



**MICHIGAN STRATEGIC FUND BOARD
MEETING AGENDA
December 12, 2023
9:00am**

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES**
- III. COMMUNICATIONS**
- IV. CONSENT AGENDA**
 - a. Proposed Meeting Minutes: October 24, 20233
 - b. Transformational Brownfield Plan Program: Guidelines Amendment16
 - c. GLC Northern Michigan Pine, LLC: MCRP Amendment43
 - d. Contractual Small Business Solutions/Services: FY24 Funding Allocations .51
 - e. American Rheinmetall Vehicles, LLC: MBDP Amendment78
 - f. UL, LLC: MBDP Reauthorization and Amendment85
 - g. Peterson Farms: CDBG Amendment96
 - h. 311 Grand River, LLC: Act 381 WP Amendment103
 - i. State Historic Preservation Office (SHPO): USDA PA114
 - j. 2024 Funding Allocations for the Statewide University Technology Programs146
 - k. City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I, LLC: MCRP Amendment191
- V. DEVELOP ATTRACTIVE PLACES**
 - a. Woodworth Investments, LLC: A resolution to approve a Michigan Community Revitalization Program performance-based grant in the amount of up to \$1,480,000 and a Brownfield Act 381 Work Plan with state tax capture for eligible activities capped in the amount of \$248,139.....204
Location: City of Owosso
 - b. Oxford Perennial Corktown: A resolution to approve a Michigan Community Revitalization Program Other Economic Assistance Loan Participation in the amount of up to \$2,222,585 and a Brownfield Act 381 Work Plan with state tax capture for eligible activities capped in the amount of up to \$464,643...226
Location: City of Detroit
 - c. Left Field II, LLC: A resolution to approve a Michigan Community Revitalization Program Performance-Based Direct Loan in the amount of up to \$2,717,248249
Location: City of Detroit

- d. The Community Builders, Preserve on Ash I: A resolution to approve a Michigan Community Revitalization Program Performance-Based Direct Loan in the amount of up to \$2,393,771265
Location: City of Detroit

VI. ATTRACT RETAIN AND GROW BUSINESS

- a. Norm Fasteners Co: A resolution to approve a Strategic Site Readiness Program Grant in the amount of \$3,860,000 and a Michigan Business Development Program Grant in the amount of up to \$1,600,000283
Location: Bath Charter Township
- b. HG Medical USA, LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of up to \$1,800,000 and a 5-year 100% State Essential Services Assessment Exemption.....318
Location: City of Holland
- c. WK Kellogg Company: A resolution to approve a Michigan Business Development Program Grant in the amount of up to \$5,000,000 and a Michigan Strategic Fund Designated Renaissance Zone for a period of 15 years333
Location: City of Battle Creek
- d. ATC Drivetrain: A resolution to approve a Michigan Business Development Grant in the amount of up to \$2,000,000348
Location: City of Holland
- e. Scout Motors Inc.: A resolution to approve a Michigan Business Development Program Grant in the amount of up to \$10,000,000358
Location: City of Novi

VII. Support and Grow Our Talent

- a. Michigander Scholars Program: A resolution to approve amendments to the EV Scholars Pilot Program368

VIII. Informational

- a. Delegation of Authority Report392

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**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
OCTOBER 24, 2023**

Member Present

Quentin L. Messer, Jr.
Jen Nelson (on behalf of Quentin L. Messer, Jr.)

Members joined remotely

Britany L. Affolter-Caine
Wesley Eklund
John Groen (on behalf of Director Corbin)
Dimitrius Hutcherson
Michael B. Kapp (on behalf of Director Wieferich)
Andrew Lockwood (on behalf of Treasurer Eubanks)
Dan Meyering
Susan Tellier
Randy Thelen
Cindy Warner

I. CALL TO ORDER & ROLL CALL

Ms. Nelson called the meeting to order at 10:01 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely.

Ms. Nelson introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

Quentin L. Messer, Jr. joined the meeting at 10:02 a.m.

Jen Nelson departed the meeting at 10:02 a.m.

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. Public comment was had.

III. COMMUNICATIONS

Ms. Wilcox Surmann reported several communications were received and shared with MSF Board members on Friday, October 20, 2023.

MSF Subcommittee Reports

Dimitrius Hutcherson, chair of the MSF Finance and Investment Subcommittee, and Cindy Warner, chair of the MSF Policy and Planning Subcommittee, provided updates on subcommittee activity.

IV. CONSENT AGENDA

Resolution 2023-169 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: September 26, 2023 Meeting Minutes
- b. Queen Lillian – 381 Work Plan Amendment **2023-170**

- c. Warren Transmission – 381 Work Plan Amendment **2023-171**
- d. Holland Parking Deck – 381 Work Plan Amendment **2023-172**
- e. Strand Theater Owner, LLC and West Development Financial, Inc. – MCRP Direct Loan Agreement Amendment **2023-173**
- f. CHN Annex Limited Partnership and Community Housing Network, Inc. – MCRP Direct Loan Agreement Amendment **2023-174**
- g. LJ, Inc. – Reauthorization of MBDP Performance-Based Grant Request **2023-175**
- h. Small Business Development Center – MSF Grant Amendment **2023-176 & 2023-177**
- i. BBCetc Federal Funding Support Program – 2024 Funding Allocation **2023-178**
- j. City of City of Sault Ste. Marie – Business Incubator Grant Reassignment **2023-179**
- k. 351 W Western, LLC and Great Lakes Development Investments, Inc. – MCRP Other Economic Assistance-Loan Participation Agreement Amendment **2023-180**
- l. City of Saginaw: Michigan Strategic Fund Performance-Based Grant **2023-181**
- m. MSF 2024 Board Meeting Dates

Michael B. Kapp motioned for the approval of the consent agenda; Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached) Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None

Wesley Eklund joined the meeting at 10:15am

V. DEVELOP ATTRACTIVE PLACES

- a. **Resolution 2023-182 City of Grand Rapids Brownfield Redevelopment Authority, Factory Yards Transformational Brownfield Plan.** Mackenzie Miller, Community Development Manager, Dennis Griffen and Scott Maguluk of Heritage Development as well as Jono Klooster, City of Grand Rapids provided the Board with information regarding this action item. This action involves approval of a Transformational Brownfield Plan in the aggregate amount of \$102,989,119 and approval of the factors that will be used to calculate the safe harbor amounts for income tax capture and approve an amendment to existing Michigan Community Revitalization Program withholding tax capture if elected by the developer. Location: City of Grand Rapids. Following discussion, Quentin L. Messer then motioned for the approval of resolution 2023-182, City of Grand Rapids Brownfield Redevelopment Authority, Factory Yards Transformational Brownfield Plan. Britany L. Affolter-Caine seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None

Britany Affolter-Caine and Wesley Eklund departed the meeting at 10:32

- b. **Resolutions 2023-183 and 2023-184, Uptown Reinvestment Corporation: Resolutions to approval a Michigan Community Revitalization Programs Performance-Based Grant and amend existing Michigan Community Revitalization Program Investment.** Chuck Donaldson, Managing Director, Regional Prosperity, Tim Herman, Uptown Investment Corporation and Emily Doerr, City of Flint provided the Board with information regarding these action items. These actions involve approve a Michigan Community Revitalization Program Performance-Based Grant in the amount of \$3.4 million and amending

the existing Michigan Community Revitalization Program investment to split the existing parcel into two newly created parcels. Dimitrius Hutcherson moved for the approval of resolution 2023-183, Michigan Community Revitalization Program Performance-Based Grant. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes, 0 nays, 1 recused.**

ROLL CALL VOTE: Ayes: John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: Britany L. Affolter-Caine

Susan Tellier moved for the approval of resolution 2023-184, Amendment to existing Michigan Community Revitalization Program investment. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes, 0 nays, 1 recused.**

ROLL CALL VOTE: Ayes: John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: Britany L. Affolter-Caine

Britany Affolter-Caine rejoins the meeting

c. Resolutions 2023-185 and 2023-186, Clairmount Apartments LLC and City of Detroit Brownfield Redevelopment Authority (BRA): Resolutions to approve a Michigan Community Revitalization Program performance-based grant and a Brownfield Act 381 work plan. Dominic Romano, Senior Community Development Manager, Regional Prosperity, David Alade, CEO, Century Partners and Kaci Jackson, City of Detroit provided the Board with information regarding these action items. These actions involve approval of a Michigan Community Revitalization Program performance-based grant in an amount of up to \$1,500,000 and a Brownfield Act 381 work plan with state tax capture for eligible activities capped at the amount of \$204,269. Location: City of Detroit. Quentin L. Messer, Jr. moved for the approval of resolution 2023-185, MCRP performance-based grant. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None

Quentin L. Messer, Jr. then moved for the approval of Resolution 2023-186, Brownfield Action 381. Randy Thelen seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None

d. Resolution 2023-187, Y Sites, LLC A resolution to approve an amendment to the existing Michigan Community Revitalization Program Other Economic Assistance Equity Agreement and any ancillary agreements. Julius Edwards, Director, Commercial Real Estate Investment, Julia Lawton-Essa and Dan Essa provided the Board with information regarding this action item. This action involves approval of an amendment to the existing Michigan Community Revitalization Program Other Economic Assistance Equity

Agreement and any ancillary agreements to waive existing accrued returns due to the MSF in the amount of approximately \$751,570 and amend the equity repayment structure to a 35/65 split, to be applied retroactively to the time of the MSF disbursements. Location: City of Lansing. After much discussion, Cindy Warner moved to deny resolution 2023-187 to amend the existing MCRP. Susan Tellier seconded the motion. **The motion failed: 6 ayes, 4 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Dimitrius Hutcherson, Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: John Groen (on behalf of Director Corbin, designation attached) Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Recused: None

Michael B. Kapp moved to approve resolution 2023-187 to amend the existing MCRP. Quentin L. Messer, Jr. seconded the motion. **The motion failed: 4 ayes, 6 nays, 0 recused.**

ROLL CALL VOTE: Ayes: John Groen (on behalf of Director Corbin, designation attached) Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Nays: Britany L. Affolter-Caine, Dimitrius Hutcherson, Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Recused: None

VI. ATTRACT, RETAIN AND GROW BUSINESS

a. **Resolution 2023-188 and 2023-189, Calumet Electronics, Michigan Business Development Program Grant and State Essential Services Assessment Exemption.** Vicki Schwab, Managing Director, Regional Prosperity, Brittney Mizer, Business Development Project Manager, Mark Ignash, Interim Michigan Defense Center Director, Meredith LaBeau of Calumet and Marty Fittante of Invest UP provided the Board with information on these action items. These actions involve approving a Michigan Business Development Program Grant in the amount of \$7,500,000 and a 15-year, 100% State Essential Services Assessment Exemption with an estimated value of up to \$758,877 with an investment requirement waiver. Location: Charter Township of Calumet. Following discussion and comments from the Board, Dimitrius Hutcherson motioned for the approval of resolution 2023-188, Michigan Business Development Program Grant. Susan Tellier seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None

Cindy Warner then motioned for the approval of resolution 2023-189, State Essential Services Assessment Exemption. Quentin L. Messer seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None

Susan Tellier departs the meeting

b. **Resolution 2023-190, DENSO Manufacturing Michigan, Inc. State Essential Services Assessment Exemption.** Matt Chasnis, Senior Business Development Project Manager, Matt Briden, Denso and Robert

Corder, Battle Creek Unlimited provided the Board with information on this action item. This action involves approving a 15-year, 100% State Essential Services Assessment Exemption with an estimated value of up to \$1,433,250 with an investment requirement waiver. Location: City of Battle Creek. After discussion, Quentin L. Messer, Jr. motioned for the approval of resolution 2023-190, State Essential Services Exemption. John Groen seconded the motion. **The motion carried: 9 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Randy Thelen, Cindy Warner; Nays: None; Recused: None

VII. ADMINSTRATIVE

a. **Resolution 2023-191, Michigan Strategic Fund Consent Agenda Policy.** Matt Casby provided the Board with information on this action item. This action involves approval to amend and restate the existing Michigan Strategic Fund Consent Agenda Policy to add requests from the State Historic Preservation Office for the approval of an expenditure, funding of an award, contract, grant, or other agreement. Michael B. Kapp motioned for the approval of resolution 2023-191, Consent agenda. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Randy Thelen, Cindy Warner; Nays: None; Recused: None

Britany Affolter-Caine left the meeting at 11:57 am

VIII. SUPPORT SMALL BUSINESS

a. **Resolution 2023-192, Facility for Rare Isotope Beams Project, Michigan Strategic Fund Limited Obligation Revenue Bonds.** Amber Westendorp, Capital Project & Portfolio Manager provided the Board with information on this action item. This action items involves resolution to authorize the issuance of the issuance of the Michigan Strategic Fund Limited Obligation Revenue Refunding Bonds for the Facility for Rare Isotope Beams Project at Michigan State University in an amount not to exceed \$47,420,000. After discussion, Randy Thelen motioned for the approval of resolution 2023-192. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 8 ayes, 0 nays, 1 recused.**

ROLL CALL VOTE: Ayes: John Groen (on behalf of Director Corbin, designation attached) Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Randy Thelen, Cindy Warner; Nays: None; Recused: Britany L. Affolter-Caine

IX. INFORMATIONAL

a. Mr. Messer noted the MSF Delegated Authority Report for the period September 1 to September 30, 2023, was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Messer adjourned the meeting at 12:02 pm



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

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

Sincerely,

Quentin L. Messer, Jr.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



THE SENATE
STATE OF MICHIGAN

JOHN CHERRY

27TH DISTRICT

P.O. BOX 30036

LANSING, MI 48909-7536

PHONE: (517) 373-0142

FAX: (517) 373-3938

senjcherry@senate.michigan.gov

October 20, 2023

Mr. Quentin L. Messer, Jr.
Michigan Strategic Fund
300 N. Washington Sq.
Lansing, MI 48913

Dear Mr. Messer,

I write in full support of Uptown Reinvestment Corporation's (URC) request for a \$3.4 million Michigan Strategic Fund performance-based grant to fund the construction of a new building for Michigan State University's Charles Stewart Mott Foundation Department of Public Health in Flint. This project is poised to create up to 129 jobs and bring a total investment of \$24.5 million to our community.

The MSU Department of Public Health has played a pivotal role in advancing public health in Flint. Their participatory approach, which has fostered community engagement and trust, has made Flint a hub for health equity. Key achievements of the MSU Department of Public Health include attracting over \$115 million in external funding for Flint community research and their instrumental work during the Flint water crisis. The department's collaborations will continue in the new building located conveniently near the Flint Mass Transportation Authority bus station, the Flint Farmers Market, and the Hurley Pediatric Clinic.

Uptown Reinvestment Corporation, known for successful collaborations, is the ideal partner for this project. I wholeheartedly support their grant request, as it will contribute significantly to a healthier and more vibrant community in Flint. If you have any questions or if I can be of further assistance, please do not hesitate to contact my office by email: SenJCherry@senate.michigan.gov or phone: (517) 373-0142.

Sincerely,

A handwritten signature in black ink, appearing to read "John Cherry".

State Senator John Cherry
Michigan's 27th District



69TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

JASPER R. MARTUS
STATE REPRESENTATIVE

PHONE: (517) 373-1786
FAX: (517) 373-5717
JasperMartus@house.mi.gov

October 19, 2023

Mr. Quentin L. Messer, Jr.,
Chair
Michigan Strategic Fund
300 N. Washington Sq.
Lansing, MI 48913

Subject: Letter of Support for Michigan Strategic Fund Performance Based-Grant

Dear Mr. Messer, Jr.,

As the state representative of the 69th district, I am writing in support of Uptown Reinvestment Corporation's (URC) request for \$3.4 million in funding through the Michigan Strategic Fund's performance-based grant. I understand the funding will be used to support the construction of a new three-story building that will support the expansion of Michigan State University's Charles Stewart Mott Foundation Department of Public Health in Flint, Michigan. URC has shared with me the project will bring up to 129 additional jobs in Flint and result in total investment of approximately \$24.5 million.

The MSU Department of Public Health has led a collaborative and innovative approach to improve the public health process for Flint residents. The participatory approach has led to greater levels of community engagement and ownership of health outcomes, and improved levels of trust with the medical community. As I understand it, the building is designed to serve the community in an ongoing communication about their public health concerns and solutions. The new building sits adjacent to the Flint Mass Transportation Authority bus station, the Flint Farmers Market, and the Hurley Pediatric Clinic.

Below are examples that demonstrate the value of the MSU Department of Public Health's work to improve the public health of Flint residents:

- **Economic development:** More than \$115 million in external funding has been brought to Flint for community research. Funding success is the result of a strong relationship



69TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

JASPER R. MARTUS

STATE REPRESENTATIVE

PHONE: (517) 373-1786
FAX: (517) 373-5717
JasperMartus@house.mi.gov

among community advocates. Partners in the community help fuel the efforts with resources and a shared commitment to improving lives with more than 30 organizations collaborating on Flint research.

- **Flint Water Crisis:** Dr. Mona Hanna-Attisha's discovery in 2015 of elevated blood lead levels in Flint's children was tied to a switch in the city's water source and improper treatment of the water. The work of Rick Sadler, PhD was instrumental in linking the lead levels in children with the age of water in the system, and his maps were used by the National Guard to distribute water to Flint residents during the crisis. The Flint Registry is a resource to see how residents are doing and provide support for those impacted by the water crisis. After completing a survey, individuals are referred to services that promote health and development such as education, health, and nutrition programs.
- **MSU-Hurley Children's Pediatric Public Health Initiative:** A leading edge model of health equity, with the mission to improve health outcomes for Flint kids and kids everywhere. A multidisciplinary team of experts works in partnership with a parent and youth to increase access to fruits and vegetables, reading materials, and parenting support.

Uptown Reinvestment Corporation has led many successful real estate projects in the City of Flint working with other non-profits and higher education institutions. This project is another example of the type of collaboration that will lead to a healthier and more vibrant community.

Sincerely,

Jasper Martus

State Representative

69th House District

Office: (517)-373-1786



94TH DISTRICT
N-1198 House Office Building
P.O. Box 30014
Lansing, MI 48909-7514
517-373-0837
AmosONeal@house.mi.gov

Michigan House of Representatives
Amos O'Neal
STATE REPRESENTATIVE
CAUCUS CHAIR

Committees:
Labor
Appropriations
Subcommittee Corrections
Subcommittee DHHS
Subcommittee Gen. Government
Subcommittee Joint Capitol Outlay

October 17th, 2023

To whom it May Concern,

I write to you today in support for the City of Saginaw's grant application related to the Memorial Cup.

Hosting the memorial cup in our region is an incredible opportunity. This project will provide essential support that the city needs to prepare for the event. The project is anticipated to redesign and enhance a 300 feet segment of Symphony Lane, a city owned street, in downtown Saginaw, near the Dow Event Center entertainment district. The street will be rebuilt and transformed into vibrant public gathering space with bump outs and infrastructure for food trucks, electric access, lighting, pedestrian friendly elements, a Memorial Cup Sculpture, and connections to nearby Dow Event Center and public space, lighting and landscaping.

All these improvements will have a positive impact on the local and state economy. We stand ready to lock arms and partner on this important endeavor and look forward to answering your questions and providing any supporting information you need.

Sincerely,

A handwritten signature in black ink that reads "Amos O'Neal". The signature is written in a cursive style with a large, stylized 'O'.

Amos O'Neal
State Representative
94th House District
Michigan House of Representatives
124 North Capitol Avenue
Lansing, MI 48933
AmosONeal@house.mi.gov

MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Rob Garza, Director, Statutory Analysis
Lori Mullins, Vice President, Economic Incentives

Subject: Request to Amend Transformational Brownfield Plan Program Guidelines

Request

MEDC staff request approval of an amendment to the Transformational Brownfield Plan (“TBP”) Program Guidelines.

Background

In July of 2017, the Michigan Legislature passed legislation creating the TBP program, which is incorporated into the Brownfield Redevelopment Financing Act, 1996 Public Act 381 (“Act”), as amended. A TBP is defined under Act 381 as a Brownfield Plan that, among other requirements, will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan.

The MSF Board reviewed and approved TBP Program Guidelines at its July 25, 2017, meeting and amended the TBP Program Guidelines at its September 26, 2017, April 23, 2019, March 22, 2022, and July 25, 2023, meetings.

The amended TBP Program Guidelines are necessary to allow staff to successfully manage the increased project pipeline that resulted from the most recent legislative amendment. The request also includes staff recommendations that add clarification and detail to existing requirements. Please see the complete list of changes made below:

- Removal of the condition that limits the number of Invitations to Apply based on how many projects in each population band have been approved by the MSF Board or currently under Invitation to Apply.
- Clarification around the fees associated with the program.
- Additional language describing TBP eligible property.
- Corrections to the process steps.

Recommendation

The MEDC staff recommends approval of the amended Transformational Brownfield Plan Program Guidelines attached to the Resolution.

TRANSFORMATIONAL BROWNFIELD PLAN PROGRAM GUIDELINES

PROGRAM OVERVIEW

The Brownfield Redevelopment Financing Act, 1996 Public Act (PA) 381, as amended (Act 381), effective July 24, 2017, incorporates Transformational Brownfield Plans (TBP), which affords developers the opportunity to capture a portion of specific incremental taxes generated from large-scale transformational projects for a specified time period.

A TBP is defined under Act 381 as a Brownfield Plan that, among other requirements, will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan. The plan must be either a mixed-use development project with planned integration of some combination of retail, office, residential, or hotel uses or a development in a municipality that is not a county and that has a population of less than 25,000 that utilizes one of the listed uses and has had the mixed-use requirement waived by the MSF. Other requirements include minimum thresholds of capital investment depending on the population size of the municipality in which the development is proposed.

A TBP allows for the capture of five sources of tax revenues associated with a project. The available tax revenues include the following: (1) Construction Period Income Tax; (2) Property Tax Capture; (3) Income Tax Capture; (4) Withholding Tax Capture; and (5) Sales and Use Tax Capture Revenues. These tax revenues can be used in financing a wide array of eligible activities where costs were incurred no more than 90 days prior to MSF approval of the TBP, specifically including any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property. Income Tax Capture, Withholding Tax Capture, and Sales and Use Tax Capture are all limited to up to 20 years. The TBP may also authorize the exemption of construction period sales and use tax.

The Michigan Strategic Fund (MSF) is the project-authorizing entity and can approve no more than five TBPs in a calendar year statewide. In the event the MSF approves fewer than five plans in a calendar year, the unused approval authority shall carry forward into future calendar years and remain available until December 31, 2027. No new TBPs can be approved after December 31, 2027, and no unused plans can carry over past that date. A TBP approved prior to that date would remain in effect and could be amended.

An equitable geographic distribution of plans is required, balancing the needs of municipalities of different sizes and geographic areas. Per the statute, not less than 33% and not more than 38% of the total transformational brownfield plans approved before December 31, 2027, will be located in cities, villages, and townships with a population of less than 100,000. Furthermore, not less than 33% and not more than 38% of the total transformational brownfield plans approved before December 31, 2027, will be located in cities, villages, and townships with populations of not less than 100,000 and not more than 225,000. ~~In order to maintain a reasonable balance of number of plans approved in communities within the three population bands (less than 100,000, between 100,000 and 225,000, and over 225,000), the MEDC will not extend any invitations to apply to projects located in a population band where there is a difference of greater than two plans approved or in active application review above the number of plans approved or in active~~

~~application review in either of the other population bands. Furthermore, in In~~ order to ensure a balance on December 31, 2027, the MEDC will not extend any invitation to apply after January 31, 2027 to a project located in a population band where there is a difference of greater than one plan approved or in active application review above the number of plans approved or in active application review in either of the other population bands.

AMENDMENTS

A TBP may be amended to add parcels of property, increase or reduce capture, or change project scope of work. Any amendment that proposes to change the project so that it would no longer qualify as transformational, will result in the TBP being revoked. Amendments are not considered new plans and plans may be amended beyond December 31, 2027.

If specific aspects of the Transformational Brownfield Plan within Act 381 are legislatively amended in the future, the MSF may amend existing TBP plans to make conforming and consistent changes to the approved TBPs on an administrative basis, provided that those changes do not result in any increase in the aggregate total amount of reimbursement authorized under the initial TBP.

FEES

The MSF will charge and collect application fees, amendment fees, transfer fees and annual administrative fees¹. All costs of the independent, MSF-contracted third-party underwriting analysis and third-party sales and use tax capture analysis shall be paid by the owner or developer of the eligible property and are non-refundable.

- Annual administrative fees are estimated to be between 0.8 and 0.9 percent of the average annual projection of Income Tax Capture, Withholding Tax Capture and Sales Tax Capture Revenues at the time of MSF approval. If the safe harbor option is elected for Withholding and Income Tax Capture revenue streams for all applicable project sites, the annual average fee will be reduced to 90% of the initial fee calculation beginning the year following the first disbursement of Withholding and Income Tax Capture for all project sites included in the TBP. This fee will remain static until the disbursement of Income Tax Capture, Withholding Tax Capture and Sales and Use Tax Capture Revenues have concluded.
- A non-refundable application fee of \$30,000 plus the actual cost of any necessary MSF-contracted, third-party analysis (estimated amount to be between \$100,000 and \$150,000) will be charged and collected by the MSF (For TBP requested awards greater than or equal to \$10 million in combined Income Tax Capture, Withholding Tax Capture Revenue, and Sales and Use Tax Capture Revenue in any single year, ~~a non-refundable application fee of \$30,000 plus the actual cost of any necessary MSF-contracted, third-party analysis (estimated amount to be between \$100,000 and \$150,000) will be charged and collected by the MSF~~². ~~In addition, an independent third-party, MSF-contracted analysis of sales and use tax capture revenue estimates will be required for any proposed TBP that requests approval of sales and use tax capture. All costs of the independent, MSF-contracted third-party underwriting analysis and third-party sales and use tax capture analysis shall be paid by the owner or developer of the eligible property and are non-refundable.~~
- In the event that an amendment is required for TBP awards greater than or equal to \$10 million in combined Income Tax Capture, Withholding Tax Capture Revenue; and Sales

¹ PA 46 of 2017 Sec. 8a. (3)(a),(i),(ii),(iv) (p. 7)

² MSF Act 270 of 1984, 125.2007 Powers and duties of fund, Sec. 7. (j)

and Use Tax Capture in any single year, or that was awarded sales and use tax capture regardless of amount, a non-refundable amendment fee of \$30,000 plus actual cost of any necessary MSF-contracted, third-party analysis will be charged and collected by the MSF. In the event that the MSF-contracted, third-party analysis costs exceed the application or amendment fee, the costs shall be paid by the owner or developer of the eligible property.

- A non-refundable application fee of \$30,000 will be charged and collected by the MSF For TBP requested awards or amendments to award for projects with less than \$10 million in combined Income Tax Capture, ~~and~~ Withholding Tax Capture, and Sales and Use Tax Capture Revenue in any single year, ~~a non-refundable application fee of \$30,000 will be charged and collected by the MSF~~. For any transfer of a TBP award the MSF will charge and collect a \$7,000 transfer fee.
- An application fee of \$15,000 will be charged and collected by the MSF for a TBP that is not requesting Income Tax Capture, Withholding Tax Capture Revenue, or Sales and Use Tax Capture.
- In addition, the cost of an independent third-party, MSF-contracted analysis of sales and use tax capture revenue estimates will be required for any proposed TBP that requests approval of sales and use tax capture.
- The MSF reserves the right to require an independent third-party underwriting analysis, at the applicant's cost, for any project requesting a TBP award and that it deems necessary due to project complexity or capacity. If a project does not statutorily, or by policy, require third-party underwriting, an applicant may also opt to select the MSF-contracted third-party underwriting at their own cost.

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ELIGIBLE APPLICANTS

A project may be located in any community but must involve a minimum level of capital investment based on the size of the community, as follows:

Population	Investment
Greater than or equal to 600,000	\$500,000,000
150,000 - 599,999	\$100,000,000
100,000 - 149,999	\$75,000,000
50,000 - 99,999	\$50,000,000
25,000 - 49,999	\$25,000,000
Less than 25,000	\$15,000,000

These limitations can be waived by the MSF to allow TBPs in certain areas where:

- the population is under 25,000, if the development would not be economically feasible otherwise;
- the Michigan State Housing Development Authority has approved the expenditure of federal blight elimination funds;
- the municipality is subject to a state of emergency for drinking water contamination; or
- the eligible property is a historic resource and would not otherwise be transformed.

The community's population for the purposes of meeting the capital investment threshold will be based on the most recent federal decennial census.

ELIGIBLE ACTIVITIES

TBP eligible activities include any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, along with eligible activities currently allowed under Act 381.

ELIGIBLE PROPERTY

~~Documentation that the project is located on an eligible property is required at the time the application is submitted. Eligible property is defined in Section 2 of Act 381. The proposed redevelopment must meet the definition of eligible property in Section 2 of Act 381 and be a previously developed property within a mixed-use and walkable area.~~

PROGRAM KEY COMPONENTS

1. The project must be a mixed-use development, defined as a real estate project with planned integration of some combination of retail, office, residential, or hotel uses. A project may also be a development that utilizes one of the named mixed-use components if the development is located in a municipality that is not a county and has a population of less than 25,000 and has had the mixed-use requirement waived by the MSF. The project can be a single development on eligible property, or consist of a series of developments on eligible properties (even if they are not contiguous) that are part of a related program of investment meeting the following requirements:
 - The developments are proposed to be undertaken concurrently or in reasonable succession.
 - For developments under affiliated ownership, the developments are reasonably contiguous and are a part of a program investment in a logically defined geographic area, including, but not limited to, a Downtown District (as defined in the Downtown Development Authority Act) or a principal shopping district or business improvement district (as defined in the Shopping Areas Redevelopment Act). Other areas related to those districts that will promote infill development may also be considered.
 - For developments with unrelated ownership, projects must meet the provisions above, and are part of a master development plan, area plan, sub-area plan, or similar development plan that has been approved or adopted by resolution of the governing body.
 - The designation of the developments as a related program of investment is consistent with the purposes of this act and is not a combination of unrelated or minimally related projects calculated to meet the minimum investment threshold.
2. The TBP allows for construction period sales and use tax exemption and and five kinds of revenue from construction period income tax capture, income tax capture, withholding tax capture, sales and use tax capture and traditional property tax capture as follows:
 - Construction Period Income Tax Capture Revenues: Funds equal to the amount of income tax levied and imposed in a calendar year on wages paid to individuals physically present and working within the eligible property for the construction, renovation, or other improvement of eligible property that is an eligible activity within the TBP. Excluded are wages paid to employees of the owner or developer of the project.
 - Construction Period Sales Tax and Use Tax Exemptions:
 - a. A sales tax exemption for the purchase of tangible personal property for use in eligible brownfield redevelopment activities on eligible property included in a TBP, to the extent that the tangible personal property will be affixed and made a structural part of the real property or infrastructure improvements included within the TBP.

- b. A use tax exemption on tangible personal property acquired by a person engaged in the business of altering, repairing, or improving real estate for others, or to the manufacture of a specific product if the property or product is to be affixed or made a structural part of the real property included within a TBP, to the extent that those improvements are eligible activities on eligible property within a TBP.

The MSF shall require the owner or developer of the eligible property to report the actual value of the sales and use tax exemptions each tax year of the construction period and at the end of the construction period.

- Income Tax Capture Revenues: Funds equal to the amount for each tax year by which the aggregate income tax from individuals domiciled within the eligible property subject to a TBP exceeds the initial income tax value (the value in the tax year when the resolution adding TBP property is adopted). A TBP cannot propose to use more than 50% of the income tax capture revenues, with the following exceptions:
 - The proposed eligible property is designated as a Renaissance Zone and otherwise meets the criteria in Section 13c(13).
 - The applicable eligible properties are subject to a written binding affordable housing agreement with the local governmental unit. This exception may include a proposal of up to 100% of income tax capture revenues, subject to an underwriting and financial analysis.
- Withholding Tax Capture Revenues: The amount for each calendar year by which the income tax withheld from individuals employed within the eligible property subject to a TBP exceeds the initial withholding tax value. Excludes those domiciled within the eligible TBP property and construction period tax capture revenues. A TBP cannot propose to use more than 50% of the withholding tax capture revenues.
- Sales and Use Tax Capture Revenues: Funds equal to the amount for each calendar year by which the sales tax and use tax collected from persons within the eligible property exceeds the initial sales and use tax value.

These tax increment revenues can be used in financing a wide array of eligible activities, specifically including as new activities, any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property. Capture of post-construction income tax, withholding tax, and sales and use tax revenue is limited to up to 20 years.

The owner or developer may elect to utilize a safe harbor method for the calculation of Income Tax and Withholding Tax Capture revenues rather than a traditional calculation. The detailed parameters of the safe harbor option can be found in the Program Limits section of these guidelines.

3. A TBP that proposes to use more than \$10 million in any one year in withholding tax capture revenues, income tax capture revenues, and sales and use tax capture revenues, or any TBP proposal that requests sales and use tax capture require the developer or owner to pay for an independent third-party underwriting analysis as outlined later in this document.
4. If the MSF supports a TBP, that project(s) may also be considered for additional funding

programs as necessary to fill financing gaps and make the project feasible. Additional MSF incentive requests must consist of no more than one incentive request per incentive program per TBP request.

5. Additional incentive support must be presented at the same MSF Board meeting that the TBP request will be considered.
6. Project construction for TBPs undertaken on a single site must start within 12 months of MSF Board approval. For projects that are considered a related series of investment, construction on at least one of the sites must start within 12 months of MSF Board approval.
7. The owner or developer must certify the actual capital investment upon completion of TBP construction, or completion of a specific phase, or prior to the MSF initiating reimbursement from the construction period income tax capture, income tax capture, withholding tax capture, and sales and use tax capture. If the actual capital investment is less than the amount included in the plan, the MSF has the right to modify the amount of reimbursement and take other recourse.
8. The MSF is required to approve a proposed change in ownership of eligible property subject to a transformational brownfield plan for which reimbursement will continue, prior to the assignment or transfer of the development and reimbursement agreement.
9. An eligible property may only be included in a TBP request if eligible activities are required to complete the proposed project on the proposed eligible property and the underwriting analysis concludes there is a financial need. Furthermore, a parcel with a completed and operational building shall not be included in a TBP request.
10. An applicant may not formally request a TBP approval by the MSF until the financial analysis of the TBP is complete.
11. Solely with respect to a related program of investment, subject to the approval of the governing body and MSF, the authority may amend the beginning date of capture for withholding tax capture revenues, income tax capture revenues, and sales and use tax capture revenues for an eligible property to a date later than 5 years following the date the MSF approved the inclusion of the eligible property in the TBP. The governing body and MSF must determine that the developer has proceeded in good faith and made reasonable and substantial progress in the implementation of the project. An amendment to request a new beginning date of capture may not be submitted prior to three years following MSF approval of the TBP or later than 7 years following MSF approval of the TBP.

PROGRAM LIMITS

The MSF may authorize TBP incentives for large development projects totaling income tax capture, withholding tax capture, sales and use tax capture, construction period income tax capture, and sales and use tax exemptions of up to \$1.8 billion across all TBPs for the duration of the program.

1. Income Tax, Withholding Tax, and Sales and Use Tax:

- Commitments and disbursements of post-construction income, withholding, and sales and use tax capture revenue are limited to \$1.6 billion over the life of the program.
 - Commitments and disbursements of post-construction income, withholding tax

capture, and sales and use tax capture revenue are limited to \$80 million annually across all TBPs.

- If the \$80 million threshold is not reached in a given year, a maximum of \$30 million will be carried forward into subsequent years for commitment or disbursement.
- A TBP cannot use, or propose to use, more than 50% of the income tax capture revenues to reimburse eligible activities, with the following exceptions:
 - The proposed eligible property is designated as a Renaissance Zone and otherwise meets the criteria in Section 13c(13).
 - The applicable eligible properties are subject to a written binding affordable housing agreement with the local governmental unit. This exception may include proposal of up to 100% of income tax capture revenues, subject to an underwriting and financial analysis.
- A TBP cannot use, or propose to use, more than 50% of the post-construction withholding tax capture revenues to reimburse eligible activities.
- A TBP cannot award more than 25% of the annual allocation to any one project per year, not including amendments. With amendments, no more than a total 50% of annual allocation.
- The available tax increment reimbursement from any source for a TBP will be limited to an amount that is needed to make the project economically viable based on estimates at time of TBP application.
- In lieu of traditional calculations of Income Tax Capture, the owner or developer may elect to utilize a safe harbor method of calculating Income Tax Capture Revenues.
 - The MSF shall establish the safe harbor amount by imputing no more than 90 percent of the estimated annual taxable income for households residing within the eligible property or portion of the eligible property.
 - The safe harbor shall be effective only to the extent that the residential units within the eligible property or portion of the eligible property are actively leased or, in the case of units made available for sale, sold in arms-length transaction. The owner or developer will be required to submit copies of all leases and certification of the percentage of space in the project or specific phase of project that is leased or sold with each request for reimbursement.
 - The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Income Tax Capture Revenues from the initial approval amount.
 - The owner or developer may elect to utilize the safe harbor method any time prior to the first reimbursement of Income Tax Capture Revenues, provided that an election, once made, cannot be rescinded.
- In lieu of traditional calculations of post-construction Withholding Tax Capture Revenues, the owner or developer may elect to utilize a safe harbor method of calculating Withholding Tax Capture Revenues.
 - The MSF shall establish the safe harbor amount by imputing no more than 90 percent of the average estimated employee occupancy that corresponds to the size and use of the eligible property or portion of the eligible property and a safe harbor of no more than 90 percent of the estimated average annual taxable wage for the individuals employed within the eligible property or portion of the eligible property.
 - The safe harbor shall be effective only to the extent the eligible property or portion of the eligible property is actively occupied, as evidenced by the existence of a binding lease agreement or similar instrument. The owner or developer will be required to submit copies of all leases and certification of the percentage eligible property occupied with each request for reimbursement.

- The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Withholding Tax Capture Revenues from the initial approval amount.
- The owner or developer may elect to utilize the safe harbor method any time prior to the first reimbursement of Withholding Tax Capture Revenues, provided that an election, once made, cannot be rescinded.
- No income or withholding tax capture will occur after the permitted costs under the TBP are met or after 20 years from the start of capture.

2. Construction Period Tax Capture Revenue and Sales and Use Tax Exemptions:

- A total of up to \$200 million can be captured from construction period tax capture revenue in the TBP. A TBP can capture 100% of the construction period tax capture for transmittal to the brownfield authority or developer.
- Disbursements of construction period tax capture revenue and the value of the sales and use tax exemptions do not have an additional annual reimbursement cap.
- The available tax increment reimbursement from any source for a TBP is limited to an amount that is needed to make the project economically viable based on estimates at time of TBP application.
- No tax capture will occur after the permitted costs under the TBP are met or after construction is complete and certified.

3. Sales and Use Tax Capture Revenue:

For persons with multiple business location, the applicable amount of sales tax and use tax is only the sales tax and use tax collections attributable to the business location within the eligible property. To calculate sales and use tax capture revenues for a calendar year under a TBP, the state treasurer or the MSF shall do all of the following

- a. The state treasurer shall develop methods and processes that are necessary for each applicable person within the eligible property to report the amount of sales and use tax from that location.
- b. The MSF shall include all the following provisions in the redevelopment or reimbursement agreement for any TBP that utilizes sales and use tax capture revenues:
 - i. The owner or developer of the property shall require each applicable person occupying the eligible property to comply with the reporting requirements through a contract requirement, lease requirement, or other similar means.
 - ii. Reimbursement of sales and use tax capture revenues is limited to amounts that are reported in accordance with this section, and this state has no obligation with respect to sales and use tax captures that are not reported or paid.

UNDERWRITING CRITERIA

TBPs will be awarded based on financial need for the incentive and the award amount will be determined based on a demonstrated gap in financing.

TBPs proposing to use more than \$10 million in any one year in withholding tax capture, income tax capture revenues, and sales and use tax capture, as well as any TBP proposal requesting approval of sales and use tax capture, require an independent underwriting analysis conducted by a third-party entity, paid for by the developer via the application fees or amendment fees. MSF will determine the third-parties eligible to conduct such an analysis. Developer must provide all necessary information (details of which will be relayed to the developer at the time of the project) to the appropriate MEDC contact before the analysis is conducted. TBPs proposing to use less

than \$10 million in annual withholding and income tax capture may undergo analysis through the MEDC, in participation with the State Treasurer. The MSF reserves the right to require an independent third-party underwriting analysis for any project requesting a TBP award and that it deems necessary due to project complexity or capacity.

If a TBP proposes to use more than \$10 million in any one year in withholding tax capture, income tax capture, and sales and use tax capture, then the State Treasurer must be consulted before a recommendation is made to MSF for project approval.

1. Evaluation of specific underwriting criteria, including at minimum the following:
 - Assessment of how much traditional debt the project should be able to support/attract
 - Developer and consultant fees limited to 4% of the total development cost of the project
 - Reasonableness assessment of any related-party costs and expenses
 - Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees). Deferred fees will not be counted in the calculation
 - Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing
 - Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost will be evaluated if financing is preliminary. If financing term sheets are provided, leveraged IRR and cash on cash return will be evaluated. Average annual return metrics will be for the first three years following project stabilization.
2. Reasonableness assessment of the proposed rental structure and assumptions
3. Reasonableness assessment of the proposed operating expenses
4. Reasonableness assessment of the proposed development costs
5. Process conducted to analyze and determine the project's economic viability
6. A full financial and underwriting review will be completed on any future amendments and requests for project support.

PROJECT EVALUATION, PROCESS AND MSF SUPPORT

The process below is a high-level overview of the Transformational Brownfield Plan (TBP) consideration process from project identification through execution of a final agreement. TBP projects require the approval of the Brownfield Redevelopment Authority (BRA), the local unit of government, and the Michigan Strategic Fund (MSF). If department-specific activities are included in the project, approval of the Michigan Department of Environment, Great Lakes and Energy (EGLE) is also required.

1. Local partners, developers, or the BRA engage early with the Michigan Economic Development Corporation (MEDC) for initial project evaluation and determination of appropriate incentive match. The MEDC will collect intake evaluation documentation including, but not limited to, project investment summary, local letter of support, intake questionnaire and a projected tax increment revenue table.
2. Project will undergo an internal review. Upon initial determination of appropriate TBP fit, the MEDC will issue [a letter of interest and an](#) invitation to submit information necessary to complete the full underwriting and financial review.

