MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA
July 9, 2024
9:00am

I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT

III. COMMUNICATIONS

IV. CONSENT AGENDA

a. Proposed May 21, 2024, Meeting Minutes 3
b. Act 381 Memorandum of Agreement: MSF, EGLE, Treasury, and MSHDA.14
c. Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment 26
d. Match on Main: FY24 Grantee Selection.....34
e. CDBG Amendments: Public Gathering Spaces Initiative.....50
f. 601 West, LLC: Loan Participation Amendment 58
g. Billerud U.S. Production Holding, LLC: Delta County Forest Products Renaissance Zone Rescission 65

V. ATTRACT RETAIN AND GROW BUSINESS

a. Ford Motor Company and Marshall Area Economic Development Alliance: 1. A resolution to approve a Critical Industry Program Grant Amendment, a mutual rescission of a Michigan Strategic Fund Renaissance Zone, a State Essential Services Assessment (SESA) Exemption authorization to exempt the SESA on Eligible Manufacturing Personal Property to Ford Motor Company, on behalf of BlueOval Battery Michigan, LLC, 2. a resolution to approve Strategic Site Readiness Program Grant Amendments for the Marshall Area Economic Development Alliance and 3. a mutual rescission of a Critical Industry Program Grant, and a SESA Exemption Amendment for Ford Motor Company.....74
Locations: County of Calhoun; Southeast Michigan

b. Gestamp North America, Inc: A resolution to approve three 15-year 100% State Essential Services Assessment Exemptions with an estimated value of up to $5,963,232 and a Michigan Business Development Program Grant in the amount of up to $5,000,000. 113
Locations: Township of Chesterfield; City of Mason; City of Chelsea; City of Lapeer.

VI. DEVELOP ATTRACTIVE PLACES

a. Broadway Detroit Development II, LLC: A resolution to approve a Michigan

Community Revitalization Program Other Economic Assistance Loan Participation in the amount of up to $8,219,556 for Broadway Detroit Development II, LLC, and a Brownfield Act 381 Work Plan for eligible activities capped at $3,455,600 for the City of Detroit Brownfield Redevelopment Authority.....135
Location: City of Detroit

b. Coleman Allen, LLC: A resolution to approve a Michigan Community Revitalization Program Other Economic Assistance Loan Participation in the amount of up to $2,673,400 for Coleman Allen, LLC.....157
Location: City of Pontiac

VII. SUPPORT SMALL BUSINESS

a. BerQ US Investments, LLC: A resolution to approve a Private Activity Bond Inducement amendment to include two additional project locations and increase funding in the amount of up to $235,000,000.....173
Locations: Village of Farwell; City of Kalamazoo

b. eLab Capital Partners III, Michigan Innovation Fund LP: A resolution to approve SSBCI 2.0 Small Business Venture Capital Program funding in the amount of up to $11,000,000 in the form of a limited partnership to eLab Capital Partners III, Michigan Innovation Fund LP. 178

c. Side Door Michigan I, LP: A resolution to approve SSBCI 2.0 Small Business Venture Capital Program funding in the amount of up to $9,800,000 in the form of a limited partnership to Side Door Michigan I, LP. 190

VIII. ADMINISTRATIVE

a. Renaissance Zone Amendment Guidelines 200

IX. INFORMATIONAL

a. Delegation of Authority Report.....206

***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
May 21, 2024

Member Present
Quentin L. Messer, Jr.

Members Joined Remotely
Britany L. Affolter-Caine
Director Corbin
Wesley Eklund
Rachael Eubanks
Dimitrius Hutcherson
Michael B. Kapp (in lieu of Director Wieferich)
Dan Meyering
Leon Richardson
Susan Tellier
Randy Thelen
Cindy Warner

Absent
Charles P. Rothstein

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 10:02 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing.

Mr. Messer introduced Natalie Davenport, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENT

Randy Thelen joined the meeting remotely at 10:05 a.m.

Susan Tellier joined the meeting remotely at 10:10 a.m.

Ms. Natalie Davenport explained the process for members of the public to participate. Public comment was had.

III. COMMUNICATIONS

Ms. Davenport stated that six (6) communications were emailed to the MSF Board on Friday, May 17th.

