the Project.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

[Signature]

Rachael Eubanks  
State Treasurer

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

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

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

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

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

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 (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Trust Fund programs and activities, and the MCRP;

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

WHEREAS, pursuant to MCL 125.2088h(3)(e), the MSF Board shall direct the investment and reinvestment of the Investment Fund as authorized under Chapter 8A for incentives, including, but not limited to, for the purposes of creating incentives in this state for revitalizing Michigan communities;

WHEREAS, pursuant to MCL 125.2088b(2)(c), the Investment Fund may allocate money for authorized programs to make expenditures or investments from the Investment Fund for programs or activities authorized pursuant to the 21st Century Jobs Trust Fund legislation as long as those programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;
WHEREAS, pursuant to the MSF Act, specifically, MCL 125.2007(c), the MSF has, among other things, the power to make loans and investments;

WHEREAS, Peerless Caddis, LLC (“Company”) has requested a MCRP performance based Other Economic Assistance Loan Participation Award of up to $4,750,000 (“Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”);

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award Request through the Investment Fund 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 120 days (“MCRP Award Recommendation”); and

WHEREAS, the MEDC recommends that the MSF approve funding of up to $4,750,000 from the Investment Fund to fund the MCRP Award Recommendation (the “Funding”);

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

BE IT FURTHER RESOLVED, the MSF approves the Funding.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
EXHIBIT A

“TERM SHEET”

**Loan Terms**

**MSF Facility:** MCRP Other Economic Assistance Loan Participation

**Borrower:** Peerless Caddis, LLC

**Senior Lender:** First National Bank of Michigan

**Total Amount of Loans:** Currently estimated at $20,250,000

**Lender Share:** Currently estimated at $15,500,000

**Total Capital Investment:** Currently estimated at $24,750,000

**MSF Eligible Investment:** Currently estimated at $17,659,791

**Minimum Eligible Investment:** Currently estimated at $15,834,000

**MSF Share:** Up to the lesser of 30% of “Eligible Investment” or $4,750,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Grand Haven is less than 15,000.

**Funding:** The MSF will fund up to $3,300,000 to be disbursed at closing of the financing and completion of other performance criteria.

**Other Conditions:**
- 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 $3,500,000
- Other documents may be required for review.

**MSF Note #1:**

**MSF Loan Amount:** $4,000,000

**Interest Rate:** 1.00% per annum

**MSF Fee(s):** Equal to 1.00% of the loan amount

**Term:** Shall match that of the Lender, anticipated to be 120 months

**Amortization:** Shall match that of the Lender, anticipated to be 360 months

**Repayment Terms:** Monthly interest only for up to 36 months, followed by monthly principal and interest payments with principal due at maturity.
Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.

**MSF Note #2:**

MSF Loan Amount: Up to $750,000

Interest Rate: 1.00% per annum

MSF Fee(s): Equal to 1.00% of the loan amount

Term: Anticipated to be 144 months

Amortization: Shall match that of the Lender, anticipated to be 360 months

Repayment Terms: Monthly interest only payment for 60 months, followed by equal monthly payments of principal and interest with remaining principal due at maturity.

Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Paula Holtz, Community Assistance Team Specialist
       Julius Edwards, Commercial Real Estate Investment Manager
       Jake Winder, Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program - Other Economic Assistance - Equity Investment
The Keefer House Hotel, LLC or a Related Entity – Keefer House Hotel Project

Project Summary
The request will support a community development project located in the city of Hillsdale that will restore the blighted Keefer House Hotel as a 34-room boutique hotel. This historical renovation project will create 6,550 square feet of ground floor commercial space and 23,650 square feet of hotel space to include modern amenities, a welcoming lobby and 1,800 square feet of space devoted to an upscale restaurant to serve as a gathering space for hotel guests and the community. The total project cost is expected to be $12,346,601 and will activate a total of 32,000 square feet of vacant space in the heart of downtown Hillsdale. The total site is approximately 0.4 acres in size. Total construction costs are estimated to be $223.36 per square foot, which is consistent with other similar historic renovation projects.

A financing gap exists due to the high costs of rehabilitating this blighted building. The development team has maximized available traditional financing sources in the form of an approximately $4,500,000 loan from Southern Michigan Bank & Trust and $1,700,000 PACE loan from Twain Financial Partners or 49.9% of the total development cost. In addition, the development team is in the process of securing $1,400,000 in historic tax credit investor proceeds, and the owners are bringing just over $2,100,000 or 17.0% of the development cost in equity to the deal in the form of cash equity through an Opportunity Zone Fund investment. The remaining gap would be filled by the proposed MCRP Other Economic Assistance - Equity Investment of $2,000,000. Despite the MCRP award, it is currently estimated that the ownership group will only be able to achieve a return on operations of under 4% which is below traditional anticipated returns for hospitality projects.

Request
The Keefer House Hotel, LLC and/or a related entity (“Applicant”) is requesting a MCRP Other Economic Assistance – Equity Investment Award in the amount of $2,000,000. Additionally, staff is requesting transfer of funds from the Investment Fund to the Michigan Community Revitalization Program through MCL 125.2088b(2)(c) for the specific purpose of this project. The Applicant anticipates that the project will result in a total capital investment in the amount of $12,346,601.
**Program Summary**
The request for MCRP support is consistent with program requirements to encourage and promote structural renovations and the historic redevelopment of blighted properties located in traditional downtowns. The project qualifies for the MCRP program because the site is considered historic and blighted. This project aligns with the MEDC’s Strategic Plan by supporting the strategic focus area to develop attractive places that attract talent through innovative placemaking. The project also supports the Strategic Plan Guiding Principles of regional impact and equitable growth via the project location in a geographically disadvantaged business location and low-to-moderate income community. Additionally, the project aligns with MEDC Community Development goals because it supports the vision and goals outlined in the community’s Economic Development Strategy and other local planning documents, includes strong local financial support, contributes to a traditional downtown district and revitalizes a significant amount of vacant space. The project also meets local objectives by rehabilitating a historic structure that will offer upscale boutique hotel rooms for visitors, an amenity that is sorely lacking in the Hillsdale market.

**Local Support**
Local support for the project includes an Obsolete Property Rehabilitation Act (OPRA) tax abatement for 12 years valued at approximately $577,000. In addition, the city will partially forgive the loan for the building upon Certificate of Occupancy in the amount of $265,000. The City of Hillsdale is certified with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

**Financing Opportunity – Performance-Based Equity Investment**
The applicant is requesting an MCRP Other Economic Assistance - Equity Investment Award of $2,000,000. The MCRP Equity Award will be used to help offset the high construction costs associated with completing an historic renovation as well improve the gap in the anticipated returns in relation to traditional anticipated returns on a project of this nature. With the proposed MCRP Equity Award the project will be able to achieve an anticipated return of just under 4% from operations. The development has secured senior debt from Southern Michigan Bank and Trust and PACE debt from Twain Financial. In addition, it is anticipated that the project will be able to secure approximately $1,400,000 in historic tax credit equity investment. It is anticipated that disbursements on the MSF Equity Investment will follow investment of other owner equity but before loan proceeds.

A unique aspect of the financing structure for the project is that the loan from Southern Michigan Bank & Trust will be made personally to the owners and then contributed back to the project as an Opportunity Zone Equity investment to the project. The loan will be guaranteed by the project entity and secured by the real estate. The lender has informed MEDC staff that despite the structure they will be following traditional real estate due diligence and construction disbursement practices. The structure is being used in order to maximize the benefits of the Opportunity Zone investment. MEDC staff has vetted the structure and has determined that the structure will not negatively impact the MSF position. If it is determined during the closing process that the proposed financing structure will have a materially negative impact on the MSF’s position, this project will be brought back before the MSF Board for resolution.

The project has a developer fee that is greater than 4% of the total development cost which is above Community Development underwriting criteria. Staff is comfortable with this deviation because the higher developer fee allows the project to leverage additional historic tax credit equity. Additionally, any deferred fees above 4% will be a part of the owner distribution cash flow waterfall.
Below outlines a summary of the development sources and the proposed structure of the MCRP Equity Investment.

**EQUITY INVESTMENT AWARD TERMS:**

**MSF Facility:**
MCRP Other Economic Assistance – Equity Investment

**Applicant:**
The Keefer House Hotel, LLC or a Related Entity ("Investor")

**Investor’s Equity Amount:**
Owner equity contributions of not less than $2,100,000 ("Investor Equity")

**Total Capital Investment:**
Currently estimated at $12,346,601

**MSF Eligible Investment:**
Currently estimated at $10,801,090

**Minimum Eligible Investment:**
Currently estimated at $10,000,000

**MSF Investment Amount:**
Up to lesser of $2,000,000 or 20% of "Eligible Investment" ("MSF Equity"). Staff is requesting the MSF Fund Manager be given authority to negotiate the final terms of the equity investment. All terms may be subject to senior lender consent.

**MSF Fees:**
The MSF shall be paid a one-time fee equal to one percent of the MSF’s Award amount. Additionally, the development team will be responsible for all third-party costs incurred by the MEDC/MSF in closing the transaction.

**Interest Purchased:**
MSF will acquire an equity interest in The Keefer House Hotel, LLC or a related entity to be determined. The MSF will provide no guarantees on debt or accept any recourse obligation.

**“Put” Rights:**
The MSF will receive a “Put” right for among other things failure to adhere to MSF statutory requirements. If exercised, The Keefer House Hotel, LLC or another entity to be determined shall repay in full the entire contribution provided to the partnership and any earned but unpaid profits available at the time of the notice to exercise the “Put” on terms and conditions acceptable to the MSF. The owners of the project will be required to guarantee the “Put” right obligation.

**MSF “Exit” Option:**
MSF will have the option to exit the project after 240 months following disbursement of its proceeds. At time of exit the MSF will be due any remaining unpaid returns and principal.

**Investors “Call” Option:**
Following construction completion the Investors will have the option to call the MSF’s ownership interest for 240 months at a value equal to the greater of any accrued and unpaid returns plus the MSF’s original principal investment or an amount necessary to assure a 5% IRR to the MSF.
Net Cash Flows: To be determined at a later date, that will include the following considerations:
1. Senior debt service requirements.
2. Annual escrowed replacement reserves.
3. Capital expenditures above and beyond what has been escrowed for replacement reserves.
4. Repayment of deferred developer fees.
5. Other restrictions placed on the property by the Senior Lender.
6. HTC preferred returns and other restrictions of the historic tax credit investor.

Split of Net Cash Flows:
1. MSF to receive 100% of available distributable cash flow until a 3% annual cash-on-cash return has been received on its original investment. This return will be cumulative but non-compounding.
2. Investors to receive 100% of remaining available cash flow until a 10% annual cash-on-cash return has been received on its original investment.
3. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors. Proceeds to be applied towards repayment of MSF and Investor’s equity investments.

Split of Proceeds from Sale or Refinance:
1. 100% of remaining proceeds to the MSF until any accumulated unpaid returns have been paid.
2. 100% of remaining proceeds to the Investors until any accumulated unpaid returns have been paid.
3. Pro Rata split of proceeds until the remaining original principal equity investments have been repaid to the MSF and the Investors.
4. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors.

Membership Change: The MSF will have certain rights to block or consent to any material change in the membership of the project owner entity, except with respect to changes made for estate planning purposes.

Sale/Liquidation: The MSF will have certain rights to block or consent to any material liquidation or sale event (e.g., sale to a non-qualified third party).

Timing of Funding: The MSF investment would be made after (a) all of the Investors’ Equity has been contributed to and used to fund approved and budgeted for Project expenses and (b) the Senior Lender has either approved or waived all conditions precedent to funding (but for
any conditions or obligations required of the Fund to make the Investment). For the avoidance of doubt, the MSF investment will be funded prior to the Senior Lender advancing any amounts under its loan.

**Deferred Developer Fees:**
The developer fees of $744,868 of which $391,787 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations. It is anticipated that deferred developer fees will be used to pay any unpaid MSF returns.

**Reserves and Contingencies:**
It is anticipated that the project will have approximately $624,000 in operating, replacement, interest, and lease up reserves, and contingencies.