3. Development team and BRA prepare a TBP Combined Transformational Brownfield Plan and financial review package, including the financial review fee and TBP questionnaire, and submit to MEDC staff for review.
4. MEDC will conduct a background check in accordance with MSF Background Review Policy and evaluates the full TBP package including conducting an underwriting and financial analysis. Projects anticipating more than \$10 million of income tax, withholding tax, and Sales and Use Tax capture in any single year are required to undergo an MSF-contracted 3rd party underwriting analysis. In addition, any TBP proposal requesting approval of sales and use tax capture is required to undergo an MSF-contracted 3rd party analysis of the sales and use tax capture estimates. The applicant will pay the necessary 3rd party fees as part of the application fee.
- ~~5. Following the results of the underwriting and financial analysis, MEDC staff may issue an invitation to apply to the development team and local partners.~~
- ~~6.5. Development team will provide any additional materials and fees necessary to finalize the TBP analysis and MEDC staff recommendation.~~
- ~~6. After confirming the TBP package is administratively complete³, MEDC staff will provide a Summary of Terms, or similar document, to the development team outlining the business terms for the proposed incentive which will be incorporated into the reimbursement agreement. After confirming the TBP package is administratively complete⁴, MEDC staff will issue a letter of interest to the development team and local partners~~
7. Following feedback from MEDC (and any applicable 3rd party analysis) the TBP documents will be updated and submitted for local BRA and governing body approval; then the TBP final package is submitted to MEDC for MSF consideration.
8. MEDC presents the TBP recommendation to the MSF Board with the local partner and development team. Concurrent with MSF action, a final reimbursement agreement will be drafted by the MEDC and executed between MSF, Treasury, the BRA and the development entity(ies).
9. The developer is required to report project information to the MEDC, Treasury and the associated BRA. The BRA is required to report information to the MEDC via online portal.

ADDITIONAL TERMS AND CONDITIONS

1. Owners or developers that receive a TBP incentive will be subject to the MSF Background Review Policy, as may be revised from time to time by the MSF. Additional due diligence may be required at the discretion of the MSF.
2. Owners or developers that receive a TBP incentive from the MSF will be required to execute a reimbursement agreement with the local BRA, MSF and the Department of Treasury, which

~~³Administratively complete means the TBP and all required supporting documentation is determined to be complete by MEDC staff, the underwriting analysis is complete, and the financial need has been confirmed.~~

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will be performance-based and will set forth the terms and conditions of the TBP designation including, but not limited to, the term of the plan, the total amounts of tax capture the owner or developer may receive and periodic reporting requirements.

3. Owners or developers are expected to maintain detailed records demonstrating that the award recipient incurred and paid the required investment at the project location. Failure to maintain adequate records may result in adverse action by the MSF, up to and including termination of the reimbursement agreement. In addition, the MSF, MEDC, Auditor General, and the Department of Technology, Management, and Budget shall have access to all records related to the project and reserve the right to conduct on-site reviews and inspections to confirm compliance with the terms and conditions of the agreement.

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-194

**ADOPTION OF AMENDED PROGRAM GUIDELINES FOR
TRANSFORMATIONAL BROWNFIELD PLANS**

WHEREAS, Public Act 381 of 1996 established the Brownfield Redevelopment Financing Act (“Act 381”) to promote the revitalization, redevelopment, and reuse of certain property;

WHEREAS, Section 14a of Act 381, MCL 125.2664a, authorizes the Michigan Strategic Fund (“MSF”) Board to approve Transformational Brownfield Plans (“TBPs”) in accordance with the requirements of Act 381;

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

WHEREAS, the MSF Board adopted the TBP Program Guidelines (the “TBP Guidelines”) on July 25, 2017;

WHEREAS, the MSF Board amended the TBP Guidelines on September 26, 2017, April 23, 2019, March 22, 2022, and July 25, 2023;

WHEREAS, the MEDC recommends that the MSF Board adopt the proposed TBP Guidelines attached to this Resolution to implement staff recommendations for TBPs (the “Proposed TBP Guidelines”); and

WHEREAS, the MSF Board wishes to adopt the Proposed TBP Guidelines.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Proposed TBP Guidelines.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wierich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023

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A TBP allows for the capture of five sources of tax revenues associated with a project. The available tax revenues include the following: (1) Construction Period Income Tax; (2) Property Tax Capture; (3) Income Tax Capture; (4) Withholding Tax Capture; and (5) Sales and Use Tax Capture Revenues. These tax revenues can be used in financing a wide array of eligible activities where costs were incurred no more than 90 days prior to MSF approval of the TBP, specifically including any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property. Income Tax Capture, Withholding Tax Capture, and Sales and Use Tax Capture are all limited to up to 20 years. The TBP may also authorize the exemption of construction period sales and use tax.

The Michigan Strategic Fund (MSF) is the project-authorizing entity and can approve no more than five TBPs in a calendar year statewide. In the event the MSF approves fewer than five plans in a calendar year, the unused approval authority shall carry forward into future calendar years and remain available until December 31, 2027. No new TBPs can be approved after December 31, 2027, and no unused plans can carry over past that date. A TBP approved prior to that date would remain in effect and could be amended.

An equitable geographic distribution of plans is required, balancing the needs of municipalities of different sizes and geographic areas. Per the statute, not less than 33% and not more than 38% of the total transformational brownfield plans approved before December 31, 2027, will be located in cities, villages, and townships with a population of less than 100,000. Furthermore, not less than 33% and not more than 38% of the total transformational brownfield plans approved before December 31, 2027, will be located in cities, villages, and townships with populations of not less than 100,000 and not more than 225,000. In order to ensure a balance on December 31, 2027, the MEDC will not extend any invitation to apply after January 31, 2027 to a project located in a

population band where there is a difference of greater than one plan approved or in active application review above the number of plans approved or in active application review in either of the other population bands.

AMENDMENTS

A TBP may be amended to add parcels of property, increase or reduce capture, or change project scope of work. Any amendment that proposes to change the project so that it would no longer qualify as transformational, will result in the TBP being revoked. Amendments are not considered new plans and plans may be amended beyond December 31, 2027.

If specific aspects of the Transformational Brownfield Plan within Act 381 are legislatively amended in the future, the MSF may amend existing TBP plans to make conforming and consistent changes to the approved TBPs on an administrative basis, provided that those changes do not result in any increase in the aggregate total amount of reimbursement authorized under the initial TBP.

FEES

The MSF will charge and collect application fees, amendment fees, transfer fees and annual administrative fees¹. All costs of the independent, MSF-contracted third-party underwriting analysis and third-party sales and use tax capture analysis shall be paid by the owner or developer of the eligible property and are non-refundable.

- Annual administrative fees are estimated to be between 0.8 and 0.9 percent of the average annual projection of Income Tax Capture, Withholding Tax Capture and Sales Tax Capture Revenues at the time of MSF approval. If the safe harbor option is elected for Withholding and Income Tax Capture revenue streams for all applicable project sites, the annual average fee will be reduced to 90% of the initial fee calculation beginning the year following the first disbursement of Withholding and Income Tax Capture for all project sites included in the TBP. This fee will remain static until the disbursement of Income Tax Capture, Withholding Tax Capture and Sales and Use Tax Capture Revenues have concluded.
- A non-refundable application fee of \$30,000 plus the actual cost of any necessary MSF-contracted, third-party analysis (estimated amount to be between \$100,000 and \$150,000) will be charged and collected by the MSF for TBP requested awards greater than or equal to \$10 million in combined Income Tax Capture, Withholding Tax Capture Revenue, and Sales and Use Tax Capture Revenue in any single year².
- In the event that an amendment is required for TBP awards greater than or equal to \$10 million in combined Income Tax Capture, Withholding Tax Capture Revenue; and Sales and Use Tax Capture in any single year, or that was awarded sales and use tax capture regardless of amount, a non-refundable amendment fee of \$30,000 plus actual cost of any necessary MSF-contracted, third-party analysis will be charged and collected by the MSF. In the event that the MSF-contracted, third-party analysis costs exceed the application or amendment fee, the costs shall be paid by the owner or developer of the eligible property.
- A non-refundable application fee of \$30,000 will be charged and collected by the MSF for TBP requested awards or amendments to award for projects with less than \$10 million in combined Income Tax Capture, Withholding Tax Capture, and Sales and Use Tax Capture

¹ PA 46 of 2017 Sec. 8a. (3)(a),(i),(ii),(iv) (p. 7)

² [MSF Act 270 of 1984](#), 125.2007 Powers and duties of fund, Sec. 7. (j)

Revenue in any single year. For any transfer of a TBP award the MSF will charge and collect a \$7,000 transfer fee.

- An application fee of **\$TBD** will be charged and collected by the MSF for a TBP that is not requesting Income Tax Capture, Withholding Tax Capture Revenue, or Sales and Use Tax Capture.
- In addition, the cost of an independent third-party, MSF-contracted analysis of sales and use tax capture revenue estimates will be required for any proposed TBP that requests approval of sales and use tax capture.
- The MSF reserves the right to require an independent third-party underwriting analysis, at the applicant’s cost, for any project requesting a TBP award and that it deems necessary due to project complexity or capacity. If a project does not statutorily, or by policy, require third-party underwriting, an applicant may also opt to select the MSF-contracted third-party underwriting at their own cost.

ELIGIBLE APPLICANTS

A project may be located in any community but must involve a minimum level of capital investment based on the size of the community, as follows:

Population	Investment
Greater than or equal to 600,000	\$500,000,000
150,000 - 599,999	\$100,000,000
100,000 - 149,999	\$75,000,000
50,000 - 99,999	\$50,000,000
25,000 - 49,999	\$25,000,000
Less than 25,000	\$15,000,000

These limitations can be waived by the MSF to allow TBPs in certain areas where:

- the population is under 25,000, if the development would not be economically feasible otherwise;
- the Michigan State Housing Development Authority has approved the expenditure of federal blight elimination funds;
- the municipality is subject to a state of emergency for drinking water contamination; or
- the eligible property is a historic resource and would not otherwise be transformed.

The community’s population for the purposes of meeting the capital investment threshold will be based on the most recent federal decennial census.

ELIGIBLE ACTIVITIES

TBP eligible activities include any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, along with eligible activities currently allowed under Act 381.

ELIGIBLE PROPERTY

The proposed redevelopment must meet the definition of eligible property in Section 2 of Act 381 and be a previously developed property within a mixed-use and walkable area.

PROGRAM KEY COMPONENTS

1. The project must be a mixed-use development, defined as a real estate project with planned integration of some combination of retail, office, residential, or hotel uses. A project may also be a development that utilizes one of the named mixed-use components if the development is located in a municipality that is not a county and has a population of less than 25,000 and has had the mixed-use requirement waived by the MSF. The project can be a single development on eligible property, or consist of a series of developments on eligible properties (even if they are not contiguous) that are part of a related program of investment meeting the following requirements:
 - The developments are proposed to be undertaken concurrently or in reasonable succession.
 - For developments under affiliated ownership, the developments are reasonably contiguous and are a part of a program investment in a logically defined geographic area, including, but not limited to, a Downtown District (as defined in the Downtown Development Authority Act) or a principal shopping district or business improvement district (as defined in the Shopping Areas Redevelopment Act). Other areas related to those districts that will promote infill development may also be considered.
 - For developments with unrelated ownership, projects must meet the provisions above, and are part of a master development plan, area plan, sub-area plan, or similar development plan that has been approved or adopted by resolution of the governing body.
 - The designation of the developments as a related program of investment is consistent with the purposes of this act and is not a combination of unrelated or minimally related projects calculated to meet the minimum investment threshold.

2. The TBP allows for construction period sales and use tax exemption and and five kinds of revenue from construction period income tax capture, income tax capture, withholding tax capture, sales and use tax capture and traditional property tax capture as follows:
 - Construction Period Income Tax Capture Revenues: Funds equal to the amount of income tax levied and imposed in a calendar year on wages paid to individuals physically present and working within the eligible property for the construction, renovation, or other improvement of eligible property that is an eligible activity within the TBP. Excluded are wages paid to employees of the owner or developer of the project.
 - Construction Period Sales Tax and Use Tax Exemptions:
 - a. A sales tax exemption for the purchase of tangible personal property for use in eligible brownfield redevelopment activities on eligible property included in a TBP, to the extent that the tangible personal property will be affixed and made a structural part of the real property or infrastructure improvements included within the TBP.
 - b. A use tax exemption on tangible personal property acquired by a person engaged in the business of altering, repairing, or improving real estate for others, or to the manufacture of a specific product if the property or product is to be affixed or made a structural part of the real property included within a TBP, to the extent that those improvements are eligible activities on eligible property within a TBP.

The MSF shall require the owner or developer of the eligible property to report the actual value of the sales and use tax exemptions each tax year of the construction period and at the end of the construction period.
 - Income Tax Capture Revenues: Funds equal to the amount for each tax year by which

the aggregate income tax from individuals domiciled within the eligible property subject to a TBP exceeds the initial income tax value (the value in the tax year when the resolution adding TBP property is adopted). A TBP cannot propose to use more than 50% of the income tax capture revenues, with the following exceptions:

- The proposed eligible property is designated as a Renaissance Zone and otherwise meets the criteria in Section 13c(13).
 - The applicable eligible properties are subject to a written binding affordable housing agreement with the local governmental unit. This exception may include a proposal of up to 100% of income tax capture revenues, subject to an underwriting and financial analysis.
-
- Withholding Tax Capture Revenues: The amount for each calendar year by which the income tax withheld from individuals employed within the eligible property subject to a TBP exceeds the initial withholding tax value. Excludes those domiciled within the eligible TBP property and construction period tax capture revenues. A TBP cannot propose to use more than 50% of the withholding tax capture revenues.
 - Sales and Use Tax Capture Revenues: Funds equal to the amount for each calendar year by which the sales tax and use tax collected from persons within the eligible property exceeds the initial sales and use tax value.

These tax increment revenues can be used in financing a wide array of eligible activities, specifically including as new activities, any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property. Capture of post-construction income tax, withholding tax, and sales and use tax revenue is limited to up to 20 years.

The owner or developer may elect to utilize a safe harbor method for the calculation of Income Tax and Withholding Tax Capture revenues rather than a traditional calculation. The detailed parameters of the safe harbor option can be found in the Program Limits section of these guidelines.

3. A TBP that proposes to use more than \$10 million in any one year in withholding tax capture revenues, income tax capture revenues, and sales and use tax capture revenues, or any TBP proposal that requests sales and use tax capture require the developer or owner to pay for an independent third-party underwriting analysis as outlined later in this document.
4. If the MSF supports a TBP, that project(s) may also be considered for additional funding programs as necessary to fill financing gaps and make the project feasible. Additional MSF incentive requests must consist of no more than one incentive request per incentive program per TBP request.
5. Additional incentive support must be presented at the same MSF Board meeting that the TBP request will be considered.
6. Project construction for TBPs undertaken on a single site must start within 12 months of MSF Board approval. For projects that are considered a related series of investment, construction on at least one of the sites must start within 12 months of MSF Board approval.
7. The owner or developer must certify the actual capital investment upon completion of TBP

construction, or completion of a specific phase, or prior to the MSF initiating reimbursement from the construction period income tax capture, income tax capture, withholding tax capture, and sales and use tax capture. If the actual capital investment is less than the amount included in the plan, the MSF has the right to modify the amount of reimbursement and take other recourse.

8. The MSF is required to approve a proposed change in ownership of eligible property subject to a transformational brownfield plan for which reimbursement will continue, prior to the assignment or transfer of the development and reimbursement agreement.
9. An eligible property may only be included in a TBP request if eligible activities are required to complete the proposed project on the proposed eligible property and the underwriting analysis concludes there is a financial need. Furthermore, a parcel with a completed and operational building shall not be included in a TBP request.
10. An applicant may not formally request a TBP approval by the MSF until the financial analysis of the TBP is complete.
11. Solely with respect to a related program of investment, subject to the approval of the governing body and MSF, the authority may amend the beginning date of capture for withholding tax capture revenues, income tax capture revenues, and sales and use tax capture revenues for an eligible property to a date later than 5 years following the date the MSF approved the inclusion of the eligible property in the TBP. The governing body and MSF must determine that the developer has proceeded in good faith and made reasonable and substantial progress in the implementation of the project. An amendment to request a new beginning date of capture may not be submitted prior to three years following MSF approval of the TBP or later than 7 years following MSF approval of the TBP.

PROGRAM LIMITS

The MSF may authorize TBP incentives for large development projects totaling income tax capture, withholding tax capture, sales and use tax capture, construction period income tax capture, and sales and use tax exemptions of up to \$1.8 billion across all TBPs for the duration of the program.

1. Income Tax, Withholding Tax, and Sales and Use Tax:
 - Commitments and disbursements of post-construction income, withholding, and sales and use tax capture revenue are limited to \$1.6 billion over the life of the program.
 - Commitments and disbursements of post-construction income, withholding tax capture, and sales and use tax capture revenue are limited to \$80 million annually across all TBPs.
 - If the \$80 million threshold is not reached in a given year, a maximum of \$30 million will be carried forward into subsequent years for commitment or disbursement.
 - A TBP cannot use, or propose to use, more than 50% of the income tax capture revenues to reimburse eligible activities, with the following exceptions:
 - The proposed eligible property is designated as a Renaissance Zone and otherwise meets the criteria in Section 13c(13).
 - The applicable eligible properties are subject to a written binding affordable housing agreement with the local governmental unit. This exception may include proposal of up to 100% of income tax capture revenues, subject to an underwriting and financial

analysis.

- A TBP cannot use, or propose to use, more than 50% of the post-construction withholding tax capture revenues to reimburse eligible activities.
- A TBP cannot award more than 25% of the annual allocation to any one project per year, not including amendments. With amendments, no more than a total 50% of annual allocation.
- The available tax increment reimbursement from any source for a TBP will be limited to an amount that is needed to make the project economically viable based on estimates at time of TBP application.
- In lieu of traditional calculations of Income Tax Capture, the owner or developer may elect to utilize a safe harbor method of calculating Income Tax Capture Revenues.
 - The MSF shall establish the safe harbor amount by imputing no more than 90 percent of the estimated annual taxable income for households residing within the eligible property or portion of the eligible property.
 - The safe harbor shall be effective only to the extent that the residential units within the eligible property or portion of the eligible property are actively leased or, in the case of units made available for sale, sold in arms-length transaction. The owner or developer will be required to submit copies of all leases and certification of the percentage of space in the project or specific phase of project that is leased or sold with each request for reimbursement.
 - The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Income Tax Capture Revenues from the initial approval amount.
 - The owner or developer may elect to utilize the safe harbor method any time prior to the first reimbursement of Income Tax Capture Revenues, provided that an election, once made, cannot be rescinded.
- In lieu of traditional calculations of post-construction Withholding Tax Capture Revenues, the owner or developer may elect to utilize a safe harbor method of calculating Withholding Tax Capture Revenues.
 - The MSF shall establish the safe harbor amount by imputing no more than 90 percent of the average estimated employee occupancy that corresponds to the size and use of the eligible property or portion of the eligible property and a safe harbor of no more than 90 percent of the estimated average annual taxable wage for the individuals employed within the eligible property or portion of the eligible property.
 - The safe harbor shall be effective only to the extent the eligible property or portion of the eligible property is actively occupied, as evidenced by the existence of a binding lease agreement or similar instrument. The owner or developer will be required to submit copies of all leases and certification of the percentage eligible property occupied with each request for reimbursement.
 - The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Withholding Tax Capture Revenues from the initial approval amount.
 - The owner or developer may elect to utilize the safe harbor method any time prior to the first reimbursement of Withholding Tax Capture Revenues, provided that an election, once made, cannot be rescinded.
- No income or withholding tax capture will occur after the permitted costs under the TBP are met or after 20 years from the start of capture.

2. Construction Period Tax Capture Revenue and Sales and Use Tax Exemptions:

- A total of up to \$200 million can be captured from construction period tax capture revenue

in the TBP A TBP can capture 100% of the construction period tax capture for transmittal to the brownfield authority or developer.

- Disbursements of construction period tax capture revenue and the value of the sales and use tax exemptions do not have an additional annual reimbursement cap.
- The available tax increment reimbursement from any source for a TBP is limited to an amount that is needed to make the project economically viable based on estimates at time of TBP application.
- No tax capture will occur after the permitted costs under the TBP are met or after construction is complete and certified.

3. Sales and Use Tax Capture Revenue:

For persons with multiple business location, the applicable amount of sales tax and use tax is only the sales tax and use tax collections attributable to the business location within the eligible property. To calculate sales and use tax capture revenues for a calendar year under a TBP, the state treasurer or the MSF shall do all of the following

- a. The state treasurer shall develop methods and processes that are necessary for each applicable person within the eligible property to report the amount of sales and use tax from that location.
- b. The MSF shall include all the following provisions in the redevelopment or reimbursement agreement for any TBP that utilizes sales and use tax capture revenues:
 - i. The owner or developer of the property shall require each applicable person occupying the eligible property to comply with the reporting requirements through a contract requirement, lease requirement, or other similar means.
 - ii. Reimbursement of sales and use tax capture revenues is limited to amounts that are reported in accordance with this section, and this state has no obligation with respect to sales and use tax captures that are not reported or paid.

UNDERWRITING CRITERIA

TBPs will be awarded based on financial need for the incentive and the award amount will be determined based on a demonstrated gap in financing.

TBPs proposing to use more than \$10 million in any one year in withholding tax capture, income tax capture revenues, and sales and use tax capture, as well as any TBP proposal requesting approval of sales and use tax capture, require an independent underwriting analysis conducted by a third-party entity, paid for by the developer via the application fees or amendment fees. MSF will determine the third-parties eligible to conduct such an analysis. Developer must provide all necessary information (details of which will be relayed to the developer at the time of the project) to the appropriate MEDC contact before the analysis is conducted. TBPs proposing to use less than \$10 million in annual withholding and income tax capture may undergo analysis through the MEDC, in participation with the State Treasurer. The MSF reserves the right to require an independent third-party underwriting analysis for any project requesting a TBP award and that it deems necessary due to project complexity or capacity.

If a TBP proposes to use more than \$10 million in any one year in withholding tax capture, income tax capture, and sales and use tax capture, then the State Treasurer must be consulted before a recommendation is made to MSF for project approval.

1. Evaluation of specific underwriting criteria, including at minimum the following:

- Assessment of how much traditional debt the project should be able to support/attract

- Developer and consultant fees limited to 4% of the total development cost of the project
 - Reasonableness assessment of any related-party costs and expenses
 - Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees). Deferred fees will not be counted in the calculation
 - Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing
 - Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost will be evaluated if financing is preliminary. If financing term sheets are provided, leveraged IRR and cash on cash return will be evaluated. Average annual return metrics will be for the first three years following project stabilization.
2. Reasonableness assessment of the proposed rental structure and assumptions
 3. Reasonableness assessment of the proposed operating expenses
 4. Reasonableness assessment of the proposed development costs
 5. Process conducted to analyze and determine the project's economic viability
 6. A full financial and underwriting review will be completed on any future amendments and requests for project support.

PROJECT EVALUATION, PROCESS AND MSF SUPPORT

The process below is a high-level overview of the Transformational Brownfield Plan (TBP) consideration process from project identification through execution of a final agreement. TBP projects require the approval of the Brownfield Redevelopment Authority (BRA), the local unit of government, and the Michigan Strategic Fund (MSF). If department-specific activities are included in the project, approval of the Michigan Department of Environment, Great Lakes and Energy (EGLE) is also required.

1. Local partners, developers, or the BRA engage early with the Michigan Economic Development Corporation (MEDC) for initial project evaluation and determination of appropriate incentive match. The MEDC will collect intake evaluation documentation including, but not limited to, project investment summary, local letter of support, intake questionnaire and a projected tax increment revenue table.
2. Project will undergo an internal review. Upon initial determination of appropriate TBP fit, the MEDC will issue an invitation to submit information necessary to complete the full underwriting and financial review.
3. Development team and BRA prepare a TBP Combined Transformational Brownfield Plan and financial review package, including the financial review fee and TBP questionnaire, and submit to MEDC staff for review.
4. MEDC will conduct a background check in accordance with MSF Background Review Policy and evaluates the full TBP package including conducting an underwriting and financial analysis. Projects anticipating more than \$10 million of income tax, withholding tax, and Sales and Use Tax capture in any single year are required to undergo an MSF-contracted 3rd party underwriting analysis. In addition, any TBP proposal requesting approval of sales and use tax capture is required to undergo an MSF-contracted 3rd party analysis of the sales and use tax

capture estimates. The applicant will pay the necessary 3rd party fees as part of the application fee.

5. Development team will provide any additional materials and fees necessary to finalize the TBP analysis and MEDC staff recommendation.
6. After confirming the TBP package is administratively complete³, MEDC staff will issue a letter of interest to the development team and local partners
7. Following feedback from MEDC (and any applicable 3rd party analysis) the TBP documents will be updated and submitted for local BRA and governing body approval; then the TBP final package is submitted to MEDC for MSF consideration.
8. MEDC presents the TBP recommendation to the MSF Board with the local partner and development team. Concurrent with MSF action, a final reimbursement agreement will be drafted by the MEDC and executed between MSF, Treasury, the BRA and the development entity(ies).
9. The developer is required to report project information to the MEDC, Treasury and the associated BRA. The BRA is required to report information to the MEDC via online portal.

ADDITIONAL TERMS AND CONDITIONS

1. Owners or developers that receive a TBP incentive will be subject to the MSF Background Review Policy, as may be revised from time to time by the MSF. Additional due diligence may be required at the discretion of the MSF.
2. Owners or developers that receive a TBP incentive from the MSF will be required to execute a reimbursement agreement with the local BRA, MSF and the Department of Treasury, which will be performance-based and will set forth the terms and conditions of the TBP designation including, but not limited to, the term of the plan, the total amounts of tax capture the owner or developer may receive and periodic reporting requirements.
3. Owners or developers are expected to maintain detailed records demonstrating that the award recipient incurred and paid the required investment at the project location. Failure to maintain adequate records may result in adverse action by the MSF, up to and including termination of the reimbursement agreement. In addition, the MSF, MEDC, Auditor General, and the Department of Technology, Management, and Budget shall have access to all records related to the project and reserve the right to conduct on-site reviews and inspections to confirm compliance with the terms and conditions of the agreement.

³ Administratively complete means the TBP and all required supporting documentation is determined to be complete by MEDC staff, the underwriting analysis is complete, and the financial need has been confirmed.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund (MSF) Board

From: Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program
Other Economic Assistance-Loan Participation Agreement Amendment #1
GLC Northern Michigan Pine, LLC – 309 Front Street

Request

GLC Northern Michigan Pine, LLC (the “Company”) and Centier Bank (the “Lender”) are requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreement and any related ancillary agreements (the “Agreement”). The amendment request, dated September 18, 2023, includes a request for the following: 1) consent to a \$1,645,243 increase in the Lender note from \$19,021,648 to \$20,666,891; 2) consent to a six (6) month extension of the interest only period and “Conversion Date” to permanent financing on the Lender note, from October 2023 to April 2024; 3) extension of the maturity date from October 2028 to April 2029 on the MSF note, to match the Lender note; and 4) extension of Milestone Three of the Agreement: Completion of Construction Date from September 5, 2023, to March 5, 2024. All other terms of the Agreement will remain the same.

The MSF note conversion date is currently April 5, 2024, and the interest only period on the MSF note runs through November 2024 so no modifications or extensions are needed on the amount or structure of the MSF note outside of the proposed six-month extension of the maturity date.

Background

The Michigan Strategic Fund Board approved a \$2,900,000 Other Economic Assistance Loan Participation Award on May 25, 2021, to the Company for the purpose of supporting the new construction of a four-story mixed-use building located at 309 Front Street in downtown Traverse City. The project consists of approximately 144,181 gross square feet and includes approximately 5,125 square feet of first floor commercial space, 91 residential units, and 33,868 square feet of subgrade parking.

Throughout construction, the project, known as West End Lofts, has experienced multiple challenges including increasing construction costs, increasing interest rates and delays to completion. These have led to overall project cost increases of over \$2.4 million. These increased costs will be funded in part by the requested increase to the Senior note as well as an estimated \$800,000 in additional equity. These proceeds will be used to cover the additional project construction costs as well as replenish the interest reserve in the amount of \$625,000, to be utilized until asset stabilization. The project is realizing better than projected residential rental rates which provides the ability to service the added debt and maintain an adequate debt service coverage ratio. It is anticipated that the above changes will have minimal impact on the MSF’s position.

The project is nearly complete and has pre-leased 26 of the 91 residential rental units. The company is current with reporting requirements.

Recommendation

MEDC staff recommends approval of an amendment to the Agreement, as follows: 1) consent to a \$1,645,243 increase the Lender note from \$19,021,648 to \$20,666,891; 2) consent to a six (6) month extension of the interest only period and “Conversion Date” to permanent financing on the Lender note, from October 2023 to April 2024; 3) extension of the maturity date from October 2028 to April 2029 on the MSF note, to match the Lender note; and 4) extension of Milestone Three of the Agreement: Completion of Construction Date, from September 5, 2023, to March 5, 2024, per the Company’s amendment request dated September 18, 2023.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-195

**APPROVAL OF AN AMENDMENT TO
A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD FOR
GLC NORTHERN MICHIGAN PINE, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

WHEREAS, by Resolution 2021-073 on May 25, 2021, the MSF Board awarded a MCRP Other Economic Assistance Loan Participation Award to GLC Northern Michigan Pine, LLC (the “Company”), in the amount of \$2,900,000 for the purpose of supporting new construction of a four-story mixed-use building located at 309 Front Street in downtown Traverse City (the “Award”); and

WHEREAS, the Company and Centier Bank (the “Lender”) are requesting and MEDC is recommending that the MSF amend the Award agreement to include the following: 1) consent to a \$1,645,243 increase in the Lender note from \$19,021,648 to \$20,666,891; 2) consent to a six (6) month extension of the interest only period and “Conversion Date” to permanent financing on the Lender note, from October 2023 to April 2024; 3) extension of the maturity date from October 2028 to April 2029 on the MSF note, to match the Lender note; and 4) extension of Milestone Three Completion of Construction Date from September 5, 2023, to March 5, 2024, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferrich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MEMORANDUM

Date: December 12, 2023
To: Michigan Strategic Fund Board
From: Natalie Chmiko, SVP, Small Business Solutions
Subject: Small Business Administrator Allocations

REQUEST

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve the funding allocations set forth in the attached exhibit to the proposed Resolution (the “Request”).

BACKGROUND

Each year MEDC Staff requests that the MSF Board accept and allocate 21st Century Jobs Trust Funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. On September 26, 2023 MSF approved the FY2024 allocations for small business support. This request further delineates the award amounts by entity to administer programming on behalf of MSF.

APEX Accelerators - \$2,064,250

On December 7, 2021, MSF authorized grants to eight host organizations to support the operation of the Procurement Technical Assistance Centers (“PTACs”). The MSF Fund Manager, on behalf of MSF, negotiated and executed grant agreements with each of the host organizations for an initial one-year term of October 1, 2021 through September 30, 2022, with the ability to extend for an additional five one-year terms. On September 27, 2022, MSF exercised its first option year to extend the term of all eight agreements to September 30, 2023 and allocate \$1,275,000 in funding. In 2023, the PTACs transitioned to a new federally adopted name, APEX Accelerators (“Accelerators”). On September 26, 2023, MSF approved an 18-month extension and an overall allocation of \$2,064,250 to support the APEX Accelerators.

Host Organization	Grant Amount
Flint & Genesee Group	\$ 226,417
Macomb Community College	\$ 262,500
Muskegon Area First	\$ 239,400
Networks Northwest	\$ 330,000
Northeast Michigan Consortium	\$ 330,000
Saginaw Future, Inc.	\$ 204,600

Schoolcraft College	\$	337,500
The Enterprise Group of Jackson	\$	133,833
Total	\$	2,064,250

Industry 4.0 DOE Grant – \$2,000,000 federal, \$600,000 required match

On May 25, 2023, the MSF responded to the Funding Opportunity Announcement released by the Department of Energy (DOE) Office of Manufacturing and Energy Supply Chains (MESC). Awards are funded, in whole or in part, with funds appropriated by the Infrastructure Investment and Jobs Act, more commonly known as the Bipartisan Infrastructure Law. The awards will support States in accelerating the deployment of smart manufacturing technologies across their small- and medium-sized manufacturing firm base. On September 26, 2023, MSF approved delegation of authority to the MSF Fund Manager to accept the federal funding up to \$2,000,000 and dedicate up to \$600,000 of the I4.0 Implementation Grant funding to be used as match funds.

Grantee	Regional Coverage	Federal Award	Required Match
Great Lakes Bay Manufacturers Association	Regions 5 & 6	\$ 294,118	\$ 95,238
Macomb County Department of Planning and Economic Development	Macomb County	\$ 235,294	\$ 76,191
Manufacturing Growth Alliance	Regions 1, 3, 7, 9, Oakland & Wayne Counties	\$ 823,529	\$ 266,667
Networks Northwest	Region 2	\$ 88,235	\$ 28,572
Southwest Michigan First	Region 8	\$ 176,471	\$ 57,141
The Right Place	Region 4	\$ 235,294	\$ 76,191
Michigan Minority Supplier Development Council	Statewide	\$ 147,059	-
Total		\$ 2,000,000	\$ 600,000

Industry 4.0 Implementation Grants – up to \$3,000,000

On January 25, 2022, the MSF Board approved the release of a request for proposals seeking proposals from one or more Michigan-based non-profit entities and/or Michigan-based governmental entities to administer grants for Michigan small manufacturers throughout the state Industry 4.0 (“I4.0”) technology implementation projects (the “I4.0 Implementation Grants RFP”). On April 26, 2022, the MSF Board approved funding to support six regional entities for initial two-year terms, with the option to extend the term for an additional two years and allocate funding at the sole discretion of the MSF Board. The six regional entities included Great Lakes Bay Manufacturers Association, Macomb County Department of Planning and Economic Development, Manufacturing Growth Alliance, Networks Northwest, Southwest Michigan First and the Right Place. On December 13, 2022, MSF allocated an additional \$1,500,000 to the awardees and delegated authority to the MSF Fund Manager to allocate an additional \$1,500,000 to be allocated at the discretion of the MSF Fund Manager. On September 26, 2023, MSF allocated up to \$3,000,000 to the I4.0 Implementation grants and extend the term two additional years, through May 31, 2026. The proposal acknowledges that \$600,000 of the funds will be utilized to ensure match, as outlined above.

Grantee	Regional Coverage	Award Increase
Great Lakes Bay Manufacturers Association	Regions 5 & 6	\$ 345,938
Macomb County Department of Planning and Economic Development	Macomb County	\$ 217,927
Manufacturing Growth Alliance	Regions 1, 3, 7, 9, Oakland & Wayne Counties	\$ 1,145,098
Networks Northwest	Region 2	\$ 59,663
Southwest Michigan First	Region 8	\$ 266,389
The Right Place	Region 4	\$ 364,985
Total		\$ 2,400,000

International Trade Services - \$726,100

On July 26, 2022 the MSF Board awarded International Trade Services selection of vendors (the “ITS Contractors”) to Ares Technology Group (“Ares”), Foster Swift Collins & Smith, P.C. (“Foster Swift”), IBT Online, Michigan State University – International Business Center (“MSU-IBC”), the Michigan Small Business Development Center (“MI-SBDC”), Networks Northwest, and Van Andel Global Trade Center (“VAGTC”) following a formal request for proposals, for an initial term of October 1, 2022 to September 30, 2023, with the option to extend each contract up to four additional years and allocate additional funding at the sole discretion of the MSF. On September 27, 2022, MSF Board allocated \$726,100 in funding to support FY23 services. On September 26, 2023, MSF approved the first extension option of the agreements and allocated \$726,100 to be utilized for trade services.

Grantee	Award Increase
Ares Technology	\$ 25,000
Foster Swift Collins & Smith PC	\$ 52,000
IBT Online	\$ 55,000
MSU International Business Center	\$ 177,450
MI-SBDC	\$ 219,650
Networks Northwest	\$ 40,000
Van Andel Global Trade Center	\$ 157,000
Total	\$ 726,100

These contracted service providers and grant administrators provide critical expertise and technical assistance to small businesses across the state. These funds support MEDC’s goal of serving over 11,000 businesses in FY24.

RECOMMENDATION

MEDC staff recommends the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-196

ALLOCATION OF FUNDING FOR APEX ACCELERATORS

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

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

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on September 26, 2023, the MSF Board allocated \$2,064,250 from the FY24 Allocation of Funding to the APEX Accelerators (the “APEX Accelerator Funding Allocation”) and approved an 18-month extension of the terms of all APEX Accelerator grants;

WHEREAS, the MEDC recommends that the MSF Board allocate additional funding to the APEX Accelerator grants in the amounts listed below:

Grantee	Increase
Flint & Genesee Group	\$226,417
Macomb Community College	\$262,500
Muskegon Area First	\$239,400
Networks Northwest	\$330,000
Northeast Michigan Consortium	\$330,000
Saginaw Future, Inc.	\$204,600
Schoolcraft College	\$337,500
The Enterprise Group of Jackson	\$133,833

(the aforementioned, collectively, the “APEX Accelerator Amendments”);

WHEREAS, the MSF Board desires to approve the APEX Accelerator Amendments.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the APEX Accelerator Amendments; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the APEX Accelerator Amendments.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-197

**ALLOCATION OF FUNDING FOR
INDUSTRY 4.0 GRANTS (FEDERAL FUNDING)**

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

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

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on September 26, 2023, the MSF Board authorized the MSF Fund Manager to accept federal funding of up to \$2,000,000 from the Department of Energy (“DOE”) to support states in accelerating the deployment of smart manufacturing technologies for small and medium-sized manufacturers (the “Industry 4.0 Federal Funding Opportunity”) and allocated \$600,000 from the FY24 Allocation of Funding as matching funds for the Industry 4.0 Federal Funding Opportunity (collectively, the “I4.0 Funding Allocation”);

WHEREAS, the MEDC recommends that the MSF Board approve the following grants to entities listed below for the terms amounts listed below:

Grantee	Term	Allocation
Great Lakes Bay Manufacturers Association	10/1/23-12/31/26	\$389,356
Macomb County Department of Planning and Economic Development	10/1/23-12/31/26	\$311,485
Manufacturing Growth Alliance	10/1/23-12/31/26	\$1,090,196
Networks Northwest	10/1/23-12/31/26	\$116,807
Southwest Michigan First	10/1/23-12/31/26	\$233,612
The Right Place	10/1/23-12/31/26	\$311,485
Michigan Minority Supplier Development Council	10/1/23-12/31/26	\$147,059

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

WHEREAS, the MSF Board desires to approve the I4.0 Grant Awards.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the I4.0 Grant Awards; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the I4.0 Grant Awards.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-198

**ALLOCATION OF FUNDING FOR
INDUSTRY 4.0 IMPLEMENTATION GRANTS**

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

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

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on September 26, 2023, the MSF Board allocated \$3,000,000 from the FY24 Allocation of Funding for the Industry 4.0 Implementation Grants and authorized an extension of the terms of (collectively, the “I4.0 Implementation Grant Funding Allocation”) and approved a two-year extension to the terms of all the I4.0 Implementation Grants;

WHEREAS, the MEDC recommends that the MSF Board allocate funding to the I4.0 Implementation Grants in the amounts listed below:

Grantee	Increase
Great Lakes Bay Manufacturers Association	\$345,938
Macomb County Department of Planning and Economic Development	\$217,927
Manufacturing Growth Alliance	\$1,145,098
Networks Northwest	\$59,663
Southwest Michigan First	\$266,389
The Right Place	\$364,985

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

WHEREAS, the MSF Board desires to approve the I4.0 Implementation Grant Amendments.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the I4.0 Implementation Grant Amendments; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the I4.0 Implementation Grant Amendments.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Board Relations Liaison
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Lansing, Michigan 48913

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454. Thank you.

Sincerely,

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
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,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

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- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-199

**ALLOCATION OF FUNDING FOR
INTERNATIONAL TRADE SERVICES CONTRACTS**

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

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

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on September 26, 2023, the MSF Board allocated \$726,100 from the FY24 Allocation of Funding to the International Trade Services contracts (the “International Trade Services Funding Allocation”) and approved a one-year extension of the term of all the International Trade Services contracts;

WHEREAS, the MEDC recommends that the MSF Board approve allocate funding to the International Trade Services contracts in the amounts listed below:

Grantee	Increase
Ares Technology	\$25,000
Foster, Swift, Collins & Smith, PC	\$52,000
IBT Online	\$55,000
MSU International Business Center	\$177,450
MI-SBDC	\$219,650
Networks Northwest	\$40,000
Van Andel Global Trade Center	\$157,000

(the aforementioned, collectively, the “International Trade Services Contract Amendments”);

WHEREAS, the MSF Board desires to approve the International Trade Services Contract Amendments.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the International Trade Services Contract Amendments; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the International Trade Services Contract Amendments.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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



MEMORANDUM

Date: December 12, 2023

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

From: Sara Bishop, Senior Business Development Project Manager

Subject: Grant Amendment Request
Michigan Business Development Program (“MBDP”)
American Rheinmetall Vehicles LLC (“Company”)

Request

This is a request from the Company to amend the MBDP Grant Agreement (“Agreement”) to expand the project scope to include a second location for the creation of new jobs. Originally, the Company anticipated hiring all 150 Qualified New Jobs (“QNJ”) at its new North American headquarters in the City of Sterling Heights; however due to the Company’s growth and expansion needs it has leased a second location at 3155 W. Big Beaver, Suite 300 in Troy, Michigan. The Sterling Heights location will remain the Company’s headquarters; the additional space in Troy will allow new employees to be quickly onboarded in an office environment that is best suited for their day-to-day work.

Per the Agreement, “Project” is defined as 35801-35875 Mound Road, Sterling Heights, Michigan 48310, and the Company is requesting to add 3155 W. Big Beaver, Suite 300, Troy, Michigan 48084, as a second location to capture QNJ creation (the “MBDP Amendment Request”).

Background

On July 26, 2022, the MSF approved a \$1,500,000 award for the Company under the MBDP. The Company proposed to establish its new North American headquarters, engineering center, and prototype testing facility in the City of Sterling Heights which would result in the creation of 150 Qualified New Jobs and \$3,045,000 in capital investment.

The Company has not completed any of its Key Milestones as the first milestone is not due until January 31, 2024; however, per the BD Progress Report due on October 10, 2023, the Company has created 34 QNJs thus far. Key Milestone number one, due January 31, 2024, requires the creation of at least 35 up to 50 QNJs.