IV. CONSENT AGENDA

Resolution 2024-075, Approval of Consent Agenda Items

Quentin L. Messer Jr. asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Randy Thelen motioned for the approval of the following:

a. Proposed April 16, 2024, Meeting Minutes
b. Travel Marketing: Approval of Accessibility Grant Award Recommendations Round Two **2024-076**
c. Request for Proposals: Germany/Austria/Switzerland Tourism Marketing Representative **2024-077**
d. Request for Proposals: United Kingdom/Ireland/Scotland Tourism Marketing Representative **2024-078**
e. FY24 Contract Amendment: Michigan Israel Business Accelerator **2024-079**
f. Detroit Medical Center Renaissance Zone Extension **2024-080**
g. SHPO Dairy Distillery Memorandum of Agreement & Constantine Hydroelectric Programmatic Agreement **2024-081 & 2024-082**
h. Bogan Developments, LLC: MCRP Grant Amendment **2024-083**
i. MSF Designee to the American Center for Mobility's Board of Directors **2024-084**

Randy Thelen motioned for the approval of Resolution 2024-075 to approve the consent agenda. Susan Tellier seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Cindy Warner left the meeting at 10:48 a.m.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

Susan Corbin joined the meeting remotely at 10:52 a.m.

Leon Richardson joined the meeting remotely at 10:55 a.m.

V. ATTRACT, RETAIN, AND GROW BUSINESS

a. Resolution 2024-085 Strategic Site Readiness Program Grant for the Flint and Genesee Group Foundation. Christin Armstrong, Senior Vice President of Business Development Programs and Execution, supported by Tyler Rossmaessler of the Flint & Genesee Economic Alliance, provided the Board with information regarding this action. This action involves the consideration of a resolution to approve a Strategic Site Readiness Program grant in the amount of $250,000,000 for the Flint and Genesee Group Foundation.

Wesley Eklund left the meeting at 11:02 a.m. due to connection issues.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-085

for the approval of the Strategic Site Readiness Program grant. Leon Richardson seconded the motion. **The motion carried: 9 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

Dimitrius Hutcherson joined the meeting remotely at 11:03 a.m.

Wesley Eklund rejoined the meeting remotely at 11:05 a.m.

VI. DEVELOP ATTRACTIVE PLACES

a. Resolutions 2024-086 & 2024-087 Ironworks 39, LLC Michigan Community Revitalization Program Other Economic Assistance loan and Act 381 Work Plan. Sarah Snoeyink, Community Development Manager, supported by Trisha Kidd of Plaza Corp, provided the Board with information regarding this action. This action involves the consideration of two resolutions to approve a Michigan Community Revitalization Program Other Economic Assistance loan for Ironworks 39, LLC, and an Act 381 Work Plan for the City of Kalamazoo Brownfield Redevelopment Authority.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-086 for the approval of the Michigan Community Revitalization Program Other Economic Assistance loan. Britany L. Affolter-Caine seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

Randy Thelen motioned for the approval of Resolution 2024-087 for the approval of the Act 381 Work Plan. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

b. Resolution 2024-088 Revitalization And Placemaking Grant Awards. Lori Mullins, Vice President of Place Incentives, provided the Board with information regarding this action. This action involves the consideration of a resolution to approve an increase of $250,000 to the existing Revitalization and Placemaking (RAP) grant to the Flint and Genesee Chamber Foundation, bringing their total grant amount to $10,250,000, a RAP grant in the amount of $5,000,000 to support The Products on Evans, LLC, and a RAP grant the amount of up to

$6,500,000 for Sawmill Lofts, LLC.

Dimitrius Hutcherson motioned for the approval of Resolution 2024-088 for the approval of the Revitalization and Placemaking awards. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

VIII. INFORMATIONAL

a. Quentin L. Messer, Jr. noted the Michigan Strategic Fund Delegation of Authority Report for the period April 1, 2024, to April 30, 2024, was included in the meeting packet. There were no questions regarding the report.

Quentin L. Messer, Jr. adjourned the meeting at 11:16 a.m.