**Other Conditions:**
The MSF’s investment will be contingent upon the following:

a) Receipt of final construction documents, including a “Guaranteed Maximum Price” construction contract

b) Minimum $2,100,000 owner equity investment
c) Receipt of final development budget
d) Historic Tax Credit Investor equity pay-in schedule
e) Evidence of bridge financing for the historic tax credit equity

**Summary of Development Sources:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
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<tr>
<td>Southern Michigan Bank &amp; Trust</td>
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<tr>
<td>Twain Financial PACE Loan</td>
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<td>City of Hillsdale Loan</td>
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<td>MSF Equity Investment</td>
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<td>Historic Tax Credit Equity</td>
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<td>Deferred Developer Fees</td>
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<td><strong>100.00%</strong></td>
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**Summary of Development Uses:**

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<th>Use</th>
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<td>Hard Construction Costs</td>
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<td>Eligible Soft Costs</td>
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<tr>
<td>Other</td>
<td>$1,092,997</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$12,346,601</strong></td>
</tr>
</tbody>
</table>

**Applicant History**
The Keefer House Hotel, LLC is a single purpose LLC created specifically for this project. The entity is led by CL Real Estate, a real estate development and investment firm out of Peru, Illinois. The Keefer House Hotel project will be their first project in Michigan. The Keefer House Hotel, LLC has not received previous incentives from the Michigan Strategic Fund (MSF). A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.
Appendix A includes a project map and renderings, Appendix B addresses the programmatic requirements and Appendix C contains the Organizational Chart.

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

a) Approval of funds to be transferred for the specific purpose of this project through MCL 125.2088b(2)(c) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

b) A MCRP Other Economic Assistance - Equity Investment Award in the amount of $2,000,000 for The Keefer House Hotel, LLC or a related entity based on terms and conditions outlined in Exhibit A found in the resolution.

c) Grant authority to the MSF Fund Manager to negotiate the final terms of the transaction.
APPENDIX A – Project Map and Renderings
APPENDIX B – Programmatic Requirements

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

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

A. The importance of the project to the community in which it is located:
The Keefer House is a signature building in the center of downtown Hillsdale that has stood at the center of social life in the city of Hillsdale for over a century. The Keefer House was purchased by the City of Hillsdale Tax Increment Finance Authority (TIFA) in 2016 with the express purpose of positioning the property for redevelopment. In early 2017, the TIFA issued a Request for Proposals (RFP) but failed to receive any productive proposals. Then in the fall of 2017, with the help of the MEDC through Project Rising Tide (PRT), a Request for Qualifications (RFQ) was developed which resulted in a proposal from CL Real Estate/The Keefer House Hotel, LLC.

Having this building sit vacant has been a blighting influence on the downtown landscape. This project will activate a long-under-utilized block in the heart of downtown Hillsdale. The Keefer House is a contributing building to the City of Hillsdale’s National Register of Historic Places commercial district.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:
The creation of a boutique hotel in downtown Hillsdale is expected to generate new tourist stays and additional revenue generated from outside the community. This development project is expected to change the face of downtown Hillsdale and spur economic development throughout the City.

C. The amount of local community and financial support for the project:
The City of Hillsdale is offering an Obsolete Property Rehabilitation Act Tax Abatement for the property for 12 years valued at approximately $577,000. Additionally, the City of Hillsdale Tax Increment Financing Authority has offered a partial loan forgiveness on the purchase of the property valued at $265,000 upon Certificate of Occupancy.

D. The applicant's financial need for a community revitalization incentive:
A financing gap exists due to the high costs of rehabilitating this blighted and historic building. The development team has maximized available traditional financing sources in the form of an approximately $4,500,000 loan from Southern Michigan Bank & Trust and $1,700,000 PACE loan from Twain Financial Partners or 49.9% of the total development cost. In addition, the development team is in the process of securing approximately $1,400,000 in historic tax credit investor proceeds,
and the owners are bringing just over $2,100,000 or 17.0% of the development cost in equity to the deal in the form of an Opportunity Zone Fund investment. The remaining gap would be filled by the proposed MCRP Equity investment of $2,000,000. Despite the MCRP award, it is currently estimated that the ownership group will only be able to achieve a return on operations of under 4% which is below traditional anticipated returns for hospitality projects.

E. **The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:**
The project involves renovation of an historic, vacant building into a mixed-use development.

F. **Creation of jobs:**
   It is anticipated that the project will create 50 full-time equivalent jobs with an average hourly rate of $17.08.

G. **The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:**
The development team has been able to secure over $6,100,000 in traditional and debt financing. Additionally, the project is in the process of securing approximately $1,400,000 in historic tax credit equity and will be utilizing Opportunity Zone equity financing.

H. **Whether the project is financially and economically sound:**
   An appraisal completed by BBG, dated March 2, 2020, was reviewed by staff. The appraisal supported a somewhat aggressive average daily rate (ADR) for the hotel component due to the unique offering and amenities. The ADR is in line with rates being achieved by Hillsdale Dow Hotel, but well above other hotel offerings in the area. The project may face some challenges related to the COVID-19 pandemic and because commercial demand is limited in the area. The risks associated with the above is mitigated by the structure of the MCRP Award which will provide financial flexibility to the project, the financial support of the ownership group, and it is anticipated that construction will not be completed until 2022, which could potentially reduce the impact of the pandemic. Additionally, the project has a tenant LOI in place for approximately 25% of the commercial space and talks with other perspective tenants have been positive. Hillsdale is also the home to Hillsdale College, a liberal arts college with 1,400 students from forty-seven states and eight foreign countries. Hillsdale College is a large economic driver within the Hillsdale area and is expected to continue to generate a proportionate number of overnight stays and restaurant visits at the Keefer House Hotel.

I. **Whether the project increases the density of the area:**
The project will reactivate a vacant prominent property in the city of Hillsdale.

J. **Whether the project promotes mixed-use development and walkable communities:**
   This building will be occupied by commercial tenants, a restaurant and hotel all located in a prime downtown location in the downtown central business district. This site is within a block of Hillsdale City Hall, post office, Dawn Theater, shops, restaurants and amenities in downtown Hillsdale. The presence of occupied storefronts along North Howell Street will activate this block. Visitors to the Keefer House Hotel will be regular users of area restaurants and shops and will create additional pedestrian activity in downtown Hillsdale.
K. Whether the project converts abandoned public buildings to private use:
   This project does not convert an abandoned public building to private use.

L. Whether the project promotes sustainable development:
   This development restores a historic resource and proposed construction activities will reuse building elements to reduce landfill waste. The project is located within Hillsdale’s downtown district, reducing needs for additional infrastructure to support the development. The building will incorporate energy efficient appliances and fixtures. LED lighting is planned for the entire building as well as state-of-the-art energy efficient HVAC systems.

M. Whether the project involves the rehabilitation of a historic resource:
   The project will reuse and rehabilitate this historic building, located in the City of Hillsdale’s historic district. The building will be renovated to local and federal historic guidelines.

N. Whether the project addresses area-wide redevelopment:
   It is anticipated that the project upon completion will draw additional visitors to downtown Hillsdale through the hotel and restaurant components. Additionally, it will bring new commercial space to the area.

O. Whether the project addresses underserved markets of commerce:
   There is an underserved demand for an upscale, full-service hotel in the Hillsdale/Coldwater market. Throughout Hillsdale and Hillsdale County, upscale lodging and dining is largely non-existent. Studies conducted by the development team show guests and patrons are willing to travel for a good lodging and dining experience, just as many locals throughout the county are willing to drive to Ann Arbor, Jackson, Detroit, and Grand Rapids. Hillsdale College is a large draw for this area and with more upscale options and a well-positioned full-service hotel, it is anticipated there will be an increase in Hillsdale commerce that would otherwise be displaced to outside of the region.

P. The level and extent of environmental contamination:
   After completing an ESA Phase I and II, it was determined there was contaminated soil through past use on the subject site based on soil samples taken. Due care activities will need to be followed due to the levels of contamination recorded during sampling. Additional testing has also been recommended, depending on use and development plans due to the limited number of original tests. In the winter of 2019 remediation of the interior was completed following hazardous materials testing.

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 plans to utilize Federal Historic Tax Credits, which will require the project to meet the federal Secretary of the Interior’s standards for rehabilitation.

R. Whether the project will compete with or affect existing Michigan businesses within the same industry:
   There is an underserved demand for an upscale, full-service hotel in the Hillsdale market. The Dow Center, run by Hillsdale College, offers overnight stays, which would be considered a direct competitor of the Keefer House Hotel. Hillsdale College is a large draw for the area and with more
upscale options and a well-positioned full-service hotel, it is anticipated there will be additional commerce generated within the heart of downtown Hillsdale.

S. Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter:
There are no additional criteria.
APPENDIX C - Organizational Chart

The Keefer House Hotel, LLC (Michigan) Organizational Structure
The Keefer House Hotel, LLC EIN: 85-3163548
The Keefer House Hotel Manager: Peter Limberger

<table>
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<th>State of Organization</th>
</tr>
</thead>
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<tr>
<td>Ingo Carus</td>
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</tr>
<tr>
<td>MTEC Capital Corp.</td>
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</tbody>
</table>
WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans, and other economic assistance for redevelopment of communities in Michigan;

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

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

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

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

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 (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Trust Fund programs and activities, and the MCRP;

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

WHEREAS, pursuant to MCL 125.2088h(3)(c), the MSF Board shall direct the investment and reinvestment of the Investment Fund as authorized under Chapter 8A for incentives, including, but not limited to, for the purposes of creating incentives in this state for revitalizing Michigan communities;

WHEREAS, pursuant to MCL 125.2088b(2)(c), the Investment Fund may allocate money for authorized programs to make expenditures or investments from the Investment Fund for programs or activities authorized pursuant to the 21st Century Jobs Trust Fund legislation as long as those programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;
WHEREAS, pursuant to the MSF Act, specifically, MCL 125.2007(c), the MSF has, among other things, the power to make loans and investments;

WHEREAS, The Keefer House Hotel, LLC or a related entity (“Company”) has requested a Michigan Community Revitalization Program Performance Based Other Economic Assistance - Equity Investment Award of up to $2,000,000, along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (collectively “Award Request”);

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award 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 240 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 120 days (“Award Recommendation”); and

WHEREAS, the MEDC recommends that the MSF approve funding of up to $2,000,000 from the Investment Fund to fund the MCRP Award Recommendation (the “Funding”);

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

BE IT FURTHER RESOLVED, the MSF approves the Funding.

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 Award Recommendation.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
EXHIBIT A

“Term Sheet”

EQUITY INVESTMENT AWARD TERMS:

MSF Facility: MCRP Other Economic Assistance – Equity Investment

Applicant: The Keefer House Hotel, LLC or a Related Entity (“Investor”)

Investor’s Equity Amount: Owner equity contributions of not less than $2,100,000 (“Investor Equity”)

MSF Investment Amount: Up to lesser of $2,000,000 or 20% of “Eligible Investment” (“MSF Equity”). Staff is requesting the MSF Fund Manager be given authority to negotiate the final terms of the equity investment. All terms may be subject to senior lender consent.

MSF Fees: The MSF shall be paid a one-time fee equal to one percent of the MSF’s Award amount. Additionally, the development team will be responsible for all third-party costs incurred by the MEDC/MSF in closing the transaction.

Interest Purchased: MSF will acquire an equity interest in Keefer House Hotel, LLC or a related entity to be determined. The MSF will provide no guarantees on debt or accept any recourse obligation.

“Put” Rights: The MSF will receive a “Put” right for among other things failure to adhere to MSF statutory requirements. If exercised, Keefer House Hotel, LLC or another entity to be determined shall repay in full the entire contribution provided to the partnership and any earned but unpaid profits available at the time of the notice to exercise the “Put” on terms and conditions acceptable to the MSF. The owners of the project will be required to guarantee the “Put” right obligation.

MSF “Exit” Option: MSF will have the option to exit the project after 240 months following disbursement of its proceeds. At time of exit the MSF will be due any remaining unpaid returns and principal.

Investors “Call” Option: Following construction completion the Investors will have the option to call the MSF’s ownership interest for 240 months at a value equal to the greater of any accrued and unpaid returns plus the MSF’s original principal investment or an amount necessary to assure a 5% IRR to the MSF.

Net Cash Flows: To be determined at a later date, that will include the following considerations:

1. Senior debt service requirements.
2. Annual escrowed replacement reserves.
3. Capital expenditures above and beyond what has been escrowed for replacement reserves.
4. Repayment of deferred developer fees.
5. Other restrictions placed on the property by the Senior Lender.
6. HTC preferred returns and other restrictions of the historic tax credit investor.

**Split of Net Cash Flows:**

1. MSF to receive 100% of available distributable cash flow until a 3% annual cash-on-cash return has been received on its original investment. This return will be cumulative but non-compounding.
2. Investors to receive 100% of remaining available cash flow until a 10% annual cash-on-cash return has been received on its original investment.
3. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors. Proceeds to be applied towards repayment of MSF and Investor’s equity investments.

**Split of Proceeds from Sale or Refinance:**

1. 100% of remaining proceeds to the MSF until any accumulated unpaid returns have been paid.
2. 100% of remaining proceeds to the Investors until any accumulated unpaid returns have been paid.
3. Pro Rata split of proceeds until the remaining original principal equity investments have been repaid to the MSF and the Investors.
4. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors.

