



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

March 28, 2023

10:00am

I. CALL TO ORDER & ROLL CALL

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

III. COMMUNICATIONS

IV. CONSENT AGENDA

- a. Proposed Meeting Minutes: February 28, 2023.....3
- b. 3874 Research Drive Project: Brownfield Act 381 Work Plan58
- c. Jackson Downtown Partners, LLC: Michigan Community Revitalization Other Economic Assistance- Loan Participation Amendment68
- d. HM Ventures Group 6, LLC and/or Related Entities: Michigan Community Revitalization Program Direct Loan Award Amendment73
- e. Business Incubator Program: FY23 Gateway Grants and Amendments77
- f. Michigan Translational Research and Commercialization (MTRAC): Advanced Transportation Innovation Hub Designation119
- g. Michigan Translational Research and Commercialization (MTRAC): Advanced Materials Innovation Hub Designation.....125
- h. SSBCI 2.0 MBGF Capital Access Program: Guidelines Amendment131
- i. Michigan Israel Business Accelerator: FY23 Funding Allocation137
- j. Flint Commerce Center, LLC: MSF Performance-Based Loan Amendment.....143
- k. Invent@NMU: No Cost Extension.....152
- l. Uptown Reinvestment: Michigan Community Revitalization Program Performance-Based Direct Loan Amendment.....158
- m. Our Next Energy: Jobs for Michigan Investment Fund Loan Amendment.....165

V. DEVELOP ATTRACTIVE PLACES

- a. Bogan Development LLC: A resolution to approve a Michigan Community Revitalization Program Grant Performance-Based Grant in the amount of \$1,080,000 and an Act 381 Work Plan including state tax capture in the amount of \$159,578..... 180
Location: City of Kalamazoo
- b. McClellan Realty, LLC: A resolution to approve a Michigan Community Revitalization Program Performance-Based Grant in an amount of up to \$1,500,000.. 200
Location: City of Sault Ste. Marie
- c. Albion Reinvestment Corporation: A resolution to approve a Michigan Community Revitalization Program Performance-Based Grant in the amount of \$1,500,000, a Michigan Community Revitalization Performance-Based Direct Loan in the amount of \$2,380,000 and a Brownfield Act 381 Work Plan including state tax capture in the amount of \$806,580. 213
Location: City of Albion

d. Delegation of Authority FTA Section 106 Agreement: A resolution to approve delegation of signature authority to the Deputy State Historic Preservation Officer	234
---	-----

VI. ATTRACT, RETAIN, AND GROW BUSINESS

a. BorgWarner: A resolution to approve a Michigan Business Development Program Grant in the amount of \$1,860,000.....	239
<i>Locations: City of Auburn Hills, City of Dearborn, City of Hazel Park, Oakland County, and Wayne County</i>	
b. Ay Dee Kay LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of \$10,000,000.	245
<i>Location: City of Auburn Hills</i>	
c. Marshall Area Economic Development Alliance (MAEDA): A resolution to approve a Strategic Site Readiness Program Performance-Based Grant in the amount of \$120.3 million for site readiness activities to support land acquisition and site and infrastructure development activities.	251

VII. SUPPORT SMALL BUSINESS

a. International Trade Centers: A resolution to approve issuance of International Trade Centers Request for Proposals and Adoption of Joint Evaluation Committee, and Scoring and Evaluation Criteria.....	264
--	-----

VIII. INFORMATIONAL

a. Delegation of Authority Report	274
---	-----

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

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
FEBRUARY 28, 2023**

Members Present

Paul Gentilozzi
John Groen (on behalf of Director Corbin)
Jennifer Nelson (on behalf of Chairman Messer)

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Rachael Eubanks
Dimitrius Hutcherson
Michael B. Kapp (on behalf of Acting Director Wieferich)
Charles P. Rothstein
Susan Tellier
Cindy Warner

I. CALL TO ORDER & ROLL CALL

Ms. Nelson called the meeting to order at 9:01 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.

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. Qiana Towns Williams, District Director for State Senator John Cherry, offered remarks in support of the Flint YMCA Living project.

III. COMMUNICATIONS

Ms. Wilcox Surmann advised Board members that letters were received from several legislators, including:

- State Senator Jon Bumstead in support of the Adelaide Pointe QOZB, LLC project in Muskegon
- State Representative Jenn Hill in support of the City of Marquette blight elimination/clearance project
- State Representative Gregory Markkanen in support of the Keweenaw Cooperative, Inc. project in Hancock
- State Representative James DeSana in support of the Metro 94 Commerce Center, LLC project in Taylor
- State Senator Darrin Camilleri and State Representative Jaime Churches in support of the 3131 Biddle, LLC project in Wyandotte

In addition, letters were received from the following individuals for three grant recommendations:

- Brock Tessman, President of Northern Michigan University, Stephen Young, Chair of the NMU Board of Trustees, Christopher Germain, Chief Executive Officer of Lake Superior Community Partnership, Tara Laase-McKinney, Executive Director of the City of Marquette Downtown Development Authority, Jerry Irby, Chair of the City of Marquette Brownfield Redevelopment Authority, Ian Davis, Fire Chief of the City of Marquette, and Roger Grim, Chief of Police of City of Marquette, in support of the City of Marquette blight elimination/clearance project

- Mike Sarrazin, President of SLH Metals Inc., Marty Fittante, CEO of InvestUP, and Justin Horvath, President/CEO of Shiawassee Economic Development Partnership, in support of a grant recommendation for The Edward Lowe Foundation for the Second-Stage Growth Solutions Program
- Nikki Frazier, owner of Sweet Encounter Bakery & Café, Cathleen Ederly, Executive Director of Downtown Lansing Inc., Christine Quane, Director of Food Programs of Eastern Market Partnership, and Anne Gentry, Executive Director of the Alpena Downtown Development Authority, in support of a grant recommendation for Northern Great Lakes Initiatives for the Optimize Main Street Program

Finally, email communications were received from the individuals identified below who expressed opposition to Michigan Potash and Salt Company’s proposed potash and salt production and processing facility in Evert Township. On September 27, 2022, the MSF Board adopted of a resolution to authorize the inducement of private activity bond financing not to exceed \$225,000,000 in connection with the project.

- Jennifer Atlee of Fennville, MI
- David Beaton of Elberta, MI
- Peggy Case of Mecosta, MI (President of Michigan Citizens for Water Conservation Board of Directors)
- Ray Davies of Mt. Pleasant, MI
- Dave Dempsey of Traverse City, MI
- Carolyn Dulai
- Cheryl Iree
- Margaret Klotz of Laingsburg, MI
- John Kormash of Rockford, MI
- Beverly Loudon of Detroit, MI
- Jay Machielse of Grand Blanc, MI
- Glenna Maneke
- Scott McNabb of Ada, MI
- Julianne Michaels of Harbor Springs, MI
- Rebecca Stieg of Reed City, MI
- Yeardeley Wells

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported subcommittee members met recently to receive an update on the Marshall Megasite. They also discussed the Flint YMCA Living project and the EV Scholars Pilot Program and recommended approval of both agenda items.

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported subcommittee members met recently and reappointed her as chair of the subcommittee. Members received an overview of MEDC small business services and also discussed items on the agenda, including the Second-Stage Growth Solutions Program, EV Scholars Pilot Program, and the Adelaide Pointe QOZB, LLC project. They recommended approval of the three agenda items.

Charles P. Rothstein submitted a letter recusing himself from the Michigan Venture Capital Association Fellows Program item under the Consent Agenda. The recusal letter is attached to the minutes.

IV. CONSENT AGENDA

Resolution 2023-013 Approval of Consent Agenda Items

Ms. Nelson asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, John Groen motioned for the approval of the following:

- a. Proposed Meeting Minutes: February 13, 2023
- b. SK Siltron CSS: MBDP Reauthorization – **2023-014**
- c. Exchange Building, LLC: MCRP Amendment – **2023-015**
- d. Develop Michigan Inc. Board Member Appointments – **2023-016**
- e. Adelaide Pointe QOZB, LLC: Brownfield Act 381 Work Plan – **2023-017**
- f. Metro 94 Commerce Center, LLC: Brownfield Act 381 Work Plan – **2023-2018**
- g. Talent Initiatives: Michigan Venture Capital Association (MVCA) Fellows Program: Funding Allocation – **2023-2019**
- h. Detroit Entrepreneur Inc./Lofts on Louis: MCRP Milestone Amendment – **2023-2020**

John Groen seconded the motion. **The motion carried: 8 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: Charles P. Rothstein

Charles P. Rothstein joined the meeting at 9:23 a.m. and Rachael Eubanks joined the meeting at 9:24 a.m.

V. DEVELOP ATTRACTIVE PLACES

- a. **Resolution 2023-021 City of Marquette: Community Development Block Grant Program Award (Blight Elimination/Clearance Project)**

Vicki Schwab, Managing Director of Regional Prosperity, provided the Board with information regarding this action item. The action involves approval of a Community Development Block Grant Program grant of up to \$8,000,000 with up to an additional \$30,000 to provide administrative services to assist with the compliance and administrative requirements of the award to support a blight elimination/clearance project in the City of Marquette, Marquette County. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2023-021. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

- b. **Resolution 2023-022 Keweenaw Cooperative, Inc.: Michigan Community Revitalization Program Grant (Keweenaw Co-op Downtown Relocation Project)**

Jen Tucker, Senior Community Development Manager, provided the Board with information regarding this action item. The action involves approval of a Michigan Community Revitalization Program performance-based grant of up to \$1,441,873 to support a community development project in the City of Hancock, Houghton County. The project is expected to result in total capital investment of \$7,636,618. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2023-022. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

c. **Resolution 2023-023 Uptown Reinvestment Corporation and HWD Harrison, Inc.: Michigan Community Revitalization Program Grant and Loan (Flint YMCA Living Project)**

*Charles Donaldson, Managing Director of Regional Prosperity, provided the Board with information regarding this action item. The action involves approval of a Michigan Community Revitalization Program (MCRP) performance-based grant of up to \$1,500,000 and a MCRP performance-based loan of up to \$5,500,000 to support a community development project in the City of Flint, Genesee County. The project is expected to result in total capital investment of \$40,878,414. Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2023-023. John Groen seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

d. **Resolutions 2023-024 & 2023-025 3131 Biddle, LLC and City of Wyandotte Brownfield Redevelopment Authority: Michigan Community Revitalization Program Loan Participation and Brownfield Act 381 Work Plan (The Federal Building Redevelopment Project)**

*Dominic Romano, Senior Community Development Manager, provided the Board with information regarding these action items. The actions involve approval of a Michigan Community Revitalization Program loan participation of up to \$1,562,164 and state tax capture for Act 381 eligible activities capped at \$1,389,849 to support a community development project in the City of Wyandotte, Wayne County. The project is expected to result in total capital investment of \$9,727,164. Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2023-024. Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

Ronald W. Beebe then motioned for the approval of Resolution 2023-025. John Groen seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

e. **Resolution 2023-026 Howard Property Partners, LLC: Michigan Community Revitalization Program Grant (316 Lake Street Revitalization Project)**

*Dan Leonard, Redevelopment Ready Services Director, provided the Board with information regarding this action item. The action involves approval of a Michigan Community Revitalization Program performance-based grant of up \$1,450,000 to support a community development project in the City of Petoskey, Emmet County. The project is expected to result in total capital investment of \$3,684,686. Following discussion, Jennifer Nelson motioned for the approval of Resolution 2023-026. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

f. **Resolutions 2023-027 & 2023-028 120 E. Superior, LLC and County of Gratiot Brownfield Redevelopment Authority: Michigan Community Revitalization Program Grant and Brownfield Act 381 Work Plan (Highland Lofts Project)**

Joe Frost, Community Development Manager, provided the Board with information regarding these action items. The actions involve approval of a Michigan Community Revitalization Program performance-based grant of up to \$1,500,000 and state tax capture for Act 381 eligible activities capped at \$374,689 to support a community development project in the City of Alma, Gratiot County. The project is expected to result in total capital investment of \$4,278,695. Following discussion, Britany L. Afolter-Caine motioned for the approval of Resolution 2023-027. Ronald W. Beebe seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Paul Gentilozzi joined the meeting 10:19 a.m.

Dimitrius Hutcherson then motioned for the approval of Resolution 2023-028. Britany L. Affolter-Caine seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

g. **Resolution 2023-029 Industry Detroit QOZB, LLC: Michigan Community Revitalization Program Direct Loan Agreement Amendment**

Debbie Stehlik, Commercial Real Estate Investment Manager, provided the Board with information regarding this action item. The action involves approval of an amendment to the Michigan Community Revitalization Program direct loan agreement to change the borrower from Industry Detroit QOZB, LLC to Industry Detroit Leverage Lender, LLC or a related entity, with Industry Detroit remaining as an applicant; collateral substitution subject to the required New Markets Tax Credit (NMTC) structure, currently anticipated to be an assignment of the leverage loan documents; extension of the maturity date and the interest only period to 90 months from the NMTC closing date; and extension of Milestone Three: completion of construction date by 180 days, from March 31, 2024, to September 30, 2024. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2023-029. Charles P. Rothstein seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VI. ATTRACT, RETAIN AND GROW BUSINESS

a. **Resolution 2023-030 Fuel Cell System Manufacturing LLC: Michigan Business Development Program Grant Reauthorization**

*Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves reauthorization of a \$2,000,000 Michigan Business Development Program performance-based grant to support an economic development project in Brownstown Charter Township, Wayne County. The project is expected to result in the creation of 64 qualified new jobs, with the potential for up to 70 total jobs and a capital investment of up to \$48,905,000. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2023-030. Charles P. Rothstein seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Britany L. Affolter-Caine, recused from the next item, disconnected from the meeting at 10:33 a.m. A recusal letter is attached to the minutes.

VII. SUPPORT AND GROW OUR TALENT

a. **Resolution 2023-031 EV Scholars Pilot Program: Program Creation and Eligibility Criteria, Guidelines, and Funding Approval**

*Kerry Ebersole Singh, EVP, Chief Talent and Engagement Officer, provided the Board with information regarding this action item. The action involves approval to create the EV Scholars Pilot Program, approval of eligibility criteria and guidelines, and allocation of \$3,500,000, with \$1,500,000 provided to the University of Michigan, Michigan State University, and Michigan Technological University at \$500,000 each, and the remaining \$2,000,000 to be disbursed to eligible institutions at the discretion of the MSF Fund Manager. The program will award scholarships to undergraduate students and other students with a goal of retaining top talent in Michigan focused first on the electric vehicle and mobility industry. Following discussion, John Groen motioned for the approval of Resolution 2023-031. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 1 recused.***

ROLL CALL VOTE: Ayes: Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: Britany L. Affolter-Caine

Britany L. Affolter-Caine rejoined the meeting at 10:45 a.m.

VIII. SUPPORT SMALL BUSINESS

a. **Resolution 2023-032 The Edward Lowe Foundation: Grant Award (Second-Stage Growth Solutions Program Creation and Guidelines Approval)**

*Rodney Parkkonen, Senior Business Strategy Manager, provided the Board with information regarding this action item. The action involves approval to create the Second-Stage Growth Solutions Program to support second-stage small businesses in Michigan, approval of program guidelines, and a \$300,000 grant award to The Edward Lowe Foundation to administer the program. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2023-032. Susan Tellier seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused; 1 abstained.***

Ronald W. Beebe disconnected from the meeting at 11:00 a.m.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None; Abstained: Paul Gentilozzi

b. **Resolution 2023-033 Northern Great Lakes Initiatives: Grant Award (Optimize Main Street Program Creation and Guidelines Approval)**

Suzanne Perreault, Interim Director of Small Business Services, provided the Board with information regarding this action item. The action involves approval to create the Optimize Main Street Program that will leverage systems and technology to support small business growth and sustainability, approval of program guidelines, and a \$550,000 grant award to Northern Great Lakes Initiatives to administer the program. Following discussion, John Groen motioned for the approval of Resolution 2023-033. Cindy Warner seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Dimitrius Hutcherson disconnected from the meeting at 11:15 a.m.

c. **Resolution 2023-034 Red Leaf RNG, LLC: Private Activity Bond Inducement (Sewage/Solid Waste)**

Amber Westendorp, Capital Project & Portfolio Manager, provided the Board with information regarding this action item. The action involves adoption of an inducement resolution for private activity bond financing not to exceed \$16,000,000 in connection with the company's Renewable Natural Gas (RNG) facility to be located in Saranac, Michigan, co-located with the Maple Row Dairy. Red Leaf was formed to develop, own, and operate the RNG facility in Saranac, which will be comprised of a single 2.5-million-gallon anaerobic digester, gas upgrading equipment, and other related equipment where it will process dairy manure biogas into pipeline quality RNG. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2023-034. Britany L. Affolter-Caine seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

IX. INFORMATIONAL

Ms. Nelson noted the MSF delegated authority report for the period January 1 to January 31, 2023, was included in the meeting packet. She asked if there were any questions from Board members regarding the information; there were none.

Ms. Nelson adjourned the meeting at 11:19 a.m.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen in addition to 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 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
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

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,

A handwritten signature in black ink, appearing to read "Quentin L. Messer, Jr.", written in a cursive style.

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

From: Charlie Rothstein <crothstein@beringea.com>
Sent: Thursday, February 23, 2023 10:41 AM
To: Katelyn Wilcox (MEDC) <wilcoxk5@michigan.org>
Subject: Recusal

Katelyn,

Beringea is a member of the Michigan Venture Capital Association.

As such, I would like to recuse myself from the Michigan Strategic Fund board discussion and decisions relating to "Talent Initiatives: Michigan Venture Capital Association (MVCA) Fellows Program." The matter is scheduled for consideration at our next board meeting on February 28, 2023.

Please feel free to contact me with any questions or comments.

Charles Rothstein

Charles Rothstein
Founding Partner
BERINGEA
O: 248-489-9000 | M: 248-790-0617
32330 W. 12 Mile Road, Farmington Hills, MI 48334
www.beringea.com | [LinkedIn](#) | [Medium](#)

In the United States of America, Beringea operates as an SEC-registered investment advisor, Beringea, LLC. [Full Disclaimer](#)



February 20, 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, February 28, 2023.

- EV Scholars

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



**THE SENATE
STATE OF MICHIGAN**

JON BUMSTEAD

32ND DISTRICT

P.O. BOX 30036

LANSING, MI 48909-7536

PHONE: (517) 373-1635

FAX: (517) 373-3300

senjbumstead@senate.michigan.gov

February 24, 2023

Michigan Economic Development Corporation
ATTN: Quentin L. Messer, Jr., Chairperson of the Michigan Strategic Fund board
300 N. Washington Sq.
Lansing, MI 48913

Dear Quentin L. Messer, Jr.,

This letter is written in support of the Adelaide Pointe QOZB, LLC project located in the City of Muskegon as they request \$14,346,616 in Brownfield state tax capture to reimburse for MSF eligible activities. I believe this project has the potential to provide significant local and regional economic benefits while also accomplishing important environmental remediation and restoration as well as expanded public access to natural resources.

Adelaide Pointe's location was used as an industrial site for 150 years, and the restoration of this former brownfield site on Muskegon Lake in the City of Muskegon would provide a significant environmental cleanup of the area. The redevelopment of the property would also take into consideration the best water quality management practices, renewable energy generation, and reduced carbon construction techniques.

Upon completion, the redevelopment of this property would expand public access to the surrounding natural resources. The construction of a new marina on the Muskegon Lake waterfront would bring significant economic benefits to Muskegon and the surrounding communities in West Michigan. In total, the project is expected to create 55 new residential condos, 100 new permanent jobs, and it is expected to bring in over \$100 million in tax revenue for local, state and education organizations over the next two decades.

The project developers have worked with city officials and hosted several public meetings to gather input from the community on this project, which has now rendered a wide range of community support for restoring this former industrial site and turning it into a usable public and private space.

In addition to many others that have supported this project, I would like to add my support and ask that you approve the funding to the City of Muskegon Brownfield Redevelopment Authority for the Adelaide Pointe QOZB, LLC project. If you have any questions or concerns, please feel free to contact my office by phone at (866) 305-2134 or by email at SenJBumstead@senate.michigan.gov.

Best Regards,

Jon Bumstead
State Senator
Michigan Senate District 32



109TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

PHONE: (517) 373-0498
FAX: (517) 373-9366
JennHill@house.mi.gov

JENN HILL
STATE REPRESENTATIVE

February 24, 2023

Dear Mr. Messer:

I am writing to express my strong support for the City of Marquette's Community Development Block Grant application for the demolition of the former hospital complex. As a Marquette resident and former city commissioner, I recognize the fundamental importance of clearing these structures for both public safety and community development purposes.

As Marquette and its surrounding communities continue to grow due to rising demand for outdoor recreation and numerous other factors, now is the time for Michigan to invest in the future of the Upper Peninsula. Our location on Lake Superior is our primary asset. Being a coastal community also brings unique challenges that we must be prepared to meet, and no city block should go to waste.

I am glad to join Marquette's police, firefighters, and Downtown Development Authority in recognizing the urgent need to eliminate blight on this large site in the heart of the City. Realizing our shared goal will improve public safety and support the residents and small businesses that make Marquette so special.

I'm eager to tell my constituents across the Central Upper Peninsula that state resources are being leveraged to uplift our communities and secure a brighter future for our region. I hope the Michigan Strategic Fund board will support our vision.

Best regards,

Rep. Jenn Hill
Michigan House of Representatives
District 109
(517) 373-0498



S-1489 House Office Building P.O. Box
30014 Lansing, MI 48933
(517) 373-0850

Gregory Markkanen
Michigan House of Representatives
110th District

Committees
Education
Elections
Insurance and Financial Services
Military, Veterans, and Homeland
Security
Tax Policy

February 24, 2023

Dear Quentin L. Messer, Jr., Chairperson of the Michigan Strategic Fund Board,

It is an honor to present before you today the hopes and vision of an entire community, a community that has built a common home together through the years and generations at the Keweenaw Co-op. What an opportune moment, as 2023 is the Cooperative's 50th year in existence; 50 years of community building, local business growth, and continued vision-casting.

My wife and I are members of this 'home', and cultural center, which continues to grow and find new life. The Co-op's reputation as a pillar of the community precedes itself, drawing customers beyond the local businesses and families that frequent it. Locally, "The Keweenaw Co-op exists to sustain the physical and social health of our Owners, Customers, and Community" ([Keweenaw Coop - About Us](#)). Nationally, Keweenaw Co-op partners with National Coop Grocers (NCG), providing business services for over 140 retail co-ops like ours. The ripple effects of the varied sorts of investments are profound, and my complete support is heartily behind the endeavor of expanding, developing, and revitalizing this heavily relied on organization. I entreat you to consider supporting this deserving request for a community revitalization grant to support the Co-op's expansion.

We are delighted to be considered for this performance-based grant, and confident you will encounter a community to inspire the same values that bring its owners, members, and business partners together. Thank you for your consideration of investing in the welfare of this significant resource in the heart of the Keweenaw Peninsula and our great state of Michigan.

Sincerely,

A handwritten signature in cursive script that reads "Gregory Markkanen".

Representative Gregory Markkanen
Michigan House of Representatives 110th District



29TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

PHONE: (517) 373-0475
FAX: (517) 373-5061
JamesDeSana@house.mi.gov

JAMES DESANA
STATE REPRESENTATIVE

February 27, 2023

The Honorable Quentin Messer
Chair, Michigan Strategic Fund Board
300 N. Washington Square
Lansing, MI 48913

Dear Chairman Messer,

I write to express my support for the request for the Michigan Strategic Fund Board to approve a development project in my district, with the important condition that the concerns of local residents are taken into full consideration.

The redevelopment of a blighted piece of property in Taylor, Michigan into a brand-new industrial building represents a great opportunity for the City. As a strong proponent of free markets and a representative of the hardworking people of Michigan's twenty-ninth House District, I do not support the giving-away of hard-earned taxpayer dollars to public or private corporations. However, in this specific case, property taxes that would otherwise be collected and then distributed to state and local entities throughout Michigan will instead be used for the brownfield redevelopment of local property that may benefit the people of my district. This redevelopment project creates an approximate 85 to 15% split in property taxes offered back to the site and the City, so that local money stays local. Because this represents a significant difference from a monetary hand-out from the state, I support the redevelopment of this site.

Thank you for your consideration and your time in reading this letter. Please reach out to my office with any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink that reads "James DeSana".

James DeSana
Member
Michigan House of Representatives



MICHIGAN LEGISLATURE
MICHIGAN HOUSE OF REPRESENTATIVES • MICHIGAN STATE SENATE

February 28, 2023

Dear Chairman Messer,

We are writing to you today to urge your consideration of the Federal Building Redevelopment project at 3131 Biddle Avenue in the City of Wyandotte. For the Wyandotte community, this redevelopment project will serve as another reason to bring more residents and businesses Downriver. Community revitalization projects such as this one are key to economic growth and development in the southeast region of Michigan.

As legislators and residents of Downriver, we know how much work the City of Wyandotte has put in to re-building their community in alignment with the “Destination Downriver” project led by groups like the Downriver Community Conference as well as other local organizations and leaders. We feel as though this project is a continuation of this, and as such will attract more people, businesses, and events to the community.

We believe the Michigan Strategic Fund (MSF) board and the Michigan Economic Development Corporation (MEDC) should award funding for this project in downtown Wyandotte. This project will revitalize the community by facilitating business and economic growth, and it will also address crumbling infrastructure like parking, sidewalks, and alleyways in the surrounding area. This project will leave a positive, lasting impact on our community and promote the livelihood of our Downriver constituents.

Please feel free to reach out to our offices should you have any further questions.

Thank you,

Handwritten signature of Jaime Churches in black ink.

Jaime Churches
State Rep.
District 27

Handwritten signature of Darrin Camilleri in black ink.

Darrin Camilleri
State Sen.
District 4



**NORTHERN MICHIGAN
UNIVERSITY**

OFFICE OF THE PRESIDENT
1401 Presque Isle Avenue
Marquette, MI 49855-5301
906-227-2242 | 906-227-2249
www.nmu.edu

February 21, 2023

Michigan Strategic Fund Board
Attn: Mr. Quentin Messer, Jr., Chair
300 North Washington Square
Lansing, MI 48913

RE: Community Development Block Grant Program
City of Marquette – Blight Clearance Project

Dear Members of the Michigan Strategic Fund Board of Directors,

On behalf of the Northern Michigan University (“NMU”) Board of Trustees, please accept this letter as a reflection of our institution’s steadfast support for the City of Marquette’s Community Development Block Grant (“CDBG”) application to fund blight elimination and clearance activities at the former hospital site located at 420 West Magnetic Street in Marquette, Michigan.

The City’s request is aligned with a comprehensive effort to reverse the deteriorating status of the 23-acre former hospital site, which is located in the heart of our community and continues to be a growing liability, public safety concern, and barrier to redevelopment. The site is adjacent to the southern boundary of NMU’s campus and three residential neighborhoods, including student rental housing. The western boundary of the site includes Seventh Street, a primary entry to campus from the U.S. 41/M-28 corridor. The eastern boundary includes transitions to Third Street, a primary commercial corridor near campus.

Over the past eighteen months, The NMU Foundation and City have led a public-private coalition to align the resources and professional relationships required to address legacy challenges associated with the former hospital site, including the proposal before you as well as other critical developments that will enable transformational opportunities for our community and campus. Due to the vacancy of UP Health System – Marquette and the resulting functional obsolescence of the site, public funding through sources such as the City’s CDBG grant application is a critical factor in removing what is otherwise an insurmountable barrier to realizing a productive use of this site that will benefit NMU and the Marquette community.

Thank you for your thoughtful consideration of the City’s request and Northern Michigan University’s unwavering support for this proposal.

Stephen E. Young
Chair, Board of Trustees

Brock Tessman, Ph.D.
President



February 24, 2023

Michigan Strategic Fund Board
Attn: Mr. Quentin Messer, Jr., Chair
300 N Washington Square
Lansing, MI 48913

Re: Community Development Block Grant Program: City of Marquette – Blight Clearance Project

Members of the MSF Board of Directors,

The Lake Superior Community Partnership (LSCP) is a private-public partnership in Marquette County, Michigan, whose mission is focused on the promotion and advancement of economic and community development. In partnership with our 300+ members, the LSCP is committed to facilitating job creation, strengthening communities, retaining existing businesses, assisting with business growth, and attracting new businesses to our region.

The LSCP offers its support for the City of Marquette's Community Development Block Grant (CDBG) application to fund blight elimination and clearance activities at the former hospital site located at 420 West Magnetic Street in Marquette, Michigan.

The City's request is aligned with a comprehensive effort to reverse the deteriorating status of the 23-acre former hospital site, located in the heart of the community and continues to be a growing liability, public safety concern, and barrier to redevelopment.

The LSCP has been a member of the local coalition to remove barriers to redeveloping this critical site. It has been a true testament to the power of community collaboration. The MSF's investment of CDBG dollars will make it possible to move the site closer to productive use, unlocking an impactful development opportunity, which will help accelerate new growth in the community, benefiting Marquette and the regional economy for years to come by providing much needed housing and community space to attract new talent to our area.

Thank you for your consideration of the City's request. The LSCP looks forward to your decision and continuing to see this opportunity come to fruition.

Christopher Germain
Chief Executive Officer, Lake Superior Community Partnership



**City of Marquette
Brownfield Redevelopment Authority**

Mr. Quentin L. Messer, Jr., CEO
Michigan Economic Development Corporation
300 North Washington Square
Lansing, MI 48913

Dear Mr. Messer:

I am writing this letter on behalf of the City of Marquette Brownfield Redevelopment Authority in support of the current Community Development Block Grant Blight Elimination application submitted by the City of Marquette for the Former Marquette General Hospital Demolition Project to be considered for approval by the Michigan Strategic Fund.

The Authority has been a key partner with the City and the Northern Michigan University Foundation, entering into a Memorandum of Understanding with a commitment to support the project and approving a Brownfield Plan to financially support the extraordinary costs for the adaptive reuse of the former Marquette General Hospital.

The size and scale of the remaining buildings on the property that will need to be removed represents a significant extraordinary cost and barrier to redevelopment. The project will not be able to proceed with the burden of over \$20 million in asbestos abatement and demolition without financial support. Leveraged with additional private and public funding, the CDBG Grant is a critical component to realizing this key opportunity in the heart of Marquette.

The City of Marquette Brownfield Authority Board fully supports the City of Marquette CDBG Blight Elimination Grant and encourages approval by the MSF to provide crucial funding for this high priority community project.

Thank you for your consideration in this matter.

Sincerely yours,

Jerry Irby, Chair

(906) 235-2279

1100 Wright Street, Marquette, MI 49855



February 20, 2023

Michigan Strategic Fund Board,

This letter is on behalf of the Marquette Downtown Development Authority (DDA) in support of the City of Marquette's Community Development Block Grant application for the Former Marquette Hospital Demolition Project.

The primary purpose of the DDA is to halt property value deterioration, increase property tax valuation, to eliminate the causes of that deterioration, and to promote economic growth. While this property is not located within the DDA boundaries, the demolition of the hospital property will be in close alignment the objectives within this purpose if the CDBG application is approved. The complex is located within blocks of the Third Street Corridor extension of the district and analysis from the City Assessor has shown a stagnation and decrease in property value of surrounding parcels due to the growing problem of blight and deterioration since the abandonment of the hospital complex.

The proximity to the downtown district and looming presence of decaying buildings is not economically beneficial to the businesses within the downtown district that the DDA represents and does not support the core mission of the authority.

The DDA fully supports the elimination of blight through the demolition of the former Marquette General Hospital campus and the CDBG application currently being considered.

Sincerely,

A handwritten signature in black ink that reads "Tara Laase-McKinney".

Tara Laase-McKinney
Executive Director
Marquette Downtown Development Authority



MARQUETTE CITY FIRE DEPARTMENT

418 S. THIRD ST.
MARQUETTE, MI 49855
www.marquettemi.gov
(906) 225-8936



Fire Chief
Ian Davis

Fire Marshal
Jeff Fossitt

Battalion Chief
Brian Phillips

Battalion Chief
Brian Talvensaari

Battalion Chief
Kurt Hillier

February 9, 2023

To: Michigan Strategic Fund Board

From: Chief Ian Davis

REF: City of Marquette Former Marquette General Hospital Demolition CDBG application

MSF Board,

Since the closing of MGH, we have experienced a large number of emergency calls to the complex. We have responded to a total of 42 calls, that include false fire alarm activations and medical emergencies.

The demolition of the vacant structures within the project site will alleviate the amount of real and false fire department responses and will provide a reduction in a significant source of issues and emergency response expenditures for the City of Marquette.

The City of Marquette Fire Department strongly supports the approval of the CDBG application and subsequent demolition of the Former Marquette General Hospital.

Respectfully,

Ian Davis

Fire Chief

RYAN GRIM
Chief of Police



GREG KINONEN
Captain of Detectives

300 W BARAGA AVENUE
MARQUETTE MI49855
(906)228-0400

TO: Michigan Strategic Fund Board
FROM: Chief Ryan Grim
Ref: City of Marquette Former Marquette General Hospital Demolition CDBG application

MSF Board,

From the time the hospital closed, the project area has experienced a significant amount of activity requiring police attention. Over 51 police calls for service have been made over the past four years including cases of vagrancy as well as stalking, malicious destruction of property, trespassing, a suicide attempt, and a warrant arrest.

If the structures remain, our department anticipates these issues will continue and may escalate due to the further deterioration and lack of oversight inherent with blighted and abandoned structures of this nature. The grant supported removal of these buildings will be a significant improvement to the area and will be a great step forward in reducing police responses to this area.

The City of Marquette Police Department supports this grant application and the anticipated demolition of the former Marquette General Hospital.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Grim", written over a white background.

Ryan Grim
Chief of Police

From: [Mike Sarrazin](#)
To: [Justin Horvath](#); [John Sarrazin](#)
Cc: [Rodney Parkkonen \(MEDC\)](#); [Joseph McCulloch \(MEDC\)](#)
Subject: Re: Michigan Economic Development Corporation Now Offering No-Cost Rural Entrepreneurship Program
Date: Friday, December 16, 2022 12:38:46 PM

Justin

This may seem old news but I wanted to share with you my experience with the Edward Lowe Foundation. First off, a huge thank you goes out to you and the MEDC for making this opportunity available to myself and other area businesses, the program is wonderful and the entire staff at ELF are the best. I went into this thinking that it was going to be just another think tank with a touch of feel good therapy, while the above was included, the program was way more than that. The take aways from our online sessions were real life examples of what all business people go through and were very relatable. Our small group was made up of a wide variety of business, manufacturing, software development, aerospace engineering, communications and food service but we all had common core issues to deal with and the networking helped everyone involved I believe. I then went to the retreat in Cassopolis and was again pleasantly surprised. The facilities and accommodations were exemplary all the way from maintenance and food service to the actual facilitators. In the end I would just like to say if this program is still an option for future engagements I highly recommend it gets funded. Thank you again along with Rodney for making this possible, I appreciate it greatly.

Mike Sarrazin

SLH Metals Inc.

Mike Sarrazin, President
SLH Metals Inc.
229 Sleseman Drive
Corunna MI, 48817
T: 989-743-3467 X24
C: 989-666-3488

From: Justin Horvath <jhorvath@sedpweb.org>
Sent: Thursday, May 12, 2022 7:01 AM
To: John Sarrazin <John@slhmetals.com>; Mike Sarrazin <mike@slhmetals.com>
Cc: Rodney Parkkonen (MEDC) <parkkonenr1@michigan.org>; Joseph McCulloch (MEDC) <mccullochj3@michigan.org>
Subject: Michigan Economic Development Corporation Now Offering No-Cost Rural Entrepreneurship Program

I hope this email finds you well. I am reaching out to connect regarding the upcoming no-cost opportunity to participate in a Rural Entrepreneurship Program that the MEDC is hosting in partnership with our EDC and the Edward Lowe Foundation. You may have heard from me on this already and the MEDC may have followed up. I want to be sure you receive the message and have the chance to participate in this great FREE program that is designed to help you grow your business.

This program brings together a number of services to provide support to rural second-stage companies like you by combining three different services, a virtual retreat with other rural entrepreneurs in your region, a six month virtual roundtable with the same group of leaders and a technical assistance program designed to help you overcome obstacles that are impacting your ability to grow by introducing you to subject matter experts who will meet with you individually to provide you resources, lists, trends, best practices and other data to help you make the best decisions for the next steps in your business.

The cohort kicks off with the virtual retreat June 14 – 16 for two hours a day. Attached you will find some information including a presentation that includes the timeline and more information about each part of the program and an article that provides some insights from Michigan companies that participated in a previous cohort. This is designed for participation in all three services. **To apply for the program visit Michigan.systemforintegratedgrowth.org**

Companies from the U.P. that participated in a previous cohort of this program included Donckers, a candy store in Marquette and Northern Wings, an aerospace manufacturing and repair company in Newberry. Both had a very positive experience with the program and had this to say:

Donckers

“Our SIG engagement was invaluable,” said Jennifer Ray, co-owner of Donckers, a candy store and restaurant in Marquette, Michigan. “We wanted to grow our wholesale business, but in talking to our team leader, it became clear that we first needed to strengthen our internal operations and flow before taking the next step.” Donckers had recently moved from fast casual to full table service, Ray explained, and SIG specialists provided her with best practices for training staff and improving communications. “I was also able to bring my managers in on some of the calls, which was huge and kept us all on the same page.” Ray said the cohort program differed from other types of assistance she has received because of its longevity and overlapping components. “We’ve gone through training programs that lasted a weekend or a few days, and although you come back energized, you don’t always apply the learning,” she explained. “This program has many layers. It makes you look at things from different angles and keep working on your business rather than in it.” She also appreciated the ongoing connections the roundtables offered. “Even though the sessions were virtual, there was rapport and relationship building,” she said. “In fact, it seemed like we had been together a year, we got to know each other so well.”

Northern Wings

“The monthly roundtable calls were a gift that bridged the isolation gap,” said David Goudreau, president of Northern Wings, an aerospace manufacturing and repair company based in Newberry, Michigan. “We’re two hours from anywhere—which makes us a geographical oddity—and we’re highly technical. So where do I find someone to grab a beer with and discuss my business challenges?” In addition to the camaraderie, the roundtables were a vehicle to exchange critical information, Goudreau said. “It’s far easier for me to learn from someone else’s mistake than my own.” The SIG engagement led Goudreau’s team to identify a better venue for business development. “A list of program managers doesn’t do us any good, and you can spend a fortune on trade shows without drumming up new business,” he said. “Conversations with the SIG specialists inspired my team to find a better answer: industry days.”

I believe you will find great value in this dynamic program. If you would like to learn more and have a meeting with the MEDC to ask some questions, please reply all to this email and we will set up a time to talk with you more about the opportunity and answer any questions you have. Space is limited and we would like to have the list of participating companies finalized by May 18. Thank you in advance for your time and prompt reply to this great opportunity.