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

Natalie Davenport (MEDC)

From: derekbonevelle@everyactioncustom.com on behalf of Derek Bonevelle <derekbonevelle@everyactioncustom.com>
Sent: Tuesday, May 7, 2024 1:17 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

I am writing to urge you to oppose investment in the Copperwood mine.The potential long term harmful impacts of the mine on the community's local economy far outweigh the short-term economic benefits. I do not believe that this project meets the following criteria for the Strategic Site Readiness Program application, as this mine: 1. does not promote sustainable development 2. creates an unacceptable level and extent of environmental contamination and 3. is a poor overall return on investment to Michigan. My opposition is based on the following concerns:

1. Since Copperwood's ore grade is only 1.5%, nearly 99% of what comes out of the ground will NOT be copper. For only 30 pounds of extracted copper, 1,970 of mine waste will be produced. Applying the same ratio to the proposed grant, only $750,000 would fund copper, while more than $49M would fund sulfide-bearing, toxic waste, requiring on-site storage and maintenance, forever.

2. Copperwood poses a significant threat to Lake Superior, which contains 10% of the world's surface freshwater. The company's maps clearly show that the best copper is closest to the lakeshore. The proposed location of the tailings facility is dangerously close to Lake Superior and will store over 50 million tons of toxic mine waste and introduce the risk of acid mine drainage.

3. The mine's construction threatens an endangered species protected under Michigan law, the Redside Dace fish. The mine would be permitted to dump up to half a million gallons of wastewater per day into Namebinag Creek, the dwelling place of the Redside Dace.

4. Without adequate environmental protections the proposed mine puts at risk the community's outdoor recreation economy. Outdoor recreation contributes more than 10 times as much to Michigan's economy than mining does.

5. Despite its remote location, the project is opposed by many thousands of people. A petition opposing Copperwood has nearly 12,000 signatures:
https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.change.org%2Fprotecttheporkies&data=05%7C02%7Cmsfcomments%40michigan.org%7Cad10f40cfe7e44ad878608dc6eb970d6%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638506989950053887%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=VBU1fqFGR0%2BLtkMOtf7EwOB92ZxOc4mkSgFcakL5O5s%3D&reserved=0

Thank you for the opportunity to comment.

For the Great Lakes,
Mr. Derek Bonevelle
637 Valkyrie St Gwinn, MI 49841-2724
derekbonevelle@gmail.com

Natalie Davenport (MEDC)

From: karinkozie@everyactioncustom.com on behalf of Karin Kozie <karinkozie@everyactioncustom.com>
Sent: Sunday, May 5, 2024 8:18 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

I am writing to urge you to oppose investment in the Copperwood mine.The potential long term harmful impacts of the mine on the community's local economy far outweigh the short-term economic benefits. I do not believe that this project meets the following criteria for the Strategic Site Readiness Program application, as this mine: 1. does not promote sustainable development 2. creates an unacceptable level and extent of environmental contamination and 3. is a poor overall return on investment to Michigan. My opposition is based on the following concerns:

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Thank you for the opportunity to comment.

For the Great Lakes,
Ms. Karin Kozie
29580 County Highway C Washburn, WI 54891-4810 karinkozie@gmail.com

Natalie Davenport (MEDC)

From: madeline.hart@everyactioncustom.com on behalf of Madeline Hart <madeline.hart@everyactioncustom.com>
Sent: Wednesday, May 8, 2024 2:54 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

I am writing to urge you to oppose investment in the Copperwood mine.The potential long term harmful impacts of the mine on the community's local economy far outweigh the short-term economic benefits. I do not believe that this project meets the following criteria for the Strategic Site Readiness Program application, as this mine: 1. does not promote sustainable development 2. creates an unacceptable level and extent of environmental contamination and 3. is a poor overall return on investment to Michigan. My opposition is based on the following concerns:

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Thank you for the opportunity to comment.

For the Great Lakes,
Mrs. Madeline Hart
27240 S Pratt Rd Bayfield, WI 54814-4693 madeline.hart@gmail.com

Natalie Davenport (MEDC)

From: m2top.sl@everyactioncustom.com on behalf of Max Topping <m2top.sl@everyactioncustom.com>
Sent: Wednesday, May 15, 2024 10:16 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

I am writing to urge you to oppose investment in the Copperwood mine.The potential long term harmful impacts of the mine on the community's local economy far outweigh the short-term economic benefits. I do not believe that this project meets the following criteria for the Strategic Site Readiness Program application, as this mine: 1. does not promote sustainable development 2. creates an unacceptable level and extent of environmental contamination and 3. is a poor overall return on investment to Michigan. My opposition is based on the following concerns:

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https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.change.org%2Fprotecttheporkies&data=05%7C02%7Cmsfcomments%40michigan.org%7C7a36896b731f45ef47b708dc754e0f61%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638514225678778845%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C60000%7C%7C%7C&sdata=f75VNmvpPFQaM4iE9CMAg8j5TfqHuax8sEY7dXUuuP4%3D&reserved=0

Thank you for the opportunity to comment.