**Membership Change:**

The MSF will have certain rights to block or consent to any material change in the membership of the project owner entity, except with respect to changes made for estate planning purposes.

**Sale/Liquidation:**

The MSF will have certain rights to block or consent to any material liquidation or sale event (e.g., sale to a non-qualified third party).

**Timing of Funding:**

The MSF investment would be made after (a) all of the Investors’ Equity has been contributed to and used to fund approved and budgeted for Project expenses and (b) the Senior Lender has either approved or waived all conditions precedent to funding (but for any conditions or obligations required of the Fund to make the Investment). For the avoidance of doubt, the MSF investment will be funded prior to the Senior Lender advancing any amounts under its loan.
Deferred Developer Fees: The developer fees of $744,868 of which $391,787 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations. It is anticipated that deferred developer fees will be used to pay any unpaid MSF returns.

Other Conditions: The MSF’s investment will be contingent upon the following:

- Receipt of final construction documents, including a “Guaranteed Maximum Price” construction contract
- Minimum $2,100,000 owner equity investment
- Receipt of final development budget
- Historic Tax Credit Investor equity pay-in schedule
- Evidence of bridge financing for the historic tax credit equity
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

[Signature]

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrea Lockwood
MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #1 and a Request for Approval of an Act 381 Work Plan Amendment #1 Cadillac Lofts Redevelopment Project

Request
The City of Cadillac Brownfield Redevelopment Authority is requesting an amendment to add Infrastructure Improvement eligible activity costs and associated Interest in the amount of $694,985 to the existing approved Work Plan, which will increase the state tax increment portion from $346,465 to $622,273.

Cadillac Lofts, LLC is also requesting an amendment to the MCRP Agreement to extend the Milestone Two, Project Completion due date from November 1, 2020 to February 28, 2021. However, in order to ensure that there is ample time for project completion and issuance of certificates of occupancy, staff is recommending that the milestone due date be extended to April 30, 2021. As a result of the request to extend Milestone Two, staff is also recommending that the Pre-Grant Disbursement Due Diligence Conditions be extended from February 28, 2021 to August 31, 2021 to allow adequate time for Disbursement Conditions to be met.

Project Background
A Work Plan was originally approved for this project by the MSF Board on June 25, 2019 to support the construction of two buildings over two phases. The first building includes 6,000 square feet of commercial space on the first floor and 18,708 square feet of residential space consisting of 42 units on the upper three floors while the second building includes 6,500 square feet of commercial space on the first floor and 18,708 square feet of residential space consisting of 42 units on the upper three floors.

The request for the reimbursement of additional Infrastructure Improvements costs and associated Interest is directly tied to the change in the low/moderate income community status for the City of Cadillac. Some infrastructure costs were originally anticipated to be covered by a potential Community Development Block Grant (CDBG) award, but with the change in the low/moderate income status so that the city’s population is no longer at least 51% low/moderate income, the award could no longer be considered. Infrastructure costs and Interest are already included in the original Work Plan, and this request reflects the amount of infrastructure improvement costs that would have been requested under a potential CDBG request. The project will now include a total 108,300 square feet of publicly maintained infrastructure improvements.

Completion of the commercial space has been impacted by construction delays, and as a result, certificates of occupancy have not been issued. The residential space has already received certificates of occupancy.
Local support for the project has also increased as the local tax capture per the amended Work Plan is going from $493,890 to $913,067. The project is located in a Michigan Geographically Disadvantaged Business Location.

**Tax Capture Summary**

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Cadillac, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on April 15, 2019, and amended on May 18, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on May 3, 2019, and as stated earlier the MSF Board approved the project’s brownfield Work Plan in June of 2019.

There are 59.2122 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (40.53%) and local millage equaling 35.2122 mills (59.47%). Tax increment capture began in 2020 and is estimated to continue for 21 years. The state tax capture is recommended to be capped at $622,273, which is the amount of tax increment revenue anticipated to be generated by state mills in 21 years. Total MSF eligible activities are estimated at $2,451,891. The final ratio accounts for the NEZ and PA 255 tax abatements. Total MSF eligible activities are estimated at $1,535,340. MSF eligible activities breaks down as follows:

### ORIGINAL PROJECT

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### AMENDED PROJECT

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### COST OF MSF ELIGIBLE ACTIVITIES (ORIGINAL PROJECT)

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**COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)**

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<td>Contingency (15%)</td>
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</tr>
<tr>
<td>Sub-Total</td>
<td>$1,240,435</td>
</tr>
<tr>
<td>Interest (5%)</td>
<td>+ 274,905</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>$1,515,340</td>
</tr>
<tr>
<td>Brownfield/Work Plan Preparation</td>
<td>+ 15,000</td>
</tr>
<tr>
<td>Brownfield/Work Plan Implementation</td>
<td>+ 5,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,535,340</strong></td>
</tr>
</tbody>
</table>

**Recommendation**

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

a) State tax capture for the Act 381 eligible activities capped at $622,273, utilizing the current state to local capture ratio.

b) An amendment to the MCRP Grant Agreement and any related ancillary agreements to extend the Milestone Two due date from November 1, 2020 to April 30, 2021, and the Pre-Grant Disbursement Due Diligence Conditions due date from February 28, 2021 to August 31, 2021, per the Company’s request dated December 8, 2020.
MICHIGAN STRATEGIC FUND

RESOLUTION

2021-015

APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN

CITY OF CADILLAC BROWNFIELD REDEVELOPMENT AUTHORITY

CADILLAC LOFTS 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 MSF;

WHEREAS, the MSF Board approved a Work Plan request for Cadillac Lofts Redevelopment Project (the "Project"), by Resolution 2019-101 on June 25, 2019, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of $840,355 in eligible activities;

WHEREAS, the City of Cadillac Brownfield Redevelopment Authority (the "Authority") wishes to amend the scope of the Project by including the costs of additional infrastructure improvements and associated interest in the amount of $694,985 and increasing the maximum amount for eligible costs to $1,535,340;

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 amended Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 40.53% to 59.47% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation and infrastructure improvements as presented in the revised Work Plan dated November 6, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of $1,240,435 for the principal activity costs of non-environmental activities and a contingency, a maximum of $274,905 in interest, a maximum of $5,000 for Brownfield/Work Plan implementation, and a maximum of $15,000 for Brownfield/Work Plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of $622,273.
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 they MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of $274,905 related to the eligible activities for the Project.

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2019-101 are reaffirmed, and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

Rachael Eubanks
State Treasurer

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

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

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

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

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

WHEREAS, by Resolution 2019-100 on June 25, 2019 the MSF Board awarded a MCRP Grant Award to Cadillac Lofts, LLC, in furtherance of the Project of up to $1,500,000 (“Award”);

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to extend Milestone Two due date from November 1, 2020 to April 30, 2021 and extend the Pre-Grant Disbursement Due Diligence Conditions due date from February 28, 2021 to August 31, 2021, with all other requirements remaining in place from the original approval (“MCRP Amendment Recommendation”).

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

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

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021
January 8, 2021

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

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
    Andrew Lockwood
MEMORANDUM

Date: January 26, 2021
To: Michigan Strategic Fund (“MSF”) Board Members
From: Mark A. Burton, President & CEO
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our latest quarterly report to the MSF Board, featuring a comprehensive review of our delegated authority activity over the previous three months. The following pages provide a narrative centered around the types of projects supported through delegated approval in the first quarter (Q1) of Fiscal Year 2021, as well as information about the impact that those projects have had on communities across the state.

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

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Val Hoag know if you have any questions or comments about this new reporting layout or with the contents of these quarterly reports.
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 the first quarter (Q1) of Fiscal Year 2021.

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

**Q1 IMPACTS**

We are pleased to share that throughout Q1, the delegate-approved projects represented our continued emphasis on supporting underserved populations and geographically disadvantaged areas. Throughout Q1, 30% of the projects approved through delegated authority were located in geographically disadvantaged areas.
Delegate Approvals: October 1, 2020 to December 31, 2020

ASSISTANCE TO DISADVANTAGED AREAS

Of the 77 delegate approvals in the first quarter of FY 2021, 23 of them (30%) were in geographically disadvantaged areas.

PRIVATE INVESTMENT

- $10,120,143 (41%)
- $14,503,108 (59%)

PROJECTED JOBS

- 111 (37%)
- 188 (63%)

APPROVED AMOUNT

- $7,486,098 (30%)
- $17,061,283 (70%)

MSF Delegate Approvals, Q1 2021

Located in GDA?
- No
- Yes

Source: Q1 2021 MEDC project data and Estl, Inc.
Of the 2,878 grants and loans awarded through the MI Small Business Relief Program, 1,232 of those awards (43%) went to geographically disadvantaged areas.
Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during Q1, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

### Brownfield Tax Increment Financing (TIF)

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

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Approval Date</th>
<th>Location</th>
<th>Incentive Approved</th>
<th>Jobs</th>
<th>Investment</th>
<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leonard Development Partners, LLC</td>
<td>10/5/20</td>
<td>Grand Rapids</td>
<td>$228,939</td>
<td>N/A</td>
<td>$4,803,000</td>
<td>An Act 381 Work Plan with State tax capture valued at $228,939 was awarded for the redevelopment of vacant commercial properties located at 415-421 Leonard Street NW within the City of Grand Rapids’ Westside Corridor. Redevelopment of this key corner and corridor within the City will create a 23,058 square foot multistory mixed-use commercial office and retail building which will allow existing local businesses to expand while also providing economic benefit for neighboring businesses. Eligible activities will include demolition, lead and asbestos abatement, site preparation and infrastructure improvements with total private investment of $4,803,000.</td>
</tr>
<tr>
<td>K8 Partners, LLC</td>
<td>11/13/20</td>
<td>Detroit</td>
<td>$96,275</td>
<td>1</td>
<td>$2,462,758</td>
<td>An Act 381 Work Plan valued at $262,047 (State portion is $96,275) was awarded to the City of Detroit Brownfield Redevelopment Authority for a project in the City of Detroit. The project will consist of the rehabilitation of a 11,761 square foot, eight unit multi-family building. The project is expected to have a total capital investment of approximately $2.4 million.</td>
</tr>
<tr>
<td>Project Name</td>
<td>Approval Date</td>
<td>Location</td>
<td>Incentive Approved</td>
<td>Jobs</td>
<td>Investment</td>
<td>Project Highlights</td>
</tr>
<tr>
<td>----------------------------------</td>
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<td>----------------</td>
<td>-------------------</td>
<td>------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Locker &amp; Locker Properties, LLC</td>
<td>11/23/20</td>
<td>South Haven</td>
<td>$110,002</td>
<td>15</td>
<td>$2,199,100</td>
<td>Locker &amp; Locker Properties, LLC plans to redevelop a 14,730 square foot building into a mixed-use project that includes 12 residential apartments and commercial space on the ground floor. The project will activate long-vacant upper floor space to provide workforce housing, while also addressing a brownfield site and increasing density in downtown South Haven. The project is expected to result in a total capital investment of $2.6 million and creation of approximately 15 full-time equivalent jobs. The project has been awarded a $500,000 Michigan Community Revitalization Program performance-based grant and a Brownfield Act 381 work plan valued at $110,002. Local support for the project includes local participation in the Act 381 Work Plan, estimated at $40,748, local-only brownfield activities estimated at $140,000 and the City of South Haven has also approved a ten-year Commercial Rehabilitation Tax abatement for the project with a projected value of approximately $188,234.</td>
</tr>
</tbody>
</table>

**Capital Markets**

<table>
<thead>
<tr>
<th>Program</th>
<th>Project Name</th>
<th>Approval Date</th>
<th>Location</th>
<th>Incentive Approved</th>
<th>Jobs</th>
<th>Investment</th>
<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSDF-CSP</td>
<td>Mid-Michigan Periodontics &amp; Dental Implants, P.C.</td>
<td>11/10/20</td>
<td>Bay City</td>
<td>$489,000</td>
<td>N/A</td>
<td>$1,050,000</td>
<td>The dental company is looking to refinance current loans from 1st State Bank and also have a working capital LOC. Company is working with Isabella Bank and seeking collateral support.</td>
</tr>
<tr>
<td></td>
<td>Tri-City Kids Pediatric Dentistry P.C.</td>
<td>11/10/20</td>
<td>Bay City</td>
<td>$509,000</td>
<td>N/A</td>
<td>$1,390,000</td>
<td>The dentistry is looking to refinance two commercial loans currently with 1st State Bank as well as establish a working capital line of credit. The company is working with Isabella Bank who is seeking collateral support.</td>
</tr>
</tbody>
</table>
**Michigan Community Revitalization Program (MCRP)**

MCRP is a program available from the MSF, in cooperation with MEDC, designed to promote community revitalization that will accelerate private investment in areas of historical disinvestment, contribute to Michigan’s reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete or historic properties, reduce blight; and protect the natural resources of the state.