Justin Horvath, CEcD
President/CEO
Shiawassee Economic Development Partnership
215 N Water St
Owosso, MI 48867
Ph: (989) 725-9241
Fax: (989) 723-8353
Email: jhorvath@sedpweb.org



January 31, 2023

Michigan Strategic Fund
Attn: Mr. Quentin Messer, Jr., Chair
300 North Washington Square
Lansing, MI 48913

Dear Chairperson Messer and MSF Board,

On behalf of InvestUP, along with its Board of Directors, which represent eleven industry sectors across Michigan's Upper Peninsula (U.P.) and do business in each U.P. county and employ nearly eight percent of the region's workforce, I would like to express our enthusiastic support for the Edward Lowe Foundation and the Second-Stage Growth Solutions Program.

This grant funding is critical for Michigan's second-stage companies. Invest U.P. has experienced first-hand the work of the Foundation through our U.P.-based companies receiving the benefit of the suite-of-programs. Independently, our organization and our partners in the U.P. came together at the Foundation headquarters to build on our regional strategy as well as further develop the ways in which we, as a region, build on our strengths and identify how we take advantage of future opportunities.

The U.P. economy is heavily supported by our second-stage companies and their ability to grow and thrive is vital to the continued success of our communities. The programming offered through the MEDC and Edward Lowe Foundation provides these companies just-in-time information, connections and insights that enable them to strategically grow – adding good-paying jobs, investment and strengthening their operations to overcome the real and perceived obstacles that come with being in second-stage, and in the U.P.

The team at the Edward Lowe Foundation brings professionalism, experience and a broad reaching perspective to Michigan and those pillars help inform the programming delivered and the ability to design what is necessary for the future. Our second-stage businesses that have gone through Second-Stage Growth Solutions Programming are stronger, better able to navigate growth and are better prepared for whatever the future holds in large part because of what they get out of engaging in the programming between the MEDC and the Edward Lowe Foundation.

Thank you for your time and considering this valuable programming available to our small businesses. Of course, if you have any questions or concerns regarding InvestUP's outlook and its support of this project, please call on me any time at 906-280-7800.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty Fittante".

Marty Fittante,
CEO, InvestUP



January 12, 2023

Dear MSF Review Committee,

Sweet Encounters Bakery & Café, in coordination with Downtown Lansing Inc., is pleased to provide a letter of support the continued funding of Northern Initiatives services, which provides programs like Optimize Main Street and Initiate Training Cohort. These programs provided meaningful (training, funding, resources)... to bring efficiencies and technology support to small businesses who needed it most in Downtown Lansing

'As a new business owner in downtown Lansing, I found the program straightforward and helpful. The training was insightful and my follow up calls were clarification. I was able to ask questions about information I read and resources available to me. This helped me to better target the grant to my most pressing technological needs. This helped me to grow my online presence and capture online sales.' – Nikki Frazier, Owner of Sweet Encounter Baker & Cafe

The COVID pandemic impacted Downtown Lansing more than any other downtown in the State of Michigan. As our State workforce, and other office tenants vacated the downtown, our businesses were severely impacted due to a dramatic drop in sales and foot traffic needed to support our small business community at all hours of the day. Through the assistance of the Optimize Main Street technology grants, our small businesses were able to learn the importance of online technology and sales tools. This allowed grantees to more easily shift how they sold products and reach customers who are no longer coming downtown to work.

These important programs help build resiliency in our business community, and other communities across the state, helping see small businesses through this transformative time. That is why we ask that you consider approving continued funding for these vital programs.

Please contact Sweet Encounter Bakery & Café or Downtown Lansing Inc. should you require more information.

Sincerely,

Nikki Thompson Frazier

Nikki Frazier
Sweet Encounter Bakery & Café
Owner

Cathleen M. Edgerly

Cathleen Edgerly
Downtown Lansing Inc.
Executive Director



Christine Quane
Director of Food Programs
Eastern Market Partnership
Detroit, MI 48207
313-833-9300

January 12, 2023

Quentin L. Messer Jr., Chair
Michigan Strategic Fund Board

Dear Mr. Messer,

I am writing to you on behalf of the Michigan Economic Development Corporation and their partnership with Northern Initiatives to provide the Initiate Training Platform and training.

Eastern Market is a public market that has served Detroit and southeast Michigan since 1891. Eastern Market Partnership (legal name Eastern Market Corporation) is the nonprofit organization that, since 2006, has developed, maintained, managed, and promoted Eastern Market under a management agreement with the City of Detroit. EMP also acts as the official community and economic development organization for the Eastern Market district.

In 2015, EMP opened a shared use community kitchen that provides a licensed facility for 10 to 14 food entrepreneurs. EMP also leads as an onboarding organization for 12 other commercial kitchens in the city of Detroit and metro area. In our role as onboarding organization, we teach a monthly class, ***Getting Started in a Commercial Kitchen***, in which we instruct potential new food entrepreneurs on food safety requirements, state and local licensing requirements, recipe development, insurance requirements and critical business support organizations and tools. In my presentation specifically, I spend a portion of time reviewing the tools and resources on the Initiate platform.

I have seen a lot of online tools for small businesses, but none as been as easy to navigate and use as the Initiate platform. I start with the Start Up section, reviewing the templates videos and checklists and move on to other areas that are useful like the break-even template, and other financial tools.

Food entrepreneurs are great at the craft of making high quality of food and selling it to the masses. Where they fall is short is managing the financial health of their small business. Many don't have undergraduate degrees much less business and/or financial degrees and have been historically excluded by the banked economy. Based on this reality, there is a lot of shame and



reticence to close the gap in their knowledge base. MEDC/Northern Initiative's Initiate platform allows folks an easy, straightforward way to learn enough the basics to build and advance.

On behalf of the 400+ entrepreneurs that I work with annually, I strongly urge you to maintain your support for the platform.

If you would like to discuss this more, or if you have any concerns, please feel free to contact me at any time.

Respectfully,

A handwritten signature in black ink, appearing to read "Christine Quane". The signature is fluid and cursive, with a long horizontal stroke at the end.

Christine Quane
Eastern Market Partner



Alpena Downtown
Development Authority
124 E. Chisholm Street
Alpena, MI 49707

January 17, 2023

Michigan Strategic Fund
Re: Optimize Main Street & Initiate Training Cohorts

To Whom It May Concern:

On behalf of the Alpena Downtown Development Authority (DDA), I am writing in support of the programs offered through Northern Initiates, specifically the Optimize Main Street & Initiate Training Cohorts. As a certified Redevelopment Ready Community, we have been able to participate in both programs, which have been incredibly valuable for our organization and the support we can offer to small businesses located in our district.

In the first round of Optimize Main Street, we quickly filled our two allotted slots and were able to have six additional businesses participate as slots opened up. Should the program open again, there are additional businesses out of the 200 located in our district that have expressed interest in participating, given the valuable business training and technology implementation grant that is offered through the program. The businesses who have taken advantage of this program have used it for setting up online storefronts, purchasing a camera for marketing needs, and updating their point-of-sale systems. For many small businesses in our district, these technology improvements (and expertise) would otherwise be unattainable without this program. We are hopeful that it will continue to be offered to strengthen small businesses located in traditional downtowns.

As an organization, I participated in a cohort as part of the Initiate Training. The training modules have also been a valuable tool to have in my toolbox to not only increase my own knowledge related to small businesses, but to direct businesses to for training and growth.

Small businesses are the cornerstones of our downtown; our district is only as strong as they are. I encourage you to continue to support these programs offered through Northern Initiatives so that organizations like ours and small businesses throughout the state can continue to grow, adapt, and thrive.

Thank you for all you do to support Michigan downtowns!

Best,

Anne Gentry
Executive Director
Alpena Downtown Development Authority

989.356.6422

anneg@alpena.mi.us

www.downtownalpenami.com

Katelyn Wilcox (MEDC)

From: Jenny Atlee <atleeloudon@fastmail.fm>
Sent: Saturday, February 25, 2023 11:55 AM
To: Katelyn Wilcox (MEDC)
Subject: NO to Michigan Potash & Salt Company mining activities in MI

Dear MSF Rep,

I am writing to express strong opposition to the proposal to support and permit Michigan Potash & Salt Company mining activities in MI. We have ample evidence of the devastating impact of this extractive industry that will irreparable damage to over 100 square miles of sensitive environment . MI stands out internationally for making bad decisions related to water which is a common good. Don't add to the disastrous record. The lakes are an invaluable resource to be protected and safeguarded - do not destroy them. We do not consent to this reckless industry wrecking a common good for private profit.

Jennifer Atlee

Fennville, MI

Katelyn Wilcox (MEDC)

From: david beaton <beatond@yahoo.com>
Sent: Friday, February 17, 2023 4:39 PM
To: Katelyn Wilcox (MEDC)
Subject: Michigan Potash & Salt Company private activity bond proposal

I oppose this mine. I have a house in Florida and deal with Mosaic Phosphate Mining as they destroy the beautiful landscape and rivers for their phosphate mine, the waste, the runoff and destruction of the soil makeup. Please Michigan is more beautiful. Stop this while you still can. Employment opportunities are minimum in these operations. Environmental damage is all you will be left with. Vote NO please.

Any salt MPSC is unable to sell is no longer a "beneficial co-product" but becomes toxic solid waste that must be redissolved in fresh water and disposed of deep underground, polluting, then removing that fresh water from the hydrologic cycle into perpetuity. Is it correct to say that by issuing these Private Activity Bonds, MSF is lending the state of Michigan's good name and reputation to underwrite and encourage pollution, impairment and destruction of a public trust resource of the state?

David Beaton
Elberta, Mi

Katelyn Wilcox (MEDC)

From: Ray Davies <yar1006@yahoo.com>
Sent: Monday, February 27, 2023 4:25 PM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

I would like to add my comments to those for the upcoming Michigan Strategic Fund public comment meeting.

I have major concerns in proceeding with approval with Michigan Potash and Salt Company's proposal for a new potash mine in Osceola county.

First and foremost is the potential environmental destruction from the operation itself -the depletion of the aquifer and streams in the area, damage to wetlands (so important to environmental health), the possibility of leaks from the miles of above-ground pipes, and the permanent removal of Michigan water, which is contaminated in the mining process and needs to be injected into deep wells for permanent storage.

Second for me are the violations of democracy and state law. Michigan's water is held in public trust and should not be sold for extraction, especially given the extreme scale of this operation. The Osceola County Planning Commission has not been kept "in the loop," as far as the designs and plans for roads, nor informed of emergency procedures that would be necessary in the event of major leaking, or an industrial accident . The promised jobs are minimal. Jeopardizing the environment with such a risky venture is not worth 129 jobs.

Finally, the economics seem to make no sense unless you're an investor not averse to risk. The developer of this project does not have a strong track record to go on, other more established companies have abandoned this Michigan potash project before, and the potash itself from the mine is not needed. Canadian potash from Saskatchewan is readily available and may well be cheaper.

Please don't go ahead with this project. There are just too many red flags, hazards and downsides for the people of Michigan, especially for those of us living in mid Michigan and Osceola County.

Sincerely,

Ray Davies
Mt. Pleasant, MI

Katelyn Wilcox (MEDC)

From: Dave Dempsey <davedem@hotmail.com>
Sent: Wednesday, February 22, 2023 9:26 AM
To: Katelyn Wilcox (MEDC)
Subject: Michigan Potash & Salt Company

I oppose the proposed issuance of issue \$225 million in tax-exempt bonds to support the unnecessary and environmentally harmful Michigan Potash and Salt Company project. Any funds provided would be wasted on a project that lacks a fundamental business plan and a company that lacks capacity to meet its inflated production targets.

Michigan Potash Company has argued that its project is critical to the domestic supply of potash, especially in light of constraints in supply from Russia. However, 83 percent of the U.S. supply of potash comes from the world's largest producer, Canada, and Canada has capacity to increase shipments to the U.S. Further, the U.S. Department of Interior has now removed potash from its list of strategic minerals.

Michigan Potash Company is a small start-up and even less equipped for the task of large-scale potash mining at this location than its three predecessors, who determined the project was not viable. Although the company lists several retirees who worked on a potash mine that shut down in 2013, its top four executives and the company itself have never engaged in mining of any kind.

The necessity of taxpayer subsidies for potash production is questionable. Increasingly, farmers are learning that supplemental application of potash may not be needed to ensure crop yields, and that potassium-chloride in particular can harm their crops and soils. Recent studies out of the University of Illinois show this likely to be the case for a large percentage of American farms

The company has been seeking well over half a billion dollars of investment capital for this project and plans to borrow an equal amount. Despite years of aggressive promotion, neither mineral investors nor banks appear keen to get on-board. Were Michigan Potash successful at obtaining such loans, servicing that level of debt would be problematic.

For an uncertain and dubious return, Michigan Potash Company's project will have dramatic environmental impacts. The company's proposed water withdrawal will have significant adverse impacts on the environment and amounts to unsustainable groundwater mining. The proposed volume is approximately 2,250 gallons of groundwater per minute. The withdrawal totals approximately 1.2 billion gallons of water annually.

The company has yet to perform a sustained pumping test to determine whether the aquifer is capable of supplying the extraordinary amounts of water required to extract a million tons of potash per year through solution-mining. Area residents fear for the future of their wells, without which their lives would become untenable.

The terrain chosen for this venture is poorly suited to the solution-mining of potash, which will involve handling and transporting massive volumes of concentrated, corrosive brines through miles of high-pressure pipelines. During the project's anticipated 150-year lifetime, innumerable leaks and spills will inevitably occur.

Further, the proposed site is not large enough to accommodate the one million-tons-per-year operation the company is promoting, and surrounding terrain would not be favorable for significant future expansion. The company selected its worst piece of ground as the future site of ten high-capacity injection-wells, along with their associated pipes, tanks, valves, pumps, etc. Tens of thousands of gallons-per-minute of hot, concentrated brine solutions will be running through this site at pressures of 2,000 psi. Those brines are exceptionally corrosive, and these facilities are intended to function for a century and a half. To make matters much worse, the site drains directly into one of the largest marshes in Osceola County, situated barely 200 yards away. The

site has been improperly bermed with piles of topsoil instead of compacted layers of clay. There will be no margin for error at this site throughout its alleged 150-year lifetime.

This project is a bad investment both economically and environmentally. It should be rejected.

Dave Dempsey
Traverse City, MI

Katelyn Wilcox (MEDC)

From: Carolyn Dulai <curse2bless@aol.com>
Sent: Friday, February 24, 2023 9:06 AM
To: Katelyn Wilcox (MEDC)
Subject: MICHIGAN WATER

Jobs yes (129) Sewage yes

Pollution yes Recyclable pollution NO

That is the crises facing Osceola County

Water is under assault. It is almost as precious as oxygen and water is regulated more. But the regulations are not enforced to save water so we can be left with water that is sewage.

That's ok, we can get water from a plastic bottle. Where does that come from - Michigan! But that is about to change as our water is about to become sewage. The State of Michigan could have used the money that it gave to the Michigan Potash Company, millions of dollars, to fund the educational system, but decided to fund Michigan Potash Company that will desecrate the water forever.

Many people in Michigan get their water from their own wells. They won't be able to after The Michigan Potash Company starts operating. The company says it will recycle all but 10-19% of the water it uses. It will only contaminate 100 square miles of land. Isn't Michigan lucky?

Farmers are getting potash from Canada which has a large amount of it. But the State of Michigan is about to decide to make 129 jobs so Michigan can produce potash and ruin one of the world's greatest natural resources (20% of the world's fresh water is in Michigan).

What can I say? Osceola County hasn't the ability to get the information it needs (because of the Mineral Wells Act) to make an informed decision.

Will the State Legislature help?

See Michigan Citizens for Water Conservation.

Katelyn Wilcox (MEDC)

From: Cheryl Iree <Cheryliree@hotmail.com>
Sent: Monday, February 20, 2023 2:03 PM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

There are many, many questions which need to be answered but my knee jerk response to this is why is MSDF even looking at burdening tax payers to support a private company? PERIOD!!! Whatever they are telling you is obviously biased and ultimately is an unnecessary environmental issue. Please deny this request.

Katelyn Wilcox (MEDC)

From: Margaret Klotz <margaret.a.klotz@gmail.com>
Sent: Sunday, February 19, 2023 7:22 AM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

Good morning,

I have been reading about the above bond proposal and have some serious doubts.

Is there any actual evidence that shows Michigan farmers will even experience lower prices?

Is there any actual evidence that shows the area aquifers can sustain the amount of water that needs to be withdrawn? Michigan's most precious resource is its Great Lakes and they should not be squandered for private gain as we have already done with the Nestle Corp.

Is there any actual evidence that the excess salt that will be produced can even be used? Or will it just become toxic waste that Michigan residents will have to live with?

These are just a few of the questions I have.

Margaret Klotz
9504 Chadwick Road
Laingsburg, MI 48848
517.927.3120

Katelyn Wilcox (MEDC)

From: John Kormash <jmkorm@gmail.com>
Sent: Sunday, February 19, 2023 11:11 AM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

Hello,

I'm a 56 year native resident of Michigan. I urge the State of Michigan to not support the MPSC potash project and to not utilize MSF resources to help fund and incentivize this private Colorado company's proposed business here in the state.

The proposed 129 jobs that this project "MAY" bring to the state is not worth the damage to OUR environment. Our water is a precious resource of the people of the State of Michigan that will not last forever and should not be used for the financial benefit of a business.

Please do not support this project and do not utilize my tax dollars via the MSF to fund these type of activities. Current sources of potash are just fine.

Sincerely,

John Kormash
Rockford, MI

Katelyn Wilcox (MEDC)

From: Beverly Loudon <beverlyloudon@gmail.com>
Sent: Sunday, February 26, 2023 12:54 PM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

To the Michigan Strategic Fund,

I'm writing to express grave concern about the proposed activities of Michigan Potash to mine here in Michigan. The environmental impact, (to both human and wildlife), of this intended project could be massive, if this vulnerable terrain is subjected to widespread disruption and destruction. With water resources becoming increasingly at risk across our nation, it behoves us in Michigan to take extreme caution in protecting this essential and limited resource. Please have foresight here, and consider the high cost, for what could prove to be a low return. Thank you for your work on behalf of this great state.

Sincerely,

Beverly Loudon
16525 Glastonbury Rd.
Detroit, MI 48219

Katelyn Wilcox (MEDC)

From: Glenna Maneke <manekegl@hotmail.com>
Sent: Friday, February 24, 2023 9:37 AM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

Please do not support the mining of potash in Hersey, Michigan. There is no longer a need to replace the potash imports lost from the Russian and Ukrainian war. Canada, the main supplier of potash to the US, has increased and expanded production, filling the global gap that had been created over the last year. Thank you. Glenna Maneke
There is no reason to take such a risk.

Katelyn Wilcox (MEDC)

From: SCOTT MCNABB <mcnabbs3@comcast.net>
Sent: Saturday, February 18, 2023 8:46 AM
To: Katelyn Wilcox (MEDC)
Subject: Don't Allow Potash Mining in MI

To: the MSF

I oppose the plan to permit potash mining in Michigan. I own property near the proposed location of this project, and it is clear to me that the wetlands near me are very fragile. I understand this project will affect millions of gallons of one of Michigan's most precious resources -- its fresh water, cause possible environmental damage, and cost Michigan over \$100 million. For these reasons, I strongly oppose this project.

Scott McNabb
Ada, MI

Katelyn Wilcox (MEDC)

From: Michaels in 398.2 <Michaels_Sanctuary@protonmail.com>
Sent: Monday, February 20, 2023 6:36 AM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

Please consider this email as a vote against the Colorado company taking tax payer money to destroy more of Michigan's precious water and land. It's simply unconscionable.

Most sincerely,

Julianne Michaels
3030 Beckon Road
Harbor Springs, MI 49740

"Insanity wasn't in our genes — we humans had gone off the rails because our culture had lost its source of external significance. We were so completely colonized by the belief that all meaning came down to economics and private consumption that it no longer even felt like a belief. We'd forgotten the fact that, in Gaylor Nelson's great phrase, "the economy is a wholly owned subsidiary of the environment, and not the other way around."

~ Richard Powers

Sent with [Proton Mail](#) secure email.

Katelyn Wilcox (MEDC)

From: Peggy <hildaheron@aol.com>
Sent: Tuesday, February 14, 2023 11:51 AM
To: Katelyn Wilcox (MEDC)
Cc: Christopher Cook (MEDC)
Subject: Comment for Michigan Strategic Fund re Michigan Potash & Salt private activity bond proposal
Attachments: questions_MSFC_2023_revised(1)-2.docx

To Michigan Strategic Fund (MSF),

These comments and questions are being submitted to MSF for the public hearing on the bond authorization request by Michigan Potash & Salt Company (MPSC) by the Board of **Michigan Citizens for Water Conservation** (saveMlwater.org). We understand this hearing may occur either on February 27 or 28, 2023. The attached version contains footnotes.

Comments:

The “Inducement Resolution” adopted by MSF for this project contains assertions drawn verbatim from MPSC’s application materials. Were those assertions independently verified? Has the economic viability of this project been independently evaluated, based on data other than the applicants’ assertions?

Are you aware of the 25-year history of efforts to mine this potash deposit by large, long-established and well capitalized mining companies? Why did those experienced mining companies give up on these potash deposits, and what evidence has been presented to show that an inexperienced start-up company, with “no official employees” can succeed where corporate giants have given up?

The huge, established potash mines just across the border in Saskatchewan have easy access to efficient rail transport. The proposed Michigan Potash project will transport exclusively by truck. What evidence is there that Michigan farmers would actually experience significantly lower prices for potash?

Given that potash prices in 2022 have declined considerably, and that analysts predict continuing declines in price, has MPSC revised its economic projections to consider reduced global prices?

MPSC’s financial projections assume potash output of 800-975 thousand tons per year (kt/y), yet their water withdrawal permit was based on projections 650 kt/y. How can they proceed without permits allowing them to draw sufficient fresh water to support their process? Has MSF or Citi Group received any evidence that the area’s aquifers can sustain the amount of water that would need to be withdrawn?

MPSC projects that it will produce approximately 1 million tons of Sodium Chloride (salt) annually as a “beneficial co-product” of the potash refining process. But, because Michigan already produces more salt than it uses, they hope to export their co-product out of state “market bearing.” Is there evidence that those out of state markets even exist?

Any salt MPSC is unable to sell is no longer a “beneficial co-product” but becomes toxic solid waste that must be redissolved in fresh water and disposed of deep underground, polluting, then removing that fresh water from the hydrologic cycle into perpetuity. Is it correct to say that by issuing these Private Activity Bonds, MSF is lending the state of Michigan’s good name and reputation to underwrite and encourage pollution, impairment and destruction of a public trust resource of the state?

How will MSF justify underwriting and encouraging this development without first knowing how much of a public trust resource would be destroyed in the process, and whether that sacrifice is warranted to create a mere 129 permanent jobs?

Huge Canadian mines have dramatically ramped up production capabilities in response to pandemic and Ukraine war-induced market disruptions. There is not, today, a potash shortage. What evidence has MPSC presented that global prices will remain sufficiently high to support their income projections? What evidence is there that the market is not correcting to reassert chronically low potash prices (from world-wide industry over-capacity)?

The US currently imports 85% of its potash from Canada. How will MPSC compete successfully against Canadian mines operating on a massive scale, in a much safer environment, and which enjoy direct rail access to America’s agricultural heartland?

Will MPSC receive its loan from the State of Michigan prior to the sale of these bonds, or will the loan be contingent on the sale of those bonds?

Will MSF’s decision consider environment, social and governance (ESG) factors? Does Citi Group Global analyze those factors in its underwriting decision? Has either MSF or Citi Group balanced the creation of 129 jobs against the real risk that well over 100 square miles of highly vulnerable terrain could be subjected to widespread environmental disruption and destruction? Or that residents may lose their sole supply of fresh water due to direct competition with the needs of a large solution-mine?

The project will be sited on rolling terrain, dotted with small wetlands, springs, creeks and seeps. At full build-out, it will require miles of high-volume brine pipelines continuously operating at 2000 psi over that terrain. Pipeline leaks are a known risk for solution mining operations. Considering the scope and geography of the projected 15,000 acre minefield, these pipelines will periodically be disassembled and transferred to new locations as new wells are constantly being drilled. Has either MSF or Citi Group factored in legal liability for operating a risky enterprise over such scattered, vulnerable and poorly suited terrain?

Despite repeated requests, the Osceola Planning Commission has been given no information on where and how the company plans to establish its brine pipelines and access roads, or how they plan to traverse private lands and public roadways. Further, they have not revealed any plans or procedures for dealing with brine contamination emergencies. Has MSF communicated with the Osceola County Planning Commission about the project and the impacts it will have on the area’s residents and public infrastructure?

While investors will bear a financial risk of default, should the project prove non-viable, local residents will likely be left “holding the bag” for aquifer depletion, groundwater contamination and other environmental damage in the event of bankruptcy. Neither EGLE nor EPA recognize any obligation to clean up contamination or to deal with destruction of area aquifers and domestic water wells. As a condition to issuing private activity bonds, can the MSF require the borrower to post an

“environmental performance bond” to make whole those who might sustain economic injury in event of bankruptcy?

Submitted by Michigan Citizens for Water Conservation Board of Directors

Peggy Case, President
PO Box 1
Mecosta, Mi 49332
info@saveMIwater.org

Questions for MSF Board RE: Michigan Potash and Salt Company Private Activity Bond Proposal

1. The “Inducement Resolution” adopted by MSF for this project contains assertions drawn verbatim from MPSC’s application materials. Were those assertions independently verified? Has the economic viability of this project been independently evaluated, based on data other than the applicants’ assertions?
2. Are you aware of the 25-year history of efforts to mine this potash deposit by large, long-established and well capitalized mining companies? Why did those experienced mining companies give up on these potash deposits, and what evidence has been presented to show that an inexperienced start-up company, with “no official employees” can succeed where corporate giants have given up?
3. The huge, established potash mines just across the border in Saskatchewan have easy access to efficient rail transport. The proposed Michigan Potash project will transport exclusively by truck. What evidence is there that Michigan farmers would actually experience significantly lower prices for potash?
4. Given that potash prices in 2022 have declined considerably, and that analysts predict continuing declines in price, has MPSC revised its economic projections to consider reduced global prices?¹
5. MPSC’s financial projections assume potash output of 800-975 thousand tons per year (kt/y), yet their water withdrawal permit was based on projections 650 kt/y.² How can they proceed without permits allowing them to draw sufficient fresh water to support their process?³ Has MSF or Citi Group received any evidence that the area’s aquifers can sustain the amount of water that would need to be withdrawn?
6. MPSC projects that it will produce approximately 1 million tons of Sodium Chloride (salt) annually as a “beneficial co-product” of the potash refining process. But, because Michigan

¹ See <https://www.dtnpf.com/agriculture/web/ag/crops/article/2022/12/22/2023-potash-outlook-see-supply-lower> : According to Samuel Taylor, inputs analyst for RaboResearch, the price outlook for potash in 2023 could be considerably lower. "I think we very easily could see a 25% to 30% decline in price on potash fertilizer in the U.S. in 2023," he is quoted as saying. Another analyst, Josh Linville, director of fertilizer at StoneX, said he also expects potash prices to slip in 2023: “Demand into the new year will struggle to overcome the downturn seen in 2022.” Linville said the potash market might even enter an oversupplied situation in the near future. "It is certainly a bearish situation (for prices)," Linville said. See also: <https://www.agriculture.com/news/business/new-report-predicts-more-stable-fertilizer-markets-for-2023>

² Michigan Potash Company originally registered with the state to withdraw 1,200 gallons per minute. Their announced potash output has nearly doubled since then.

³ MPSC has not published any studies affirming the capacity of local aquifers to sustain its operations at any production level, nor has it publicly announced how much fresh water their process will consume. Studies conducted in New York State show that sustained solution mining can and does lower the water table enough to significantly change the local environment.

already produces more salt than it uses, they hope to export their co-product out of state “market bearing.” Is there evidence that those out of state markets even exist?

7. Any salt MPSC is unable to sell is no longer a “beneficial co-product” but becomes toxic solid waste that must be redissolved in fresh water and disposed of deep underground, polluting, then removing that fresh water from the hydrologic cycle into perpetuity⁴. Is it correct to say that by issuing these Private Activity Bonds, MSF is lending the state of Michigan’s good name and reputation to underwrite and encourage pollution, impairment and destruction of a public trust resource of the state?
8. How will MSF justify underwriting and encouraging this development without first knowing how much of a public trust resource would be destroyed in the process, and whether that sacrifice is warranted to create a mere 129 permanent jobs?
9. Huge Canadian mines have dramatically ramped up production capabilities in response to pandemic and Ukraine war-induced market disruptions. There is not, today, a potash shortage. What evidence has MPSC presented that global prices will remain sufficiently high to support their income projections? What evidence is there that the market is not correcting to reassert chronically low potash prices (from world-wide industry over-capacity)?
10. The US currently imports 85% of its potash from Canada. How will MPSC compete successfully against Canadian mines operating on a massive scale, in a much safer environment, and which enjoy direct rail access to America’s agricultural heartland?
11. Will MPSC receive its loan from the State of Michigan prior to the sale of these bonds, or will the loan be contingent on the sale of those bonds?
12. Will MSF’s decision consider environment, social and governance (ESG) factors? Does Citi Group Global analyze those factors in its underwriting decision? Has either MSF or Citi Group balanced the creation of 129 jobs against the real risk that well over 100 square miles of highly vulnerable terrain could be subjected to widespread environmental disruption and destruction? Or that residents may lose their sole supply of fresh water due to direct competition with the needs of a large solution-mine?
13. The project will be sited on rolling terrain, dotted with small wetlands, springs, creeks and seeps. At full build-out, it will require miles of high-volume brine pipelines continuously operating at 2000 psi over that terrain. Pipeline leaks are a known risk for solution mining operations.⁵ Considering the scope and geography of the projected 15,000 acre minefield,

⁴ Salt is an unwelcome by-product of the potash solution-mining process. It will be a significant problem at MPSC’s location, where the ore deposit exists as a very thin layer embedded within in a massive salt deposit. Disposal of excess will require tremendous quantities of fresh water on top of the already massive consumption from the mining process itself.

⁵ “Because potash solution mining relies heavily on pumping water underground, there are environmental challenges that miners need to take into account. The process itself is intensive in terms of water usage, and the

these pipelines will periodically be disassembled and transferred to new locations as new wells are constantly being drilled. Has either MSF or Citi Group factored in legal liability for operating a risky enterprise over such scattered, vulnerable and poorly suited terrain?

14. Despite repeated requests, the Osceola Planning Commission has been given no information on where and how the company plans to establish its brine pipelines and access roads, or how they plan to traverse private lands and public roadways. Further, they have not revealed any plans or procedures for dealing with brine contamination emergencies. Has MSF communicated with the Osceola County Planning Commission about the project and the impacts it will have on the area's residents and public infrastructure?
15. While investors will bear a financial risk of default, should the project prove non-viable, local residents will likely be left "holding the bag" for aquifer depletion, groundwater contamination and other environmental damage in the event of bankruptcy. Neither EGLE nor EPA recognize any obligation to clean up contamination or to deal with destruction of area aquifers and domestic water wells. As a condition to issuing private activity bonds, can the MSF require the borrower to post an "environmental performance bond" to make whole those who might sustain economic injury in event of bankruptcy?

contamination of nearby water sources like aquifers is a real risk if solutions leak." [Agriculture Investing News, 8/21/18]

Katelyn Wilcox (MEDC)

From: Rebecca <rebeccainreedcity@gmail.com>
Sent: Saturday, February 25, 2023 12:03 PM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

To Whom It May Concern,

I'm deeply concerned to hear of yet another effort, on the part of private interests, to use taxpayers dollars to endanger the resources on which human and other life depends. I urge you to look at the larger global picture (in terms of the increasing water shortage) and to take responsibility for protecting the freshwater resources of this area and of Michigan as a whole. How could a company's interests in mining a product (that Canada has shown the ability to supply) possibly be more highly valued than protection of clean, fresh water?

I am a resident of Osceola County and am distressed to hear that a project involving this kind of risk and expense, has been receiving the support of my tax dollars! I intend to continue educating myself on this issue and speaking with friends, neighbors, family and local leaders, about the endangerment of their local, natural resources and use of their taxes to pour money into the pockets of MPSC (and anyone they manage to use as pawns). I trust those who have power in this decision will wake up to their responsibility to the public.

Following are points of which I have been made aware and I will continue to pursue additional information. I urge you to do the same.

1. The "Inducement Resolution" adopted by MSF for this project contains assertions drawn verbatim from MPSC's application materials. Were those assertions independently verified? Has the economic viability of this project been independently evaluated, based on data other than the applicants' assertions?
2. Are you aware of the 25-year history of efforts to mine this potash deposit by large, long-established and well capitalized mining companies? Why did those experienced mining companies give up on these potash deposits, and what evidence has been presented to show that an inexperienced start-up company, with "no official employees" can succeed where corporate giants have given up?
3. The huge, established potash mines just across the border in Saskatchewan have easy access to efficient rail transport. The proposed Michigan Potash project will transport exclusively by truck. What evidence is there that Michigan farmers would actually experience significantly lower prices for potash?
4. Given that potash prices in 2022 have declined considerably, and that analysts predict continuing declines in price, has MPSC revised its economic projections to consider reduced global prices?
5. MPSC's financial projections assume potash output of 800-975 thousand tons per year (kt/y), yet their water withdrawal permit was based on projections 650 kt/y.² How can they proceed without

permits allowing them to draw sufficient fresh water to support their process?³ Has MSF or Citi Group received any evidence that the area's aquifers can sustain the amount of water that would need to be withdrawn?

6. MPSC projects that it will produce approximately 1 million tons of Sodium Chloride (salt) annually as a "beneficial co-product" of the potash refining process. But, because Michigan already produces more salt than it uses, they hope to export their co-product out of state "market bearing." Is there evidence that those out of state markets even exist?
7. Any salt MPSC is unable to sell is no longer a "beneficial co-product" but becomes toxic solid waste that must be redissolved in fresh water and disposed of deep underground, polluting, then removing that fresh water from the hydrologic cycle into perpetuity.⁴ Is it correct to say that by issuing these Private Activity Bonds, MSF is lending the state of Michigan's good name and reputation to underwrite and encourage pollution, impairment and destruction of a public trust resource of the state?
8. How will MSF justify underwriting and encouraging this development without first knowing how much of a public trust resource would be destroyed in the process, and whether that sacrifice is warranted to create a mere 129 permanent jobs?
9. Huge Canadian mines have dramatically ramped up production capabilities in response to pandemic and Ukraine war-induced market disruptions. There is not, today, a potash shortage. What evidence has MPSC presented that global prices will remain sufficiently high to support their income projections? What evidence is there that the market is not correcting to reassert chronically low potash prices (from world-wide industry over-capacity)?
10. The US currently imports 85% of its potash from Canada. How will MPSC compete successfully against Canadian mines operating on a massive scale, in a much safer environment, and which enjoy direct rail access to America's agricultural heartland?
11. Will MPSC receive its loan from the State of Michigan prior to the sale of these bonds, or will the loan be contingent on the sale of those bonds?
12. Will MSF's decision consider environment, social and governance (ESG) factors? Does Citi Group Global analyze those factors in its underwriting decision? Has either MSF or Citi Group balanced the creation of 129 jobs against the real risk that well over 100 square miles of highly vulnerable terrain could be subjected to widespread environmental disruption and destruction? Or that residents may lose their sole supply of fresh water due to direct competition with the needs of a large solution-mine?
13. The project will be sited on rolling terrain, dotted with small wetlands, springs, creeks and seeps. At full build-out, it will require miles of high-volume brine pipelines continuously operating at 2000 psi over that terrain. Pipeline leaks are a known risk for solution mining operations.⁵ Considering the scope and geography of the projected 15,000 acre minefield, these pipelines will periodically be disassembled and transferred to new locations as new wells are constantly being drilled. Has either MSF or Citi Group factored in legal liability for operating a risky enterprise over such scattered, vulnerable and poorly suited terrain?
14. Despite repeated requests, the Osceola Planning Commission has been given no information on where and how the company plans to establish its brine pipelines and access roads, or how they

plan to traverse private lands and public roadways. Further, they have not revealed any plans or procedures for dealing with brine contamination emergencies. Has MSF communicated with the Osceola County Planning Commission about the project and the impacts it will have on the area's residents and public infrastructure?

15. While investors will bear a financial risk of default, should the project prove non-viable, local residents will likely be left "holding the bag" for aquifer depletion, groundwater contamination and other environmental damage in the event of bankruptcy. Neither EGLE nor EPA recognize any obligation to clean up contamination or to deal with destruction of area aquifers and domestic water wells. As a condition to issuing private activity bonds, can the MSF require the borrower to post an "environmental performance bond" to make whole those who might sustain economic injury in event of bankruptcy?

Thank you for considering this message. I urge you again, to protect our precious waters and wetlands

Rebecca Stieg
(Resident of Reed City, Michigan)

Katelyn Wilcox (MEDC)

From: Yeardley <yeardleywells@gmail.com>
Sent: Friday, February 17, 2023 4:04 PM
To: Katelyn Wilcox (MEDC)
Subject: re: the Michigan Potash & Salt Company private activity bond proposal

Dear Michigan Strategic Fund,

I just want to state that I am AGAINST funding the Michigan Potash & Salt Company. They will pollute our drinking water and leave us taxpayers holding the bag. We do not need potash from here since we get plenty from Canada. This project will only hurt us, not help us. Plus, they have not even shown the Osceola Planning Commission their plans for how they're going to operate. Why should they get funding and the ability to fleece taxpayers when they can't even show us their plan? If many experienced companies have tried (and failed) to dig for potash in the past, then why should this company get a taxpayer-funded pass to wreak havoc on our drinking water?

A huge portion of Michigan's economy relies on the beautiful nature we have here. We get way more money and jobs from the tourism and fishing here, much more than the 129 jobs the potash project would supposedly create. From a money point of view, this project would cause Michigan to lose money, not gain it.

I respectfully ask that the MSF decline funding the Michigan Potash & Salt Company.

Thank you.

--YW

Katelyn Wilcox (MEDC)

From: probablyjay@aol.com
Sent: Wednesday, February 22, 2023 3:14 PM
To: Katelyn Wilcox (MEDC)
Subject: Potash Mining

MSF Board Liaison,

I am against the plan to permit potash mining in Michigan. This type of mining is extremely destructive to the environment. Millions of gallons of water will be affected by the pollution caused by this activity. Mining operations almost always cause environmental damage that the taxpayers end up paying for. This is just a few of the many reasons I am against this project. Thank you for your consideration.

Jay Machielse
Grand Blanc, MI



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

From: Erik Wilford, Senior Business Development Project Manager
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan
County of Washtenaw Brownfield Redevelopment Authority (BRA)
3874 Research Drive Project

Project Summary & Request

Sartorius BioAnalytical Instruments, Inc. (the “Company”) is looking to construct a new build to suit 130,000 square feet facility that will contains several aspects of the Company’s operations, including, but not limited to, lab processing services, bio analytics business, and manufacturing and assembly of highly technical instruments. The new facility will consolidate existing operations in Washtenaw County to create a Center of Excellence in Ann Arbor for the laboratory and bioprocess products and services in North America, which focuses on providing innovative solutions to help customers develop drugs that cure, prevent, and halt the progression of diseases. This project involves the creation of up to 300 new jobs with an average hourly wage of \$31.25 and a capital investment of up to \$57,000,000 in the City of Ann Arbor. A project map and project renderings are included in Appendix B.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility
Total Approximate Square Feet Revitalized	130,000
Total Approximate Acres Activated	17
Estimated Commercial Square Footage	130,000
Current Taxable Value	\$1,045,394
Projected Taxable Value at Completion	\$8,772,319
Total Anticipated Capital Investment	\$57,000,000
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$975,600

The Company supports personal growth of its employees by fostering a mindset that recognizes people development as crucial for business success and growth. Continuing professional development, assumption of responsibility, and opportunities to advance within the Company are important for its employees' satisfaction. The Company will utilize Michigan Works! and Ann Arbor SPARK to reach local talent in disadvantaged areas and underrepresented demographic groups.