Company Background

The Company, established in 2019 and headquartered in Sterling Heights, is a part of Rheinmetall AG, a global commercial automotive and defense company. The Company specializes in the development of combat vehicle platforms that provide next-generation products to the U.S. Department of Defense and Federal and State Law Enforcement agencies, but also brings the global group’s portfolio of vehicle systems to the U.S. market. The Company offers both tracked and wheeled combat vehicle platforms with associated sub-systems and work in conjunction with customer program offices to ensure its products meet specification and performance requirements for programs of interest. The Sterling Heights location currently employs 50 team members. Rheinmetall Aktiengesellschaft (Rheinmetall AG), with its corporate headquarters in Düsseldorf, Germany, is the parent company and employs about 25,000 employees worldwide across 133 locations.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-200

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT AMENDMENT FOR AMERICAN RHEINMETALL VEHICLES LLC**

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

WHEREAS, the Michigan Economic Development Corporation (“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 as later amended on December 8, 2020, by Resolution 2020-146 (“Guidelines”);

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

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

WHEREAS, the MSF Board approved a \$1,500,000 MBDP performance-based grant to American Rheinmetall Vehicles LLC (the “Company”) on July 26, 2022, for the expansion of its new North American headquarters, engineering center, and prototype testing facility located in Sterling Heights, Michigan (the “Project”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the MBDP performance-based grant to expand the scope of the project to add, 3155 W. Big Beaver, Suite 300, Troy, Michigan 48084, as a second location for new job creation (the “MBDP Amendment Request”);

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

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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



MEMORANDUM

Date: December 12, 2023

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

From: Matt Chasnis, Senior Business Development Project Manager

Subject: Grant Amendment Request and Reapproval
Michigan Business Development Program (“MBDP”)
UL LLC (“Company”)

Request

This is a request from the Company to amend the previous incentive approval to combine the Michigan Business Development Program (MBDP) and Jobs Ready Michigan Program (JRMP) under one \$1,500,000 MBDP grant agreement. The previous approval included \$1,000,000 from the MBDP and \$500,000 from the JRMP. Since the project was previously approved, the MBDP agreement and structure has been updated to include many of the aspects specific to the JRMP. The purpose of this MBDP Amendment Request is to combine the incentives would reduce the administrative burden from both the Company and the MEDC. (the “MBDP Amendment Request”)

Background

On December 13, 2022, the MSF approved a \$1,000,000 award for the Company under the MBDP, a \$500,000 award under the JRMP, and an Alternative 5 year SESA valued at \$143,760. The Company proposed a new testing facility as a part of the Company’s long-term strategy to support battery manufacturers as they endeavor to increase the safety and reliability of their energy storage products. The unique services provided by the Company require specific intelligence-building digital tools and databases, laboratory and storage space, and major rehab to the property to accommodate testing. The City of Auburn Hills committed to providing a property tax abatement in support of the project.

The Company has begun construction of its battery testing facility, and the project is moving forward as planned. The Company is expected to take occupancy by mid-2024 with hiring and investment estimates being achieved on time.

The Company is requesting the amendment as it will reduce the administration that will be required by the Company and MEDC staff. Combining the MBDP and JRMP under one MBDP reduces the number of incentive agreements and the reporting that would be required if the two programs were just reapproved. Additionally, the updated MBDP structure allows for many of the qualified investments that were listed under the JRMP. Lastly, the expected job creation and investment figures remain consistent with the previous approval.

Company Background

The Company’s parent, Underwriters Laboratories, Inc., established its headquarters in 1894 in Northbrook, Illinois and is a global leader in applied safety science. The parent entity is composed of three organizations, UL Research Institutes, UL Standards & Engagement and UL Solutions, that make up the UL enterprise. UL LLC is part of UL Solutions. The UL enterprise delivers testing, inspection, and certification services, with software products and advisory offerings that help customers innovate, launch new products and services, navigate global markets, and complex supply chains, and grow sustainably and responsibly into

the future. The UL Enterprise was restructured in 2012 to create a separation between research and standards, and testing, inspection and certifications. UL Solutions remains the organization serving customers in testing, inspection, certification, and advisory. UL Solutions employs over 14,000 people worldwide with 90 Michigan residents.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-201

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT AMENDMENT FOR
UL LLC**

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

WHEREAS, the Michigan Economic Development Corporation (“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 as later amended on December 8, 2020 by Resolution 2020-146 (“Guidelines”);

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

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

WHEREAS, on December 13, 2022, the MSF Board approved (1) a \$1,000,000 MBDP performance-based grant, (2) a \$500,000 Jobs Ready Michigan (the “JRM”) performance-based grant, and (3) an Alternative State Essential Services Exemption for the construction of a battery testing facility for UL LLC (the “Company”) in Auburn Hills, Michigan (the “Project”);

WHEREAS, the Company has requested that the MSF Board approve its request to increase the MBDP performance-based grant to \$1,500,000 and recuse its approval of the JRM performance-based grant in accordance with the amended term sheet attached here to as Exhibit A (the “MBDP Amendment Request”);

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

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached),
Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation
attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached),
Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan
Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan

December 12, 2023

Exhibit A

Michigan Business Development Program (“MBDP”) Grant Term Sheet

This term sheet (the “Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of UL LLC (the “Company”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the approval of the MSF Board.

PROJECT SUMMARY

Scope of the Project: The Company intends to construct a new battery testing facility in Auburn Hills, Michigan (the “Project Site”). The Company expects to ramp up over the course of the next three (3) years resulting in an expected creation of at least 61 new jobs at the Project Site and a projected investment of \$72,700,000 by January 31, 2027 at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$1,500,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through April 30, 2027 (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 61 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 90 employees (the “Overall Base”), on January 31, 2027 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after December 13, 2022, and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

Grant funds will be disbursed for Eligible Expenses (defined below) and in accordance with the requirements set forth below. Requests for reimbursement will be verified by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds.

“Eligible Expenses” means the actual expenditure by the Company on or after December 13, 2022 for the Project, at the Project Site, in Hard Costs for construction related to the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training materials costs. Certain costs, to be more

particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 50% of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than October 31, 2026, together with a certification of the Company's compliance with the grant agreement.

In the event that all Grant funds have been disbursed and the Overall Jobs Commitment have been achieved, the MSF Fund Manager may, at its discretion, terminate the Agreement ahead of the Term.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company may be required to repay all or a portion of the Grant disbursements made under the Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events.

- **Failure to Meet Overall Jobs Commitment:** The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a proportionate amount of the Grant funds received by Company.
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment, it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after the Award is disbursed and on or before the end of the Term it will be required to repay the amount of Grant disbursements made under the Award.
- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.
- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

- **Annual Progress Report:** During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified New Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified New Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights:** During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other Provisions:** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Business Development Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Amy Schlusler-Schmitt, Sr. Program Specialist, Community Development Block Grant
Erik Wilford, Strategic Project Advisor
Greg West, Program Manager, Community Development Block Grant

Subject: Community Development Block Grant (“CDBG”) Program
Peterson Farms Housing Infrastructure - Amendment
Township of Shelby (“Township” or “Applicant”), County of Oceana

Request

The Township of Shelby is requesting an additional \$736,950 in Community Development Block Grant (CDBG) funds for their 2022 Housing Infrastructure Project. This would increase the overall award from \$2,294,400 to \$3,031,350 (the “Amendment Request”).

Peterson Farms has agreed that at least 27 of the 52 rental units are inhabited by low to moderate income persons. The Michigan Department of Environment, Great Lakes, & Energy (EGLE) has offered to provide an additional \$200,000 in support of the project.

Background

On October 25, 2022 the Michigan Strategic Fund (MSF) approved \$2,294,400 for the Township of Shelby’s project.

Peterson Farms, Inc. was established in 1984 as a tart cherry growing operation. The family-owned business expanded rapidly by growing and processing other fruits such as apples, sweet and tart cherries, blueberries, and peaches. Today, the Company is the market leader in United States of processing Midwest grown fruits, operating various plants dedicated to individual quick frozen fruits, fresh cut apples slices, applesauce, fruit purees, juicing, and cold-storage operations. The Company currently markets over 180 million finished pounds of frozen fruits and sliced apples and 7 million gallons of single straight apple juice/cider and juice concentrates. The Company employs 1,060 full-time employees and is the largest taxpayer and employer in Oceana County. Peterson Farms purchased 80% of the fruit it processes in Michigan from 425 Michigan-based

independent farms spread through several counties. The Company is the largest slicer of fresh cut apples and processor of Cherries in the United States.

In an effort to provide available and affordable housing to its employees, the Company recently constructed a total of nine apartment buildings north of the Village of Shelby. These apartments currently have access to amenities including park areas for children to play, free transportation services to local cities/villages and daycare. The Township is seeking to connect the apartments to the Village of Shelby's water system and abandon the existing private well system, eliminating the risk of potential contamination. Extension of the Village of Shelby's municipal water service to these housing rentals, was deemed a necessary correction by EGLE.

The Project includes installing a 2.71 mile water main extension from the Village of Shelby north into Shelby Township connecting nine apartment buildings to the Village of Shelby's water system and construction of a booster station at a total project cost of \$3.194 million. At the time private investments from the Company for these rental units was \$5.2 million including construction.

Construction costs increased over the initial cost estimates due to competitive bids received being higher than the estimate, permitted design vs. preliminary engineering, Davis Bacon wage rates requirement of CDBG funding that were not included in cost estimates, and inflation pricing increasing from 2021 to 2023. In an effort to identify reduce costs, value engineering was completed to decrease the bid amount from the lowest bidder resulting in \$100,000 project savings.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-202

APPROVAL OF SHELBY TOWNSHIP’S INFRASTRUCTURE PROJECT AMENDMENT

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 2022 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2022-143, authorized and approved the 2022 Action Plan and the 2022 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants.

WHEREAS, the MSF by resolution 2022-175 approved an infrastructure project for Shelby Township (the “Township”) in the amount of \$2,267,400 for the extension of water infrastructure and an additional \$27,000 in CDBG funds for administrative services.

WHEREAS, the Township has requested an increase in CDBG grant funds in the amount of \$736,950 for the extension of water infrastructure, (the “Request”).

WHEREAS, the CDBG program staff has reviewed the Request in light of the Criteria and HUD regulations and concluded the activities are eligible.

WHEREAS, CDBG program staff recommends approval of the Request; and

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

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Request subject to available CDBG funding.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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



MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Rob Garza, Director, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan Amendment #1
City of Detroit Brownfield Redevelopment Authority (BRA)
311 Grand River LLC Project

REQUEST

The City of Detroit Brownfield Redevelopment Authority (BRA) is requesting an amendment to a Brownfield Act 381 Work Plan previously approved for state tax capture for MSF eligible activities in the amount \$571,610. The amendment proposes to add new eligible activities and increase the authorized capture to \$1,944,499.

PROJECT BACKGROUND

The project was originally approved for state tax capture for Act 381 eligible activities in the amount of \$571,610 by the MSF Chairperson on April 3, 2020.

The project consists of the renovation of a historic, 30,642 square foot, three-story, mixed-use building and basement. This redevelopment will bring vibrancy to the Paradise Valley Cultural and Entertainment District in downtown Detroit. The district has been created to honor the legacy of the African American businesses that thrived here until urban renewal programs displaced neighborhood life. The development will breathe new life into a historic building and will increase foot traffic between the Madison Street and Broadway Street corridors at all times of day.

The amendment is necessary because the tenant originally identified to occupy the majority of the building will no longer be a tenant. As a result, more brownfield eligible activities are required to attract tenants. The project qualifies as historic, and the Secretary of Interior's standards will be continued to be followed through construction completion. The developer is pursuing a wide variety of tenants, including creative office, shared office, corporate headquarters, all types of retail, restaurant and bar/lounge, service providers, event and banquet facilities, new immersive/venue/arts experience destinations. The leased lower level restaurant and lounge, which will open by year's end. These eligible activities are anticipated to be completed by summer of 2024. The need exists because the loss of the original tenant necessitated additional project costs to be incurred along with the developer having to account for lower anticipated rental rates due to a different commercial tenant mix. The project's financial performance is bolstered by the inclusion of Interest and additional hard costs as reimbursable.

Act 381 of 1996 (the "Act"), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing

MSF Program Guidelines (“Guidelines”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF Guidelines and programmatic requirements, and a financial review has been completed. A MSF Eligible Activities and Tax Capture Summary are included in Appendix A.

Applicant Background / Qualifications

311 Grand River, LLC is an entity under the Basco Development Group, led by Roger Basmajian. Basco Development Group is an experienced developer with a significant portfolio in Metro Detroit. A rendering is provided in Appendix B.

The background review process was completed in accordance with the MSF Background Review Policy on November 2, 2023.

RECOMMENDATION

MEDC staff recommends approval of state tax capture for Act 381 eligible activities capped at \$1,944,499, utilizing the current state to local capture ratio.

APPENDIX A – MSF ELIGIBLE ACTIVITIES SUMMARY

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on April 16, 2019, and amended on June 20, 2023. The property has been determined to be a historic resource because it is individually listed on the National Register of Historic Places and is also located in Detroit’s local Madison-Harmonie Historic District.

There are currently 30.4783 non-homestead mills available for capture, with state mills from school operating and SET millages equaling 22.8579 mills (75.00%) and local millage equaling 7.6204 mills (25.00%). Tax increment capture will begin in 2023 and is estimated to continue for 28 years. The state tax capture is recommended to be capped at \$1,944,499, which is the amount of tax increment revenue anticipated to be generated in 28 years. Total MSF eligible activities are estimated at \$2,227,233. The tax capture ratio is impacted by an Obsolete Property Rehabilitation Act (OPRA) tax abatement and the project’s location within the Downtown Development Authority (DDA). The blended ratio is shown below. MSF eligible activities breaks down as follows:

<u>CURRENT PROJECT</u>		
State tax capture	(100%)	\$ 571,610
Local tax capture	(0%)	\$ <u>0</u>
TOTAL		\$ 571,610

<u>AMENDED PROJECT</u>		
State tax capture	(87.31%)	\$ 1,944,499
Local tax capture	(12.69%)	\$ <u>282,734</u>
TOTAL		\$ 2,227,233

COST OF MSF ELIGIBLE ACTIVITIES (CURRENT PROJECT)

Demolition	\$	127,728
Lead, Asbestos, or Mold Abatement		50,000
Infrastructure Improvements		138,000
Site Preparation	+	<u>160,800</u>
Sub-Total	\$	476,528
Contingency (15%)	+	<u>71,297</u>
Sub-Total	\$	547,825
Brownfield/Work Plan Preparation		18,785
Brownfield/Work Plan Implementation	+	<u>5,000</u>
TOTAL	\$	571,610

COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)

Demolition	\$	583,687
Lead, Asbestos, or Mold Abatement		168,620
Infrastructure Improvements		577,172
Site Preparation	+	<u>115,404</u>
Sub-Total	\$	1,444,883
Contingency (5%)	+	<u>72,244</u>
Sub-Total	\$	1,517,127

Interest (5%)	+	<u>650,106</u>
Sub-Total	\$	2,167,233
Brownfield/Work Plan Preparation		30,000
Brownfield/Work Plan Implementation	+	<u>30,000</u>
TOTAL	\$	2,227,233

In addition, the project is requesting from EGLE \$7,186 in TIF to assist with environmental eligible activities.

Key Statutory Criteria

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

- a) **Overall Benefit to the Public:**
The proposed development will create a sense of place, encourage increased spending and create jobs in the Paradise Valley area of Detroit.
- b) **Jobs Created (Excluding Construction and other Indirect Jobs):**
The project is anticipated to create up to 24 full-time equivalent (FTE) jobs with an average hourly wage of \$22.
- c) **Area of High Unemployment:**
The City of Detroit seasonally unadjusted jobless rate was 8.6% in August 2023.
- d) **Level and Extent of Contamination Alleviated:**
Asbestos abatement has been completed for this project.
- e) **Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:**
The project is not qualifying as functionally obsolete or blighted.
- f) **Whether Project will Create a New Brownfield Property in the State:**
No new Brownfields will be created by this project.
- g) **Whether the Project is Financially and Economically Sound:**
From the materials received, the MEDC infers that the project is financially and economically sound.
- h) **Other Factors Considered:**
No additional factors need to be considered for this project.

APPENDIX B – PROJECT RENDERING



MICHIGAN STRATEGIC FUND

RESOLUTION 2023-203

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
HARMONIE SOCIAL CLUB 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, under MCL 125.2665(19) the MSF Chairperson approved a work plan (“Brownfield Work Plan”) request for Harmonie Social Club Project (the “Project”), on April 3, 2020, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of \$571,610 in eligible activities;

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) wishes to amend the scope of the Project by adding demolition, abatement, and infrastructure improvement activities; including interest as an eligible activity; and increasing the maximum amount for eligible costs (the “Amended Brownfield Work Plan”);

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 87.31% to 12.69% 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, infrastructure improvements, and interest as presented in the Amended Brownfield Work Plan dated October 24, 2023. 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 \$1,517,127 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$650,106 in interest, a maximum of 30,000 for brownfield and work plan implementation, and a maximum of 30,000 for brownfield

and work plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$1,944,499.

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 all other provisions of the original approval are reaffirmed and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MEMORANDUM

Date: November 15, 2023

To: Michigan Strategic Fund Board

From: Matthew Casby, MSF Associate Fund Manager

Subject: Programmatic Agreement Among the US Department of Agriculture – Rural Housing Service, the Michigan State Historic Preservation Officer, and the Advisory Council on Historic Preservation Regarding the Implementation of USDA Rural Housing Service Loan/Grand Single Family Housing Programs.

REQUEST

In collaboration with the Department of Attorney General and State Historic Preservation Office (SHPO), we are requesting that the Michigan Strategic Fund (the “MSF”) Board authorize the State Historic Preservation Officer to execute a Programmatic Agreement between the SHPO, United States Department of Agriculture – Rural Housing Service (RHS), and the Advisory Council on Historic Preservation (ACHP) for the single family housing programs statewide; a draft of which is hereby attached to this memo as Exhibit A (the “Request”).

BACKGROUND

The State Historic Preservation Office (SHPO) is authorized by Executive Order to administer the state's historic preservation program and cooperate with federal agencies as needed to carry out its enumerated functions.

Executive Order 2019-13 transferred SHPO to the MSF. This transfer was effective August 11, 2019, and has the force and effect of law.

This Order provides in pertinent part that “The governor shall appoint and designate a state historic preservation officer to administer the State Historic Preservation Office and Michigan's historic preservation program in compliance with 36 CFR § 61.4, including the employment of a professionally qualified staff.” The governor has appointed and designated Ryan Schumaker to serve as the State Historic Preservation Officer.

A core function of the SHPO is consultation with federal agencies under Section 106 of the National Historic Preservation Act, which requires federal agencies to consider the effects of their undertakings on historic properties. To streamline the consultation process, agencies, SHPO, and the ACHP, can engage in programmatic agreements that outline processes and exemptions.

The RHS, ACHP, and SHPO have been working collaboratively on this agreement for the RHS’s single-family construction and rehabilitation programs since 2022.

Several Federal agencies are now requiring that the State Historic Preservation Officer be the sole signatory on grants and agreements. This Request will allow the State Historic Preservation Officer to perform his statutory functions in compliance with state and federal law.

RECOMMENDATION

The Department of Attorney General, together with the MSF Associate Fund Manager, and the State Historic Preservation Officer, recommend that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-204

AUTHORIZATION OF THE STATE HISTORIC PRESERVATION OFFICER TO SIGN PROGRAMMATIC AGREEMENT

WHEREAS, the State Historic Preservation Office (the “SHPO”) was transferred to the Michigan Strategic Fund (the “MSF”) by Executive Order 2019-13;

WHEREAS, the State Historic Preservation Officer (the “SHPOfficer”) leads the SHPO;

WHEREAS, Section 106 of the National Historic Preservation Act, 54 U.S.C. § 306108, requires Federal agencies to take into account the effects of their undertakings on historic properties (the “Section 106 Process”);

WHEREAS, pursuant to 36 C.F.R. § 800.14(b)(2), a Federal agency may develop a programmatic agreement to govern their responsibilities in the Section 106 Process;

WHEREAS, the U.S. Department of Agriculture, Rural Housing Service (the “USDA RHS”) has requested that the SHPOfficer enter into a programmatic agreement regarding the implementation of USDA RHS’s single family housing loan and grant programs in the State of Michigan (the “PA”) (a draft is attached hereto as Exhibit A) to improve consistency, consultation, and accountability in fulfilling its responsibilities to comply with the Section 106 Process;

WHEREAS, the SHPO and the SHPOfficer desire to enter into the PA to fulfill their duties in the Section 106 Process; and

WHEREAS, the SHPOfficer is requesting authority to enter into the PA in substantially the form of Exhibit A on behalf of the MSF (the “Request”).

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023

Exhibit A

**Programmatic Agreement Among the U.S. Department of Agriculture – Rural
Housing Service, The Michigan State Historic Preservation Officer, and the
Advisory Council on Historic Preservation**

(Follows under this cover)

PROGRAMMATIC AGREEMENT

AMONG

**U.S. DEPARTMENT OF AGRICULTURE - RURAL HOUSING SERVICE,
THE MICHIGAN STATE HISTORIC PRESERVATION OFFICER,**

AND THE ADVISORY COUNCIL ON HISTORIC PRESERVATION

REGARDING

THE IMPLEMENTATION OF USDA RURAL - HOUSING SERVICE LOAN/GRANT SINGLE FAMILY HOUSING PROGRAMS IN THE STATE OF MICHIGAN

WHEREAS, the U.S. Department of Agriculture (the "USDA"), Rural Housing Service ("Rural Housing Service") is authorized under the Housing Act of 1949, as amended, the Rural Electrification Act of 1936, as amended, ~~and~~ the Consolidated Farm and Rural Development Act of 2022, (7 CFR Part 3550, 5 U.S.C. § 301, ~~and~~ 42 U.S.C. § 1480), to carry out various programs and services (the "USDA RHS Programs"), ~~as listed in Appendix A,~~ in support of its Applicant's ~~applicant's~~ activities by providing financial assistance in rural America; ~~and~~

WHEREAS, ~~USDA~~ Rural Housing Service's Single Family Housing program provides financing for affordable housing and home repairs through the USDA RHS Programs, a list of which are attached hereto as Appendix A; its Section 502 Direct Home Loans and Section 504 Home Repairs ~~various Loans and Grants (see Appendix B).~~ Eligible applicants ("Applicants") are ~~(1) limited by income, (2) their homes must be in an eligible rural area, (3) their homes must be modest for the area, are which is typically 2000 square feet or less, (4) Applicants they must not own adequate housing, and (5) they must be unable to secure credit from conventional resources;~~ ~~and~~

WHEREAS, Section 106 of the National Historic Preservation Act (the "NHPA"), 54 U.S.C. § 306108, requires Federal agencies to take into account the effects of their undertakings on historic properties and to afford the Advisory Council on Historic Preservation (the "ACHP") a reasonable opportunity to comment; ~~and~~

WHEREAS, the ~~Advisory Council on Historic Preservation (ACHP)~~ issued in 1995 and revised in 2006 a "Policy Statement on Affordable Housing and Historic Preservation" that addresses implementation principles for Section 106 compliance, and those principles have been utilized in developing this Programmatic Agreement ("PA"); ~~and~~

WHEREAS, Rural Housing Service has determined that the administration and implementation of certain programs and services in support of its Applicant's ~~applicant's~~ activities (Appendix B) results in undertakings that may have an adverse effect on historic properties listed or eligible for inclusion in the National Register of Historic Places and has consulted with the Michigan State Historic Preservation Officer (the "SHPO") and the ACHP pursuant to 36 CFR § 800.14(b)(2); ~~and~~

WHEREAS, Rural Housing Service may provide financial assistance for programs either alone or in combination with other agencies that utilize Federal funding requiring compliance with Section 106 of the NHPA; ~~and,~~

WHEREAS, Rural Housing Service can more effectively fulfill its Section 106 responsibilities for the Single Family Housing program if certain undertakings that may be subject to Rural Housing Service financial assistance programs and services can be excluded (~~Appendix B~~) from further Section 106 review because of a limited and/or minimal potential to adversely affect historic properties (see Appendix B attached hereto for the full list of such programs and services); ~~USDA RHS Programs that are excluded from Section 106 review by the SHPO); and~~

WHEREAS, Rural Housing Service has developed this PA in accordance with 36 C.F.R. § 800.14(b)(2) to improve consistency, consultation, and accountability in fulfilling its responsibilities to comply with Section 106 for the ~~programs and services~~ undertakings as listed in Appendix B; and ~~USDA RHS Programs;~~

WHEREAS, in accordance with the regulations of 36 C.F.R. § 800.14(b)(2), Rural Housing Service has notified and invited the ACHP to participate in the development of this ~~Programmatic Agreement (PA)~~, and the ACHP responded regarding their participation in their correspondence dated November 15, 2022; ~~and~~

WHEREAS, Rural Housing Service has invited 38 tribes with a current or historical interest in Michigan to consult on the development of ~~this the draft~~ PA. While several tribes responded with comments to improve the PA, including the Forest County Potawatomi, Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians, Pokagon Band of Potawatomi Indians, and Sault Ste. Marie Tribe of Chippewa Indians, no tribes accepted the invitation to participate in this ~~PA Agreement~~; ~~and~~

WHEREAS, this PA is not applicable to undertakings that are located on or that would affect historic properties on tribal lands; ~~and~~

WHEREAS, Rural Housing Service will continue to conduct outreach and will actively seek and request the comments and participation of Indian Tribes that attach religious and cultural significance to historic properties that may be affected by undertakings assisted under the terms of this PA; ~~and~~

WHEREAS, Rural Housing Service posted ~~the~~ draft of this PA to its Michigan State Office website to solicit public comments from 11/1/22 to 3/2/23 and no comments were received; ~~and~~

WHEREAS, Rural Housing Service, the SHPO and the ACHP are individually referred to in the PA as a Signatory and collectively referred to as the Signatories; and

NOW THEREFORE, the Rural Housing Service, the SHPO, and the ACHP agree that certain Rural Housing Service programs, services, and ~~Applicant~~ applicant activities shall be administered in accordance with the following Stipulations in order to take into account the effects of these undertakings on historic properties and satisfy Section 106 responsibilities.

STIPULATIONS

Rural Housing Service will ensure that the following measures are implemented:

I. ROLES AND RESPONSIBILITIES

A. Rural Housing Service

1. Rural Housing Service will provide technical guidance on Section 106 procedures to its ~~Applicants~~ applicants, advise its ~~Applicants~~ applicants to avoid taking actions that

could potentially adversely impact historic properties, maintain project files, and report on programs, services, and ~~Applicant~~applicant activities as required in this PA.

2. Rural Housing Service will work with the SHPO to see that appropriate USDA Rural Development ~~State-state Office-office~~ personnel have training on *The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings*.

3. USDA Rural Development's State Environmental Coordinator or Assistant State Environmental Coordinator shall serve as Agency Official for conducting Section 106 review of individual undertakings.

4. The Program Director and State Environmental Coordinator of the Appropriate USDA Rural Development State Office-staff (Program Director and State Environmental Coordinator) will be notified of the execution of this PA. USDA Rural Development State state Office-office staff-personnel will develop management procedures to ensure that the stipulations and terms of this PA are implemented.

B. Designation of Lead Agency Official

1. The terms of this PA shall apply to any undertaking that has the involvement of multiple federal agencies if Rural Housing Service is the designated lead federal agency for compliance with Section 106 for the undertaking. ~~This PA does not cover any Section 106 responsibilities that federal agencies other than Rural Housing Service may have with regard to financial assistance programs, services, or activities.~~

2. In the event that another federal agency receives an application for funding, licensing, permitting or approving an undertaking as described in this PA, that agency may fulfill its Section 106 responsibility~~ies for that undertaking~~ by stating in writing that it concurs with and will implement the terms of this PA and notifying the Rural Housing Service, the SHPO, and the ACHP of its intent to do so. ~~Such agreement notification writing~~ shall be evidenced by execution of the Federal Agency Opt-In Form attached hereto as of Appendix D, and and filing of the executed form with the Rural Housing Service and the ACHP, and implementation of the terms of this PA.

C. Delegation

Rural Housing Service may obtain support from its ~~Applicants~~applicants to initiate consultation with the SHPO's office, assist in identifying other consulting parties with a demonstrated interest in the undertaking, and prepare any required analyses pursuant to 36 CFR § 800.2(c)(4) and 7 CFR § 1970.5(b)(2). The ~~Applicant~~applicant may retain the services of a professional consulting firm specializing in historic, cultural, or archaeological resources to assist them. This Stipulation does not ~~extend to give the Applicant~~ the authority to making a findings and/or determinations on behalf of Rural Housing Service. If obtaining assistance from ~~a~~Applicants, Rural Housing Service shall ensure the ~~a~~Applicant understands the Section 106 process and requirements.

II. ACTIVITIES EXCLUDED FROM SHPO REVIEW

A. Appendix B identifies those ~~Rural Housing Service programs~~ USDA RHS Programs and ~~services and Applicant-applicant~~ activities that will not be subject to further Section 106 review by the SHPO. Rural Housing Service will document in the project file that the ~~Applicant's~~ applicant's activity meets a program, service, or activity listed in Appendix B. Rural Housing Service may then proceed with providing financial assistance.

~~B. This Stipulation II only applies to consultations with the SHPO office regarding the specific programs and services/undertakings listed in Appendix B.~~

~~C.B.~~ Rural Housing Service recognizes that this PA does not alter its obligation to consult with Tribes for any undertaking that has the potential to affect Tribal historic property or cultural resources. Rural Housing Service will continue to consult with those Tribes and organizations that attach religious and cultural significance to historic properties for its programs, services, and ~~Applicant-applicant~~ activities for which it provides assistance. Rural Housing Service uses several resources to identify Tribes with a current or historic interest in the county in which an undertaking is located, including the Housing and Urban Development's Tribal Directory Assessment Tool information curated by other Federal agencies, as a resource to identify Tribes with a current or historic interest in the county in which an undertaking is located and Rural Housing Service also consults with Tribes/or Tribal association identified by other means, such as from information provided by the SHPO, Tribes and other consulting parties.

~~D.C.~~ For activities listed in Appendix B that are excluded from SHPO review, Rural Housing Service will notify Tribes of the undertaking and comply with the standard Section 106 review process in accordance with 36 C.F.R. §§ 800.3 through 800.7.

III. STANDARD SECTION 106 REVIEW OF PROJECTS NOT EXEMPTED IN STIPULATION II

A. For all programs, services or ~~Applicant-applicant~~ activities not listed in Appendix B, Rural Housing Service will comply with Section 106 in accordance with 36 C.F.R. Part 800.

B. If an undertaking may affect a National Historic Landmark, the Agency Official shall follow the requirements in Section 110f of the NHPA and 36 C.F.R. § 800.10.

IV. ~~Prior Reviews~~ **PRIOR REVIEWS**

A. If a Rural Housing Service ~~Applicant-applicant~~ requests Rural Housing Service funding for a proposal previously reviewed by another Federal agency and for which the Section 106 consultation resulted in a finding of No Historic Property or No Adverse Effect to Historic Property and has been completed, additional Section 106 consultation will not be required on Rural Housing Service's part, so long as the current proposal is identical to that previously reviewed, including the Area of Potential Effect, and the finding was made in the previous 5 years. The ~~Applicant-applicant~~ shall certify to Rural Housing Service that the proposal has not changed in scope or detail and provide previous SHPO concurrence relative to this activity by submitting the SHPO's concurrence letter for inclusion in Rural Housing Service's environmental review document project files. It is incumbent on Rural Housing Service and the ~~Applicant~~

applicant to maintain earlier concurrence letters provided to other federal agencies. ~~The~~ SHPO is not the office of record for these undertakings.

V. CHANGES TO AN APPROVED PROPOSAL

A. If an ~~Applicant's~~ applicant's proposal changes and does not meet an excluded program, service or activity identified in Appendix B, it is ~~not~~ subject to this PA and the ~~Applicant~~ applicant and/or Rural Housing Service ~~will~~ shall consult with the SHPO and any applicable Tribes in accordance with 36 C.F.R. Part 800 and Rural Housing Service protocol.

VI. ANTICIPATORY ACTIONS

A. Except as noted below, Rural Housing Service will not grant assistance to any ~~Applicant~~ applicant who, with the intent to avoid the requirements of this ~~Programmatic Agreement~~ or Section 106, has intentionally, significantly, and adversely affected a historic property to which the assistance would relate, or having legal power to prevent it, allowed such significant adverse effect to occur.

B. If after consulting with the SHPO and the ACHP, Rural ~~Housing Service~~ Development determines that circumstances justify granting such assistance despite the adverse effect created or permitted by the ~~Applicant~~ applicant, Rural ~~Housing Service~~ Development will continue consultation for the proposal pursuant to 36 C.F.R. § 800.9(c)(3).

VII. POST REVIEW DISCOVERIES

A. Rural Housing Service requires its ~~Applicants~~ applicants to notify the State Environmental Coordinator of the USDA Rural Development State Office ~~(State Environmental Coordinator)~~ within 24 hours if their activities encountered any previously unidentified historic or archaeological property or human remains. What constitutes cultural materials associated with archaeological properties and human remains is defined in the Unanticipated Discoveries Work Plan (the "Work Plan") ~~attached hereto in Appendix C of this PA Agreement.~~

B. In the event of any unanticipated discovery, the ~~Unanticipated Discoveries Work Plan in Appendix C of this PA Agreement will~~ shall be followed.

C. In the event that human remains are encountered during an undertaking, Rural Housing Service will follow the principles within the ACHP's Policy Statement on Burial Sites, Human Remains, and Funerary Objects, dated March 1, 2023.

VIII. EMERGENCY REVIEW PROCEDURES

A. Emergency actions are those actions deemed necessary by Rural Housing Service as an immediate and direct response to an emergency situation, which is a disaster or emergency declared by the President, tribal government, or the Michigan governor, or other immediate threats to life or property. Emergency actions under this PA are only those implemented within 30 calendar days from the initiation of the emergency situation.

B. If the emergency action has the potential to affect historic properties, Rural Housing Service shall notify the SHPO, interested Indian tribes, and other parties as appropriate prior to undertaking the action, when feasible. As part of the notification, Rural Housing Service shall provide a plan to address the emergency. The SHPO and other parties shall have seven (7) calendar days to review and comment on the plan to address the emergency. If the SHPO and other parties do not comment or object to the plan within the review period, Rural Housing Service shall implement the proposed plan.

C. If Rural Housing Service is unable to consult with the SHPO and the ACHP and other parties prior to carrying out emergency actions, Rural Housing Service shall notify the SHPO and other parties as appropriate within 48 hours after the initiation of the emergency action. Notification will be by email unless any party requests an alternate means of notification. This notification shall include a description of the emergency action taken, the effects of the action(s) to historic properties, and, where appropriate, any further proposed measures to avoid, minimize, or mitigate potential adverse effects to historic properties. The SHPO and other parties shall have seven (7) calendar days to review and comment on the proposal where further action is required to address the emergency. If the SHPO and other parties do not object to the plan within the review period, Rural Housing Service ~~the [agency]~~ shall implement the proposed plan.

D. Where possible, Rural Housing Service shall ensure such emergency actions shall be undertaken in a manner that does not foreclose future preservation or restoration of historic properties. Where such emergency actions may affect historic buildings, they shall be undertaken in a manner that is consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties. (<http://www.nps.gov/tps/standards.htm>). In addition, where possible, Rural Housing Service shall ensure that such actions shall be done with on-site monitoring by the appropriate preservation professional who meets, at a minimum, the Professional Qualifications Standards [in 44 Fed. Reg. §§ 44738-9](#) in ~~their~~^{his or her} field of expertise.

E. Where the SHPO and/or any other party has reason to believe that a historic property may be adversely affected by an emergency action, the party shall submit a request to [Rural Housing Service](#) ~~the [agency]~~ to review and comment on that action.

F. Immediate rescue and salvage operations conducted to preserve life or property are exempt from this and all other provisions of this PA.

IX. MONITORING, REPORTING, AND TRAINING

A. The SHPO and the ACHP may monitor any activity carried out pursuant to this PA. Rural Housing Service will cooperate with the SHPO, [any interested Tribes](#), and ~~the~~ ACHP should they request to monitor or to review project files.

B. Rural Housing Service will provide an annual report to the SHPO and the ACHP, outlining how many undertakings were reviewed under the PA's terms, the allowances they were reviewed under, and the results of any undertakings that were outside the scope of Appendix B.

C. The Rural Development State Environmental Coordinator will provide training in carrying out Section 106 responsibilities with the SHPO and any interested Tribes to all new USDA Rural Development staff and will provide recurrent refresher training annually. Training?

X. DISPUTE RESOLUTION

A. Should any party ~~Signatory~~ to this PA object at any time to any actions proposed or the manner in which the terms of this PA are implemented, Rural Housing Service shall consult with the objecting party to resolve any such objection. If Rural Housing Service determines that the objection cannot be resolved, Rural Housing Service will:

1. Forward all documentation relevant to the dispute, including Rural Housing Service's proposed resolution, to the ACHP. The ACHP shall provide Rural Housing Service with its advice on the resolution of the objection within thirty (30) days of receiving adequate documentation.

2. Prior to reaching a final decision on the dispute, Rural Housing Service shall prepare a written response that takes into account any timely advice or comments regarding the dispute from the ACHP, sSignatories and concurring parties, and provide them with a copy of this written response. Rural Housing Service will then proceed according to its final decision.

3. If the ACHP does not provide its advice regarding the dispute within the thirty (30) day time period, Rural Housing Service may make a final decision on the dispute and proceed accordingly. Prior to reaching such a final decision, Rural Housing Service shall prepare a written response that takes into account any timely comments regarding the dispute from the parties to the PA. and provide them and the ACHP with a copy of such written response.

B. Any recommendation or comment provided by the ACHP will be understood to pertain only to the subject of the dispute; the responsibility of Rural Housing Service to carry out other actions pursuant to this Agreement that are not the subject of the dispute will remain unchanged.

C. If at any time during the implementation of the measures stipulated in this PA, an objection should be raised by an interested member of the public, or a consulting party, Rural Housing Service will take the objection into account and consult with the objecting party, other interested parties, and any sSignatories, as necessary, to resolve the objection.

XI. DURATION

This PA will remain in effect for 10 years from its date of execution by all of the Signatories. Prior to such time, Rural Housing Service may consult with the other sSignatories to reconsider the terms of this PA and amend it in accordance with Stipulation XII below.

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XII. AMENDMENTS

This PA may be amended when such an amendment is agreed to in writing by all sSignatories. The amendment will be effective on the date a copy signed by all of the sSignatories is filed with the ACHP.

XIII. TERMINATION

- A. If any sSignatory ~~to this PA~~ determines that its terms will not or cannot be carried out, that ~~party-Signatory~~ shall immediately consult with the other sSignatories to attempt to develop an amendment ~~per in accordance with Stipulation XII, above.~~
- B. If within thirty (30) days (or another time period agreed to by all sSignatories) an amendment cannot be reached, any sSignatory may terminate ~~this~~ PA upon written notification to the other sSignatories.
- C. Once ~~this~~ PA is terminated, and prior to work continuing on the undertaking, Rural Housing Service must either (a) execute a new Programmatic Agreement or (b) comply with the provisions of 36 C.F.R. Part 800 for all undertakings previously subject to this PA. Rural Housing Service shall notify the sSignatories as to the course of action it will pursue.

Execution of this PA by the Rural Housing Service, the SHPO, and the ACHP and implementation of its terms evidences that Rural Housing Service has taken into account the effects of those activities, programs, and services ~~identified in Appendix B~~ on historic properties and afforded the ACHP an opportunity to comment.

SIGNATORY PARTIES

**PROGRAMMATIC AGREEMENT
AMONG
U.S. DEPARTMENT OF AGRICULTURE - RURAL HOUSING SERVICE,
THE MICHIGAN STATE HISTORIC PRESERVATION OFFICER,
AND THE ADVISORY COUNCIL ON HISTORIC PRESERVATION
REGARDING
THE IMPLEMENTATION OF USDA RURAL - HOUSING SERVICE LOAN/GRANT SINGLE FAMILY HOUSING
PROGRAMS IN THE STATE OF MICHIGAN**

USDA RURAL DEVELOPMENT MICHIGAN

By: _____ Date: _____
Brandon Fewins
Its: State Director

**PROGRAMMATIC AGREEMENT
AMONG
U.S. DEPARTMENT OF AGRICULTURE, RURAL HOUSING SERVICE
THE MICHIGAN STATE HISTORIC PRESERVATION OFFICER (SHPO), AND THE ADVISORY COUNCIL ON
HISTORIC PRESERVATION
REGARDING THE
IMPLEMENTATION OF USDA RURAL HOUSING SERVICE LOAN/GRANT SINGLE FAMILY HOUSING
PROGRAMS IN THE STATE OF MICHIGAN**

STATE HISTORIC PRESERVATION OFFICER (State of Michigan)

By: _____ Date: _____
~~Ryan Schumaker~~ ~~Martha MacFarlane~~ ~~Faes~~
Its: ~~Deputy~~ State Historic Preservation Officer

PROGRAMMATIC AGREEMENT
AMONG
U.S. DEPARTMENT OF AGRICULTURE, RURAL HOUSING SERVICE
THE MICHIGAN STATE HISTORIC PRESERVATION OFFICER (SHPO), AND THE ADVISORY COUNCIL ON
HISTORIC PRESERVATION
REGARDING THE
IMPLEMENTATION OF USDA RURAL HOUSING SERVICE LOAN/GRANT SINGLE FAMILY HOUSING
PROGRAMS IN THE STATE OF MICHIGAN

ADVISORY COUNCIL ON HISTORIC PRESERVATION

By: _____ Date: _____
Reid J. Nelson Sara C. Bronin
Its: Executive Director Chair

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APPENDIX A

RURAL HOUSING SERVICE FINANCING PROGRAMS, ACTIVITIES, AND SERVICES

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I. Rural Housing Service

1. Rural Housing Guaranteed Loan
2. Rural Housing Direct Loan
3. Housing Repair and Rehabilitation Loans and Grants
4. ~~Self-Help Housing Technical Assistance Grant~~
5. ~~Mutual Self-Help Loans~~
6. ~~Rural Housing Site Loans~~
7. ~~Individual Water and Waste Grants~~
8. ~~Housing Application Packaging Grants~~
9. ~~Farm Labor Housing Loans and Grants~~
10. ~~Rural Rental Housing Loans~~
11. Guaranteed Rental Housing
12. Rental Assistance Program
13. ~~Housing Preservation Grants~~
14. Single Family Home Ownership Loans and Guarantees

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APPENDIX B

USDA RHS PROGRAMS EXCLUDED FROM SECTION 106 REVIEW BY THE SHPO

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The following Rural Housing Service programs and services and ~~Applicant~~-applicant activities will not require review by the SHPO or the ACHP for buildings, structures, landscapes, or objects that are more than 50 years old or are listed on or eligible for listing on the National Register of Historic Places:

A. Site Modification Activities

1. Construction, demolition, repair and alteration of non-historic buildings and structures less than 50 years old except when the proposal is located adjacent to a listed or eligible property or located in an historic district.
2. Rehabilitation to single-family homes greater than 50 years old when rehabilitation consists solely of activities listed as being excluded in this Appendix.
3. Minor ground disturbance of soil of 0.5 acre or less (i.e., landscaping). Minor ground disturbances including foundations, basements, septic systems, support posts, utility laterals and wells for single family dwellings, except in Saginaw County, Bay County, Monroe County, Mackinac Island, and within a ten-mile radius of Saint Ignace or the Village of Mackinaw City, Michigan.
4. Projects to bring buildings and structures up to code standards (i.e., electrical, mechanical, plumbing), provided no structural alterations or replacement of doors, windows, siding, or roofing porches are involved.
5. The installation of cross bracing on pier and post foundations; metal fasteners; collar ties; gussets; tie downs; strapping and anchoring of mechanical, electrical and plumbing equipment; concealed anchoring of furniture; installation of plywood diaphragms beneath first floor joists, above top floor ceiling rafters, and on roofs; and, automatic gas shut off valves, provided such upgrades are not visible on the exterior or are within character defining historic interiors.
6. Correcting structural deficiencies in basements, crawl spaces, and beneath porches.
7. Removal and disposal of on-site abandoned debris and personal property.
8. Clean and seal treatments or stabilization necessary to secure and protect vacant buildings and structures more than fifty (50) years old. Refer to NPS Preservation Brief #31 Mothballing Historic Buildings.
9. Trimming, removal of dead trees, and planting of native grasses, shrubs, bushes and trees.
10. Testing for removal of any hazardous materials such as lead paint and asbestos provided it does not involve the removal or destruction of character-defining features.
11. Interior lead paint abatement when it is limited to washing, scraping and repainting, wallpapering, and chemical stripping of lead-painted surfaces. Installation of window jamb liners, installation of metal panning in window wells, and replacement of flat stock trim that matches the

original material. Flat stock trim may only be replaced if no other in-place treatment is feasible. Exterior lead paint abatement that includes scraping and repainting of exterior wood and masonry surfaces.