For the Great Lakes,
Mr. Max Topping
21595 South Lyon, MI 48178
m2top.sl@gmail.com

Natalie Davenport (MEDC)

From: tmcongdon@everyactioncustom.com on behalf of Tina Congdon <tmcongdon@everyactioncustom.com>
Sent: Sunday, May 5, 2024 4:57 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

I am writing to urge you to oppose investment in the Copperwood mine.The potential long term harmful impacts of the mine on the community's local economy far outweigh the short-term economic benefits. I do not believe that this project meets the following criteria for the Strategic Site Readiness Program application, as this mine: 1. does not promote sustainable development 2. creates an unacceptable level and extent of environmental contamination and 3. is a poor overall return on investment to Michigan. My opposition is based on the following concerns:

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Thank you for the opportunity to comment.

For the Great Lakes,
Mrs. Tina Congdon
627 Adams St Fort Atkinson, WI 53538-1466 tmcongdon@gmail.com

Natalie Davenport (MEDC)

From: CaptinChad@everyactioncustom.com on behalf of Tony Janisch <CaptinChad@everyactioncustom.com>
Sent: Sunday, May 5, 2024 11:02 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

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Thank you for the opportunity to comment.

For the Great Lakes,
Mr. Tony Janisch
26 W 4th St Washburn, WI 54891-9457
CaptinChad@yahoo.com

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund Board**

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

Subject: **Request to enter into Memorandum of Agreement (MOA) between Michigan Strategic Fund (MSF), Michigan Department of Environment, Great Lakes and Energy (EGLE), Michigan Department of Treasury, and the Michigan State Housing Development Authority (MSHDA)**

Request
MEDC staff request the MSF authorize the Fund Manager to enter into a Memorandum of Agreement between MSF, EGLE, Treasury and MSHDA.

Background
The MSF Board approved the authorization for the Fund Manager to execute the MOU between MSF and EGLE, then referred to as the Department of Environmental Quality (DEQ) on July 22, 2014. This MOU defined the roles and responsibilities of MSF and EGLE, identified the administrative roles that each agency had to administer allocation of funds generated by the State Brownfield Redevelopment Fund (SBRF), and the responsibilities of statutory reporting obligations by MSF via MEDC.

On September 19, 2019, the MOU between EGLE and MSF was modified to be a Memorandum of Agreement that included MSF, EGLE, and Michigan Department of Treasury (Treasury) The addition of Treasury was necessary because the Michigan legislature amended Act 381 to add Treasury as a party that was able to receive funds via the BRF because of the creation of the Transformational Brownfield Program.

In July of 2023, the Michigan Legislature passed amended legislation adding eligible activities that are required to be approved by MSHDA within the Brownfield Redevelopment Financing Act, 1996 Public Act 381 ("Act"), as amended.

The MOA now defines the administrative roles of all four agencies as it relates to the management of the funds generated by the BRF and statutory reporting requirements.

Recommendation
The MEDC staff recommends the MSF authorize the Fund Manager to execute the Memorandum of Agreement between MSF, EGLE, Treasury and MSHDA.

MICHIGAN STRATEGIC FUND
RESOLUTION

2024-090

AUTHORIZATION OF FUND MANAGER TO EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN MICHIGAN STRATEGIC FUND, DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENEGY, MICHIGAN DEPARTMENT OF TREASURY, AND MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

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

WHEREAS, the Michigan Strategic Fund (MSF) authorized the Fund Manager to execute the original Memorandum of Understanding ("MOU") between MSF and the Department of Environmental Quality ("DEQ"), now the Department of Environment, Great Lakes and Energy ("EGLE") on July 22, 2014 that identified the administrative roles that each agency had to administer allocation of funds generated by the State Brownfield Redevelopment Fund (SBRF) and the responsibilities of statutory reporting obligations by MSF via MEDC;