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 Guidelines and programmatic requirements and a financial review have been completed. An MSF Eligible Activities and Tax Capture Summary are included in Appendix C.

Demonstrated Needs

The Company is considering facilities in Colorado and New York. The Company has operations in these states and regardless of the location, the Company will be building the Center of Excellence and relocation of highly paid individuals will occur. With the Company having locations spread throughout the U.S. and 11,000 employees globally, it is positioned to locate wherever it sees the best fit. With active negotiations in Michigan, New York and Colorado, the Company is looking for each state to put its best foot forward. Each state has employees to lose with the location of this project and Michigan stands to lose the most.

The Company sees Michigan as a strong contender based on the economic growth it has seen since the economic downturn, its focus on small businesses during COVID and beyond, its diverse workforce, and the schools surrounding the Michigan location. Cost of housing in Ann Arbor and surrounding areas are relatively high with higher car insurance rates for its relocating employees. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure the project moves forward in Michigan.

Local Support

Local support consists of an Industrial Facilities Exemption Tax Abatement (“IFT”) which is valued at \$2,877,663 and was approved in April 2022 as well as the local portion of the Brownfield Plan, valued at \$1,617,213. The Company is also working on submitting application to the Michigan Department of Transportation (“MDOT”) for Transportation Economic Development Fund (“TEDF”) support for road resurfacing activities.

Applicant Background / Qualifications

The Company was established in 1870 in Gottingen Germany and provides the essential products, technologies, and expertise to produce biopharmaceuticals reliably and efficiently. The Company has been pioneering and setting the standards for single-use products that are currently used throughout all biopharmaceutical manufacturing processes. The Company helps its customers to bring medications safely and quickly to the patient. The Company's parent, Sartorius AG, is a German publicly traded company with 11,000 employees worldwide, 132 of which are located across four sites located in Washtenaw County. On September 28, 2021, the MSF Board approved a \$1,200,000 BDP award for the Company in support of the project.

An Organizational Chart for Sartorius BioAnalytical Instruments, Inc. is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Recommendation

MEDC staff recommends approval of state tax capture for Act 381 eligible activities capped at \$975,600, utilizing the current state to local capture ratio.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Sartorius BioAnalytical Instruments Inc.

Employer Identification Number: EIN 84-3938719

Manager: Maurice Gerard Phelan (President)

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Sartorius North America Inc.	100.00%	11-3016295	Delaware
Sartorius Lab Holding GmbH	100.00%		

APPENDIX B – Project Map and Renderings



APPENDIX C - MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the County of Washtenaw has duly approved a Brownfield Plan for this property on June 1, 2022. The City of Ann Arbor, a Qualified Local Governmental Unit, has concurred and approved a brownfield plan for this property on April 4, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on January 27, 2023.

There are 64.4664 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (37.23%) and local millage equaling 40.4664 mills (62.77%). Tax increment capture will begin in 2024 and is estimated to continue for 11 years. The state tax capture is recommended to be capped at \$975,600, which is the amount of tax increment revenue anticipated to be generated in 11 years. The tax capture ratio is impacted by the IFT tax abatement, and the blended ratio is included below. Total MSF eligible activities are estimated at \$2,592,813. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(37.63%)	\$	975,600
Local tax capture	(62.37%)	\$	1,617,213
TOTAL		\$	2,592,813

Cost of MSF Eligible Activities

Demolition	\$	632,424
Lead, Asbestos, or Mold Abatement		147,500
Infrastructure Improvements		1,273,766
Site Preparation	+	181,365
Sub-Total	\$	2,235,055
Contingency (15%)	+	335,258
Sub-Total	\$	2,570,313
Brownfield/Work Plan Preparation	+	7,500
Brownfield/Work Plan Implementation	+	15,000
TOTAL	\$	2,592,813

In addition, the project is requesting \$127,625 in TIF from EGLE 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:

This project will bring a significant number of high-quality technology and biomedical jobs to the region and will reactivate a long vacant site.

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

This project is expected to create approximately 300 new, full-time equivalent jobs with an average hourly wage of \$31.25.

c) Area of High Unemployment:

The City of Ann Arbor unadjusted jobless rate was 2.7% in October 2022.

d) Level and Extent of Contamination Alleviated:

As a result of development, contaminated soils will be removed from the property.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:

The project is not qualifying as functionally obsolete or blighted.

f) Whether Project will Create a New Brownfield Property in the State:

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

From the materials received, the MEDC infers that the project is financially and economically sound.

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-036**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
COUNTY OF WASHTENAW BROWNFIELD REDEVELOPMENT AUTHORITY
3874 RESEARCH DRIVE PROJECT**

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

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

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

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

WHEREAS, the County of Washtenaw Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated February 6, 2023, for property located at 3874 Research Drive within the City of Ann Arbor, known as 3874 Research Drive Project (the “Project”);

WHEREAS, the City of Ann Arbor 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 37.63% to 62.37% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the 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 \$2,570,313 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$7,500 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 \$975,600.

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

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

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferrich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance – Loan Participation Amendment #3
Jackson Downtown Partners, LLC

Request

Jackson Downtown Partners, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (the “MCRP) Other Economic Assistance – Loan Participation Agreement and any related ancillary agreements (the “Agreement”). The amendment request dated November 28, 2022, includes a request to amend and transfer the existing MCRP Agreement with County National Bank to Southern Michigan Bank and Trust. All other terms of the current Agreement will remain the same. It is anticipated that the terms of the loans will remain materially unchanged.

Background

The Michigan Strategic Fund Board (the “MSF”) approved a \$3,066,250 MCRP Other Economic Assistance Performance-Based Loan Participation and Act 381 Work Plan on February 26, 2019, to Jackson Downtown Partners, LLC to support the redevelopment of a vacant former industrial site into a mixed-use building containing approximately 86 residential rental units and 4,100 square feet of commercial space.

An amendment for the project was approved by the MSF on January 22, 2020, to extend the term of the MCRP loan from 60 months to 120 months to match the term of the Lender, County National Bank.

An amendment for the project was approved by the MSF Delegate on March 11, 2022, under the Awardee Relief Initiative to reduce the required “Minimum Eligible Investment” and MCRP award amounts and extend the conversion date along with other changes to the Agreement necessary to effectuate these changes.

The Company is looking to refinance its existing debt with Southern Michigan Bank and Trust. The Company is looking to maintain its relationship with its loan officer who has moved on to Southern Michigan Bank and Trust. It anticipated that the terms of the loans will remain materially unchanged with the maturity expected to remain on December 21, 2029.

The project has completed construction and is currently approximately 98% occupied on the residential side. Commercial leasing efforts were impacted by COVID 19, with only one of the two commercial spaces currently leased. The company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval to amend the MCRP Other Economic Assistance - Loan Participation Award to complete a refinancing per the Company’s request dated November 28, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-037**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION
AWARD FOR
JACKSON DOWNTOWN PARTNERS, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (“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 (“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, by Resolution 2019-031 on February 26, 2019, the MSF Board awarded a MCRP Other Economic Assistance Award to Jackson Downtown Partners, LLC (the “Company”), in furtherance of the Project of up to \$3,066,250 (the “Award”);

WHEREAS, by Resolution 2020-003 on January 22, 2020, the MSF Board approved an amendment to the Award to change the term of the MCRP loan from 60 months to 120 months to match that of the participating lender;

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, 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, on March 11, 2022, the MSF Fund Manager and MSF President under the Awardee Relief Initiative approved an amendment to the Award to reduce the required “Minimum Eligible Investment”, the Award amount, and extend the conversion date along with other changes to the agreement;

WHEREAS, the Company has requested an amendment to the Award to amend and transfer the existing MCRP agreement with County National Bank to Southern Michigan Bank and Trust. All other terms of the current agreement will remain the same. It is anticipated that the terms of the loans will remain materially unchanged (the “Amendment Request”); and

WHEREAS, the MEDC staff is recommending that the MSF Board approve the Amendment Request.

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

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Forbearance of Rights within the Michigan Community Revitalization Program Direct Loan Agreement
HM Ventures Group 6, LLC and/or Related Entities – The Wurlitzer

Request

Staff is requesting approval from the MSF Board to enter to into a Forbearance Agreement (the “Forbearance”) between the Michigan Strategic Fund (the “MSF”) and HM Ventures Group 6, LLC and/or Related Entities (the “Company”). As part of the Forbearance staff is requesting to waive existing late fees of approximately \$9,169, capitalize unpaid interest of approximately \$90,150, and extend the loan maturity by 12 months.

Project Background

The MSF Board approved a \$3,500,000 Michigan Community Revitalization Program (the “MCRP”) Direct Loan Award on September 22, 2015, to the Company for the historic renovation of the 14-story former Wurlitzer building into a full-service boutique style hotel with 106 rooms and approximately 6,000 square feet of commercial space.

The project completed construction in 2018. The project was directly impacted by the COVID-19 pandemic that brought a significant slowdown to the hospitality industry as a whole. During that period each of the Company’s lenders aside from the MSF provided relief. The hotel has been able to return to pre-pandemic levels of occupancy.

The requested forbearance will allow staff and the Company to bring everything current and reset the loan payment amount. The late fees and unpaid interest are due to a misinterpretation of the MCRP agreement that has led to billing and payment issues. The Company has been very cooperative with staff to help resolve the issue.

Recommendation

The MEDC staff recommends that the MSF Board approves authorization for the MSF Fund Manager to enter into a Forbearance Agreement with the Company allowing for: 1) waiver of existing late fees; 2) capitalization of unpaid interest; and 3) extension of the loan maturity for a period of up to 12 months.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-038**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM DIRECT LOAN
AWARD FOR
HM VENTURES GROUP 6, LLC AND/OR RELATED ENTITIES**

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 (“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 (“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;

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

WHEREAS, on September 22, 2015, by Resolution 2015-141, the MSF Board awarded a MCRP Direct Loan award to HM Ventures Group 6, LLC and/or Related Entities (the “Company”), in furtherance of the project of up to \$3,500,000 (the “Award”); and

WHEREAS, the Company is requesting and the MEDC is recommending that the MSF approve authorization to enter into a forbearance agreement with the Company to: 1) waive existing late fees; 2) capitalization of any unpaid interest; and 3) extension of the loan maturity for a period of up to 12 months; (the “Forbearance Recommendation”).

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

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferrich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

From: Fredrick Molnar, SVP Entrepreneurship and Innovation

Subject: Business Incubator Program (Gateway Representative) Amendments

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board 1) exercise options to extend and allocate additional funding for Gateway Representative (“GWR”) awards for the 20 existing nonprofit/university SmartZone (“SZ”) administering organizations set forth in the Amendments table below, totaling \$2,000,000 and 2) award a grant to the City of Sterling Heights SZ totaling \$100,000 set forth in the New Agreements table so that these 21 nonprofit/university SZ administering organizations may continue to provide regional business incubator GWR services through March 31, 2024 to SmartZones spread across the state as described throughout this memorandum (the “Request”).

Amendments: Extensions to Current Contracts:

SmartZone Location	Grantee (SmartZone Administrator)	Amount of Increase	New End Date	Status
Ann Arbor/Ypsilanti	Ann Arbor SPARK	\$100,000	3/31/24	Contract Extension
Troy	Automation Alley	\$100,000	3/31/24	Contract Extension
Detroit	TechTown Detroit	\$100,000	3/31/24	Contract Extension
Grand Rapids	The City of Grand Rapids SmartZone LDFA	\$100,000	3/31/24	Contract Extension
Jackson	Lean Rocket Lab	\$100,000	3/31/24	Contract Extension
Mt. Pleasant	Central Michigan University Research Corporation (CMURC)	\$100,000	3/31/24	Contract Extension
Lansing	Lansing Economic Area Partnership (LEAP)	\$100,000	3/31/24	Contract Extension
Muskegon	Muskegon Innovation Hub at GVSU	\$100,000	3/31/24	Contract Extension
Midland	Midland Business Alliance	\$100,000	3/31/24	Contract Extension

Kalamazoo	Western Michigan University Homer Stryker M.D. School of Medicine (WMed)	\$100,000	3/31/24	Contract Extension
Southfield	Lawrence Technological University	\$100,000	3/31/24	Contract Extension
Marquette	Innovate Marquette Enterprise Corporation	\$100,000	3/31/24	Contract Extension
Holland	Lakeshore Advantage	\$100,000	3/31/24	Contract Extension
Adrian/Tecumseh	Lenawee Now	\$100,000	3/31/24	Contract Extension
Houghton/Hancock	Michigan Tech Enterprise Corporation (MTEC)	\$100,000	3/31/24	Contract Extension
Sault Ste. Marie	City of Sault Ste. Marie	\$100,000	3/31/24	Contract Extension
Rochester Hills	Oakland University Incubator (OUInc)	\$100,000	3/31/24	Contract Extension
Port Huron	Economic Development Alliance of St. Clair County	\$100,000	3/31/24	Contract Extension
Battle Creek	Battle Creek Unlimited	\$100,000	3/31/24	Contract Extension
Traverse City	20Fathoms	\$100,000	3/31/24	Contract Extension
	Total	\$2,000,000		

New Agreements: New Grant:

SmartZone Location	Grantee (SmartZone Administrator)	Award Amount	Initial Term	Status
Sterling Heights	City of Sterling Heights	\$100,000	4/1/23- 3/31/24	New Contract Required
	Total	\$100,000		

Background

Since 2009 the MSF has provided funding to business incubators to stimulate the creation and continued growth of technology-based businesses and jobs by capitalizing on the State of Michigan's growing base of

high technology industry, its skilled labor force, its nationally recognized university system, and MEDC-designated SmartZones, and business incubators.

In 2015, the GWR (formerly Gatekeeper) Business Incubator grant program (“Business Incubator Grant”) was established. The Business Incubator Grant is designed to support the SmartZones spread across Michigan. Only SmartZones or those organizations associated with a SmartZone or SmartZone satellite are eligible to receive the Business Incubator Grant. The program was developed in response to the need for a key point of contact at the SmartZones experienced in working with high tech start-ups and with an understanding of the statewide high-tech entrepreneurial ecosystem. The goal of the Business Incubator Grant is to support a GWR at each SmartZone. The Business Incubator Grant pays a portion of the salary, expenses and travel of the GWR for one or two support staff and requires a 1:1 match.

Gateway Representative Responsibilities

The GWR is responsible for all local SmartZone client services, including: welcoming and introducing the tech company to the local ecosystem, providing an overview of the MSF funded Michigan statewide tech ecosystem, recruitment and development of other tech companies in the local SmartZone, local SmartZone business development activities, vetting of local tech companies, providing strategic business guidance, helping companies with fundraising efforts and connecting local tech companies to the various MSF funded entrepreneurial resources available to innovative companies across the State of Michigan. Examples of MSF funded resources are the Small Business Development Center (SBDC Tech team) and BBCEtc for SBIR/STTR federal grant application support. The GWR is also responsible for supporting the companies’ applications to other MSF funded tech entrepreneurial programs such as the Business Accelerator Fund (BAF), and Pre-Seed III Fund. Lastly, the GWR is responsible for the semi-annual performance metric reports due to the MEDC. This performance metric data is then used in the annual Legislative report. The geographic distribution of the SmartZones across both peninsulas of the state allows for easier access to MSF funded programs by all tech and innovative entrepreneurs regardless of company location.

There are currently twenty funded GWRs statewide, all with Business Incubator Grants ending March 31, 2023. 20 of these GWRs are eligible to have their current Business Incubator Grants extended. Sterling Heights SZ had previously been awarded a Gateway grant. They underwent a multi-tiered SZ administration change over period. The Sterling Heights SZ administration transition has been completed. Structure and oversight of the SZ has stabilized, and a Business Incubator Grant is warranted.

The funding requested will support services in 21 regional SmartZones spread across Michigan through March 31, 2024.

Results

In FY 2022, the GWRs reported the following performance metrics:

High tech companies served	1,195
High tech companies created	141
New jobs created	1,554

Retained jobs	4,006
Follow-on-Funding	\$583,721,414
New Sales/increase in revenue	\$302,586,893

Diversity data (reported since April 2020) tracks percentage assistance to a) businesses located in an SBA designated HubZone or an Opportunity Zone and b) diverse businesses (minority-, women-, socially/economically disadvantaged- or veteran-owned) with at least 51% ownership.

Detailed are individual results for each of the current 20 Business Incubator Grants by initial grant date. Civil and criminal background checks for all 20 GWRs and for Velocity Center - Sterling Heights SZ have been completed in accordance with the MSF Background Review Policy.

Results:

FY19 Business Incubator Gateway Representative Grants

On February 26, 2019, the MSF Board selected Ann Arbor SPARK (SPARK), Automation Alley, Techtown Detroit, the City of Grand Rapids SmartZone LDFA and The Enterprise Group of Jackson for a one-year GWR award with subsequent re-funding. The award to The Enterprise Group of Jackson has since been transferred to Lean Rocket Lab (LRL) in Jackson.

- **Ann Arbor SPARK (SPARK), Ann Arbor/Ypsilanti SmartZone (\$100,000 over 12 months):** SPARK was initially awarded \$150,000 for a GWR based at the SPARK East Innovation Center with primary focus on eastern Washtenaw County and a portion of the salary and expenses of a GWR based at the SPARK Central Innovation Center. They were awarded an additional \$150,000 to extend the grant through March 31, 2021 and then \$100,000 to extend the grant to March 31, 2022 and then \$100,000 to extend the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, SPARK has achieved the following metrics:

- New companies formed: 45
- New jobs created: 460
- Traditional companies served: 0
- Tech companies served: 289
- Follow on funding: \$87,974,799 with an additional \$46,913,893 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	12%
Assistance to diverse businesses	66%

Below is a testimonial from one of their clients:

“Ann Arbor SPARK has provided critical resources to our early-stage venture to accelerate our business development activities, including mentorship, legal support, and non-dilutive gap funding.” Mojtaba, Akhavan-Tafti, Founder and CEO, APT Solar

- **Automation Alley, Troy SmartZone (\$100,000 over 12 months):** Automation Alley was initially awarded \$100,000 to cover the salary of the GWR in 2019. They were awarded an additional \$100,000 to extend the grant through March 31, 2021 and then awarded \$100,000 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, Automation Alley has achieved the following metrics:

- New companies formed: 5
- New jobs created: 41
- Traditional companies served: 6
- Tech companies served: 58
- Follow on funding: \$23,246,500 with an additional \$15,081,000 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	14%
Assistance to diverse businesses	37%

Below is a testimonial from one of their clients:

Lucypop has worked with Automation Alley's Gateway program since 2020. In that time, Automation Alley has provided invaluable information, assistance, and resources that has propelled our company towards major milestones. Specifically, introductions to a broader network of partners, grant access, and a firm belief in the technology we are building. The Automation Alley Business Accelerator Fund Grant helped us to secure our IP, certify/test our product offering, and ultimately provided a direct pathway towards commercial and investment readiness. Unequivocally, the help of Automation Alley in large part is the reason our company still thrives today. Automation Alley's on-going commitment and steadfast support has been nothing short of incredible. At every turn, we know that Automation Alley is a strong resource, if even simply in the cordial nature of the dedicated staff. It is with our sincerest plea that MSF continue to support economic programs that enable companies like ours to thrive, grow, and re-invest in Michigan.

Tonia Osby, Founder and CEO

- **Techtown Detroit, Detroit SmartZone (\$100,000 over 12 months):** TechTown Detroit was initially awarded \$100,000 to pay part of the salary of a Tech-based Programs Director to act as the GWR. They were awarded an additional \$100,000 to extend the grant through March 31 2021 and

then awarded \$100,000 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, TechTown has achieved the following metrics:

- New companies formed: 2
- New jobs created: 7
- Traditional companies served: 218
- Tech companies served: 25
- Follow on funding: \$6,730,500 with an additional \$301,468 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	52%
Assistance to diverse businesses	62%

Below is a testimonial from one of their clients:

“The most valuable aspect of Start Studio was definitely the customer discovery process. Our instructors and advisors helped us to ask the right questions to really get to know our potential customers and their biggest challenges. Without this process, we would have gone in a completely different direction. I would encourage any aspiring entrepreneurs to participate in Start Studio, even those without a tech background. You will learn through Start Studio how to validate even the most tech-based concepts before investing in tech solutions. This process is critical in making sure you don't make the cardinal sin in entrepreneurship, building something nobody wants. We all have our own hypotheses about our market, customers, and product and there is only one way to find out if they are valid. The most challenging part of Start Studio is making sure that your own assumptions and biases don't shine through as you talk with potential customers. After Start Studio, we continued to build On Arrival with a focus on how to package our value proposition into an MVP that resonated with our target customers. Participating in Tech Town's MVP program was instrumental in helping us launch our MVP, which we are still using today. If I could describe my Start Studio experience using one word, it would be enlightening.”
Jordan Morgan, OnArrival, CEO, Start Studio – Fall 2021 Cohort

- **The City of Grand Rapids SmartZone LDFA, Grand Rapids SmartZone (\$100,000 over 12 months):** The City of Grand Rapids was initially awarded \$100,000 with MSU as the service provider and the GWR based at MSU Innovations. They were re-funded at \$55,000 through March 31, 2021 and then awarded \$100,000 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, GR has achieved the following metrics:

- New companies formed: 15
- New jobs created: 238
- Traditional companies served: 0
- Tech companies served: 82
- Follow on funding: \$81,735,266 with an additional \$28,309,022 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	23%
Assistance to diverse businesses	40%

Below is a testimonial from one of their clients:

The BAF program was a crucial step in helping the company go-to-market. It enabled us to source a product testing vendor and data scientist to feed our engineering team, build an enhanced product roadmap, recommend tooling, and test our database framework for scaling. It also gave us access to a startup lawyer to prepare non-disclosure agreements, standard terms of service contracts for both users and long-term clients, and a Delaware C Corp conversion as a vehicle for investment. We have resources to hit key company milestones due to the BAF team's support and guidance.

Lee Constantine, founder of Bookscore

- **Lean Rocket Lab (LRL) Jackson SmartZone (\$100,000 over 12 months):** The Enterprise Group of Jackson was initially awarded \$150,000 and re-funded at \$150,000 through March 31, 2021. On February 29, 2019, the MSF Board approved transfer of the remainder of grant to LRL with an additional \$100,000 for GWR activities through March 31, 2022, with an additional \$100,000 for GWR activities through March 31, 2023.

From October 1, 2021 through September 30, 2022, LRL has achieved the following metrics:

- New companies formed: 5
- New jobs created: 67
- Traditional companies served: 69
- Tech companies served: 67
- Follow on funding: \$41,184,500 with an additional \$7,203,902 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	78%
Assistance to diverse businesses	38%

Below is a testimonial from one of their clients:

"When I joined the Lean Rocket Lab in December of 2018, I wasn't sure how much longer I would be able to run my own business. Finding clients, motivation, and connecting with others was a

*constant battle. When I joined the lab that all changed very quickly. Over the past four years we've grown from occupying half of an office to two full offices, hiring our first employees, and most recently, purchasing our own building downtown. The connections, relationships, and mentorship we've gained from our time at the Lab has helped us grow our business quicker and stronger than we ever could have on our own." **Jacob Cross, Voyager Film Co.***

FY20 Business Incubator Gateway Representative Grants

On February 25, 2020 the MSF Board selected Central Michigan University Research Corporation (CMURC), Lansing Economic Area Partnership (LEAP), Muskegon Innovation Hub (MIH), Midland Business Alliance (MBA), Western Michigan University Homer Stryker M.D. School of Medicine (WMed) and Lawrence Technological University (LTU) for a one-year GWR award with subsequent one-year re-funding.

- **Central Michigan University Research Corporation (CMURC), Mt. Pleasant SmartZone (\$100,000 over 12 months):** CMURC was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, CMURC has achieved the following metrics:

- New companies formed: 4
- New jobs created: 41
- Traditional companies served: 382
- Tech companies served: 79
- Follow on funding: \$870,000 with an additional \$1,357,150 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	41%
Assistance to diverse businesses	42%

Below is a testimonial from one of their clients:

*“CMURC has helped me navigate not only through the SmartZone resources, but the research capabilities at Central Michigan University. The team delivered business strategy and connections, which allowed NewGait to receive additional state and federal funding opportunities.” - **Benga Adeeko, Founder NewGaitMI, LLC***

- **Lansing Economic Area Partnership (LEAP), Lansing SmartZone (\$100,000 over 12 months):** LEAP was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, LEAP has achieved the following metrics:

- New companies formed: 8
- New jobs created: 17
- Traditional companies served: 40
- Tech companies served: 82
- Follow on funding: \$4,631,500 with an additional \$241,500 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	64%
Assistance to diverse businesses	44%

Below is a testimonial from one of their clients:

“As a first-time entrepreneur, one of the many things I didn’t anticipate was how much legal support is necessary. This turns out to be especially important when commercializing a technology for which you have one patent and are developing other patents. Assistance from LEAP, in accessing Business Acceleration Funding, has been instrumental in launching Enspired Solutions with a sound intellectual property foundation that is enticing to angel and venture capital investments.” Denise Kay, Co-Founder, CEO

- **Muskegon Innovation Hub (MIH), Muskegon SmartZone (\$100,000 over 12 months):** MIH was awarded \$60,000 on February 25, 2020 with a subsequent award of \$61,000 on February 23, 2021 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, MIH has achieved the following metrics:

- New companies formed: 1
- New jobs created: 7
- Traditional companies served: 106
- Tech companies served: 21
- Follow on funding: \$948,500 with an additional \$3,115,778 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	44%
Assistance to diverse businesses	29%

Below is a testimonial from one of their clients:

*Essata is a Michigan-based, veteran-owned startup. We are on a mission to enable smart, sustainable, flexible buildings. Essata is developing a power and data infrastructure technology that creates a smart building at the cost of today's basic, non-smart infrastructure. When we started Essata in 2020, we quickly ran into fundraising obstacles. Although we inserted most of the required capital ourselves, we still needed additional funds. The BAF has been just such a source of funds. The application process was demanding but fair. Allison Dile, my contact at the Muskegon Innovation Hub helped me every step of the way. The funds that Essata has been able to access have been very important to our continued commercialization efforts. We are now close to commercialization of our first product system and are making plans for pilot project implementation in Q3, 2023. **Jeff Swears, Co-founder and CFO, Essata Technologies, Inc.***

- **Midland Business Alliance, Midland SmartZone (\$100,000 over 12 months):** MBA subcontracts with CMURC, with 1/3 of the funding going to MBA and 2/3 going to CMURC. MBA was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, MBA has achieved the following metrics:

- New companies formed: 8
- New jobs created: 24
- Traditional companies served: 10
- Tech companies served: 73
- Follow on funding: \$3,215,500 with an additional \$625,000 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	22%
Assistance to diverse businesses	34%

Below is a testimonial from one of their clients:

*“It is estimated that by 2030, 40% of our global water withdrawals will come from unreliable and unsustainable sources. We are grateful for the services provided to us by MEDC and the Midland SmartZone as it will help us develop and commercialize a filtration product to assist in solving this global water problem while building a team headquartered in this region.” - **Scott Burr, President + CEO of Accelerated Filtration Inc.***

- **Western Michigan University Homer Stryker M.D. School of Medicine (WMed), Kalamazoo SmartZone (\$100,000 over 12 months):** WMed was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, WMed has achieved the following metrics:

- New companies formed: 0
- New jobs created: 44
- Traditional companies served: 0
- Tech companies served: 44
- Follow on funding: \$89,063,398 with an additional \$125,053,351 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	0%
Assistance to diverse businesses	73%

Below is a testimonial from one of their clients:

“For almost 20-years, the Kalamazoo SmartZone/WMed Innovation Center has provided resources and guidance to Michigan-based entrepreneurs. Quantitatively, these resources have been highly effective in generating new businesses in both the Intellectual Property and Contract Research spheres. In my opinion, PharmOptima LLC would not exist without these resources.” **Jim Vrbanac, PhD, Co-founder of PharmOptima, LLC.**

- **Lawrence Technological University Centrepolis Accelerator (LTU), Southfield SmartZone (\$100,000 over 12 months):** LTU was awarded \$100,000 on February 25, 2020 with a subsequent award of \$100,000 on February 23, 2021 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, LTU has achieved the following metrics:

- New companies formed: 3
- New jobs created: 388
- Traditional companies served: 22
- Tech companies served: 103
- Follow on funding: \$211,547,434 with an additional \$13,453,539 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	47%
Assistance to diverse businesses	50%

Below is a testimonial from one of their clients:

The Centrepolis Accelerator has been instrumental in assisting Wareologie throughout the business development and commercialization process to ensure the success of our WBENC certified company. We are proudly manufacturing our FDA Class 1 rehabilitation device in Michigan. Thanks to the Accelerator's massive network of industry experts, we were able to source engineers, prototype houses and manufacturers willing to partner with our small business.
Gina Adams, CEO, Wareologie

FY21 Business Incubator Gateway Representative Grants

On February 23, 2021 the MSF Board approved new award agreements for the following GWRs whose original contracts had run full term: Innovate Marquette Enterprise Corporation (IMQT), Lakeshore Advantage, Lenawee Now, Michigan Tech Enterprise Corporation (MTEC) and the Sault Sainte Marie Economic Development Corporation (SSM).

- **Innovate Marquette Enterprise Corporation (IMQT), Marquette SmartZone (\$100,000 over 12 months):** IMQT was awarded \$100,000 for a one-year grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, IMQT has achieved the following metrics:

- New companies formed: 19
- New jobs created: 29
- Traditional companies served: 114
- Tech companies served: 37
- Follow on funding: \$465,567 with an additional \$6,699,508 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	53%
Assistance to diverse businesses	27%

Below is a testimonial from one of their clients:

Innovate Marquette SmartZone (IMQT) has filled a huge gap in resources for the Upper Peninsula with regards to innovation, access to resources, and entrepreneurial guidance. The staff is knowledgeable and understands the issues facing innovation, based on their extensive experience and expertise. Their hard work and extensive connections provide a lifeline for local innovation and talent. -- Richard Aho, Principal, Divert Organics LLC

- **Lakeshore Advantage, Holland SmartZone (\$100,000 over 12 months):** Lakeshore Advantage was awarded \$100,000 for a one-year grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, Lakeshore Advantage has achieved the following metrics:

- New companies formed: 6
- New jobs created: 57
- Traditional companies served: 8

- Tech companies served: 61
- Follow on funding: \$24,338,480 with an additional \$2,707,710 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	3%
Assistance to diverse businesses	17%

Below is a testimonial from one of their clients:

*Lilypad Labs has worked closely with Lakeshore Advantage since our inception in January 2021 to present. We have enjoyed the tireless support of the Lakeshore Advantage team for our startup endeavor. They have been instrumental in helping us bring carbon free boating to the West Michigan. Lakeshore Advantage has provided us support with funding, office space, and advice as we have developed our business. This includes support with the Michigan Business Accelerator Fund, Michigan Springboard, Vendor support, etc. We would not have been able to achieve our results to date without the strong support of Lakeshore Advantage. Lilypad Labs strongly endorses Lakeshore Advantage and encourages additional expanded support of their efforts to cultivate innovation in West Michigan. **Dana Lowell, CEO, Lilypad Labs***

- **Lenawee Now, Adrian and Tecumseh SmartZone (\$100,000 over 12 months):** Lenawee Now was awarded \$100,000 for a one-year grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, Lenawee Now has achieved the following metrics:

- New companies formed: 3
- New jobs created: 2
- Traditional companies served: 18
- Tech companies served: 12
- Follow on funding: \$24,0,000 with an additional \$1,100,000 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	0%
Assistance to diverse businesses	24%

Below is a testimonial from one of their clients:

My name is De'Angelo Boone. I have an app through my company D.L. Boone Technologies that I am developing and beta testing through the Meal Assistance Program of Lenawee County.

*Lenawee Now has been a great support and has worked diligently to access resources to help me develop my product. Lenawee Now's support and assistance has made the development of my product process easy to navigate. Lenawee Now has gathered resources that engaged me in conversation that caused me to think outside the box. Their knowledge and understanding of business, marketing and research helped me explore my product at the local and national level, and consider ways to improve and modify my product for my target audience. I am grateful for Lenawee Now's assistance and consideration of my product and willingness to help me reach my fullest potential. **DeAngelo Boone***

- **Michigan Tech Enterprise Corporation (MTEC), Houghton/Hancock SmartZone (\$100,000 over 12 months):** MTEC was awarded \$100,000 for a one-year grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, MTEC has achieved the following metrics:

- New companies formed: 8
- New jobs created: 129
- Traditional companies served: 29
- Tech companies served: 41
- Follow on funding: \$5,008,700 with an additional \$46,697,332 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	33%
Assistance to diverse businesses	18%

Below is a testimonial from one of their clients:

*“MTEC has been a great resource for us and willing to help. “The MTEC SmartZone has provided Waldo with reliable third-party support in all facets of our growing business. MTEC's range of expertise perfectly bridges our outstanding needs to our internal resources.” **Leo Huhta and Brady Bekkala, Waldo Solutions***

- **City of Sault Ste. Marie, Sault Ste. Marie SmartZone, (\$100,000 over 12 months):** Sault Ste. Marie Economic Development Corporation (SSM EDC) was awarded \$100,000 for a one-year grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023. In July, 2022 the MSF approved the transfer of the Gateway grant from the SSM EDC to the City of Sault Ste. Marie.

From October 1, 2021 through September 30, 2022, SSM has achieved the following metrics:

- New companies formed: 1
- New jobs created: 1
- Traditional companies served: 50
- Tech companies served: 1
- Follow on funding: \$600 with an additional \$1,112 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	100%
Assistance to diverse businesses	100%

Below is a testimonial from one of their clients:

“As an electronics recycling startup with the extra responsibilities of establishing ourselves as a non-profit organization, we sometimes feel overwhelmed by the work involved in getting up and running. Gaining access to MEDC funding from MI Talent and having local business coaching from experts will make a huge difference to us as we go forward.” **Sherry Kruch, Executive Director, Reina Recycling and Resource Recovery**

FY22 Business Incubator Gateway Representative Grants

On April 27, 2017 the MSF Board issued a request for proposals for the purpose of awarding grants to business incubators to stimulate the creation and continued growth of technology-based businesses and jobs and on June 27, 2017, the MSF selected OUInc (Rochester Hill SZ) and EDA of St. Clair County (Port Huron SmartZone) for 2-year grants. The MSF subsequently approved their refunding December 18, 2018 with an end date of March 31, 2020. The MSF subsequently approved their refunding on February 25, 2020 for an additional year ending March 31, 2021. Lastly the MSF approved the final extension to the grants, which expire March 31, 2022. This exhausts the amendments allowed under the current agreements. In order to continue GWR activities at these SmartZones, new one-year grants are requested, with the option to extend for an additional four years and allocate additional funding, at the sole discretion of the MSF.

- **Oakland University Incubator (OUInc), Rochester Hills SmartZone (\$100,000 over 12 months):** OUInc was initially awarded \$199,625 over a two-year period (July 1, 2017- June 30, 2019). They were re-funded for an additional 9 months at \$74,860 extending the grant to March 31, 2020, then awarded \$99,813 extending the grant to March 31, 2021 and then awarded \$100,000 extending the grant to March 31, 2022, and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, OUInc has achieved the following metrics:

- New companies formed: 4
- New jobs created: 26

- Traditional companies served: 2
- Tech companies served: 82
- Follow on funding: \$1,239,000 with an additional \$3,656,393 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	4%
Assistance to diverse businesses	19%

Below is a testimonial from one of their clients:

*OU INC SmartZone has proven indispensable to the start-up and continued operation of my company, Excelsior Engineering LLC. I founded Excelsior in May 2021. Excelsior is an embedded systems consulting company, providing design services and advice to clients in the automotive, scientific, and advanced manufacturing industries. Upon founding Excelsior, I had the necessary technical expertise, but I really needed help on the business side. OU INC team provided excellent advice and guidance through the process of forming and starting up Excelsior. They connected me with an attorney and accountant to help make sure that we had everything set up properly from a legal and tax perspective. The OU INC team, as well as support staff from Oakland University, have been nothing but helpful and supportive. As Excelsior has grown, OU INC made it very easy for us to rent the additional space we needed. I can't imagine any other arrangement being as flexible as this. Additionally, the location on the campus of Oakland University is absolutely ideal. Having a real business address on a university campus gives us a great deal of credibility as we conduct business with major corporations. All our employees (so far) are OU alumni, and this is a central location for all of us. Being on the OU campus has also allowed us to easily connect with professors in the School of Engineering and Computer Science, whom we have consulted with on some of our projects. I can't imagine starting Excelsior without the services provided by OU INC. Were it not for OU INC, I believe Excelsior would not exist (or it would exist in a greatly diminished form). **Mark Bowers, President of Excelsior Engineering***

- **Economic Development Alliance of St. Clair County, Port Huron SmartZone (\$100,000 over 12 months):** EDA of St. Clair County was initially awarded \$121,800 over 2 years (July 1, 2017-June 30, 2019). They were re-funded for an additional 9 months at \$45,675 extending the grant to March 31, 2020, then awarded \$60,900 extending the grant through March 31, 2021 and then awarded \$70,000 extending the grant to March 31, 2022 and then awarded \$100,000 extending the grant to March 31, 2023.

From October 1, 2021 through September 30, 2022, EDA has achieved the following metrics:

- New companies formed: 4
- New jobs created: 26

- Traditional companies served: 111
- Tech companies served: 39
- Follow on funding: \$1,278,200 with an additional \$69,235 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	28%
Assistance to diverse businesses	49%

Below is a testimonial from one of their clients:

Through the initiative of Kanchan Wankhede and resources of The Underground, my company has truly flourished. When Kanchan and I first met, my company had a product idea and business plan. Now my company has obtained two grant awards, a nomination for Veteran Small Business of the year Award, \$250,000 in financing, and we have partnered with the Wrigley Center project. This is such an exciting first step for our business, and we could not have done it without Kanchan and The Underground. Aaron Weideman, CEO & Founder of Renaissance Man Co.

- **Battle Creek Unlimited Inc. (BCU), Battle Creek SmartZone (\$100,000 over 12 months):** BCU was initially awarded \$100,000 from April 1, 2022 through March 31, 2023.

From April 1, 2022 through December 20, 2022, BCU has achieved the following metrics:

- New companies formed: 0
- New jobs created: 0
- Traditional companies served: 0
- Tech companies served: 0
- Follow on funding: \$150,000 with an additional \$0 in new sales

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	0%
Assistance to diverse businesses	0%

Note: Battle Creek is one of the original SZ's with its initial approval date back in 2002. They have pivoted their local objectives with a new focus on Food-Tech. They are new to the SZ GWR Program as of April 2022 and are still building their programming and team. They recently received a federal grant for \$522,750 which will allow them to ramp up their Food-Tech incubator/accelerator. They leveraged the current MSF Gateway grant in their federal grant application.