12. Installation of wheelchair ramps on secondary elevations meeting code as long as ramps can be easily removed and are not permanently affixed to the building. Stairs and railings may not be removed to construct a ramp. Installation of handicapped curb cuts is permissible.

13. Installation of grab bars and other minor interior modifications for disabled accessibility.

B. Repair, Alteration, and Replacement Activities

1. Repair or replacement of in-kind hardscaping such as paving, driveways, parking lots, walkways, planters, trellises, irrigation systems and lighting.

2. Repair or replacement of in-kind fencing and other freestanding exterior walls.

3. Strengthening of foundations and the addition of foundation bolts, provided that visible new work is in kind.

4. Temporary stabilization bracing or shoring with no damage, loss or historic fabric or irreversible alterations.

5. Low pressure power washing of exterior features if performed at no more than 600-psi with mild detergent. Refer to National Park Service (NPS) Preservation Brief # 6 Dangers of Abrasive Cleaning to Historic Buildings.

6. Cleaning masonry surfaces with natural bristle brushes and mild detergent using low-pressure water. Repointing with mortar that matches the original in strength, composition, color, and texture and that duplicates the rake and other joints that define the existing characteristics. Refer to NPS Preservation Brief #2, Re-pointing Mortar Joints in Historic Brick Buildings (Revised).

7. Repainting of exterior surfaces provided that destructive surface preparation treatments, including but not limited to waterblasting, sandblasting and chemical cleaning are not used.

8. Repair, replacement, or in-kind strengthening of roofing, gutters, or downspouts.

9. Installation of ridge vents or louver type soffit vents (asphalt roofs only).

10. Fascia/Soffit repair or replacements when the new fascia/soffit will be of the same dimensions, configuration, design and material as the original.

11. Repair or reconstruction of in kind concrete/masonry walls, parapets, fireplaces, chimneys, or cornices, including comparable brick, and mortar that matches the color, strength, content, rake and joint width. Bracing and reinforcing of chimneys and fireplaces, provided the bracing and reinforcing are either concealed from exterior view or removable in the future.

12. Repair or replacement of in kind signs and/or awnings.

13. Repair or partial replacement of porches, cornices, exterior siding, doors, balustrades, stairs, or other trim when the repair and replacement is done in-kind to closely match existing form, profile, material and design with concurrence by [USA Rural Development](#) personnel with historic preservation standards training.

14. Repair or replacement of in kind windows and doors where profiles, elevations, details and materials match those of the original windows and doors.
15. Replacement of window panes, provided the existing window material and design are not altered. Double or triple clear glazing and untinted glass are allowed.
16. Caulking, weatherstripping, reglazing and repainting of windows, installation of jamb liners, repair, replacement or installation of storm windows (exterior, interior, metal or wood) provided they match the historic shape and size of the historic prime windows and that the meeting rail coincides with that of the prime window.
17. Repair of in kind historic door and window hardware.
18. Installation of security devices such as dead bolts, door locks, window latches and door peepholes.
19. Replacement of in-kind insulation systems, provided that decorative interior plaster, woodwork, or exterior siding is not altered. Refer to NPS Preservation Bulletin # 3 Conserving Energy in Historic Buildings, and SHPO Insulation Policy No. 1 for Residential Resources.
20. Repair, replacing, retaining, preserving, protecting, or maintaining of in-kind materials or features of interior floors, walls, ceilings, stairs, plaster, and wallboard.
21. Redesigning of interior spaces impacting non-character defining architectural elements within the building; where the new configuration is essential in making the building more efficient but has a minimal impact on interior room layout; and/or where the new design uses contemporary materials that match the character-defining features.
22. Anchoring of walls to floor systems provided the anchors are embedded and concealed from exterior view and any disturbed historic fabric is restored in kind.
23. Repair, replacement and installation of the following systems provided that such work does not affect the exterior or require the installation of new ducts throughout the interior: electrical work; plumbing pipes and fixtures; HVAC system improvements; installation of fire and smoke detectors; fire suppression, security alarm systems, ventilation systems; and bathroom improvements where work is contained within the existing building.
24. Replacement of appliances.

C. Loan Making and Servicing Activities

1. The legal transfer of ownership through acquisition, sale, transfer, and/or assumption of an existing property where no physical improvements or change in use is proposed or is reasonably foreseeable.
2. Technical assistance or predevelopment grants provided the services will not result in an adverse effect on a property listed in or eligible for listing to the National Register of Historic Places. These grants are typically used for feasibility studies, engineering studies, environmental reviews, and other service types of assistance. These programs involve no construction or real property acquisition.

3. Intermediary relending programs to intermediary lenders. Rural Development has a variety of programs where loans or grants are made to an intermediary and the intermediary loans or grants the money to a third party. Only the loan and grant to the intermediary will be excluded.

4. Loans or grants not involving any construction. These types of activities include loans and grants for equipment, working capital, debt restructure, emergency vehicles, and/or servicing activities.

APPENDIX C

UNANTICIPATED DISCOVERIES WORK PLAN

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UNANTICIPATED DISCOVERIES WORK PLAN

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Purpose

This document outlines the procedures to prepare for and address the unanticipated discovery of historic properties or human remains. It provides direction regarding the proper procedures to follow in the event that unanticipated cultural materials or human remains are encountered during construction. An unanticipated discovery can result when previously undocumented or unknown historic properties are discovered during the course of projects.

Cultural materials include human-made objects (both pre-contact and historic period) and features (e.g., foundation walls, hearths, middens, or other remnants of cultural activity) that are part of an archaeological site. Examples of cultural materials include:

- An accumulation of shell, burned rocks, or other food related materials,
- Animal bones or small pieces of bone,
- An area of charcoal or very dark stained soil with artifacts,
- Stone tools or waste flakes (i.e., an arrowhead, or stone chips),
- Clusters of tin cans or bottles,
- Logging or agricultural equipment that appears to be older than 50 years,
- Buried railroad tracks, decking, or other industrial materials.

Human remains are physical remains of a human body or bodies, including, but not limited to, bones, teeth, hair, ashes, and preserved soft tissues (mummified or otherwise preserved) of an individual and earthen material (soil, sand, or gravel) found within human remains (e.g. cranium). Remains may be articulated or disarticulated bones or teeth. Any human skeletal remains, regardless of antiquity or ethnic origin, will at all times be treated with dignity and respect. See Mich. Admin. Code R. 325.8051.

Procedures for Archaeological Discoveries

- 1) **STOP WORK.** If any employee, contractor, or subcontractor believes that he or she has uncovered cultural materials relating to an archaeological site at any point in the project, all work at and 300 feet adjacent to the discovery must stop. The discovery location should be secured at all times. Minimize movement of vehicles and equipment in area immediately surrounding the discovery.
- 2) **CONTACT.** If the discovery does not appear to be human remains, the applicant will contact Rural Housing Service and Rural Housing Service will notify the SHPO/Tribes of the discovery and the possible actions within two business days of discovery if the discovery occurs Monday through Friday. If the discovery occurs during a weekend or Federal holiday, Rural Housing Service will notify the SHPO/Tribes on the first working day after the weekend and/or holiday. The SHPO will respond within 48 hours of the notification or on the first working day if preceded by a weekend or holiday. Rural Housing Service will coordinate a response time with each Tribe. Rural Housing Service will take into account the SHPO's/Tribe's recommendations and advise the ~~Applicant~~ applicant to carry out appropriate and specific actions.

- 3) EVALUATE. Archaeological discoveries will be identified and evaluated by a qualified professional who shall meet the Secretary of Interior's Professional Qualification Standards (44 Fed. Reg. §§ 44738-9) (the "Professional Qualification Standards") for archeologists. The professional archaeologist will examine the location of the discovery. All work to evaluate significance and Project effects will be confined to the Project's potential area of impact. The costs of such professional services will generally be the responsibility of the Applicant/applicant.
- a) If the archaeologist determines that the discovery is not a cultural resource, the archaeologist will immediately advise Rural Housing Service in writing and will notify the SHPO/Tribes of their findings.
 - b) If the archaeologist determines that the discovery is a cultural resource, the archaeologist will immediately advise Rural Housing Service and Rural Housing Service will notify the SHPO/Tribes. The SHPO will assign an Archaeological Site Number to the discovery.
 - i) If the resource is not National Register of Historic Places ("NRHP") eligible, the archaeologist will document the discovery in a report (including photographs of the discovery site). The report must also include a completed State Site Form for the discovery and an explanation of why they believe the resource is not NRHP eligible. The archaeologist will formally request permission from Rural Housing Service and SHPO/Tribes for construction to recommence.
 - ii) SHPO and identified tribal representatives will be invited to observe the implementation of any proposed work.
 - iii) If the resource is believed to be NRHP eligible the archaeologist will document the discovery in a report (including photographs of the discovery site). The report must also include a completed State Site Form for the discovery and an explanation of why they believe the resource is NRHP eligible and a proposal for mitigation or data recovery. Then based on this information, Rural Housing Service and SHPO/Tribes will consider mitigation efforts and a Memorandum of Agreement developed, as appropriate.
- 4) MITIGATE. For resources that are deemed NRHP eligible, Rural Housing Service and its Applicant/applicant will consult with the SHPO/Tribes on measures to avoid further impacts to the discovery and will incorporate mitigation measures as stipulations in a Memorandum of Agreement. If the SHPO/Tribes does not object to Rural Housing Service recommendations, Rural Housing Service will require the Applicant/applicant to modify the project design plans to implement any recommendations. If the SHPO/Tribes objects to the recommendations, Rural Housing Service and the SHPO/Tribes will consult further to resolve the objection through actions including, but not limited to, identifying project alternatives that may result in the undertaking having no adverse effect on historic properties. The costs of such recovery and recordation will generally be the responsibility of the Applicant/applicant.
- a) When an Applicant's/applicant's project cannot be modified and will have adverse effects on an archaeological property, Rural Housing Service may treat the adverse effect by providing for the recovery of significant information through archaeological data recovery or other scientific means. To accomplish this objective, Rural Housing Service will follow the ACHP's "Recommended Approach for Consultation on Recovery of Significant Information from Archaeological Sites" published in the Federal Register (64 Fed. Reg. § 27085, May 18, 1999); and consult with the other consulting parties to prepare a data recovery plan, including material and record curation provisions. A report of data recovery efforts must be completed and submitted to the SHPO/Tribes for review.

- b) For sites where Rural Housing Service determines other treatment measures are appropriate, Rural Housing Service will consult further with the other consulting parties to develop an appropriate approach to resolving the adverse effects.

Procedures for the discovery of human skeletal materials and associated funerary items

1. STOP WORK. If any employee, contractor, or subcontractor believes that he or she has uncovered skeletal remains at any point in the project, all work within 300 feet of the discovery must stop. Any earthen material (soil, sand, gravel) excavated at the discovery site will be retained and kept with the human remains. The discovery location should be secured at all times. Minimize movement of vehicles and equipment in area immediately surrounding the discovery.
2. CONTACT. Notify the appropriate local law enforcement agency and Rural Housing Service immediately. Law enforcement will then determine if the remains are human, and whether the discovery constitutes a crime scene.
 - a. If the police determine that human remains represent evidence of a crime or missing person, they will complete their investigation.
 - b. If skeletal remains are determined to be non-human and there is no archaeological association, then Rural Housing Service will notify SHPO/Tribes and work can proceed.
 - c. If the police determine that human remains do not represent evidence of a crime or missing person, but an archaeological burial site, then Rural Housing Service will notify SHPO/Tribes and in consultation with the SHPO/Tribes a recovery plan will be developed. In most cases, it is preferred that burial sites be preserved, adequately documented, and maintained in place. If this is not possible, the remains and any associated materials would need to be moved for their protection. The following sequence of steps will be employed if it is not possible to preserve and maintain an inadvertently discovered burial in place:
3. DOCUMENT. An-qualified archaeologist that meets the Professional Qualification Standards and has experience in human remains recovery shall document and recover the remains and any related materials that may be present. Archaeological expertise is important in documenting the discovery context and evaluating whether the remains are isolated or if additional remains may be immediately present. Archaeological recovery may be done under the auspices of law enforcement. If law enforcement chooses not to be involved, a permit for disinterment must be obtained from the local Department of Public Health, or through a court order.
 - a. Documentation and recovery shall be respectful and conducted out of public view, to the extent possible.
 - b. As soon as possible, the remains shall be examined by a physical anthropologist using standard non-invasive methods and procedures to create a basic biological profile and estimate ethnicity. Known or suspected Native American Ancestors or associated funerary items will not be moved, touched, or further disturbed after discovery until completion of Tribal consultation or emergent circumstances arise.
 - c. If it can be determined immediately that a discovery is, or has the potential to be, a Native American Ancestor (i.e., associated or unassociated funerary objects, sacred objects, and objects of cultural patrimony), the Tribes will be notified within 48 hours of discovery and potential identification. Tribal notification and consultation will be coordinated by Rural Housing Service and SHPO.
 - d. After notification and initial consultation, consulting Tribes may request that all federally recognized Tribes likely to be culturally affiliated with the discovery be notified in writing by

mail or email and further consultation initiated regarding the cultural affiliation, care, handling, excavation (if necessary), and/or disposition.

- e. Accommodations will be made for traditional or ceremonial practices in association with discoveries. Consulting Tribes will be afforded opportunities to employ proper traditional cultural practices and treatments during periods of non-Tribal holding of discoveries.
- f. Photographs shall not be taken, except when necessary for identification and documentation. Tribes may request that any photographs of Native American Ancestors or associated funerary items be destroyed or repatriated at the end of the project.
- g. Pending consultations, documentation of the discovery may include a written description, mapping and sketching, and precise GPS coordinates. This documentation will be curated with other project records and not be published or made publicly available in any way.
- h. To ensure the protection, preservation, and proper respectful treatment of any discovered materials, pursuant to applicable law, the nature and location of any discovery shall remain confidential as best as reasonably possible given the circumstances and location. Only those persons and entities identified in this plan shall be notified of the discovery or given information about the discovery. Rural Housing Service and related contractors will ensure all staff and consulting personnel are appropriately trained for their respective roles in implementing this plan.
- i. The permanent care of Native American Ancestors and associated funerary items will be determined by the appropriate Tribe or Tribes in consultation with the SHPO.

4. REPORTING. Draft and final archaeological reports, with related physical anthropological reports and law enforcement case documentation appended, will be submitted to Rural Housing Service, SHPO, and consulting Tribes and THPOs.

APPENDIX D

FEDERAL AGENCY OPT-IN FORM

[Follows under this cover]



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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



MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Larry Herriman, University Technology Program Director, Entrepreneurship and Innovation

Subject: 2024 Funding Allocations for the Statewide University Technology Programs

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve funding allocations for the Statewide University Technology Programs consisting of the Michigan Translational Research and Commercialization (“MTRAC”) Program, Technology Transfer Talent Network (“T3N”), and the University Early Stage Proof of Concept Fund (“ADVANCE”) totaling \$4,500,000 and more particularly described in this memo and the proposed Resolutions (the “Request”).

Background

The MTRAC Program was created pursuant to Section 88o of the MSF Act MCL 125.2088o to 1) encourage work with the State of Michigan’s public universities to identify commercial potential in advanced technologies from individual institutions of higher education; 2) facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities; 3) encourage business formation efforts in institution of higher education technology transfer offices to increase the number of institution of higher education related start-up companies; 4) encourage institutions of higher education to provide their faculty with incentives for participating in the technology transfer and commercialization activities; and 5) facilitate the use of applied research expertise within institutions of higher education by qualified businesses.

The University Technology Acceleration and Commercialization Program (the “UTACP”) was created pursuant to MCL 125.2088c, it states the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for the commercialization of competitive edge and bioeconomy technologies. The Technology Transfer Talent Network (T3N) program is a statewide university network supporting the commercialization of university technologies, licenses to industry partners, and startup creation through key talent and business expertise programs, mentors-in-residence, postdocs, fellows, and shared services.

The University Early Stage Proof of Concept Fund (the “UPOCF”) was created pursuant to Public Act 215 of 2005, Section 88k(2) which allows the Michigan Strategic Fund (“MSF”) Board to

award grants and loans from the 21st Century Jobs Fund for “ basic research, applied research, university technology transfer and commercialization of products, processes and services to encourage the development of competitive-edge technologies to create jobs in the state.” Furthermore, the act permits grants to be provided to one or more Michigan institutions of higher education to provide resources and specialized services that will enhance and support the transition of institutions of higher education projects from scientific research to applied research to translational research to the commercial market.

MSF Compiled Resolutions

University Programs Authorization under 125.20880-1 University Grant Programs states: The MSF President or the MSF Fund Manager may take all necessary and appropriate actions to administer grants approved under programs created and operated pursuant to MCL 125.20880. The MSF President or the MSF Fund Manager may approve and execute all final documents necessary to authorize no-cost extensions for grants approved under programs created and operated pursuant to MCL 125.20880.

FY24 Allocations

On August 22, 2023, the MSF Board approved the MSF Annual Allocation of the 21st Century Jobs Trust Fund Appropriations, allocating \$14,241,500 for FY 2024 Entrepreneurial Programs and Grants, which includes the University Technology Programs for a **Grand Total of \$4,500,000.**

A. Statewide MTRAC Innovation Hub Programs. All five totaling: \$3,300,000

1. MTRAC Agriculture-Biology Innovation Hub at Michigan State University for \$550,000
2. MTRAC Life Sciences Innovation Hub at the University of Michigan for \$1,000,000
3. MTRAC Advanced Materials Innovation Hub at Michigan Technological University for \$325,000
4. MTRAC Advanced Transportation Innovation Hub at the University of Michigan for \$1,000,000
5. MTRAC Advanced Computing Innovation Hub at Wayne State University for \$425,000

B. University Technology Acceleration and Commercialization Program. Totaling: \$800,000

1. Technology Transfer Talent Network operated by the University of Michigan for \$800,000

C. University Proof of Concept Fund. Totaling: \$400,000

1. ADVANCE Early Stage Proof of Concept Fund operated by Michigan State University for \$400,000

Results

Since the MTRAC Programs were expanded to statewide offerings in 2016, the combined total of the Five Innovation Hubs are 648 Proposals Reviewed, 320 Proposals Awarded by the Oversight Committees, 66 Startups Created, 164 Jobs Created, 30 Licenses to Michigan Companies, 20 Licenses to Non-Michigan Companies, and \$292,246,307 in Follow-on-Funding. The MEDC recommends that the MSF allocate \$3,300,000 in additional funding to continue the MTRAC program.

For the Technology Transfer Talent Network (T3N) in 2023, there have been 475 Total Projects supported by 18 Mentors-in-Residence, seven Postdocs hired, 145 Fellows engaged in technology assessments, 20 new Companies Created, 760 New Patents Applied For, 334 Patents Issued, 145 License Agreements issued, and \$313,622,313 in Follow-on-Funding obtained.

The ADVANCE Early-Stage Proof of Concept Fund's results which are compiled from a beginning date in October 2021 are six new Patents Applied For, one Patent Issued, one License Agreement signed, \$8,064,334 in federal Small Business Innovation Research and Small Business Technology Transfer Research (SBIR/STTR), and \$1,161,250 in Other Investments.

Recommendation

MEDC staff recommends the MSF Board approve the Request.

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-205

**TECHNOLOGY TRANSFER TALENT NETWORK GRANT
ALLOCATION OF FUNDING**

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

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

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

WHEREAS, pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants;

WHEREAS, the Technology Transfer Talent Network (“T3N”) is a statewide university network supporting the commercialization of university technologies, licenses to industry partners and startup creation through key talent and business expertise programs; mentors-in-residence, postdocs, fellows and shared services (the “T3N Program”);

WHEREAS, on October 25, 2022, the MSF Board awarded a grant to the University of Michigan (“U of M”) to support the T3N Program with an initial allocation of \$750,000 and with a term of five years with the option allocate additional funding during the term at the sole discretion of the MSF Board (the “T3N Grant”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$14,241,500 to support entrepreneurship and innovation activities (the “FY2024 E&I Programs Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$800,000 from the FY2024 E&I Programs Funding Allocation to U of M to support a continuation of the T3N Program (the “Allocation Request”);

WHEREAS, the MSF Board wishes to approve the Allocation Request.

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-206

**ADVANCE EARLY STAGE PROOF OF CONCEPT FUND GRANT
ALLOCATION OF FUNDING**

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

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

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

WHEREAS, pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants;

WHEREAS, the ADVANCE Early Stage Proof of Concept Fund (the “ADVANCE Fund”) provides resources and specialized services to enhance and support the transition of institution of higher education projects from scientific research to applied research to translational research to the commercial market;

WHEREAS, on March 23, 2021, the MSF Board awarded a grant to Michigan State University (“MSU”) to support the ADVANCE Fund with an initial allocation of \$250,000 and with an initial term of one year, with the option to extend for up to an additional five one-year terms and allocate additional funding at the sole discretion of the MSF (the “Grant Award”);

WHEREAS, on May 21, 2021, the MSF Fund Manager authorized a no-cost extension of the term to March 31, 2026;

WHEREAS, on September 27, 2022, the MSF Board allocated \$300,000 in additional funding;

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$14,241,500 to support entrepreneurship and innovation activities (the “FY2024 E&I Programs Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$400,000 from the FY2024 E&I Programs Funding Allocation to MSU to support a continuation of the ADVANCE Fund (the “Allocation Request”);

WHEREAS, the MSF Board wishes to approve the Allocation Request.

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-207

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION
PROGRAM AGRICULTURE-BIOLOGY INNOVATION HUB
ALLOCATION OF FUNDING**

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

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

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

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

WHEREAS, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology (“Ag-Bio”), and Life Sciences;

WHEREAS, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Innovation Hub;

WHEREAS, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

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

WHEREAS, on October 25, 2022, the MSF Board designated Michigan State University (“MSU”) as the Agriculture-Biology (“Ag-Bio”) Innovation Hub and allocated initial funding of \$550,000 to support Ag-Bio Innovation Hub Activities for a six year term beginning July 1, 2022

and ending on June 30, 2028 (the “Term”), with the option to allocation additional funds during the term at the sole discretion of the MSF;

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$14,241,500 to support entrepreneurship and innovation activities (the “FY2024 E&I Programs Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$550,000 from the FY2024 E&I Programs Funding Allocation to MSU to support a continuation of Ag-Bio Innovation Hub Activities during the Term (the “Allocation Request”);

WHEREAS, the MSF Board wishes to approve the Allocation Request.

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Brittany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

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If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-208

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION
PROGRAM ADVANCED TRANSPORTATION INNOVATION HUB
ALLOCATION OF FUNDING**

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

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

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

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

WHEREAS, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Hub;

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

WHEREAS, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology, and Life Sciences;

WHEREAS, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

WHEREAS, on March 28, 2023, the MSF Board designated the University of Michigan (“U of M”) as the Advanced Transportation Innovation Hub and allocated initial funding of \$750,000 to support Advanced Transportation Innovation Hub Activities for a six year term

beginning March 1, 2023 and ending on February 28, 2029 (the “Term”), with the option to allocation additional funds during the term at the sole discretion of the MSF;

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$14,241,500 to support entrepreneurship and innovation activities (the “FY2024 E&I Programs Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$1,000,000 from the FY2024 E&I Programs Funding Allocation to U of M to support a continuation of Advanced Transportation Innovation Hub Activities during the Term (the “Allocation Request”);

WHEREAS, the MSF Board wishes to approve the Allocation Request.

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

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Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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MEDC
300 N. Washington Square
Lansing, Michigan

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- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-209

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION
PROGRAM ADVANCED MATERIALS INNOVATION HUB
ALLOCATION OF FUNDING**

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

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

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

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

WHEREAS, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Hub;

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

WHEREAS, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology, and Life Sciences;

WHEREAS, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

WHEREAS, on March 28, 2023, the MSF Board designated Michigan Technological University (“Michigan Tech”) as the Advanced Materials Innovation Hub and allocated initial funding of \$325,000 to support Advanced Materials Innovation Hub Activities for a six year term

beginning March 1, 2023 and ending on February 28, 2029 (the “Term”), with the option to allocation additional funds during the term at the sole discretion of the MSF;

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$14,241,500 to support entrepreneurship and innovation activities (the “FY2024 E&I Programs Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$325,000 from the FY2024 E&I Programs Funding Allocation to Michigan Tech to support a continuation of Advanced Materials Innovation Hub Activities during the Term (the “Allocation Request”);

WHEREAS, the MSF Board wishes to approve the Allocation Request.

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Brittany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-210

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION
PROGRAM LIFE SCIENCES INNOVATION HUB
ALLOCATION OF FUNDING**

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

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

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

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

WHEREAS, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology (“Ag-Bio”), and Life Sciences;

WHEREAS, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Innovation Hub;

WHEREAS, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

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

WHEREAS, on October 25, 2022, the MSF Board designated the University of Michigan (“U of M”) as the Life Sciences Innovation Hub and allocated initial funding of \$1,000,000 to support Life Sciences Innovation Hub Activities for a six year term beginning July 1, 2022 and

ending on June 30, 2028 (the “Term”), with the option to allocation additional funds during the term at the sole discretion of the MSF;

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$14,241,500 to support entrepreneurship and innovation activities (the “FY2024 E&I Programs Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$1,000,000 from the FY2024 E&I Programs Funding Allocation to U of M to support a continuation of Life Sciences Innovation Hub Activities during the Term (the “Allocation Request”);

WHEREAS, the MSF Board wishes to approve the Allocation Request.

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-211

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION
PROGRAM ADVANCED COMPUTING INNOVATION HUB
ALLOCATION OF FUNDING**

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

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

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

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

WHEREAS, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology (“Ag-Bio”), and Life Sciences;

WHEREAS, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Innovation Hub;

WHEREAS, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

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

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

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

WHEREAS, on June 22, 2021, the MSF Board authorized an extension of the WSU Grant Award to February 28, 2025 to coincide with the term of the Advanced Computing Innovation Hub designation and allocated \$25,154 in additional funding;

WHEREAS, on October 26, 2021, the MSF Board allocated \$425,000 in additional funding;

WHEREAS, October 25, 2022, the MSF Board allocated \$425,000 in additional funding;

WHEREAS, on August 22, 2023, the MSF Board allocated \$115,650,000 for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year (the “FY24 Allocation of Funding”);

WHEREAS, on August 22, 2023, the MSF Board allocated \$14,241,500 to support entrepreneurship and innovation activities (the “FY2024 E&I Programs Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$425,000 from the FY2024 E&I Programs Funding Allocation to WSU to support a continuation of Advanced Computing Innovation Hub Activities during the Term (the “Allocation Request”);

WHEREAS, the MSF Board wishes to approve the Allocation Request.

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

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Board Relations Liaison
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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

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

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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MEDC
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- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

MEMORANDUM

Date: December 12, 2023

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

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

Subject: Request for Approval of a Michigan Community Revitalization Program Direct Loan Agreement Amendment #1
City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I, LLC

Request

City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I, LLC (the “Company”) are requesting approval of an amendment to the Michigan Community Revitalization Program Direct Loan agreement and any related ancillary agreements (the “Agreement”). The amendment request dated October 23, 2023, includes a request to extend the maturity date of the MSF loan to be coterminous to that of the senior lender. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund Board, on November 26, 2019, reapproved a \$7,500,000 Michigan Community Revitalization Program Performance-Based Loan award for the Company for the purpose of developing a building that would contain approximately 74 residential units above approximately 7,743 square feet of retail space, and two levels of sub-grade parking consisting of approximately 121 parking spaces in total. The project is part of the overall “City Modern” development, located within the Brush Park Historic District between John R. Street, Edmund Place, Brush Street, and along both sides of Alfred Street within a primarily residential part of the neighborhood in the City of Detroit. The overall City Modern project consists of the redevelopment of an 8.4-acre site that was mostly vacant, with an overall investment of well over \$100 million in private investment.

On June 22, 2020, the MSF Fund Manager and MSF President approved a 90-day extension of the approval under the MSF Awardee Relief Initiative to allow time to finalize and execute the Agreement.

Construction of the project was completed in the first quarter of 2021. The residential portion of the project is over 95% occupied and the commercial space has two leases in place accounting for 6,822 square feet of the space. At the time of the MCRP approval, it was anticipated that the project would secure permanent senior financing at a future date upon reaching stabilized occupancy. Additionally, the approval contemplated that the MSF loan would be subordinated to the senior loan. The development team is currently pursuing a Fannie Mae loan product which requires the maturity date of the MSF loan to be coterminous with that of the senior loan. It is anticipated that the requested extension of the MSF loan maturity date will extend that date approximately 24 months (estimated no later than January 2034).

The MSF loan has begun to amortize (approximate \$7.2 million principal balance) and the Company is current with payment and reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the Agreement to extend the maturity date of the MSF loan to be conterminous with that of the senior lender per the Company's request dated October 23, 2023.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-212

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM DIRECT LOAN AWARD FOR
CITY MODERN 440 ALFRED STREET LLC AND
BRUSH PARK DEVELOPMENT COMPANY PHASE I, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

WHEREAS, on April 14, 2020, by Resolution 2020-039, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the “Awardee Guidelines”) due to COVID-19 and by Resolution 2020-040 on April 14, 2020, delegated to the MSF Fund Manager, the MSF President, and State Treasurer (with any two required to act) the authority to amend any award consistent with the Awardee Guidelines;

WHEREAS, by Resolution 2017-045, on March 28, 2017 the MSF Board awarded an MCRP Performance-Based Loan award to City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC or such entities formed or to be formed in the furtherance of the 440 Alfred Street Project (“Applicant” or “Co-Applicants”) for up to a \$7,500,000 Performance Based Loan award (“Award”);

WHEREAS, by Resolution 2018-041, on March 27, 2018 the MSF Board reapproved the Award to the Co-Applicants with all other terms of the original approval remaining in place;

WHEREAS, by Resolution 2019-167, on November 26, 2019 the MSF Board reapproved the Award to the Co-Applicants with all other terms of the original approval remaining in place;

WHEREAS, on June 22, 2020, the MSF Fund Manager and MSF President approved a 90-day extension of the approval under the MSF Awardee Relief Initiative to allow time to finalize and execute the Transaction Documents;

WHEREAS, the Co-Applicants are requesting and MEDC is recommending that the MSF amend the Award to extend the maturity date on the MSF loan to be coterminous with the senior loan , with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023- 193

**APPROVAL OF THE DECEMBER 12, 2023 CONSENT
AGENDA FOR THE MICHIGAN STRATEGIC FUND
BOARD**

WHEREAS, on November 20, 2013, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines (the “Consent Agenda”);

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently amended and restated by the MSF Board on December 13, 2022;

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

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

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

Consent Agenda Items:

- a. Proposed Meeting Minutes: October 24, 2023
- b. Transformational Brownfield Plan Program: Guidelines Amendment
- c. GLC Northern Michigan Pine, LLC: MCRP Amendment
- d. Contractual Small Business Solutions/Services: FY24 Funding Allocations
- e. American Rheinmetall Vehicles, LLC: MBDP Amendment
- f. UL, LLC: MBDP Reauthorization and Amendment
- g. Peterson Farms: CDBG Amendment
- h. 311 Grand River, LLC: Act 381 WP Amendment
- i. State Historic Preservation Office (SHPO): USDA PA
- j. 2024 Funding Allocations for the Statewide University Technology Programs
- k. City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I, LLC: MCRP Amendment

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

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- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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



MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Bryan Dryer, Community Development Manager
Bryan Robbins, Incentive Structuring and Underwriting Analyst
Jake Winder, Director, Community Development Incentives

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant
Woodworth Investments, LLC, and the City of Owosso Brownfield Redevelopment Authority

Project Summary & Request

Woodworth Investments LLC (the “Applicant”) is proposing to rehabilitate a historic three-story, functionally obsolete building in downtown Owosso into a multi-story mixed-use development featuring nine new residential rental units and two reactivated commercial spaces within its approximately 18,000 square foot interior. The first floor currently hosts Fifth Third Bank who will continue as a long-term lease including 6,328 square feet of space. The second and third floors are currently vacant and will be used to create 6,184 square feet of residential space and 2,629 square feet of common areas for resident use. The completed development will feature full fire suppression, an elevator to service all areas of the building, new energy efficient utilities including energy star appliances, new doors and windows, and a new roof. The concrete and masonry façade will also be improved both structurally and aesthetically, bringing it back to national historic preservation standards. To support this development the Applicant is requesting a Michigan Community Revitalization Program (the “MCRP”) performance-based grant of \$1,480,000.

The property at 123 N. Washington Street sits on the corner of W. Exchange Street & N. Washington Street, within the City of Owosso’s Downtown Historic District and its Downtown Development District. The building was constructed in 1895 as part of the original Keeler Block, which is noted as one of the most outstanding architecturally distinguished Victorian buildings in downtown Owosso. The building’s exterior underwent construction in 1964, creating the “modern exterior” that is present today. The upper floors of the property have set empty for a number of years and lacked investment from former owners, with the third floor having formerly served as the old Masonic Temple in Owosso. Throughout the years the building has housed a number of uses including banks, law firms, medical practices, real estate agencies, and insurance agencies.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	F.O. and Historic
Total Approximate Square Feet Revitalized	17,947
Total Approximate Acres Activated	0.16
Estimated # of Residential Units	12
Estimated Commercial Square Footage	12,722
Current Taxable Value	\$555,000
Projected Taxable Value at Completion	\$1,360,000
Total Anticipated Capital Investment	\$4,766,928
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$248,139
MCRP Grant	\$1,480,000

This project will be utilizing Brownfield TIF financing to include infrastructure improvements, interior and selective exterior demolition, and preparation of a Brownfield Plan and Act 381 Work Plan. The project has identified approximately \$400,000 in eligible environmental demolition activities. No environmental contamination is known to exist on the property. Asbestos has been identified within the building and will require abatement prior to demolition activities. The development also contributes to the downtown historic district and will syndicate approximately \$700,000 in historic tax credits in order to restore the architectural and structural elements of the building that contribute to the visual historic character of the district. SHPO is currently reviewing the project design to determine that it will have no negative impact, and that 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).

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and programmatic requirements, and a financial review has been completed.

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

Demonstrated Needs

Costs to redevelop this vacant historic building into new residential and commercial units are substantial due to the current condition of the building, and the difficulties in rehabilitating older downtown buildings. In addition, there are significant improvements that are required to reactivate the building to meet the current code in terms of accessibility and fire safety that create financial obstacles for major redevelopment. Finally, there will be major systems that need to be added or upgraded to reactivate the space for new residential and commercial tenants. The total cost to renovate the property is \$4,766,928; this limits the total debt and equity that the project can support. First National Bank of America has provided terms for a

\$1.4 million loan, and the developer is contributing cash equity in the amount of \$861, 737, which is approximately 18% of total project costs. Due to these factors a sizable funding gap still exists, despite the developers utilizing additional funding instruments like Brownfield TIF, OPRA, and Historic Tax Credits. The project will add new commercial tenants and housing density to the downtown and is expected to act as a catalyst for new development and growth. Without support from the MCRP program, this project's ability to create new units by reactivating a vacant property in downtown Owosso would not be financially feasible as the anticipated developer return from operations is around 2.0%.

Local Support

The City of Owosso is supporting this project through a 20-year Brownfield TIF valued at \$154,856 and a 12-year Obsolete Property Rehabilitation Act (OPRA) tax abatement valued at \$212,780.

Applicant Background / Qualifications

Randall, and James Woodworth have been locally involved in revitalizing the downtown of Owosso for many years. Randall has been working in commercial real estate since 2000 and has been a Catalyst Member since 2012. James is the Chief Experience Officer & Co-Founder of Success Group Mortgage & Servicing LLC with over 17 years of mortgage operations experience. They own multiple traditional downtown commercial and mixed-use buildings and understand what it takes to develop and manage described developments. They have retained Revitalize LLC (Bruce Johnston) as project consultants and Preservation Forward (Jessica Flores) as historical analysts for this project; both of these firms are well known to MEDC staff as productive partners in community development projects.

An Organizational Chart for Woodworth Investments LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on November 6, 2023.

Financial Highlights

- Construction cost per square foot is \$340.40
- The 6,110 sq ft of commercial space on the ground floor will remain leased to the current tenant at \$12.06 per square foot modified gross.
- The studio unit is renting for \$1.77 per square foot and is approximately 50% of AMI for Shiawassee County. The 1-bedroom unit rental rates range between \$1.40 to \$1.67 per square foot and are between the 50% and 70% AMI levels. The 3-bedroom unit will rent at \$1.46 per square foot and be approximately 140% of AMI.
- The projected debt service coverage ratio is 1.21 to 1.00 with a 20-year average of 1.42 to 1.00
- Developer is contributing \$861,737 in cash equity which is 18.08%, as well as \$325,191 (6.82%) in land/building contribution and \$700,000 (14.68%) in historic tax credits
- Developer return is projected at -0.6%

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

An MSF Eligible Activities and Tax Capture Summary are included in Appendix D.

Recommendation

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

- a) State tax capture for Act 381 eligible activities capped at \$248,139, utilizing the current state to local capture ratio.
- b) A MCRP performance-based Grant in the amount of up to \$1,480,000 for Woodworth Investments LLC.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Woodworth Investments, LLC

Employer Identification Number: 84-2709083

MANAGER: James Woodworth

Member	Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization
Woodworth Investments, LLC	100.00%	84-2709083	Michigan
James Woodworth	50.00%		
Randall Woodworth	50.00%		
	100.00%		
	100.00%		

APPENDIX B – Project Map and Renderings



APPENDIX C – Financial Terms

Summary of Development Sources:

Bank Loan	\$	1,400,000	29.37%
MCRP Grant	\$	1,480,000	31.05%
Developer Equity	\$	1,886,928	39.58%
TOTAL	\$	4,766,928	100.00%

Summary of Development Uses:

Acquisition	\$	833,088
Hard Construction Costs	\$	3,683,140
Eligible Soft Costs	\$	78,200
Other	\$	172,500
TOTAL	\$	4,766,928

Grant Terms

MSF Incentive:	MCRP Performance Based Grant
Grantee:	Woodworth Investments LLC
Senior Lender:	Currently anticipated to be First National Bank of America or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$1,400,000
Total Capital Investment:	Currently estimated at \$4,766,928
MSF Eligible Investment:	Currently estimated at \$3,358,344
Minimum Eligible Investment:	Currently estimated at \$2,686,676
MSF Share:	Up to the lesser of 50% of “Eligible Investment” or \$1,480,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Owosso is less than 15,000.
Other Conditions:	MSF’s investment will be contingent upon the following: Minimum of \$1,886,928 in combined cash, historic tax credit, and building equity. If requested by the Lender, MSF may allow for the assignment of the Grant rights and responsibilities to the Lender, per section 8.8 of the Grant Agreement.

MCRP Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered. The project meets the MCRP Guidelines, and a financial review has been completed.

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

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

The redevelopment of this property will increase housing density by 9 units in the walkable downtown Owosso business district while revitalizing an historic resource that sits at the heart of the city's historic district. The City of Owosso's Master Plan makes reference to the need for restoration of historic building façades and the activation of vacant downtown buildings, especially through the creation of housing units above street level. This need for housing is mirrored by the City's transformational strategies as a Master Level Community in the Michigan Main Street program.

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

This property is one of many being renovated by the developers in Owosso's downtown historic district, in addition to those actively owned and operated by the developers in the Owosso DDA district. The development team is also actively engaged in the sale of commercial real estate in downtown Owosso to new business and property owners who have worked with the local EDO and MEDC regional prosperity team to utilize MEDC incentive programs for the revitalization of historic resources in the downtown district. The development of these new projects is ongoing.

The project will add new commercial and residential tenants to the downtown. These additions are expected to act as a catalyst for new development and growth. The addition of new people downtown is also expected to increase the economic vitality of local businesses.

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

The City of Owosso is supporting this project through a 20-year Brownfield TIF valued at \$402,995 and a 12-year Obsolete Property Rehabilitation Act (OPRA) tax abatement valued at \$212,780.

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

The project's financial need is driven by the costs of reactivating the buildings 2nd and 3rd floors and the additional cost of the historic elements of the rehabilitation. The market rate rents in Owosso limit the amount of debt the project can support. The developer has maximized senior financing of \$1,400,000 and is bringing over 39% equity to the project. With proposed MCRP support, the return over the 20-year time horizon is projected to be less than 0%. Without financial support from the MCRP program, the project would not be financially feasible.

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

The upper two floors of this property have been vacant and obsolete since at least 2021, per the City of Owosso assessor office. The first floor has consistently been underutilized due to the lack of current amenities and utilities for commercial tenants. This property is an historic resource, having been built in 1895 as part of the original Keeler Block, which is noted as one of the most outstanding architecturally distinguished Victorian buildings in downtown Owosso. The third floor of the property previously housed the Masonic Temple of Owosso, which will be restored to its historic character for use as a community event space.

F. Creation of jobs:

No new permanent jobs will be created through this development. A Michigan general contractor experienced in historic rehabilitation will supply 40-50 construction jobs during the duration of the project.

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

First National Bank of America is providing permanent term debt of approximately \$1,400,000, which accounts for roughly 29% of the total development cost. Historic Tax Credits account for roughly \$700,00 of the project financing, equating to about 15% of development costs. Between cash equity and land contributions the property owner is contributing private equity of almost 25% of the total development cost and is not collecting a developer fee.

H. Whether the project is financially and economically sound:

The project at 123 N Washington St will reactivate a three-story approximately 18,000 square foot building in the heart of downtown Owosso. The 6,110 sq ft commercial space on the ground floor will remain leased to the current bank tenant. The 2nd and 3rd floor total just over 8,000 square feet and will become a mix of 12 studio, 1-bedroom, and 3-bedroom apartments. Commercial and residential rental rates are competitive in the market and MEDC staff is comfortable with their structure. The projected debt service coverage ratio is 1.21 to 1.00 with a 20-year average of 1.42 to 1.00. The development team is contributing equity of approximately \$1,886,928 or 39.58% and bank financing has been maximized at \$1,400,000. Staff considers the project to be financially and economically sound.

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

The rehabilitation of the existing building and the addition of new commercial and residential tenants will increase the number of people working and living downtown.

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

The project is adding new residential units and commercial space downtown. It promotes walkable communities by filling in long-vacant space, which will drive additional foot-traffic to the area, as well as increase the number of residents who live and shop in the downtown district. The building is zero-lot line developed, offers large retail windows on the first floor, and is fronted by large, walkable sidewalks.