WHEREAS, a new Memorandum of Agreement was executed on September 19, 2019 between MSF, EGLE and the Michigan Department of Treasury ("Treasury") that succeed the original MOU due to a legislative amendment to Act 381 adding responsibilities specific to Treasury; and

WHEREAS, Public Act 90 of 2023 added eligible activities that require the approval of the Michigan State Housing Development Authority ("MSHDA") and statutory reporting requirements related to those eligible activies;

WHEREAS, the MEDC recommends that the MSF Board authorize the Fund Manager to execute a new Memorandum of Agreement (the MOA) between MSF, EGLE, Treasury and MSHDA (attached as Exhibit A) that identifies the responsibilities of each agency as it relates to administration of the shared elements of Brownfield Program under Act 381.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board authorizes the Fund Manager to execute the amendment to the MOA.

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

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
July 9, 2024

Exhibit A
MEMORANDUM OF AGREEMENT
between the
MICHIGAN STRATEGIC FUND
MICHIGAN DEPARTMENT OF TREASURY
MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
and
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

This Memorandum of Agreement (MOA) between the Michigan Strategic Fund (MSF), the Michigan Department of Treasury (Treasury), the Michigan Department of Environment, Great Lakes, and Energy (EGLE), and the Michigan State Housing Development Authority (MSHDA) shall be effective as of July 9, 2024, and end when the obligations of the parties to administer the conventional brownfield program and transformational brownfield plans have been completed.

1. STATEMENT OF PURPOSE

The purpose of this Memorandum of Agreement is:

A. To set forth the terms and conditions under which MSF, EGLE, and Treasury shall receive reimbursement from the State Brownfield Redevelopment Fund (SBRF) for costs to implement 2017 PA 46 (hereinafter "transformational brownfield plans") and costs to implement 1996 PA 381 (hereinafter "conventional brownfield program") under the Brownfield Redevelopment Financing Act (Act) as follows: MCL 125.2658a(3) of the Brownfield Redevelopment Financing Act provides that up to fifteen percent (15%) of the amounts deposited annually into the SBRF may be used to pay the administrative costs of the parties to implement the Act as well as EGLE's administrative costs to implement Part 196 of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.19601 to 324.19616.

B. To set forth the duties, functions, and responsibilities of the parties with respect to the administration of conventional brownfield program and transformational brownfield plans as follows: Michigan Economic Development Corporation (MEDC), under the direction and control of the MSF Board, shall provide administrative services associated with both

types of brownfield plans, including annual reporting obligations under MCL 125.2666 and the non-environmental portion of the SBRF pursuant to MCL 125.2658a. EGLE will administer the environmental portion of the conventional brownfield program and SBRF. MSHDA will administer the portion of the conventional brownfield program that addresses "housing development activities" as defined in MCL 125.2652(x), and as set forth in MCL 125.2663b, MCL 125.2664, and MCL 125.2665, as well as annual reporting under MCL 125.2666. Treasury will analyze data required to administer the transformational brownfield plans, including establishing Initial Income Tax Value and Initial Withholding Tax Value, and review of overall fiscal impact to the state and other information necessary to calculate the amount that will be transferred into the SBRF and dispersed to various parties as required by the Act.

2. TRANSFORMATIONAL BROWNFIELD PLANS

A. MCL 125.2664a(18) requires MSF to charge and collect a reasonable application fee necessary to cover the costs associated with the review and approval of a transformational brownfield plan (TBP).

B. Pursuant to MCL 125.2007(j), MSF may also charge an annual administrative fee to a TBP awardee to cover the cost of expenses incurred for program initiation, software fees, and annual administration by MSF and Treasury. To the extent that the costs exceed the administrative fee, MSF and Treasury will be reimbursed from the portion of the SBRF collected from TBPs. It is generally anticipated that 50 percent of the administration fee will be used to reimburse costs of MSF and 50 percent of the administration fee will be used to reimburse the costs of Treasury with the ability for the parties to mutually agree to amend the ratio of funds split between the parties on an annual basis. The ratios provided for in this Section 2(B) may be modified upon written agreement of the Parties, which will include an itemized list of expenses demonstrating the necessity of the modification.