- **20Fathoms, Traverse City (\$100,000 over 12 months):** 20Fathoms was initially awarded \$50,000 from October 1, 2022 through March 31, 2023.

From October 1, 2022 through February 22, 2023, 20Fathoms has achieved the following metrics:

- New companies formed: 1
- New jobs created: To be reported in initial 6-month progress report
- Traditional companies served: 120
- Tech companies served: 6
- Follow on funding: To be reported in initial 6-month progress report

They also reported the following diversity data for FY 2022:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	TBD
Assistance to diverse businesses	27%

Note: 20Fathoms is only 5 months into their first Gateway grant and are showing excellent progress and potential. 20Fathoms has recently completed an upgraded CRM implementation and data tracking processes & procedures, current metrics are still being analyzed, and % for assistance to HubZone/Opportunity Zone are uncertain/in process. Efforts to actively engage with the Grand Traverse Band of Ottawa & Chippewa Indians are being made, as well as creating a database of all public spaces in HubZone areas, which will allow tracking of under-represented/diverse businesses to be measured. Their current CRM allows them to see the % of assistance to diverse businesses from only their events from Jan 2023 - current, which is approximately 27%. Additional reporting will be established by their semi-annual report (including assistance in mentorship, access to capital, programming, etc from Oct - March). Additionally, they have created a scholarship program for underserved/unrepresented that was just announced. Reports for this program will be included in the semi-annual report.

Below is a testimonial from one of their clients:

*Thanks to 20Fathoms acting as a conduit to the Business Accelerator Fund, MeetingMaker was able to team up with Colliver Technology Group, a Michigan company and fellow 20Fathoms member, to receive critical market research in the criminal justice product space for our early growth business. The research was done quickly, thoroughly, and professionally, giving MeetingMaker a strategic advantage going forward, as we now better understand the competition and have identified key potential clients. 20Fathoms, through its thoughtful and proactive approach and via the ever-widening entrepreneurial ecosystem it has created in northern Michigan, is an invaluable ally for companies like MeetingMaker. **Jodie Schanhals, CEO/Founder MeetingMaker***

- **City of Sterling Heights, Sterling Heights SmartZone (New Contract: \$100,000 over 12 months):**

Sterling Heights has been a SmartZone for 15 years (since 2008) and was a previous Gateway grant recipient. They have undergone a changeover in administration of their SmartZone, and during this transition period their Gateway grant was not renewed. The administration of the SmartZone has now stabilized, and Sterling Heights meets all the requirements and tech support activities to receive a Gateway grant once again.

Recommendation

MEDC Staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-039**

2019 BUSINESS INCUBATORS GRANT AMENDMENTS

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

WHEREAS, MCL 125.2088k authorizes the Michigan Strategic Fund (“MSF”) Board to award grants and loans 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 within the State of Michigan;

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

WHEREAS, on December 18, 2018, the MSF Board issued a request for proposals (“RFP”) to award grants to business incubators to stimulate the creation and continued growth of technology-based businesses and jobs (the “Business Incubators RFP”); appointed a joint evaluation committee (“JEC”) to evaluate the proposals received in response to the Business Incubators RFP; and adopted scoring and evaluation criteria to be used by the JEC;

WHEREAS, on February 26, 2019, the MSF Board authorized grants to the following entities for the initial terms and award amounts listed below, with the option to extend the grants for up to an additional four years and allocate additional funds at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Ann Arbor SPARK	4/1/19-3/31/20	\$150,000
Automation Alley	4/1/19-3/31/20	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/20	\$100,000
Enterprise Group of Jackson	4/1/19-3/31/20	\$150,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/20	\$100,000

(the aforementioned, collectively, the “2019 Business Incubator Grants”);

WHEREAS, on February 25, 2020, the MSF Board exercised its first option to extend and allocate additional funds to the 2019 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/19-3/31/21	\$150,000
Automation Alley	4/1/19-3/31/21	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/21	\$55,000
Enterprise Group of Jackson	4/1/19-3/31/21	\$150,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/21	\$100,000

WHEREAS, on February 21, 2021, the MSF Board exercised its second option to extend and allocate additional funds to the 2019 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/19-3/31/22	\$100,000
Automation Alley	4/1/19-3/31/22	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/22	\$100,000
Enterprise Group of Jackson	4/1/19-3/31/22	\$100,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/22	\$100,000

WHEREAS, on February 23, 2021, the MSF Board approved assignment of the 2019 Business Incubator Grant with Enterprise Group of Jackson to the Lean Rocket Lab;

WHEREAS, on February 22, 2022, the MSF Board exercised its third option to extend and allocate additional funds to the 2019 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/19-3/31/23	\$100,000
Automation Alley	4/1/19-3/31/23	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/23	\$100,000
Lean Rocket Lab	4/1/19-3/31/23	\$100,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/23	\$100,000

WHEREAS, the MEDC recommends that the MSF Board exercise its fourth option to extend and allocate additional funds to the 2019 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/19-3/31/24	\$100,000
Automation Alley	4/1/19-3/31/24	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/19-3/31/24	\$100,000
Lean Rocket Lab	4/1/19-3/31/24	\$100,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/19-3/31/24	\$100,000

(the aforementioned, collectively, the “2019 Business Incubator Grants Amendment Request”);
and

WHEREAS, the MSF Board wishes to approve the 2019 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2019 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, MSF Fund Manager is authorized to negotiate the final terms and conditions of the 2019 Business Incubator Grants Amendment Request and to execute all documents necessary to effectuate the 2019 Business Incubator Grants Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

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
2023-040**

2020 BUSINESS INCUBATOR 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, the MSF Board has the power to make grants;

WHEREAS, on February 25, 2020, the MSF Board authorized grants to the following entities for the initial terms and in the initial amounts listed, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Central Michigan University Research Corporation	4/1/20-3/31/21	\$100,000
Lansing Economic Area Partnership	4/1/20-3/31/21	\$100,000
Lawrence Technological University	4/1/20-3/31/21	\$100,000
Macomb-Oakland University Incubator	4/1/20-3/31/21	\$100,000
Midland Business Alliance	4/1/20-3/31/21	\$100,000
Muskegon Innovation Hub	4/1/20-3/31/21	\$60,000
WMU Homer Stryker M.D. School of Medicine	4/1/20-3/31/21	\$100,000

(the aforementioned, collectively, the “2020 Business Incubator Grants”); and

WHEREAS, on February 23, 2021, the MSF Board exercised its first option to extend and allocate additional funds to the 2020 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Central Michigan University Research Corporation	4/1/20-3/31/22	\$100,000
Lansing Economic Area Partnership	4/1/20-3/31/22	\$100,000
Lawrence Technological University	4/1/20-3/31/22	\$100,000
Midland Business Alliance	4/1/20-3/31/22	\$100,000
Muskegon Innovation Hub	4/1/20-3/31/22	\$61,000
WMU Homer Stryker M.D. School of Medicine	4/1/20-3/31/22	\$100,000

WHEREAS, on February 22, 2022, the MSF Board exercised its second option to extend and allocate additional funds to the 2020 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Central Michigan University Research Corporation	4/1/20-3/31/23	\$100,000
Lansing Economic Area Partnership	4/1/20-3/31/23	\$100,000
Lawrence Technological University	4/1/20-3/31/23	\$100,000
Midland Business Alliance	4/1/20-3/31/23	\$100,000
Muskegon Innovation Hub	4/1/20-3/31/23	\$100,000
WMU Homer Stryker M.D. School of Medicine	4/1/20-3/31/23	\$100,000

WHEREAS, the MEDC recommends that the MSF Board exercise its third option to extend and allocate additional funds to the 2020 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Central Michigan University Research Corporation	4/1/20-3/31/24	\$100,000
Lansing Economic Area Partnership	4/1/20-3/31/24	\$100,000
Lawrence Technological University	4/1/20-3/31/24	\$100,000
Midland Business Alliance	4/1/20-3/31/24	\$100,000
Muskegon Innovation Hub	4/1/20-3/31/24	\$100,000
WMU Homer Stryker M.D. School of Medicine	4/1/20-3/31/24	\$100,000

(the aforementioned, collectively, the “2020 Business Incubator Grants Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 2020 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2020 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the 2020 Business Incubator Grants Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

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
2023-041**

2021 BUSINESS INCUBATOR 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, the MSF Board has the power to make grants;

WHEREAS, on February 23, 2021, the MSF Board authorized grants to the following entities for the initial terms and in the initial amounts listed, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Economic Development Corporation of the City of Sault Ste. Marie	4/1/21-3/31/22	\$100,000
Innovation Marquette Enterprise Corporation	4/1/21-3/31/22	\$100,000
Lakeshore Advantage	4/1/21-3/31/22	\$100,000
Lenawee Now	4/1/21-3/31/22	\$100,000
Michigan Tech Enterprise Corporation	4/1/21-3/31/22	\$100,000

(the aforementioned, collectively, the “2021 Business Incubator Grants”);

WHEREAS, on February 22, 2022, the MSF Board exercised its first option to extend and allocate additional funds to the 2021 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Economic Development Corporation of the City of Sault Ste. Marie	4/1/21-3/31/23	\$100,000
Innovation Marquette Enterprise Corporation	4/1/21-3/31/23	\$100,000
Lakeshore Advantage	4/1/21-3/31/23	\$100,000
Lenawee Now	4/1/21-3/31/23	\$100,000
Michigan Tech Enterprise Corporation	4/1/21-3/31/23	\$100,000

WHEREAS, on July 26, 2022, the MSF Board approved assignment of the 2021 Business Incubator Grant with the Economic Development Corporation of the City of Sault Ste. Marie to the City of Sault Ste. Marie;

WHEREAS, the MEDC recommends that the MSF Board exercise its second option to extend and allocate additional funds to the 2021 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
City of Sault Ste. Marie	4/1/21-3/31/24	\$100,000
Innovation Marquette Enterprise Corporation	4/1/21-3/31/24	\$100,000
Lakeshore Advantage	4/1/21-3/31/24	\$100,000
Lenawee Now	4/1/21-3/31/24	\$100,000
Michigan Tech Enterprise Corporation	4/1/21-3/31/24	\$100,000

(the aforementioned, collectively, the “2021 Business Incubator Grants Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 2021 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2021 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the 2021 Business Incubator Grants Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

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
2023-042**

2022 BUSINESS INCUBATOR 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, the MSF Board has the power to make grants;

WHEREAS, on February 22, 2022, the MSF Board authorized grants to the following entities for the initial terms and in the initial amounts listed, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Battle Creek Unlimited	4/1/22-3/31/23	\$100,000
Economic Development Alliance of St. Clair County	4/1/22-3/31/23	\$100,000
Oakland University Incubator	4/1/22-3/31/23	\$100,000

(the aforementioned, collectively, the “2022 Business Incubator Grants”);

WHEREAS, the MEDC recommends that the MSF Board exercise its first option to extend and allocate additional funds to the 2022 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Battle Creek Unlimited	4/1/22-3/31/24	\$100,000
Economic Development Alliance of St. Clair County	4/1/22-3/31/24	\$100,000
Oakland University Incubator	4/1/22-3/31/24	\$100,000

(the aforementioned, collectively, the “2022 Business Incubator Grants Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 2022 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2022 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the 2022 Business Incubator Grants Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

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
2023-043**

**20FATHOMS BUSINESS INCUBATOR GATEWAY REPRESENTATIVE
GRANT AMENDMENT**

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 September 27, 2022, the MSF Board authorized a grant of \$50,000 to 20Fathoms, with an initial term of six months, with the option to extend the term for up to an additional four years and allocate additional funding at the sole discretion of the MSF Board for the purpose of performing regional business incubator Gateway Representative activities (the “20Fathoms Grant”);

WHEREAS, the MEDC recommends that the MSF Board exercise its first option to extend the 20Fathoms Grant and allocate \$100,000 in additional funding (the “20Fathoms Grant Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 20Fathoms Grant Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 20Fathoms Grant Amendment Request; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the 20Fathoms Grant Amendment Request and to execute all documents necessary to effectuate the 20Fathoms Grant Amendment Request.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

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
2023-044**

BUSINESS INCUBATOR GRANT TO THE CITY OF STERLING HEIGHTS

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 MEDC recommends that the MSF Board approve a grant in the amount of \$100,000 to the City of Sterling Heights, with an initial term of one year, with the option to extend the term for up to an additional four one-year terms and allocate additional funding at the sole discretion of the MSF Board for the purpose of performing regional business incubator Gateway Representative activities (the “Grant Request”); and

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

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

BE IT FURTHER RESOLVED, that 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: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

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

Subject: Michigan Translational Research and Commercialization (“MTRAC”) Statewide Program, Advanced Transportation Innovation Hub Designation

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board designate the University of Michigan (“UM”) as the Advanced Transportation Innovation Hub under the MTRAC Statewide Program and allocate \$750,000 in initial funding to support the Advanced Transportation Innovation Hub for a six-year term beginning March 1, 2023, and ending February 28, 2029 (the “Request”).

Background

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

On April 26, 2016, the MSF approved the creation of the MTRAC Statewide Program and Program Guidelines including the designation of five Innovation Hubs for the support of translational-research projects in the following key areas: Agriculture-Biology (“Ag-Bio”), Bio-Medical Sciences, Life Sciences, Advanced Materials, and Advanced Transportation. On October 23, 2018, the MSF approved the elimination of the Bio-Medical program and recognized those activities as part of the Life Sciences Innovation Hub. The MSF also approved the addition of the Advanced Computing Innovation Hub, maintaining program guidelines to support a total of five statewide innovation hubs: Ag-Bio, Life Sciences, Advanced Materials, Advanced Transportation, and Advanced Computing. On June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of six-years (up from a previous grant term of two years) to coincide with the term of the Innovation Hub designation.

On February 28, 2017, the MSF Board designated UM as the Innovation Hub for Advanced Transportation activities. The Advanced Transportation Innovation Hub focuses on commercializing technologies supporting the transportation market in the following focus areas: mobility solutions, robotics and autonomy, sensors, electric vehicle drivetrain/propulsion, and advanced manufacturing processes. The MTRAC Advanced Transportation Innovation Hub Designation expired on February 28, 2023.

Through a public, competitive application process initiated in December 2022 and completed in January 2023, the MEDC received one application for the MTRAC Advanced Transportation Innovation Hub activities from UM. The application was reviewed and scored based on the scoring criteria previously approved by the MSF Board. UM meets the criteria for an Innovation Hub as outlined in the approved MTRAC Program Guidelines. MEDC staff recommends that the MSF Board designate UM as the Advanced Transportation Innovation Hub and allocate \$750,000 in initial funding to support Advanced Transportation Innovation Hub activities for a six-year term beginning March 1, 2023 and ending on February 28, 2029.

Over the past six years in administering the Advanced Transportation Hub, UM has collaborated with universities, hospital systems and non-profit research centers across Michigan to support the activities of the Innovation Hub. Since inception of the Innovation Hub designation in 2017, the Advanced Transportation Innovation Hub has achieved the following metrics:

Number of proposals reviewed by Oversight Committee	82
Number of projects funded by Oversight Committee	42
Startups formed	17
Jobs created	94
Licenses and Options	9
Follow on funding	\$57,000,000

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-045**

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION PROGRAM
ADVANCED TRANSPORTATION INNOVATION HUB DESIGNATION AND GRANT AWARD
RECOMMENDATION**

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 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, 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 September 27, 2022, the MSF Board allocated \$6,462,780 to Remaining Entrepreneurial Programs and Grants (the “FY23 Entrepreneurial Funding Allocation”);

WHEREAS, on October 25, 2022, the MSF Board allocated \$3,050,000 from the FY23 Entrepreneurial Funding Allocation to the MTRAC Program (the “MTRAC Program Funding Allocation”);

WHEREAS, on October 25, 2022, the MSF Board allocated \$750,000 to the University of Michigan (“UM”) from the MTRAC Program Funding Allocation for the Advanced Transportation Innovation Hub (the “FY23 Advanced Transportation Funding Allocation”);

WHEREAS, the FY23 Advanced Transportation Funding Allocation was not used or encumbered under a final written agreement between the MSF and UM;

WHEREAS, MEDC staff recommends that the MSF Board rescind the FY23 Advanced Transportation Funding Allocation (the “Funding Rescission”);

WHEREAS, the designation for the prior Advanced Transportation Innovation Hub to UM expired on February 28, 2023;

WHEREAS, in accordance with the MTRAC Program Guidelines, an open and competitive application process was initiated to receive proposals from qualified institutions of education for the purpose of designating the Advanced Transportation Innovation Hub for a new six-year term (the “MTRAC Application Process”);

WHEREAS, one proposal was received from the UM in response to the MTRAC Application Process;

WHEREAS, the MEDC reviewed the proposal using scored and evaluation criteria set forth in the MTRAC Program Guidelines and determined that UM meets the criteria as an Innovation Hub for Advanced Transportation activities as described in the MTRAC Program Guidelines;

WHEREAS, MEDC staff recommends that the MSF Board designate UM as the Advanced Transportation Innovation Hub and allocate \$750,000 in initial funding from the MTRAC Program Funding Allocation to support Advanced Transportation Innovation Hub activities for a six-year term beginning March 1, 2023 and ending on February 28, 2029, with the option to allocate additional funds during the term at the sole discretion of the MSF Board (the “Innovation Hub Designation and Grant Award”); and

WHEREAS, the MSF Board wishes to approve the Funding Rescission and the Innovation Hub Designation and Grant Award.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Funding Rescission and the Innovation Hub Designation and Grant Award; 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 Innovation Hub Designation and Grant Award.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

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

Subject: Michigan Translational Research and Commercialization (“MTRAC”) Statewide Program, Advanced Materials Innovation Hub Designation

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board designate Michigan Technological University (“Michigan Tech”) as the Advanced Materials Innovation Hub under the MTRAC Statewide Program and allocate \$325,000 in initial funding to support the Advanced Materials Innovation Hub for a six-year term beginning March 1, 2023, and ending February 28, 2029 (the “Request”).

Background

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

On April 26, 2016, the MSF approved the creation of the MTRAC Statewide Program and Program Guidelines including the designation of five Innovation Hubs for the support of translational-research projects in the following key areas: Agriculture-Biology (“Ag-Bio”), Bio-Medical Sciences, Life Sciences, Advanced Materials, and Advanced Transportation. On October 23, 2018, the MSF approved the elimination of the Bio-Medical program and recognized those activities as part of the Life Sciences Innovation Hub. The MSF also approved the addition of the Advanced Computing Innovation Hub, maintaining program guidelines to support a total of five statewide innovation hubs: Ag-Bio, Life Sciences, Advanced Materials, Advanced Transportation, and Advanced Computing. On June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of six-years (up from a previous grant term of two years) to coincide with the term of the Innovation Hub designation.

On February 28, 2017, the MSF Board designated Michigan Tech as the Innovation Hub for Advanced Materials activities. The Advanced Materials Innovation Hub focuses on commercializing technologies supporting systems, materials, processing technologies that include novel materials, novel application of conventional materials, and/or equipment of processes that enables the application of either novel materials

or conventional materials for novel purposes. The MTRAC Advanced Materials Innovation Hub Designation expired on February 28, 2023.

Through a public, competitive application process initiated in December 2022 and completed in January 2023, the MEDC received one application for the MTRAC Advanced Materials Innovation Hub activities from Michigan Tech. The application was reviewed and scored based on the scoring criteria previously approved by the MSF Board. Michigan Tech meets the criteria for an Innovation Hub as outlined in the approved MTRAC Program Guidelines. MEDC staff recommends that the MSF Board designate Michigan Tech as the Advanced Materials Innovation Hub and allocate \$325,000 in initial funding to support Advanced Materials Innovation Hub activities for a six-year term beginning March 1, 2023 and ending on February 28, 2029.

Over the past six years in administering the Advanced Materials Innovation Hub, Michigan Tech has collaborated with universities, hospital systems and non-profit research centers across Michigan to support the activities of the Innovation Hub. Since inception of the Innovation Hub designation in 2017, the Advanced Materials Innovation Hub has achieved the following metrics:

Number of proposals reviewed by Oversight Committee	38
Number of projects funded by Oversight Committee	18
Startups formed	7
Jobs created	22
Licenses and Options	7
Follow on funding	\$33,013,052

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-046

MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION PROGRAM ADVANCED MATERIALS INNOVATION HUB DESIGNATION AND GRANT AWARD RECOMMENDATION

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 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, 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 September 27, 2022, the MSF Board allocated \$6,462,780 to Remaining Entrepreneurial Programs and Grants (the “FY23 Entrepreneurial Funding Allocation”);

WHEREAS, on October 25, 2022, the MSF Board allocated \$3,050,000 from the FY23 Entrepreneurial Funding Allocation to the MTRAC Program (the “MTRAC Program Funding Allocation”);

WHEREAS, on October 25, 2022, the MSF Board allocated \$325,000 to Michigan Technological University (“Michigan Tech”) from the MTRAC Program Funding Allocation for the Advanced Materials Innovation Hub (the “FY23 Advanced Materials Funding Allocation”);

WHEREAS, the FY23 Advanced Materials Funding Allocation was not used or encumbered under a final written agreement between the MSF and Michigan Tech;

WHEREAS, MEDC staff recommends that the MSF Board rescind the FY23 Advanced Materials Funding Allocation (the “Funding Rescission”);

WHEREAS, the designation for the prior Advanced Materials Innovation Hub to Michigan Tech expired on February 28, 2023;

WHEREAS, in accordance with the MTRAC Program Guidelines, an open and competitive application process was initiated to receive proposals from qualified institutions of education for the purpose of designating the Advanced Materials Innovation Hub for a new six-year term (the “MTRAC Application Process”);

WHEREAS, one proposal was received from Michigan Tech in response to the MTRAC Application Process;

WHEREAS, the MEDC reviewed the proposal using scored and evaluation criteria set forth in the MTRAC Program Guidelines and determined that Michigan Tech meets the criteria as an Innovation Hub for Advanced Materials activities as described in the MTRAC Program Guidelines;

WHEREAS, MEDC staff recommends that the MSF Board designate Michigan Tech as the Advanced Materials Innovation Hub and allocate \$325,000 from the MTRAC Program Funding Allocation in initial funding to support Advanced Materials Innovation Hub activities for a six-year term beginning March 1, 2023 and ending on February 28, 2029, with the option to allocate additional funds during the term at the sole discretion of the MSF Board (the “Innovation Hub Designation and Grant Award”); and

WHEREAS, the MSF Board wishes to approve the Funding Rescission and the Innovation Hub Designation and Grant Award.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Funding Rescission and the Innovation Hub Designation and Grant Award; 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 Innovation Hub Designation and Grant Award.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

From: Amber Westendorp, Capital Project & Portfolio Manager – Capital Access

Subject: SSBCI 2.0 MBGF Capital Access Program – Guidelines Amendment

Request

Staff is requesting the approval to amend the Borrower Eligibility section of the SSBCI 2.0 MBGF Capital Access Program (the “CAP”) Guidelines to include sole proprietorships and partnerships. Guidelines were originally approved on January 25, 2022, at the MSF board meeting.

Background

The intent of the CAP is to allow the Michigan Strategic Fund (the “MSF”) to support qualified lenders in providing financing to small businesses that would not otherwise be available under conventional terms. The Program permits the MSF to partner with an eligible lender to establish a loan loss reserve (the “LLR”) by entering into a CAP Agreement. The eligible lender may then request to enroll qualifying new small business loans into the program. This program is a pooled loan loss reserve concept which matches a 1.5% to 3.5% contribution by both the lender and the borrower with a 3%-7% SSBCI 2.0 MSF contribution. Each lender has a dedicated LLR which it manages to cover any losses it may otherwise incur for enrolled loans.

The Cap guidelines were approved by the MSF Board on January 25, 2022 (the “CAP Guidelines”). Within CAP Guidelines, the Borrower Eligibility section currently states:

To be eligible for the Program, a borrower must have a unique Federal Employer Identification number and be a registered entity with Licensing and Regulatory Affairs (“LARA”).

Prior to the adoption of the CAP Guidelines, sole proprietorships and partnerships were eligible borrowers for the CAP. During this time, several CAP enrollments were accepted for such borrowers, and Staff finds that continuing to allow sole proprietorships and partnerships into the CAP is vital.

Staff is requesting an amendment to the Borrower Eligibility section of the CAP Guidelines to include sole proprietorships and partnerships to be an eligible borrower, as noted in Exhibit A.

Recommendation

MEDC staff recommends approval of amendments to the CAP Guidelines to (1) add sole proprietorships and partnerships as eligible borrowers under CAP and (2) make other administrative changes.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-047**

**APPROVAL OF AN AMENDMENT TO
THE STATE SMALL BUSINESS CREDIT INITIATIVE 2.0
CAPITAL ACCESS PROGRAM GUIDELINES**

WHEREAS, under the State Small Business Credit Initiative Act of 2010 (title III of the Small Business Jobs Act of 2010, Public Law 111-240, 124 Stat. 2568, 2582 (the “SSBCI”), the United States Congress appropriated funds to the United States Department of Treasury (“US Treasury”) to be allocated and disbursed to states that have applied for and created programs in accordance with the SSBCI to increase the amount of capital made available by private lenders to small businesses;

WHEREAS, on March 11, 2021, the American Rescue Plan Act reauthorized and expanded SSBCI to provide \$10 billion to state, the District of Columbia, territories, and Tribal governments to expand access to capital for small businesses, to support opportunity and entrepreneurship, and to create high-quality jobs (the “SSBCI 2.0”);

WHEREAS, the SSBCI 2.0, authorized several programs that include the operation of a state small business capital access program, and other state credit support programs, including state collateral support programs, state loan participation programs, state loan guarantee programs and state venture capital fund programs, in accordance with SSBCI 2.0 requirements (the “SSBCI 2.0 Programs”);

WHEREAS, in accordance with SSBCI 2.0 requirements, and the Michigan Strategic Fund (“MSF”) Act, MCL 125.2001 et seq., the MSF received federal funding to operate the SSBCI 2.0 Programs;

WHEREAS, subject to the control and direction of the MSF Board, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF;

WHEREAS, on January 25, 2022, the MSF Board approved the creation and operation of the SSBCI 2.0-Michigan Business Growth Fund (“MBGF”), which included the SSBCI 2.0 Programs and their guidelines (collectively, the “MBGF Programs”);

WHEREAS, the SSBCI 2.0 MBGF Capital Access Program (the “CAP”) and its guidelines (the “CAP Guidelines”) are one of the MBGF Programs approved by the MSF Board;

WHEREAS, the MEDC recommends that the MSF Board amend the CAP Guidelines to (1) add sole proprietorships and partnerships as eligible borrowers and (2) make other administrative changes as detailed in the CAP Guidelines attached as Exhibit A (the “CAP Guidelines Amendment Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board hereby approves the CAP Guidelines Amendment Recommendation.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Brittany L. Affolter-Caine

Lansing, Michigan
March 28, 2023

SSBCI 2.0 MBGF - Capital Access Program

Program Guidelines

Program Purpose

- The intent of the SSBCI 2.0-MBGF Capital Access Program (the “CAP” or the “Program”) is to allow the Michigan Strategic Fund (the “MSF”) to support qualified lenders in providing financing to small businesses that would not otherwise be available under conventional terms. The Program permits the MSF to partner with an eligible lender to establish a loan loss reserve. The eligible lender may then request to enroll qualifying new small business loans into the program. Upon enrollment of a loan, a lender and borrower contribution are matched by a contribution by the MSF. The loan loss reserve account is managed by the lender with qualifying claims against the reserve being used by the lender to cover losses that the lender would otherwise have to incur because of the failure of an enrolled loan.

Borrower Eligibility

- To be eligible for the Program a borrower must have a unique Federal Employer Identification number and be a registered entity with Licensing and Regulatory Affairs (“LARA”) or be a sole proprietorship or partnership located with and legally authorized to do business in Michigan. Borrower eligibility will be further defined based on the industry in which the borrower primarily operates. Specifically, a borrower shall be eligible only if it operates primarily in an industry not deemed to be ineligible based on MSF Act, SSBCI 2.0 federal guidelines, or as otherwise determined by the Program.
- Program support for fixed asset financing requires that 100% of the assets being financed be located in Michigan. Program support for working capital financing requires that borrower be headquartered within Michigan.
- The program is restricted to borrowers which employ (at the time of the loan) no more than 500 employees. Loans may not exceed \$5 million.

Lender Eligibility

- The Program shall participate in funding loans with partner lending institutions, which are defined by the Program as FDIC regulated banks, NCUA regulated credit unions, Community Development Financial Institutions (“CDFI”), or a Farm Credit Services (“FCS”) regulated agriculture lender (“Eligible Lender”).
- The lead lending institution shall apply to the Program.
- The participating lending institution must execute a CAP agreement to be eligible to enroll loans into the Program. The lender must execute a loan enrollment form for each loan it wishes to enroll in the Program and a CAP claim form for any claim which a lender is seeking to make against the loan loss reserve

Program Operation

- A combination of the Eligible Lender and borrower will contribute a minimum of 3% and a maximum of 7% of the covered/enrolled loan amount to a loan loss reserve account established by the CAP at the approved lending institution.
- The CAP will then contribute a match equal to 100% of the Eligible Lender and borrower combined contribution using Program funding. At the discretion of the Program and based on availability of non-Program funding, the Program may provide an additional contribution equal to up to 2x the CAP contribution.
- All or part of a loan may be enrolled. Claims of losses are limited to enrolled balance.
- The approval of a Eligible Lender in the CAP will comply with all federal requirements including but not limited to a review of Uniform Banking Performance Reports, Financial Performance Reports, OCC Enforcement Actions, or a review of CARS ratings. Depending on the type of Lender, certain Lenders may also self-certify that the financial institution is not operating under any supervisory enforcement action, or as otherwise required by the CAP.

Loan Restrictions

- The proceeds of the loan must be used for a business purpose within the State of Michigan. Business purpose includes but is not limited to start-up costs, working capital, business procurement, franchise fees, equipment, inventory, as well as the purchase, construction, renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes.



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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2022

To: Michigan Strategic Fund Board

From: Fredrick Molnar, Senior Vice President, Entrepreneurship & Innovation
Alyssa Tracey, Director, International Trade

Subject: FY23 Funding Allocation – Michigan Israel Business Accelerator

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board allocate \$449,500 in funding to support the Michigan Israel Business Accelerator (the “MIBA”) for the term of April 1, 2023 to December 31, 2023, with the option MSF Board (the “Request”).

Background

MIBA was founded in 2017, with a mission of “accelerating Michigan’s economic growth, one Israeli innovation at a time”. MIBA facilitates an assortment of opportunities for business-to-business interactions through membership, events, trade missions and curated connections. Since its inception, MIBA has created hundreds of valuable connections between Michigan and Israeli businesses. In the last year, MIBA supported Michigan and Israeli company collaborations resulting in almost \$2.9 million in economic activity.

Through MSF support, MIBA will continue to grow economic activity between Michigan and Israel with the goal of delivering a value of \$3 million in collaborations within the current 12-month period and build a pipeline of opportunities currently valued at \$100.4 million. MIBA has facilitated 257 meaningful connections between Michigan and Israeli entities, with one confirmed collaboration, in 2023.

During the term of the agreement, MIBA will directly support Foreign Direct Investment, International Trade, and the Office of Future Mobility and Electrification (“OFME”) through its work in executing trade missions and other critical bilateral engagements. This work will impact MEDC strategic industries, including mobility/automotive, advanced manufacturing, defense, health/life sciences, and technology, with inroads specifically into cybersecurity, artificial intelligence, agriculture technology, and water technology. A full list of deliverables can be found in Exhibit A – Summary of Terms. MIBA has a successful history connecting Michigan government entities with valuable partners in Israel, including OFME and Michigan Department of Transportation, as well as individual Michigan small businesses seeking export growth into Israel.

The longstanding, strategic relationship between leaders in Michigan and Israel supports technological and economic advancement. Renowned for its national expenditure on civilian R&D and startup density, Israeli innovation augments Michigan’s edge in critical industries. Further, Michigan businesses benefit from MIBA’s guidance into strategic Israeli networks leading to profitable connections and collaborations.

Recommendation

MEDC staff recommends that MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-048**

MICHIGAN ISRAEL BUSINESS ACCELERATOR GRANT AWARD

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

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

WHEREAS, pursuant to MCL 125.2088b(2)(c), funds appropriated to the MSF for purposes of carrying out the MSF act shall be expended or invested for activities authorized under the 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, the MEDC recommends that the MSF Board approve a grant to the Michigan Israel Business Accelerator (“MIBA”) with an initial allocation of \$449,500 and in accordance with the terms and conditions set forth in the attached Exhibit A (the “MIBA Grant”); and

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

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

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

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 2023

Exhibit A

Summary of Terms – Direct Grant to Michigan Israel Business Accelerator

This memorandum summarizes the key terms for the Direct Grant to Michigan Israel Business Accelerator.

Objective of the Grant: To provide funding to support operations of the Michigan Israel Business Accelerator (the “MIBA”), which will enhance bilateral trade and investment relations between Michigan and Israel, supporting MEDC strategic industries, small businesses, and FDI.

Awardee: MIBA

Amount: Allocation of \$449,500 (the “Incentive”) with the option to allocate additional funding throughout the Term at the sole discretion of the MSF Board.

Term: Initial term beginning April 1, 2023 through December 31, 2023, with the option to extend the contract for up to four, one year terms (the “Term”) at the sole discretion of the MSF Board.

Duties/Milestones:

The MIBA will fulfill the following duties as part of the agreement:

1. MIBA’s 3 C’s approach “Connect, Connections and Collaborations”
 - Generate 225 new unique connects (contacts within the Michigan and Israel ecosystems)
 - Create 1,000 new Connections (introductions between two or more MIBA connects)
 - Facilitate \$3,000,000 in measurable Collaborations
2. Operate co-working space for Israeli companies coming to Michigan
 - Onboard four Israeli companies that will occupy the space and establish Michigan operations
 - Conduct minimum of three educational seminars designed to assist Israeli companies in establishing business operations in Michigan
 - Conduct minimum of three events designed to connect Israeli companies with potential Michigan customers, partners or investors
3. Execute a minimum of three trade missions from Michigan to Israel, connecting Michigan business and government leaders to economic opportunities in Israel
4. Execute a minimum of one trade mission from Israel to Michigan connecting Israeli business leaders to economic opportunities in Michigan and showcasing the state’s strengths and advantages as locations for their US or North American operations.
5. Serve as the state of Michigan’s International Trade Center to Israel, providing export services to Michigan companies



Disbursement Schedule:

Quarterly disbursements: Within fifteen days following the end of each fiscal quarter, MIBA must provide a progress report to the satisfaction of the Grant Manager, before funds will be disbursed based upon actual expenses incurred that quarter. Reporting dates: July 15, 2023; October 15, 2023; January 15, 2024.

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, MSF Board 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 agreement 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

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

From: Jeremy Webb, Managing Director, Business Development Projects

Subject: Amendment Request
MSF Performance-Based Loan
Flint Commerce Center, LLC (the “Company”)

Request

This is a request from the Company to amend the November 9, 2022 approval of an \$8.5 million MSF Performance-Based Loan with the ability to be forgiven, based on successful completion of performance requirements, to modify the disbursement structure as outlined in the attached Term Sheet (the “MSF Loan Amendment Request”).

Background

On November 9, 2022, the MSF Board approved an \$8.5 million MSF Performance-Based Loan for the Company (the “MSF Loan”). The Company is committed to constructing a building of at least 275,000 square feet in size within three years of receiving a building permit with the hope that this will lead to further speculative development of up to 3.5 million square feet of state-of-the-art, light industrial distribution space on the Buick City Site. Once fully developed, up to 2,000-3,000 new jobs could be generated on the Buick City Site, based on averages in other Ashley Capital (“Ashley”) facilities. Over time, the total investment required to develop the entire Buick City Site is estimated at approximately \$300 million. Due to the presence of concrete slabs, building foundations, underground utilities and other historic site-specific issues, the cost to develop the Buick City Site is prohibitive in comparison to other competing sites and will continue to be an impediment to its development without the requested MSF Loan. A project map is attached to this memo as Appendix A.

Since the MSF Board approval, the Company is continuing to move forward with the project. However, adjustments to the approval were identified. As a result, the Company is requesting the MSF consolidate the two disbursements into one disbursement, more clearly detailed in the term sheet attached to the Resolution.

Company Background

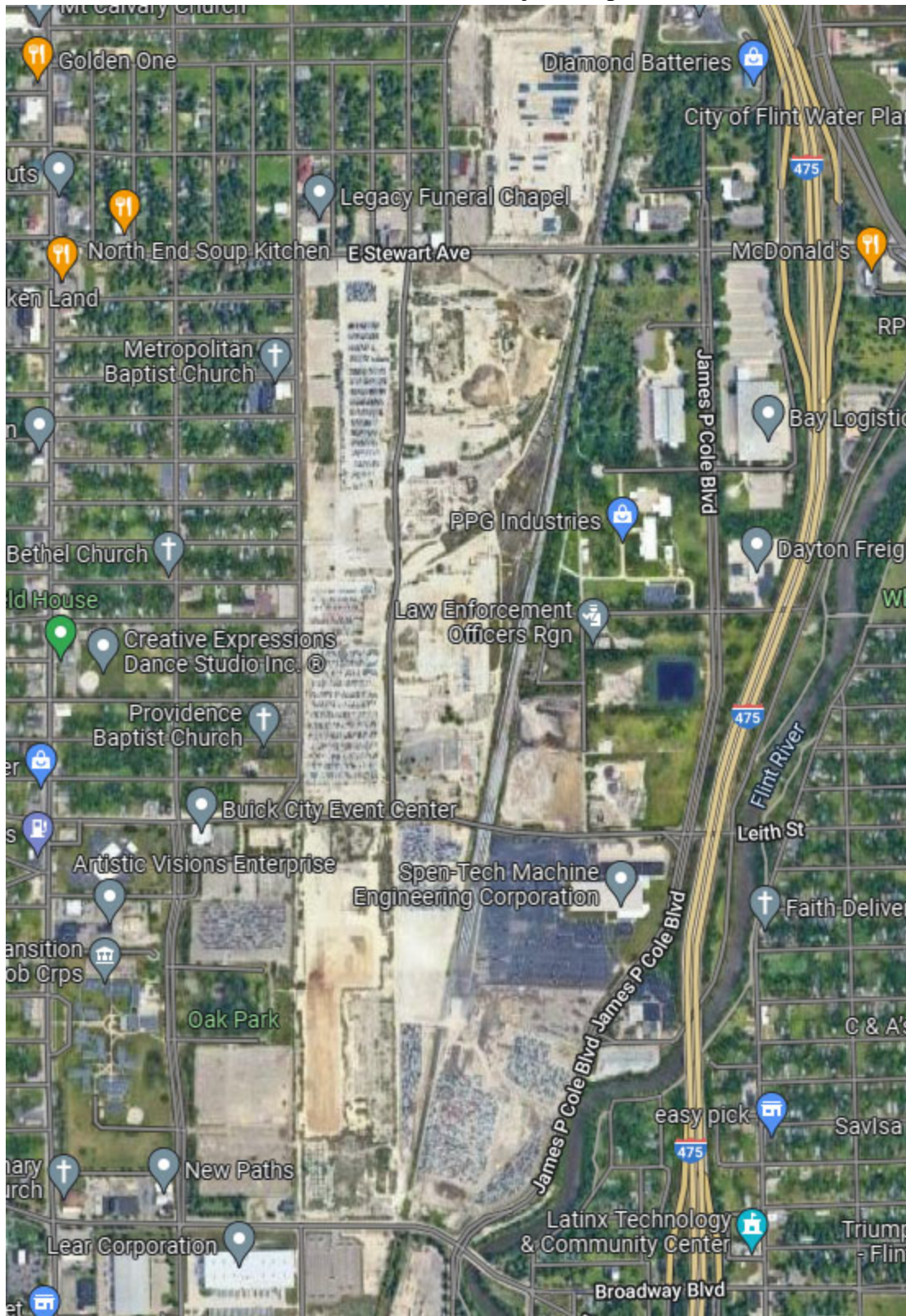
The Company, an affiliate of Ashley, was created in 2021 for the development of the Buick City Site in the City of Flint. Founded in 1984, Ashley Capital has become one of the largest privately held industrial real estate investment companies in the United States. Ashley has offices in Atlanta, Chicago, Detroit, Florida, and New York. Ashley pursues opportunistic investments, creating value by buying brownfield parcels and transforming them into state-of-the-art industrial centers, acquiring and redeveloping underperforming industrial and office properties, as well as developing and managing new business parks.