<table>
<thead>
<tr>
<th>Program</th>
<th>Project Name</th>
<th>Approval Date</th>
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<th>Jobs</th>
<th>Investment</th>
<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSBCI-CSP</td>
<td>GLIDRS, LLC</td>
<td>11/20/20</td>
<td>Haslett</td>
<td>$150,000</td>
<td>N/A</td>
<td>$750,000</td>
<td>GLIDRS, LLC is requesting a $750,000 loan to refinance Huntington Bank CREM with MSUFCU. MSUFCU is requesting collateral support on this loan as there is a collateral shortfall due to lower-than-expected appraisal.</td>
</tr>
<tr>
<td></td>
<td>West Michigan Sawmill of Clarksville, LLC</td>
<td>12/17/20</td>
<td>Clarksville</td>
<td>$523,000</td>
<td>N/A</td>
<td>$1,050,000</td>
<td>West Michigan Sawmill of Clarksville is working with Union Bank to secure a commercial real estate mortgage to refinance real estate debt, equipment and inventory. Union Bank is seeking the collateral support program due to collateral shortfall.</td>
</tr>
<tr>
<td></td>
<td>Kelly Dewatering and Construction Company</td>
<td>12/23/20</td>
<td>Grand Rapids</td>
<td>$1,166,000</td>
<td>9</td>
<td>$4,600,000</td>
<td>Level One Bank is requesting collateral support in order to support the purchase of Kelley Dewatering and Construction Company.</td>
</tr>
<tr>
<td></td>
<td>Innotec</td>
<td>10/27/20</td>
<td>Zeeland</td>
<td>$2,700,000</td>
<td>23</td>
<td>$15,445,000</td>
<td>Innotec designs, engineers, and manufacturers LED lighting solutions for vehicles, equipment and heavy machinery. The Company has experienced some operational issues in the past couple of years as it invested heavily in M&amp;E and R&amp;D. CIBC is seeking to provide a LOC so that the company can continue to invest and grow, and is seeking MEDC support to alleviate the shortfall.</td>
</tr>
<tr>
<td></td>
<td>Invest Detroit</td>
<td>10/15/20</td>
<td>Detroit</td>
<td>$2,500,000</td>
<td>N/A</td>
<td>$10,000,000</td>
<td>Invest Detroit is seeking to increase its small business lending activity. The increased loan volume will be focused on 10 neighborhoods identified as in need of investment. ID plans to lend up to $10 million over the next three years. ID is requesting a 25 percent pooled guarantee related to this lending.</td>
</tr>
</tbody>
</table>

Eden Property Collection, LLC was awarded a $414,950 Community Revitalization Program grant for a project located in the City of Iron Mountain that will convert an underutilized, obsolete second floor of a historic, mixed use building into seven residential apartments, representing $1,096,355 in total capital investment. The residential units created will occupy a total of 5,380 square feet, accommodating one and two bedrooms each. The rooftop terrace’s 2,860 square feet, will be renovated to offer common area outdoor space and sustainable green elements amenities to residents and will contribute to the total renovated square footage of 8,240.
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Approval Date</th>
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<th>Incentive Approved</th>
<th>Jobs</th>
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</thead>
<tbody>
<tr>
<td>Locker &amp; Locker Properties, LLC</td>
<td>11/23/20</td>
<td>South Haven</td>
<td>$500,000</td>
<td>15</td>
<td>$2,199,100</td>
</tr>
<tr>
<td>Cheboygan 409 Main, LLC</td>
<td>12/22/20</td>
<td>Cheboygan</td>
<td>$435,000</td>
<td>9</td>
<td>$560,557</td>
</tr>
</tbody>
</table>

**Project Highlights**

Locker & Locker Properties, LLC plans to redevelop a 14,730 square foot building into a mixed-use project that includes 12 residential apartments and commercial space on the ground floor. The project will activate long-vacant upper floor space to provide workforce housing, while also addressing a brownfield site and increasing density in downtown South Haven. The project is expected to result in a total capital investment of $2.6 million and creation of approximately 15 full-time equivalent jobs. The project has been awarded a $500,000 Michigan Community Revitalization Program performance-based grant and a Brownfield Act 381 work plan valued at $110,002. Local support for the project includes local participation in the Act 381 Work Plan, estimated at $40,748, local-only brownfield activities estimated at $140,000 and the City of South Haven has also approved a 10-year Commercial Rehabilitation Tax abatement for the project with a projected value of approximately $188,234.

Cheboygan 409 Main, LLC was awarded a $435,000 MCRP performance-based grant for building rehab to complete exterior and interior improvements to a functionally obsolete building in downtown Cheboygan. The project will create three commercial spaces on the first floor and four residential units on the second floor totaling approximately 6,435 square feet. The project is anticipated to create nine jobs with a total capital investment of $995,557.

### Community Development Block Grant (CDBG)

MEDC, on behalf of the Michigan Strategic Fund (MSF), administers the Community Development Block Grant (CDBG) program. CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development (HUD). Funds are used to provide grants to eligible counties, cities, villages, and townships, usually with populations under 50,000, for economic development, community development and housing projects.

| City of Houghton - Rental Rehab at LoHo 308-310 Shelden Avenue | 10/19/20 | Houghton | $253,075 | N/A | $197,900 |
| City of Munising - Harley Apartments Rental Rehab | 10/19/20 | Munising | $192,500 | N/A | $87,773 |
| City of Ludington - Second Floor Living | 10/30/20 | Ludington | $536,675 | N/A | $478,068 |

The project at 308 Shelden Avenue will rehabilitate the vacant Lower Houghton space under the storefront of Shelden Avenue into four new residential units, activating 2,060 sq. ft of vacant space below two commercial spaces on downtown Houghton’s main street.

The project at 102 E Munising Avenue includes creation of three new apartment units in the vacant second floor of the historic, mixed-use building in the heart of Downtown Munising through the rehabilitation of the entire 1,750 sq. ft space.