C. General description of reimbursable costs for administration of TBPs.
   1. The Michigan Strategic Fund
      a. Development of TBP program guidelines, including fee structure and application forms
      b. Development and review of Requests for Proposals for the independent third-party underwriting, fiscal and economic analyses and manage contracts with selected consultants

c. Support the work of the independent third-party consultants in their process of collecting materials and completing the underwriting, fiscal and economic analyses
d. Initial project evaluation through review and approval of a TBP
e. Certify construction costs and capital investment
f. Post-construction evaluation "true up" of construction costs, property tax assessment, and incentive amounts
g. Monitor Tax Increment Revenue reimbursement through annual reporting from local Brownfield Redevelopment Authority (BRA)
h. Ongoing compliance reviews and reporting and other activities that may be required under the Act
i. Monitoring of the sales and use tax exemptions
j. Legislative reporting

2. The Michigan Department of Treasury
    a. Establish baseline activity within the area of the TBP, consisting of:
        i. Initial value overview to determine what activity may exist
        ii. Initial Income Tax Value for current residents
        iii. Initial Withholding Tax Value for businesses
    b. Review calendar year activity under the TBP for the amounts required to be deposited into the SBRF for reimbursement to the developer under each TBP based on:
        i. Construction period tax capture revenues
        ii. Withholding tax capture revenues
        iii. Income tax capture revenues
        iv. Sales and use tax capture revenues
    c. Disburse funds in accordance with the TBPs
    d. Monitor disbursements under the TBPs to account for and carry forward all unused annual funding and to assure that the maximum disbursements of $80 million per calendar year and $1.6 billion in total post-construction income tax capture, withholding tax capture, and sales and use tax capture revenues are not exceeded
    e. Develop a corrective action plan if the construction period tax capture revenues exceed $200 million

3. CONVENTIONAL BROWNFIELD PROGRAM

A. Pursuant to MCL 125.2658a, EGLE and MSF administrative costs for conventional brownfield programs are drawn from the SBRF on an annual basis, not to exceed a total of 15 percent of the SBRF. The remainder of the SBRF that is associated with the conventional brownfield program will be used for grant and loan programs administered by MEDC and EGLE to cover costs of eligible activities on eligible or anticipated to be eligible property, and also to distribute revenues to MSHDA's Housing Development Fund.

1. The conventional brownfield program administrative portion of the SBRF shall be distributed on an annual basis between EGLE and MSF in the following priority:
    a. MSF shall be fully reimbursed for documented administrative services and associated expenses incurred in connection with maintaining an online portal system to meet the conventional brownfield reporting obligations out of the SBRF funds to the extent SBRF funds are available.
    b. MSF and EGLE shall be fully reimbursed for administration costs associated with reporting including maintenance of BRA contacts and ensuring BRA compliance with reporting requirements. In March of each year, MSF and EGLE will discuss and approve any administrative costs connected with the conventional brownfield reporting obligations and agree on the appropriate amount of reimbursement for each. To the extent MSF or EGLE fails to receive full reimbursement for the costs to administer the brownfield reporting obligations in any one year, the unpaid costs will be carried forward to the following year and added to administrative costs seeking reimbursement through the SBRF.
    c. The remainder of the administrative portion of the SBRF related to conventional brownfield program, if any remaining in each year, is to be split equally between MSF and EGLE, but with the ability for the parties to mutually agree to amend the ratio of funds split between the parties on an annual basis. Any request for funds beyond an equal split by MSF or EGLE will be requested on an annual basis via invoice. The invoice by MSF will clearly delineate between costs directly associated with the brownfield reporting obligations and other administrative costs.

2. Subsequent to the uses described above in Section 3.A.1., the SBRF, not used for administration costs or MSHDA's Housing Development Fund, shall fund grant and loan programs by MSF and EGLE, and will be split equally between the parties annually to implement the conventional brownfield program and programs under Act 381 (MSF and EGLE), and Part 196, Clean Michigan Initiative Implementation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.19601 to 324.19616 (EGLE only).
    a. MSF shall operate the MSF Brownfield Site Investment Program to fund eligible activities under the conventional brownfield program that require MSF approval under Act 381.
    b. EGLE shall utilize the existing EGLE Brownfield Redevelopment grant and loan program to fund eligible activities under the conventional brownfield program that require EGLE approval under Act 381.
    c. MSF and EGLE have the ability to mutually agree to amend the ratio of funds split between the parties on an annual basis.
3. The SBRF shall distribute revenues deposited from a brownfield plan that includes housing development activities and that are approved by MSHDA under Section 13b(4)(b) to the MSHDA Housing Development Fund created in MCL 125.1423.