Ashley's current portfolio stands at approximately 30 million square feet, with properties concentrated throughout the eastern half of the United States including over 18 million square feet in Michigan. Over the years, Ashley has taken a long-term perspective in actively managing its holdings and paying close attention to the needs of its tenants. The success of the organization is the result of its strict adherence to investment parameters, its creativity in structuring transactions and the personal involvement of management in all projects.

Recommendation

MEDC Staff recommends approval of the MSF Loan Amendment Request, as outlined in the attached term sheet and resolution.

APPENDIX A – Project Map



MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-049**

**FLINT COMMERCE CENTER, LLC MSF LOAN AWARD
AMENDMENT TO THE APPROVAL**

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

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

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

WHEREAS, pursuant to MCL 125.2007(c), the MSF has, among other things, the power to make grants and investments;

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

WHEREAS, on November 9, 2022, the MSF Board approved an \$8,500,000 loan from the FY23 Funding Allocation to Flint Commerce Center, LLC (the “Company”) to assist in redeveloping the former Buick City site in the City of Flint with a total development cost of approximately \$300,000,000 (the “MSF Loan Approval”);

WHEREAS, the Company is requesting an amendment to the MSF Loan Approval in accordance with the terms and conditions of Appendix A to the Resolution (the “MSF Loan Amendment Request”);

WHEREAS, the MEDC recommends the MSF Board approve the MSF Loan Amendment Request; and

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

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

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

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 2023

APPENDIX A – Amended Term Sheet

Loan Terms

MSF Incentive:	MSF Performance-based Loan
Borrower/Company:	Flint Commerce Center, LLC
Loan Amount:	\$8,500,000
Total Capital Investment:	Currently estimated at \$300 million
Project:	Former Buick City Site, City of Flint
Term:	120 months unless forgiven
Amortization:	Currently anticipated to be up to 240 months
Interest Rate:	The principal sum outstanding shall bear interest at a fixed rate per annum equal to one percent (1%) per annum (except in an event of default, to be defined in the loan agreement), which shall be calculated on the basis of a 365-day year. All interest hereunder shall begin accruing immediately following the disbursement of funds.
Default Interest Rate:	After an event of default, to be defined in the loan agreement, including failure to pay upon final maturity, the interest rate shall be equal to seven percent (7%) per annum.
Fees:	If any required payment is not made within ten (10) days after the date it is due, then, at the option of the MSF, a late charge in the amount of five percent (5%) of the payment so overdue may be charged.
Disbursement of Funds:	<ul style="list-style-type: none">• 50% of the loan (\$4,250,000) to be disbursed following 100% of the loan (\$8,500,000) to be disbursed following:<ul style="list-style-type: none">○ Completion of the purchase transaction with the RACER Trust and within 60 days of RACER Trust securing all approvals needed from EGLE and the EPA;○ Initiation of the site plan approval process with the City of Flint within three (3) months of closing on the property;○ Receipt of all necessary municipal and State (if any) permits and start of site preparation and construction activities within four (4) months of receiving all;○ Execution of the memorandum of understanding or other written agreement between the Company and the City of Flint, Genesee County, the Mott Foundation, any combination thereof, or any other entity related to securing funding for the Eligible Activities; and○ Receipt of evidence that all Local funding and funding from the C.S. Mott Foundation has been disbursed and expended, anticipated to be \$8,500,000.

- Receipt of evidence that \$17,000,000 has been expended related to Eligible Activities.

- ~~● The remaining 50% of the loan (\$4,250,000) to be disbursed following receipt of evidence that an additional \$8,500,000 (\$17,000,000 in total) has been disbursed and expended related to Eligible Activities.~~

Repayment Terms:

Monthly interest only payments from the date of disbursement of funds and will continue for thirty-six months following the first disbursement of funds (the "Interest Only Period"). Followed by equal monthly payment of principal and interest ("Monthly Payment"). The Monthly Payment will begin following the Interest Only Period, with a final payment of all outstanding principal and accrued interest anticipated to be due within ten (10) years of the date of disbursement of funds ("Maturity Date").

Loan Forgiveness:

In the event the Company completes the following, the remaining principal and interest of the MSF Performance Based Loan shall be forgiven.

- A project completion certificate in the form determined applicable by the MSF;
- A spreadsheet describing and itemizing the actual expenditure of loan disbursements for all Eligible Activities completed during the Term. The spreadsheet shall identify the name of actual vendor or recipient of each expenditure and be accompanied by supporting documentation.
- Documentation satisfactory to the MSF that the construction of a building with a minimum size of 275,000 square feet within three (3) years of receiving the required building permits has been completed at the Project.
- **Receipt of evidence that all Local funding and funding from the C.S. Mott Foundation has been disbursed and expended related to Eligible Activities for the Project, anticipated to be \$8,500,000.**

Eligible Activities:

Activities related to the Project including, but not limited to, removal of existing underground utilities, concrete slabs, and concrete foundations, as well as, engineering, site preparation, new utilities, road improvements and new construction. These activities are anticipated to begin in the City of Flint once the Company has closed on the property and has received the necessary local and State permits. The Company and the MSF will develop a detailed budget for the Project that includes budget categories for the Eligible Activities. The budget will be incorporated into the written agreement signed by the parties.

Other Conditions:

- **Acceleration:** The Maturity Date and/or all indebtedness owed the MSF under the Loan may be accelerated for material events of default, to be defined in the loan agreement, which shall include, but not limited to, State of Michigan agreements, or any other contracts with public entities arising out of the Project.
- **Annual Compliance Certificate:** During the Term, the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Loan agreement.

- **Annual Progress Report:** During the Term, the Company will be required to submit annual progress reports, which shall include the total number of jobs created at the Project if applicable, the average annual salary of jobs if applicable, 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 loan agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, nondiscrimination and unfair labor practices, cross default, termination of funding and any requirements of the Michigan Strategic Fund Act or the MSF Board.



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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: MSF Board

From: Maggie McCammon, Portfolio Manager

Subject: Invent@NMU no cost extension request

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board permit a no cost extension of 12 months for the Invent@NMU Business Incubator (Invent@NMU) award at Northern Michigan University (“NMU”) (the “Request”).

Program overview

On June 27, 2017, the MSF Board awarded a grant of \$1,150,000 to NMU to sustain and enhance the existing economic environment and implement components of its regional incubator program. The term of this award was July 1, 2017 to April 30, 2020. On February 25, 2020, the MSF Board exercised its first option to extend the term for one additional year with an additional \$400,000 and on February 23, 2021, the MSF Board exercised its second option to extend the term for a further year with an additional \$320,000. On February 2, 2022 the MSF Fund Manager and MSF President approved a one year no-cost extension under the MSF Awardee Relief Initiative.

This funding enabled the operation of Invent@NMU as the idea incubator at NMU, powered by student teams who are led by professional staff from the Innovate Marquette SmartZone, to provide a variety of entrepreneurial support services for those with product and business ideas, as well as existing small businesses.

Program Results

This program specifically works with traditional companies and some key milestones that Invent@NMU has met or surpassed since April 2022 include:

- 99% of Invent@NMU student graduates have found exciting jobs in their chosen fields
- Served over 260 new traditional business clients
- Helped clients bring over \$1.5M of all types of capital into the region
- Commercialized over 30 products
- Applied for more than 25 patents, with at least 12 being issued.
- Produced over a dozen working prototypes for clients
- Hosted a Mini-pitch competition for NMU students, with a second event to follow soon.
- Participated in Revolve CC Conference by hosting a learning opportunity entitled "Rapid Resources"

Background to Request

Prior to the COVID pandemic, Invent@NMU was hosting several educational events a year which served as outreach events to potential clients. During the pandemic, in-person events were halted which severely hindered the operations of the program. In addition, because NMU's facilities were not open to special projects during the pandemic, Invent@NMU was unable to perform the staple function of the program and create basic prototypes for clients. As a result of this lost activity, Invent@NMU has a balance of approximately \$100,000 remaining in the grant funds and is requesting a no cost contract extension for a period of one-year to apply the remaining funds to the continued operation of the program. Invent@NMU plan to use this time to:

- Reengage with the community via a series of educational events through 2023, including two planned pitch events in partnership with NMU's College of Business Entrepreneurship program.
- Work towards self-sustainability and, with the assistance of the MEDC, a U.S. EDA grant, NMU, NMU Foundation, and Innovate Marquette, Invent@NMU is creating a micro-gifting platform for community members and other interested parties to donate small gifts to support Invent@NMU student teams. Current plans include outreach to thousands of recent alumni to boost the platform.
- Expand Upper Peninsula outreach using a grant from the Herrick Foundation (Detroit, MI) to create an innovative "Vanbassador" outreach program. Student employees are creating a van-life vehicle to support entrepreneurs, inventors and makers in rural communities throughout the Upper Peninsula. Student teams will leverage the university's Educational Access Network and a unique mobile outreach program to quite literally take Invent@NMU "on the road" to numerous rural communities and events each year with the purpose of promoting idea exploration, entrepreneurship, and broadening the funnel of business and product ideas into Invent@NMU's support programming.

Recommendation

MEDC Staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-050**

INVENT@NMU BUSINESS INCUBATOR GRANT AMENDMENT

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

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

WHEREAS, pursuant to 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 June 27, 2017, the MSF Board approved a grant of \$1,150,000 to the Invent@NMU Business Incubator (“Invent@NMU”) for an initial term of three years, with the option to extend up to an additional two years and allocate additional funding at the sole discretion of the MSF (the “Invent@NMU Grant”);

WHEREAS, the MSF and Invent@NMU executed a grant agreement with an initial term of July 1, 2017 to April 30, 2020;

WHEREAS, on February 25, 2020, the MSF Board exercised its first option to extend the term of the Invent@NMU Grant by one year to April 30, 2021, and allocated \$400,000 in additional funding;

WHEREAS, on February 23, 2021, the MSF Board exercised its second option to extend the term of the Invent@NMU Grant by one year to April 30, 2022, and allocated \$320,000 in additional funding;

WHEREAS, on April 14, 2020, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the “Awardee Guidelines”) due to COVID-19, and delegated to the MSF President, the MSF Fund Manager, and State Treasurer (with any two required to act) the authority to amend any award consistent with the Award Guidelines (the “MSF Board Delegates”);

WHEREAS, on February 2, 2022, the MSF Board Delegates approved an Awardee Relief Initiative amendment to extend the term of the Invent@NMU Grant for one year to April 30, 2023 (the “Grant Amendment Request”);

WHEREAS, the MSF Awardee Relief Initiative expired on December 31, 2022;

WHEREAS, the MEDC recommends that the MSF Board approve a no-cost extension of one year to the Invent@NMU Grant term (the “Grant Amendment Request”); and

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

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

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

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Michigan Community Revitalization Program Performance-Based Direct Loan Amendment #1
Uptown Reinvestment Corporation and HWD Harrison, Inc. - Flint YMCA Living

Request

Uptown Reinvestment Corporation and HWD Harrison, Inc. (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Performance-Based Direct Loan (the “Loan”) approved by the Michigan Strategic Fund (“MSF”) Board approved on February 28, 2023. The Company is requesting to reduce the interest on the Loan from 1.00% to 0.50%. All other terms of the approval will remain the same.

Background

On February 28, 2023, the MSF Board approved a Michigan Community Revitalization Program (the “MCRP”) Performance-Based Grant of \$1,500,000 and \$5,500,000 Performance-Based Direct Loan to the Company for the purpose of constructing a new 5-story mixed-use building on the 2.74-acre site totaling an estimated 110,405 square feet.

The amendment request is to correct a clerical error by MEDC staff by reducing the interest rate on the Loan from 1.00% to 0.50%. Please see Appendix A for details of the requested changes identified in strikethrough and ALL CAPS bolded text.

The project is moving towards a closing that is anticipated to take place prior to March 31, 2023.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Loan to correct a clerical error by MEDC staff by reducing the interest rate on the Loan from 1.00% to 0.50%.

APPENDIX A

Incentive Terms:

Grantees/Borrowers:	Uptown Reinvestment Corporation and/or HWD Harrison, Inc. or Related Entities
Total Capital Investment:	Currently estimated at \$40,878,414
MSF Eligible Investment:	Currently estimated at \$38,794,503
Minimum Eligible Investment:	Currently estimated at \$35,000,000
Total MSF Award:	Up to the lesser of 20% of “Eligible Investment” or \$7,000,000
Funding/Disbursement:	The MSF will fund up to \$7,000,000 to be disbursed following demonstration of the completion of all applicable milestone requirements, anticipated to be receipt of all financing documents in substantially complete form and and/or evidence of available capital contributions/donations/grants in the minimum amount of \$28,600,000.
Reserves/Contingencies:	Anticipated to be approximately \$3,670,000.
Developer Fees:	Anticipated to \$150,000.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Executed Construction Documents (includes “Guaranteed Maximum Price” construction contract)- Final Development Budget and Projections- NMTC Flow of Funds Chart- Adopted Resolution for the PILOT- Other legal due diligence documentation, as may be required.
MSF Incentive #1:	MCRP Performance-Based Grant
Grant Amount:	\$1,500,000
MSF Incentive #2:	Performance-Based Direct Loan
Loan Amount:	\$5,500,000
Term:	To match that of the senior lender not to exceed 240 months
Amortization:	480 months, following the interest only period
Interest Rate:	1.00% 0.50% per annum

- Repayment Terms:** Monthly interest only payments for up to 90 months, followed by equal monthly payments of principal and interest for the remaining 150 months, with principal due at maturity.
- Collateral:** Anticipated to be a security interest in all subject property and assignment of rents and leases, subject to the requirements of the NMTC structure.
- Guarantees:** Anticipated to be the corporate guaranty of Uptown Reinvestment Corporation.
- MSF Fees:** 1.0% of the Loan Amount. Additionally, the Borrower is responsible for any third-party costs incurred by the MEDC in closing the transaction.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-056**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM DIRECT LOAN AWARD FOR
UPTOWN REINVESTMENT CORPORATION AND HWD HARRISON, INC.**

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, on February 28, 2023, by Resolution 2023-023 the MSF Board awarded a MCRP Performance-Based Grant of up to \$1,500,000 and Performance-Based Direct Loan of up to \$5,500,000, (the “Award Request”) to Uptown Reinvestment Corporation and HWD Harrison, Inc. (the “Company”), in furtherance of the project (the “Award”);

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to reduce the interest rate on the MCRP Performance-Based Direct Loan from 1.00% to 0.50%, with all other requirements remaining in place for the Award as identified in the Term Sheet attached as Exhibit A. The requested changes are in strikethrough and ALL CAPS bolded font (the “MCRP Amendment Recommendation”); and

WHEREAS, the MEDC recommends that the MSF Board delegate to the MSF Financial Officer the authority to negotiate the final terms and conditions of, and sign, all documents necessary to effectuate the MCRP Amendment Recommendation (the “Delegation”).

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

BE IT FURTHER RESOLVED, the MSF Board approves the Delegation.

Ayes: Britany L. Affolter-Caine, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Susan Corbin, Rachael Eubanks, Quentin L. Messer, Jr.

Abstained: Ronald W. Beebe, Paul Gentilozzi

Lansing, Michigan
March 28, 2023

EXHIBIT A
“TERM SHEET”

Incentive Terms:

Grantees/Borrowers:	Uptown Reinvestment Corporation and/or HWD Harrison, Inc. or Related Entities
Total Capital Investment:	Currently estimated at \$40,878,414
MSF Eligible Investment:	Currently estimated at \$38,794,503
Minimum Eligible Investment:	Currently estimated at \$35,000,000
Total MSF Award:	Up to the lesser of 20% of “Eligible Investment” or \$7,000,000
Funding/Disbursement:	The MSF will fund up to \$7,000,000 to be disbursed following demonstration of the completion of all applicable milestone requirements, anticipated to be receipt of all financing documents in substantially complete form and and/or evidence of available capital contributions/donations/grants in the minimum amount of \$28,600,000.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Executed Construction Documents (includes “Guaranteed Maximum Price” construction contract)- Final Development Budget and Projections- NMTC Flow of Funds Chart- Adopted Resolution for the PILOT- Other legal due diligence documentation, as may be required.
MSF Incentive #1:	MCRP Performance-Based Grant
Grant Amount:	\$1,500,000
MSF Incentive #2:	Performance-Based Direct Loan
Loan Amount:	\$5,500,000
Term:	To match that of the senior lender not to exceed 240 months
Amortization:	480 months, following the interest only period
Interest Rate:	4.00% 0.50% per annum
Repayment Terms:	Monthly interest only payments for up to 90 months, followed by equal monthly payments of principal and interest for the remaining 150 months, with principal due at maturity.
Collateral:	Anticipated to be a security interest in all subject property and assignment of rents and leases, subject to the requirements of the NMTC structure.

Guarantees: Anticipated to be the corporate guaranty of Uptown Reinvestment Corporation.

MSF Fees: 1.0% of the Loan Amount. Additionally, the Borrower is responsible for any third-party costs incurred by the MEDC in closing the transaction.



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



MEMORANDUM

Date: March 28, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Stacy Bowerman, Senior Business Project Executive
Subject: Our Next Energy (“ONE” or the “Company”)
Jobs for Michigan Investment Fund Loan - Amended Approval

Request Summary

Michigan Economic Development Corporation (“MEDC”) staff recommends that the Michigan Strategic Fund (“MSF”) Board amend the October 5, 2022 approval of a Jobs for Michigan Investment Fund loan of \$15,000,000 to the Company as outlined in the attached Term Sheet (the “Request”).

Background

In response to the automotive industry’s aggressive transition to an all-electric future, ONE has developed battery packs for commercial and consumer Electric Vehicles (“EV”) that promise to fundamentally transform consumer expectations for battery EV range and attitudes toward EVs in general. ONE aims to pioneer sustainable battery manufacturing practices in order to support American energy independence and position the United States as a leader in disruptive energy storage technology. The Company intends to bring breakthrough technology to market by establishing a manufacturing facility that will produce cell and EV battery packs.

The factory, ONE Circle, will be ONE’s first cell and EV battery pack Gigafactory. ONE is partnering with Ashley Capital to locate this inaugural factory in the Crossroads Distribution Center, where it will establish a state-of-the-art 659,589 square foot facility in the Charter Township of Van Buren, Wayne County. ONE will use a newly developed cell factory model in this project with an emphasis on developing a North American raw material supply chain and a co-located material refinement strategy. The campus plans to scale to 20 GWh capacity within four years, and will include raw material refinement, cathode materials production, as well as cell and battery manufacturing. The new operation is expected to result in creation of 2,112 jobs and \$1.6 billion in capital investment at the Company’s facilities in Michigan (the “Project”).

On October 5, 2022, the MSF Board approved the following incentives to support the Project:

- A Critical Industry Program (“CIP”) Grant of up to \$200,000,000 through Strategic Outreach and Attraction Reserve (“SOAR”) Fund to support creation of 2,112 jobs and \$1.6 billion in capital investment at the Company’s facilities in the Charter Township of Van Buren and the City of Novi.
- A State Essential Services Assessment (“SESA”) Exemption with an estimated value of \$21,655,020 to support investments at the Project related to \$986,326,500 in eligible personal property investment at the Company’s facility in the Charter Township of Van Buren.
- A Jobs for Michigan Investment Fund Loan of \$15,000,000 to support the 20 year lease with Ashley Capital, LLC, and related costs for buildout, of the facility in the Charter Township of Van Buren (the “Loan”).

Since the MSF approval, the Company and MEDC have worked diligently to finalize all necessary agreements to support the CIP Grant, the SESA Exemption, and the Loan. The agreements have not been

executed as the SOAR funding transfer requests are still in process, and no funds have been disbursed to date. ONE was able to front the \$15,000,000 necessary to finalize its lease with Ashley Capital in December of 2022 and to ensure work on the facility could be completed within the Project's timelines.

The Loan includes the following conditions to disbursement:

1. Execution of the CIP Grant agreement between the MSF and ONE.
2. Meeting the requirements of the phase one pre-disbursement milestone under the CIP Grant.
3. Verification of an executed lease between Ashley Capital, LLC and ONE for a period of at least 20 years.
4. Executed promissory note in the amount of \$15,000,000 between Ashley Equities II, LLC and ONE.

MEDC staff is recommending that the MSF Board modify the October 2022 approval to remove execution of the CIP Grant agreement and satisfaction of the phase one pre-disbursement milestone under the CIP Grant as conditions for disbursement of the Loan. All other terms and conditions of the Loan will remain the same, including the security interest in loan payments from Ashley Equities II, LLC.

The Company reports that it has achieved the requirements of the phase one pre-disbursement milestone under the CIP Grant agreement, including receipt of \$169,000,000 in private financing, execution of a joint development agreement with a materials refinement partner, execution of a strategic collaboration agreement with a battery manufacturer, and finalizing purchase order requirements and supplier contracts for the cell prototype and training line in its Novi and Van Buren Township facilities.

Recommendation

MEDC Staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-051**

**OUR NEXT ENERGY INC.
JOBS FOR MICHIGAN INVESTMENT FUND LOAN
AMENDMENT TO THE APPROVAL**

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

WHEREAS, pursuant to MCL 125.2088(h)(5)(b), the Investment Fund consists of, among other things, return on investments, return on principal, payments made, or other money received by or payable to the MSF under agreements related to grants, loans or investments made by the MSF under Chapter 8A or Chapter 8C;

WHEREAS, pursuant to MCL 125.2088(h)(3), the Investment Fund shall be invested as authorized under Chapter 8A for the purpose of creating incentives for activities arising out of retaining or creating jobs, or increasing capital investment activity, or increasing commercial lending activity or encouraging the development and commercialization of competitive edge technologies, or revitalizing Michigan communities;

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, loans, and investments;

WHEREAS, on October 5, 2022, by Resolution 2022-159, the MSF Board approved a loan to Our Next Energy Inc. in the amount of \$15,000,000 from the Investment Fund to support short term construction financing for property located in the Charter Township of Van Buren, Wayne County (the “Loan Approval”);

WHEREAS, the MEDC recommends that the MSF Board approve an amendment to the Loan Approval in accordance with the terms and conditions outlined in the term sheet attached as Attachment A to the Resolution (the “Amended Approval Request”); and

WHEREAS, the MSF Board wishes to approve the Amended Approval Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Amended Approval 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 Amended Approval Request, consistent with the terms of this Resolution.

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 2023

MSF Loan Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential loan by the Michigan Strategic Fund (the “MSF” or “Lender”) in favor of Our Next Energy, Inc. (“Company” or “Borrower”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written Loan agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on Company obtaining all necessary corporate approvals, and the MEDC obtaining all necessary Michigan Strategic Fund Board approvals, and State of Michigan Legislature approval of a potential Critical Industry Program awards.

Scope of the Project: The Company intends to create a new battery campus at the Crossroads Distribution Center in the Charter Township of Van Buren, Wayne County (the “Project Site”). The campus will include raw material refinement, cathode materials production, as well as cell and battery manufacturing. In total, the Company expects to ramp up over the course of the next six (6) years over two phases resulting in an expected creation of at least 2,112 new jobs and a projected investment of \$1.6 billion by December 31, 2028, to lease, renovate, build, and equip the facilities at the Project Site (collectively, the “Project”).

MSF Incentive: Term Loan

Borrower: Our Next Energy, Inc.

Loan Amount: \$15,000,000

Interest Rate: The principal sum outstanding shall bear interest at a fixed rate per annum equal to five percent (5%) per annum (except in the Event of Default), which shall be calculated on the basis of a 365-day year. All interest hereunder shall begin accruing on April 1, 2023.

Default Interest Rate: After an Event of Default, including failure to pay upon final maturity, the interest rate shall be equal to seven percent (7%) per annum.

Fees: If any required payment is not made within ten (10) days after the date it is due, then, at the option of Lender, a late charge in the amount of five percent (5%) of the payment so overdue may be charged.

Disbursement of Funds: \$15,000,0000 will be disbursed from the MSF to the Borrower after ~~closing of the Critical Industry Program grant agreement between the MSF and the Company (“CIP Grant”), the Borrower meeting the requirements of the Phase One Pre-Disbursement Milestone under the CIP Grant, and~~ demonstrated verification of an executed Lease Agreement between Ashley Capital, LLC and the Borrower for a period at least 20 years along with the executed Promissory Note in the amount of \$15,000,000 between Ashley Equities II, LLC and the Borrower (“Company – Ashley Note”). Requests for disbursement of funds will be verified by the MEDC Compliance of the Legal and Compliance division of the MEDC prior to release of any funds.

Term: Deferment Period followed by fully amortizing 240-month loan.

Payments: Deferred payments from the date of closing until June 1, 2023 (the “Deferment Period”). Equal monthly payment of principal and interest (which are anticipated to be monthly installments of principal and accrued interest, (“Monthly Payment”). The Monthly Payment is anticipated to begin on June 1, 2023, with a final payment

MSF Loan Term Sheet

of all outstanding principal and accrued interest anticipated to be due on the May 1, 2043 (“Maturity Date”).

Security: The MSF shall have a security interest anticipated to be an assignment/pledge by the Company of the payments to Company under the Company – Ashley Note. The Company will sign all ancillary security instruments acceptable to the Company and the MSF. Such security interest will be used to secure the repayment of any amounts owed to the MSF under the Loan agreement until the MSF is paid in full.

Additional State Required Terms:

- **Acceleration:** The Maturity Date and/or all indebtedness owed the MSF under the Loan may be accelerated for events of default, which shall include, but not limited to, the Borrower’s failure to comply with the Critical Industry Program Award between the MSF and the Company, or State of Michigan agreements, or any other contracts arising out of the Project.
- **Annual Compliance Certificate:** During the Term the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Loan agreement.
- **Annual Progress Report:** During the Term the Company will be required to submit annual progress reports, which shall include the total number of jobs created at the Project, the average annual salary of 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 investment agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, cross default, termination of funding and any requirements of the Michigan Strategic Fund Act or the MSF Board.



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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

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-

**OUR NEXT ENERGY INC.
JOBS FOR MICHIGAN INVESTMENT FUND LOAN
AMENDMENT TO THE APPROVAL**

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

WHEREAS, pursuant to MCL 125.2088(h)(5)(b), the Investment Fund consists of, among other things, return on investments, return on principal, payments made, or other money received by or payable to the MSF under agreements related to grants, loans or investments made by the MSF under Chapter 8A or Chapter 8C;

WHEREAS, pursuant to MCL 125.2088(h)(3), the Investment Fund shall be invested as authorized under Chapter 8A for the purpose of creating incentives for activities arising out of retaining or creating jobs, or increasing capital investment activity, or increasing commercial lending activity or encouraging the development and commercialization of competitive edge technologies, or revitalizing Michigan communities;

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, loans, and investments;

WHEREAS, on October 5, 2022, by Resolution 2022-159, the MSF Board approved a loan to Our Next Energy Inc. in the amount of \$15,000,000 from the Investment Fund to support short term construction financing for property located in the Charter Township of Van Buren, Wayne County (the “Loan Approval”);

WHEREAS, the MEDC recommends that the MSF Board approve an amendment to the Loan Approval in accordance with the terms and conditions outlined in the term sheet attached as Attachment A to the Resolution (the “Amended Approval Request”); and

WHEREAS, the MSF Board wishes to approve the Amended Approval Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Amended Approval 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 Amended Approval Request, consistent with the terms of this Resolution.

Ayes:

Nays:

Recused:

Lansing, Michigan
March 28, 2023

MSF Loan Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential loan by the Michigan Strategic Fund (the “MSF” or “Lender”) in favor of Our Next Energy, Inc. (“Company” or “Borrower”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written Loan agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on Company obtaining all necessary corporate approvals, and the MEDC obtaining all necessary Michigan Strategic Fund Board approvals, and State of Michigan Legislature approval of a potential Critical Industry Program awards.

Scope of the Project: The Company intends to create a new battery campus at the Crossroads Distribution Center in the Charter Township of Van Buren, Wayne County (the “Project Site”). The campus will include raw material refinement, cathode materials production, as well as cell and battery manufacturing. In total, the Company expects to ramp up over the course of the next six (6) years over two phases resulting in an expected creation of at least 2,112 new jobs and a projected investment of \$1.6 billion by December 31, 2028, to lease, renovate, build, and equip the facilities at the Project Site (collectively, the “Project”).

MSF Incentive: Term Loan

Borrower: Our Next Energy, Inc.

Loan Amount: \$15,000,000

Interest Rate: The principal sum outstanding shall bear interest at a fixed rate per annum equal to five percent (5%) per annum (except in the Event of Default), which shall be calculated on the basis of a 365-day year. All interest hereunder shall begin accruing on April 1, 2023.

Default Interest Rate: After an Event of Default, including failure to pay upon final maturity, the interest rate shall be equal to seven percent (7%) per annum.

Fees: If any required payment is not made within ten (10) days after the date it is due, then, at the option of Lender, a late charge in the amount of five percent (5%) of the payment so overdue may be charged.

Disbursement of Funds: \$15,000,0000 will be disbursed from the MSF to the Borrower after ~~closing of the Critical Industry Program grant agreement between the MSF and the Company (“CIP Grant”), the Borrower meeting the requirements of the Phase One Pre-Disbursement Milestone under the CIP Grant, and~~ demonstrated verification of an executed Lease Agreement between Ashley Capital, LLC and the Borrower for a period at least 20 years along with the executed Promissory Note in the amount of \$15,000,000 between Ashley Equities II, LLC and the Borrower (“Company – Ashley Note”). Requests for disbursement of funds will be verified by the MEDC Compliance of the Legal and Compliance division of the MEDC prior to release of any funds.

Term: Deferment Period followed by fully amortizing 240-month loan.

Payments: Deferred payments from the date of closing until June 1, 2023 (the “Deferment Period”). Equal monthly payment of principal and interest (which are anticipated to be monthly installments of principal and accrued interest, (“Monthly Payment”). The Monthly Payment is anticipated to begin on June 1, 2023, with a final payment

MSF Loan Term Sheet

of all outstanding principal and accrued interest anticipated to be due on the May 1, 2043 (“Maturity Date”).

Security:

The MSF shall have a security interest anticipated to be an assignment/pledge by the Company of the payments to Company under the Company – Ashley Note. The Company will sign all ancillary security instruments acceptable to the Company and the MSF. Such security interest will be used to secure the repayment of any amounts owed to the MSF under the Loan agreement until the MSF is paid in full.

Additional State Required Terms:

- **Acceleration:** The Maturity Date and/or all indebtedness owed the MSF under the Loan may be accelerated for events of default, which shall include, but not limited to, the Borrower’s failure to comply with the Critical Industry Program Award between the MSF and the Company, or State of Michigan agreements, or any other contracts arising out of the Project.
- **Annual Compliance Certificate:** During the Term the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Loan agreement.
- **Annual Progress Report:** During the Term the Company will be required to submit annual progress reports, which shall include the total number of jobs created at the Project, the average annual salary of 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 investment agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, cross default, termination of funding and any requirements of the Michigan Strategic Fund Act or the MSF Board.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-035**

**APPROVAL OF THE MARCH 28, 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: February 28, 2023
- b. 3874 Research Drive Project: Brownfield Act 381 Work Plan
- c. Jackson Downtown Partners, LLC: Michigan Community Revitalization Program Other Economic Assistance- Loan Participation Amendment
- d. HM Ventures Group 6, LLC and/or Related Entities: Michigan Community Revitalization Program Direct Loan Award Amendment
- e. Business Incubator Program: FY23 Gateway Grants and Amendments
- f. Michigan Translational Research and Commercialization (MTRAC): Advanced Transportation Innovation Hub Designation
- g. Michigan Translational Research and Commercialization (MTRAC): Advanced Materials Innovation Hub Designation
- h. SSBCI 2.0 MBGF Capital Access Program: Guidelines Amendment
- i. Michigan Israel Business Accelerator: FY23 Funding Allocation
- j. Flint Commerce Center, LLC: MSF Performance-Based Loan Amendment
- k. Invent@NMU: No Cost Extension
- l. Our Next Energy: Jobs for Michigan Investment Fund Loan Amendment

Ayes: Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
March 28, 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



March 28, 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, March 28, 2023.

- Consent Agenda

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees as administrators of the proposed talent program.

Sincerely,

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

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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

From: Michelle Audette-Bauman, Senior Community Development Manager
Julius L. Edwards, Director, Commercial Real Estate Investment
Lisa Edmonds, Program Specialist, MCRP and Brownfield

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant and a Request for Approval of an Act 381 Work Plan
Bogan Developments LLC and City of Kalamazoo Brownfield Redevelopment Authority (BRA) – Zone 32

Project Summary & Request

Bogan Developments LLC (the “Applicant”) is proposing to redevelop a brownfield site with a mixed-use project that will add 13 housing units and 2,000 square feet of space for a childcare facility on the northside of downtown Kalamazoo. As part of the project, the city will also make improvements to the surrounding public streets, including sidewalks to enhance connectivity between the downtown core and surrounding neighborhood. Housing in the project is intended to meet a range of incomes with over half of the apartment units accessible to households with incomes between 60% and 120% of area median income. Upon completion, the project will include two buildings - one will house the childcare center as well as a live-work unit and the other building will include twelve apartment units. In order to support this community development project, the Applicant is requesting a Michigan Community Revitalization Program (the “MCRP”) performance-based grant of \$1,080,000 and the City of Kalamazoo Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$159,578.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility
Total Approximate Square Feet Constructed	9,800
Total Approximate Acres Activated	1.43
Estimated # of Residential Units	13
Estimated Commercial Square Footage	2,000
Total Approximate Public Square Feet Improved	26,100
Current Taxable Value	\$0
Projected Taxable Value at Completion	\$650,000
Total Anticipated Capital Investment	\$4,625,000
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$159,578
MCRP Grant/Loan/Other Request	\$1,080,000



This project is a very high priority for the City of Kalamazoo, as it redevelops a long-vacant, publicly owned site with brownfield conditions into an active development that meets important community needs for childcare and housing. Additionally, the project is adjacent to the Northside neighborhood, which is an area of the community that has not seen the type of reinvestment as other areas in or near downtown. The project also meets local goals around workforce housing in new development projects, especially when those projects are located in walkable, dense, mixed-use areas. The project supports the MEDC strategic focus area to develop attractive places by activating underutilized property and increasing density, as well as leveraging private investment in a Geographically Disadvantaged Business Location. Additionally, the project aligns with MCRP program guidelines by contributing to a mixed-use district in a certified Redevelopment Ready Community, implementing community priorities identified in the Master Plan, activating long-vacant property, increasing density and improving public infrastructure. The project also meets Act 381 goals by addressing brownfield conditions and making the site safe for redevelopment.

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (the “MCRP”) and on January 25, 2022, the MSF Board approved its restated program guidelines. 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 (the “Guidelines”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF Guidelines and programmatic requirements and a financial review has been completed.

Demonstrated Needs

The project’s financial gap is driven by the extensive costs associated with addressing brownfield conditions and the cost to infill the site with appropriate urban form. Additionally, revenue is limited by the inclusion of affordable and workforce housing units in the project which reduces the amount of the senior debt the project can leverage. The developer has maximized senior debt from LISC, secured significant local support from the City of Kalamazoo and Kalamazoo County, as well as received approval for an EGLE grant to help cover significant brownfield expenses. The project is led by an emerging developer who is contributing \$130,000 in cash equity, in addition to over \$535,000 in local grant support secured for the project. The developer has spent over 3-years to bring this project on a contaminated, BRA-owned parcel to fruition and has extremely broad community support. Without MCRP grant funds and state brownfield TIF the project will not be financially viable, and the property will remain undeveloped. It is anticipated that the development team will be able to generate 18.5% return from operations.

Local Support

Local support for the project includes the local portion of the brownfield plan, which is anticipated to total \$245,891. Additionally, the City of Kalamazoo is providing a \$400,000 loan under the “Housing for All” program and \$50,000 in other local grants. Kalamazoo County has also approved the project for a \$400,000 grant to support projects that offer mixed-income housing options.

Applicant Background / Qualifications

Bogan Developments LLC is owned by Jamauri Bogan. As the CEO of Bogan Developments LLC and Managing Partner of Nekton Investments, Jamauri Bogan, has purchased and restored numerous blighted single-family homes in the City of Kalamazoo for resale to first-time homebuyers at affordable prices, ranging from \$90,000 to \$150,000. In 2021 Jamauri Bogan joined the Hollander Development team as an associate developer. Hollander Development Corporation is the owner/developer of The Creamery and has developed 4,000 units statewide, many in partnership with MSHDA. Mr. Bogan is also a licensed real estate agent with RE/MAX Advantage. The Zone 32 project is Mr. Bogan's first commercial development project, qualifying him as an emerging developer under the MCRP guidelines, and he has not previously received MSF support.

An Organizational Chart for Bogan Developments, LLC is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Financial Highlights

- construction cost per square foot of \$411.62
- average residential rate of \$2.24 per square foot
- 100% of the residential rental rates are targeted attainable rents below 120% of area median income
- average debt service coverage ratio above 1.20 to 1.00
- owner equity is below the traditional requirement of 10.0% of total development cost at 2.8%. Staff is comfortable with the deviation due to this being an emerging developer and over 23.0% of the project cost being covered by local and EGLE grants
- developer return is over the traditional limit of 12.0% at 18.5%. Staff is comfortable with this deviation due to this project being led by an emerging developer that is not taking a developer fee and anticipated cash flow being relatively low at \$30,000 to \$55,000 per year for the first 20 years of the project

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.

A project map and renderings are attached as Appendix B and a 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 \$159,578, utilizing the current state to local capture ratio.
- b) A MCRP performance-based Grant in the amount of up to \$1,080,000 for Bogan Developments LLC.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Bogan Developments, LLC
 Employer Identification Number: 84-5033789
 MANAGER: Jamauri Bogan

Member/Company name and manager	Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Bogan Developments, LLC	100.00%	100.00%	84-5033789	Michigan
Jamauri Bogan		100%		

100.00%

Guarantee section is not required for TIF-only requests.