The City of Ludington will receive $533,986 in Community Development Block Grant funds for rental rehab improvements needed for the Second Floor Living project located in Mason County, Michigan. The City expects this project could result in private investment of $478,068. This project will put eight rental units on the market. The building owners have agreed that at least six of the eight units will be occupied by low-to-moderate income households at affordable rents for a period of five years. The buildings in this project are 119 W. Ludington and 212 W. Ludington.
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Approval Date</th>
<th>Location</th>
<th>Incentive Approved</th>
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<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan Municipal League Foundation - Pure Michigan Small Business Relief</td>
<td>12/3/20</td>
<td>Ann Arbor</td>
<td>$11,000,000</td>
<td>N/A</td>
<td>$0</td>
<td>Pure Michigan Small Business Relief Initiative. MMLF is grant administrator to Michigan small business throughout the state. CDBG CARES funding up to $15K per business for working capital.</td>
</tr>
<tr>
<td>City of Houghton - Rental Rehab at 510 and 515 Shelden Avenue</td>
<td>12/15/20</td>
<td>Houghton</td>
<td>$442,374</td>
<td>N/A</td>
<td>$231,647</td>
<td>The project at 510 and 515 Shelden Avenue includes creation of seven new apartment units in the vacant second floor of two historic, mixed-use building in the heart of Downtown Houghton through the rehabilitation of the entire 4,355 sq. ft space.</td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Approval Date</th>
<th>Location</th>
<th>Incentive Approved</th>
<th>Jobs</th>
<th>Investment</th>
<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lordstown Motors Corporation</td>
<td>11/6/20</td>
<td>Farmington Hills</td>
<td>$1,000,000</td>
<td>141</td>
<td>$3,681,043</td>
<td>Lordstown Motors plans to establish an automotive R&amp;D center in Farmington Hills that will consist of offices, space for vehicle inspection and benchmarking, and labs for testing, validation, and prototyping. The company’s decision to locate its R&amp;D headquarters in Michigan is part of its long-term vision of establishing an electric vehicle epicenter in the Midwest. The project is expected to generate a total private investment of $3.6 million and create 141 jobs, resulting in a $1 million Michigan Business Program performance-based grant. Michigan was chosen over competing sites in California and Ohio.</td>
</tr>
<tr>
<td>A.G. Simpson (USA), Inc.</td>
<td>12/21/20</td>
<td>Sterling Heights</td>
<td>$850,000</td>
<td>100</td>
<td>$5,000,000</td>
<td>AGS Automotive Systems, a full-service automotive supplier, makes its first entry into the autonomous vehicle space in the U.S. through an expansion at its campus in Sterling Heights with support from the MSF. AGS has been awarded a new contract from one of its key customers, which will serve as the platform for the company’s entry into a high-tech segment of the impact assembly business. AGS plans to add capacity in several of its key processes within the existing footprint of its facility in Sterling Heights, while integrating increased levels of autonomous vehicle technology into its products. The project is expected to generate a total private investment of $5 million and create 100 jobs, resulting in an $850,000 Michigan Business Program performance-based grant. Michigan was chosen over competing sites in other locations.</td>
</tr>
</tbody>
</table>
**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.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Demographics</th>
<th>Approval Date</th>
<th>Location</th>
<th>Incentive Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Automation Technologies LLC - FY21 MI-STEP Automation Alley Virtual Trade Mission to Africa</td>
<td>Woman-owned</td>
<td>10/6/20</td>
<td>Rochester Hills</td>
<td>$750.00</td>
</tr>
<tr>
<td>Dog Might LLC - FY21 MI-STEP International Facebook Marketing Q1</td>
<td></td>
<td>10/7/20</td>
<td>Ann Arbor</td>
<td>$11,250.00</td>
</tr>
<tr>
<td>Michigan Software Labs - FY21 MI-STEP GDS International Digital Summit</td>
<td></td>
<td>10/7/20</td>
<td>Ada</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Q-Sage, Incorporated - FY21 MI-STEP American Seed Trade Association Virtual Expo</td>
<td></td>
<td>10/7/20</td>
<td>Mt. Pleasant</td>
<td>$6,375.00</td>
</tr>
<tr>
<td>Airflow Sciences Corporation - FY21 MI-STEP International Marketing &amp; Virtual Webinar Campaign</td>
<td></td>
<td>10/15/20</td>
<td>Livonia</td>
<td>$14,250.00</td>
</tr>
<tr>
<td>Bhogarmed - FY21 MI-STEP Automation Alley Virtual Trade Mission - Africa</td>
<td>Minority-owned</td>
<td>10/15/20</td>
<td>Bloomfield Hills</td>
<td>$1,125.00</td>
</tr>
<tr>
<td>Business-Connect - FY21 MI-STEP Africa Sales Trip</td>
<td></td>
<td>10/15/20</td>
<td>Grandville</td>
<td>$2,868.00</td>
</tr>
<tr>
<td>Curriculum Crafter - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa</td>
<td></td>
<td>10/15/20</td>
<td>Grand Rapids</td>
<td>$1,125.00</td>
</tr>
<tr>
<td>DataFactZ / diwo - FY21 MI-STEP Risk Conference and Virtual Trade Show Canada</td>
<td>Minority owned</td>
<td>10/15/20</td>
<td>Northville</td>
<td>$11,250.00</td>
</tr>
<tr>
<td>Dataspeed Inc. - FY21 MI-STEP Discover Global Markets Virtual</td>
<td></td>
<td>10/15/20</td>
<td>Rochester Hills</td>
<td>$262.50</td>
</tr>
<tr>
<td>Electro-Optics Technology, Inc. - FY21 MI-STEP Laser World of Photonics Germany</td>
<td></td>
<td>10/15/20</td>
<td>Traverse City</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>RG Resource Technologies DBA Power Panel, Inc - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa</td>
<td></td>
<td>10/15/20</td>
<td>Oxford</td>
<td>$750.00</td>
</tr>
<tr>
<td>RnD Engineering - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa</td>
<td>Minority owned</td>
<td>10/15/20</td>
<td>Livonia</td>
<td>$1,125.00</td>
</tr>
<tr>
<td>Surplus Coatings - FY21 MI-STEP Sample Product Shipping to India</td>
<td></td>
<td>10/15/20</td>
<td>Kent City</td>
<td>$4,000.00</td>
</tr>
<tr>
<td>Tygrus - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa</td>
<td></td>
<td>10/15/20</td>
<td>Troy</td>
<td>$1,125.00</td>
</tr>
<tr>
<td>Altus Brands, LLC - FY21 MI-STEP SHOT Show w/Backup Plan for Cancellation</td>
<td>Veteran-owned</td>
<td>10/16/20</td>
<td>Traverse City</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>First Class Transport - FY21 MI-STEP UAE &amp; Middle East Sales Trip</td>
<td>Minority-owned</td>
<td>10/16/20</td>
<td>Roseville</td>
<td>$10,010.25</td>
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<tr>
<td>Medicus Health - FY21 MI-STEP FIME Trade Show 2021 Miami</td>
<td></td>
<td>10/16/20</td>
<td>Kentwood</td>
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<tr>
<td>Unist, Inc - FY21 MI-STEP Compliance/CE Mark Testing</td>
<td></td>
<td>10/16/20</td>
<td>Grand Rapids</td>
<td>$8,632.50</td>
</tr>
<tr>
<td>Airflow Sciences Corporation - FY21 MI-STEP India Marketing &amp; Sample Product Shipping</td>
<td></td>
<td>10/22/20</td>
<td>Livonia</td>
<td>$3,375.00</td>
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<td>MajesTec 125LLC DBA FreedomLift - FY21 MI-STEP Ft. Lauderdale International Boat Show</td>
<td></td>
<td>10/22/20</td>
<td>Grand Rapids</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Project Name</td>
<td>Demographics</td>
<td>Approval Date</td>
<td>Location</td>
<td>Incentive Approved</td>
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<td>The Black Moon Group, DBA: BMG Medical - FY21 MI-STEP Automation Alley Virtual Trade Mission - Africa</td>
<td>Disabled Veteran-owned</td>
<td>10/26/20</td>
<td>Grand Rapids</td>
<td>$1,125.00</td>
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<td>Techmark, Inc. - FY21 MI-STEP FrutiLogistica Germany</td>
<td></td>
<td>10/29/20</td>
<td>Lansing</td>
<td>$4,357.50</td>
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<td>Techmark, Inc. - FY21 MI-STEP Global Cherry Summit</td>
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<td>10/29/20</td>
<td>Lansing</td>
<td>$5,646.75</td>
</tr>
<tr>
<td>Hurley Marine, Inc. - FY21 MI-STEP Social Media Campaign Australia, New Zealand, Brazil</td>
<td></td>
<td>11/3/20</td>
<td>Escanaba</td>
<td>$1,500.00</td>
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<td>Unist, Inc - FY21 MI-STEP Spanish Web Translation</td>
<td></td>
<td>11/3/20</td>
<td>Grand Rapids</td>
<td>$6,075.00</td>
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<tr>
<td>Electro-Matic Products, Inc. - FY21 MI-STEP MESSE Fair Germany</td>
<td></td>
<td>11/4/20</td>
<td>Farmington Hills</td>
<td>$7,701.00</td>
</tr>
<tr>
<td>Octava - FY21 MI-STEP Video Translation French &amp; Spanish</td>
<td>Minority owned</td>
<td>11/4/20</td>
<td>Warren</td>
<td>$6,000.00</td>
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<tr>
<td>AHB Tooling &amp; Machinery LLC (dba AHB Tooling &amp; Machinery) - FY21 MI-STEP Chinese Web Maintenance</td>
<td></td>
<td>11/5/20</td>
<td>Roseville</td>
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<tr>
<td>Facet International Marketing - FY21 MI-STEP International Web Design Australia &amp; Germany</td>
<td>Woman-owned</td>
<td>11/5/20</td>
<td>Novi</td>
<td>$7,500.00</td>
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<tr>
<td>TACK Electronics, Inc. - FY21 MI-STEP Amusement Expo International</td>
<td></td>
<td>11/5/20</td>
<td>Cascade Township</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>The Mackinac Technology Company - FY21 MI-STEP France &amp; UK Marketing</td>
<td></td>
<td>11/5/20</td>
<td>Grand Rapids</td>
<td>$6,000.00</td>
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<tr>
<td>Helical Lap &amp; Manufacturing Company - FY21 MI-STEP IBT International Web Design</td>
<td></td>
<td>11/6/20</td>
<td>Mount Clemens</td>
<td>$9,000.00</td>
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<td>Hurley Marine, Inc. - FY21 MI-STEP Website Localization and SEO</td>
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<td>11/13/20</td>
<td>Escanaba</td>
<td>$10,000.00</td>
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<td>Garrison Dental Solutions - FY21 MI-STEP Australian Marketing Campaign</td>
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<td>11/16/20</td>
<td>Spring Lake</td>
<td>$6,750.00</td>
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<td>RJG Inc - FY21 MI-STEP NPE Orlando</td>
<td></td>
<td>11/16/20</td>
<td>Traverse City</td>
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<td>Fortech Products - FY21 MI-STEP Queretaro Automotive Meetings</td>
<td></td>
<td>11/17/20</td>
<td>Brighton</td>
<td>$4,065.00</td>
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<tr>
<td>Nautical Specialties - FY21 MI-STEP Fort Lauderdale International Boat Show</td>
<td></td>
<td>11/17/20</td>
<td>Port Huron</td>
<td>$10,528.50</td>
</tr>
<tr>
<td>RnD Engineering - FY21 MI-STEP Sales Trip - Ethiopia</td>
<td>Minority owned</td>
<td>11/18/20</td>
<td>Livonia</td>
<td>$4,419.75</td>
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<tr>
<td>Link Engineering Company - FY21 MI-STEP International Web Design - Germany &amp; China</td>
<td></td>
<td>11/19/20</td>
<td>Plymouth</td>
<td>$9,000.00</td>
</tr>
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<td>Ross Controls - FY21 MI-STEP International Web Design</td>
<td></td>
<td>11/24/20</td>
<td>Troy</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>k-Space Associates, Inc - FY21 Chinese &amp; S. Korean Web Development IBT Online</td>
<td></td>
<td>12/1/20</td>
<td>Dexter</td>
<td>$11,160.00</td>
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<tr>
<td>Magnetic Products Inc. - FY21 MI-STEP Mexico - Web Development, Localization, SEO &amp; Marketing</td>
<td></td>
<td>12/1/20</td>
<td>Highland Town-ship</td>
<td>$8,010.00</td>
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<tr>
<td>Trueline Health LLC. - FY21 MI-STEP Chinese Web Development &amp; E-Commerce</td>
<td></td>
<td>12/1/20</td>
<td>Kentwood</td>
<td>$8,850.00</td>
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<tr>
<td>Elco Enterprises, Inc. - FY21 MI-STEP Fabtech Mexico</td>
<td>Veteran owned</td>
<td>12/2/20</td>
<td>Jackson</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Grip Studios Inc. - FY21 MI-STEP Canadian Web Design</td>
<td></td>
<td>12/2/20</td>
<td>Plymouth</td>
<td>$2,250.00</td>
</tr>
<tr>
<td>Project Name</td>
<td>Demographics</td>
<td>Approval Date</td>
<td>Location</td>
<td>Incentive Approved</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
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<tr>
<td>Q-Sage, Incorporated - FY21 MI-STEP American Seed Trade Association Virtual Expo - Part II</td>
<td></td>
<td>12/3/20</td>
<td>Mt. Pleasant</td>
<td>$975.00</td>
</tr>
<tr>
<td>R.A. Miller Industries, Inc. - dba RAMI - FY21 MI-STEP Sales Trip to Switzerland</td>
<td>Woman-owned</td>
<td>12/8/20</td>
<td>Grand Haven</td>
<td>$5,263.50</td>
</tr>
<tr>
<td>Redi-Rock International - FY21 MI-STEP Brazil Sales Trip</td>
<td></td>
<td>12/9/20</td>
<td>Charlevoix</td>
<td>$4,779.00</td>
</tr>
<tr>
<td>Surplus Coatings - FY21 MI-STEP Sample Product Shipping Spain</td>
<td></td>
<td>12/9/20</td>
<td>Kent City</td>
<td>$2,386.52</td>
</tr>
<tr>
<td>Trueline Health LLC. - FY21 MI-STEP Japanese Web Design &amp; Rakuten E-Commerce Platform</td>
<td></td>
<td>12/9/20</td>
<td>Kentwood</td>
<td>$11,400.00</td>
</tr>
<tr>
<td>AHB Tooling &amp; Machinery LLC (dba AHB Tooling &amp; Machinery) - FY21 MI-STEP German &amp; Spanish Website Design</td>
<td></td>
<td>12/11/20</td>
<td>Roseville</td>
<td>$6,187.50</td>
</tr>
<tr>
<td>MedImage, Inc. - FY21 MI-STEP SNMMI Virtual Trade Show</td>
<td></td>
<td>12/18/20</td>
<td>Ann Arbor</td>
<td>$1,125.00</td>
</tr>
<tr>
<td>Code Blue - FY21 MI-STEP ISC West</td>
<td></td>
<td>12/21/20</td>
<td>Holland</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Dynamic Conveyor Corporation - FY21 MI-STEP International Plastics Expo</td>
<td>Women owned</td>
<td>12/21/20</td>
<td>Muskegon</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>NxtWall - FY21 MI-STEP NEOCON 2021</td>
<td></td>
<td>11/5/20</td>
<td>Kalamazoo</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>DataFactZ / diwo - FY21 MI-STEP Canadian Marketing Campaign 10/1 to 12/31/20</td>
<td>Minority owned</td>
<td>11/16/20</td>
<td>Northville</td>
<td>$2,625.00</td>
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<tr>
<td>Fortech Products - FY21 MI-STEP International Web Design - Mexico</td>
<td></td>
<td>11/17/20</td>
<td>Brighton</td>
<td>$6,187.50</td>
</tr>
</tbody>
</table>
Program Amendments

For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in Q1.

**Community Development Block Grant (CDBG)**

<table>
<thead>
<tr>
<th>Program</th>
<th>Project Name</th>
<th>MSF Delegate Amended Date</th>
<th>Project Location</th>
<th>Type of Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>Village of Central Lake -Infrastructure Project</td>
<td>10/7/20</td>
<td>Village of Central Lake</td>
<td>The amendment will allow grant term extension from 9/30/2020 to 12/31/2020. It also provides $20,700 in additional funding for construction work.</td>
</tr>
</tbody>
</table>

**Business Development Program (BDP)**

<table>
<thead>
<tr>
<th>Program Program</th>
<th>Project Name</th>
<th>MSF Delegate Amended Date</th>
<th>Project Location</th>
<th>Type of Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development Program</td>
<td>Beet Analytics Technology</td>
<td>10/16/20</td>
<td>Plymouth</td>
<td>Change project location from Plymouth Charter Township to City of Troy and update municipality support requirement.</td>
</tr>
</tbody>
</table>
Through delegated authority as authorized in March 2020 when the Michigan Small Business Relief Program was approved, the following small businesses have received grants and loans in Q1 from the 15 local economic development organizations administering the program in response to the COVID-19 outbreak. The grants under the Michigan Small Business Relief Program supported businesses facing drastic reductions in cash flow and the continued support of their workforce, including for working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of business.