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

This project does not involve abandoned public property.

L. Whether the project promotes sustainable development:

The proposed construction activities will reuse several elements to reduce landfill waste (e.g. existing exterior envelope, existing stairwells). New utility systems will be installed to meet current building code, including energy efficiency standards, and all units will be equipped with Energy Star appliances to reduce energy consumption. Finally, the project is located within the traditional downtown, reducing the infrastructure needs.

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

This project involves the rehabilitation of a historic resource; please see additional response to Item Q below.

N. Whether the project addresses area-wide redevelopment:

The project addresses the community's area-wide redevelopment goals by providing additional commercial and residential development downtown. Specifically, it satisfies targeted goals in the City of Owosso's master plan and MMS transformational strategy to redevelop historic building facades and increase the density of residential units above street level in the downtown district. The building is located in the Downtown Owosso Historic District, and also resides in the downtown commercial district as defined by the City of Owosso's Downtown Development Authority. The project will create development that is mixed use, has historic character, and is pedestrian friendly. The new residential units will encourage more pedestrian use of the downtown during the evenings and weekends.

O. Whether the project addresses underserved markets of commerce:

This project helps to increase the availability and sustainability of commercial units in the DDA district for the City of Owosso, as well as increasing foot traffic to local businesses through the creation of 9 new residential units.

P. The level and extent of environmental contamination:

Through the Brownfield Plan and Act 381 Work Plan, the project has identified approximately \$400,000 in eligible environmental demolition activities. No environmental contamination is known to exist on the property, but asbestos-containing building materials have been identified within the building and will require abatement prior to demolition activities.

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):

A project plan ("Part 2") has been submitted to the State Historic Preservation Office (SHPO) for review in consideration of the building's eligibility for Historic Tax Credits, which documents the intent of the project to meet the Secretary of the Interior's Standards for rehabilitation. These plans have been developed in consultation with Driven Design Studio, a historical architecture firm licensed in 7 states, and Preservation Forward, a Michigan-based historic preservation consultancy led by Jessica Flores- a former employee of SHPO. Ms. Flores has submitted an endorsement letter to MEDC in support of the project design stating "[a]s a certified, historic structure, the proposed rehabilitation will follow the Secretary of the Interior Standards for the Rehabilitation of Historic Properties as defined by the National Park Service under the guidance of the Department of the Interior."

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

The project will not compete with or affect any existing Michigan businesses.

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

No additional criteria needs to be considered.

APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Owosso, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on April 8, 2022. The property has been deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on December 15, 2021.

There are 55.8029 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (61.57%) and local millage equaling 31.8029 mills (38.43%). Tax increment capture will begin in 2023 and is estimated to continue for 20 years. The state tax capture is recommended to be capped at \$248,139, which is the amount of tax increment revenue anticipated to be generated in 20 years. Total MSF eligible activities are estimated at \$402,995. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(61.57%)	\$	248,139
Local tax capture	(38.43%)	\$	154,856
TOTAL		\$	402,995

Cost of MSF Eligible Activities

Demolition	\$	386,995
Sub-Total	\$	386,995
Brownfield/Work Plan Preparation	+	16,000
TOTAL	\$	402,995

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:

Shiawassee County's unadjusted jobless rate was 4.1% in September 2023, compared to the unadjusted rate of 3.9% in Michigan.

A. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:

This plan will rehabilitate a functionally obsolete property into a vibrant, residential, and commercial space.

B. Whether project will create a new brownfield property in the State:

No new Brownfields will be created by this project.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-213

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
GRANT AWARD TO
WOODWORTH INVESTMENTS LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d), to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

WHEREAS, Woodworth Investments LLC (“Company”) has requested a performance based MCRP Grant of up to \$1,480,000 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached on Exhibit A (the “Term Sheet”); and

WHEREAS, the MEDC has recommended that the MSF Board approve the 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 180 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (collectively, the “MCRP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

EXHIBIT A

“Term Sheet”

Grant Terms

MSF Incentive:	MCRP Performance Based Grant
Grantee:	Woodworth Investments LLC
Senior Lender:	Currently anticipated to be First National Bank of America or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$1,400,000
Total Capital Investment:	Currently estimated at \$4,766,928
MSF Eligible Investment:	Currently estimated at \$3,358,344
Minimum Eligible Investment:	Currently estimated at \$2,686,676
MSF Share:	Up to the lesser of 50% of “Eligible Investment” or \$1,480,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Owosso is less than 15,000.
Other Conditions:	MSF’s investment will be contingent upon the following: Minimum of \$1,886,928 in combined cash, historic tax credit, and building equity. If requested by the Lender, MSF may allow for the assignment of the Grant rights and responsibilities to the Lender, per section 8.8 of the Grant Agreement.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-214

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF OWOSSO BROWNFIELD REDEVELOPMENT AUTHORITY
123 N. WASHINGTON STREET**

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 Owosso Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated November 6, 2023, for property located at 123 N. Washington Street within the City of Owosso, known as 123 N. Washington Street (the “Project”);

WHEREAS, the City of Owosso 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 approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 61.57% to 38.43% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of demolition as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating

purposes is based on costs of MSF eligible activities with a maximum of \$386,995 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$0 in interest, a maximum of \$16,000 for brownfield and work plan preparation, and a maximum of \$0 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$248,139.

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

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Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Dominic Romano, Community Development Manager, Region 10
Debbie Stehlik, Commercial Real Estate Investment Manager
Sarah McKinley, Program Specialist, Community Development Incentives

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP)
Other Economic Assistance Loan Participation and Request for Approval of an Act
381 Work Plan
Oxford Perennial Corktown PropCo II, LLC, City of Detroit Brownfield
Redevelopment Authority (BRA) – Red Arrow Redevelopment Project

Project Summary & Request

The Red Arrow Redevelopment Project is located within the Historic Corktown District in Detroit. The applicant is working in compliance with the City of Detroit’s Community Benefit Ordinance to rehabilitate an existing historic two-story former industrial building into a 28-unit multi-family residential complex. The project also includes 2,500 square feet of public improvements including new sidewalks, landscaped areas, and adjoining street improvements. As a result, the redevelopment of the former storage building will create residential density and additional activity in the Corktown Neighborhood.

Ten percent of the units will be designated as affordable with rents set at 60% of Area Median Income (AMI), monitored by the City of Detroit. The development team is seeking a \$2,222,585 MCRP Other Economic Assistance Loan Participation and Brownfield Tax Increment Financing with the state tax capture capped at \$464,643. In addition to the State’s investment in the Corktown neighborhood, Ford Motor Company plans on investing as much as \$700 million in its planned 1.2 million square foot Corktown Campus and will create 5,000 jobs. While this project does not lie within the Corktown Campus, the Red Arrow Redevelopment will provide additional housing options and support employee attraction.

PROJECT SUMMARY	
Project Eligibility	Historic
Total Approximate Square Feet Revitalized	38,492
Total Approximate Acres Activated	0.37
Estimated # of Residential Units	28
Current Taxable Value	\$199,200
Projected Taxable Value at Completion	\$2,915,071
Total Anticipated Capital Investment	\$12,879,974
Brownfield TIF State Capture Request	\$464,643
MCRP Loan Participation	\$2,222,585

SHPO has determined that the project design is consistent with the Standards for Rehabilitation and 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).

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and programmatic requirements, and a financial review has been completed.

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

Demonstrated Needs

The incentive is necessary due to the market conditions in the City of Detroit that continue to make development challenging, including market rate rents that continue to lag construction inflation costs. The City of Detroit also requires a portion of the units remain affordable at rents at 60% of Area Median Income, further limiting cash flow. The project is additionally challenged by the historic nature of the rehabilitation and the associated cost. This combination of factors is driving the need for MCRP support. The development team has maximized traditional financing at \$6,200,000 and will be contributing significant equity of approximately 34%. In addition, they will be leveraging Federal Historic Tax Credits, Brownfield TIF, and a Neighborhood Enterprise Zone tax abatement. The proposed MCRP incentive will fill the remaining financing gap and allow the project to remain financially feasible. Even with MCRP support, the projected return over a 20-year period is 4.9%.

Local Support

The City of Detroit is supporting the project with the local portion of the Brownfield Tax Increment Financing, valued at approximately \$682,149 and a Neighborhood Enterprise Zone (NEZ) tax abatement with an anticipated value of \$3,748,492.

Applicant Background / Qualifications

The developers for the project are a collaboration between Oxford Capital Group, Hunter Pasteur, and The Forbes Company. Oxford is a national, large-scale Chicago-based firm that has over twenty years of experience including historic adaptive reuse projects. Hunter Pasteur in Farmington Hills is a well-known, successful housing development company that has built quality homes for Michiganders across the Metro Detroit area. Southfield-based Forbes Company has developed distinctive and innovative shopping centers including the Somerset Collection and the Gardens Mall in Florida among many others. Oxford and Hunter Pasteur have already coordinated their efforts on the Godfrey Hotel (MSF supported) and the Perennial Apartments, both in Corktown as well.

An Organizational Chart for Oxford Perennial Corktown PropCo, LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on August 7, 2023.

Financial Highlights

- Cost per square foot of \$357.86.
- Rental rates are projected at \$2,176 for Studio units, \$2,502 for one-bedroom units and \$3,536 for two-bedroom units, with an average of \$3.33 per square foot. 10% of units will be reserved for residents with incomes at 60% of Area Median Income.
- Projected stabilized debt service coverage ratio of 1.24 to 1.0.
- Equity contribution of approximately \$4,457,389, or 34%.
- Developer return over a 20-year time horizon is projected at 4.9%.

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

An MSF Eligible Activities and Tax Capture Summary are included in Appendix D.

Recommendation

MEDC staff recommends approval of the following (the "Recommendation"):

- a) State tax capture for Act 381 eligible activities capped at \$464,643, utilizing the current state to local capture ratio.
- b) A MCRP Other Economic Assistance Loan Participation in an amount up to \$2,222,585 for Oxford Perennial Corktown PropCo II, LLC.
- c) Approval of funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088b(2) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

APPENDIX A – Organizational Chart

Oxford Perennial Corktown PropCo II, LLC Organizational Structure			
Oxford Perennial Corktown PropCo II, LLC EIN: 88-0574733			
Oxford Perennial Corktown PropCo II, LLC Manager: Oxford HP Corktown Apartments GP, LLC			
Member	Ownership Interest	EIN	State of Organization
Oxford Perennial Corktown MezzCo II, LLC (Managing Member: Oxford HP Corktown Apartments GP, LLC)	100.00%	88-0628878	Delaware
Oxford Perennial Corktown, LLC	99.50%		
NF Corktown Apartments LLC	51.11%		
Nathan Forbes	100.00%		
Other investors (no individual investor except as shown above owns 20% or more)	48.89%		
Oxford HP Corktown Apartments GP, LLC	0.50%		

APPENDIX B – Project Map and Renderings



APPENDIX C – Financial Terms

Summary of Development Sources:

CIBC Share	\$	6,200,000	48.14%
MSF Share	\$	2,222,585	17.26%
Developer Equity	\$	4,457,389	34.60%
TOTAL	\$	12,879,974	100.00%

Summary of Development Uses:

Acquisition	\$	900,000
Hard Construction Costs	\$	8,856,267
Eligible Soft Costs	\$	750,000
Other	\$	2,373,707
TOTAL	\$	12,879,974

Loan Terms

MSF Incentive:	MCRP Performance-Based Other Economic Assistance Loan Participation
Borrower:	Oxford Perennial Corktown PropCo II, LLC
Senior Lender:	Currently anticipated to be CIBC or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$8,422,585
Lender Share:	Currently estimated at \$6,200,000
Total Capital Investment:	Currently estimated at \$12,879,974
MSF Eligible Investment:	Currently estimated at \$8,890,340
Minimum Eligible Investment:	Currently estimated at \$8,890,340
MSF Share:	Up to the lesser of 25% of “Eligible Investment” or \$2,222,585.
Term:	Shall reasonably match that of Lender, currently anticipated to be up to 60 months
Amortization:	Shall reasonably match that of Lender, currently anticipated to be up to 360 months, following the interest only period
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be monthly interest only payments for up to 36 months, followed by principal and interest payments, with principal due at maturity.

Collateral:	Shall reasonably match that of Lender, currently anticipated to be a first priority security interest in the subject real estate, assignment of rents and leases, and assignment of other contracts and documents deemed necessary or to match Senior Loan. MSF Share of collateral will be subordinated to that of Lender.
Guarantee:	Shall reasonably match that of Lender, currently anticipated to be the personal guaranties of John Rutledge and Nate Forbes, limited to 50% (25% each) as well as a full completion guaranty. The guaranties will reduce to 20% (10% each) of the outstanding loan amount upon satisfactory evidence of a 1.20 to 1.0 DSCR. MSF Share of collateral will be subordinated to that of Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to 1.0% of the MSF's share of the loan. The Lender may charge the borrower for this fee.
Reserves/Contingencies:	Currently anticipated to be approximately \$1,410,000
Funding:	The MSF will fund up to \$2,222,585 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none"> - Receipt of final construction documents, including a "Guaranteed Maximum Price" or Fixed Price construction contract - Final Development Budget - Anticipated minimum owner equity investment of \$4,457,000 - Other legal due diligence, as required

MCRP Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered. The project meets the MCRP Guidelines, and a financial review has been completed.

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

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

The importance of the project to the community is the project building is currently unused and prior to its vacancy was used as a storage facility for approximately 20 years. The project proposes to rehabilitate the building into multi-family housing and thus would add 28 residential units to the area having an immediate impact by increasing walkability of the neighborhood and adding foot traffic to local businesses. The surrounding area is predominantly a combination of existing industrial and commercial uses and single-family housing. Introducing multi-family housing to the area would bring a much-needed density and a variety of housing types to the neighborhood.

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

The project will act as a catalyst for additional revitalization as it will act as a proof of concept that rehabilitating underutilized industrial buildings into new uses is viable and will hopefully spur additional investment in rehabilitating and revitalizing vacant building stock nearby. Additionally, the project will bring an influx of residents to the area by providing 28 housing units which will activate the community and bring business to the existing local commercial businesses and hopefully generate new business.

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

The City of Detroit is expected to contribute to the project with brownfield tax increment financing and a Neighborhood Enterprise Zone tax abatement. The brownfield plan was approved on February 9, 2023. The projected brownfield reimbursement is \$1,146,793. The projected NEZ value is \$3,753,422. A senior loan from CIBC is also committed to the project at \$6,200,000.

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

The incentive is necessary due to the market conditions in the City of Detroit that continue to make development challenging, including market rate rents that continue to lag construction inflation costs. The City of Detroit also requires a portion of the units remain affordable at rents at 60% of Area Median Income, further limiting cash flow. The project is additionally challenged by the historic nature of the rehabilitation and the associated cost. This combination of factors is driving the need for MCRP support. The development team has maximized traditional financing at \$6,200,000 and will be contributing significant equity of approximately 34%. In addition, they will be leveraging Federal Historic Tax Credits, Brownfield TIF, and a Neighborhood Enterprise Zone tax abatement. Even with MCRP support, the projected return over a 20-year period is 4.9%. The proposed MCRP incentive will fill the remaining financing gap and allow the project to remain financially feasible.

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

The project will reuse an existing vacant and historic building built in 1894.

F. Creation of jobs:

The project does not create jobs.

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

Besides the above-mentioned CIBC senior loan of \$6,200,000, the developers will be bringing \$4,457,389 of cash equity into the deal.

H. Whether the project is financially and economically sound:

The Applicant is contributing significant equity of approximately \$4,457,389 or over 34% and has maximized all financing sources including traditional bank debt, federal historic tax credits, Brownfield TIF, and an NEZ abatement. Stabilized debt service coverage is projected at 1.24 to 1.0. Staff consider the project to be financially and economically sound.

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

The project will be increasing residential density in the area by providing 28 rental units in the project.

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

The project promotes mixed-use development and the walkable community of Detroit and the city's Corktown neighborhood by adding places for Michiganders to rent and call home. These new residents will have amenities across many different use types within walking distance of the project.

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

The project building is not a public building.

L. Whether the project promotes sustainable development:

The project involves the reuse of an existing building. By reusing an underutilized existing building, the carbon emissions for the construction of the project should be lower due to harnessing the embodied carbon in the existing building and requiring less manufacturing of new material. The project involves replacing the existing, single-pane windows with new, thermally broken windows which will vastly improve the thermal efficiency of the building envelope. The appliances proposed for the project are Energy Star appliances and are proposed with energy efficiency in mind.

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

This project rehabilitates a historic resource, and the State Historic Preservation Office has been consulted and confirmed the plan will have "no adverse effect" upon the historic nature of the site.

N. Whether the project addresses area-wide redevelopment:

The project will address area-wide redevelopment by rehabilitating underutilized industrial buildings into viable new uses and will spur additional investment in rehabilitating and revitalizing vacant building stock nearby. Additionally, the project will bring an influx of residents to the area

by providing 28 housing units which will activate the community and bring business to the existing local commercial businesses and hopefully generate new business.

O. Whether the project addresses underserved markets of commerce:

The project addresses the underserved housing market in Detroit and particularly the Corktown neighborhood by providing new residential units at varying rent levels.

P. The level and extent of environmental contamination:

No known environmental contamination is present at the project site.

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 intends to utilize Federal Historic Tax Credits and as such, the proposed design for the building follows the Secretary of the Interior's Standards for Rehabilitation. The proposed design for the exterior rehabilitation of the building has been presented and approved by the Detroit Historic Commission.

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

The project will not compete with or affect existing Michigan businesses within the same industry.

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

No other additional criteria regarding this project applies.

APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on February 7, 2022. The property has been determined to be a historic resource within the Corktown Historic District, by the local jurisdiction.

There are 64.2941 **non**-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.0430 mills (35.84%) and local millage equaling 41.2511 mills (64.16%). Tax increment capture will begin in 2024 and is estimated to continue for 23 years. The state tax capture is recommended to be capped at \$464,643, which is the amount of tax increment revenue anticipated to be generated in 23 years. The tax capture ratio is impacted by the Neighborhood Enterprise Zone (NEZ) tax abatement, and the blended ratio is included below. Total MSF eligible activities are estimated at \$1,146,793. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(40.52%)	\$	464,643
Local tax capture	(59.48%)	\$	682,149
TOTAL		\$	1,146,793

Cost of MSF Eligible Activities

Demolition		\$	532,327
Infrastructure Improvements			272,790
Site Preparation		+	40,736
Sub-Total		\$	845,853
Contingency (15%)		+	126,878
Sub-Total		\$	972,731
Interest (15%)		+	149,061
Sub-Total		\$	1,121,792
Brownfield/Work Plan Preparation		+	10,000
Brownfield/Work Plan Implementation		+	15,000
TOTAL		\$	1,146,793

In addition, the project is requesting \$71,175 in TIF from EGLE to assist with environmental eligible activities.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:

The City of Detroit seasonally adjusted jobless rate was 4.5% in September 2023.

A. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:

This property contains obsolete, historic former storage building, which will be renovated and reused for high-demand housing.

B. Whether project will create a new brownfield property in the State:

No new Brownfields will be created by this project.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-215

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD TO
OXFORD PERENNIAL CORKTOWN PROPCO II, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d), to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

WHEREAS, 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 (the “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 MSF Board 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, Oxford Perennial Corktown PropCo II, LLC (the “Company”) has requested an MCRP Other Economic Assistance Loan Participation award of up to \$2,222,585 (the “Award Request”), along with other general terms and conditions, which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”);

WHEREAS, the MEDC recommends that the MSF Board approve funding of \$2,222,585 from the Investment Fund to fund the Award Request (the “Funding”); and

WHEREAS, the MEDC has recommended that the MSF approve the Award Request and the Funding 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 180 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 180 days (collectively, the “MCRP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferrich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Performance-Based Other Economic Assistance Loan Participation
Borrower:	Oxford Perennial Corktown PropCo II, LLC
Senior Lender:	Currently anticipated to be CIBC or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$8,422,585
Lender Share:	Currently estimated at \$6,200,000
Total Capital Investment:	Currently estimated at \$12,879,974
MSF Eligible Investment:	Currently estimated at \$8,890,340
Minimum Eligible Investment:	Currently estimated at \$8,890,340
MSF Share:	Up to the lesser of 25% of “Eligible Investment” or \$2,222,585.
Term:	Shall reasonably match that of Lender, currently anticipated to be up to 60 months
Amortization:	Shall reasonably match that of Lender, currently anticipated to be up to 360 months, following the interest only period
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be monthly interest only payments for up to 36 months, followed by principal and interest payments, with principal due at maturity.
Collateral:	Shall reasonably match that of Lender, currently anticipated to be a first priority security interest in the subject real estate, assignment of rents and leases, and assignment of other contracts and documents deemed necessary or to match Senior Loan. MSF Share of collateral will be subordinated to that of Lender.
Guarantee:	Shall reasonably match that of Lender, currently anticipated to be the personal guaranties of John Rutledge and Nate Forbes, limited to 50% (25% each) as well as a full completion guaranty. The guaranties will reduce to 20% (10% each) of the outstanding loan amount upon satisfactory evidence of a 1.20 to 1.0 DSCR. MSF Share of collateral will be subordinated to that of Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to 1.0% of the MSF’s share of the loan. The Lender may charge the borrower for this fee.

- Reserves/Contingencies:** Currently anticipated to be approximately \$1,410,000
- Funding:** The MSF will fund up to \$2,222,585 to be disbursed following closing of the financing and other performance criteria.
- Other Conditions:** The MSF's investment will be contingent upon the following:
- Receipt of final construction documents, including a "Guaranteed Maximum Price" or Fixed Price construction contract
 - Final Development Budget
 - Anticipated minimum owner equity investment of \$4,457,000
 - Other legal due diligence, as required



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-216

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN CITY OF DETROIT
BROWNFIELD REDEVELOPMENT AUTHORITY
OXFORD PERENNIAL CORKTOWN PROPCO II, LLC, RED ARROW LOFTS**

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

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

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

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

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated February 7, 2022 for property located at 1567 Church Street within the City of Detroit, known as Red Arrow Lofts (the “Project”);

WHEREAS, the City of Detroit is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204; 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 approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 40.52% to 59.48% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities

with a maximum of \$1,121,792 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$149,061 in interest, a maximum of \$10,000 for brownfield and work plan preparation, and a maximum of \$15,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$464,643.

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

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Michigan Strategic Fund
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If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
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RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Joe Frost, Community Development Manager
Julius L. Edwards, Director, Commercial Real Estate Investment
Bryan Robbins, Incentive Structuring and Underwriting Analyst
Tori LaDuke, Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Loan
Left Field II 2022, LLC – Left Field B

Project Summary & Request

In June of 2018, Ford Motor Company acquired the iconic Michigan Central Train Station in the Corktown Neighborhood. Ford's investment in the Corktown Campus is significant with \$700 million invested, and approximately 5,000 jobs in the area. To prepare for this investment, the city of Detroit launched the Greater Corktown Neighborhood Framework Plan (the “GCF Plan”) to ensure the transformation is inclusive of existing residents. With demand for housing increasing, the need to preserve and grow affordable housing is critical. In May 2021, the City of Detroit was awarded the HUD Choice Neighborhood Implementation grant. The GCF Plan involves the development of approximately 841 mixed income housing units within nine development phases in the North Corktown and Historic Corktown neighborhoods of Detroit.

Left Field B is one of the proposed housing developments to be constructed to reach the city's housing goals. This project is the second, and final phase of construction of parcels near the "left field" area of the former Tigers Stadium site. Left Field B is a vacant facility, and the project aims to construct a new 4-story multi-family apartment building. The proposed building will include three (3) stories of housing units, situated on a 1st floor at grade parking area. The project will develop 33,913 square feet of new construction. This project will reactivate a vacant parcel and construct 53 apartment units. Fourteen (14) of the 53 units will be income restricted to set aside for 120% Area Median Income, and 39 market rate units. Left Field II 2022 LLC are requesting a \$2,717,248 Michigan Community Revitalization Program (MCRP) Performance Based Direct Loan.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility
Total Approximate Square Feet Revitalized	33,913
Total Approximate Acres Activated	.47
Estimated # of Residential Units	53

Estimated Commercial Square Footage	0
Current Taxable Value	\$313,100
Projected Taxable Value at Completion	\$1,100,000
Total Anticipated Capital Investment	\$16,353,537
MCRP Loan	\$2,717,248

December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and programmatic requirements, and a financial review has been completed.

Demonstrated Needs

A financing gap exists due to the high construction costs in the Detroit market. The MCRP loan will close the remaining financing gap in the project and allow for positive cash flow and acceptable returns. The development team is maximizing all available financing sources including Michigan State Housing Development Missing Middle grant in the amount of \$980,000. Despite this investment, a need for the incentive remains which allows the project to be financially feasible.

Local Support

The project parcel is located at the intersection of Cochrane and the Fisher Freeway Service Drive on the Michigan Avenue commercial corridor. It is a key parcel to the redevelopment of the former Tigers Stadium site and the only remaining vacant land adjacent to the former stadium. The site is within the Michigan Avenue Traditional Mainstreet Overlay area. The City of Detroit has supported the project by providing land acquisition, application for Missing Middle funds from the Michigan State Housing Development Authority (MSHDA). The development team anticipates the approval of a Neighborhood Enterprise Zone (NEZ) tax abatement for Left Field B from the City of Detroit valued at \$2,072,147 over a 15-year period.

Applicant Background / Qualifications

Left Field II 2022, LLC is an entity of the American Community Developers, Inc. (ACD). ACD is a leading multifamily developer in the City of Detroit, the number one developer/owner of affordable housing in Michigan, and a national leader in affordable housing. In Detroit, ACD owns and operates approximately 3,000 apartment units and nearly 100,000 square feet of commercial/retail space in the City of Detroit. Their recent focus in Detroit is developing mixed-income projects offering a wide range of affordability options, including affordable units at 30% AMI, traditional affordable units from 60-80% AMI, workforce/missing middle housing from 80-120% AMI, and market rate housing. The development team has not previously received MSF support.

An Organizational Chart for Left Field II 2022, LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on November 6, 2023.

Financial Highlights

- construction cost of \$384.37 per square foot
- average residential rental rate of \$2.69 per square foot
- 26% of residential units set aside for residents earning 120% or less of Area Median Income
- the development team is contributing over 23% total development in owner equity
- it is anticipated that the property will be able to achieve an average debt service coverage of 1.17 to 1.00 which is below the preferred target of 1.20 to 1.00. Staff is comfortable with this as the MCRP loan will have a cash flow-based repayment schedule.
- the project will not include a federally insured senior lender during construction which is a deviation from underwriting preferences. Staff is comfortable with this deviation due to the experience of the development team and the MCRP financing not being disbursed until construction completion.

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

Recommendation

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

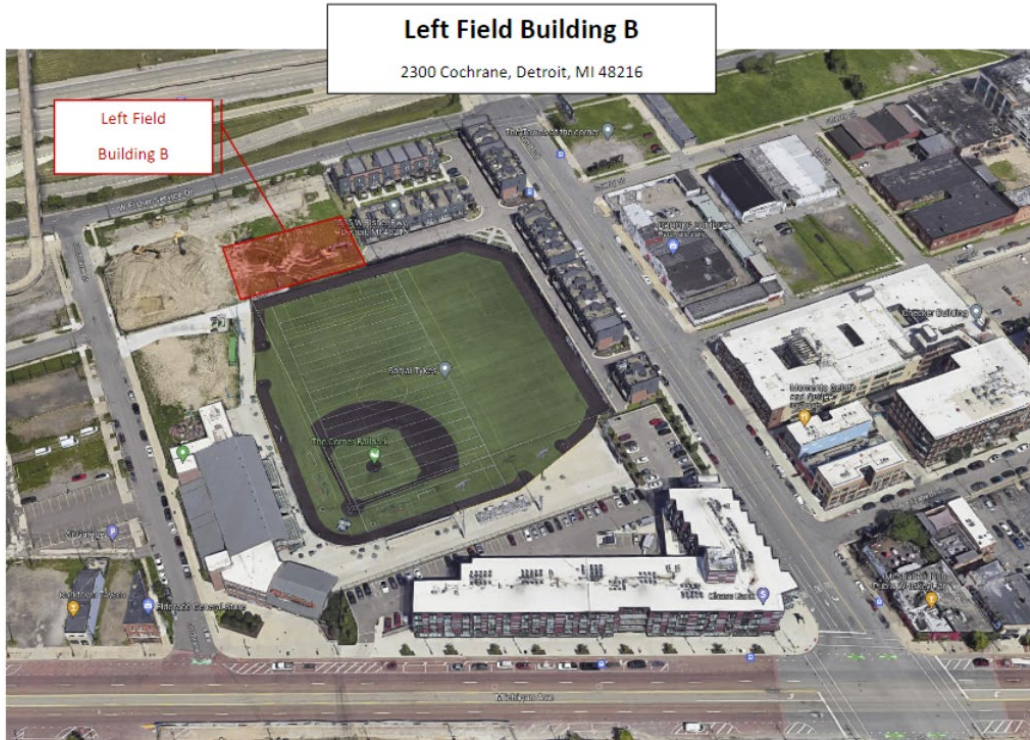
- a) A MCRP Performance-Based Direct Loan Award in the amount of up to \$2,717,248 for Left Field II 2022, LLC on terms and conditions outlined in Exhibit A found in the resolution.
- b) Approval of funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088b(2) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Left Field II 2022 L.L.C.			
Employer Identification Number: 88-2871129			
MANAGING MEMBER: American Community Developers, Inc.			
Member	Ownership Interest	EINs -No Soc Sec numbers	State of Organization
American Community Developers, Inc. (Managing Member) Gerald A. Krueger (100% Owner of Class A (voting) Stock)	0.10%	38-2338848	Michigan
ACD Partners XLIX L.L.C. (Member) American Community Developers, Inc. (Managing Member) Michael D. Essian II (Member) 9 Entities (no entity with 10% or more ownership)	99.90%		Michigan
	100.00%		

APPENDIX B – Project Map and Renderings





APPENDIX C – Financial Terms

Summary of Development Sources:

Senior Loan (anticipated)	\$	8,190,415	50.08%
MCRP Loan	\$	2,717,248	16.62%
MSHDA Missing Middle Grant	\$	980,000	5.99%
Deferred Developer Fees	\$	670,223	4.10%
Developer Equity	\$	3,795,651	23.21%
TOTAL	\$	16,353,537	100.00%

Summary of Development Uses: Loans

Acquisition	\$	171,533
Hard Construction Costs	\$	13,035,241
Eligible Soft Costs	\$	551,000
Other	\$	2,595,763
TOTAL	\$	16,353,537

Loan Terms

MSF Incentive:	MCRP Performance Based Direct Loan
Borrower:	Left Field II 2022, LLC or a related entity
Total Capital Investment:	Currently estimated at \$16,353,537

MSF Eligible Investment:	Currently estimated at \$13,586,241
Minimum Eligible Investment:	Currently estimated at \$10,869,000
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$2,717,248.
Term:	To match that of the senior lender anticipated to 480 months
Amortization:	N/A
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be up to 24 months interest only payments, followed by annual payments equal to 35% of available cash flow. Remaining principal balance due at maturity. It is anticipated that the MSF loan will be subordinated to the senior loan.
Collateral:	Anticipated to be a security interest in the property and assignment of leases and rents. It is anticipated that the MSF’s security interest will be subordinated to the senior lender.
Guarantee:	Anticipated to be the corporate guarantee of American Community Developers, Inc.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan and any third-party costs incurred by the MEDC in closing the loan.
Reserves:	Estimated reserves and contingencies total approximately \$1,930,000.
Deferred Developer Fees:	It is anticipated that developer and related-party fees equal to \$670,223 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.
Funding:	The MSF will fund up to \$2,717,248 to be disbursed following Certificate of Occupancy and achievement of other performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none"> - Receipt of final construction documents, including a fixed price construction contract - Receipt of final development budget - Minimum owner equity investment of \$3,700,000

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered. The project meets the MCRP Guidelines and a financial review has been completed.

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

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

This project is located on a key parcel adjacent to the former Tiger Stadium site and is the only remaining vacant land adjacent to the former stadium. The City of Detroit has supported the project by providing land acquisition, application for Missing Middle funds from the Michigan State Housing Development Authority (MSHDA), a PILOT abatement for the development of the adjacent parcel, and support for Neighborhood Enterprise Zone (NEZ) abatement for Left Field B. This project is also part of the City of Detroit's HUD Choice Neighborhoods Initiative.

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

The project is located in the Corktown neighborhood, and adjacent to the former Tiger Stadium. This project is part of the City of Detroit's HUD Choice Neighborhoods Initiative. This initiative aims to develop a variety of housing units for a variety of income levels within the Corktown neighborhood.

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

The development team anticipates the approval of a Neighborhood Enterprise Zone Tax Abatement (NEZ) valued at \$2,072,147 over a 15-year period.

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

A financing gap exists due to the high construction costs in the Detroit market. The MCRP loan will close the remaining financing gap in the project and allow for positive cash flow and acceptable returns. The development team is maximizing all available financing sources including MSHDA Missing Middle grant in the amount of \$980,000. Despite this investment, a need for the incentive remains which allows the project to be financially feasible.

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

This project does not reuse a vacant or historic building. The project is qualifying as a facility as designated by EGLE.

F. Creation of jobs:

No new jobs will be created as a part of this project.

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

The development team is also utilizing MSHDA's Missing Middle program grant in the amount of \$980,000. The developer includes \$3,795,651 or 23% of the project cost in cash owner equity, and \$670,223 in deferred developer fees.

H. Whether the project is financially and economically sound:

Housing demand remains high in the City of Detroit. Financial flexibility for the project will be provided through flexible repayment terms of the MCRP loan. Additionally, it is anticipated that the project will be supported financially by American Community Developers, Inc.

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

This multi-story, multi-family development will add tax base to the city and increase available affordable housing in the Corktown neighborhood and add 53 units to the area. The project will provide additional missing middle units aimed at 120% of the Area Median Income. Finally, this project will complete the development around the former Tiger Stadium.

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

The project has been designed in conjunction with the neighboring 60-unit apartment building and the larger site that encompasses the former Tigers Stadium ballpark incorporating design features encouraged in dense, urban, walkable communities.

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

This project does not convert abandoned public buildings to private use.

L. Whether the project promotes sustainable development:

The project complies with the city stormwater management ordinance and will achieve a minimum certification of National Green Building Standard Silver. The project includes energy efficient appliances, windows, insulation, low-flow faucets, and EV charging stations.

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

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

N. Whether the project addresses area-wide redevelopment:

This project is part of the City of Detroit's HUD Choice Neighborhoods Initiative. The initiative partnership with the City of Detroit and HUD aims to create over 800 new housing units in Corktown across a wide range of affordability options. This CNI plan was developed over the past four years with hours of community engagement and input.

O. Whether the project addresses underserved markets of commerce:

This project is located in the Corktown neighborhood of Detroit and is in a geographically disadvantaged area. This project will provide housing units for a variety of income types, including units for household incomes limited to 120% of Area Median Income.

P. The level and extent of environmental contamination:

The property qualifies as a facility according to EGLE. There are contaminated concentrations in the soil at the site.

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):

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

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

This project will not compete with or affect existing an existing Michigan business.

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

No other additional criteria has been requested

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-218

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
PERFORMANCE BASED DIRECT LOAN
AWARD TO
LEFT FIELD II 2022, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d), to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

WHEREAS, 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 (the “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 MSF Board 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, Left Field II 2022, LLC (the “Company”) has requested a MCRP Performance-based Direct Loan of up to \$2,717,248 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) and;

WHEREAS, the MEDC recommends that the MSF Board approve funding of \$2,717,248 from the Investment Fund to fund the Award Request (the “Funding”); and

WHEREAS, the MEDC has recommended that the MSF approve the Award Request and the Funding 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 180 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 180 days (collectively, the “MCRP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

EXIHIBIT A

“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Performance Based Direct Loan
Borrower:	Left Field II 2022, LLC or a related entity
Total Capital Investment:	Currently estimated at \$16,353,537
MSF Eligible Investment:	Currently estimated at \$13,586,241
Minimum Eligible Investment:	Currently estimated at \$10,869,000
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$2,717,248.
Term:	To match that of the senior lender anticipated to 480 months
Amortization:	N/A
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be up to 24 months interest only payments, followed by annual payments equal to 35% of available cash flow. Remaining principal balance due at maturity. It is anticipated that the MSF loan will be subordinated to the senior loan.
Collateral:	Anticipated to be a security interest in the property and assignment of leases and rents. It is anticipated that the MSF’s security interest will be subordinated to the senior lender.
Guarantee:	Anticipated to be the corporate guarantee of American Community Developers, Inc.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan and any third-party costs incurred by the MEDC in closing the loan.
Funding:	The MSF will fund up to \$2,717,248 to be disbursed following Certificate of Occupancy and achievement of other performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Receipt of final construction documents, including a fixed price construction contract- Receipt of final development budget- Minimum owner equity investment of \$3,700,000



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund Board

From: Dominic Romano, Senior Community Development Manager
Julius L. Edwards, Director, Commercial Real Estate Investment
Rachel Young, Senior Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP)
Loan for The Preserve on Ash I LHDA LLC and The Community Builders Inc. –
Preserve on Ash I

Project Summary & Request

The City of Detroit since 2018 has been focused on improving the greater Corktown area, especially when Ford Motor Company acquired the iconic Michigan Central Train Station and vowed to invest \$700 million and bring approximately 5,000 jobs to the area. To prepare for this investment, the city of Detroit launched the Greater Corktown Neighborhood Framework Plan (the “GCF Plan”) to ensure the transformation is inclusive of existing residents.

Preserve on Ash I (POA I) is an initial phase of the GCF comprehensive neighborhood revitalization plan for the City of Detroit. The GCF Plan involves the development of approximately 841 mixed income housing units within nine development phases in the North Corktown and Historic Corktown neighborhoods of Detroit.

POA I includes the development of approximately 2.16 acres of vacant land in the North Corktown neighborhood of Detroit into five two-story buildings consisting of 69 mixed income housing units and approximately 5,865 of commercial space. The income mix for POA I includes 22 units with project-based vouchers (MSHDA PBVs), 26 units rent and income restricted to 60% of Area Median Income, and 21 market rate units. The Preserve on Ash I LHDA LLC and Community Builders Inc. (the “Company”) are requesting a \$2,393,771 Michigan Community Revitalization Program (MCRP) Performance Based Direct Loan.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility
Total Approximate Square Feet Revitalized	142,560
Total Approximate Acres Activated	2.16
Estimated # of Residential Units	69
Estimated Commercial Square Footage	5,865
Current Taxable Value	\$0
Projected Taxable Value at Completion	\$15,510,113
Total Anticipated Capital Investment	\$37,983,466
MCRP Loan	\$2,393,771

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and programmatic requirements and a financial review has been completed.

Demonstrated Needs

Market conditions within the Detroit market continue to make development in the City of Detroit challenging. Development constraints have been further exasperated by rising interest rates. Additionally, the proposed project is limited by the associated rental affordability. The development has secured senior debt from Bank of America, a \$2 million LISC Detroit Housing for the Future Fund loan, leveraged a number of local resources totaling over \$6 million, MSHDA gap financing of approximately \$1.8 million, a \$750,000 EGLE Grant, and LIHTC equity of over \$18.8 million. A financing gap remains that would be filled by the proposed \$2,393,771 MCRP Direct Loan.

Local Support

Preserve on Ash I is a part of the Greater Corktown Framework Plan which is a major priority for the City of Detroit. The City of Detroit received a \$30M HUD Choice Neighborhoods Implementation (CNI) grant award to finance the development of the Greater Corktown Framework Plan. The City has committed over \$6M in financing to support POA I, including \$1,559,830 in ARPA funds, \$2,771,471 CNI funds, and \$1,723,753 of City CDBG funding. In addition, it is anticipated the City of Detroit will be providing a 4% Payment in Lieu of Taxes (PILOT) tax abatement for the project.

Applicant Background / Qualifications

The Community Builders, Inc. (TCB) brings over 50 years of experience as a non-profit organization partnering with local communities to help achieve neighborhood revitalization in housing developments which vary in scale and complexity from small rehabilitation projects to large master-planned communities, with a diverse group of customers and partners. TCB has experience with a wide variety of public and private financing sources in our development work, including tax exempt bonds, conventional private debt financing, Low Income Housing Tax Credits, and government grants and loans provided by local, state, and federal sources.

Previous projects include:

- Mixed-use project at \$100 million with 319 low-income residential units and 75,000sqft of commercial space along the Reading Road corridor in Avondale/Cincinnati, OH area. The

transformation includes low-income housing, new markets, and historic tax credit equity, tax exempt bonds, and Choice funds.

- Neighborhood Transformation partnership with the Akron Metropolitan Housing Authority and utilizing HUD HOPE VI grant funds, TCB transformed the former Elizabeth Park Homes, the city's oldest public housing site, into Cascade Village. It is a mixed income community with 242 newly constructed mixed income rental apartments.

TCB has not previously been awarded funding from the Michigan Strategic Fund.

An Organizational Chart for The Community Builders Inc. and Preserve on Ash I LHDA LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on November 7, 2023.

Financial Highlights

- construction cost per square foot of \$352.22
- average residential rental rates of \$1.72
- commercial rental rates of \$15/sf NNN
- approximately 70% of the residential units are targeted at 60% of AMI or below
- average debt service coverage ratio of above 1.20 to 1.00
- developer owner equity is below the preferred level of 10%. Staff is comfortable with this deviation due to the not-for-profit designation of the development team and the level of grant/equity equivalent invested in the project which totals over \$6 million or 19.59% of the total development cost. Correspondingly, developer returns exceed the preferred level of 12%, but is overstated due a portion of the available cash flow committed to repayment of soft loans.