Key Principals/Guarantors:	Amount of Guarantee
Jamauri Bogan	100 percent

APPENDIX B – Project Map and Renderings





NORTH WEST VIEW



STREET VIEW

APPENDIX C – Financial Terms

Summary of Development Sources:

LISC	\$	1,850,000	40.00%
City of Kalamazoo Loan	\$	400,000	8.65%
LISC Predev Loan	\$	85,000	1.84%
MCRP Grant	\$	1,080,000	23.35%
Local Grants	\$	450,000	9.73%
EGLI Grant	\$	630,000	13.62%
Developer Equity	\$	130,000	2.81%
TOTAL	\$	4,625,000	100.00%

Summary of Development Uses:

Acquisition	\$	40,443
Hard Construction Costs	\$	4,033,853
Eligible Soft Costs	\$	287,000
Other	\$	263,704
TOTAL	\$	4,625,000

Grant Terms

- MSF Incentive:** MCRP Performance Based Grant
- Grantee:** Bogan Developments LLC
- Total Capital Investment:** Currently estimated at \$4,625,000
- MSF Eligible Investment:** Currently estimated at \$4,320,853
- Minimum Eligible Investment:** Currently estimated at \$3,456,690
- MSF Grant Amount:** Up to the lesser of 25% of “Eligible Investment” or \$1,080,000
- Reserves and Contingencies:** An anticipated \$410,500 in reserves and contingencies
- Deferred Developer Fees:** \$0 developer fees
- Funding:** The MSF will fund up to \$1,080,000 to be disbursed following issuance of a Certificate of Occupancy and achievement of other to be determined performance criteria.
- Other Conditions:** The MSF’s investment will be contingent upon the following:
- Executed Construction Documents (includes “Guaranteed Maximum Price” construction contract)
 - Final Development Budget
 - A minimum owner equity contribution of \$130,000

APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Kalamazoo, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on June 21, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on November 2, 2022.

There are 60.1571 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.6757 mills (39.36%) and local millage equaling 36.4814 mills (60.64%). Tax increment capture will begin in 2024 and is estimated to continue for 17 years. The state tax capture is recommended to be capped at \$159,578, which is the amount of tax increment revenue anticipated to be generated in 17 years. Total MSF eligible activities are estimated at \$405,469. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(39.36%)	\$	159,578
Local tax capture	(60.64%)	\$	<u>245,891</u>
TOTAL		\$	405,469

Cost of MSF Eligible Activities

Demolition		\$	6,834
Infrastructure Improvements			232,506
Site Preparation		+	<u>102,807</u>
Sub-Total		\$	342,147
Contingency (15%)		+	<u>51,322</u>
Sub-Total		\$	393,469
Brownfield/Work Plan Preparation		+	11,000
Brownfield/Work Plan Implementation		+	<u>1,000</u>
TOTAL		\$	405,469

Key Statutory Criteria

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

a) Overall Benefit to the Public:

The project is designed to meet the City of Kalamazoo’s need for mixed-income housing and will increase work opportunities in the Northside Neighborhood, generally characterized by high unemployment, low income, and low rate of investment compared to other areas in the City of Kalamazoo. Direct benefit to the residents includes attainable housing, improvement of roads (which has not been completed in decades), expansion of water and sewer, and new sidewalks. 315 E. Frank Street is intended to be a catalyst for development in the area without gentrification or displacement of current neighborhood residents. The public will also benefit from this project through an investment of approximately \$4,625,000 in the local economy. Under new ownership,

the property will return to the tax rolls and bring increased tax revenues to the local taxing jurisdictions.

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

This project is expected to create approximately two new, full-time equivalent jobs in childcare professions with an average hourly wage of \$17.00.

c) Area of High Unemployment:

The City of Kalamazoo unadjusted jobless rate was 3.9% in December 2022. This compares to the statewide seasonally adjusted average of 3.5% in December 2022.

d) Level and Extent of Contamination Alleviated:

A Phase II ESA completed in 2020 resulted in the identification of petroleum-based VOCs and metals in shallow soils across the parcel. The impacts are believed to be attributable to historic manufacturing operations as well as the presence of "urban fill" in soils including brick, glass, and apparent foundry slag. The "urban fill" has been identified as present across the site and persisting to depths of up to 8 feet below grade level at select locations. Response activities will be conducted in support of redevelopment to address the vapor intrusion and direct contact exposure pathways.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:

The project is not qualifying as functionally obsolete and/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.

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:

This project is a very high priority for the City of Kalamazoo, as it redevelops a long-vacant, publicly owned site with brownfield conditions into an active development that meets important community needs for childcare and housing. Additionally, the project is adjacent to the Northside neighborhood, which is an area of the community that has not seen the type of reinvestment as other areas in or near downtown. The project also meets local goals around workforce housing in new development projects, especially when those projects are located in walkable, dense, mixed-use areas.

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

This project will act as a catalyst for additional revitalization in the community as new residents of the development spend dollars on goods and services in the surrounding area. Successful completion of the project is also anticipated to encourage investment in nearby properties that are underutilized or in need of revitalization.

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

Local support for the project includes the local portion of the brownfield plan, which is anticipated to total \$255,316. Additionally, the City of Kalamazoo is providing a \$400,000 loan under the "Housing for All" program and \$50,000 in other local grants. Kalamazoo County has also approved the project for a \$400,000 grant to support projects that offer mixed-income housing options.

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

The project's financial gap is driven by the extensive costs associated with addressing brownfield conditions and the cost to infill the site with appropriate urban form. Additionally, revenue is limited by the inclusion of affordable and workforce housing units in the project which reduces the amount of the senior debt the project can leverage. The developer has maximized senior debt from LISC, secured significant local support from the City of Kalamazoo and Kalamazoo County, as well as received approval for an EGLE grant to help cover significant brownfield expenses. The project is led by an emerging developer who is contributing \$130,000 in cash equity, in addition to over \$535,000 in local grant support secured for the project. The developer has spent over 3-years to bring this project on a contaminated, BRA-owned parcel to fruition and has extremely broad community support. Without MCRP grant funds and state brownfield TIF the project will not be financially viable, and the property will remain undeveloped. It is anticipated that the development team will be able to generate 18.5% IRR from operations.

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

The project does not reuse vacant, historic, or blighted buildings.

F. Creation of jobs:

The project is anticipated to create two new full-time equivalent jobs with an estimated average hourly wage of \$17.

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

Total private sector and other contributions are expected to total approximately \$2,915,000 which includes \$2,250,000 in project financing, \$130,000 in developer equity and \$535,000 in other local sources of support.

H. Whether the project is financially and economically sound:

Upon reaching stabilized occupancy it is anticipated that the project will be able to achieve debt service coverage of above 1.20 to 1.00. Additionally, the primary financing for the project is being provided by LISC, a triple bottom line lender.

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

The project increases density of the area by adding 13 apartment units and 2,000 square feet of commercial space for a childcare facility on currently vacant and underutilized property, which will bring new residents and families to the northside of downtown Kalamazoo.

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

The project promotes mixed-use development and walkability by adding residential and commercial space within walking distance to local businesses, downtown employers, public spaces, and other community amenities

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

The project does not include abandoned public buildings.

L. Whether the project promotes sustainable development:

Bogan Development is the first developer in Kalamazoo to enroll in the "WM Affordable Housing" program focused on affordable green developments. The project is working towards a LEED or GreenStar certification.

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

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

N. Whether the project addresses area-wide redevelopment:

There are approximately \$70 million dollars in projects under development within a quarter mile of this project site and this investment will complement prior nearby investments including, 619 Porter a mixed-use 52-unit development, 730 N Burdick a 74-unit Senior Housing development, and 225 Parsons the future Gibson Guitar Museum and Hard Rock Hotel. In addition, NoMI Developers has invested approximately \$30 million dollars into The Rivers Edge development two blocks from 315 E Frank St which houses a brewery, coffee shop and restaurant.

O. Whether the project addresses underserved markets of commerce:

This project is located in the Northside neighborhood, an area of Kalamazoo that has been historically underserved and has not seen the same level of investment as the downtown core. By adding housing and a childcare facility, this project will help address the lack of these amenities in this specific area of the community. Creating high-quality, mixed-income housing units will also help address the community-wide need for housing. The city's Master Plan identified demand for 1,400 housing units over a 5-year period based on a 2016 housing study since that time approximately 800 units have been added. A number of recent developments that included residential units are reporting occupancy rates over 90% which provides additional indication of demand for quality apartment units in and around the downtown district.

P. The level and extent of environmental contamination:

A Phase II ESA completed in 2020 resulted in the identification of petroleum-based VOCs and metals in shallow soils across the parcel. The impacts are believed to be attributable to historic manufacturing operations as well as the presence of "urban fill" in soils including brick, glass, and apparent foundry slag. The "urban fill" has been identified as present across the site and persisting to depths of up to 8 feet below grade level at select locations. Response activities will be conducted in support of redevelopment to address the vapor intrusion and direct contact exposure pathways.

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

The project does not involve rehabilitation of a historic resource.

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.

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

There are no additional criteria associated with the project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-054**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM GRANT
AWARD TO
BOGAN DEVELOPMENTS 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, Bogan Developments LLC (the “Company”) has requested a performance based grant of up to \$1,080,000 (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 has recommended that the MSF 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 120 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”); and

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

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

Nays: None

Recused: None

Lansing, Michigan
March 28, 2023

EXHIBIT A
“TERM SHEET”

Grant Terms

MSF Incentive:	MCRP Performance Based Grant
Grantee:	Bogan Developments LLC
Total Capital Investment:	Currently estimated at \$4,625,000
MSF Eligible Investment:	Currently estimated at \$4,320,853
Minimum Eligible Investment:	Currently estimated at \$3,456,690
MSF Grant Amount:	Up to the lesser of 25% of “Eligible Investment” or \$1,080,000
Funding:	The MSF will fund up to \$1,080,000 to be disbursed following issuance of a Certificate of Occupancy and achievement of other to be determined performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Executed Construction Documents (includes “Guaranteed Maximum Price” construction contract)- Final Development Budget- A minimum owner equity contribution of \$130,000



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

MICHIGAN STRATEGIC FUND

RESOLUTION 2023 -

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM GRANT
AWARD TO
BOGAN DEVELOPMENTS 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, Bogan Developments LLC (the “Company”) has requested a performance based grant of up to \$1,080,000 (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 has recommended that the MSF 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 120 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”); and

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

Ayes:

Nays:

Recused:

Lansing, Michigan
March 28, 2023

EXHIBIT A
“TERM SHEET”

Grant Terms

MSF Incentive:	MCRP Performance Based Grant
Grantee:	Bogan Developments LLC
Total Capital Investment:	Currently estimated at \$4,625,000
MSF Eligible Investment:	Currently estimated at \$4,320,853
Minimum Eligible Investment:	Currently estimated at \$3,456,690
MSF Grant Amount:	Up to the lesser of 25% of “Eligible Investment” or \$1,080,000
Funding:	The MSF will fund up to \$1,080,000 to be disbursed following issuance of a Certificate of Occupancy and achievement of other to be determined performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Executed Construction Documents (includes “Guaranteed Maximum Price” construction contract)- Final Development Budget- A minimum owner equity contribution of \$130,000

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-055**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY
315 FRANK STREET LIVE WORK**

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 Kalamazoo Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated January 26, 2023 for property located at 315 E. Frank Street within the City of Kalamazoo, known as 315 Frank Street Live Work (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 39.36% to 60.64% 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 \$393,469 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$11,000 for brownfield and work plan preparation, and a maximum of \$1,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$159,578.

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, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
March 28, 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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

From: Lindsey Miller, Community Development Manager
Jen Tucker, Senior Community Development Manager
Tori LaDuke, Program Specialist
Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant
McClellan Realty, LLC - 411 W. Portage Ave.

Project Summary & Request

McClellan Realty, LLC (the “Applicant”) is proposing to rehabilitate a vacant and historic building, activating 14,636 square feet of currently vacant space to assist with the housing shortage in downtown Sault Ste Marie. The historic MAC building is located at 411 West Portage Avenue on the western end of downtown Sault Ste. Marie. It is a highly visible building, sitting along the tourist district on West Portage Avenue and directly across from the secondary entrance to the Soo Locks Park. The building is currently vacant, and has been for decades, except for a handful of small, seasonal retail shops, inconsistently utilizing first floor space on a seasonal basis. The proposed use of the building upon completion will consist of two retail spaces on the first floor, totaling approximately 5,976 square feet, with additional commercial rental and storage space in the rear. The second floor will consist of approximately 6,760 square feet of residential space containing nine apartments. Upon completion, the project will provide market rate rental units with rental rates anticipated to be accessible for households making between 100% and 120% of the Chippewa County area median income. The need for market rate housing has been identified through a target market study. To support this community development project, the Applicant is requesting a Michigan Community Revitalization Program (the “MCRP”) performance-based grant of \$1,500,000.

PROJECT SUMMARY	
Project Eligibility	Functionally Obsolete
Total Approximate Square Feet Revitalized	14,636
Estimated # of Residential Units	9
Estimated Commercial Square Footage	5,976
Current Taxable Value	\$91,328
Projected Taxable Value at Completion	\$328,902
Total Anticipated Capital Investment	\$5,750,164
MCRP Grant	\$1,500,000

The project is a very high priority to the Sault Ste Marie community because it will add needed housing units for moderate income households to the downtown district, while also activating a prominent historic building. Sault Ste. Marie has experienced strong job growth in recent years, including War Memorial Hospital with over 900 employees and the Soo Lock Expansion project. The job growth is helping to drive strong housing demand in the area. The project aligns with the MEDC strategic focus area to develop attractive places by activating underutilized property and increasing density, as well as the focus on attainable housing to support talent retention and reuse of historic buildings.

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (the “MCRP”) and on January 25, 2022, the MSF Board approved its restated program guidelines. 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 financial need exists due to the extensive cost to redevelop a functionally obsolete historic building. The costs are substantial due to the current condition of the building, remediation of the environmental contaminants and the major systems that need to be added or upgraded to safely convert the use from vacant to modern commercial space and residential housing. Additionally, market rental rates in downtown Sault Ste. Marie are not high enough to generate cash flow sufficient to support the debt required to activate this important downtown building. The developer is contributing 22% equity, has maximized traditional bank financing at \$1,980,000 and has obtained an EGLE grant of \$1,000,000. Even with MCRP support, the developer anticipates a -1.7% return. The newly created apartments will add new residents to the downtown district which helps support existing small businesses, while also providing those new residents access to walkable amenities such as a pharmacy, grocery store, retail and services, entertainment, and City and County government and public greenspace. Without support from the MCRP program, this project’s ability to create market rate housing units and activate a historic property in downtown Sault Ste. Marie would not be financially feasible.

A project map and renderings are attached as Appendix B.

Local Support

The project has been supported locally with local Brownfield TIF capture with an estimated value of \$51,931.

Applicant Background / Qualifications

McClellan Realty, LLC has completed several major rehabilitation projects in both Frankenmuth, Michigan as well as Sault Ste. Marie, Michigan. The applicant has previously received incentives from the Michigan Strategic Fund (MSF) or MEDC. In 2018, the City of Sault Ste. Marie and McClellan Realty, LLC were awarded a CDBG-funded façade grant for 411 W. Portage Avenue. The façade project totaled \$632,550 in investment, with \$316,275 being funded by McClellan Realty, and \$316,275 being funded by CDBG.

An Organizational Chart for McClellan Realty, LLC is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Financial Highlights

- Construction cost per square foot is \$284.
- Rental rates are projected at \$1,700 for one-bedroom units and \$1,900 for two-bedroom units, with an average of \$2.38 per square foot. These rates fall between 100% and 120% of the Chippewa County area median income. Commercial rates are projected at \$15.00 per square foot.
- Proforma debt service coverage is projected at 1.20 to 1.0 with a 30-year average of 1.33 to 1.0.
- Owner equity contribution of approximately \$1,270,000 or 22% and senior debt of \$1,980,000 or roughly 34%.
- Developer return over a 20-year timeframe is projected at -1.7%.

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

Recommendation

MEDC staff recommends approval of a MCRP performance-based grant in an amount up to \$1,500,000 for McClellan Realty, LLC.

APPENDIX A – Organizational Chart

Organizational Structure

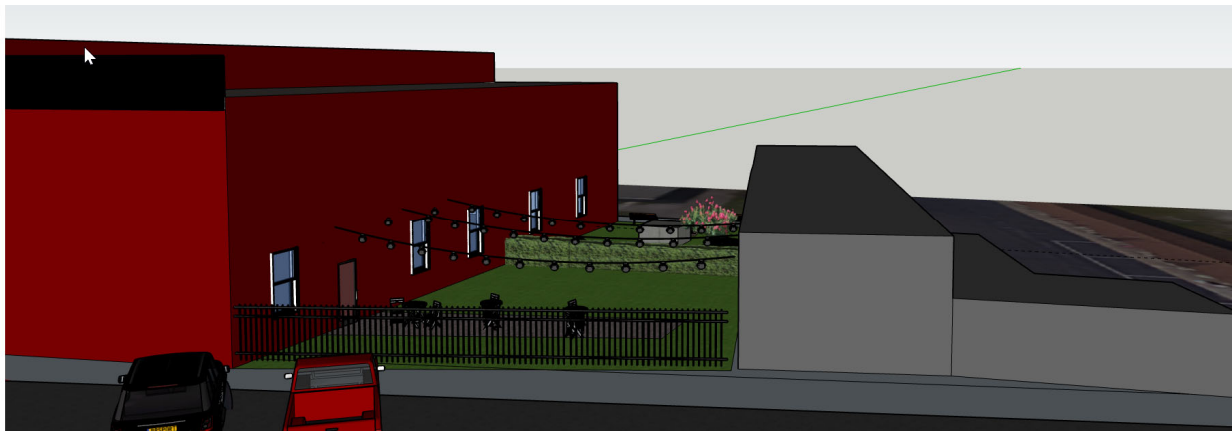
Company Name: McClellan Realty LLC

Employer Identification Number: 46-3093358

MANAGER: Carol L. McClellan

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
McClellan Realty, LLC Carol L. McClellan	100%	46-3093358	Michigan

APPENDIX B – Project Map and Renderings



APPENDIX C – Financial Terms

Summary of Development Sources:

Bank Loan	\$	1,980,000	34.43%
MSF Grant	\$	1,500,000	26.09%
EGL Grant	\$	1,000,000	17.39%
Developer Equity	\$	1,270,164	22.09%
TOTAL	\$	5,750,164	100.00%

Summary of Development Uses:

Acquisition	\$	130,000
Hard Construction Costs	\$	5,288,584
Eligible Soft Costs	\$	165,000
Other	\$	166,580
TOTAL	\$	5,750,164

Grant Terms

MSF Incentive: MCRP Performance-Based Grant

Grantee: McClellan Realty, LLC

Total Capital Investment: Currently estimated at \$5,750,164

MSF Eligible Investment: Currently estimated at \$3,320,209

Minimum Eligible Investment: Currently estimated at \$2,656,200

Total MSF Award: Up to the lesser of 46% of “Eligible Investment” or \$1,500,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Sault Ste. Marie is less than 15,000.

Funding/Disbursement: The MSF will fund up to \$1,500,000 to be disbursed following construction completion and achievement of other to be determined performance criteria.

Other Conditions: Project completion will be a required term of the MSF Agreement. If requested by Lender, MSF may allow for the assignment of the Grant rights and responsibilities to the Lender, per section 8.8 of the Grant Agreement.

- Executed Construction Documents (including Fixed Price Construction Contract)
- Final Development Budget
- Minimum owner equity contribution of \$1,270,164.

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 MAC building is a contributing building to the Downtown Historic District of Sault Ste. Marie. The property was found to be severely contaminated due to its history as an industrial laundry business. The project will activate 14,636 square feet of currently vacant space and clean up the contaminated site. Upon completion, the project will provide market rate rental units with rental rates anticipated to be accessible for households making between 100% and 120% of the Chippewa County area median income. The need for market rate housing has been identified through a target market study and support letters from area employers.

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

Downtown Sault Ste. Marie, and specifically West Portage Avenue, has been primarily a tourism-dependent economy since the closure of a number of major industries in the 1960s, 70s, and 80s. West Portage Avenue devolved over time from a bustling mixed use street, complete with train depot, major grocers, theatres, and more, to what it is primarily today - souvenir shops and a smattering of restaurants and motels. The project developer, Carol McClellan, believes strongly that returning upper floor housing to West Portage Avenue will bring a balance to the tourist district, and serve as a catalyst to develop many other upper floors along the street. This project has the full support of local government through the form of local brownfield and EGLE funding, as further evidence that it will serve as a catalyst for additional revitalization.

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

The Sault Ste. Marie BRA received an EGLE Brownfield Grant of \$1,000,000 to assist with remediation of contaminants within and under the building, due to its former use as a laundry facility. The City of Sault Ste. Marie previously approved a local brownfield TIF valued at \$51,931 over seven years, based on taxable value increase.

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

The renovation costs are extensive due to the current condition of the building, remediation of the environmental contaminants and the major systems that need to be added or upgraded to safely convert the use from vacant to modern commercial space and residential housing. In addition to high construction costs, market rental rates in downtown Sault Ste. Marie are not high enough to generate cash flow sufficient to support the value and corresponding debt required to activate this important downtown building, further driving the need for MCRP support. The developer is contributing 22% equity, has maximized traditional bank financing at \$1,980,000 and has obtained an EGLE grant of \$1,000,000. Without MCRP support, this project's ability to create housing units

and commercial space and activate a vacant significant property in downtown Sault Ste. Marie would not be financially feasible. Even with MCRP support, the projected return over a 20-year time horizon is a negative 1.7%.

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

The proposed use of the building upon completion will consist of two white-box retail spaces on the first floor, totaling approximately 5,976 square feet. The second floor will consist of approximately 6,760 square feet of residential space with three apartments at 720 square feet each, overlooking the Soo Locks at the front of the building; six additional apartments at approximately 600-850 square feet each will border the east and west elevations. Common space is planned adjacent to an antique elevator near the center of the building. A new elevator for tenant and public use, as well as a new stairwell will be installed at the rear of the building near the parking area, to ensure accessibility. Outdoor space will be revitalized on both the east and west elevations. On the west side of the building, a 30 foot by 100-foot grassy area will be fully landscaped. The green space will be split in half, with the front half facing West Portage Avenue being prepared for outdoor cafe use by the adjoining retail space. The back half of the green space will be prepared for upper floor residential tenant use.

F. Creation of jobs:

McClellan Realty, LLC is projecting the two retail spaces in the front of the building and the commercial rental space in the rear are estimated to generate a total of 3 full time positions and 11 full time equivalent positions. The total job creation is estimated at 14 and the average hourly wage is estimated to be \$15.

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

The total project cost for interior building rehabilitation is \$5,570,164. The project has been awarded an EGLE ACT 31 Grant of \$1 million, as well as local Brownfield Tax Increment financing plan of \$51,931. The project has secured bank financing of \$1,980,000 and the developer is contributing \$1,270,164 equity.

H. Whether the project is financially and economically sound:

Proforma debt service coverage is projected at 1.20 to 1.0 with a 30-year average of 1.33 to 1.0. The development team is contributing equity of approximately \$1,270,000 or 22% and bank financing has been maximized at \$1,980,000. Staff considers the project to be financially and economically sound.

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

411 West Portage Avenue is located on the western end of Sault Ste. Marie's traditional downtown area. The block is a mix of single story commercial and two-story mixed-use buildings. 411 West Portage Avenue was originally built as a two-story industrial laundry to serve freighters passing by. Since the laundry's closure nearly 40 years ago, the building has only housed small retail spaces on the first floor. This project will transform the second floor into nine apartments, creating increased residential density in downtown Sault Ste. Marie. Furthermore, the former first floor retail spaces have been vacant for more than five years. This project will revitalize the first-floor space and attract new commercial tenants, increasing density on the street level.

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

The project will result in a mixed-use property with nine residential units on the second floor, and commercial retail spaces on the first floor - meeting the very definition of "mixed use." The building is located on West Portage Avenue, one of the two primary commercial corridors in downtown Sault Ste. Marie. Residential tenants will live in a highly walkable location, with the beautiful Soo Locks Park located directly across the street and scores of small shops and restaurants in between.

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

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

L. Whether the project promotes sustainable development:

The rehabilitation at 411 West Portage Avenue includes plans to install new, energy efficient lighting throughout the building. It also includes the use of energy efficient insulation in the first and second floor spaces, as well as improvements to the outdoor space along the west side of the building. The outdoor space includes natural stormwater and snowmelt drainage.

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

This building was constructed in 1902--1903 and is listed as "contributing" to the Sault Ste. Marie Commercial Historic District, recognized by the National Park Service and the Michigan State Historic Preservation Office. The project is rehabilitating a historic resource although the building has been significantly altered over time and is not being renovated back to its original state.

N. Whether the project addresses area-wide redevelopment:

Downtown Sault Ste. Marie has been undergoing substantial redevelopment over the years. Since 2015, seven historic buildings have received CDBG façade grants; one building has received a six unit rental rehabilitation CDBG grant; and multiple other buildings have been restored by private developers.

O. Whether the project addresses underserved markets of commerce:

Downtown Sault Ste. Marie has been suffering from increased big-box competition near the Interstate for the past few decades. Furthermore, the COVID-19 pandemic forced the Canadian border shutdown, severely reducing Canadian business traffic in the form of local shoppers and tourists to the downtown. The 411 W. Portage project will create new jobs once commercial tenants are identified; it will increase retail density and attract new customers to the Downtown area. Furthermore, the Main Street Area of Sault Ste. Marie is considered a low-income focus area, as classified by multiple surveys conducted for HUD status.

P. The level and extent of environmental contamination:

The property was found to be severely contaminated due to its history as an industrial laundry. McClellan Realty, LLC received a \$1,000,000 EGLE brownfield grant that assisted in remediating both the building as well as the ground and property around the building. Cleanup involved removal of the concrete slab that the building was constructed upon; excavation of up to three feet of contaminated soil below grade; and the proper hauling, disposal and backfill required to meet cleanup requirements.

- 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):**
Redevelopment of this assets will not adhere to the federal Secretary of Interior's standards for rehabilitation; however, it will physically transform the subject building into an attractive asset that will support the revitalization of the surrounding neighborhood.
- R. Whether the project will compete with or affect existing Michigan businesses within the same industry:**
The project will not complete 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:**
This project will support both the goals of the community as well as act as an additional catalyst for redevelopment in downtown Sault Ste. Marie.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-057**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
GRANT AWARD TO MCCLELLAN REALTY, 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 (“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 (“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, McClellan Realty, LLC (the “Company”) has requested a performance-based Grant of up to \$1,500,000 (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 has recommended that the MSF 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 120 days (collectively, the “MCRP Award Recommendation”).

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

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

Nays: None

Recused: None

Lansing, Michigan
March 28, 2023

EXHIBIT A
“TERM SHEET”

Grant Terms

MSF Incentive:	MCRP Performance-Based Grant
Grantee:	McClellan Realty, LLC
Total Capital Investment:	Currently estimated at \$5,750,164
MSF Eligible Investment:	Currently estimated at \$3,320,209
Minimum Eligible Investment:	Currently estimated at \$2,656,200
Total MSF Award:	Up to the lesser of 46% of “Eligible Investment” or \$1,500,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Sault Ste. Marie is less than 15,000.
Funding/Disbursement:	The MSF will fund up to \$1,500,000 to be disbursed following construction completion and achievement of other to be determined performance criteria.
Other Conditions:	Project completion will be a required term of the MSF Agreement. If requested by Lender, MSF may allow for the assignment of the Grant rights and responsibilities to the Lender, per section 8.8 of the Grant Agreement. <ul style="list-style-type: none">- Executed Construction Documents (including Fixed Price Construction Contract)- Final Development Budget- Minimum owner equity contribution of \$1,270,164.



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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

From: Michelle Audette-Bauman, Senior Community Development Manager
Julius L. Edwards, Director, Commercial Real Estate Investment
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Senior Program Specialist, MCRP and Brownfield

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant and Direct Loan and an Act 381 Work Plan
Albion Reinvestment Corporation and OZB Phase I, LLC and City of Albion
Brownfield Redevelopment Authority (BRA) – Phase I Big Albion Plan

Project Summary & Request

Albion Reinvestment Corporation and OZB Phase I, LLC (the “Applicant” and the “Co-Applicant”) are proposing to redevelop nine functionally obsolete properties to create twenty residential units and nine new commercial spaces in downtown Albion. In addition to activating almost 29,000 square feet of long-vacant space, the project will utilize Federal Historic Tax Credits to ensure historic rehabilitation of the buildings, many of which are over 150 years old. Due to the deteriorated condition of the properties, almost every surface will need to be restored or replaced. The project represents the first phase of a much broader revitalization plan which ultimately intends to redevelop over twenty buildings throughout the historic downtown district; bringing this effort to fruition has involved many years of planning and coordination among local partners and community stakeholders. Upon completion, the initial investment will transform almost an entire block of downtown Albion into vibrant, mixed-use spaces for new residents and small businesses. To realize this important community development project, the Applicants are requesting a Michigan Community Revitalization Program (the “MCRP”) Performance-Based Grant of \$1,500,000 and a Performance-Based Direct Loan of \$2,380,000 for a total award of \$3,880,000; additionally, the City of Albion Brownfield Redevelopment Authority is requesting approval of state tax capture of \$806,580.

PROJECT SUMMARY	
Project Eligibility	Functionally Obsolete
Total Approximate Square Feet Revitalized	28,969
Estimated # of Residential Units	20
Estimated Commercial Square Footage	10,093
Current Taxable Value	\$190,000
Projected Taxable Value at Completion	\$2,900,000
Total Anticipated Capital Investment	\$9,409,500
Total Anticipated Value of Local Support	\$1,500,000
Brownfield TIF / State Capture Request	\$806,580
MCRP Grant Request	\$1,500,000
MCRP Loan Request	\$2,380,000

The project is a very high priority for the City of Albion and Albion College as it will transform a mostly vacant block of downtown, activating nine prominent historic buildings, creating a significant number of new housing units, as well as new spaces for small businesses. The community has also prioritized this project because it continues positive momentum in the downtown district, complementing other nearby investments such as a downtown grocery, chocolate shop, bakery, brewery, and new residential units, including the Brick Street Lofts project supported by the Michigan Strategic Fund in 2020. The project supports the MEDC strategic focus area to develop attractive places by activating underutilized property and increasing density, as well as by leveraging investment in a Geographically Disadvantaged Business Location. The project aligns with MCRP program guidelines by contributing to a traditional downtown district in a Certified Redevelopment Ready Community, supporting priorities around housing options identified in the community Master Plan, and preserving important historic resources. The State Historic Preservation Office (SHPO) has reviewed the project design and determined it will have no negative impact; additionally, the rehabilitation of the historic resource is anticipated to 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 (the "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 (the "Guidelines"). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF Guidelines and programmatic requirements, and a financial review has been completed.

Demonstrated Needs

The project's financial gap is driven by the significant costs associated with historic rehabilitation of long-vacant properties, including replacement of all major building systems, restoration of historic features, addition of fire suppression and elevator, and environmental remediation activities. Market rate commercial and residential rents in downtown Albion limit the amount of cash flow the project can generate making it difficult to secure adequate private sources to fully fund the project, which in addition to high renovation costs, is driving the need for MCRP support. The development team is bringing approximately 44% equity in the form of an Opportunity Zone investment, as well as approximately \$1,360,000 in Historic Tax Credit Equity or 14% of the project. In addition, the City of Albion has approved a local Brownfield plan valued at approximately \$697,300 and anticipates approval of an Obsolete Property Rehabilitation Act (OPRA) abatement valued at approximately \$793,672. Even with MCRP support, the development is projected to generate a return on equity of approximately 1.0% from operations over a 20-year period. Without financial support from the MCRP program, the project would not be financially viable.

Local Support

Local support for the project includes a 12-year Obsolete Property Rehabilitation Act (OPRA) tax abatement with an estimate value of approximately \$793,672 and the local portion of the Brownfield plan valued at approximately \$697,300.

Applicant Background / Qualifications

Albion Reinvestment Corporation (ARC) and OZB Phase I, LLC are the “Applicant” and “Co-Applicant” for this project. Albion Reinvestment Corporation is a nonprofit organization founded with the mission to receive and administer funds and property to combat community deterioration in the downtown business district of the City of Albion and surrounding areas. OZB Phase I, LLC is a single purpose entity created to facilitate Opportunity Zone and Historic Tax Credit Equity investment into this project. Members of OZB Phase I, LLC include Albion Reinvestment Corporation and Albion College.

Albion Reinvestment Corporation is led by Dr. Samuel Shaheen, who among many other roles, is also CEO and President of Shaheen Development, a family-owned, community-based real estate development company which owns and manages more than two million square feet of residential, mixed-use, and commercial real estate in the Great Lakes Bay Region. In addition to many successful projects in the Great Lakes Bay Region, Dr. Shaheen has also been involved with prior investments in Albion, including the Downtown Albion Hotel project which brought a national flag hotel to the downtown core. In addition to his role as President of the Albion Reinvestment Corporation, Dr. Shaheen also serves on the Albion College Board of Trustees, Temple Arts Foundation Board (formerly the Saginaw Art Museum and the Temple Theatre Foundation), Great Lakes Region Advisory Board of Huntington National Bank, and is a past chair of Covenant Healthcare Mackinaw Surgery Center. Dr. Shaheen has been involved in a number of prior projects that have received support from the Michigan Strategic Fund, including:

- Uptown Block D Development – Bay City (MCRP/Brownfield TIF/MBT 2020)
- Downtown Albion Hotel Project – Albion (MCRP/Brownfield TIF 2017)
- 102 East Main Street – Midland (MCRP/Brownfield 2014)
- 900 Block South Washington – Saginaw (Brownfield MBT 2011)
- Uptown at Rivers Edge – Bay City (Brownfield MBT 2011)
- 999 South Washington – Saginaw (Small Brownfield Credit 2007)
- Michigan Cardio Institute – Saginaw (Small Brownfield Credit 2004)

Albion College is an undergraduate, liberal arts college founded in 1835. Today, there are approximately 1,500 students enrolled at the college, which is located just steps away from historic downtown Albion. The college is guided by a thirty-three-member Board of Trustees and has been involved with several community-focused initiatives in the past and present.

An Organizational Chart for Albion Reinvestment Corporation (ARC) and OZB Phase I, LLC is provided in Appendix A. Background checks have been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Financial Highlights

- Construction cost per square foot is \$298.44.
- Rental rates are projected between \$775 and \$925 for the 13 one-bedroom units and between \$1,150 and \$1,500 for the seven (7) two-bedroom units, with an average of \$1.25 per square foot. These rates fall between 60-100% of Area Median Income (AMI) for Calhoun County.
- Commercial space is projected to lease between \$7.00 and \$10.00 per square foot.
- Owner equity contribution of approximately \$4,169,500 or 44.3% and Federal Historic Tax Credit Equity estimated at \$1,360,000 or just over 14%, for total equity of over 58%.
- Developer return over a 20-year timeframe is projected at 0.7% from operations.
- Albion College will be the primary investor in OZB Phase I, LLC.

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.

A project map and renderings are included in Appendix B and a 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 \$806,580, utilizing the current state to local capture ratio. Any change in millage that increases the capture percentage of school taxes in the ratio by more than five percentage points must be approved by the MSF Board.
- b) A MCRP performance-based Grant in an amount up to \$1,500,000 for Albion Reinvestment Corporation and OZB Phase I, LLC.
- c) A MCRP performance-based Direct Loan in an amount up to \$2,380,000 for Albion Reinvestment Corporation and OZB Phase I, LLC, on terms and conditions outlined in Exhibit A found in the resolution.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Albion Reinvestment Corporation
 Employer Identification Number: 81-0880143
 MANAGER: Samuel Shaheen

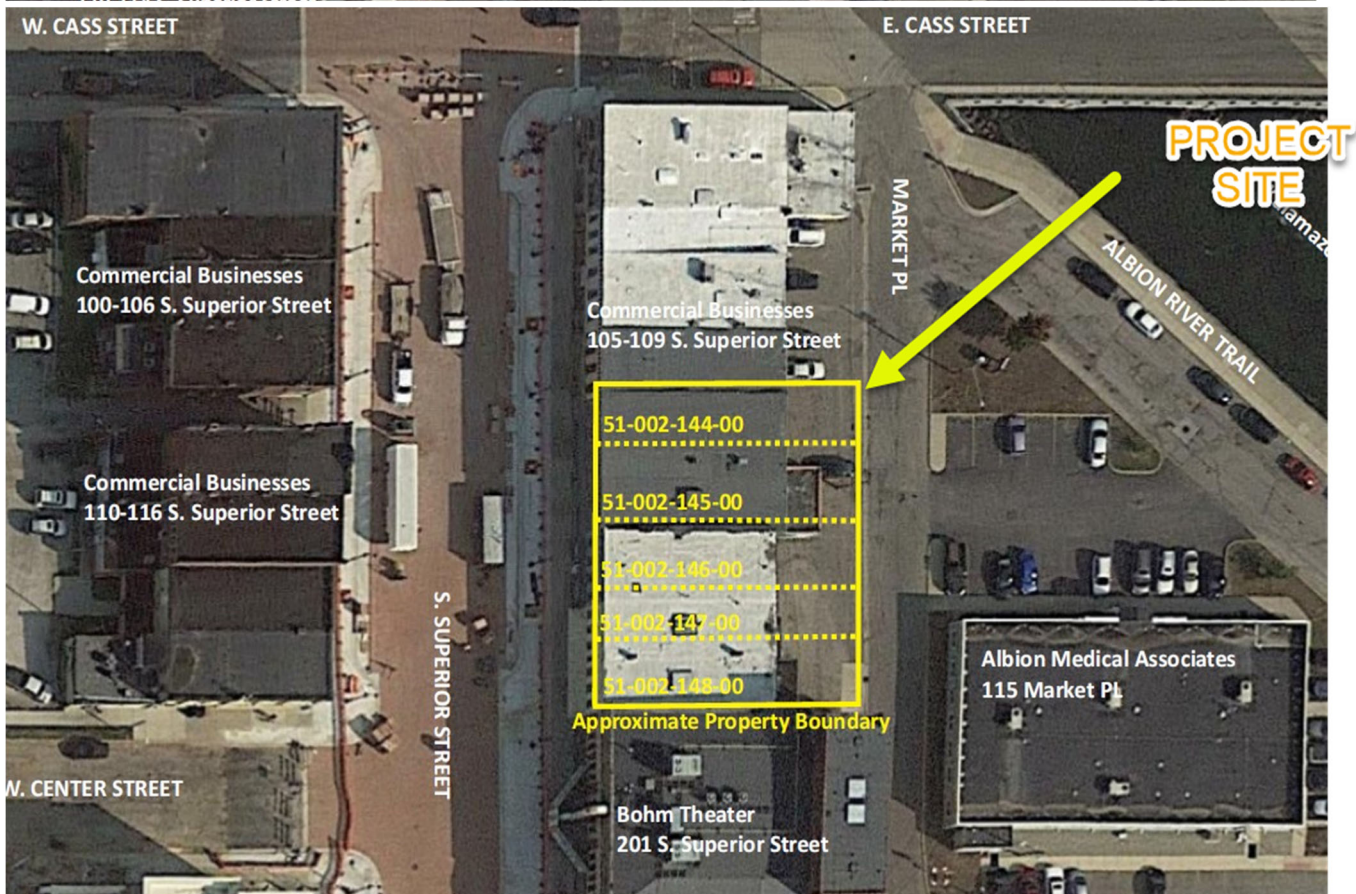
Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Albion Reinvestment Corporation Appointee: Dr. Samuel Shaheen Appointee: Mr. Jeff Petherick	100.00%	81-0880143	Michigan
<i>Guarantee section is not required for TIF-only requests.</i>		100.00%	
Key Principals/Guarantors:	Amount of Guarantee		

Organizational Structure

Company Name: OZB Phase I, LLC
 Employer Identification Number: 84-4609699
 MANAGER: Samuel Shaheen

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Albion Reinvestment Corporation Appointee: Dr. Samuel Shaheen Appointee: Mr. Jeff Petherick	6.00%	81-0880143	Michigan
Albion College Appointee: Mr. Gary Black	94.00%	38-1359081	Michigan
<i>Guarantee section is not required for TIF-only requests.</i>		100.00%	
Key Principals/Guarantors:	Amount of Guarantee		
Albion Reinvestment Corporation	6%		
Albion College	94%		

APPENDIX B – Project Map and Renderings





101 - 119 S. SUPERIOR

APPENDIX C – Financial Terms

Summary of Development Sources:

MSF Loan	\$	2,380,000	25.29%
MSF Grant	\$	1,500,000	15.94%
FHTC Equity	\$	1,360,000	14.46%
Owner/Developer Equity	\$	4,169,500	44.31%
TOTAL	\$	9,409,500	100.00%

Summary of Development Uses:

Acquisition	\$	0
Hard Construction Costs	\$	8,645,500
Eligible Soft Costs	\$	631,550
Other	\$	132,450
TOTAL	\$	9,409,500

Incentive Terms

- Grantees/Borrowers:** Albion Reinvestment Corporation and/or OZB Phase I, LLC
- Total Capital Investment:** Currently estimated at \$9,409,500
- MSF Eligible Investment:** Currently estimated at \$7,773,171
- Minimum Eligible Investment:** Currently estimated at \$6,218,540
- Total MSF Award:** Up to the lesser of 50% of “Eligible Investment” or \$3,880,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Albion is less than 15,000.
- Funding/Disbursement:** The MSF will fund up to \$3,880,000 to be disbursed following demonstration of the completion of all project investment for the Project as required by the MSF, including the issuance of a certificate of occupancy on terms and conditions satisfactory to the MSF. If requested, MSF may allow for the assignment of the Grant rights and responsibilities to a lender, per section 8.8 of the Grant Agreement.
- Reserves:** Currently anticipated to be over \$765,000 in construction reserves and contingencies.
- Other Conditions:** The MSF’s investment will be contingent upon the following:
- Executed Construction Documents (including a Fixed Price construction contract).
 - Final Development Budget
 - Documentation of National Park Service Historic Preservation Certification Part 2 Approval.
 - Evidence of Historic Tax Credit final commitment, including Equity Pay-In schedule.