### Loans

<table>
<thead>
<tr>
<th>Account Name</th>
<th>MSF Board Date</th>
<th>Incentive Amount</th>
<th>Jobs Retained</th>
<th>Opportunity Industry</th>
<th>Street</th>
<th>City</th>
<th>Zip</th>
<th>MI County</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Limits Tecumseh LLC</td>
<td>10/16/20</td>
<td>$50,000</td>
<td>22</td>
<td>Other</td>
<td>114 West Logan Street</td>
<td>Tecumseh</td>
<td>49286</td>
<td>Lenawee</td>
</tr>
<tr>
<td>Gamars, Inc.</td>
<td>9/16/20</td>
<td>$54,781</td>
<td>16</td>
<td>Other</td>
<td>28655 Schoenher Road</td>
<td>Warren</td>
<td>48088</td>
<td>Macomb</td>
</tr>
<tr>
<td>Prestige Transportation, LLC</td>
<td>9/1/20</td>
<td>$50,000</td>
<td>9</td>
<td>Other</td>
<td>1900 Marie Circle</td>
<td>Bloomfield Hills</td>
<td>48302</td>
<td>Oakland</td>
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<tr>
<td>Michigan Decking LLC</td>
<td>8/26/20</td>
<td>$50,000</td>
<td>3</td>
<td>Other</td>
<td>304 West Liberty Street</td>
<td>South Lyon</td>
<td>48178</td>
<td>Oakland</td>
</tr>
<tr>
<td>Strand Events, LLC</td>
<td>8/8/20</td>
<td>$50,000</td>
<td>1</td>
<td>Other</td>
<td>12 North Saginaw</td>
<td>Pontiac</td>
<td>48342</td>
<td>Oakland</td>
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<tr>
<td>Elysian The Imagine Company, Inc.</td>
<td>7/28/20</td>
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<td>25</td>
<td>Other</td>
<td>2655 Orchard Lake Road</td>
<td>Sylvan Lake</td>
<td>48320</td>
<td>Oakland</td>
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<tr>
<td>Holly Lanes Ventures LLC</td>
<td>7/22/20</td>
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<td>9</td>
<td>Other</td>
<td>2430 Grange Hall Road</td>
<td>Fenton</td>
<td>48430</td>
<td>Oakland</td>
</tr>
<tr>
<td>MEL’S GRILL 2, L.L.C.</td>
<td>7/21/20</td>
<td>$50,000</td>
<td>14</td>
<td>Other</td>
<td>7080 Gateway Park Drive</td>
<td>Clarkston</td>
<td>48346</td>
<td>Oakland</td>
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<tr>
<td>Renaissance Athletic Club LLC</td>
<td>7/21/20</td>
<td>$80,000</td>
<td>42</td>
<td>Other</td>
<td>501 Graham Avenue</td>
<td>Benton Harbor</td>
<td>49022</td>
<td>Berrien</td>
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<tr>
<td>Advance Management Solutions Group, LLC</td>
<td>7/16/20</td>
<td>$50,000</td>
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<td>Other</td>
<td>967 Hollow Corners Court</td>
<td>Rochester</td>
<td>48307</td>
<td>Oakland</td>
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<tr>
<td>Loya Organic L.L.C.</td>
<td>7/16/20</td>
<td>$50,000</td>
<td>5</td>
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<td>4284 Orchard Lake Road</td>
<td>West Bloomfield</td>
<td>48323</td>
<td>Oakland</td>
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<tr>
<td>Orthopedic Spine &amp; Sports Therapy AH, Inc.</td>
<td>7/16/20</td>
<td>$50,000</td>
<td>10</td>
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<td>2558 North Squirrel Road</td>
<td>Auburn Hills</td>
<td>48326</td>
<td>Oakland</td>
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<tr>
<td>Statewide Food Equipment LLC</td>
<td>7/16/20</td>
<td>$50,000</td>
<td>7</td>
<td>Other</td>
<td>1035 Wheaton Avenue</td>
<td>Troy</td>
<td>48083</td>
<td>Oakland</td>
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<td>Citadel Dance and Music Center, Inc.</td>
<td>7/14/20</td>
<td>$50,000</td>
<td>28</td>
<td>Other</td>
<td>204 Water Street</td>
<td>Benton Harbor</td>
<td>49022</td>
<td>Berrien</td>
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<tr>
<td>Hart EMS Medical Services, PLLC</td>
<td>7/14/20</td>
<td>$101,279</td>
<td>20</td>
<td>Other</td>
<td>220 Bagley, Suite 912</td>
<td>Detroit</td>
<td>48226</td>
<td>Wayne</td>
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<tr>
<td>Account Name</td>
<td>MSF Board Date</td>
<td>Incentive Amount</td>
<td>Jobs Retained</td>
<td>Opportunity Industry</td>
<td>Street</td>
<td>City</td>
<td>Zip</td>
<td>MI County</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
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<td>Nostrum High Performance Inc.</td>
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<td>21</td>
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<td>1145 Oak Valley Drive Suite B</td>
<td>Ann Arbor</td>
<td>48108</td>
<td>Washtenaw</td>
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<td>River Rouge Brewing Company, LLC</td>
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<td>Other</td>
<td>111 North Main Street, Unit 311</td>
<td>Royal Oak</td>
<td>48067</td>
<td>Oakland</td>
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<td>Adam Merkel Restaurants, LLC</td>
<td>6/29/20</td>
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<td>Other</td>
<td>101 West Grand River</td>
<td>Howell</td>
<td>48843</td>
<td>Livingston</td>
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<td>Compeau-Bros., Inc.</td>
<td>6/29/20</td>
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<td>12480 Tele-graph Road</td>
<td>Carleton</td>
<td>48117</td>
<td>Monroe</td>
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<td>Honest to Goodness Breakfast &amp; Smoothies, LLC</td>
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<td>1166 South Lapeer Road</td>
<td>Lake Orion</td>
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<td>Oakland</td>
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<td>Kapones LLC</td>
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<td>30</td>
<td>Other</td>
<td>24301 Harper Avenue</td>
<td>Saint Clair Shores</td>
<td>48080</td>
<td>Macomb</td>
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<td>Tri City Sports Complex, LLC</td>
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<td>8</td>
<td>Other</td>
<td>5117 Garfield Road</td>
<td>Auburn</td>
<td>48611</td>
<td>Bay</td>
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<tr>
<td>Wayne Family Dental, PLLC</td>
<td>6/29/20</td>
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<td>Other</td>
<td>35100 East Michigan Avenue</td>
<td>Wayne</td>
<td>48184</td>
<td>Wayne</td>
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<tr>
<td>Cradles to Crayons Child Care LLC</td>
<td>6/8/20</td>
<td>$50,000</td>
<td>N/A</td>
<td>Mobility and Automotive Manufacturing</td>
<td>4711 South Martin Luther King Jr. Boulevard</td>
<td>Lansing</td>
<td>48910</td>
<td>Ingham</td>
</tr>
<tr>
<td>Saranac Tank, LLC</td>
<td>6/8/20</td>
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<td>R Collective LLC</td>
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<td>RTS Construction Group, LLC</td>
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<td>Opportunity Industry</td>
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<td>City</td>
<td>Zip</td>
<td>MI County</td>
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<td>The Cardinal Group</td>
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<td>West Michigan Scoops, Inc.</td>
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<td>Baldwin Creek Lodge, LLC</td>
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<td>CAPE, Inc.</td>
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<td>Greater Detroit Agency for the Blind and Visually Impaired</td>
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<td>Ipersevered, Inc.</td>
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<td>Leelanau Peninsula Vintners, Inc.</td>
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<td>Account Name</td>
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<td>Opportunity Industry</td>
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<td>Zip</td>
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<td>One Beer At A Time, LLC</td>
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<td>Royal Controls &amp; Process Services LLC</td>
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<td>Shah &amp; Ankenbrandt LLC</td>
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<td>Thornapple Ophthalmology Associates, P.C.</td>
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<td>BBD &amp; K Inc.</td>
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<td>48609</td>
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<td>Frankenmuth Cheese Haus, Inc.</td>
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<td>Grandpapa’s Inc.</td>
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<td>Hathaway House, Inc.</td>
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<td>Om Cafe’ TC, LLC</td>
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<td>Sugarhigh, LLC</td>
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<td>U.P Michigan Rentals, LLC</td>
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<td>$50,000</td>
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<td>3509 Biddle Avenue</td>
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<td>CLVTHEO, Inc.</td>
<td>5/12/20</td>
<td>$50,000</td>
<td>20</td>
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<td>705 Cross Street</td>
<td>Ypsilanti</td>
<td>48197</td>
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<td>Dome Associates, LLC</td>
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<td>12733 North U.S. Highway 131</td>
<td>Schoolcraft</td>
<td>49087</td>
<td>Kalamazoo</td>
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<td>Jewish Family Services of Washtenaw County, Inc.</td>
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<td>51</td>
<td>Other</td>
<td>2245 South State Street</td>
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<td>5/12/20</td>
<td>$50,000</td>
<td>15</td>
<td>Other</td>
<td>34016 M 43</td>
<td>Paw Paw</td>
<td>49079</td>
<td>Van Buren</td>
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<td>Nature’s Kennel Sled Dog Racing and Adventures, LLC</td>
<td>5/12/20</td>
<td>$50,000</td>
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<td>McMillan</td>
<td>49853</td>
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<td>Opportunity Industry</td>
<td>Street</td>
<td>City</td>
<td>Zip</td>
<td>MI County</td>
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<td>Relaxing Waters Spa, LLC</td>
<td>5/12/20</td>
<td>$50,000</td>
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<td>Other</td>
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<td>48315</td>
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<td>R P M Group Inc.</td>
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<td>Brighton</td>
<td>48114</td>
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<td>15</td>
<td>Other</td>
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<td>48105</td>
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<td>5/12/20</td>
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<td>4170 Shrestha Drive</td>
<td>Bay City</td>
<td>48706</td>
<td>Bay</td>
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<td>All About Jumping, LLC</td>
<td>5/8/20</td>
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<td>2</td>
<td>Other</td>
<td>19782 Yvonne Drive</td>
<td>Macomb</td>
<td>48044</td>
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<td>Berrien Metal Products, Inc.</td>
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<td>460 Post Road</td>
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<td>49107</td>
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<td>Mount Pleasant</td>
<td>48858</td>
<td>Isabella</td>
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<td>Street</td>
<td>City</td>
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<td>MI County</td>
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<td>Opportunity Industry</td>
<td>Street</td>
<td>City</td>
<td>Zip</td>
<td>MI County</td>
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**TOTALS**

$9,301,747  1,960

**Notes:**

1. The reporting of the number of retained jobs are optional in the weekly report. However, the number of retained jobs required to be reported in the progress report forthcoming.
## Michigan Business Development Program - Terminations

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<th>Company Name</th>
<th>Project Location</th>
<th>Incentive Type</th>
<th>Amount</th>
<th>Disbursed</th>
<th>Date</th>
<th>Reason for Termination</th>
<th>Repayment</th>
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<td>Expansion</td>
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<td>$0</td>
<td>12/11/2020</td>
<td>Unable to fulfill grant requirements</td>
<td>$0</td>
</tr>
</tbody>
</table>
Michigan Community Revitalization Program - Financial Overview

In accordance with written processes and procedures, the MEDC Compliance Staff ("Staff") monitor awardees’ compliance with agreements through the audit and verification of milestones, review of progress reports, and evaluation of financial reporting. Staff approves disbursement of funds upon demonstration of milestone achievement and identify, track and enforce instances of non-compliance. Staff also maintains a detailed financial review process and report to track the health and performance of the MCRP portfolio.

Attached in the appendix in the form of Exhibit A and Exhibit B are two portfolio reports displaying information about the MCRP portfolio, including a breakdown of incentives and certain financial information surrounding them. Exhibit A displays high level information of the portfolio by incentive type (grants, direct loans, loan participations, and equity investments), the total amount returned to the MSF, and the number of incentive that have ended or terminated. No MCRP incentives have been written off.

Exhibit B focuses on MCRP equity, direct loan, and loan participation incentives in greater detail. This includes, but is not limited to, monitoring the MSF’s cash in and cash out, ensuring that the MSF is being appropriately repaid, and verifying the awardees’ compliance with the terms of its written agreement. The incentives are grouped together by type to provide specific information pertinent to that group. For example, direct loans include the principal amount, interest rate, current balance, and payments made to date whereas the equity section displays the MSF’s initial contribution, accumulated net income/loss, distributions to the MSF, and the adjusted capital account. Notes have been added to some of the incentives listed on Exhibit B to provide general information, such as those that are still under construction or have paid their loan in full.
The following include delegated approvals for the MSF Awardee Relief Program from Q1, 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.