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

Recommendation

MEDC staff recommends approval of the following (the "Recommendation"):

- a) A MCRP performance-based Direct Loan in the amount of up to \$2,393,771 for the Company or a related entity on terms and conditions outlined in Exhibit A found in the resolution.
- b) Approval of funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088b(2) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: The Preserve on Ash I Limited Dividend Housing Association LLC
 Employer Identification Number: 86-1852424
 Managing Member: The Preserve on Ash I MM LLC

	Member	Ownership Interest Totals	EIN	State of Organization
The Preserve on Ash I MM LLC		0.01%	86-2149169	Michigan
Bank of America, N.A. and/or its affiliates	The Community Builders, Inc.	99.99%	TBD	TBD
		100.00%		

Organizational Structure

Company Name: The Community Builders, Inc.
 Employer Identification Number: 04-23247473

	Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
The Community Builders, Inc. is a MA nonprofit corporation with no shareholder or members		N/A	N/A	N/A

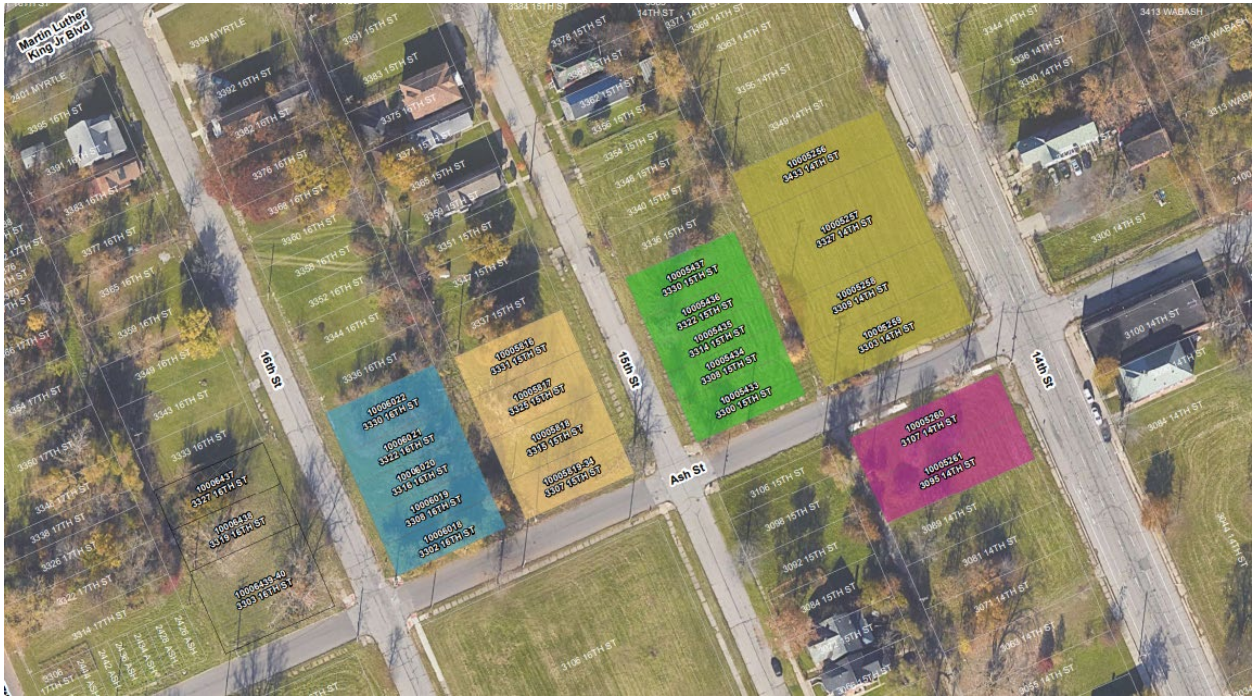
APPENDIX B – Project Map and Renderings



VIEW LOOKING WEST ON ASH STREET



VIEW LOOKING EAST ON ASH STREET





APPENDIX C – Financial Terms

Summary of Development Sources:

Bank of America Loan	\$	5,293,951	13.94%
MCRP Loan	\$	2,393,771	6.30%
LISC DHFF Loan	\$	2,000,000	5.27%
City of Detroit CDBG	\$	1,723,753	4.54%
City of Detroit CNI Funds	\$	2,771,417	7.30%
City of Detroit ARPA Funds	\$	1,559,830	4.11%
MSHDA Gap Funding	\$	1,782,525	4.69%
EGLE Grant	\$	750,000	1.97%
LIHTC Equity	\$	18,808,119	49.51%
Deferred Developer Fees	\$	900,000	2.37%
Developer Equity	\$	100	0.00%
TOTAL	\$	37,983,466	100.00%

Summary of Development Uses:

Acquisition	\$	85,984
Hard Construction Costs	\$	30,840,495
Eligible Soft Costs	\$	1,962,572
Other	\$	5,094,415
TOTAL	\$	37,983,466

Loan Terms

MSF Incentive:	MCRP Performance Based Direct Loan
Borrower:	The Preserve on Ash I LHDA LLC or a related entity
Total Capital Investment:	Currently estimated at \$37,983,466
MSF Eligible Investment:	Currently estimated at \$11,968,859
Minimum Eligible Investment:	Currently estimated at \$9,575,100
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$2,393,771
Term:	To match that of the senior lender, anticipated to be 218 months
Amortization:	To match that of the senior lender, anticipated to be 420 months
Interest Rate:	1% per annum
Repayment Terms:	Currently anticipated to be 12 monthly interest only payments, followed by 206 equal monthly payments of principal and interest. Remaining principal balance due at maturity.
Collateral:	Anticipated to be a 2 nd priority interest in the real estate and assignment of leases and rents. It is anticipated the MSF collateral interest will be subordinated to that of the senior lender.

Guarantee:	To be determined based on the requirements of the Low Income Housing Tax Credit program.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF's loan, plus any third-party costs incurred by the MEDC in closing the loan.
Reserves:	Estimated reserves and contingencies totaling approximately \$3,560,000.
Deferred Developer Fees:	Developer and related-party fees equal to \$1,050,000 are anticipated to be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
Funding:	The MSF will fund up to \$2,393,771 to be disbursed following Certificate of Occupancy and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none"> - Receipt of final construction documents, including a fixed price construction contract - Receipt of final development budget - Receipt of final Development Agreement - Evidence of local approval of a 4% PILOT tax abatement

MCRP Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered. The project meets the MCRP Guidelines and a financial review has been completed.

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

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

The project is of great importance to the community. The project is in and helps start the initial phase of a comprehensive neighborhood revitalization plan for the City of Detroit, known as the Greater Corktown Framework Plan. This phase commences the housing plan for this revitalization plan, involving approximately 841 mixed income housing units within nine development phases in the North Corktown and Historic Corktown neighborhoods of Detroit. This housing plan received a \$30M HUD Choice Neighborhoods Implementation grant award to support the development of all housing phases.

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

This project is a part of the catalyst that is revitalizing the Corktown neighborhood through the Greater Corktown Framework Plan which is a HUD Choice Neighborhood initiative being administered by the City of Detroit. Once the phases of the Choice plan are complete, there will be over 800 more mixed income units within the Greater Corktown Neighborhood of Detroit. TCB and other developers will further build out the surrounding vacant land and completely transform the neighborhood that all begins with this development. Housing developments leverage other planned private and public neighborhood investment.

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

The City has committed over \$6M in financing to support POA I, including \$1,559,830 ARPA funds, \$2,771,471 CNI funds, and \$1,723,753 of City CDBG funding. In addition, it is anticipated the City of Detroit will be providing a 4% Payment in Lieu of Taxes (PILOT) tax abatement for the project.

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

Market conditions and construction costs continue make development challenging in the City of Detroit. This has been further exasperated by rising interest rates. Additionally, the proposed project is limited by the associated rental affordability. The development has secured senior debt from Bank of America, a \$2 million LISC Detroit Housing for the Future Fund loan, leveraged a number of local resources totaling over \$6 million, MSHDA gap financing of approximately \$1.8 million, a \$750,000 EGLE Grant, and LIHTC equity of over \$18.8 million. A financing gap remains that would be filled by the proposed \$2,393,771 MCRP Direct Loan.

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

There are no current structures, however, the project will address vacant, blighted parcels.

F. Creation of jobs:

Although there will not be direct job creation, the project provides space for neighborhood commercial and housing options for area centers of employment.

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

The level of private and federal contributions to the project is high. The capital stack includes CDBG Loan funds at \$1,723,753, Choice Neighborhood funds at \$2,771,417, ARPA at \$1,559,830, MSHDA 9% Gap Funding of \$1,782,525, and \$18,808,119 in Low Income Housing Tax Credits.

H. Whether the project is financially and economically sound:

It is anticipated that upon reaching stabilized occupancy the project will be able to achieve an average debt service coverage ratio of greater than 1.20 to 1.00.

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

The project area is vacant and blighted land that has not been utilized for decades. No major demolition is required so the addition of density comes from new construction.

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

This project itself will create developments on formerly blighted land that will improve streetscapes and walkability for the residents and surrounding neighbors. The City of Detroit will be issuing RFPs to rebuild these corridors once the units are constructed. In addition, this phase has over 5,800 SF of ground floor retail space planned. To create a mixed-use and walkable community, the former Owen School site across the street is being redeveloped as a part of this Choice initiative and will bring over 20,000 SF of additional commercial space and green space.

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

No current structure exists on the project site.

L. Whether the project promotes sustainable development:

The developer has an Enterprise Green Communities commitment on all projects it develops, including this project designed and constructed as an EGC sustainable project.

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

No historic resource exists at the project site.

N. Whether the project addresses area-wide redevelopment:

This project is part of the City of Detroit's HUD Choice Neighborhoods Initiative. The initiative partnership with the City of Detroit and HUD aims to create over 800 new housing units in Corktown across a wide range of affordability options. This CNI plan was developed over the past four years with hours of community engagement and input.

O. Whether the project addresses underserved markets of commerce:

The project's commercial focus is on under-privileged businesses with little or no opportunity. Commercial tenants will be community members and minority owned. In addition, the businesses that operate out of this project will serve the needs of the community that support families of residents and neighbors alike. The commercial spaces created in this development will also benefit from nearby commerce being developed elsewhere in the Framework Plan. 20,000 SF of retail space is planned in the lot across the street that will have a similar approach of bringing community-benefitting retail into this neighborhood; as of now, a daycare is committed as one of the initial tenants in the alternate space.

P. The level and extent of environmental contamination:

Studies found soils contaminated with Arsenic and Mercury which is typical in Detroit development. Due to requirements of other funding sources, a Response Activity Plan was executed. The project has opted for a mitigation strategy that will create a no contact/vapor barrier. These strategies have been approved by EGLE and will be reviewed by HUD, MSHDA, and the City of Detroit during the required NEPA review.

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):

Not applicable as a historic resource is not a part of the project.

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

The project will not be in competition or adversely affect any existing businesses.

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

No 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 apply to this project.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-217

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
PERFORMANCE BASED DIRECT LOAN
AWARD TO
THE COMMUNITY BUILDERS, INC. AND THE PRESERVE ON ASH I LHDA LLC
PRESERVE ON ASH PROJECT**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d), to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

WHEREAS, 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 (the “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 MSF Board 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 Community Builders, Inc. and Preserve on Ash I LHDA LLC (the “Company”) has requested a MCRP Performance-based Direct Loan of up to \$2,393,771 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) and;

WHEREAS, the MEDC recommends that the MSF Board approve funding of \$2,393,771 from the Investment Fund to fund the Award Request (the “Funding”); and

WHEREAS, the MEDC has recommended that the MSF approve the Award Request and the Funding 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 180 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 180 days (collectively, the “MCRP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferrich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

EXIHIBIT A

“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Performance Based Direct Loan
Borrower:	The Preserve on Ash I LHDA LLC or a related entity
Total Capital Investment:	Currently estimated at \$37,983,466
MSF Eligible Investment:	Currently estimated at \$11,968,859
Minimum Eligible Investment:	Currently estimated at \$9,575,100
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$2,393,771
Term:	To match that of the senior lender, anticipated to be 218 months
Amortization:	To match that of the senior lender, anticipated to be 420 months
Interest Rate:	1% per annum
Repayment Terms:	Currently anticipated to be 12 monthly interest only payments, followed by 206 equal monthly payments of principal and interest. Remaining principal balance due at maturity.
Collateral:	Anticipated to be a 2 nd priority interest in the real estate and assignment of leases and rents. It is anticipated the MSF collateral interest will be subordinated to that of the senior lender.
Guarantee:	To be determined based on the requirements of the Low Income Housing Tax Credit program.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s loan, plus any third-party costs incurred by the MEDC in closing the loan.
Funding:	The MSF will fund up to \$2,393,771 to be disbursed following Certificate of Occupancy and other performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Receipt of final construction documents, including a fixed price construction contract- Receipt of final development budget- Receipt of final Development Agreement- Evidence of local approval of a 4% PILOT tax abatement



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: December 12, 2023

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

From: Kristin Schleman, Business Development Manager
Sara Bishop, Senior Business Development Project Manager
Terri Fitzpatrick, Chief Real Estate Development and Engagement Officer

Subject: Incentives Request
Norm Fasteners Co. (“Company”) - Michigan Business Development Program (“MBDP”) Grant Request
Lansing Economic Area Partnership (“LEAP”) - Strategic Site Readiness Program (“SSRP”) Grant Request

Request Summary

The Company is requesting the following (collectively, the “Incentives Request”), including a request from LEAP in support of the Company:

- **Company Request:** \$1,600,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- **LEAP Request:** \$3,860,000 SSRP Grant, as outlined in the attached Resolution (“SSRP Request”).

This project involves the creation of up to 200 Qualified New Jobs, capital investment of up to \$77,000,000, and an additional \$9,060,000 in infrastructure upgrades in Bath Charter Township, Clinton County. Also included in the scope of the project are Dimondale, Eaton County, and Ingham County.

Applicant History

The Company was established in Lansing, Michigan in 2018 and is a subsidiary of Norm Holdings A.S. of Turkey which was founded in 1973. Norm Holdings A.S. has become an industry leader in the manufacturing of various connectors from bolts to fasteners while also diversifying into machines, logistics, and marketing services and is a leading manufacturer of high-quality parts. The Company imports fasteners from its parent company and stores them in its sales and distribution warehouse located in Dimondale, MI. The fasteners marketed by the Company are widely used in the automotive, agricultural equipment, heavy duty trucks, electronics, white and brown house goods, as well as housing and furniture industries in North America. The Company employs 18 Michigan residents at its Dimondale facility and the parent company employs more than 3,500 employees worldwide.

The background review process was completed in accordance with the MSF Background Review Policy on July 19, 2023, and the project may proceed for MSF consideration.

Project Description

The Company is proposing to construct a new 365,000 square foot manufacturing facility that will represent the first manufacturing facility for the Company and parent company in the United States. The Company plans to manufacture externally threaded fasteners in this new facility. The process will include raw material pickling, annealing, cold forging, heat treatment, secondary operations, coating/plating, sorting, and packaging.

The Company is considering Bath Charter Township for the project and anticipates the project will result in capital investment of up to \$77,000,000 (\$35,000,000 new construction and \$42,000,000 machinery and equipment). The project will also result in the creation of up to 200 new jobs paying an average wage of \$31.40 per hour plus benefits, which is above the target wage of \$19.88 per hour and the median Michigan Prosperity Region Hourly Wage of \$23.02.

The site under consideration in Bath Charter Township has some challenges and will need to be rectified to successfully attract this project. Namely, Bath Charter Township does not have sufficient capacity to accommodate the project without substantial upgrades to its wastewater treatment system. The upgrades in total are estimated to be approximately \$9,060,000. LEAP is requesting assistance in the amount of \$3,860,000 million for the necessary upgrades, which is reflected in the SSRP application submitted by LEAP. The SSRP application states that the remainder of the costs for the upgrades would be borne by the community and/or developer in the amount of \$5,200,000.

Demonstrated Need

The Company is considering Ohio, Texas, Mexico, and Canada to construct its new manufacturing facility in addition to Michigan. One of the Company's largest customers has a new manufacturing plant in Texas and this customer would like the Company to locate as close as possible to capitalize on logistical advantages. In addition, both Ohio and Texas have presented very attractive incentive offers to locate the Company's new manufacturing facility outside of Michigan. The Company's products will be used on automotive OEMs as well as their tiers; therefore, making Michigan an appealing choice, however the Company is also shipping parts to over 25 different states in the United States as well as Canada and Mexico. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure the project moves forward in Michigan due to the competing incentive packages and business cases for Ohio, Texas, Mexico, and Canada.

In addition to MSF support, Bath Charter Township anticipates approval of a real property tax abatement in support of the project.

Request

In order to secure the project, the Company is requesting a \$1,600,000 MBDP performance-based grant and LEAP is requesting a \$3,860,000 SSRP grant. The Incentives Request will help address the competing incentive packages offered to the Company from competing sites outside of Michigan. The MBDP funds will help offset the cost of constructing a new facility, allowing the Company to establish its manufacturing presence and become an even stronger employer in the region. The SSRP funds will assist in upgrading the wastewater treatment system that services the project site and will assist in maintaining competitive utility rates for the constituents and overall development project costs for the company.

This project aligns with the MEDC's strategic focus area of attracting, retaining, and supporting businesses and the Company directly supports businesses in the target industry of mobility and automotive manufacturing building on the state's work to position itself as the global leader in the future of mobility. The proposed project will also impact the local region with immediate job growth with a large and expanding fastener supplier. This facility will result in the creation of up to 200 new jobs and up to \$86,100,000 in capital investment in Bath Charter Township, Clinton County.

Recommendation

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

Profiles

Submitted By

Jaclyn Hutchison

Title

Tri-County Development Manager

Email Address

Jaclyn@purelansing.com

Phone #

5862184772

Company Name

Lansing Economic Area Partnership

Company Address

1000 Washington Ave

City

Lansing

State

US-MI

Zip

48910

County

Clinton

Qualified Applicant

Local Economic Development Organization

Do you agree to use a consistent state-wide rating system to identify the level of readiness for the site?

Yes

Main Application: Jaclyn Hutchison - Project Forge Bath Twp Site

Submission Date

10/30/2023

Is the site a former landfill?

No

Site Name

Project Forge Bath Twp Site

Address

14626 Webster Road

Site Acreage

19

Has an End User been identified?

Yes

End User Identified

Site Readiness:

Do you have a detailed plan for how the requested funds will be used to advance a site(s) to an investment ready status?

Yes

Have you pursued cost containment measures?

Yes

Speed to Market:

Upon completion of the grant, if awarded, will the site demonstrate a high level of competitiveness for business attraction (status of assemblage, site control, and status of site readiness)?

Yes

Investment:

What is public investment into the site or project?

\$2,820,008

What is the private investment into the site or project?

\$78,497,418

What is the overall return on investment to the state?

~\$309k new taxes annually

Have you secured other economic assistance or is there support from the federal government for the project?

No

Have you received any other economic assistance from the State?

Yes

Amount

\$1,600,000

What is the degree of local matching contribution?

2,820,008

What is the level of end user's commitment to the project?

Norm Fasteners, a US subsidiary of Norm Group. Norm Group was founded in 1973, and has since become an industry leader in the manufacture of various connectors from bolts to fasteners while also diversifying into machines, logistics and marketing services. Norm Fasteners is a leading manufacturer of high-quality fasteners, serving a wide range of industries, including automotive, construction, agriculture, and more. With a commitment to innovation, reliability, and customer satisfaction, Norm Fasteners has established a strong reputation as a trusted partner throughout the world in the fastening industry.

Norm Fasteners took a significant leap forward in its growth trajectory back in 2018 when it established a sales office in Lansing, MI., laying the groundwork for its long-term vision of building a large-scale fastener manufacturing facility in the U.S. Today, we proudly stand as the culmination of that vision, as we help announce Norm's plans to expand their manufacturing facilities in The Lansing Region, and to make this site the most competitive option in the US.

This project is not dependent upon any single US customer. Sales volume across industries is such that US manufacturing is warranted, and Norm expects to become a multi-generational company and operation in the US, even though they have been in the US for just 5 years thus far.

Talent Jobs and Wages:

What is the projected level of creation or retention of qualified jobs as a result of a technological shift in product or production at the project location and within the state?

The projected impact of this project entails the creation of 200 high-quality jobs, which will not only contribute to economic growth in the region but also serve as a significant source of opportunity for the local workforce. Furthermore, Norm has been building a strong partnership with the local Bath schools and Lansing Community College (LCC) to ensure the retention of local talent. This collaboration will provide educational and professional development opportunities, preparing students and residents to excel in the skilled positions being offered, if this project lands.. By connecting with these institutions, Norm aims to not only create jobs but also to invest in the local community, nurturing a skilled workforce that can thrive both in this project and the broader economic landscape of our state.

Will the projected wages equal or exceed the average wage for the county in which the project is located?

Yes

Regional and Community Support and Impact:

Explain the extent to which there is regional and local support for the project, including the strategic importance of the project to the community.

This project is expected to drive positive economic development through job creation, making it an attractive prospect for businesses and a catalyst for local economic revitalization in Bath Charter Township. These elements collectively contribute to an improved quality of life for community members, aligning with the Township's long-term goals. The strategic importance of this project is further underscored by the endorsement of multiple regional entities, including Clinton County Catalyst, an Economic Alliance operating within Clinton County, Lansing Economic Area Partnership, and the Michigan Economic Development Corporation. In terms of local support, during the initial public hearing for the proposed development, representatives from the Bath Community School Board voiced their approval, as did several other community members from the general public.

Is the site supported by a strategic or other plan addressing business attraction and investment in the region?

Yes

Explain the degree to which the project is a priority for the local government or economic development organization (EDO).

Bath Township is a community undergoing a period of change. It is the highest priority that this phase of the Township's evolution is done in a sustainable way. This proposed development is to be located just north of the I-69 Webster Road exit and next to the Greater Lansing Food Bank, which is serviced by a Class A county road. The proposed site for this development has long been envisioned by Township Planning staff to function as an industrial park. This is due to the current neighboring land uses, the Class A road, proximity to the interstate, and available infrastructure. This proposed land use is also supported by the adopted Comprehensive Plan and the Zoning District the site is proposed to be located within. The view of Bath Charter Township is that this development, along with the infrastructure upgrades the Township is seeking support for, would help us achieve our goal of smart sustainable growth.

Explain the importance of the project in the community it is located and the extent to which it will be a catalyst for additional revitalization of the community.

The importance of this project and its ability to be a catalyst for the Bath community is evident to the Township and each partnering agency that has participated in this proposed development's site plan review process. Bath Township is strategically located with two interstate exits, exit 94 (Saginaw Highway) and exit 92 (Webster Road). In recent years, Saginaw Highway has experienced robust commercial development due to high daily traffic volumes and proximity to population centers. However, the same level of economic activity and market interest has not been observed at exit 92, which many residents view as the main entrance to Bath Township. Like many small towns in the Midwest, this corridor has yet to witness significant public or private sector activity. The proposed project could serve as a catalyst for this growth. In the short term, it would bring about an increase in commercial construction activity, and in the long run, create approximately 200 jobs, thereby improving the favorable market conditions for future development along this corridor.

Competition:

Is the project competing with other states and is the SSRP part of the incentive package?

Yes

Sustainable Development, Blight Elimination and Historical Reuse:

Explain how the project promotes sustainable development.

This initiative contributes significantly to sustainable development through a multifaceted approach. Firstly, it underscores its commitment to environmental sustainability by integrating solar panels into the building's design, thereby enhancing energy efficiency. Moreover, it is dedicated to reducing semi-truck traffic, surpassing the environmental standards of many industrial enterprises in Michigan, which results in a notable reduction in greenhouse gas emissions. The site plan places a strong emphasis on promoting biodiversity, cultivating a vibrant ecosystem characterized by an abundance of trees and green spaces.

The company's parent group has a very active environmental sustainability plan portfolio wide across the world, and other subsidiaries focused specifically on environmental sustainability goals and outcomes.

Furthermore, this project actively champions social equity and inclusion. It spearheads a work-study program tailored for high school students, creating a pathway to valuable trade careers and long-term job security upon graduation. Additionally, it offers opportunities for individuals with special needs and embraces diversity in its workforce. The development site's accessibility to paved pathways and a crosswalk further underscores its commitment to fostering a more walkable community for both existing residents and project employees.

Will the proposed investment result in the elimination of blight and the redevelopment of blighted properties?

No

Will the proposed investment result in the remediation of environmental contamination?

No

Will the reuse of vacant buildings, public or private, or the conversion of any abandoned public buildings to private use be included in the project?

No

Does the project involve the rehabilitation of a historical use?

No

Will the funds, if awarded, address the necessary site improvements specifically pertaining to environmental and topographical conditions?

Yes

State-wide Impact and Geographic Equity in Funding Distribution:

Does the project address state-wide development and/or address underserved markets of commerce?

Yes

Will the funds, if awarded, promote geographic equity in the distribution of funds between different areas of the state?

Yes

Land acquisition and assembly:

Needed?

No

Site preparation and improvement:

Needed?

No

Infrastructure improvements that directly benefit the site, including but not limited to, transportation/roads; infrastructure, water and wastewater infrastructure, water quality analysis (groundwater) and utilities necessary to service the site:

Needed?

Yes

Cost to Complete

\$6,460,000

Grantee/Other Match

\$0

Any demolition, construction, alteration, rehabilitation, or improvement of buildings on the site:

Needed?

No

Threatened & Endangered Species Assessment:

Needed?

No

Geotechnical Soil Boring Report, Phase 1 Environmental Assessment, Environmental remediation:

Needed?

No

Wetland survey, wetland delineation, wetland mitigation:

Needed?

No

Site Topography, ALTA Survey, FEMA Flood Zone Map:

Needed?

No

Architectural and cultural report, engineering, surveying, and similar professional fees:

Needed?

No

Spending plan and proposal for capital investment for site readiness:

Needed?

No

Total Cost to Complete

\$6,460,000

Total Grantee/Other Match

\$0

SSRP Criteria:

What is the importance of the project or Eligible Activities to the community in which is located and Michigan

The proposed development holds great significance for the community in the areas of education and training, small business growth, and infrastructure enhancements. The job opportunities created by this development will not only provide essential training for the workforce, but also attract other small businesses to cater to the increasing demands of the community. Of particular importance, this development will lead to infrastructure improvement projects, as the improvement of sanitary sewer infrastructure is vital to facilitate future development and growth. The modernization and maintenance of the sewer system will substantially mitigate the risk of adverse sewer incidents and contribute to a positive environmental impact. Through the reconfiguration and elimination of lift stations, this initiative will establish a foundation for long-term sustainability, benefiting this community for generations to come. Moreover, the elimination of lift stations will alleviate some of the financial strain on the community. By reducing the costs associated with sewer system improvement and maintenance, it will support more affordable utility rates for residents and businesses. Equally noteworthy, this re-configuration serves as a proactive measure to future-proof the community, ensuring it will be in a position to accommodate population growth and meet the evolving demands of the future.

Will the project will act as a catalyst for additional revitalization of the community where it is located and Michigan?

Yes

Please explain

The implementation of this proposed development would foster favorable market conditions for future development along the Webster Road corridor. This corridor serves as the primary gateway into the “downtown” area of the township. Historically, this “downtown” area was the vibrant heart of the township, maintaining its status as a bustling social and economic hub. Unfortunately, it has experienced the most substantial disinvestment over the past few decades among all township areas. Historical facts, such as the dissolution of the railroad in the 1970s and the establishment of I-69 in the 1980s, significantly altered development patterns and market dynamics within the township. However, a large-scale commercial investment, like the proposed development, has the potential to usher in a transformative change, driving market conditions in a more favorable direction for future development and investment. This positive momentum would extend northward along the corridor and rejuvenate the downtown area. In parallel, the Township’s pursuit of sewer infrastructure improvements will contribute to sustaining these favorable market conditions for years to come. These improvements will not only support the proposed development sustainable growth but also provide accessible infrastructure for prospective developments considering locations along this corridor. The significance of revitalization projects like this extends beyond the Township to the state of Michigan as a whole. International industrial investments of this nature have the potential to position Michigan as a global manufacturing powerhouse once again, diversifying the state’s employment base, and enhancing its economic resilience.

What is the amount of local community and financial support for the project?

\$2,820,008

Has there been any other economic assistance or support provided by Michigan for the project?

Yes

Amount

\$1,600,000

Has there been any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations or tax credits?

No

Has there been any private funds or investments for the project, including the Eligible Applicant’s own investments in the project?

Yes

Amount

\$78,497,418

What is the Eligible Applicant’s financial need for a grant, loan, or other economic assistance under the SSRP?

\$3,860,000

What is the extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property?

N/A

Is the project financially and economically sound?

Yes

Please explain

Norm, a firmly established global enterprise with operations spanning nine countries, underscores its substantial financial strength. In 2018, Norm inaugurated its sales office in the Lansing region, a testament to their thriving business. Their expansion in U.S. manufacturing is a direct response to the remarkable sales growth they've experienced in the United States. Norm serves an extensive clientele, supplying automotive components to a diverse range of customers, including both traditional and electric vehicle manufacturers. They have been one of the fastest growing manufacturers in Turkey over the past decade, and have strong fundamental financials as a business and through their parent company. MEDC has completed a background check that can offer more insight on this topic.

Will the project convert an abandoned public building(s) to private use?

No

Will the project promote sustainable development?

Yes

Please explain

This project contributes to sustainable development in several ways. First, it prioritizes environmental sustainability by incorporating solar panels on the roof of the structure to enhance energy efficiency. Additionally, it employs measures to significantly reduce semi-truck traffic in comparison to other industrial businesses in Michigan, consequently curbing greenhouse gas emissions. The site plan also places a strong emphasis on biodiversity, fostering a thriving ecosystem with an abundance of trees and greenery. The facility itself will be built to a European environmental standard that is generally more stringent than US regulations require, given Norm's recent investments in European countries. Furthermore, this project actively embraces social equity and inclusion. The organization champions a work-study program for high school students, providing a pathway to trade careers and job security upon graduation. It also creates opportunities for individuals with special needs and those with diverse backgrounds. The development site also has direct access to paved pathways and a crosswalk, resulting in a more walkable community for existing residents, and employees of the project.

Will the project involve the rehabilitation of a historic resource?

No

Will the project address areawide redevelopment?

Yes

Please explain

On a regional scale, this proposed development has the potential to make a significant impact on the area's economy. The Greater Lansing area, like many Midwestern metropolitan areas, has witnessed a decline in the commercial sector, a migration of youths to other parts of the country, and an overall decrease in population in recent years. This proposed development presents an opportunity to revitalize the industrial base this state has been traditionally known for, while also diversifying our supply chain footprint serving the automotive and other transportation equipment industries. It can assist Bath Township and neighboring communities in diversifying tax base and retaining their youth population by offering well-paying local jobs and establishing a resilient economic foundation. In turn, this can provide the necessary funding for services that enable people to age in place.

Will the project address underserved markets of commerce?

Yes

Please explain

This project holds the promise of addressing underserved markets in the realm of commerce. The company's manufacturing expansion will play a pivotal role in the automotive supply chain, specifically in the production of nuts and bolts that literally hold the final assembled products together. By bolstering their production capabilities in the U.S., they aim to produce a more efficient flow of essential components to meet the demands of the automotive industry and other key transportation equipment industries here in Michigan and across North America. This strategic move not only enhances their market presence but also contributes significantly to the seamless functioning of the automotive supply chain, benefitting a broad spectrum of customers and underserved segments within the industry.

What is the level and extent of environmental contamination?

There is no known environmental contamination on this site.

How will the project compete with or affect existing Michigan businesses within the same industry?

Norm's U.S. manufacturing entry into Michigan's industrial landscape will undoubtedly impact the existing businesses within the same industry. To compete effectively, they are expected to bring sustainable and innovative manufacturing processes, product quality, and supply chain efficiency. This competition may incentivize existing Michigan businesses to enhance their own operations, fostering a culture of continuous improvement and technological advancement within the state's industrial sector supplying these vital fasteners. The increased competition could lead to improved product offerings, cost-effectiveness, and overall industry growth, ultimately benefiting customers, consumers and the local economy.

How will the project's proximity to rail and utility impact the performance of the project and maximize energy and logistics needs in the community in which it is located, and in Michigan?

The project's proximity to utility infrastructure is poised to have a significant positive impact on its performance and will be instrumental in maximizing energy needs both within the local community and throughout Michigan. The end user will not require rail transportation. Moreover, the availability of robust utility connections will ensure a stable and sustainable energy supply, promoting operational continuity and minimizing potential disruptions. This advantageous infrastructure positioning not only benefits the project itself but also contributes to the economic development and energy sustainability of the broader Michigan region.

What is the risk of obsolescence of the project, products, and/or investments in the future?

Given the continuous demand for automotive components and the significance of nuts and bolts in vehicle assembly, this facility's products are likely to remain essential. However, it's crucial to remain vigilant regarding technological advancements, changing industry standards, and shifts in market demand to ensure the facility can adapt and remain competitive in the long term. Close collaboration with the automotive industry and a focus on innovation will help mitigate any potential obsolescence risks.

What is the overall return on investment to Michigan?

\$309,433 total taxes annually

Is the proposed Strategic Site or Mega-Strategic Site incorporated into a strategic plan of a political subdivision of Michigan?

No

Provide any other additional criteria approved by the MSF Board that are specific to each individual project, and consistent with the purpose of the SSRP.

MEDC team has evaluated at \$1.6M BDP performance-based grant for Project Forge already on the basis of all of the additional criteria the project and site development hit on per the MEDC strategic plan. This funding activates a vacant underutilized land parcel for a high value economic development project, in a strategic location. ROI estimate from Lightcast Input-Output modeling, recommend MEDC REMI analysis of Project Forge.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2023-219**

**APPROVAL OF MICHIGAN STRATEGIC SITE READINESS PROGRAM
GRANT TO LANSING ECONOMIC AREA PARTNERSHIP**

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

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

WHEREAS, pursuant to Section 88t of the MSF Act, MCL 125.2088t, the MSF shall create and operate the Michigan strategic site readiness program to provide grants, loans, and other economic assistance for eligible applicants to conduct eligible activities for the purpose of creating investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites (the “Strategic Site Readiness Program”);

WHEREAS, on January 11, 2022, the MSF Board created the Strategic Site Readiness Program and approved the guidelines, which have been updated from time to time, for the implementation and operation of the Strategic Site Readiness Program (the “Strategic Site Readiness Program Guidelines”);

WHEREAS, pursuant to Public Act 194 of 2022 (“2023 Supplemental”), among other things, funds were appropriated to Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021;

WHEREAS, under Section 408 of the 2023 Supplemental, an aggregate of \$350 million is to be used for the Strategic Site Readiness Program (“\$350 million 2023 SSRP Supplemental”), subject to the transfer of SOAR funds by the legislature;

WHEREAS, under Section 408(5) of the \$350 million 2023 SSRP Supplemental, \$50 million is to be used for SSRP activities for strategic sites for which an end user has been identified;

WHEREAS, on June 28, 2023, the legislature approved the transfer of \$250 million of the \$350 million 2023 SSRP Supplemental to the MSF for the Strategic Site Readiness Program;

WHEREAS, Lansing Economic Area Partnership (“LEAP”) submitted an application seeking a Strategic Site Readiness Program grant in the amount of \$3,860,000 to conduct infrastructure upgrades, including wastewater treatment system upgrades, in Bath Charter Township that are necessary to support a new manufacturing facility operated by Norm Fasteners Co., as permitted under Section 408(5) of the \$350 million 2023 SSRP Supplemental, and in

accordance with the Strategic Site Readiness Program and the Strategic Site Readiness Program Guidelines (the “Grant Request”);

WHEREAS, the MEDC recommends the MSF Board approve the Grant Request; and

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

Strategic Site Readiness Program Grant

Summary of Terms

Awardee: Lansing Area Economic Partnership (the “Applicant”)

SSRP Award Amount: Up to \$3,860,000 to the Applicant for Eligible Activities (defined below) for substantial upgrades to the Bath Charter Township wastewater treatment system, to support the Norm Fasteners Co. new 365,000 square foot manufacturing facility in Bath Charter Township (the “Project”).

Term of the Agreement: Effective Date through the earlier of: (i) December 31, 2028; (ii) the grant manager’s approval of the Project Completion Milestone; or (iii) when the Parties agree in writing.

Disbursement of Grant Funds: Grant funds will be disbursed based on the Applicant’s achievement of the following key milestones and, except as to Key Milestone One, only after the Applicant has expended, encumbered or committed at least seventy-five percent (75%) of the grant funds previously disbursed in accordance with the Project budget.

- **Key Milestone One:** Not to exceed \$1,500,000
 - Disbursement request in the form determined by the MEDC;
 - Copies of currently executed written agreements between the Applicant and any contractor or entity engaged to perform the Eligible Activities for the Project; and

- **Future Key Milestones:** The Applicant shall submit one or more disbursement requests, but no more frequently than monthly. The actual disbursement amount must be based on projected Eligible Activities to be completed during the milestone period, and all such additional disbursement requests, in the aggregate, cannot exceed \$2,360,000. Additionally, any such disbursement request must be submitted at least one month prior to expected expenditure of funds.
 - Disbursement request in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure for Eligible Activities of grant disbursements received under the previous Key Milestone. The spreadsheet shall include the corresponding category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Copies of currently executed written agreements between the Applicant and any contractor or entity engaged to perform the Eligible Activities for the Project; and
 - A narrative describing in detail the Eligible Activities to be completed with the grant disbursement being requested.

- **Project Completion Milestone**, due on or before June 30, 2028:
 - A final milestone certificate in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure of grant disbursements for all Eligible Activities completed during the Term. The spreadsheet shall include the corresponding reference category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Copies of all executed written agreements between the Applicant and any contractor entity engaged to perform the Eligible Activities;
 - Demonstrated verification that 100 percent of the funds disbursed have been expended for Eligible Activities; and
 - Documentation satisfactory to the grant manager that the Project is complete.

Eligible Activities: activities related to include, but are not limited to, wastewater infrastructure improvements, including without limitation (including the purchase of real property, rights-of-way and easements and legal expenses necessary to support the public infrastructure improvements); any demolition or construction; environmental remediation; architectural, engineering, surveying, similar professional fees, and other work required to commence construction on the infrastructure improvements; and any activities outlined in the SSRP Guidelines, as amended, necessary to support the wastewater improvements. The Applicant and the MSF will develop a detailed budget for the Project that includes budget categories for the Eligible Activities.

Security Interest and Other Interests: As required under Section 88t(4) of the MSF Act, MCL 125.2088t(4), the MSF shall have a security interest as defined in section 1201(2)(ii) of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the Grant funds disbursed, and to the extent applicable to the security interest, the Company will sign all ancillary security instruments acceptable to the Company and the MSF..

Clawback Provisions: The Applicant will be required to repay all or a portion of the grant disbursements made under the SSRP Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis:

- **Project Abandonment:** if the Applicant voluntarily abandons the project after the SSRP Award is disbursed and on or before the end of the Term it may be required to repay all or a portion of grant disbursements made under the SSRP Award.
- **Bankruptcy or Insolvency** – If the Applicant files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Applicant not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Applicant's operations for the Project, it may be required to repay 100% of grant disbursements made under the SSRP Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit proof of claim in any such bankruptcy proceedings and seek recovery of the SSRP Award.
- **Material Misrepresentation.** If the Applicant makes a material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Misuse of Funds:** if the Applicant uses the SSRP Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Default of Project Contracts:** The fully executed written agreement will include repayment language for events of default, which shall include but not limited to the Company's failure to comply with any contracts arising out of the Project.
- **Material Failure to Comply.** If the Applicant fails to materially comply with its obligations under the grant agreement, including the failure submit materials required under the (i) Key Milestones, (ii) annual progress reports, or (iii) annual compliance certificates under the grant agreement, it may be required to repay up to 100% of grant disbursements made under the SSRP Award.
- **Project Funds Account Balance.** In the event there is any remaining balance in the Project Funds Account upon the earlier of: (i) ninety days (90) days after the Applicant's

submission of the Final Milestone Certificate or (ii) December 31, 2028, the Applicant may be required to repay the MSF the balance of funds in the Project Funds Account.

Additional State Required Terms:

- **Amendments** – As required under Section 88t(8) of the MSF Act, MCL 125.2088t(8) (“Section 88t”), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written grant agreement and will otherwise comply with requirements of Section 88t(8) prior to taking any action on such amendment request.
- **Annual Compliance Certificate** – During the Term, in addition to the Project Status Reports, the Applicant will be required to sign and submit an annual compliance certificate certifying that the Applicant is in compliance with the terms and conditions of the grant agreement.
- **Annual Progress Report** – During the Term, the Applicant will be required to submit annual progress reports. This information will be transmitted by the MSF to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights** – During the Term, and for a period of three years after the expiration of the Term, and upon reasonable advance notice, the Applicant is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Applicant, and any other location where books and records of the Applicant are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other provisions.** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, requiring that Applicant purchase and transfer parcels on specified timelines and that Applicants rights in the parcels that are necessary for the Project may only be sold or otherwise transferred to any entity designated by the MSF, non-discrimination and unfair labor practices, termination of funding, any other requirements of the SSRP Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of Section 88t.

Appendix A

Strategic Site Readiness Program (“SSRP”) Criteria

Eligible Applicant:	Lansing Economic Area Partnership (“LEAP”)
Eligible Activity(ies):	Infrastructure improvements that directly benefit the site, including without limitation, transportation, infrastructure, water and wastewater infrastructure, and utilities necessary to service the site.
Type of Site:	Strategic Site with an End User Identified

General Criteria:

What is the importance of the project or Eligible Activities to the community in which is located and Michigan: The proposed development holds great significance for Bath Charter Township, Clinton County, and the Lansing region in the areas of education and training, small business growth, and infrastructure enhancements. The job opportunities created by this development will not only provide essential training for the workforce, but also attract other small businesses to cater to the increasing demands of the community. Of particular importance, this development will lead to infrastructure improvement projects, as the improvement of sanitary sewer infrastructure is vital to facilitate future development and growth. The modernization and maintenance of the sewer system will substantially mitigate the risk of adverse sewer incidents and contribute to a positive environmental impact. Through the reconfiguration and elimination of lift stations, this initiative will establish a foundation for long-term sustainability, benefiting this community for generations to come. Moreover, the elimination of lift stations will alleviate some of the financial strain on the community. Equally noteworthy, this re-configuration serves as a proactive measure to future-proof the community, ensuring it will be in a position to accommodate population growth and meet the evolving demands of the future.

Will the project act as a catalyst for additional revitalization of the community where it is located and Michigan? Yes, the implementation of this proposed development would foster favorable market conditions for future development along the Webster Road corridor. This corridor serves as the primary gateway into the “downtown” area of the township. Historically, this “downtown” area was the vibrant heart of the township, maintaining its status as a bustling social and economic hub. Unfortunately, it has experienced the most substantial disinvestment over the past few decades among all township areas. Historical facts, such as the dissolution of the railroad in the 1970s and the establishment of I-69 in the 1980s, significantly altered development patterns and market dynamics within the township. However, a large-scale commercial investment, like the proposed development, has the potential to usher in a transformative change, driving market conditions in a more favorable direction for future development and investment. This positive momentum would extend northward along the corridor and rejuvenate the downtown area. In parallel, the Township’s pursuit of sewer infrastructure improvements will contribute to sustaining these favorable market conditions for years to come. These improvements will not only support the proposed development sustainable growth but also provide accessible infrastructure for prospective developments considering locations along this corridor. The significance of revitalization projects like this extends beyond the Township to the state of Michigan as a whole. International industrial investments of this nature have the potential to position Michigan as a global manufacturing powerhouse once again, diversifying the state’s employment base, and enhancing its economic resilience.

What is the amount of local community and financial support for the project? Bath Charter Township anticipates approval of a property a PA 198 of 1974 (“PA 198”) tax abatement in support of the

project which amounts to a reduction in property taxes of approximately 50%, which will help reduce the overall cost of doing the project in Michigan. Additionally, the remainder of the costs for the infrastructure upgrades would be borne by the community and/or developer in the amount of \$5,200,000, as the upgrade will serve the greater community and not be specific to this project.

Has there been any other economic assistance or support provided by Michigan for the project?

Yes, in the amount of \$1,600,000 in MBDP, if approved by the MSF and scheduled to be going to the board in December 2023 along with this SSRP request.