- Minimum owner equity contribution of \$4,169,500.
- Other legal due diligence documentation, as may be required.

MSF Incentive #1: MCRP Performance-Based Grant

Grant Amount: \$1,500,000

MSF Incentive #2: Performance-Based Direct Loan

Loan Amount: \$2,380,000

Term: Anticipated to be 120 months

Interest Rate: 0.50% per annum

Repayment Terms: Monthly interest only payments for up to 120 months, with principal due at maturity

Collateral: Anticipated to be a first priority security interest in all subject properties, an assignment of rents and leases, and a security interest in the TIF reimbursements.

Guarantees: Anticipated to be the personal and/or corporate guaranties of managing members.

MSF Fees: 1.0% of the Loan Amount. In addition, the borrower will be responsible for any third-party costs incurred in closing the MSF Incentives.

APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Albion, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on September 6, 2022. The property has been determined to be deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on November 2, 2019.

There are 63.6076 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.9424 mills (37.64%) and local millage equaling 39.66520 mills (62.36%). Tax increment capture will begin in 2024 and is estimated to continue for 22 years. The state tax capture is recommended to be capped at \$806,580, which is the amount of tax increment revenue anticipated to be generated in 22 years. The tax capture ratio is impacted by the Obsolete Property Rehabilitation Act (OPRA) tax abatement, and the blended ratio is included below. Total MSF eligible activities are estimated at \$1,503,880. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(53.63%)	\$	806,580
Local tax capture	(46.37%)	\$	697,300
TOTAL		\$	1,503,880

Cost of MSF Eligible Activities

Demolition	\$	1,225,983
Lead, Asbestos, or Mold Abatement		65,000
Sub-Total	\$	1,290,983
Contingency (15%)	+	192,897
Sub-Total	\$	1,483,880
Brownfield/Work Plan Preparation	+	20,000
TOTAL	\$	1,503,880

Key Statutory Criteria

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

a) Overall Benefit to the Public:

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

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

This project is expected to create approximately eight new, full-time equivalent jobs with an average hourly wage of \$14.50.

c) Area of High Unemployment:

The City of Albion unadjusted jobless rate was 4.5% in December 2022.

d) Level and Extent of Contamination Alleviated:

The project is not qualifying as a facility and the presence, or lack of, contamination has not been determined.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:

On November 2, 2019 and August 15, 2022, the City of Albion Assessing Department determined the property to be “functionally obsolete” as the term defined in Section 2(c) of Act 381.

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.

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 a very high priority for the City of Albion as it will transform a mostly vacant block of downtown, activating nine prominent historic buildings and creating a significant number of new housing units, as well as new spaces for small businesses. The community has also prioritized this project because it continues positive momentum in the downtown district, complementing other nearby investments such as a downtown grocery, chocolate shop, bakery, brewery, and new residential units.

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

This project will act as a catalyst for additional revitalization in the community as new residents of the development spend dollars on goods and services in the surrounding area. Successful completion of the project is also anticipated to encourage investment in nearby properties that are underutilized or in need of revitalization.

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

Local support for the project includes a 12-year Obsolete Property Rehabilitation Act (OPRA) tax abatement with an estimate value of approximately \$793,672 and the local portion of the Brownfield plan valued at approximately \$697,300.

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

The project's financial need is driven by the extensive costs associated with the historic rehabilitation of long-vacant properties. In addition, market rate commercial and residential rents in downtown Albion limit the amount of cash flow the project can generate making it difficult to secure adequate private sources to fully fund the project, which in addition to high renovation costs, is driving the need for MCRP support. The development team is bringing approximately 44% equity in the form of Opportunity Zone investment, as well as anticipated to generate approximately \$1,360,000 in Historic Tax Credit Equity or 14% of the project cost. In addition, the City of Albion has approved a local Brownfield plan valued at approximately \$697,301 and anticipates approval of an Obsolete Property Rehabilitation Act (OPRA) abatement valued at approximately \$793,671. Even with MCRP support, the projected return on equity is just above zero at 0.70% from operations over a 20-year period. The revitalization of these vacant historic properties into mixed-

use developments that will create new housing units and commercial space for small businesses within the traditional downtown district would not be feasible without this support.

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

The project will reuse nine vacant and historic buildings in downtown Albion.

F. Creation of jobs:

The project is expected to create eight full-time equivalent jobs with an average hourly wage estimated to be \$14.50.

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

Total private sector and other contributions are anticipated to total \$5,529,500.

H. Whether the project is financially and economically sound:

The development team is contributing equity of approximately \$4,169,500 or 44.3%. Along with an estimated \$1,360,000, or 14%, in Federal Historic Tax Credit Equity, total equity contribution will be over 58%. In addition, the proposed MSF loan incentive is the only anticipated debt on the project which will provide additional financial flexibility. The proposed rental rates are in line with comparable properties. Staff considers the project to be financially and economically sound.

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

The project increases density of the area by converting currently vacant space into new residential and commercial units that will bring new residents and small businesses to the downtown district. The improvements fully-activate nine underutilized buildings to provide a vibrant new mixed-use component to the downtown.

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

The project promotes mixed-use development and walkability by adding both residential and commercial space within walking distance to local businesses, downtown employers, cultural attractions, public spaces, and other community amenities.

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

The project does not involve abandoned public buildings.

L. Whether the project promotes sustainable development:

The project will promote sustainable development by incorporating environmentally responsible construction elements such as installing a cool roof with insulation, utilizing energy star appliances, high efficiency furnaces and mechanical systems, and water saving fixtures. Additionally, all Lead Based Paint (LBP) and Asbestos materials will be abated.

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

The project will rehabilitate nine historic buildings in downtown Albion. The State Historic Preservation Office (SHPO) has reviewed the project design and determined it will have no negative impact; additionally, the rehabilitation of the historic resource is anticipated to meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67).

N. Whether the project addresses area-wide redevelopment:

The project will address area-wide redevelopment by creating new housing units that will help meet demand for diverse housing types in the City of Albion. Bringing more housing units to the downtown area will also help support existing small businesses and drive demand for new commercial enterprises in the district. Adding new housing and commercial spaces will also support area employers seeking to attract and retain talent that is looking for high quality housing within walking distance of vibrant and attractive places.

O. Whether the project addresses underserved markets of commerce:

The project addresses underserved markets of commerce by providing high quality housing in the City of Albion, which has identified diversification of their housing stock as a key need in their Master Plan. Additionally, the project leverages significant private investment in a Geographically Disadvantaged Business Location.

P. The level and extent of environmental contamination:

Based on the age of the buildings it is presumed they contain lead-based paint and asbestos containing materials (e.g. pipe wrap insulation, floor tile, mastic, window caulking and glazing) that will require abatement prior to interior demolition and renovation.

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 State Historic Preservation Office (SHPO) has reviewed the project design and determined it will have no negative impact; additionally, the rehabilitation of the historic resource is anticipated to meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67).

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.

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

There are no additional criteria associated with the project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-058**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
PERFORMANCE-BASED GRANT AND DIRECT LOAN AWARDS TO
ALBION REINVESTMENT CORPORATION AND OZB 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 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, Albion Reinvestment Corporation and OZB Phase I, LLC (the “Companies”) have requested a performance-based Grant of up to \$1,500,000 and a performance-based Direct Loan of up to \$2,380,000 (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 has recommended that the MSF approve the Award Requests 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, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Acting Director Wierferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
March 28, 2023

EXHIBIT A
“TERM SHEET”

Incentive Terms

Grantees/Borrowers:	Albion Reinvestment Corporation and/or OZB Phase I, LLC
Total Capital Investment:	Currently estimated at \$9,409,500
MSF Eligible Investment:	Currently estimated at \$7,773,171
Minimum Eligible Investment:	Currently estimated at \$6,218,540
Total MSF Award:	Up to the lesser of 50% of “Eligible Investment” or \$3,880,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Albion is less than 15,000.
Funding/Disbursement:	The MSF will fund up to \$3,880,000 to be disbursed following demonstration of the completion of all project investment for the Project as required by the MSF, including the issuance of a certificate of occupancy on terms and conditions satisfactory to the MSF. If requested, MSF may allow for the assignment of the Grant rights and responsibilities to a lender, per section 8.8 of the Grant Agreement.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Executed Construction Documents (including a Fixed Price construction contract).- Final Development Budget- Documentation of National Park Service Historic Preservation Certification Part 2 Approval.- Evidence of Historic Tax Credit final commitment, including Equity Pay-In schedule.- Minimum owner equity contribution of \$4,169,500.- Other legal due diligence documentation, as may be required.
MSF Incentive #1:	MCRP Performance-Based Grant
Grant Amount:	\$1,500,000
MSF Incentive #2:	Performance-Based Direct Loan
Loan Amount:	\$2,380,000
Term:	Anticipated to be 120 months
Interest Rate:	0.50% per annum
Repayment Terms:	Monthly interest only payments for up to 120 months, with principal due at maturity

- Collateral:** Anticipated to be a first priority security interest in all subject properties, an assignment of rents and leases, and a security interest in the TIF reimbursements.
- Guarantees:** Anticipated to be the personal and/or corporate guaranties of managing members.
- MSF Fees:** 1.0% of the Loan Amount. In addition, the borrower will be responsible for any third-party costs incurred in closing the MSF Incentives.



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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-059**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF ALBION BROWNFIELD REDEVELOPMENT AUTHORITY
101-119 S. SUPERIOR 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 Albion Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated January 30, 2023 for property located at 101, 103, 105, 109, 111, 113, 115, 117 and 119 S. Superior Street within the City of Albion, known as 101-119 S. Superior Street (the “Project”);

WHEREAS, the City of Albion 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 53.63% to 46.37% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of demolition and lead, asbestos, or mold abatement 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 \$1,483,880 for the principal activity costs of non-environmental activities and a contingency, and a maximum of \$20,000 for brownfield and work plan preparation, and with the total capture of state school taxes capped at a maximum of \$806,580.

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, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
March 28, 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



MEMORANDUM

Date: March 28, 2023

To: Michigan Strategic Fund Board

From: Martha MacFarlane-Faes, Deputy State Historic Preservation Officer

Subject: Delegation of Signatory Authority to the Deputy State Historic Preservation Officer

REQUEST

MSF Board delegation of signature authority to the Deputy State Historic Preservation Officer for a Memorandum of Agreement (“MOA”) between the Federal Transit Administration (“FTA”) and the Michigan State Historic Preservation Office (“SHPO”) regarding the development of the Coolidge Terminal Replacement Project located at 14044 Schaeffer Highway in Detroit (the “Request”).

BACKGROUND

The State Historic Preservation Officer (“SHPOfficer”) has a specific and official role in the process outlined under Section 106 of the National Historic Preservation Act of 1966, as amended (“Section 106”), whereby federal agencies and their delegates are required to take into consideration the impact of their federally-assisted undertakings upon cultural resources.

The FTA intends to provide funding to the City of Detroit (the “City”), through its Department of Transportation (the “DDOT”), for the Coolidge Terminal Replacement Project (the “Project”). The Project involves the demolition of existing buildings, clearing of the site, acquiring adjacent vacant and abandoned properties and construction of a new bus maintenance, storage, and operations center to accommodate 24-hour operations, increased bus capacity, as well as increased storage and parking. This is a priority project for the City.

In accordance with the Section 106 regulations, the FTA has determined that this action will have an adverse effect upon the historic Coolidge Terminal Complex, which appears to meet the criteria for listing in the National Register of Historic Places. The SHPOfficer has concurred with FTA’s determination. The Section 106 process concludes when all parties agree to the terms for mitigation of adverse effects outlined in a memorandum of agreement.

Such memoranda of agreement are a common outcome to the Section 106 consultation process and the federal regulations governing the Section 106 process outline the specific parties to a memorandum of agreement (e.g. the federal agency, SHPOfficer, Tribes, and consulting parties). On November 26, 2019, through Resolution 2019-168, the MSF Board approved a signatory delegation of authority to the SHPOfficer and the MSF Fund Manager, with both required to act, to execute all contracts, grants, or other agreements for programs or activities on behalf of the

State Historic Preservation Office (the “Signatory Resolution”). Additionally, on June 28, 2022, through Resolution 2022-.092, the MSF Board amended the Signatory Resolution to authorize the Deputy State Historic Preservation Officer to act in place of the SHPOfficer in the event the SHPOfficer position was vacant. The FTA has indicated that they are unwilling to enter into the MOA for the Project if it includes the Michigan Strategic Fund (the “MSF”) as a signatory asserting that the MSF has no identified role in the Section 106 process under federal law.

Delegation of signature authority to the Deputy State Historic Preservation Officer would allow the Section 106 process to move forward. The MOA includes terms regarding resource documentation, interpretive signage, and development of a web page about the Project that will be financed and carried out by both the FTA and the DDOT. The MOA does not encumber the SHPO, the MSF or the State of Michigan financially, but rather only details the SHPO’s statutory role under the federal regulations to ensure the Section 106 process is followed in the State of Michigan.

RECOMMENDATION

Staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-060**

**DELEGATION OF SIGNING AUTHORITY TO THE
DEPUTY STATE HISTORIC PRESERVATION OFFICER**

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, under Section 5 of the MSF Act, MCL 125.2005(2), the purposes, powers and duties of the MSF are vested in and shall be exercised by the MSF Board.

WHEREAS, under Section 5 of the MSF Act, MCL 125.2005(7), the MSF Board may delegate to its president, vice-president, staff, the MEDC, or others those functions and authority the MSF Board deems necessary or appropriate, unless otherwise prohibited by law;

WHEREAS, Section 106 of the National Historic Preservation Act of 1966, as amended (“Section 106”), federal agencies and their delegates are required to consider the impact of federally-supported activities on cultural resources;

WHEREAS, the Federal Transit Administration (“FTA”) intends to provide funding to the City of Detroit (the “City”) through its Department of Transportation (“DOT”) for the Coolidge Terminal Replacement Project (the “Project”);

WHEREAS, the FTA has determined that the Project will have an adverse effect on the Coolidge Terminal Complex, which appears to meet the criteria for listing in the National Register of Historic Places;

WHEREAS, the Michigan State Historic Preservation Office (“SHPO”) concurs with the FTA determination;

WHEREAS, the Section 106 process is concluded when all parties agree to terms for mitigation of adverse effects as outlined in a memorandum of agreement;

WHEREAS, the FTA requires a representative from within the Michigan SHPO to sign the memorandum of agreement;

WHEREAS, there currently exists a vacancy in the position of State Historic Preservation Officer (“SHPO Officer”);

WHEREAS, the Michigan SHPO requests that the MSF Board authorize the Deputy SHPO Officer to execute a memorandum of agreement under Section 106 for the Project (the “Signature Authorization Request”); and

WHEREAS, the MSF Board desires to approve the Signature Authorization Request.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the MSF Board approves the Signature Authorization Request.

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

Nays: None

Recused: None

Lansing, Michigan
March 28, 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



MEMORANDUM

Date: March 28, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Sara Bishop, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
BorgWarner Inc. (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$1,860,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 186 Qualified New Jobs and a capital investment of up to \$20,600,000 in the cities of Auburn Hills, Dearborn, Hazel Park, and a fourth, yet-to-be-determined location across Oakland and Wayne Counties.

Applicant History

Established in 1993, BorgWarner is a global company delivering innovative and sustainable mobility solutions for the vehicle market. Headquartered in Auburn Hills, Michigan, the Company’s mission is for a clean, energy efficient world. The Company serves customers worldwide with products that improve fuel economy and reduce emissions with approximately 49,000 team members across 74 locations in 24 countries; approximately 1,700 of those team members are residents of Michigan.

The Company’s organizational structure includes several separate entities in Michigan, including three locations in Auburn Hills, Cadillac, Dearborn, Hazel Park, Livonia, and Troy that operate independently from each other. BorgWarner Thermal Systems in Cadillac has a stand-alone project with the MSF due to the unique nature of this entity’s work and the proximity of this location to BorgWarner’s other southeast Michigan locations. As announced, the Troy location combined with related entities and employees in Auburn Hills will be spun-off and formed into a new company (PHINIA) focusing on fuel systems and aftermarket segments. PHINIA will operate as a separate, publicly traded company. Lastly, the Livonia location is part of BorgWarner’s legacy combustion business and does not have a direct impact to the proposed expansion project. The requested baseline of 963 employees work across the locations and entities directly tied to the Company’s Charging Forward initiative: accelerating electric vehicle product development and testing while scaling up its battery modules and packs and direct current (DC) fast charging manufacturing.

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

Project Description

The Company is proposing an expansion project that will accelerate its electric vehicle product development and testing, including battery modules and packs, DC fast charging, micro-grid control and operations, in combination with scaling up its DC fast charging manufacturing. The proposed project will include three existing BorgWarner facilities located in Auburn Hills, Dearborn, and Hazel Park as well as a new facility in a fourth, yet-to-be-determined location.

Auburn Hills (BorgWarner Propulsion Systems LLC) is the proposed location for new electrification laboratories and test equipment and new research and development activities across energy storage, charging, and micro-grid control and operations. This facility will be investing approximately \$5,000,000 and creating up to 36 new jobs.

Dearborn (Rhombus Energy Solutions, Inc.) is the proposed location for expanded DC fast charging manufacturing, investing approximately \$5,000,000 and creating up to 81 new jobs.

Hazel Park (AKASOL Inc.) is the proposed location for expanded electric vehicle battery module and pack manufacturing. A new approximately 100,000 square feet facility (AKASOL Inc.) will be developed for the Company's electric vehicle battery module and pack service center. Both locations combined will invest approximately \$10,600,000 and create up to 69 new jobs.

The combined project will result in capital investment of up to \$20,600,000. The project will also result in the creation of up to 186 new jobs paying an average wage of \$1,242 per week plus benefits.

Demonstrated Need

The Company is considering facilities in Indiana, North Carolina, South Carolina, New York, and California where it has existing operations already equipped with the necessary high-voltage infrastructure and training required for this proposed expansion. These competing states have also offered significant economic development assistance for growth of electric vehicle technology development and manufacturing.

Key challenges for this project to move forward in Michigan include: the new investment and job creation that will span three existing sites and one new site; the significant cost to retrofit at least one existing site to ensure access to new high-voltage testing equipment, electric drive dynamometers, and battery and motor simulators; access to sufficient talent; and providing high-voltage safety training for 186 new employees and approximately 120 existing employees (based on the NFPA 70E Standard). Finally, the opportunities to participate as a vendor to the State Plan for EV Charging under NEVI is unclear, especially when compared to Indiana and New York which have been more proactive in seeking the Company's support and participation.

While the Company is attracted to expanding in Michigan due to the synergy and ease of collaboration it would create with its North American headquarters being located in Auburn Hills, incentive assistance is necessary to ensure the project moves forward in Michigan. In addition to MSF support, short-listed locations for the new 100,000 square feet EV battery module and pack service center – such as the city of Warren, anticipate approval of a real property tax abatement in support of the project.

Request

In order to secure the project, the Applicant is requesting a \$1,860,000 MBDP performance-based grant. The MBDP Request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The MBDP funds will help offset the upfront costs of leasing a new facility, retrofitting an existing site, and the large capital investment in machinery and equipment to ensure access to new high-voltage testing equipment, electric drive dynamometers, and battery and motor simulators.

This project supports the MEDC's 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. This project also falls within the MEDC's Innovation Industry of Other Electrical Equipment

and Components. The proposed project will impact multiple local regions with immediate job growth with a large and expanding automotive supplier. This combined project will result in the creation of up to 186 new jobs and up to \$20,600,000 in capital investment in the cities of Auburn Hills, Dearborn, Hazel Park, as well as a new facility in a fourth, yet-to-be-determined location in Oakland and Wayne Counties.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-061**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
BORGWARNER 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, BorgWarner Inc. (the “Company”) has requested a performance based MBDP grant of up to \$1,860,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to accelerate its electric vehicle product development and testing and scale up its direct current (DC) fast charging manufacturing (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 other electrical equipment and components, 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, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
March 28, 2023



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

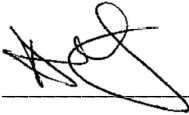
The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Michigan Business Development Program (“MBDP”).

Date: February 27, 2023

Company Name:	BorgWarner Inc. and/or its affiliates and subsidiaries.
Project Location:	3800 Automation Avenue, Auburn Hills, MI 48326 15301 Century Drive, Suite 204, Dearborn, MI 48120 1400 E. 10 Mile Road, Suite 150, Hazel Park, MI 48030
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$1,860,000
Base Employment Level:	At least 963, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs (“QNJ”):	Up to 186 Full-Time Jobs in Michigan
Municipality Supporting Project:	The city of Auburn Hills has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	November 11, 2022
Term of the Agreement:	October 31, 2025
Milestone Based Incentive:	Disbursements will be made over a two-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$10,000 per QNJ for the creation of a minimum of 90 jobs up to a maximum of 130 jobs. \$10,000 per QNJ for the creation of a minimum of 131 jobs up to a maximum of 186 jobs.

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

Acknowledged as received by:

BorgWarner Inc.
 By: 
 Printed Name: David Sturza
 Its: Corporate Government Affairs

Michigan Economic Development Corporation
 By: 
 Printed Name: Sara Bishop
 Its: BDPM



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



MEMORANDUM

Date: March 28, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Matt Chasnis, Senior Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
AyDeeKay LLC (“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 180 Qualified New Jobs and a capital investment of up to \$12,500,000 in the City of Auburn Hills, Oakland County.

Applicant History

The Applicant, founded in 2009 and headquartered in Aliso Viejo, CA, designs next generation automotive semiconductors and software platforms. The Company focuses on edge sensors for Advanced Driver Assistance Systems including LiDAR, as well as solutions for connected car, user experience and electrification applications. The Applicant has design centers and sales offices across the U.S. as well as 11 other countries and became a publicly-traded company (INDI: NASDAQ) in 2021. The Applicant has one office in Auburn Hills, Michigan where it employs 26 individuals.

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

Project Description

The Applicant is experiencing significant growth and is evaluating locations to expand its design, development, and testing capacity. This new design center will support a variety of engineering talent doing different tasks but all of them focused on creating and launching the best possible integrated circuit solutions for the automotive market. The Applicant is considering its existing location in Auburn Hills which has capacity to house a portion of the additional employees expected from the project. The 32,000 square foot leased engineering facility can accommodate a total of 80 employees and would be utilized for the near term job creation. A second facility is expected to be identified when hiring activity reaches a level that requires it. Based on access to the unique engineering talent and other hiring considerations required for the project, the Company is targeting 2025 for a second facility. The future facility is expected to be approximately 15,000 square feet located in Southeast Michigan.

The Company is considering Auburn Hills for the project and anticipates the project will result in capital investment of up to \$12,500,000. The project will also result in the creation of up to 180 new jobs paying an average wage of \$2028 per week plus benefits.

Demonstrated Need

The Applicant has engineering design centers and operations facilities in California, Texas and Massachusetts that can receive the job creation associated with the project. Additionally, the Applicant is in discussion with other midwestern states and other countries that are pursuing the project. The Applicant expects difficulties attracting and retaining the workforce associated with the project in Michigan. Today,

more than 70% of the company's workforce designing semiconductors is located outside the U.S. because of these same hurdles. This project represents the first semiconductor firm to create and expand an integrated circuit design team in the state and a labor pipeline will need to be developed.

Michigan is an attractive option for this project because of the automotive industry's presence in the state. The Company will be designing and testing automotive solutions and being engrained within the automotive ecosystem will result in efficiencies with Tier 1 and Original Equipment Manufacturers (OEM) customers. Additionally, the Applicant plans to build strong relationships with Michigan's world renowned Universities to support research and development and establish a workforce pipeline for the positions required for this industry. Even though the Applicant finds Michigan attractive, incentive assistance is necessary to help offset the costs associated with recruiting, retaining, and establishing a talent pipeline.

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 cost disadvantage of locating the project in Michigan when compared to the competing sites and countries outside of Michigan. The MBDP Request will help offset the cost of recruitment and building a talent pipeline and allow the Applicant to establish its design, development, and testing facility and become a catalyst for industry growth within the state.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry cluster of Technology as well as Mobility and Automotive Manufacturing. This project will create 180 new high-wage positions in the semiconductor design industry, a sector that's expected to see significant growth as the automotive industry transitions to electric and autonomous vehicles. The project will build on the state's work to position itself as the global leader in the future of mobility and is expected to be a catalyst for the industry's growth in the state. The project will result in the creation of up to 180 new jobs and up to \$12,500,000 in capital investment in the City of Auburn Hills, Oakland County and Washtenaw County.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-052**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
AY DEE KAY, 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, Ay Dee Kay, LLC (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 as Exhibit A (the “Term Sheet”) to establish a new integrated circuit design, development, and testing center (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as a Micro BDP because the Project falls within the semiconductor and related device manufacturing, an MEDC Strategic Focus 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, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
March 28, 2023



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

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

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

Date: March 1, 2023

Company Name:	Ay Dee Kay, LLC (dba indie Semiconductor) and/or its affiliates and subsidiaries.
Project Location:	Oakland and Washtenaw Counties
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$10,000,000
Base Employment Level:	At least 26, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs (“QNJ”):	Up to 180 Full-Time Jobs at the Project Location
Municipality Supporting Project:	The City of Auburn Hills has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	March 1, 2023 (Date of submitted application)
Term of the Agreement:	August 31, 2028
Milestone Based Incentive:	Disbursements will be made over a 5-year period, and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$55,555.55 per QNJ for the creation of a minimum of 5 jobs up to a maximum of 10 jobs. \$55,555.55 per QNJ for the creation of a minimum of 15 jobs up to a maximum of 30 jobs. \$55,555.55 per QNJ for the creation of a minimum of 35 jobs up to a maximum of 70 jobs. \$55,555.55 per QNJ for the creation of a minimum of 60 jobs up to a maximum of 120 jobs. \$55,555.55 per QNJ for the creation of a minimum of 90 jobs up to a maximum of 180 jobs.

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

Ay Dee Kay, LLC DocuSigned by:
 By: Sean Degarmo
D341206B815F432...
 Printed Name: Sean Degarmo
 Its: Senior Director, Tax and Treasury
 March 1, 2023 – Ay Dee Kay, LLC

Acknowledged as received by:
 Michigan Economic Development Corporation
DocuSigned by:
 By: Matthew Chasnis
60049B4867CE4B5...
 Printed Name: Matthew Chasnis
 Its: Business Development Projects Manager



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



MEMORANDUM

Date: March 28, 2023

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

From: Terri Fitzpatrick, EVP | Chief Real Estate & Global Attraction Officer

Subject: Incentive Request

**Marshall Area Economic Development Alliance (“MAEDA” or the “Applicant”))
Applicant– Strategic Site Readiness Program (SSRP) Grant Request**

Request Summary

This is a request from the Applicant for incentive assistance for site readiness activities to support land acquisition and site and infrastructure development activities required for the Marshall site and Ford Motor Company’s BlueOval Battery Park Michigan located in Marshall, Calhoun County. The BlueOval Battery Park Michigan has the potential to result in the creation of up to 2,500 direct new jobs and a private capital investment of up to \$3.5 billion.

To support this project, the Applicant is requesting a SSRP Performance-based Grant in the amount of \$120.3 million that will support land acquisition, site preparation, water and wastewater upgrades, professional fees, administration and other necessary public infrastructure improvements (“SSRP Request”).

Background

On December 20, 2021, Governor Gretchen Whitmer, in collaboration with bi-partisan leadership of the Michigan Legislature, labor leaders, economic development agencies and various business groups, signed a package of economic incentives that will allow Michigan to compete for, and win, transformational projects that will bring long-term economic opportunity and security to regions and communities across the state. This package, the Strategic Outreach and Attraction Reserve Fund (the “SOAR Fund”), has been deployed to secure transformative investment in the battery manufacturing and battery storage sectors.

On February 13, 2023, the MSF approved a \$210 million Critical Industry Program Grant for Ford Motor Company and a \$36 million Michigan Investment Fund MSF Loan (the “MSF Loan”) as the initial step to secure a once in a generation investment in Michigan. The additional funding was necessary to ultimately secure Ford Motor Company’s BlueOval Battery Park Michigan.

On March 8, 2023, the Governor signed Public Act 5 of 2023 into law, which authorized \$170.3M be deposited in the Strategic Outreach and Attraction Reserve Fund, which is the source for this SSRP Request. Upon approval of the SSRP Request by the MSF Board and MSF receipt of SOAR funds, the MSF Loan will be repaid before other disbursements can be made to the Applicant.

Project Description

Ford, through a wholly owned subsidiary, will be building a battery manufacturing plant to support its goal of producing two million electric vehicles annually by 2026. Ford will invest \$3.5 billion to construct and equip a new 2.5 million square foot facility in Marshall to manufacture batteries that will go into several of the company's key electric vehicles. The Company anticipates the creation of 2,500 quality direct jobs over the next several years.

To support the development, MAEDA will undertake site readiness activities at the project site in Marshall that are necessary to complete time sensitive activities – including land acquisition and site improvements. In an effort to further bolster Michigan’s competitiveness, MAEDA will also acquire additional property at the Marshall site which may be used to provide an incentive to support business expansion opportunities or development of sites to attract future, not identified projects.

Applicant History

MAEDA is a non-profit economic development alliance in the city of Marshall, Michigan that is responsible for attracting new business and industry, retaining businesses, and promoting tourism in the Marshall area.

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

Demonstrated Need

Ford has been involved in a multi-state, multi-country site selection process to determine where to locate the new battery manufacturing facility and investment. Ford is focused on the ability to meet project timelines and the most cost competitive locations when making decisions. Considerations include availability of shovel ready sites, incentives, property taxes, utility rates on renewable energy sources, and labor costs. Ford has selected competitor states for previous projects based on availability of shovel-ready sites and incentive assistance offered by those states. Incentive assistance is necessary to ensure this project moves forward in Michigan, particularly in a highly competitive environment.

As the State pursues business attraction and expansion opportunities, there continues to be a need for large, project ready sites. Prospective companies and consultants select sites based on availability of shovel ready sites, among other factors. The ability to undertake land acquisition and site and infrastructure development activities is critical to stay competitive and ultimately secure Ford’s expansion project and other new developments.

Funding

The SSRP Request will be funded through the SOAR Fund. Upon MSF Board approval of the SSRP Request, the process for legislative transfer of actual funds through the SOAR Fund will be initiated to the MSF to implement funding these incentives.

Appendix A addresses programmatic considerations.

Recommendation

MEDC Staff recommends MSF Board approval of the SSRP Request.

APPENDIX A – SSRP Programmatic Considerations

Key Statutory Criteria

Per section 88t of the MSF Act, to the extent reasonably applicable as reasonably determined by the MSF board to the type of project proposed, the MSF shall consider and document at least all of the following criteria for all SSRP awards before entering into a written agreement:

- **The importance of the project or Eligible Activities to the community in which is located and Michigan;**

The project will be significant to the area by bringing a large amount of well-paying manufacturing jobs to the State. The project is expected to result in the creation of 2,500 jobs and a capital investment of up to \$3.5 billion in Calhoun County. The estimated starting wage varies by the type of position and ranges from \$20/hour up to \$50/hour.
- **If the project will act as a catalyst for additional revitalization of the community where it is located and Michigan;**

The project will result in significant job creation and capital investment. It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$29.7 billion in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 20 years. This personal income will be utilized to not only support the many small businesses in the community, but will spur demand to redevelop underutilized and blighted properties in the community and the state for commercial and residential purposes.
- **The amount of local community and financial support for the project;**

The City of Marshall anticipates approval of a 15-year Renaissance Zone and a PA 198 of 1974 (“PA 198”) tax abatement in support of the project which will help reduce the overall cost of doing the project in Michigan.
- **The amount of any other economic assistance or support provided by Michigan for the project;**

Additional incentive support includes the following: a CIP grant to Ford in the amount of \$210 million, a State of Michigan General Fund appropriation in the amount of \$299.7 million; a 15 year Renaissance Zone estimated to be worth \$772 million, a PA 198 property tax abatement estimated to be worth \$52 million, and a Michigan Investment MSF Loan in the amount \$36 million to MAEDA, that will be repaid utilizing SSRP funds.
- **The amount of any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations or tax credits;**

Not applicable
- **The amount of any private funds or investments for the project, including the Eligible Applicant’s own investments in the project;**

Private capital investment is estimated to reach \$3.5 billion and will support new building construction, machinery and equipment and other personal property.
- **The Eligible Applicant’s financial need for a grant, loan, or other economic assistance under the SSRP;**

The Company has been involved in a multi-state site selection to determine where to locate the new facility and investment. Consideration on placement includes the availability of a shovel-ready site and costs of implementation and ongoing operations, availability of talent, utility and labor costs. Incentive assistance is necessary to defray additional costs incurred in Michigan compared to other locations.
- **The extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property;**

Not applicable
- **Creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan;**

Due to the new manufacture of a new product, all new jobs will be the result of a fundamental technological shift in production.

- **Whether and how the project is financially and economically sound;**
The project, once evaluated and approved by Ford's Board of Directors, is being financed by Ford and is financially and economically sound.
- **Whether and how the project converts abandoned public buildings to private use;**
Not applicable
- **Whether and how the project promotes sustainable development;**
Ford's investment in electric vehicles will contribute to Michigan's Healthy Climate Action Plan. Incorporating a new battery chemistry will allow Ford to manufacture more electric vehicles in pursuit of its goal to produce two million annually by 2026. In addition, Ford's goal of carbon neutrality by 2050 will encourage sustainable practices in its manufacturing facilities as well.
- **Whether and how the project involves the rehabilitation of a historic resource;**
Not applicable
- **Whether and how the project addresses areawide redevelopment;**
Based on an economic impact analysis of this project using REMI (Regional Economic Models Inc), this opportunity has an employment multiplier of 4.38. This means that an additional 3.38 jobs in Michigan's economy are anticipated to be created for every new direct job, due to the extensive 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 20 years, the total direct, indirect, and induced jobs will generate over \$29.7 billion in new personal income in Michigan.
- **Whether and how the project addresses underserved markets of commerce;**
The proposed facility will produce a product for the Company which is not currently available.
- **The level and extent of environmental contamination;**
An environmental assessment of the site has been completed and shows soil conditions are suitable for construction of the planned facility.
- **Whether and how the project will compete with or affect existing Michigan businesses within the same industry;**
Ford is investing in a battery manufacturing plant in its pursuit of electric vehicle leadership. Ford does compete against other Michigan-based OEMs in this space. However, EV battery packs must be produced in proximity to vehicle assembly, with each OEM needing their own supply near in-state production facilities.
- **Whether and how the project's proximity to rail and utility will impact the performance of the project and will maximize energy and logistics needs in the community in which it is located, and in Michigan;**
This facility will utilize rail and significant amounts of energy in the manufacturing process. Having robust rail and utility infrastructure is critical to the project's success.
- **The risk of obsolescence that the project, products, and investments in the future;**
The investment would be Ford's only LFP battery plant to support several models of electric vehicles. The electric vehicle products being supported by the batteries are an emerging and increasingly popular option for certain customers. This project represents an investment in one of the technologies of the future.
- **The overall return on investment to Michigan;**
In total, the project will result in over \$1.6 billion in state taxes generated for the state of Michigan over a period of 20 years. This calculation was completed using a Regional Economic Modeling Inc (REMI) model.
- **Whether the proposed Strategic Site is incorporated into a strategic plan of a political subdivision of Michigan;**
The Marshall Township Master Plan explicitly identifies the Marshall Megasite and speaks to the unique development opportunities afforded to the site due to its size and location. The Marshall

Megasite is recognized in the City of Marshall Master Plan as an industrial zoned area just west of the City between Michigan Avenue and the railroad, and one of the largest single parcels zoned industrial between Detroit and Chicago. This area is subject to the Master PA 425 Conditional Land Transfer agreement between the City of Marshall and Marshall Township and identified for collaborative industrial development between the two local units of governments.

- **Funding shall be allocated to eligible applicants applying based on a site assessment and investment proposal developed pursuant to the Michigan strategic site readiness program.** This funding request is consistent with the Michigan strategic site readiness program.