B. MSF Responsibilities under the conventional brownfield program.
1. Develop and maintain an online portal system for all BRAs to report their annual activities, maintain the portal infrastructure, maintain a BRA contact list, and notify BRA contacts of reporting deadlines.
2. Collect and compile reported data into an annual draft report to submit to EGLE and MSHDA for comment, integrate EGLE and MSHDA comments into the draft report, and present a final joint MSF/EGLE/MSHDA report to the Legislature, per MCL 125.2666(4).
3. Create and distribute invoices based on amounts reported through the annual BRA portal report process.
4. Collect payments from the BRAs and maintain SIGMA coding to hold SBRF funds.
5. Yield in a timely manner, not to exceed 60 days from their request, the necessary proceeds of the SBRF to EGLE and MSHDA per the terms of this MOA.
6. Create and operate a grant and loan program to provide grants and loans to fund eligible activities that require MSF approval under the conventional brownfield program.

7. Coordinate an annual meeting between MSF, EGLE, and MSHDA in order to plan for the upcoming year allocation of SBRF monies associated with the conventional brownfield program and discuss any other issues, as deemed necessary.

C. EGLE Responsibilities

1. Operate a grant and loan program to provide grants and loans to fund eligible activities that require EGLE approval under the conventional brownfield program.
2. Cooperate in any audit of MSF by the Auditor General in programs and expenditures related to this Agreement.
3. Use best efforts to achieve conventional brownfield reporting obligations for eligible activities requiring EGLE approval.
4. Conduct verification of a random sample of one plan each from approximately fifteen percent (15%) of BRAs with plans reported to the portal to ensure accuracy of data.
5. Provide support to MSF as necessary in order to ensure that the annual report to the Legislature is accurate and timely.

D. MSHDA Responsibilities

1. Use best efforts to achieve conventional brownfield reporting obligations for eligible activities requiring MSHDA approval.
2. Cooperate in any audit of MSF by the Auditor General in programs and expenditures related to this Agreement.
3. Provide support to MSF as necessary in order to ensure that the annual report to the Legislature is accurate and timely.

E. MSF, EGLE, and MSHDA Joint Responsibilities

1. Review required legislative reporting to ensure that appropriate detail is being included,
2. Share files as necessary for audit, and
3. Ensure compliance with the requirements of the conventional brownfield program, and EGLE, MSF, and MSHDA policy and procedural guidance related to project reporting and support.

4. **GENERAL PROVISIONS**

A. This MOA contains all the terms and conditions agreed upon by the parties. No other understanding, oral or written, regarding the subject matter of this MOA shall be deemed or exist to bind the parties. This MOA may be modified or extended in writing, upon mutual agreement, and signed by the parties. Fax or PDF signatures of the parties are binding and enforceable. This MOA may be signed in one or more counterparts.

B. Sections 3.A.1, 3.C.2-5 survive termination of this MOA for a period of three years.

FOR THE MICHIGAN STRATEGIC FUND

_____ Dated: _____

Its: Fund Manager

FOR THE MICHIGAN DEPARTMENT OF TREASURY

_____ Dated: _____

Its: [Title]

FOR THE MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

_____ Dated: _____

Its: Director

FOR THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

_____ Dated: _____

Its: Executive Director

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

July 9, 2024

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 Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, July 09, 2024.

- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund Board**

From: **Nataliya Stasiw, Equity Capital Program Director**

Subject: **Michigan State University Foundation - Michigan Rise Pre-Seed Fund - Amendment 4**

Request

The Michigan Economic Development Corporation (the "MEDC") requests that the Michigan Strategic Fund (the "MSF") Board approve (1) an allocation in the amount of $6,000,000 from the Jobs for Michigan investment fund (the "Investment Fund") to Michigan State University Foundation (the "MSUF") (the "Allocation") and (2) an amendment to the Grant Agreement, as amended (the "Grant Agreement") between the MSF and the MSUF (collectively, the "Request"), to fund the continuation of investments in the form of loans and equity financing for the Michigan Rise Pre-Seed Fund III, LLC (the "Pre-Seed Fund").