Has there been any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations, or tax credits? No

Has there been any private funds or investments for the project, including the Eligible Applicant's own investments in the project? The Company is investing \$77,000,000. Additionally, the remainder of the costs for the infrastructure upgrades would be borne by the community and/or developer in the amount of \$5,200,000.

What is the Eligible Applicant's financial need for a grant, loan, or other economic assistance under the SSRP? The Company is considering Ohio, Texas, Mexico, and Canada to construct its new manufacturing facility in addition to Michigan. One of the Company's largest customers has a new manufacturing plant in Texas and this customer would like the Company to locate as close as possible to capitalize on logistical advantages. In addition, both Ohio and Texas have presented very attractive incentive offers to locate the Company's new manufacturing facility outside of Michigan. The Company's products will be used on automotive OEMs as well as their tiers; therefore, making Michigan an appealing choice, however the Company is also shipping parts to over 25 different states in the United States as well as Canada and Mexico. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure the project moves forward in Michigan due to the competing incentive packages and business cases for Ohio, Texas, Mexico, and Canada.

What is the extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property? N/A

Is the project financially and economically sound? A financial review of the Company was completed and confirmed the Company's ability to finance the project. Norm, a firmly established global enterprise with operations spanning nine countries, underscores its substantial financial strength. In 2018, Norm inaugurated its sales office in the Lansing region, a testament to their thriving business. Their expansion in U.S. manufacturing is a direct response to the remarkable sales growth they've experienced in the United States. Norm serves an extensive clientele, supplying automotive components to a diverse range of customers, including both traditional and electric vehicle manufacturers. They have been one of the fastest growing manufacturers in Turkey over the past decade and have strong fundamental financials as a business and through their parent company. MEDC has completed a background check that can offer more insight on this topic.

Is there creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan? This project will represent the first manufacturing facility for the Company and parent company in the United States. Due to the manufacture of this product line, all new and retained jobs will be the result of a fundamental technological shift in production.

Will the project convert an abandoned public building(s) to private use? No

Will the project promote sustainable development? Yes, please explain. This project contributes to sustainable development in several ways. First, it prioritizes environmental sustainability by incorporating solar panels on the roof of the structure to enhance energy efficiency. Additionally, it employs measures to significantly reduce semi-truck traffic in comparison to other industrial businesses in Michigan, consequently curbing greenhouse gas emissions. The site plan also places a strong emphasis on biodiversity, fostering a thriving ecosystem with an abundance of trees and greenery. The facility itself will be built to a European environmental standard that is generally more stringent than US regulations require, given Norm's recent investments in European countries. Furthermore, this project actively embraces social equity and inclusion. The organization champions a work-study program for high school students, providing a pathway to trade careers and job security upon graduation. It also creates opportunities for individuals with special needs and those with diverse backgrounds. The development site also has direct access to paved pathways and a crosswalk, resulting in a more walkable community for existing residents, and employees of the project.

Will the project involve the rehabilitation of a historic resource? No

Will the project address areawide redevelopment? Yes, please explain. On a regional scale, this proposed development has the potential to make a significant impact on the area's economy. The Greater Lansing area, like many Midwestern metropolitan areas, has witnessed a decline in the commercial sector, a migration of youths to other parts of the country, and an overall decrease in population in recent years. This proposed development presents an opportunity to revitalize the industrial base this state has been traditionally known for, while also diversifying our supply chain footprint serving the automotive and other transportation equipment industries. It can assist Bath Township and neighboring communities in diversifying tax base and retaining their youth population by offering well-paying local jobs and establishing a resilient economic foundation. In turn, this can provide the necessary funding for services that enable people to age in place.

Will the project address underserved markets of commerce? Yes, please explain. This project holds the promise of addressing underserved markets in the realm of commerce. The company's manufacturing expansion will play a pivotal role in the automotive supply chain, specifically in the production of nuts and bolts that literally hold the final assembled products together. By bolstering their production capabilities in the U.S., they aim to produce a more efficient flow of essential components to meet the demands of the automotive industry and other key transportation equipment industries here in Michigan and across North America. This strategic move not only enhances their market presence but also contributes significantly to the seamless functioning of the automotive supply chain, benefiting a broad spectrum of customers and underserved segments within the industry.

What is the level and extent of environmental contamination? There is no known environmental contamination on this site.

How will the project compete with or affect existing Michigan businesses within the same industry? Norm's U.S. manufacturing entry into Michigan's industrial landscape will have a positive impact on the existing businesses within the same industry. To compete effectively, they are expected to bring sustainable and innovative manufacturing processes, product quality, and supply chain efficiency.

How will the project's proximity to rail and utility impact the performance of the project and maximize energy and logistics needs in the community in which it is located, and in Michigan? The project's proximity to utility infrastructure is poised to have a significant positive impact on its performance and will be instrumental in maximizing energy needs both within the local community and throughout Michigan. The end user will not require rail transportation. Moreover, the availability of robust utility connections will ensure a stable and sustainable energy supply, promoting operational

continuity and minimizing potential disruptions. This advantageous infrastructure positioning not only benefits the project itself but also contributes to the economic development and energy sustainability of the broader Michigan region.

What is the risk of obsolescence of the project, products, and/or investments in the future?

Given the continuous demand for automotive components and the significance of nuts and bolts in vehicle assembly, this facility's products are likely to remain essential. However, it will be important to remain vigilant regarding technological advancements, changing industry standards, and shifts in market demand to ensure the facility can adapt and remain competitive. Close collaboration with the automotive industry and a focus on innovation will help mitigate any potential obsolescence risks.

What is the overall return on investment to Michigan? Based on an economic impact analysis of this project using REMI (Regional Economic Models Inc), this opportunity has an employment multiplier of 1.67. This means that an additional .67 jobs in Michigan's economy are anticipated to be created for every new direct job, due to the supply chain that exists in Michigan that can support this opportunity. In addition, these new jobs are generating new income, much of which is spent at local small businesses throughout the community and the state. Over 10 years, the total direct, indirect, and induced jobs will generate over \$272 million in new personal income in Michigan. In total, the project will result in over \$20 million in state taxes generated for the state of Michigan over a period of 10 years.

Is the proposed Strategic Site or Mega-Strategic Site incorporated into a strategic plan of a political subdivision of Michigan? No

Provide any other additional criteria approved by the MSF Board that are specific to each individual project, and consistent with the purpose of the SSRP. N/A.

Specific Criteria for a Strategic Site and a Mega-Strategic Site Where an End User Has Been Identified:

What is public investment in the site or project? \$5,200,000

What is the private investment in the site or project? \$86,060,000 (\$77,000,000 company investment and \$9,060,000 in infrastructure improvements)

What is the overall return on investment to the state? Based on an economic impact analysis of this project using REMI (Regional Economic Models Inc), this opportunity has an employment multiplier of 1.67. This means that an additional .67 jobs in Michigan's economy are anticipated to be created for every new direct job, due to the supply chain that exists in Michigan that can support this opportunity. In addition, these new jobs are generating new income, much of which is spent at local small businesses throughout the community and the state. Over 10 years, the total direct, indirect, and induced jobs will generate over \$272 million in new personal income in Michigan. In total, the project will result in over \$20 million in state taxes generated for the state of Michigan over a period of 10 years.

What is the level of end user's commitment to the project? Norm Fasteners, a US subsidiary of Norm Group. Norm Group was founded in 1973 and has since become an industry leader in the manufacture of various connectors from bolts to fasteners while also diversifying into machines, logistics and marketing services. Norm Fasteners is a leading manufacturer of high-quality fasteners, serving a wide range of industries, including automotive, construction, agriculture, and more. With a commitment to innovation, reliability, and customer satisfaction, Norm Fasteners has established a strong reputation as a trusted partner throughout the world in the fastening industry. Norm Fasteners took a significant leap forward in its growth trajectory back in 2018 when it established a sales office in Lansing, MI., laying the

groundwork for its long-term vision of building a large-scale fastener manufacturing facility in the U.S. Today, we proudly stand as the culmination of that vision, as we help announce Norm's plans to expand their manufacturing facilities in The Lansing Region, and to make this site the most competitive option in the US. This project is not dependent upon any single US customer. Sales volume across industries is such that US manufacturing is warranted, and Norm expects to become a multi-generational company and operation in the US, even though they have been in the US for just 5 years thus far.

Will the projected wages equal or exceed the average wage for the county in which the project is located? Yes

Explain the extent to which there is regional and local support for the project, including the strategic importance of the project to the community. This project is expected to drive positive economic development through job creation, making it an attractive prospect for businesses and a catalyst for local economic revitalization in Bath Charter Township. These elements collectively contribute to an improved quality of life for community members, aligning with the Township's long-term goals. The strategic importance of this project is further underscored by the endorsement of multiple regional entities, including Clinton County Catalyst, an Economic Alliance operating within Clinton County, Lansing Economic Area Partnership, and the Michigan Economic Development Corporation. In terms of local support, during the initial public hearing for the proposed development, representatives from the Bath Community School Board voiced their approval, as did several other community members from the general public.

Is the site supported by a strategic or other plan addressing business attraction and investment in the region? Yes

Explain the degree to which the project is a priority for the local government or economic development organization (EDO). Bath Township is a community undergoing a period of change. It is the highest priority that this phase of the Township's evolution is done in a sustainable way. This proposed development is to be located just north of the I-69 Webster Road exit and next to the Greater Lansing Food Bank, which is serviced by a Class A county road. The proposed site for this development has long been envisioned by Township Planning staff to function as an industrial park. This is due to the current neighboring land uses, the Class A road, proximity to the interstate, and available infrastructure. This proposed land use is also supported by the adopted Comprehensive Plan and the Zoning District the site is proposed to be located within. The view of Bath Charter Township is that this development, along with the infrastructure upgrades the Township is seeking support for, would help us achieve our goal of smart sustainable growth.

Explain the importance of the project in the community where it is located and the extent to which it will be a catalyst for additional revitalization of the community. The importance of this project and its ability to be a catalyst for the Bath community is evident to the Township and each partnering agency that has participated in this proposed development's site plan review process. Bath Township is strategically located with two interstate exits, exit 94 (Saginaw Highway) and exit 92 (Webster Road). In recent years, Saginaw Highway has experienced robust commercial development due to high daily traffic volumes and proximity to population centers. However, the same level of economic activity and market interest has not been observed at exit 92, which many residents view as the main entrance to Bath Township. Like many small towns in the Midwest, this corridor has yet to witness significant public or private sector activity. The proposed project could serve as a catalyst for this growth. In the short term, it would bring about an increase in commercial construction activity, and in the long run, create approximately 200 jobs, thereby improving the favorable market conditions for future development along this corridor.

Is the project competing with other states and is the SSRP part of the incentive package? Yes

Is there creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan? The projected impact of this project entails the creation of 200 high-quality jobs, which will not only contribute to economic growth in the region but also serves as a significant source of opportunity for the local workforce. Furthermore, Norm has been building a strong partnership with the local Bath schools and Lansing Community College (LCC) to ensure the retention of local talent. This collaboration will provide educational and professional development opportunities, preparing students and residents to excel in the skilled positions being offered, if this project lands. By connecting with these institutions, Norm aims to not only create jobs but also to invest in the local community, nurturing a skilled workforce that can thrive both in this project and the broader economic landscape of our state.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-220

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
NORM FASTENERS CO.**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, Norm Fasteners Co. (the “Company”) has requested a performance based MBDP grant of up to \$1,600,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to construct a new 365,000 square foot bolt and fastener manufacturing facility in Bath Charter Township (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs;

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

Michigan Business Development Program (“MBDP”) Grant Term Sheet

This term sheet (the “Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of Norm Fasteners Co. (the “Company”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the approval of the MSF Board.

PROJECT SUMMARY

Scope of the Project: The Company intends to construct a new 365,000 square foot manufacturing facility in Bath Charter Township, also included in the scope of the project are Dimondale and Ingham County, Michigan (the “Project Site”). The Company expects to ramp up over the course of the next six (6) years resulting in an expected creation of at least 200 new jobs at the Project Site and a projected investment of \$77,000,000 by June 30, 2029, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$1,600,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through September 30, 2029 (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 200 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 18 employees (the “Overall Base”), on June 30, 2029 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after December 12, 2023, and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

Grant funds will be disbursed for Eligible Expenses (defined below) and in accordance with the requirements set forth below. Requests for reimbursement will be verified by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds.

“Eligible Expenses” means the actual expenditure by the Company on or after December 12, 2023, for the Project, at the Project Site, in Hard Costs for construction related to the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 10 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than March 31, 2029, together with a certification of the Company's compliance with the grant agreement.

In the event that all Grant funds have been disbursed and the Overall Jobs Commitment have been achieved, the MSF Fund Manager may, at its discretion, terminate the Agreement ahead of the Term.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company may be required to repay all or a portion of the Grant disbursements made under the Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events.

- **Failure to Meet Overall Jobs Commitment:** The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a proportionate amount of the Grant funds received by Company.
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment, it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after the Award is disbursed and on or before the end of the Term it will be required to repay the Grant disbursements made under the Award.
- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.
- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

- **Annual Progress Report:** During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified New Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified New Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights:** During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other Provisions:** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Business Development Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: December 12, 2023

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

From: Darryl Todd, Business Development Manager
Sara Bishop, Senior Business Development Project Manager

Subject: Incentives Request
Michigan Business Development Program (“MBDP”) State Essential Services Assessment (“SESA”) Exemption Request
HG Medical USA, LLC (“Company” or “Applicant”)

Request Summary

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

- Approval of a \$1,800,000 MBDP Grant, as outlined in the attached Term Sheet.
- Approval of a 5-year 100% SESA Exemption with an estimated value of up to \$237,840 for its \$30,000,000 eligible investment in Eligible Personal Property (“SESA Request”).
 - In accordance with the SESA and Alternative SESA Program Guidelines (“Program Guidelines”), the Program Guidelines require investment to be made within three years of the commencement of the project (“Commencement Requirement”). As part of the SESA Request, staff is recommending the MSF waive the Commencement Requirement to allow investments made within five years of the commencement of the project (collectively, the “Waiver Request”).
- This project involves the creation of up to 180 Qualified New Jobs and a capital investment of up to \$41,008,441 in the City of Holland, Ottawa County.

Applicant History

The Company’s parent, German-based hg medical GmbH established its North American presence in 2015, at its sole U.S. facility in Huntington, West Virginia. The purpose of this establishment was to expand its production of state-of-the-art, high-quality orthopedic titanium, high grade stainless steel, and medical plastics implants for lower and upper extremities, and the spine sector to North American markets. Since organizing in the United State, the Company has established itself as a leading contract manufacturer to FDA-regulated businesses. The parent and the Company staff 220 employees globally, which includes 26 full-time employees in West Virginia.

The background review process was completed in accordance with the MSF Background Review Policy on October 30, 2023, and the project may proceed for MSF consideration.

Project Description

The Company is in a growth stage since its positioning in North America with plans to double the organization through value creation, innovation, and product differentiation. To do this, a facility with growth capacity along with skilled workforce are required. As such, the Company is contemplating expanding its U.S. manufacturing in Holland, Michigan. This expansion project signifies a major investment in a new manufacturing center employing administrative employees, technicians, and highly skilled engineering professionals for the Company.

The Company has identified a 100,000 square foot space to lease in the former JCI (Johnson Controls International) facility where it will manufacture orthopedic extremity implants. It anticipates the project will result in capital investment of up to \$41,008,441. The project will also result in the creation of up to 180 new jobs over a five-year timeframe paying an average wage of \$21.59 per hour plus benefits, which is above the target wage of \$19.61 per hour for Ottawa County and the West Michigan median hourly wage of \$20.09.

The Company's culture supports personal growth and offers machinists and operators opportunities to work with advanced machinery, grow their skill set, and create innovative/technological solutions. The Company also offers a benefit package which includes 100% of employee health insurance premium covered by the company, dental/vision coverage, accrued PTO/vacation time, paid holidays, monthly company health savings contributions, and a company match up to half of 6% of contributions in the company retirement plan. Should the Company elect to expand in Michigan it would plan to use Michigan Works! to support its employee training efforts.

Demonstrated Need

The Company is considering locations in Tennessee, Minnesota, and Indiana for this project as well. The Company is contemplating factors such as labor, costs, real estate, incentives, economy, permitting, quality of workforce, and regulatory in its site selection decision-making process. Competing states have offered viable packages to win the project.

Michigan's key advantage, specifically West Michigan's key advantage, is its similarity in work ethic to Germany, where the parent is based. The Company notes a level of comfort with the work ethic of the workforce in West Michigan. However, despite this advantage, the project will require incentive support to move the project forward in Michigan as this will offset the initial investments and continued operational costs as well as allow the Company to remain competitive with alternative options to secure the expansion of a business consistent with the MEDC's Strategic Focus Industry of Medical Device Technology.

In addition to MSF support, the City of Holland anticipates approval of a real property tax abatement in support of the project. Additionally, West Michigan Works! supports this project through workforce development support.

Request

In order to secure the project, the Applicant is requesting a \$1,800,000 MBDP performance-based grant and a 5-year 100% SESA Exemption valued at up to \$237,840. The MBDP Request will help address the competing incentives packages the Company received by sites outside of Michigan. The MBDP funds will help offset the cost of both the initial investment and ongoing operating costs allowing the Company to create a positive financial impact on its projections and establish its medical manufacturing facility to become a strong employer in the region.

This project aligns with the MEDC's Strategic Focus Industry of Medical Device Technology – Surgical Appliance and Supplies Manufacturing. The proposed project represents an attraction project for Michigan and builds on the state's work to position itself as a leader in the medical industry. This facility will result in the creation of up to 180 new jobs and up to \$41,008,441 in capital investment in the City of Holland, Ottawa County.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-221

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
HG MEDICAL USA, LLC**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, HG Medical USA, LLC (the “Company”) has requested a performance based MBDP grant of up to \$1,800,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to expand the Company’s U.S. manufacturing presence with a manufacturing facility for orthopedic extremity implants in Michigan (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Innovation MBDP because the Company committed to the creation of at least 25 Qualified New Jobs and the Project falls within medical equipment and supplies, an innovation industry;

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

Michigan Business Development Program (“MBDP”) Grant Term Sheet

This term sheet (the “Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of HG Medical USA, LLC (the “Company”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the approval of the MSF Board.

PROJECT SUMMARY

Scope of the Project: The Company intends to relocate its North American headquarter, to manufacture orthopedic extremity implants, from West Virginia to Holland, Michigan (the “Project Site”). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 180 new jobs at the Project Site and a projected investment of \$41,008,441 by February 28, 2029, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$1,800,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through May 31, 2029, (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 180 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of zero (0) employees (the “Overall Base”), on February, 28, 2029, (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company at the Project Site on or after August 13, 2023, and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

Grant funds will be disbursed for Eligible Expenses (defined below) and in accordance with the requirements set forth below. Requests for reimbursement will be verified by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds.

“Eligible Expenses” means the actual expenditure by the Company on or after August 13, 2023, for the Project, at the Project Site, in Hard Costs for construction related to the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 25 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than November 30, 2028, together with a certification of the Company's compliance with the grant agreement.

In the event that all Grant funds have been disbursed and the Overall Jobs Commitment have been achieved, the MSF Fund Manager may, at its discretion, terminate the Agreement ahead of the Term.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company may be required to repay all or a portion of the Grant disbursements made under the Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events.

- **Failure to Meet Overall Jobs Commitment:** The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a proportionate amount of the Grant funds received by Company.
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment, it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after the Award is disbursed and on or before the end of the Term it will be required to repay the amount of Grant disbursements made under the Award.
- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.
- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

- **Annual Progress Report:** During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified New Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified New Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights:** During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other Provisions:** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Business Development Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-222

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
HG MEDICAL USA, LLC**

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

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

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

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

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Exemption Program;

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

WHEREAS, HG Medical USA, LLC (the “Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the Program Guidelines require that qualifying investments be made after MSF approval and within three (3) years of commencement of the project in order to be eligible for the SESA Exemption Program (the “Commencement Requirement”);

WHEREAS, the Company has requested that the MSF Board approve a five-year SESA exemption estimated to be worth \$237,840 for up to \$30,000,000 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the City of Holland, Ottawa County (“SESA Exemption Recommendation”);

WHEREAS, the MEDC is requesting a waiver to the Commencement Requirement to allow qualified investments to be made up to five (5) years from commencement of the project (the “Commencement Waiver Request”); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the Commencement Waiver Request, and require a one-time administrative fee in the

amount of \$2,378 payable to the MSF upon completion of the first performance milestone (collectively, the “Request”);

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

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Michigan Economic Development Corporation
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Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MEMORANDUM

Date: December 12, 2023

To: Michigan Strategic Fund (“MSF”) Board

From: Christopher Buck, Strategic Accounts Executive
Erik Wilford, Strategic Project Advisor

Subject: Incentives Request
City of Battle Creek (“City”) – WK Kellogg Co (“Company”) (Collectively, the “Applicants”)
Michigan Business Development Program (“MBDP”) Grant Request
MSF Designated Renaissance Zone (“MSFRZ”) Request

Request

The Company is requesting the following (collectively, the “Incentives Request”), including a request from the City in support of the Company:

- **Company Request:** \$5 million MBDP Grant, as outlined in the attached term sheet (“MBDP Request”); and
- **Applicants Request:** An MSF Designated Renaissance Zone for a period of 15 years (“MSFRZ Request”).

Company Background

WK Kellogg Co is a new company as of October 2, 2023. It is the result of the separation of Kellogg Company - founded in 1906, in Battle Creek - into two separate entities, Kellanova and WK Kellogg Co. Kellanova is a global snacking company and WK Kellogg Co is an independent company focused on its founder's original business, North American ready-to-eat cereal. Kellogg Company and now WK Kellogg Co were founded in the City of Battle Creek, Calhoun County.

The Company will continue to be headquartered in Battle Creek, where it has spent the past 117 years as Kellogg Company. Currently, it operates six plants across North America - four in the United States, including one in Battle Creek, Michigan, one in Mexico, and one in Canada. The Company has a total head count of approximately 3,000 employees and annual revenue of approximately \$2.7 billion. The Company's Michigan footprint employs more than 700 people, nearly half of those currently working at its hometown manufacturing site.

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

Project Description

In September 2021, Kellogg Company announced it would move production of some of its cereal volume from its Battle Creek manufacturing facility to its plant in Belleville, Ontario, effective at the end of 2023. This project would result in two of the three lines currently operational in Battle Creek to be idled and the

decision was largely due to the significantly lower cost to manufacture cereal in Belleville, as well as that facility's superior operating efficiency, enabled by high-performing work teams. The shift in production would result in the elimination of approximately 170 roles in Battle Creek. Employees in Battle Creek and local community leaders were notified of the pending changes at that time. To accommodate the new production, the Belleville plant underwent a \$67 million expansion in the two years since the original announcement, which included financial support via incentives from the Canadian government.

Recently, the new leadership of WK Kellogg Co has reconsidered the announced move. During its recent investor day, the Company announced plans to invest \$450-500 million in its six North American facilities. The MEDC has been working with the Company to find a path forward to capture some of that investment at its Battle Creek facility which is one of the Company's highest-costing and least efficient manufacturing locations. Investment in modernizing the facility – along with agreement from Union employees to implement High Performing Work Systems (HPWS) would retain the production that is currently planned to move to Ontario and allow for future investment and potential growth.

If the Company were to reverse plans and invest at its Battle Creek facility, it would result in the retention of 170 jobs, the creation of at least 43 new jobs paying an average wage of \$2,200 per week – plus first-dollar health care benefits and an investment of between \$44-143 million in infrastructure and up to \$60 million in employee training.

Demonstrated Need

The Belleville, Ontario facility is nearly ready to accept new volume. A change in direction will result in \$20 million in lost savings for the Company in its first year as well as additional lost savings in subsequent years. In order to make the project in Battle Creek viable, the Company is working with its Union to identify short and long-term cost savings within the facility – without impacting employee wages and benefits – and will require incentive support from local and state agencies.

Internal cost savings would not be made through changes in employee wage and benefits packages but instead high-performing work teams that enable long-term, significant savings, efficiencies, and growth. This would require a large investment in the retraining of all current employees to transform processes into the high-performing work team model necessary. In addition to the investment in new machinery & equipment, the Company estimates a cost of \$60 million over the next 7 years to retrain employees. An optimal employee training program would include food production and packing technical knowledge, functional and work system excellence processes, and mechanical skills. Without the training to increase efficiency, the project cannot happen in Michigan.

MSF Designated Renaissance Zone Property Description

The Applicants has made application on behalf of the Company for an MSF Designated Renaissance Zone for a 15-year designation for the properties listed in the application. The Renaissance Zone will become effective within five years of MSF approval.

MSF Designated Renaissance Zone Project Evaluation

Job Creation/Retention

170 Retained Employees

43 New Employees

WK Kellogg Co Private Investment

At least \$44,000,000, up to \$143,000,000

Tax Information

It is estimated that up to an average of \$1.27 million will be abated annually in property taxes.

Period of Designation

15-year designation

MSF Designated Renaissance Zone Additional Information

Development Agreement

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

Legislative Information

Senator: Thomas Albert - State Senate District 18

Representative: Jim Haadsma - State House District 44

Request

If the Company continues with current plans to move production to other facilities, the result would be the elimination of 170 union manufacturing jobs with the likelihood for future investment and growth unlikely. The facility's three production lines would be reduced to one. With a collective effort of state and local support as well as identifiable cost savings through efficiencies, the Company could continue to operate at its home in the Cereal City. The result of reinvesting in its facility and workforce would be the retention of 170 current employees as well as the creation of an additional 43 positions, all at wages that are among the highest in Michigan manufacturing. This decision would likely encourage future growth in its Michigan operation, which can accommodate a total of six production lines. The local community is very supportive of continued operations and has approved a Renaissance Zone to encourage the investment. The incentive request helps to address the cost savings disadvantage including the significant retraining expenses associated with locating the project in Michigan.

This project aligns with the MEDC's strategic focus area of Attract, retain and support businesses in the Regional Impact Industry of Other Manufacturing.

Recommendation

MEDC Staff recommends the following:

- 1) Approval of the MBDP Request;
- 2) Approval of the MSFRZ Request;
- 3) Execution of a Development Agreement between the Company and the MSF which incorporates the terms and conditions set forth in the resolution (collectively, the "Request"). MEDC Staff further recommends that the MSF Fund Manager be authorized to execute all documents necessary to effectuate the Request; and
- 4) Commitment will remain valid for 120 days with approval for MSF Fund Manager to extend the commitment an additional 60 days.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-223

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
WK Kellogg Co**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, WK Kellogg Co (the “Company”) has requested a performance based MBDP grant of up to \$5,000,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) the Company intends to invest at its Battle Creek facility to retain 170 current employees and create 43 Qualified New Jobs (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Micro MBDP because the Company is located in a Geographically Disadvantaged Area;

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director

Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

Michigan Business Development Program (“MBDP”) Grant Term Sheet

This term sheet (the “Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of WK Kellogg Co (the “Company”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the approval of the MSF Board.

PROJECT SUMMARY

Scope of the Project: The Company intends to invest in machinery and equipment in order support retention and job creation in Battle Creek (the “Project Site”). The Company expects to ramp up over the course of the next two (2) years resulting in an expected creation of at least 43 new jobs and retention of at least 170 jobs at the Project Site and a projected investment of \$44,000,000 by December 31, 2026 at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$5,000,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through March 31, 2027 (the “Term”).

Overall Investment Commitment: Investment by the Company of no less than a total of \$44,000,000 for the Project by December 31, 2026 (the “Investment Performance Deadline”), which the Company shall invest at the Project Site (collectively, the “Investment Commitment”).

Overall Jobs Commitment: Creation of a minimum of 43 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 743 employees (the “Overall Base”), on December 31, 2026 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company at the Project Site on or after December 12, 2023, and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

Grant funds will be disbursed for Eligible Expenses (defined below) and in accordance with the requirements set forth below. Requests for reimbursement will be verified by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds.

“Eligible Expenses” means the actual expenditure by the Company on or after December 12, 2023 for the Project, at the Project Site, in Hard Costs for construction related to the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, costs related to talent recruitment and job

training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than September 30, 2026, together with a certification of the Company's compliance with the grant agreement.

In the event that all Grant funds have been disbursed and the Overall Jobs Commitment and Overall Investment Commitment have been achieved, the MSF Fund Manager may, at its discretion, terminate the Agreement ahead of the Term.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company may be required to repay all or a portion of the Grant disbursements made under the Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events.

- **Failure to Meet Investment Commitment:** The Company's failure to satisfy the Investment Commitment by the Project Completion Milestone deadline will result in the Company's obligations to repay a proportionate amount of the Grant funds received by the Company to the MSF.
- **Failure to Meet Overall Jobs Commitment:** The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a proportionate amount of the Grant funds received by Company (or the remainder of which following any repayment required by the failure to meet the Investment Commitment).
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment and the Overall Investment Commitment, it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after the Award is disbursed and on or before the end of the Term it will be required to repay a proportionate amount of Grant disbursements made under the Award.
- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay

100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.

- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

- **Annual Progress Report:** During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified New Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified New Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights:** During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other Provisions:** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Business Development Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-224

**MICHIGAN STRATEGIC FUND DESIGNATED RENAISSANCE ZONE:
WK KELLOGG CO**

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (the “MSF”) to designate up to twenty seven (27) renaissance zones (an “MSF-Designated Renaissance Zone”) at the application of a qualified local governmental unit and with the consent of the city, village, or township within which the boundaries of the MSF-Designated Renaissance Zone reside;

WHEREAS, the MSF has designated twenty-five (25) of the twenty-seven (27) MSF-Designated Renaissance Zones available under the Act;

WHEREAS, on June 28, 2016, via MSF Resolution 2016-091, the MSF adopted guidelines for MSF-Designated Renaissance Zones (the “Guidelines”);

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

WHEREAS, the MEDC received an application from the City of Battle Creek (the “Application”) requesting approval for a fifteen (15) year MSF-Designated Renaissance Zone for WK Kellogg Co (the “Company”) for a total of three parcels including Parcel Number 0158-00-114-1, Parcel Number 0158-00-114-0, and Parcel Number 0158-00-115-0 (the “Property”);

WHEREAS, the MEDC recommends that the MSF Board approve the Application for designation of an MSF-Designated Renaissance Zone for the Company for a period of fifteen (15) years at the Property, to begin on December 31, 2023 for property tax purposes and January 1, 2024 for all other purposes, conditioned upon the execution of an agreement between the MSF and the Company by July 31, 2024 (the “Renaissance Zone Recommendation”).

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

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

Ayes: Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: December 12, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Darryl Todd, Business Development Manager
Sean Kammer, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
ATC Drivetrain, Inc. (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$2,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 163 Qualified New Jobs and a capital investment of up to \$7,900,000 in the City of Holland, Allegan County.

Applicant History

The Company specializes in remanufacturing automotive drivetrain technology, which includes EV components, batteries, transmissions, and engines. It is the largest independent Original Equipment Supplier (OEM) transmission remanufacturer in the world. The Company, under its current name, was established in 2008, but the Company traces the history of its own operations back to 1938 in Oklahoma. Then, known as the Fred Jones Manufacturing Company, four men worked to recondition engines and component parts in a 400-square-foot corner of Jones’s Oklahoma City automobile dealership. Over the decades, the Company has continued to expand its remanufacturing competencies to support the industry’s global migration to electrification. To support the circular economy of EV batteries, the Company is engaged in three of the four stages of a battery’s life cycle—remanufacturing, reuse, and recycling—to optimize the cost savings for customers and minimize the impact on the environment. The Company continues to operate in Oklahoma, Tennessee, and Michigan, with its current headquarters in Farmington Hills, Michigan. Internationally, the company employs approximately 1,700 people and has overseas operations in the United Kingdom, Germany, and China. The Company recently purchased Global Battery Solutions in Holland, Michigan, where it continues to operate as a subsidiary. The Company’s customers include major automobile manufacturers that all have locations in Michigan and Tennessee. In Michigan, the Company presently employs 23 high wage workers in Farmington Hills, Oakland County.

The background review process was completed in accordance with the MSF Background Review Policy on October 6, 2023, and the project may proceed for MSF consideration.

Project Description

The Company is considering a consolidation of operations by combining its facilities, including its EV Center of Excellence, into a new facility. Originally the company pursued a BDP grant in the amount up to \$540,000 for the creation of 45 Qualified New Jobs, but the offer was amended following a decision by the Company to expand the scope of the project. The revised scope includes expanding the Holland facility by 170,000 square feet, hiring 163 workers, including engineers, senior technicians, technicians, managers, and support staff. Given these changes, the date of the originally signed offer letter of May 25, 2023, is used instead of the acceptance date of the second offer letter of August 22, 2023, in order to be able to capture all of the investment and hiring from the beginning of the project.

The Company is considering the City of Holland for the project and anticipates the project will result in capital investment of up to \$7,900,000. The project will also result in the creation of up to 163 new jobs paying an average wage of \$26.60 per hour plus benefits.

Demonstrated Need

The Company will either consolidate its EV Center of Excellence at 1285 Waverly Road in Holland, Michigan, in Allegan County, or it will move the entirety of its Michigan EV operations along with its subsidiary, Global Battery Solutions, to Knoxville Tennessee, where the Company owns an existing facility that could accommodate the project. The Company is considering moving to Holland, MI or Knoxville, TN.

Though the Company would like to locate in Michigan, incentive assistance is necessary to ensure that the project can move forward in Michigan because of the disparity in costs between locating in Michigan and Tennessee.

The Company has engaged with the State of Tennessee to investigate incentives in the form of tax abatements and grants, as well as the TVA for utility discounts. Based on this, and the added factor of the Company already possessing a built facility in Knoxville, it is reasonable to expect that the competition from Tennessee for the project is strong.

In addition to MSF support, the City of Holland has offered support in the form of a real property tax abatement.

Request

In order to secure the project, the Applicant is requesting a \$2,000,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing site outside of Michigan. The MBDP funds will help offset the cost of constructing a new facility, allowing the Company to consolidate its operations, and become a strong employer in the region.

This project aligns with the MEDC's strategic focus area of supporting a business in the strategic focus industry of Mobility and Automotive Manufacturing and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also impact the area with steady job growth over a five-year period. This facility will result in the creation of up to 163 new jobs and up to \$7,900,000 in capital investment in the City of Holland, Allegan County.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-225

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
ATC Drivetrain, Inc.**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, ATC Drivetrain, Inc. (the “Company”) has requested a performance based MBDP grant of up to \$2,000,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to consolidate the Company’s headquarters and the EV battery remanufacturing facilities into a new facility (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs;

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director

Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

Michigan Business Development Program (“MBDP”) Grant Term Sheet

This term sheet (the “Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of ATC Drivetrain, Inc. (the “Company”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the approval of the MSF Board.

PROJECT SUMMARY

Scope of the Project: The Company intends to construct 178,000 square feet of manufacturing space for battery remanufacturing, electric drive unit remanufacturing, electronics remanufacturing, and battery second life applications and battery recycling in the City of Holland, Allegan County (the “Project Site”). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 163 new jobs at the Project Site and a projected investment of \$7,900,000 by October 31, 2028, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$2,000,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through January 31, 2029 (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 163 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 23 employees (the “Overall Base”), on October 31, 2028 the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after May 10, 2023, and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

Grant funds will be disbursed for Eligible Expenses (defined below) and in accordance with the requirements set forth below. Requests for reimbursement will be verified by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds.

“Eligible Expenses” means the actual expenditure by the Company on or after May 10, 2023 for the Project, at the Project Site, in Hard Costs for construction related to the Project, and infrastructure,

machinery, equipment, tooling, computers, furniture, fixtures, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 75% (seventy-five percent) of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than July 31, 2028, together with a certification of the Company's compliance with the grant agreement.

In the event that all Grant funds have been disbursed and the Overall Jobs Commitment has been achieved, the MSF Fund Manager may, at its discretion, terminate the Agreement ahead of the Term.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company may be required to repay all or a portion of the Grant disbursements made under the Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events.

- **Failure to Meet Overall Jobs Commitment:** The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a proportionate amount of the Grant funds received by Company.
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment, it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after the Award is disbursed and on or before the end of the Term it will be required to repay a proportionate amount of Grant disbursements made under the Award.
- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.

- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

- **Annual Progress Report:** During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified New Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified New Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights:** During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other Provisions:** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, nondiscrimination and unfair labor practices, termination of funding, any other requirements of the Business Development Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: December 12, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Vlatko Tomic-Bobas, Investment Director
Matt Chasnis, Senior Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
Scout Motors Inc. (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$10,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 200 Qualified New Jobs and a capital investment of up to \$11,000,000 in the City of Novi, Oakland County.

Applicant History

The Company, headquartered in Tysons, Virginia, is an independent U.S. automotive manufacturer, backed by Volkswagen Group. The Company was formed in 2022 to design and manufacture all-electric trucks and rugged SUVs rooted in the same tradition that made the original Scout an American icon. The Scout, originally produced by International Harvester from 1960 to 1980, was the world’s first utility vehicle capable of both off-road adventure and family duty. The Company has plans to revitalize the brand and has announced a new factory in South Carolina that is expected to produce 200,000 electric vehicles (EVs) annually. Vehicle production is targeted to begin by the end 2026, with the first retail sales of trucks and SUVs occurring soon thereafter. The Company employs 132 individuals across the United States, with 44 in Michigan.

The background review process was completed in accordance with the MSF Background Review Policy on November 13, 2023 and the project may proceed for MSF consideration.

Project Description

The Company is evaluating locations to establish an Innovation Center. The proposed operations will be highly strategic with plans to serve as the hub for the Company’s product design and engineering teams for the automotive industry within the United States. The company is optimistic that the launch of Scout electric vehicles and vision for the brand will result in ongoing growth in the location selected for the operations. A facility approximately 80,000 square feet in size is being considered and will house mostly engineering talent. The Company envisions hiring from the local market but also sees the potential need to import world-leading R&D and engineering talent into the state from both domestic and international locations.

The Company is considering the City of Novi for the project and anticipates the project will result in capital investment of up to \$11,000,000. The project will also result in the creation of up to 200 new jobs paying an average wage of \$3,714 per week plus benefits.

Demonstrated Need

The Company conducted an extensive review of possible locations to support the proposed operations and identified desirable locations in other states. The alternative locations were attractive because of the proximity to the Company’s future electric vehicle assembly operations, which would provide synergy

between operations. Additionally, the locations required less upfront capital, offered lower recurring operation costs, and proposed significant incentive support for the project.

The Company is attracted to locating this facility to Michigan because of the automotive engineering talent in the state. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure the project moves forward in Michigan.

Request

In order to secure the project, the Applicant is requesting a \$10,000,000 MBDP performance-based grant. The MBDP request will help address the up-front cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The MBDP funds will help offset the cost of tenant improvements to the facility and provide support for recruitment, allowing the Company to establish the engineering facility and become a strong employer in the region.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and engineering, design, and development. The project fits within the MEDC's guiding principles of sustainable, long-term growth by building on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project could impact the local region with immediate high-wage job growth with a large and expanding automotive original equipment manufacturer. This facility is expected to result in the creation of up to 200 new jobs and up to \$11,000,000 in capital investment in the City of Novi, Oakland County and put the facility in a great position for future growth in the state.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-226

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
SCOUT MOTORS INC.**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, Scout Motors Inc. (the “Company”) has requested a performance based MBDP grant of up to \$10,000,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to establish a new Research and Development center for Electric Vehicles (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Innovation MBDP because the Company committed to the creation of at least 25 Qualified New Jobs and the Project falls within Automobile Manufacturing, an innovation industry;

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 12, 2023

Michigan Business Development Program (“MBDP”) Grant Term Sheet

This term sheet (the “Term Sheet”) sets forth key terms of a potential grant by the Michigan Strategic Fund (the “MSF”) in favor of Scout Motors Inc. (the “Company”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the approval of the MSF Board.

PROJECT SUMMARY

Scope of the Project: The Company intends to establish an R&D/Engineering and Design center in the City of Novi (the “Project Site”). The Company expects to ramp up over the course of the next two (2) years resulting in an expected creation of at least 200 new jobs at the Project Site and a projected investment of \$11,000,000 by November 30, 2026 at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$10,000,000 (the “Award”), all or a portion of which is also referred to as the “Grant”.

Term of the Agreement: Effective Date of the Grant Agreement through April 30, 2027 (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 200 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 44 employees (the “Overall Base”), on January 31, 2027 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after September 22, 2023, and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

Grant funds will be disbursed for Eligible Expenses (defined below) and in accordance with the requirements set forth below. Requests for reimbursement will be verified by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds.

“Eligible Expenses” means the actual expenditure by the Company on or after September 22, 2023 for the Project, at the Project Site, in Hard Costs for construction related to the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 100% of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than October 31, 2026, together with a certification of the Company's compliance with the grant agreement.

In the event that all Grant funds have been disbursed and the Overall Jobs Commitment and Overall Investment Commitment have been achieved, the MSF Fund Manager may, at its discretion, terminate the Agreement ahead of the Term.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company may be required to repay all or a portion of the Grant disbursements made under the Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events.

- **Failure to Meet Overall Jobs Commitment:** The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a proportionate amount of the Grant funds received by Company.
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after the Award is disbursed and on or before the end of the Term it will be required to repay a proportionate amount of Grant disbursements made under the Award.
- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.
- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of Grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of Grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

- **Annual Progress Report:** During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified New Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified New Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights:** During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other Provisions:** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Business Development Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: November 3, 2023

To: Michigan Strategic Fund Board

From: Kerry Ebersole Singh, EVP, Chief Talent, and Engagement Officer

Subject: The Michigander Scholars Program

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve the following actions:

- 1) amend the EV Scholars Pilot Program (the “EV Program”) to The Michigander Scholars Program as set forth in Exhibit A (the “Michigander Scholars Program Guidelines”);
- 2) amend the existing grants with University of Michigan (“UM”), Michigan State University (“MSU”), and Michigan Technological University (“Michigan Tech”) by extending the term for one year and incorporating the revised Michigander Scholars Program Guidelines; and
- 3) award new grants in the amount of \$400,000 each to Wayne State University and Kettering University in accordance with the terms and conditions of the term sheet attached to the proposed Resolution.