### CD Awardee Relief

<table>
<thead>
<tr>
<th>Account</th>
<th>Program Name</th>
<th>Project Location</th>
<th>Incentive Type</th>
<th>MSF Delegate Approval Date</th>
<th>Type of Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange Building, LLC</td>
<td>Community Revitalization</td>
<td>Kalamazoo</td>
<td>Other Economic Assistance-Loan Participation</td>
<td>7/1/2020</td>
<td>Extension of interest-only period and all dates related to the construction loan conversion by 90-days from July 31, 2020 to Oct. 31, 2020</td>
</tr>
<tr>
<td>Brush Park Development Company Phase I, LLC and City Modern 440 Alfred Street LLC</td>
<td>Community Revitalization</td>
<td>Detroit</td>
<td>Loan</td>
<td>7/30/2020</td>
<td>Extension of the original approval expiration by 90 days</td>
</tr>
<tr>
<td>Liberty Way Hospitality, LLC</td>
<td>Community Revitalization</td>
<td>Marquette</td>
<td>Other Economic Assistance-Loan Participation</td>
<td>9/1/2020</td>
<td>Extension of Maturity Date up to 36 months to match refinancing term of Lender and 90 day deferral of principal payments</td>
</tr>
<tr>
<td>POAH DD Sugar Hill LLC</td>
<td>Community Revitalization</td>
<td>Detroit</td>
<td>Loan</td>
<td>9/1/2020</td>
<td>Extension of loan payments for 12 months and extension of Milestone three due date by 90 days</td>
</tr>
<tr>
<td>Canute Properties, LLC</td>
<td>Community Revitalization</td>
<td>Alpena</td>
<td>Grant</td>
<td>9/1/2020</td>
<td>Extension of milestone two (project completion) and pre-grant disbursement due diligence conditions milestone by six months</td>
</tr>
<tr>
<td>Sweetwater Development Partners, LLC</td>
<td>Community Revitalization</td>
<td>Muskegon</td>
<td>Other Economic Assistance-Loan Participation</td>
<td>9/1/2020</td>
<td>Extension of the original approval expiration by 90 days</td>
</tr>
<tr>
<td>Exchange Building, LLC</td>
<td>Community Revitalization</td>
<td>Kalamazoo</td>
<td>Other Economic Assistance-Loan Participation</td>
<td>9/22/2020</td>
<td>Extend interest-only period and all dates related to the construction loan conversion by three months from Oct. 31, 2020 to Jan. 31, 2021</td>
</tr>
<tr>
<td>Landmark Port Huron-Winkelmans</td>
<td>Community Revitalization</td>
<td>Port Huron</td>
<td>Grant</td>
<td>9/28/2020</td>
<td>Extension of the original approval expiration by 30 days</td>
</tr>
</tbody>
</table>
## MBDP Awardee Relief

<table>
<thead>
<tr>
<th>Opportunity Name</th>
<th>Program Name</th>
<th>Incentive Number</th>
<th>Amendment Name</th>
<th>MSF Approval Date</th>
<th>Amended Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung SDI - Project WE - Expansion - FY2019</td>
<td>Business Development Program</td>
<td>INC-00071834</td>
<td>Amendment 1: Extend Term and Milestone Due Dates</td>
<td>10/18/20</td>
<td>11/13/20</td>
<td>Term extended from 5/31/2025 to 5/31/2026. M3-M9 all extended by 1 year.</td>
</tr>
<tr>
<td>Huron, Incorporated - Expansion - FY2017</td>
<td>Business Development Program</td>
<td>INC-00064564</td>
<td>None in Salesforce</td>
<td>12/10/20</td>
<td></td>
<td>Eliminate milestones two and three, reduce the QNJ requirement from 181 to 25, reduce the maximum award amount from $1.4 million to $193,350, modify the term of the grant to March 1, 2020.</td>
</tr>
</tbody>
</table>
As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

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

**Approvals by Authorized Delegate**

During the period between October 1, 2020 and December 31, 2020, the following confidentiality memos were approved by the MSF Fund Manager:

<table>
<thead>
<tr>
<th>Company Name and Location</th>
<th>Overview of Confidential Information</th>
</tr>
</thead>
</table>
| Workit Health, Inc        | • “Applicant Key Owners” Section on the MSF and MEDC General Applicant Certification Form  
                            • The following portions of the Business Development Program Application (APP-17835) submitted by the Company on 11/6/2020:  
                            • “Total New Jobs Created (Year 1)” field  
                            • “Total New Jobs Created (Year 1 & 2)” field  
                            • Capital Investment Summary Section, except for the “Total Capital Investment” field  
                            • Private Investments Section, except for “Investment Type” |
| Innotec, Corp.            | • Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements) ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information. |

MSF Confidentiality Memos
### Exhibit A

<table>
<thead>
<tr>
<th>Types of Incentives</th>
<th># of Incentives in Monitoring</th>
<th>% of Incentives in Monitoring</th>
<th>Amount of Incentives in Monitoring</th>
<th>% Amount of Incentives in Monitoring</th>
<th>Funds Returned to MSF</th>
<th>% of Funds Returned to MSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>73</td>
<td>54%</td>
<td>$50,821,954</td>
<td>18%</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Loan Participations</td>
<td>27</td>
<td>20%</td>
<td>$91,224,101</td>
<td>32%</td>
<td>$27,065,503</td>
<td>77%</td>
</tr>
<tr>
<td>Direct Loans</td>
<td>21</td>
<td>16%</td>
<td>$78,780,000</td>
<td>28%</td>
<td>$6,983,644</td>
<td>20%</td>
</tr>
<tr>
<td>Equity</td>
<td>13</td>
<td>10%</td>
<td>$61,858,071</td>
<td>22%</td>
<td>$880,770</td>
<td>3%</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>134</strong></td>
<td><strong>100%</strong></td>
<td><strong>$283,484,126</strong></td>
<td><strong>100%</strong></td>
<td><strong>$34,929,917</strong></td>
<td><strong>3%</strong></td>
</tr>
</tbody>
</table>

1. This represents the total number of active agreements under CRP.
2. This represents the total approved dollar amount of active agreements under CRP whether disbursed or not.
3. This represents principal and interest payments from direct and participated loans, cash returns on equity investments, and certain fees.
4. Means the company successfully met all requirements of the written agreements and paid off, if required.
5. Means the company did not proceed to a final written agreement or the agreement was terminated before disbursement of funds.

<table>
<thead>
<tr>
<th># of Incentives Ended</th>
<th># Incentives Terminated</th>
<th>CRP Funds Written Off</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>2</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Exhibit B

**CRP Equity**

**Inception to November 30, 2020**

<table>
<thead>
<tr>
<th>Company</th>
<th>Date of Operating Agreement</th>
<th>Occupancy Date</th>
<th>Initial Contribution</th>
<th>Additional Contributions</th>
<th>Accumulated Net Income/Loss</th>
<th>Total Distributions To MSF</th>
<th>Adjusted Capital Account as of December 31, 2019</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>URC - Health and Wellness</td>
<td>12/13/13</td>
<td>10/22/14</td>
<td>$5,649,071</td>
<td>$0</td>
<td>$58,547</td>
<td>$14,418</td>
<td>$5,693,200</td>
<td></td>
</tr>
<tr>
<td>70 West University Cultural Center Association</td>
<td>12/3/14</td>
<td>6/13/16</td>
<td>$3,500,000</td>
<td>$0</td>
<td>($2,289)</td>
<td>$177,203</td>
<td>$3,395,310</td>
<td></td>
</tr>
<tr>
<td>Outfield Partners, LLC</td>
<td>12/11/15</td>
<td>6/23/16</td>
<td>$1,455,000</td>
<td>$0</td>
<td>$0</td>
<td>$108,024</td>
<td>$1,348,976</td>
<td></td>
</tr>
<tr>
<td>Griswold Project, LLC</td>
<td>10/22/15</td>
<td>1/30/17</td>
<td>$4,798,000</td>
<td>$0</td>
<td>$58,716</td>
<td>$5,839</td>
<td>$4,850,877</td>
<td></td>
</tr>
<tr>
<td>Rivertown Phase I, LLC/ Community Capital Equity LLC</td>
<td>7/12/15</td>
<td>2/2/17</td>
<td>$8,110,000</td>
<td>$0</td>
<td>$300,162</td>
<td>$0</td>
<td>$8,410,162</td>
<td></td>
</tr>
<tr>
<td>Du Charme Place, LLC*</td>
<td>8/5/15</td>
<td>6/27/17</td>
<td>$5,700,000</td>
<td>($1,026,770)</td>
<td>$71,956</td>
<td>$4,606,774</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
250 West Larned LLC- Foundation Hotel Lender and MT

<table>
<thead>
<tr>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/1/16</td>
<td>9/29/17</td>
<td>$5,840,000</td>
<td>$0</td>
<td>$231,637</td>
<td>$500,964</td>
<td>$5,654,902</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Plaza Midtown, LLC*

<table>
<thead>
<tr>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/3/16</td>
<td>11/6/17</td>
<td>$3,500,000</td>
<td>$0</td>
<td>$881,771</td>
<td>$0</td>
<td>$4,381,771</td>
<td>$0</td>
<td>$0</td>
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</table>

URC - Capitol Theatre

<table>
<thead>
<tr>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/29/16</td>
<td>11/21/17</td>
<td>$5,500,000</td>
<td>$0</td>
<td>($12)</td>
<td>$0</td>
<td>$5,499,988</td>
<td>$0</td>
<td>$0</td>
<td></td>
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</tbody>
</table>

Subtotal Projects with Occupancy

<table>
<thead>
<tr>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/20/17</td>
<td>N/A</td>
<td>$6,900,000</td>
<td>$0</td>
<td>$150,733</td>
<td>$0</td>
<td>$7,050,733</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/6/18</td>
<td>N/A</td>
<td>$2,957,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$2,957,000</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/20/18</td>
<td>N/A</td>
<td>$7,949,000</td>
<td>$0</td>
<td>$2,366</td>
<td>$7,775,868</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/23/19</td>
<td>N/A</td>
<td>$8,287,877</td>
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<td>$8,287,877</td>
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</table>

Subtotal Projects Under Construction

Grand Total Equity

<table>
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<tr>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/20/17</td>
<td>N/A</td>
<td>$6,900,000</td>
<td>$0</td>
<td>$150,733</td>
<td>$0</td>
<td>$7,050,733</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/6/18</td>
<td>N/A</td>
<td>$2,957,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$2,957,000</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/20/18</td>
<td>N/A</td>
<td>$7,949,000</td>
<td>$0</td>
<td>$2,366</td>
<td>$7,775,868</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/23/19</td>
<td>N/A</td>
<td>$8,287,877</td>
<td>$0</td>
<td>$0</td>
<td>$8,287,877</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td></td>
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</table>

Subtotal Direct Loans

CRM Direct Loan

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>618 South Main*</td>
<td>12/19/13</td>
<td>6/29/16</td>
<td>$3,000,000</td>
<td>$0</td>
<td>0.00%</td>
<td>$180,000</td>
<td>$2,820,000</td>
<td>$0</td>
<td>$30,000</td>
<td>7/1/55</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Date of Loan Agreement</th>
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<th>Loan Principal</th>
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<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1215 Griswold LLC*</td>
<td>8/3/17</td>
<td>3/16/17</td>
<td>$1,000,000</td>
<td>$0</td>
<td>1.00%</td>
<td>$1,000,000</td>
<td>$2,6945</td>
<td>$10,000</td>
<td>4/1/38</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strand Theater Owner LLC</td>
<td>2/23/16</td>
<td>4/27/17</td>
<td>$4,500,000</td>
<td>$1,500,000</td>
<td>0.00%</td>
<td>$3,000,000</td>
<td>$45,000</td>
<td>$45,000</td>
<td>10/31/36</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midland DTH LLC*</td>
<td>8/21/14</td>
<td>6/20/17</td>
<td>$4,780,000</td>
<td>$1,257,631</td>
<td>0.00%</td>
<td>$3,522,369</td>
<td>$75,600</td>
<td>9/27/32</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parkland Muskegon, LLC*</td>
<td>2/20/17</td>
<td>5/9/18</td>
<td>$1,950,000</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>3/1/39</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Date of Loan Agreement</th>
<th>Occupancy Date</th>
<th>Loan Principal</th>
<th>Forgivable Portion</th>
<th>Annual Rate</th>
<th>Principal Payments</th>
<th>Principal Balance</th>
<th>Interest Payments</th>
<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVRC Industries Inc.</td>
<td>5/31/17</td>
<td>6/1/18</td>
<td>$3,475,000</td>
<td>$1,940,698</td>
<td>2.00%</td>
<td>$34,914</td>
<td>$25,994,110</td>
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</table>

<table>
<thead>
<tr>
<th>Borrower</th>
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<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>HM Detroit Hotel*</td>
<td>6/30/16</td>
<td>10/10/18</td>
<td>$3,500,000</td>
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<td>2.00%</td>
<td>$3,487,182</td>
<td>$3,487,182</td>
<td>$37,329</td>
<td>7/15/23</td>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>213 Development, LLC*</td>
<td>3/1/19</td>
<td>9/12/19</td>
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<td>$25,339</td>
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<td>$1,374,661</td>
<td>$1,374,661</td>
<td>$43,452</td>
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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>33 John R Partners LLC*</td>
<td>6/16/17</td>
<td>10/17/19</td>
<td>$6,500,000</td>
<td>$6,500,000</td>
<td>5.00%</td>
<td>$888,333</td>
<td>$888,333</td>
<td>$65,000</td>
<td>5/31/24</td>
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</table>