Additionally, under Section 88t of the MSF Act, since the end user of the Strategic Site is identified, the MSF Board shall also consider:

- **The strategic economic importance of the project to the community where it is located and Michigan;**
The project will be significant to the area by bringing a large amount of well-paying manufacturing jobs to the State. The project is expected to result in the creation of 2,500 jobs and a capital investment of up to \$3.5 billion in Calhoun County. The estimated starting wage varies by the type of position and ranges from \$20/hour up to \$50/hour.
- **Whether the financial assistance is needed to secure the project in Michigan;**
The Company has been involved in a multi-state site selection to determine where to locate the new facility and investment. Consideration on placement includes the availability of a shovel-ready site and costs of implementation and ongoing operations, availability of talent, utility and labor costs. Incentive assistance is necessary to defray additional costs incurred in Michigan compared to other locations.
- **The degree to which the project is a priority for the local governmental unit or local economic development corporation in the jurisdiction of which the site is located;**
The Marshall Area Economic Development Alliance (MAEDA) has prioritized the development of the project site in its Choose Marshall Strategic Plan for 2022-2023. Marshall Township, in its Master Plan, has made assessment of zoning regulations to support the Marshall Megasite a component of its Implementation-Work Plan. The development of the Marshall Megasite is identified in the 2023 City Action Plan and the 2022 City Action Plan. The Action Plan outlines the City's top priorities and goals for the year.
- **The level of creation or retention of Qualified Jobs as a result of a technological shift in product;**
Due to the new manufacture of a new product, all new jobs will be the result of a fundamental technological shift in production.
- **Whether the Qualified Jobs created or retained as a result of a technological shift in product or production equal or exceed the average wage for the county in which the project is located;**
The project is expected to result in the creation of 2,500 jobs and a capital investment of up to \$3.5 billion in Calhoun County. The estimated starting wage varies by the type of position and ranges from \$20/hour up to \$50/hour. The anticipated wage is above Calhoun County's ALICE target wage of \$19.69. The ALICE Threshold is the average income that a household needs to afford the basic necessities defined by the Household Survival Budget for each county in Michigan.
- **The level of capital investment;**
The project is anticipated to result in up to \$3.5 billion in capital investment.
- **The evidence of the End User's commitment to the site;**
Ford has committed to expanding at the site.

MICHIGAN STRATEGIC FUND

RESOLUTION 2023-053

APPROVAL OF MICHIGAN STRATEGIC SITE READINESS PROGRAM GRANT TO MARSHALL AREA ECONOMIC DEVELOPMENT ALLIANCE

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, the Strategic Site Readiness Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

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, Marshall Area Economic Development Alliance submitted an application seeking a Strategic Site Readiness Program grant in the amount of \$120,300,000 and in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A to this Resolution (the “Grant Request”);

WHEREAS, subject to transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MEDC recommends the MSF approve the Grant Request; and

WHEREAS, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board wishes to approve the Grant Request.

NOW THEREFORE, BE IT RESOLVED, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board approves the Grant Request;

BE IT FURTHER RESOLVED, the MSF President and the MSF Financial Officer are authorized to take all actions necessary to request transfer of SOAR funds to the MSF to fund 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, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Acting Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
March 28, 2023

Strategic Site Readiness Program Grant

Summary of Terms

This document summarizes the key terms and conditions of the potential Strategic Site Readiness Program (“SSRP”) Award for Marshall Area Economic Development Alliance (the “Applicant”). 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 Applicant obtaining all necessary approvals, and the Michigan Economic Development Corporation (“MEDC”) obtaining all necessary Michigan Strategic Fund (“MSF”) Board and State of Michigan Legislature approvals.

SSRP Award: Up to \$120,300,000 to the Applicant for Eligible Activities, as defined in the SSRP Guidelines approved by the MSF Board on January 11, 2022, as amended, to support land acquisition and site and infrastructure development activities to support the Marshall mega site and Ford Motor Company’s (the “Company”) new electric vehicle battery manufacturing facility in Calhoun County, Michigan that will result in the creation of 2,500 new jobs and \$3,500,000,000 in capital investment. Eligible Activities, as defined below, are necessary to support the development of the new manufacturing facility (collectively, the “Project”).

Term of the Agreement: Effective Date through the earlier of: (i) December 31, 2030; (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. Requests for disbursement will be verified by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to release of any funds:

- **Key Milestone One:** Not to exceed \$60,000,000
 - Disbursement request in the form determined by the MEDC;
 - Copies of currently executed written agreements between the Applicant and the Company or the Applicant and any engineer, designer, consultant, contractor, vendor or municipality engaged to perform the Eligible Activities for the Project, agreements with sellers of real estate to be acquired for the Project, and the ancillary agreements and documents associated with the foregoing; and
 - A spreadsheet describing in detail (i) the projected Eligible Activities to be completed with the grant disbursement received under the current Key Milestone in accordance with the budget, which at a minimum must include (x) a description of the real estate agreements that must be secured by the Applicant for the Applicant to purchase additional real estate necessary for the Project using any of the SSRP Award, (y) the projected closing dates for each, and (z) the projected closing funds needed for each such anticipated purchase, and (ii) along with a description of each other Eligible Activity with the name of the anticipated vendor or recipient of each expenditure and the anticipated expenditure date.

- **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 \$60,300,000. 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 the Company or the Applicant and any engineer, designer, consultant, contractor, vendor or municipality engaged to perform the Eligible Activities for the Project, agreements with sellers of real estate to be acquired for the Project not submitted in previous Key Milestones, and the ancillary agreements and documents associated with the foregoing; and
 - A spreadsheet describing in detail (i) the real estate parcels necessary for the Project that the Applicant has purchased to date utilizing the previously disbursed SSRP Award, including the total closing costs for those properties, along with (ii) the projected additional Eligible Activities to be completed with the grant disbursement received under the current Key Milestone in accordance with the budget, which at a minimum must include (x) a description of the additional real estate agreements that must be secured by the Applicant for the Applicant to purchase additional real estate necessary for the Project using any of the SSRP Award, (y) the projected closing dates for each, and (z) the projected closing funds needed for each such anticipated purchase, and (iii) along with a description of each other Eligible Activity with the name of the anticipated vendor or recipient of each expenditure and the anticipated expenditure date.
- ;
- **Project Completion Milestone**, due on or before June 30, 2030:
 - 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 the Company and the Applicant and any engineer, designer, consultant, contractor, vendor or municipal entity engaged to perform the Eligible Activities, final closing documents for all the real estate parcels purchased by the Applicant using the grant disbursements made under the SSRP Award for the Project not previously provided and the ancillary agreements and documents associated with the foregoing;
 - Demonstrated verification that 100 percent of the funds disbursed have been expended for Eligible Activities; and
 - Documents evidencing completion and acceptance of work by the respective authorities having jurisdiction over the Project.

Any proposed contract and proposed closing documents for the Applicant's purchase of real estate necessary for the Project, including proposed closing statements and deeds, shall be reviewed by the MEDC Compliance Unit of the Legal and Compliance division of the MEDC prior to execution of each agreement and upon closing all relevant closing documents shall be provided as required by the MSF.

Project Status Report: means reports provided to the MEDC that may be required from time to time following the execution of the agreement and continuing until completion of the Project Completion Milestone. Project status reports shall include a narrative on the status of the Project and updates on the Eligible Activities.

Eligible Activities: activities related to include, but are not limited to, land acquisition and assembly; site preparation and improvement; infrastructure improvements that directly benefit the Marshall mega site, including without limitation transportation, infrastructure, water and wastewater infrastructure, and utilities necessary to service the site (including the purchase of real property, rights-of-way and easements and legal expenses necessary to support the public infrastructure improvements); any demolition, construction, alteration, rehabilitation, or improvement of buildings on the site; environmental remediation; architectural, engineering, surveying, similar professional fees, and other predevelopment work required to commence construction on site improvements; and any activities outlined in the SSRP Guidelines, as amended, necessary to support the development of the Project incurred after January 1, 2022, related to the Project. The Applicant and the MSF will develop a detailed budget for the Project that includes budget categories for the Eligible Activities. The budget will be incorporated into the written agreement signed by the parties. Provided however that none of the Eligible Activities shall include any activities that have been or are projected to be paid for under the MEDC Investment Agreement with the Applicant dated January 19, 2023, as amended, or the MSF Loan Agreement with the Applicant dated February 14, 2023.

Security Interest and Other Interests: Security interests and other interests in favor of the MSF must comply with the requirements of Section 88t(4) of the MSF Act, MCL 125.2088t(4), and notwithstanding anything to contrary, may include, but is not limited to, real and/or personal property at Project, such as transfer and reconveyance rights, a mortgage, right of first offer, reverter rights, equipment, fixture, deposit account control, intangibles, inventory, or other personal property interests. Such interests will be used to secure repayment of any amounts owed to the MSF under the grant agreement and exercise other MSF rights through the end of the Term. The Applicant shall, as part of the transfer of the real estate to the Company for the Project, facilitate granting of such real and/or personal property interests in favor of the MSF or its designated entity.

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

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. The Applicant and the MSF agree to collaborate on any defaults by third parties under any of the Applicant's contracts for the Project for the purpose of recovery of SSRP Award funds, including without limitation, any of the Applicant's agreements with the Company, and such may include assignments in favor of the MSF. 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:

- **Land Acquisition:** If the Applicant fails to provide the Company the parcels necessary for the Project, it may be required to repay all, or a portion of grant disbursements made under the SSRP Award and/or it may be required to transfer or convey the parcels to an entity designated by the MSF.
- **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 and/or it may be required to transfer or convey the parcels to an entity designated by the MSF.

- **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 a 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, 2030, 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.



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 "B. Wieferich", written over the printed name.

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: March 28, 2023
To: Michigan Strategic Fund Board
From: Alyssa Tracey, Director International Trade
Subject: Request for Proposals – International Trade Centers

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve a scope of work for a Request for Proposals (“RFP”) for the International Trade Program International Trade Centers – the “ITC”); to solicit proposals from eligible organizations to increase Michigan’s export development; to appoint a Joint Evaluation Committee (the “JEC”); to review proposals received in response to the ITC RFP; and adopt scoring and evaluation criteria to be used by the JEC in its review of responses to the ITC RFP (collectively, the “Request”).

Background

The International Trade program assists Michigan-based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The program focuses on small businesses, which is determined by the United States Small Business Administration’s (SBA) Size Standards, defined based on industry. Through its strategic statewide network of export partners, the International Trade program assists companies located anywhere in Michigan and ensures connectivity to critical resources that enable evaluation of export opportunities, access to existing export resources, and increase in global competitiveness.

The International Trade Program supports the MEDC’s strategic goals to increase jobs, investment, and wages by increasing export sales. In FY2022, the MEDC International Trade Program assisted 537 Michigan companies who participated in 661 export related activities, resulting in reported sales to 127 international markets. FY22 export sales facilitated as a direct result of MEDC International Trade Program assistance totaled \$614.5 million, generating 2,858 Michigan jobs (calculating \$215,000 in export sales to equal one job created). With over \$119 million reported in Q1 of FY23, the program anticipates achieving the annual target of \$585 million. Since the program was re-established in FY12, companies have reported above \$5 billion in facilitated export sales, equating to 23,557 Michigan jobs.

The MEDC requests that the MSF release the International Trade Center RFP to solicit proposals from organizations with international trade expertise to provide trade promotion services to Michigan based companies seeking export sales in the following markets: Brazil, China, Canada, Mexico, Europe, and Arab Gulf (to cover Qatar, Kuwait, UAE, Saudi Arabia, Bahrain and Oman), and additional markets including Africa, Australia, the Caribbean, India, Japan, South America, South East Asia, and South Korea. Michigan Trade Centers are established in all markets listed in this RFP. These centers provide critical export development services, including: customized market research, market entry strategy, B2B matchmaking

meetings (prequalification of agents, distributors, partners and/or customers), regulatory information, and competitive analysis. In addition, the trade centers assist with facilitating international trade missions and Governor delegations.

The objective of the ITC RFP is to enter into a fixed fee contract for trade promotion services at a non-negotiable amount to be determined. The contract amount per country will be determined annually and the total amount will be finalized pending confirmation of final awards. Operating costs will be the sole responsibility of the Contractor (as defined in the Statement of Work and RFP) and derived from the contract fee. In the past five years, MEDC ITCs delivered 1,092 projects to Michigan exporters. MEDC's five primary ITCs, comprised of the Michigan Mexico Center, Michigan Canada Center, Michigan Europe Center, Michigan Brazil Center, and Michigan Arab Gulf Center supported \$149 million in export sales in FY2022 by providing customized support to Michigan small businesses.

On July 10, 2018, MSF approved the JEC recommendation of the FY18 International Trade Centers contractor by awarding \$825,000 to the Great Lakes St. Lawrence Governors and Premiers, an entity that served as the sole authorized representative for the State of Michigan providing trade promotion services to Michigan based companies. To enable continuity of service delivery to Michigan exporters, MEDC seeks to release an RFP for an ITC contractor with the deliverables outlined in Exhibit A.

The MEDC requests that MSF Board approve the release of the ITC RFP Scope of Work attached as Exhibit A, with scoring details outlined in Exhibit B, to solicit proposals to increase the international competitiveness and export sales of Michigan businesses.

Issue RFP to the Public: 04/03/2023

Questions due from the Public: 04/24/2023

Answers posted to the MEDC web page: 05/01/2023

Applications Deadline: 05/15/2023

The MEDC requests the MSF Board approve appointing a JEC to review submitted proposals and make recommendations to MSF Board. The following individuals are recommended to be appointed to the JEC:

Jodi Hankerd, Grant Manager, MEDC

Alyssa Tracey, Director of International Trade, MEDC

Chris Bosio, International Trade Manager, MEDC

Tanya Markos-Vanno, Development and Operations Manager, PMBC, MEDC

Jamie Zmitko-Somers, Division Director – Agriculture Development Division, MDARD

Recommendation

MEDC staff recommends that MSF Board approve the Request.



MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-062**

**ISSUANCE OF INTERNATIONAL TRADE CENTERS
REQUEST FOR PROPOSALS AND ADOPTION OF JOINT EVALUATION COMMITTEE,
AND SCORING AND EVALUATION CRITERIA**

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(i) of the MSF Act, MCL 125.2007(i), the MSF has the power to engage the services of private consultants, managers, counsel, auditors, engineers, and scientists for rendering professional management and technical assistance and advice;

WHEREAS, the MSF has reviewed a scope of work and eligibility requirements for soliciting proposals from qualified entities for the purpose of providing trade promotion services to Michigan-based companies seeking to export in certain target markets, as set forth in Exhibit A to this Resolution (the “International Trade Centers RFP”);

WHEREAS, the MEDC recommends, and the MSF wishes to issue the International Trade Centers RFP (the “International Trade Centers RFP Issuance”);

WHEREAS, the MEDC recommends and the MSF desires to appoint the following individuals to the joint evaluation committee (“JEC”) for the International Trade Centers RFP:

Jodi Hankerd, Grant Manager, MEDC
Alyssa Tracey, Director of International Trade, MEDC
Chris Bosio, International Trade Manager, MEDC
Tanya Markos-Vanno, Development and Operations Manager, PMBC, MEDC
Jamie Zmitko-Somers, Division Director – Agriculture Development Division, MDARD

WHEREAS, the MEDC recommends, and the MSF Board desires to adopt the scoring and evaluation criteria contained in Exhibit B to this Resolution for use by the JEC in its review of proposals received in response to the International Trade Centers RFP (the “International Trade Centers RFP Scoring and Evaluation Criteria”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves 1) the International Trade Centers RFP Issuance; 2) the JEC as set forth above; and 3) the International Trade Centers RFP Scoring and Evaluation Criteria;

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

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

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

Nays: None

Recused: None

Lansing, Michigan
March 28, 2023

Exhibit A

STATEMENT OF WORK International Trade Centers

A) PURPOSE

MSF is seeking contractors to provide trade promotion services to Michigan based companies seeking export sales in the following target markets and regions: Brazil, Canada, Mexico, Europe, Middle East (to cover Qatar, Kuwait, UAE, Saudi Arabia, Bahrain and Oman), as well as additional markets including Africa, Australia, the Caribbean, China, India, Japan, South America, South East Asia, and South Korea. Both individual and collaborative market coverage proposals will be accepted.

B) BACKGROUND STATEMENT AND OBJECTIVES

Background:

The International Trade program assists Michigan based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The program focus is on small and medium-sized enterprises, which by the United States Small Business Association's Size Standards, defined by industry, but will also assist larger companies if the assistance will have a clear and identifiable economic impact. All export development services must be provided within constraints of federal export restrictions. The International Trade program will enter into a fixed fee contract for trade promotion services at a non-negotiable amount to be determined. The contract amount per country will be determined annually and the total amount will be finalized pending confirmation of final awards. Operating costs, including staff salaries, office space/rent, office equipment, office supplies, postage, banking fees, printing, telephones, local transportation and all other costs unless otherwise noted, will be the sole responsibility of the Contractor and derived from the contract fee.

The term of the initial contract shall be from October 1, 2023 through September 30, 2024, and shall be renewable subject to mutual agreement on an annual basis, up to four additional terms.

C) REQUIREMENTS

Minimum of five years providing international trade assistance.

- Contractor or its subcontractor must have an existing office in each target market that is included in the proposal as a primary business location.
- Contractor or its subcontractor must have the ability to obtain a US Visa for traveling to the United States at least once a year.
- Contractor or its subcontractor must be fully bilingual with the ability to read, write and compose business correspondence in English and official language in each target market that is included in the proposal.
- Contractor or its subcontractor and staff must be familiar with the business practices and culture of the US and in each target market that is included in the proposal.
- Contractor or its subcontractor must have an established business and at least five years of experience in consulting, marketing, sales or other areas that provide services to international, preferably US, companies.

- Contractor or its subcontractor must have experience working with small-to-medium sized companies (average annual sales less than US\$50 million).
- Exceptional research, writing, and interpersonal skills.
- Lead Staff members with at least a bachelor's degree. A Master's, legal or specialized degree in a relevant field is preferred, but not required.

D) DELIVERABLES

Services to be Provided:

The Contractor or its subcontractor shall serve as an authorized representative for the State of Michigan in target market(s) subject to the limitations in the agreement. MSF shall retain the Contractor or its subcontractor for the purpose of increasing the export of products and services from small-to-medium sized companies in Michigan's defined target market(s). This contract is on a non-exclusive basis and the Contractor or its subcontractor may have other clients and/or provide work for other US States or foreign governments/legislatures where no conflict of interest exists.

Trade development services to be provided by the Contractor or its subcontractor, in addition to those described below, will be determined by specific parameters submitted by MSF. Minimum services required are as follows:

(1.) Agent/Distributor Searches and Matchmaking

At MSF's request, the Contractor or its subcontractor shall conduct agent/distributor searches for participating small-to-medium sized Michigan companies. The agent/distributor searches shall include investigating the products or services made by the companies, identifying and/or qualifying agents and distributors to represent products or services, interviewing prospective representatives and distributors, arranging appointments with agents and distributors, arranging for translators, conducting pre- and post-briefings and follow-up activities. The Contractor or its subcontractor may also be required to conduct market research and viability studies, as well as end user searches.

(2.) Trade Events

At MSF's request, the Contractor or its subcontractor shall recommend trade events for its participation. The Contractor or its subcontractor shall serve as the primary coordinator for participation in trade events. Examples of these events include trade fairs/exhibitions and catalogue shows. The Contractor or its subcontractor will be responsible for all pre- and post-event activities including but not limited to publicity, information distribution, interpreters, participant briefings, participation on behalf of the State of Michigan, and post-event evaluation.

The Contractor or its subcontractor will not be responsible for direct costs including exhibition space, interpreter fees, shipment of exhibition displays, preparation of printed materials, etc.

(3.) Referrals

At MSF's request, the Contractor or its subcontractor shall provide qualified referrals to Michigan firms, including but not limited to referrals for legal, translation, advertising, local employment practices, credit and other professional services. It is required to include the MSF staff, International Trade Manager, on all communications with the Michigan firm.

(4.) Database of Trade Contacts

The Contractor or its subcontractor shall maintain a database of agents, distributors, manufacturers, retail outlets, international trade service providers including translating companies, advertising companies, law firms, government offices and government officials, and other organizations and individuals as necessary to perform duties as Contractor or subcontractor.

(5.) Development of Trade Contacts and Leads

The Contractor or its subcontractor shall obtain, maintain, and strengthen contacts with businesses throughout the target market(s) in order to create additional trade leads for the MSF.

(6.) Business Appointments and Assistance

At MSF's request, the Contractor or its subcontractor shall assist in arranging business appointments and itineraries for visiting business executives from the State of Michigan.

(7.) Annual State Trip

At MSF's request, the Principal Officer of the Contractor or its subcontractor shall visit Michigan annually for up to one week to attend and/or participate in conferences, programs, training sessions or pre-scheduled company meetings arranged by the MSF. Travel expenses shall be pre-authorized by the MSF in advance

(8.) Trade Missions

At MSF's request, the Contractor or its subcontractor shall help organize and participate in official Michigan trade delegations to target market(s), including governor-led missions.

- i. Business Matchmaking – The Contractor or its subcontractor will arrange customized one-on-one business appointments with prospective agents, distributors, or buyers. Participants average one to four business appointments each day depending on the company's products, services and objectives in addition to the distance between meetings.
 - Market Research – Customized market research, industry information and analysis should be provided to the participating companies prior to the visit.
- ii. In-Country Business Briefings – The Contractor or its subcontractor will be required to coordinate an in-country briefing for participating companies within 36 hours of arrival to the market. This includes coordinating space, speakers and topics such as: economic outlook, leading sectors, legal considerations, business cultural tips, distribution and sales channels and other approved topics. Speakers may include contractor or subcontractor staff, U.S. Commercial Service specialists, industry experts, associations, local businesses and/or government officials.
 - In-Country Staff Support – The Contractor or its subcontractor will assist companies with preparation for missions, accompany the delegation, and provide post-mission follow-up.
- Director or approved delegate is required to travel with the delegation to manage the in-country service delivery.
- iii. Ground Transportation – The Contractor or its subcontractor will arrange group ground transportation to and from the airport and hotel; assist companies with coordinating and paying transportation for in-country meetings.
 - Group-rate Accommodations – The Contractor or its subcontractor will provide hotel suggestions and negotiated group hotel rates for the delegation.
- iv. Other services – Recommendations for suitable drivers, interpreters and business services should be available upon request.

(9.) Information

The Contractor or its subcontractor shall maintain an in-depth knowledge of Michigan's economic

structure, business interests/practices and culture. The Contract or its subcontractor should report any country-specific news, policy changes and current events that may affect the business relationship with the MSF or Michigan's exporters. The Contractor shall be required to track progress and complete reporting requirements, as instructed by the MSF.

(10.) General Conduct

The Contractor or subcontractor shall set clear and realistic expectations for each project with Michigan companies along with a detailed timeline for deliverables. All conference calls with Michigan companies should be conducted during standard business hours in the U.S. unless otherwise agreed upon by both parties.

(11.) Monthly/Annual Reports

Expenses incurred at the request of the MSF that are outside of the contract, if any, should be sent via email to the MSF Contract Manager, with a corresponding request for reimbursement.

The Contractor or its subcontractor shall submit a monthly report to the MSF detailing content and results of work related to points (1) through (10).

- i. Summary of conference calls – Record written confirmation of initial contact with company, notes, and project scope of work.
- ii. Summary of meetings with companies during annual trip to Michigan.
- iii. Contracted Projects – Record start/end date of project, type of activity, country, number of meetings, notes, and final deliverable.
- iv. Final reports – The Contractor shall also prepare and provide the MSF with an annual report summarizing all business development and other activities engaged in by the Contractor or its subcontractor in the target market(s).

EXHIBIT B
Proposal Evaluation Form
International Trade Centers RFP

Name of Applicant: _____

Name of Reviewer: _____

Criteria	Reviewer's Comments	Points
<p>1. Bidder Information: Stated the full name, address, phone number of the organization and, if applicable the branch office or other subordinate element that would perform or assist in performing the work. If a corporation, included the state in which it is incorporated. If appropriate, stated whether the organization is licensed to operate in the State of Michigan.</p>		<p>Max Possible: 5</p> <p>Score:</p>
<p>2. Understanding RFP: Demonstrated a thorough understanding of the need(s) presented by the RFP in response to selected deliverables.</p>		<p>Max Possible: 10</p> <p>Score:</p>
<p>3. Statement of Work: Included a narrative summary and timelines of the proposed effort and of the service(s) that will be delivered.</p>		<p>Max Possible: 25</p> <p>Score:</p>
<p>4. Prior Experience: Described the prior experiences of the organization, which they considered relevant to the successful accomplishment of the project defined in the RFP.</p>		<p>Max Possible: 25</p> <p>Score:</p>
<p>5. Track Record of Performance: Described track record of performance in proposed services.</p>		<p>Max Possible: 25</p> <p>Score:</p>
<p>6. Staffing: Identified a lead Project Manager and staff assigned by name and title. Included relevant experience and any other appropriate information. Listed all subcontractors that will be engaged.</p>		<p>Max Possible: 10</p> <p>Score:</p>
<p>Total Score:</p>		<p>Max. Possible: 100</p> <p>Score:</p>



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:

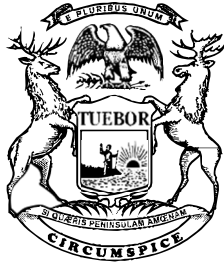
I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

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



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: March 28, 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 February 1, 2023, to February 28, 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 this new reporting layout or with the contents of these reports.

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from February 1, 2023 to February 28, 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 February delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout February 2023, 7% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all February approved projects through delegated authority have committed to create just over 1,100 jobs and just over \$156 million in private investment.

MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during February 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
SMTAutomation LLC	2/14/2023	Bruce Township	\$300,000	SMTAutomation specializes in the design, production, and installation of a wide range of equipment for assembled process automation and provides services including CNC machining, laser cutting, and more. Current clients include OEMs and Tier 1 suppliers including GM, Ford, Magna and others. The company is based in Roseville and currently has 57 full-time employees and 30 contract employees. SMTAutomation, a provider of automation equipment and machining services, is expanding in Bruce Township with support from the Michigan Strategic Fund. The project is expected to generate a total capital investment of \$7.2 million and create 60 well-paying jobs, supported by a \$300,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over a competing site in Washington.
Cresa Dallas	2/16/2023	Brownstown	\$115,000	The Company has been contracted by a large automotive manufacturer located in Michigan to handle inbound logistics operations. As a result, the Company is looking to establish a new location that will facilitate receiving, storing, shipping, and delivering parts for the customer's manufacturing plant. The Company plans to lease 135,000 square feet of the existing facility for 5 years and expects to invest over \$100,000 into the building as general rehab. The Company is considering Brownstown Township for the project and anticipates the project will result in capital investment of up to \$966,790. The project will also result in the creation of up to 23 new jobs paying an average wage of \$888 per week plus benefits.
Flavorsum LLC	2/21/2023	Kalamazoo	\$500,000	FlavorSum LLC provides flavor solutions for the food and beverage manufacturing industry, helping companies go to market quickly and cost-effectively with innovative solutions for delivering great-tasting products that inspire loyalty among consumers. The company currently employs 60 Michiganers at its facility in the city of Kalamazoo. FlavorSum is experiencing continued growth and plans to expand into vacant, brownfield property that is adjacent to its existing operations. The new facility will house production, warehousing operations, lab space and specialized cooler space. The project is expected to generate a total capital investment of \$10 million and create 51 jobs. Michigan was chosen for the project over competing sites in the U.S. and Canada.

Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Frankenmuth Bavarian Inn Motor Lodge, Inc.	2/23/2023	Frankenmuth	\$750,000	Michigan Business Development Program Supporting an expansion project by the Bavarian Inn Lodge that will bring an indoor waterpark and visitors to downtown Frankenmuth with support from the Michigan Strategic Fund. The project is expected to generate a total capital investment of \$80 million and create 71 jobs, supported by a \$750,000 grant. The Frankenmuth Bavarian Inn Motor Lodge, Inc. first opened in 1986 and today has 360 rooms with 35,000 square feet of family entertainment center space. The lodge is an attraction destination for visitors from neighboring states including Ohio, Illinois, Indiana, Pennsylvania, and Canada. The resort currently employs more than 300 Michiganders.

Jobs Ready Michigan Program

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
The Shyft Group	2/3/2023	Charlotte	\$800,000	Shyft Group, a manufacturer of delivery and specialty vehicles, is expanding to produce EV commercial vehicles in Charlotte with support from the Michigan Strategic Fund. The project is expected to generate a total capital investment of \$16 million and create 680 manufacturing jobs, supported by an \$800,000 Jobs Ready Michigan Program performance-based grant to assist with recruitment and training. Michigan was chosen for the project over competing sites in Indiana and Pennsylvania.
Commonwealth Associates, Inc.	2/14/2023	Jackson	\$400,000	Project involves the purchase and rehabilitate of a recently vacated 42,000 square feet, four story Comerica Bank building in downtown Jackson. This facility would become the home office of the Company. The project involves the creation of up to 60 total new jobs and a capital investment of up to \$4,264,651 in the City of Jackson, Jackson County.

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
Renovare Ypsilanti Homes, LLC	2/2/2023	Ypsilanti	\$232,614	Project will construct 46 for-sale single family residential units in Ypsilanti. 50% of the units will be set aside for households earning between 40-80% AMI.
Commonwealth Associates, Inc.	2/15/2023	Jackson	\$402,986	Project involves the purchase and rehabilitate of a recently vacated 42,000 square feet, four story Comerica Bank building in downtown Jackson. This facility would become the home office of the Company. The project involves the creation of up to 60 total new jobs and a capital investment of up to \$4,264,651 in the City of Jackson, Jackson County.

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 – Michigan Business Growth Fund (MBGF) Collateral Support Program

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
True Wrap, LLC	2/1/2023	Grand Rapids	\$100,000	Citizens National Bank is working with True Wrap to establish a working capital line of credit. Due to collateral shortfall on the note, the bank is requesting assistance from the MBGF 2.0 CSP.
White Lake Ace, LLC	2/20/2023	Whitehall	\$206,500	West Shore Bank is working with White Lake Ace, LLC to establish a working capital line of credit. Due to collateral shortfall the bank is requesting assistance from the MBGF 2.0 CSP.
JMC Electrical Contractor LLC	2/21/2023	Clinton Twp	\$1,932,569	JMC Electrical Contractor, LLC is working with Citizens National Bank for a term note for working capital and contractual agreements. Due to collateral shortfall on the note, the bank is requesting assistance from the MBGF 2.0 CSP.

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
Michigan Software Labs - Marketing Video Translation	2/2/2023	Ada	\$3,750
Acromag, Incorporated - Embedded World 23 Trade Show	2/3/2023	Wixom	\$14,273
GANTEC - 23 Foreign Matchmaking Sample Product Shipping	2/3/2023	Midland	\$15,000
International Strategic Management - Access to Africa Now Webinar Series	2/3/2023	Bloomfield Hills	\$150
La Salonniere, LLC - African Art Fair and EU Sales Trip	2/3/2023	Detroit	\$8,108
M Argueso & Company Inc. - Sales Trip to Mexico	2/3/2023	Muskegon	\$1,663
MedImage, Inc. - ISO 13485 2016 Recertification	2/3/2023	Ann Arbor	\$4,275
Michigan Software Labs - Mexico City Sales Trip	2/3/2023	Ada	\$3,123
Anderson Paint Store LLC - Accra Ghana La Palm Royal Beach Hotel	2/6/2023	Detroit	\$9,990
Beet, Inc. - UK, Germany, Italy Sales Trip	2/6/2023	Southfield	\$7,937
BioPro Inc - CSSH Annual Expo Canada	2/6/2023	Port Huron	\$3,663
Bromberg & Associates, LLC - ALC Annual Expo in Costa Rica	2/6/2023	Hamtramck	\$966
Coventry Creations - Australia and New Zealand Trade Mission	2/6/2023	Ferndale	\$6,975
eAgile, Inc. - EXIM Credit Insurance	2/6/2023	Grand Rapids	\$5,625
Global Automation Technologies LLC - Australia and New Zealand Trade Mission	2/6/2023	Rochester Hills	\$6,719
IT-Harvest - Info Security Europe London	2/6/2023	Birmingham	\$15,000
Q-Sage, Incorporated - GEAPS Annual Exchange 23	2/6/2023	Mt. Pleasant	\$7,871
The Bohning Company - Virtual Exportech	2/6/2023	Lake City	\$900
VS Aviation LLC - GSGP South Africa and Kenya Trade Mission	2/6/2023	Grand Rapids	\$6,600
Airflow Sciences Corporation - PowerGen International Florida	2/7/2023	Livonia	\$1,677
Coventry Creations - ExporTech	2/7/2023	Ferndale	\$900
Great Lakes Label, LLC - Sales Trip Mexico	2/7/2023	Comstock Park	\$3,705
Unist, Inc - Apex Manual Translations	2/7/2023	Grand Rapids	\$4,812

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Facet International Marketing - Australia and New Zealand Trade Mission	2/8/2023	Novi	\$8,894
Loc Performance Products - MEDC IDEX and NAVDEX	2/8/2023	Plymouth	\$8,058
Celcius Corp dba GC Biowater - India Sales Trip	2/9/2023	Bloomfield Hills	\$2,845
Boride Engineered Abrasives - Expotech 23	2/14/2023	Traverse City	\$900
ETO Magnetic Corp. - International Fluid Power Exposition	2/15/2023	Grand Rapids	\$15,000
Landscape Forms - Azure Awards 23	2/15/2023	Kalamazoo	\$15,000
AAR Mobility Systems - IDEX	2/15/2023	Cadillac	\$11,466
American Classic Roofing & Building Supply, LLC - Roofing International Orlando	2/15/2023	Bailey	\$5,891
Amigo Mobility International - Euroship 23	2/15/2023	Bridgeport	\$15,000
Business-Connect - GSGP South Africa and Kenya Trade Mission	2/15/2023	Grandville	\$2,663
Central Arms LLC - IWA Outdoor Classics	2/15/2023	Mount Pleasant	\$11,081
CT Group, LLC - IWA Outdoor Classic Germany	2/15/2023	Saint Joseph	\$15,000
Flint Technical Geosolutions - Israel Planning and Market Expansion	2/15/2023	Caledonia	\$2,264
Mar-Med Co. - MDR ISO 13485 Compliance for CE	2/15/2023	Grand Rapids	\$15,000
MCM Learning - IDEX 23	2/15/2023	Madison Heights	\$10,787
OASIS Advanced Engineering Incorporated - IDEX 2023	2/15/2023	Lake Orion	\$8,735
OCINK LLC- dba. InkAddict - Facebook International Ads	2/15/2023	Walker	\$15,000
RTV - Choice Hotels International Trade Show	2/15/2023	Traverse City	\$15,000
The BTL Group - Saudi Sales Trip	2/15/2023	Detroit	\$3,375
Workhorse Irons - DC Tattoo Expo	2/15/2023	Grandville	\$1,952
Workhorse Irons - Pittsburgh Tattoo Expo	2/15/2023	Grandville	\$1,647
Bandit Industries - Conexpo Las Vegas	2/16/2023	Remus	\$15,000
Humphrey Products - Sales Trip to Israel and Two Distributors in Europe	2/16/2023	Kalamazoo	\$15,000
Packaging Compliance Labs - MD & M West CA	2/16/2023	Kentwood	\$12,455
Riveer Environmental - IDEX	2/16/2023	South Haven	\$15,000
VS Aviation LLC - IDEX 23	2/16/2023	Grand Rapids	\$7,566
Diagnostic Instruments dba Spot Imaging Solutions - 23 USCAP	2/17/2023	Sterling Heights	\$5,744
Dynamic Conveyor Corporation - French and Spanish Translation	2/17/2023	Muskegon	\$3,881

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Ares Technology, LLC - IDEX 23	2/21/2023	Shelby Charter Township	\$4,508
MHR, Inc. - North America Foam Expo Novi	2/21/2023	Holland	\$7,425
Hougen Manufacturing, Incorporated - FABTECH MEXICO 23	2/23/2023	Swartz Creek	\$6,450
IMPCO Microfinishing - GM Plant Meeting Mexico	2/23/2023	Lansing	\$2,915
National Research Company - Prospectors and Drilling Conf Toronto	2/23/2023	Chesterfield	\$3,570
Sebright Products, Inc. - WWETT Indianapolis	2/23/2023	Hopkins	\$15,000
Supply Chain Solutions - Ceratti Sao Paulo Client Meeting	2/24/2023	Grand Rapids	\$2,219
Constructive Eating, Inc. - The Inspired Home Show Chicago	2/24/2023	Ann Arbor	\$9,171
Harpco Systems, Inc. - Aeromart Montreal	2/24/2023	Novi	\$4,664
Health 4 Hire, Inc. - International Schools Marketing Campaign	2/24/2023	Grand Rapids	\$6,578
Iris Dx, Inc. - UAE Sales Distributor Trip	2/24/2023	Kalamazoo	\$6,998
Kamps Hardwoods - Dubai Wood Show and Sales Trip	2/24/2023	Gaines Township	\$5,909
Kamps Hardwoods - Interzum Trade Show Germany	2/24/2023	Gaines Township	\$6,702
Oxus America, Inc - EU Medical Device Regulation	2/24/2023	Auburn Hills	\$2,696
Pisces Fish Machinery, Inc. - Seafood Processing North America Boston	2/24/2023	Wells	\$15,000
Soothsayer Analytics - Middle East Energy Dubai	2/24/2023	Livonia	\$4,733
Greening Associates, Inc. - Asia Brake 23 Thailand Sales Trip	2/27/2023	Detroit	\$8,825
Merlin Simulation, Inc. - Heli Expo 23 Georgia	2/27/2023	Dexter	\$7,092
RoboBuoy, Inc. dba MarkSetBot - SailGP Australia	2/27/2023	Detroit	\$10,121
VS Aviation LLC - MRO Middle East Dubai	2/27/2023	Grand Rapids	\$2,310
Wareologie - International EU Product Testing	2/27/2023	Southfield	\$12,750
Supply Chain Solutions - Brazil Business Dev Trip	2/28/2023	Grand Rapids	\$4,751
Advanced Avionics Inc., dba LaserBlast - DEAL Expo	2/28/2023	Plymouth	\$7,086
MIC Customs Solutions - FTA and GTM Workshop	2/28/2023	Southfield	\$5,138
Workhorse Irons - Motor City Tattoo Expo	2/28/2023	Grandville	\$1,499

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 in February 2023.

Business Development Program (BDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
West Contract Manufacturing	2/22/2023	Walker	This agreement will be amended to increase the MBDP grant from \$500,000 to \$910,000, increase the required job creation from 110 to 200, and extend the term of the grant by one year.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

Project Name	Project Location	Incentive Type	Amount	Date	Reason for Termination	Repayment
XL Fleet - HQ	Wixom	Business Development Program	\$400,000	2/15/2023	Company requested a mutual termination due to not moving forward with project	\$0
Clearcover	Detroit	Jobs Ready Michigan	\$100,000	2/16/2023	Unable to fulfill grant requirements	No funds were disbursed