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

Background

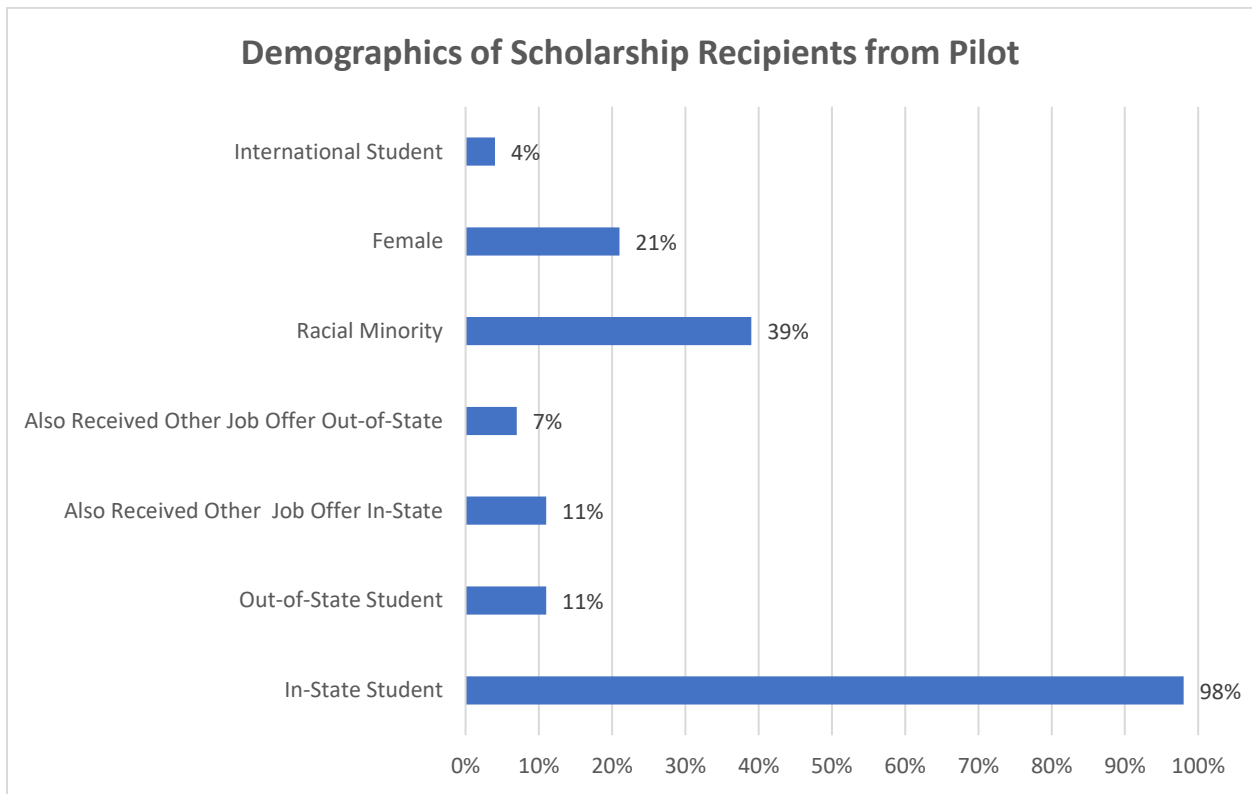
Over the past two years, the MEDC has been focused on building responsive programming to a) attract and retain top talent for our strategic industries, b) increase educational/experiential opportunities to diversify the talent and c) forge deeper collaboration between higher education partners and employers to right-size pipelines.

Michigan’s Advanced Manufacturing industry is aggressively growing its footprint – the state is forecasting ~\$8B+ and 10k jobs in the auto manufacturing and mobility sectors and ~30k semiconductor job growth by 2030, a 42.68% total employment growth in defense, and continued growth in other key sectors such as clean energy and life sciences. In addition, the push to onshore critical supply chains of semiconductors back to the U.S. is a great opportunity for Michigan. In the last year, the Talent Action Team (“TAT”) has added a new vertical – semiconductors – to its efforts and has a goal of adding at least two additional verticals in the next fiscal year.

To begin to address the talent needs through the state, the MSF Board approved a pilot program – the EV Scholars Pilot Program. The EV Scholars Pilot Program has been a priority initiative for the TAT with the goal of retaining top talent in Michigan, focused first on the EV and Mobility industries. The EV Scholars Pilot Program has received great enthusiasm from both employers and higher education partners and was the result of 6+ months of regular engagements with several Michigan employers (many of them with relevant talent needs committed), 7 student focus groups, and multiple working sessions with institutions of higher education.

The EV Scholars Pilot Program provides scholarships up to \$10,000 for students that meet the eligibility requirements in the program guidelines and brings unique programming and a financial incentive together to create a curated job search experience for top university engineering and computer science students – including for students who may otherwise not have explored the EV and Mobility industries in Michigan, given today’s competitive marketplace. In addition, it aims to address both outdated conceptions of the industry as well as build critical relationships with students early in their college experiences.

The pilot program kicked off in Winter/Spring 2023, and by the end of Summer 2023, had approximately 230 Scholars at Michigan State University, Michigan Technological University, and University of Michigan (Ann Arbor, Dearborn, and Flint) and provided 28 scholarships for internships and full-time hires with a group of TAT employers in the EV and Mobility industries.



Recommendation

The MEDC Staff recommends approval of the Request.

Exhibit A
EV Scholars Pilot Program The Michigander Scholars Program
Eligibility Criteria and Guidelines

~~Undergraduate students~~ Students are eligible to receive a \$10,000 scholarship if they meet the following criteria (the “Job Requirement”):

- They are a current ~~(undergraduate or graduate)~~ graduating student at an Eligible Institution.
- They accept a job offer for full-time (post-graduation) employment ~~as an Electrical Engineer or Software Developer at a participating EV Scholar Core Employer~~ at a participating employer.
- The position accepted is based in Michigan, and the student signs a Letter of Intent committing to remain in the position in Michigan for at least one year.

Students will receive a \$5,000 scholarship if they meet the following criteria (the “Internship Requirement”):

- They are a current ~~Junior/third year~~ student (undergraduate or graduate) in good standing at a participating Eligible Institution.*
- They accept an internship offer ~~as an Electrical Engineer or Software Developer at a participating EV Scholar Core Employer~~ supporting a participating employer.
- The internship accepted is based in Michigan, and the student signs a Letter of Intent committing to completing the internship in Michigan.

**Students meeting the Internship Requirement will be eligible for an additional scholarship of \$5,000 if they meet the Job Requirement within one year of meeting the Internship Requirement.*

Job offers and internships must be in program-approved careers based on industry-driven needs.

Scholarships will be awarded on a first come, first serve basis. ~~EV Scholars Pilot Program~~ The Michigander Scholars Grant funds will be disbursed to each student through the ~~Student Finance Office at the~~ student’s Eligible Institution. The Eligible Institution will be responsible for confirming student eligibility for the scholarship and reporting to the MSF.

~~HEs and employers must be program approved by MEDC executive leadership and meet certain conditions to participate, including but not limited to:~~

- ~~— Providing data to identify hiring needs and monitor program objectives.~~
- ~~— Hosting/attending events to ensure student employer engagement and relationship building.~~

Eligible Institutions are entities that have an approved grant award under The Michigander Scholars Program from the MSF.:

1. University of Michigan
2. Michigan State University
3. Michigan Technological University

Any company with a Michigan location is eligible to be a Participating Employer so long as that entity executes a letter of intent to ~~host internships and~~ collaborate with one or more Eligible Institution(s) to ~~host internships and~~ hire students as full-time employees in Michigan and that undertake the following activities: attend or host student events, leverage scholarships to strengthen employment offers, provide projections of hiring needs to the Michigan Economic Development Corporation (“MEDC”).

~~Additional universities may be added to the EV Program as an Eligible Institution at the discretion of the MSF Board.~~

~~EV Scholar Core Employers include the following entities and their affiliates:~~

- ~~1. BorgWarner~~
- ~~2. Bosch~~
- ~~3. Denso~~
- ~~4. Ford Motor Company~~
- ~~5. Gentex Corporation~~
- ~~6. General Motors Corporation~~
- ~~7. Gotion~~
- ~~8. LG Energy Solutions~~
- ~~9. Mahle~~
- ~~10. Nexteer Automotive~~
- ~~11. Our Next Energy~~
- ~~12. Shape Corp.~~
- ~~13. Toyota~~
- ~~14. Ultium~~
- ~~15. ZF Group~~

~~Additional companies may be added to the EV Scholars Pilot Program as an EV Scholar Core Employer at the discretion of the MSF Board.~~

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-227

THE MICHIGANDER SCHOLARS GRANT AWARDS

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

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

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

WHEREAS, pursuant to MCL 125.2007(c), the MSF has, among other things, the power to make grants and investments;

WHEREAS, on February 28, 2023, the MSF Board adopted the EV Scholars Pilot Program and related program Guidelines to support attracting and retaining top talent for the State’s strategic industries, including the electric vehicle and mobility industries; b) increasing educational and experiential opportunities to diversify the talent in Michigan; and c) forging deeper collaboration between higher education partners and employers to right size pipelines are critical measures toward ensuring well-paid job opportunities for Michigan residents;

WHEREAS, the MEDC recommends that the MSF Board rename the program to the Michigander Scholars Program (the “Program Renaming”) and amend the program guidelines to expand eligibility for participation in the program, as set forth in Exhibit A to this Resolution (the “Michigander Scholars Program Guidelines”);

WHEREAS, the MSF Board wishes to approve i) the Program Renaming and ii) adoption of the Michigander Scholars Program Guidelines; (collectively, the “Request”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Request.

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
December 12, 2023

Exhibit A
The Michigander Scholars Program
Eligibility Criteria and Guidelines

Students are eligible to receive a \$10,000 scholarship if they meet the following criteria (the “Job Requirement”):

- They are a current (undergraduate or graduate) student at an Eligible Institution.
- They accept a job offer for full-time (post-graduation) employment at a participating employer.
- The position accepted is based in Michigan, and the student signs a Letter of Intent committing to remain in the position in Michigan for at least one year.

Students will receive a \$5,000 scholarship if they meet the following criteria (the “Internship Requirement”):

- They are a current student (undergraduate or graduate) in good standing at a participating Eligible Institution.*
- They accept an internship offer supporting a participating employer.
- The internship accepted is based in Michigan, and the student signs a Letter of Intent committing to completing the internship in Michigan.

**Students meeting the Internship Requirement will be eligible for an additional scholarship of \$5,000 if they meet the Job Requirement within one year of meeting the Internship Requirement.*

Job offers and internships must be in program-approved careers based on industry-driven needs. Scholarships will be awarded on a first come, first serve basis. The Michigander Scholars Grant funds will be disbursed to each student through the student’s Eligible Institution. The Eligible Institution will be responsible for confirming student eligibility for the scholarship and reporting to the MSF.

Eligible Institutions are entities that have an approved grant award under The Michigander Scholars Program from the MSF.

Any company with a Michigan location is eligible to be a Participating Employer so long as that entity executes a letter of intent to collaborate with one or more Eligible Institution(s) to host internships and hire students as full-time employees in Michigan and that undertake the following activities: attend or host student events, leverage scholarships to strengthen employment offers, provide projections of hiring needs to the Michigan Economic Development Corporation (“MEDC”).



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-228

**MICHIGANDER SCHOLARS PROGRAM
GRANT AWARDS**

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

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

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

WHEREAS, pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants;

WHEREAS, on February 28, 2023, the MSF Board adopted the EV Scholars Pilot Program and related program Guidelines to support attracting and retaining top talent for the State’s strategic industries, including the electric vehicle and mobility industries; b) increasing educational and experiential opportunities to diversify the talent in Michigan; and c) forging deeper collaboration between higher education partners and employers to right size pipelines are critical measures toward ensuring well-paid job opportunities for Michigan residents;

WHEREAS, on December 12, 2023, the MSF Board renamed the EV Scholars Program the Michigander Scholars Program and amended the program guidelines to expand eligibility for participation in the program;

WHEREAS, MEDC staff recommends that the MSF Board award funding to the following entities in the amounts listed and in accordance with the Term Sheet set forth in Exhibit A to the Resolution:

Entity	Initial Award Amount
Wayne State University	\$400,000
Kettering University	\$400,000

(the aforementioned, collectively, the “Michigander Scholars Program Grants”); and

WHEREAS, the MSF Board wishes to approve the Michigander Scholars Program Grants.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Michigander Scholars Program Grants; and

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Abstained: Dimitrius Hutcherson

Lansing, Michigan
December 12, 2023

Exhibit A

Summary of Terms Michigander Scholars Program Grant Award

This term sheet summarizes the key terms for The Michigander Scholars grant awards.

Grant Amount: \$400,000.

Term: An initial term of twelve months, with the option to extend up to an additional four one-year terms at the sole discretion of the MSF Board (the “Term”).

Duties/Milestones:

- The awardees will administer the Michigander Scholars in accordance with the Program Guidelines approved by the MSF Board.
- The awardees will create and support a network of students for the Michigander Scholars program, by hosting on-campus events, company tours and relevant programs to support placing students in the program.
- The awardees will support employer engagement across campus and work with participating employers (as defined in the Program Guidelines) to connect with students, collaborate on key industry roles, and report outcomes from the scholarships to the MSF.
- The awardees will be responsible for confirming student eligibility for the scholarships and all related and required reporting to the MSF.

Disbursements and Administrative Expenses:

- No portion of the Grant Amount may be used for any awardee’s administrative expenses.
- Grant Amount funds will be disbursed to the awardees on a reimbursement basis.

Reporting Requirements and Repayment Terms:

The direct grant agreement shall be memorialized by final written agreement with terms and conditions in accordance with the MSF Act, the Michigander Scholars Program Guidelines, MSF approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MSF, and shall include, without limitation, disbursement requirement, repayment provisions, and periodic reporting to facilitate the MSF’s reporting to the Michigan legislature. The direct grant agreements shall also include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2023.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2023-229

**MICHIGANDER SCHOLARS PROGRAM
GRANT AMENDMENTS**

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

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

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

WHEREAS, pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants;

WHEREAS, on February 28, 2023, the MSF Board adopted the EV Scholars Pilot Program and related program Guidelines to support attracting and retaining top talent for the State’s strategic industries, including the electric vehicle and mobility industries; b) increasing educational and experiential opportunities to diversify the talent in Michigan; and c) forging deeper collaboration between higher education partners and employers to right size pipelines are critical measures toward ensuring well-paid job opportunities for Michigan residents;

WHEREAS, on February 28, 2023, the MSF Board approved the following grant awards under the EV Scholars Pilot Program, with the option to extend the term of the grant an additional four years and allocate additional funding at the sole discretion of the MSF Board for the purpose of administering the EV Scholars Program (the “Grant Awards”):

Entity	Initial Award Amount
Michigan State University	\$500,000
Michigan Technological University	\$500,000
University of Michigan	\$500,000

WHEREAS, on December 12, 2023, the MSF Board renamed the EV Scholars Program the Michigander Scholars Program and amended the program guidelines to expand eligibility for participation in the program;

WHEREAS, the MEDC recommends that the MSF Board exercise its first option to extend the Grant Awards by one year and amend the terms and conditions of the Grant Awards to incorporate the amended guidelines under the Michigander Scholars Program:

(the aforementioned, collectively, the “Amendment Requests”); and

WHEREAS, the MSF Board wishes to approve the Amendment Requests.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Amendment Requests; and

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

Ayes: Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Abstained: Dimitrius Hutcherson

Lansing, Michigan
December 12, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

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If you need anything additional, please contact Diane Burton at (517) 230-5454.
Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2023

Valerie Hoag
MSF Fund Manager
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designee for Treasurer Eubanks

Dear Ms. Hoag:

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



December 1, 2023

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, December 12, 2023.

- 2024 Funding Allocations for the Statewide University Technology Programs
- The EV Scholars Pilot Program

The reason for my recusal is that I have a potential conflict of interest with respect to the proposed funding projects for MSU.

Sincerely,

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

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



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: December 12, 2023
To: Michigan Strategic Fund ("MSF") Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Monthly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from October 1, 2023, to November 30, 2023, 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 the content of these reports.

Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from October 1, 2023, to November 30, 2023.

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

MONTHLY IMPACTS

We are pleased to share the October and November delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. From October - November 2023, 30% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all October and November approved projects through delegated authority have committed to creating just over 600 jobs and over \$137 million in private investment.

MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during October and November 2023, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
FALK Panel	10/4/2023	Walker	\$270,000	Falk Production, LLC is a manufacturer of insulated metal building panels (IMP) for use in building, roof, cold storage, and wall construction projects. The company's ultimate parent company, FALK North America NL B.V., is in Lunteren, The Netherlands. The company is planning to expand its existing insulated panel manufacturing operation, anticipating \$35 million in new investments and the creation of an additional 45 new jobs with the support of a \$270,000 Michigan Business Development Program performance-based grant.
Altus Brands, LLC	10/11/2023	Grawn	\$575,000	Earfab Americas, Inc. was created as a joint venture to manufacture a new line of custom-made hearing protection in Grand Traverse County. The Project plans to hire 93 new jobs and invest \$2,746,000. The Company plans to ramp up the production capacity by installing injection molding cells, totaling 6 cells by the end of the expansion. The Company chose to expand in Michigan rather than Florida because of the incentive assistance provided by the MSF.
Beacon Recycling, Inc.	10/31/2023	Muskegon	\$500,000	Established in 1999, Beacon Recycling, Inc. is headquartered in Muskegon and is a metal, paper, & plastic recycling company. The Company provides a single-source solution to sustainable scrap management. In response to the increasing green initiatives, the Company is looking to implement a two phased expansion, including the purchase of a shredder machine which will allow the Company to size & sort metal more efficiently, minimizing the amount of metal ending up in the landfill, and the addition of a new Material Services Division which would sort, process, & analyze metals for re-use, and certify the quality of the metals. Overall, this project will result in capital investment of up to \$17,50,000 and the creation of up to 36 new jobs paying an average wage of \$25.24 per hour plus benefits, with the support of a \$500,000 Michigan Business Development Program (MBDP), performance-based grant.

Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Cascade Die Casting Group, Inc	10/31/2023	Sparta	\$180,000	Cascade Die Casting Group, Inc. is a Tier 1 and Tier 2 aluminum and zinc die cast manufacturer, founded in 1978. The Company currently employs 259 individuals in West Michigan and is headquartered in Grand Rapids. The Company is experiencing significant growth and increasing customer demands, particularly as automotive OEMs transition to electric vehicle manufacturing. The Project will result in capital investment of up to \$6,075,000 and the creation of up to 30 new jobs paying an average wage of \$22.17 per hour plus benefits, with the support of a \$180,000 Michigan Business Development Program (MBDP), performance-based grant.
Madsen Steel Wire Products, LLC	10/31/2023	Bronson	\$552,000	Madsen Steel Wire Products, LLC, headquartered in Indiana, specializes in the production of custom wire forms, fabricated wire products, and metal parts. The company does not currently have a presence in Michigan. Madsen is experiencing increasing demands from its customers and plans to purchase an existing, long-vacant facility in the city of Bronson (Branch County). The facility has 92,000 square feet of space that will allow the company to expand its manufacturing capabilities. In addition, the company is considering the purchase of a seven-acre lot that is adjacent to this facility, to allow for future anticipated expansion. The project is expected to generate a total capital investment of \$6.9 million and create 70 jobs with the support of a \$552,000 Michigan Business Development Program performance-based grant.
P&THE Manufacturing, LLC	11/2/2023	Fruitport	\$428,000	P&THE Manufacturing Michigan, LLC is a subsidiary of P&THE Holding, a Canton Township-based holding company that consists of businesses providing high-performing manufacturing solutions. P&THE plans to acquire Spring Lake Township-based Turbo Components, Inc. (TCI), a West Michigan aluminum casting and machining manufacturer that produced engine components for Auburn Hills auto supplier BorgWarner Inc. TCI filed for bankruptcy in April 2023 and currently has no employees. As part of the acquisition, BorgWarner has agreed to continue working with the business once it is acquired and reformed. The project is expected to generate a total capital investment of \$2.6 million and create 107 jobs with the support of a \$428,000 Michigan Business Development Program grant. Michigan was chosen for the expansion over the company's existing facility in Ohio.
Walinga USA, Inc.	11/8/2023	Wayland	\$168,000	The Company is considering an expansion of its Wayland facility consisting of \$6,880,000 on real property and \$1,500,000 on personal property over three years. The project will constitute the purchase of a 3-acre parcel adjacent to the existing facility with 36,000 square feet of new construction and 3,000 square feet of renovations. The Project will also result in the creation of up to 31 new jobs paying an average wage of \$947 per week plus benefits. These positions vary between welders, fabricators, assemblers, material handlers, and support staff, among others. The project is expected to generate a total capital investment of \$8.3 million and create 31 jobs with the support of a \$168,000 Michigan Business Development Program grant.

Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Sunsation Powerboats	11/8/2023	Cottrellville Twp.	\$350,000	Since 1982, Sunsation Products, Inc., a manufacturer of high-performance boats, has been experiencing increasing customer demand for its powerboats to the point where the company has outgrown its current building. The company plans to use its real estate entity to construct a new state-of-the-art manufacturing facility in Cottrellville Township, where it will enhance its operations, offer a new line of boats, and add more boat dealers to its network. The project is expected to generate a total capital investment of \$7.7 million and create 20 jobs with the support of a \$350,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the expansion over a competing site in Florida due to the easy access to Lake Huron and the advantage of Michigan's east coast, shoreline-driven tourism and boating in the region.
Silbond Corporation	11/14/2023	Weston	\$900,000	The Company, a producer of chemicals for the fabrication of semiconductors, is expanding its operations in Fairfield Township in Lenawee County. Silbond is a wholly owned subsidiary of the Germany-based specialty chemicals company Evonik. The expansion will allow the company to manufacture new products, including high-purity abrasives and market them to manufacturers of liquid abrasive slurries which are in the production of microchips. The project is expected to generate a total capital spending of \$7.9 million in 2023 and 2024 and create three jobs and will further build on the state's work to position itself as the global leader in the semiconductor supply chain.
Jing-Jin Electric North America LLC	11/27/2023	Farmington Hills	\$1,000,000	The Company was founded 2012 and is a leading, Tier 1 electric vehicle supplier of drive train systems, power electronics, and software for passenger and commercial vehicles. The Company is headquartered in the City of Farmington Hills where it employs 200 Michigan residents and continues to expand and support the growing supply chain for electric vehicles. The Company is looking to expand its manufacturing capabilities to meet current customer needs and secure new opportunities. The project is expected to require \$7,500,000 in new construction and \$9,000,000 in machinery and equipment. The Company is considering the City of Farmington Hills for the project and anticipates the project will result in capital investment of up to \$16,500,000. The project will also result in the creation of up to 100 new jobs paying a wage between \$35 and \$45 per hour plus benefits.

Build Michigan Community Grant Initiative

The Build MI Community Grant is an initiative designed to promote private investment in Michigan communities. This tool provides access to real estate development gap financing for small scale, incremental redevelopment projects.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Dewey Family Properties LLC	10/31/2023	Allegan	\$250,000	The project in downtown Allegan removes the pebble-dash exterior on 128 Locust and exposes the original bricks. Window openings and windows will be restored. The main floor commercial space will include remodeling three massage rooms and creating shared spaces with restrooms, hallways, and a back door lobby. The upper level will be remodeled to become two 2-bedroom, 2-full bathroom apartments. The project will include a local Obsolete Property Rehabilitation Act (OPRA) estimated at \$70,600 and a \$250,000 BMC performance-based grant.
West Liberty Holdings LLC	11/2/2023	Plymouth	\$250,000	The project will result in the redevelopment of a blighted, condemned property in Old Village Plymouth into a 2,000 square foot mixed-use building with retail, office, and event space. Anticipated total capital investment is \$919,864.

Brownfield Tax Increment Financing (TIF)

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
215 EM Partners, LLC	10/31/2023	Kalamazoo	\$149,024	The proposed project is the rehabilitation of a functionally obsolete and vacant commercial property located at 215 E. Michigan Avenue in Kalamazoo into a commercial space occupied by a casual taco restaurant and taqueria, Barrio Taco with a state capture capped at \$149,024.

Capital Access

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

State Small Business Credit Initiative (SSBCI) 2.0 – Collateral Support Program (CSP)

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Blueoco, LLC	10/16/2023	Grandville	\$5,000,000	GeckoBrands and the parent company Blueoco are working with Mercantile Bank to refinance and increase a line of credit currently held at another bank. Due to collateral shortfall, the bank is requesting assistance from the SSBCI 2.0 CSP.
AR Craftsman LLC	11/10/2023	West Bloomfield	\$74,000	Genisys Credit Union is working with AR Craftsman LLC on a new commercial loan. The loan is short on collateral and the credit union is requesting collateral support on the loan.
Ground Test Solutions LLC	11/16/2023	Grand Ledge	\$499,000	Dart Bank is working with Ground Test Solutions on a new commercial loan to support the borrower's new contract with GE. Due to a lack of collateral, Dart Bank is asking for collateral support on the loan.
The Candied Yam, LLC	11/16/2023	Grand Rapids	\$209,879	Company is working with Northern Initiatives to finance construction, working capital and FF&E. Due to collateral shortfall NI is requesting assistance from the SSBCI 2.0 CSP on both the leasehold improvement loan and equipment loan.
The Candied Yam, LLC	11/16/2023	Grand Rapids	\$33,788	Company is working with Northern Initiatives to finance construction, working capital and FF&E. Due to collateral shortfall NI is requesting assistance from the SSBCI 2.0 CSP on both the leasehold improvement loan and equipment loan.

State Small Business Credit Initiative (SSBCI) 2.0 – Loan Guaranty Program (LGP)

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Taylor's Lost Haven LLC	10/3/2023	Beaverton	\$55,000	NI is working with Taylor's Lost Haven LLC on a new commercial loan. NI is enrolling this loan into the Loan Guarantee Program.
K9 Cuisine	10/5/2023	Grandville	\$90,000	NI is working with K9 Cuisine on a new commercial loan. NI is enrolling this loan into the Loan Guarantee Program.
Harbor Health and Massage LLC	10/12/2023	Holland	\$100,000	Northern Initiative is working with Harbor Health and Massage on a new commercial loan. Northern Initiatives is enrolling this loan into the Loan Guarantee Program.
Millie's Farms, LLC	10/16/2023	Newaygo	\$361,323	Northern Initiative is working with Millie's Farms LLC on a new commercial loan for constructing a new building. Northern Initiative is enrolling this loan into their Loan Guarantee Program.
R&D Foods, LLC	10/19/2023	Ypsilanti	\$19,992	Michigan Women Forward (MWF) is working with R&D Foods on a new commercial loan. MWF is enrolling this loan into the Loan Guarantee Program.
8013 Miller Rd., LLC	10/23/2023	Swartz Creek	\$190,000	Metro Community Development (MCD) is working with 8013 Miller Rd., LLC for the purchase of a new commercial building. MCD is enrolling this loan into the Loan Guarantee Program.
Driven Light Productions LLC	10/23/2023	Detroit	\$65,000	Detroit Development Fund (DDF) is working with Driven Light Productions, LLC dba Drive Light Entertainment on a new commercial loan. DDF is enrolling the loan into the Loan Guarantee Program.
Little Ones Daycare & Preschool LLC	11/20/2023	Fremont	\$118,000	Northern Initiatives (NI) is working with Vanderstelt Holdings LLC & Little Ones Daycare & Preschool LLC on a new commercial loan. NI is enrolling this loan into the Loan Guarantee Program.
The Boudrose, LLC	11/20/2023	Manistique	\$100,000	Northern Initiatives (NI) is working with The Boudrose LLC and their holding company, Bouds LLC on a new commercial loan. NI is enrolling this loan into the Loan Guarantee Program.
The Kitchen by Cooking with Que	11/20/2023	Detroit	\$105,261	First Independence Bank (FIB) is working with the business on a new commercial loan. FIB is enrolling this loan into the Loan Guarantee Program.
Brix Wine & Charcuterie, LLC	11/22/2023	Detroit	\$100,000	DDF is working with Brix Wine & Charcuterie LLC on a new commercial loan. DDF is enrolling the loan into the Loan Guarantee Program.
Nerds Xpress	11/22/2023	Detroit	\$250,000	DDF is working with Nerds Express Inc. on a new commercial loan. DDF is enrolling the loan into the Loan Guarantee Program.

Michigan State Trade Expansion Program (MI-STEP)

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

Project Name	Approval Date	Location	Incentive Amount
NeuroNexus Technologies, Inc - Society for Neuroscience EXPO in Washington	10/5/2023	Ann Arbor	\$8,422
Octava - EASA European & World Chapter Convention/Trade Show France	10/5/2023	Warren	\$1,565
Soothsayer Analytics - ADIPEC - Abu Dhabi	10/5/2023	Livonia	\$12,890
Akervall Technologies Inc. - ISPO Munich 2023	10/6/2023	Saline	\$1,695
Constructive Eating, Inc. - International Toy Fair New York	10/6/2023	Ann Arbor	\$5,469
Innotec - International Web Development - MultiView	10/6/2023	Zeeland	\$2,000
Managed Programs, LLC - Germany - Sales Trip - October	10/6/2023	Auburn Hills	\$4,501
Medicus Health - FY24 Automation Alley Trade Mission to Mexico	10/6/2023	Kentwood	\$5,250
OG Technologies - Sales Trip Asia	10/6/2023	Ann Arbor	\$3,533
Professional Apparel Company - CVMA Canadian Marketing Campaign	10/6/2023	Battle Creek	\$4,500
RoboBuoy, Inc. dba MarkSetBot - Chilean Sales Trip & Prototype Shipment	10/6/2023	Detroit	\$4,480
Self-Lube - MexiMold 2023	10/6/2023	Coopersville	\$7,640
EZM LLC dba EZMETROLOGY - Automation Alley Trade Mission to Mexico	10/9/2023	Commerce Charter Township	\$1,500
Innovative Weld Solutions LLC - Automotive Meetings Madrid	10/9/2023	Warren	\$2,687
International Met Systems - Meteorological Tech World Expo Switzerland	10/9/2023	Kentwood	\$8,950
Reyburn Piano Service, Inc. - APTTA Convention and Trade Show Australia	10/9/2023	Cedar Springs	\$6,730
SoundOff Signal - Development of European Website-Europe	10/9/2023	Hudsonville	\$15,000
Tech Defenders - Sales Trip Europe	10/9/2023	Grand Rapids	\$3,823
Zero Gravity Filters - FY MI-STEP Japan Paint & Coat Show & Sales Interviews Nagoya	10/9/2023	Brighton	\$2,242
Mar-Med Co. - MDR / ISO 13485 compliance for CE marking	10/10/2023	Grand Rapids	\$10,000
The North Pole Gnomes - International Packaging Redesign	10/10/2023	Saginaw	\$225
Vantage Plastics - Automotive Packaging Summit NC	10/10/2023	Standish	\$11,871
Business-Connect - Automation Alley Mexico Trade Mission	10/12/2023	Grandville	\$2,700

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Celcius Corp dba GC Biowater - India Sales trip	10/12/2023	Southfield	\$1,880
IQ Designs, Inc. - MEDICA	10/12/2023	Manistique	\$15,000
Miniature Golf Services by Arne Lundmark dba Adventure Golf Services - IAAPA 2023	10/12/2023	Traverse City	\$15,000
Orion Measurement Solutions - Automation Alley Trade Mission to Mexico	10/12/2023	Auburn Hills	\$4,000
Ulendo Technologies, Inc. - Formnext Mesago Germany & Sales Visits	10/12/2023	Ann Arbor	\$5,186
Bennett Pump Company - International Web Development & Maintenance	10/13/2023	Spring Lake	\$3,970
Messersmith Manufacturing, Inc. - National Hardwood Lumber Assoc. EXPO - Louisville KY	10/13/2023	Bark River	\$3,987
RoboBuoy, Inc. dba MarkSetBot - SailGP Cadiz	10/13/2023	Detroit	\$2,087
Great Lakes Sound and Vibration (GLSV) - AUSA Washington DC	10/16/2023	Houghton	\$2,522
ILANs, Inc. - APTA Expo, Orlando, FL	10/16/2023	Saline	\$2,210
Industrial Control Repair - IBT Web Development - Mexico/South Africa	10/16/2023	Warren	\$3,072
La Salonniere, LLC - France Trade Shows and EU Sales Trip	10/16/2023	Detroit	\$7,827
Michigan Instruments - German/Spanish Translations Services	10/16/2023	Kentwood	\$500
RJG Inc - NPE in Orlando, FL	10/16/2023	Traverse City	\$15,000
R M Young Co - Meteorological Technology World Expo - Switzerland	10/16/2023	Traverse City	\$8,051
Sensitile Systems, LLC - Sample Product Shipping - Worldwide	10/16/2023	Ypsilanti	\$1,750
SSI Electronics Inc. - MEDICA	10/16/2023	Belmont	\$2,399
Unist, Inc - Asia CanTech 2023	10/16/2023	Grand Rapids	\$3,907
Ausco Products, Inc. - Agritechnica	10/17/2023	Benton Harbor	\$3,103
Carefluence - MEDICA	10/17/2023	Grand Blanc	\$5,830
Conquest Firespray - SFPE Expo - Washington, DC	10/17/2023	Warren	\$5,479
Global Health Services Network - 46th World Hospital Congress - Portugal	10/17/2023	Farmington	\$5,555
Hastings Manufacturing Company - Online Marketing - Europe, South Africa and Mexico	10/17/2023	Hastings	\$15,000
Nautical Specialties - IBEX Florida	10/17/2023	Manistee	\$1,290
Portland Products - Automotive Interiors Expo 2023	10/17/2023	Portland	\$4,351
Accurate Technologies Inc. - Testing Expo 2023 - Novi	10/18/2023	Novi	\$3,920

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Oxus America, Inc - MEDICA	10/18/2023	Auburn Hills	\$4,360
Maelstrom Chemical Technologies, LLC - ISO 9001: 2015 Certification- 2023 Surveillance Audit	10/19/2023	Shelby Twp	\$1,750
Sakor Technologies, Inc. - International Test Expo in Novi Mi	10/19/2023	Owosso	\$4,553
Airflow Sciences Corporation - Process Expo 2023	10/20/2023	Livonia	\$4,199
Blue Photon Technology & Workholding Systems, LLC - IMTS Chicago	10/24/2023	Shelby	\$15,000
Endoscopy Corporation of America dba ENDOCORP - MEDICA 2023 Messe Dusseldorf	10/24/2023	Southfield	\$3,032
Grip Studios Inc. - Q1 Oct 2023- Dec 2023 UK and EU Marketing & Ecommerce Campaign	10/24/2023	Livonia	\$2,500
Laser Marking Technologies - IMTS 2024 Chicago, IL	10/24/2023	Caro	\$15,000
Michigan Instruments - MEDICA 2023	10/24/2023	Kentwood	\$1,500
Nova Shipping - B2B Matchmaking & Sales Meetings Spain	10/24/2023	West Bloomfield	\$2,532
Oktober LLC - Mexico Trade Mission - Automation Alley, and Expo Cerveza	10/24/2023	Grand Rapids	\$5,032
Oliver Carbide Products - International Amazon E-Commerce Advertising Q1 2023	10/24/2023	Cottrellville	\$15,000
Owosso Graphic Arts, Inc. - Automotive Interiors Expo 2023	10/24/2023	Owosso	\$4,952
Owosso Graphic Arts, Inc. - Printing United Expo - Atlanta	10/24/2023	Owosso	\$4,992
Special-Lite, Inc. - Translation of sales brochures into French Canadian	10/24/2023	Decatur	\$2,000
The North Pole Gnomes - Americas Mart Atlanta 2024	10/24/2023	Saginaw	\$4,770
Getman Corporation - International Mining Convention - Mexico	10/26/2023	Bangor	\$1,024
Promethient, Inc. - IBEX - International BoatBuilders Exposition	10/26/2023	Traverse City	\$10,830
Atlas Space Operations, Inc. - Space Tech Expo Europe	10/27/2023	Traverse City	\$11,710
Enstrom Helicopter Corporation - FY24 European Rotors Spain	10/27/2023	Menominee	\$15,000
Genuen - Automotive Testing Expo	10/27/2023	Saginaw	\$14,201
Getman Corporation - CE Certification	10/27/2023	Bangor	\$2,275
Hurley Marine, Inc. - METS Tradeshow - Amsterdam	10/27/2023	Escanaba	\$8,234
Packaging Compliance Labs - MEDICA - Dusseldorf, Germany	10/30/2023	Kentwood	\$3,902
3DXTECH - FormNext Frankfort, Germany	10/31/2023	Byron Center	\$15,000
GANTEC - Biostimulants World Expo - Italy	10/31/2023	Midland	\$3,147

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Grand Rapids Label Company - MDM West Anaheim	10/31/2023	Grand Rapids	\$4,420
Bekum America Corporation - Plastimagen 2023 Mexico	11/2/2023	Williamston	\$11,532
Humphrey Products - 2023 Medica	11/2/2023	Kalamazoo	\$10,256
Trans-Matic - Queretaro Automotive Meetings - Feb 2024	11/2/2023	Holland	\$2,050
Beet, Inc. - Italy-Belgium-UK-Germany Trip Nov. 2023	11/3/2023	Southfield	\$5,965
Bekum America Corporation - ADM Plast-EX, Toronto, CA	11/3/2023	Williamston	\$9,503
Great Lakes Label, LLC - Mexico Sales trip - Dec/2023	11/3/2023	Comstock Park	\$1,397
Innovative Weld Solutions LLC - GACC EV & Charging Infrastructure Delegation to Germany	11/3/2023	Warren	\$1,589
Trans-Matic - China and Thailand Sales Trip	11/3/2023	Warren	\$1,589
Trueline Enterprise LLC - Marketing & Int'l Web Development - China	11/3/2023	Holland	\$1,907
Anderson Paint Store LLC - Colombia	11/3/2023	Kentwood	\$6,000
Anderson Paint Store LLC - ExporTech 2023	11/6/2023	Detroit	\$1,218
Buell Motorcycles - EICMA 2023 Italy	11/6/2023	Detroit	\$500
DYNA Products - Japan Sales Trip 2023	11/6/2023	Cascade Township	\$5,796
Getman Corporation - Indonesia Sales Trip	11/6/2023	Millington	\$6,319
Healthmark Industries Co, Inc - MEDICA 23	11/6/2023	Bangor	\$9,745
Howies Hockey Tape - 2023 Social Media Advertising Campaign - Europe	11/6/2023	Fraser	\$15,000
Managed Programs, LLC - 2023 SEMA Trade Show	11/6/2023	Auburn Hills	\$10,658
Medicus Health - MEDICA 23	11/6/2023	Kentwood	\$6,430
NuStep - MEDICA 23	11/6/2023	Plymouth	\$1,915
Owens Classic International - SEMA 23	11/6/2023	St. Joseph	\$1,059
Special-Lite, Inc. - Construct Canada Trade Show - Toronto	11/6/2023	Decatur	\$1,620
The North Pole Gnomes - International Localization	11/6/2023	Saginaw	\$1,000
Nautical Specialties - METS - Marine Equipment Trade Show - Amsterdam 2023	11/7/2023	Manistee	\$3,680
NuStep - UK Sales Trip - December	11/7/2023	Plymouth	\$1,747
Magnetic Products Inc. - Int'l Production & Processing Expo (IPPE), Atlanta	11/8/2023	Highland Township	\$6,671

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
RoboBuoy, Inc. dba MarkSetBot - METS Amsterdam	11/8/2023	Detroit	\$2,065
Van Mark Products Corporation - Rebuild Ukraine Trade Mission & Sales Trip to Portugal	11/8/2023	Farmington Hills	\$3,744
Andrell International DBA eVitamins - Brazil Google Adwords Marketing Campaign	11/9/2023	Utica	\$5,000
Viking Spas - Int'l Pool & Spa Expo	11/9/2023	Wyoming	\$15,000
American Flashings and Accessories, LLC - FY24 Roofing Process Expo Orlando	11/13/2023	Bailey	\$3,638
Sunrise SRL - Growtech Turkey '23	11/13/2023	East Lansing	\$7,717
NCOC, Inc. - Sales Trip to India	11/16/2023	Oak Park	\$3,820
RCI Adventure Products - IAAPA Expo Orlando	11/16/2023	Allegan	\$15,000
Airflow Sciences Corporation - Int'l Marketing Campaign ASE & Azore	11/20/2023	Livonia	\$2,250
C2Dx - MEDICA	11/20/2023	Schoolcraft	\$2,714
Greening Associates, Inc. - Automechanica - Shanghai	11/20/2023	Detroit	\$1,876
Reink Media Group, LLC - UK & Ireland Sales Trip B2B Meetings	11/20/2023	Royal Oak	\$6,296
Ross Controls - Mexico Trade Mission	11/20/2023	Ferndale	\$2,600
INRAD Inc. - EU MDR & MDSAP Certification	11/21/2023	Kentwood	\$15,000
INRAD Inc. - SBI Trade Show Canada	11/21/2023	Kentwood	\$10,640
MajesTec 125LLC DBA FreedomLift - Miami Int'l Boat Show	11/21/2023	Grand Rapids	\$10,483.00
OG Technologies - Taiwan Sales Trip	11/21/2023	Ann Arbor	\$2,059
Owens Classic International - Sample Product Shipping - PERU	11/21/2023	St. Joseph	\$2,500
ZVenture International LLC - Int'l Web Development Africa/Latin America	11/21/2023	Lansing	\$9,000
RoboBuoy, Inc. dba MarkSetBot - SailGP Dubai	11/26/2023	Detroit	\$2,532
SPC Innovations - Toy Fair NYC	11/28/2023	Lansing	\$1,128

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval from October 1, 2023, to November 30, 2023.

Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
E.W. Grobbel - Expansion - FY2021	10/10/2023	Detroit	Amended to extend M1 from 5/31/23 to 5/31/24; extend M2 from 5/31/25 to 5/31/26; extend M3 from 5/31/27 to 5/31/28; and extend grant term from 11/30/27 to 11/30/28.
Magna Seating of America Inc. - Project Leo - New Development - FY2023	10/20/2023	Highland Park	Amended to extend M1 due date from 6/30/2023 to 12/31/2023 and extend grant term date from 12/31/2023 to 12/31/2024.
Niles Industrial Coatings - Expansion - FY2020	11/20/2023	Fenton	Amended to extend M3 due date from 5/31/2023 to 5/31/2024; extend M4 due date from 3/30/2024 to 3/30/2025 and extend the grant term from 9/30/2024 to 9/30/2025.

Jobs Ready Michigan Program

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
E.W. Grobbel - Expansion - FY2021	10/10/2023	Detroit	Amended to extend M1 from 5/31/23 to 5/31/24; extend M2 from 5/31/24 to 5/31/25; extend M3 from 5/31/25 to 5/31/26; and extend grant term from 11/30/25 to 11/30/26.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

Project Name	Project Location	Incentive Type	Amount	Date	Reason for Termination	Repayment
Marquardt Switches Inc.	Rochester Hills	Grant	\$300,000	10/2/2023	Unable to reestablish incented QNJs	\$51,724
Nexient	Ann Arbor	Grant	\$500,000	10/11/2023	Unable to meet grant requirements	\$0
Midwest Fastener Corporation	Portage	Grant	\$500,000	10/11/2023	Not moving forward with project	\$0
eAgile, Inc.	Grand Rapids	Grant	\$300,000	10/23/2023	Unable to reestablish incented QNJs	\$19,578
Rexair LLC	Cadillac	Grant	\$48,000	10/31/2023	Not moving forward with project	\$0
Human Element, Inc.	Ann Arbor	Grant	\$260,000	10/31/2023	Not moving forward with project	\$0
Berkshire Production Supply LLC	Novi	Grant	\$1,000,000	11/7/2023	Not moving forward with project	\$0
Securis Group, LLC	Plymouth	Grant	\$500,000	11/17/2023	Unable to meet grant requirements	\$0
Konnech Inc	Okemos	Grant	\$408,000	11/17/2023	Unable to meet grant requirements	\$0