Subtotal Direct Loans

$30,105,000 $3,000,000 $1,510,090 $25,594,910 $1,344,254 $321,843

**Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.**

**Lender is a CDFI.**

Appendix: MCRP Financial Data
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<th>Late Fees/Other Fees</th>
<th>Maturity Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Corner Lender, LLC*</td>
<td></td>
<td>3/29/18</td>
<td>N/A</td>
<td>$4,375,000</td>
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<td>$4,356,674</td>
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<tr>
<td>RainCheck Development, LLC*</td>
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<td>1.00%</td>
<td>$0</td>
<td>$1,400,000</td>
<td>$0</td>
<td>$14,000</td>
<td>1/1/52</td>
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<tr>
<td>Kercheval Associates</td>
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<td>1.00%</td>
<td>$0</td>
<td>$3,500,000</td>
<td>$221</td>
<td>$35,000</td>
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<td>HB BM East Lansing LLC*</td>
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<td>1.25%</td>
<td>$0</td>
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<td>$67,500</td>
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<tr>
<td>Heritage Tower BC LLC*</td>
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<td>1.00%</td>
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<td>$1,712,123</td>
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<td>Under construction</td>
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<tr>
<td>POAH Support Corporation 2</td>
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<td>3820 West End LLC</td>
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<td>$1,200,000</td>
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<td>$12,000</td>
<td>10/1/22</td>
<td>Under construction</td>
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<tr>
<td>Subtotal Direct Loans Under Construction</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$22,937,123</td>
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<td>$22,918,797</td>
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<td>Whitney Partners, LLC*</td>
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<td>$0</td>
<td>0.00%</td>
<td>$1,000,000</td>
<td>($1,000,000)</td>
<td>$0</td>
<td>$50,000</td>
<td>9/30/22</td>
<td>Paid in Full</td>
</tr>
<tr>
<td>Woodward and Erskine*</td>
<td></td>
<td>3/4/15</td>
<td>6/28/17</td>
<td>$0</td>
<td>$0</td>
<td>5.00%</td>
<td>$1,500,000</td>
<td>($1,500,000)</td>
<td>$56,042</td>
<td>$15,000</td>
<td>2/13/23</td>
<td>Paid in Full</td>
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<tr>
<td>Subtotal Direct Loans</td>
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<td></td>
<td></td>
<td>$0</td>
<td>$0</td>
<td>$2,500,000</td>
<td>($2,500,000)</td>
<td>$56,042</td>
<td>$65,000</td>
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<tr>
<td>Grand Rapids Downtown Market*</td>
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<td>6/17/13</td>
<td>1/29/14</td>
<td>$2,965,000</td>
<td>$0.00</td>
<td>1.00%</td>
<td>$136,966</td>
<td>$2,828,034</td>
<td>$44,230</td>
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<td>3/31/21</td>
<td>Converted from participation loan in September 2018</td>
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<tr>
<td>740 Lofts on Michigan*</td>
<td></td>
<td>11/17/17</td>
<td>3/7/16</td>
<td>$1,846,221</td>
<td>$0.00</td>
<td>1.00%</td>
<td>$91,866</td>
<td>$1,754,356</td>
<td>$26,671</td>
<td>9,641.37</td>
<td>6/6/29</td>
<td>Converted from participation loan in May 2019</td>
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<tr>
<td>Lofts on Alabama*</td>
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<td>4/3/20</td>
<td>10/17/16</td>
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<td>$0.00</td>
<td>2.50%</td>
<td>$46,383</td>
<td>$1,053,617</td>
<td>$15,961</td>
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<td>5/1/30</td>
<td>Converted from participation loan in April 2020</td>
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<tr>
<td>Subtotal Converted Participation Loans</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,911,221</td>
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<td>$275,214</td>
<td>$5,636,007</td>
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<td>Grand Total Direct Loans</td>
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<td>$3,000,000</td>
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<td>$2,127,028</td>
<td>$564,985</td>
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</tbody>
</table>

**CRP Loan Participation**

*Inception to November 30, 2020*

<table>
<thead>
<tr>
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<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodward Theatre, L.L.C.*</td>
<td>DEGC**</td>
<td>10/25/12</td>
<td>12/13/12</td>
<td>$750,000</td>
<td>$0</td>
<td>4.75%</td>
<td>$0</td>
<td>$750,000</td>
<td>$429,803</td>
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<tr>
<td>Veridea Group*</td>
<td>First National Bank</td>
<td>6/3/13</td>
<td>5/9/14</td>
<td>$1,857,151</td>
<td>$357,151</td>
<td>1.00%</td>
<td>$128,628</td>
<td>$1,371,372</td>
<td>$172,636</td>
<td>$8,550</td>
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</tr>
<tr>
<td>Mid Towne Hospitality, LLC*</td>
<td>Mercantile Bank of Michigan</td>
<td>4/18/14</td>
<td>11/20/15</td>
<td>$3,000,000</td>
<td>$0</td>
<td>1.00%</td>
<td>$526,316</td>
<td>$2,473,684</td>
<td>$183,363</td>
<td>$36,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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<th>Administrative Fee Payment</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 Ionia Partners, LLC</td>
<td>Macatawa Bank</td>
<td>11/19/15</td>
<td>12/21/15</td>
<td>$4,325,000</td>
<td>$0</td>
<td>3.00%</td>
<td>$207,316</td>
<td>$4,117,684</td>
<td>$611,898</td>
<td>$43,250</td>
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</tr>
<tr>
<td>Fulton and Seward*</td>
<td>Chemical Bank</td>
<td>9/9/15</td>
<td>6/24/16</td>
<td>$3,000,000</td>
<td>$0</td>
<td>1.00%</td>
<td>$42,351</td>
<td>$2,957,649</td>
<td>$415,470</td>
<td>$30,000</td>
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<tr>
<td>Lofts on 820</td>
<td>Macatawa Bank</td>
<td>10/27/14</td>
<td>8/1/16</td>
<td>$3,100,000</td>
<td>$200,000</td>
<td>2.50%</td>
<td>$469,720</td>
<td>$2,430,280</td>
<td>$368,557</td>
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<td>Bridge and Turner LLC*</td>
<td>Metro Bank of Michigan</td>
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<td>12/5/16</td>
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<td>$0</td>
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<td>$119,030</td>
<td>$2,380,970</td>
<td>$319,371</td>
<td>$25,000</td>
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<tr>
<td>Liberty Way Hospitality (Loan 1)*</td>
<td>Chemical Bank</td>
<td>6/1/15</td>
<td>1/19/17</td>
<td>$1,000,000</td>
<td>$0</td>
<td>2.00%</td>
<td>$39,250</td>
<td>$960,750</td>
<td>$58,010</td>
<td>$10,000</td>
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</tr>
<tr>
<td>Liberty Way Hospitality (Loan 2)*</td>
<td>Chemical Bank</td>
<td>6/1/15</td>
<td>1/19/17</td>
<td>$1,000,000</td>
<td>$0</td>
<td>1.00%</td>
<td>$0</td>
<td>$1,000,000</td>
<td>$25</td>
<td>$50,000</td>
<td></td>
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<tr>
<td>OMH, LLC*</td>
<td>Old National Bank</td>
<td>3/14/16</td>
<td>3/18/17</td>
<td>$5,400,000</td>
<td>$0</td>
<td>2.00%</td>
<td>$553,969</td>
<td>$4,846,031</td>
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<td>$54,000</td>
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<tr>
<td>Selden Partners, LLC**</td>
<td>Capital Impact Partners**</td>
<td>4/4/17</td>
<td>5/18/17</td>
<td>$1,000,000</td>
<td>$0</td>
<td>2.00%</td>
<td>$39,250</td>
<td>$960,750</td>
<td>$58,010</td>
<td>$10,000</td>
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<tr>
<td>Geenen DeKock Properties, LLC*</td>
<td>Macatawa Bank</td>
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<td>5/30/18</td>
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<td>$18,222</td>
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<td>601 West LLC*</td>
<td>Chemical Bank</td>
<td>8/30/16</td>
<td>6/7/18</td>
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<td>Diamond Place LLC*</td>
<td>Capital Impact Partners**</td>
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<td>$2,826,000</td>
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<td>Detroit Entrepreneur Development - Lofts on Louis</td>
<td>Dart Bank</td>
<td>2/22/17</td>
<td>2/12/19</td>
<td>$1,300,000</td>
<td>$0</td>
<td>2.50%</td>
<td>$35,705</td>
<td>$1,264,295</td>
<td>$32,739</td>
<td>$13,000</td>
<td></td>
</tr>
</tbody>
</table>

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<th>Interest Payments</th>
<th>Admin Fee Payment</th>
<th>Notes</th>
</tr>
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<tbody>
<tr>
<td>Temple Group Holdings, LLC*</td>
<td>Chemical Bank</td>
<td>5/8/19</td>
<td>N/A</td>
<td>$5,697,000</td>
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<td>Third &amp; Grand LLC*</td>
<td>Invest Detroit**</td>
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<td>3.00%</td>
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<td>$2,000,000</td>
<td>$168,183</td>
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<td>TCF Bank</td>
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<td>N/A</td>
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<td>$1,200,000</td>
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<td>$1,975,000</td>
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<td>County National Bank</td>
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<td>$1,500,000</td>
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<td>$1,566,250</td>
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<td>Queen Lillian II, LLC*</td>
<td>DEGC**</td>
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<td>$53,000</td>
<td>Under construction</td>
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<td>Subtotal Participation Loan Under Construction</td>
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<td>609 E Kirby Lofts, LLC*</td>
<td>Capital Impact Partners**</td>
<td>2/27/14</td>
<td>8/2/16</td>
<td>$1,000,000</td>
<td>$300,000</td>
<td>1.00%</td>
<td>$700,000</td>
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<td>Paid in full</td>
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<td>Mercantile Bank of Michigan</td>
<td>6/3/14</td>
<td>3/17/17</td>
<td>$2,500,000</td>
<td>$0</td>
<td>3.00%</td>
<td>$2,500,000</td>
<td>$0</td>
<td>$658,344</td>
<td>$52,200</td>
<td>Paid in full</td>
</tr>
<tr>
<td>Arena Place Development, LLC (Loan 2)</td>
<td>Mercantile Bank of Michigan</td>
<td>6/3/14</td>
<td>3/17/17</td>
<td>$2,000,000</td>
<td>N/A</td>
<td></td>
<td>$2,000,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Paid in full</td>
</tr>
<tr>
<td>Offsite Lake Drive, LLC*</td>
<td>Lake Michigan Credit Union</td>
<td>12/21/16</td>
<td>6/29/18</td>
<td>$1,773,700</td>
<td>$0</td>
<td>3.00%</td>
<td>$1,773,700</td>
<td>$0</td>
<td>$144,452</td>
<td>$17,737</td>
<td>Paid in full</td>
</tr>
<tr>
<td>1212 Griswold St, LLC*</td>
<td>Develop Michigan, Inc.**</td>
<td>3/13/14</td>
<td>N/A</td>
<td>$6,000,000</td>
<td>$0</td>
<td>1.00%</td>
<td>$6,000,000</td>
<td>$0</td>
<td>$55,147</td>
<td>$130,531</td>
<td>Paid in full prior to project completion</td>
</tr>
<tr>
<td>Subtotal Participation Loan Paid in Full</td>
<td></td>
<td></td>
<td></td>
<td>$16,552,590</td>
<td>$300,000</td>
<td>$16,252,590</td>
<td>$0</td>
<td>$1,128,815</td>
<td>$238,057</td>
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<td></td>
</tr>
<tr>
<td>Grand Rapids Downtown Market*</td>
<td>Fifth Third Bank</td>
<td>6/17/13</td>
<td>1/29/14</td>
<td>$2,965,000</td>
<td>$0</td>
<td>2.00%</td>
<td>$2,965,000</td>
<td>$315,083</td>
<td>$8,600</td>
<td></td>
<td>Converted to direct loan in September 2018</td>
</tr>
<tr>
<td>Lofts on Alabama*</td>
<td>Macatawa Bank</td>
<td>9/22/15</td>
<td>10/17/16</td>
<td>$3,000,000</td>
<td>$0</td>
<td>2.50%</td>
<td>$201,680</td>
<td>$2,798,320</td>
<td>$282,218</td>
<td>$30,000</td>
<td>Converted to direct loan in April 2020</td>
</tr>
<tr>
<td>740 Lofts on Michigan, LLC*</td>
<td>Mercantile Bank of Michigan</td>
<td>11/17/17</td>
<td>3/7/16</td>
<td>$2,450,000</td>
<td>$500,000</td>
<td>1.00%</td>
<td>$103,779</td>
<td>$1,846,221</td>
<td>$116,658</td>
<td>$41,258</td>
<td>Converted to direct loan in May 2019</td>
</tr>
<tr>
<td>Subtotal Participation Loan Converted to Direct Loan</td>
<td></td>
<td></td>
<td></td>
<td>$8,415,000</td>
<td>$500,000</td>
<td>$305,459</td>
<td>$7,609,541</td>
<td>$713,958</td>
<td>$79,858</td>
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<tr>
<td>Grand Total Loan Participation</td>
<td>115,217,991</td>
<td>$5,807,151</td>
<td>$19,013,685</td>
<td>$41,258</td>
<td>$79,858</td>
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<td>$713,958</td>
<td>$79,858</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.
**Lender is a CDFI.
## CRP Grants
### Inception to November 30, 2020

As of July 31, 2020 105 grants have received disbursement.

<table>
<thead>
<tr>
<th>Approved Amount</th>
<th>Disbursed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$63,027,113</td>
<td>$62,567,785</td>
</tr>
</tbody>
</table>