Background

On April 14, 2020, the MSF Board selected the MSUF following a competitive public application process to manage the Pre-Seed Fund, and awarded it a grant in the amount of $3,000,000, with an initial term of May 1, 2020 through April 30, 2025, with the option to extend up to an additional five years (the "Term") and allocate additional funding throughout the Term at the sole discretion of the MSF Board (the "Pre-Seed Fund Award"). On July 27, 2021, the MSF Board approved allocation of additional funding in the amount of $6,500,000 to the Pre-Seed Fund Award, with the approved allocation reflected in an amendment to the Grant Agreement dated October 14, 2021. On October 25, 2022, the MSF Board approved allocation of additional funding in the amount of $8,000,000 to the Pre-Seed Fund Award, with the approved allocation reflected in an amendment to the Grant Agreement dated October 14, 2021. On July 25, 2023, the MSF Board approved allocation of additional funding in the amount of $5,000,000 to the Pre-Seed Fund Award, with the approved allocation reflected in an amendment to the Grant Agreement dated October 14, 2021.

The purpose of the Pre-Seed Fund is to provide early-stage funding to help Michigan high-tech start-ups achieve commercial and technical milestones that will position them for future scaleup through capital, talent, and customer acquisition. Economic development and diversification of the Michigan economy is the primary objective of the Pre-Seed Fund. Success drivers for the Pre-Seed Fund include collaboration with Michigan SmartZones and university technology transfer offices, supporting high-potential Michigan university spinouts, and a commitment to both demographic and geographic diversity as the Pre-Seed Fund builds its portfolio. The Pre-Seed Fund provides the following financing options to Eligible Companies[1]:

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[1] Eligible Companies means companies that 1) are in the early stages of commercialization in one or more competitive edge technologies including advanced automotive (including mobility), advanced manufacturing, advanced materials, information technology, agricultural processing technology, alternative energy, homeland security and defense technology, life sciences (including medical device technology) or other innovative technologies; 2) is a for-profit LLC, C corporation, or S corporation that has been in business for seven years or less, and with key founders and a majority of its full-time employees located in Michigan; 3) is able to demonstrate strong market potential; and 4) is able to raise a 1:1 match in the form of a co-investment from one or more non-MSF funded entities or a 1:4 match in grant dollars (excluding any MSF grant funds).

- Up to $250,000 per Eligible Company in equity through priced or convertible financial instruments. Investments are generally provided in tranches according to milestones and execution demonstration.
- Up to $500,000 per Eligible Company in loan financing to fulfill purchase orders before payments are received for those orders. The Eligible Company must have a purchase order as verification for the loan and this loan would make a significant impact to working capital and enhance the Eligible Company's ability to scale.

Eligible Companies that receive a loan or investment through the Pre-Seed Fund receive additional value beyond just a capital infusion. MSUF maintains active engagement with portfolio companies, including mentorship, access to an extensive professional network through MSUF, assistance with additional grant funding, and investment syndication.

As of the March 31, 2024, the Pre-Seed Fund has committed investment of $17,449,957 in 92 of the most promising Eligible Companies to build a diverse and high-quality portfolio. Approximately 26% of the Pre-Seed Fund's portfolio companies are university spinouts, which are bringing to market disruptive research being done at Michigan universities. As a result, the Pre-Seed Fund has created over 914 new jobs and attracted over $368,000,000 in follow on funding, including new sales. Approximately 53% of the 95 companies are led by diverse and underserved founders, and approximately 46% of the Pre-Seed Fund's companies are located in SBA HubZones and 26% are located in Michigan Opportunity Zones.

As of March 31, 2024 the Pre-Seed Fund has made 15 Purchase Order Financing loans totaling $2,860,400 to 8 companies. 7 of these loans were paid back and the Pre-Seed Fund is in discussions with another 8 companies for a total PO Financing pipeline of over $1,400,000.

The following testimonial for the Pre-Seed Fund was provided by Pearl Street Electric Inc. ("Pearl Edison"), a clean tech startup based in Detroit, MI:

On behalf of the Pearl Edison team, we want to express our appreciation for the support that Michigan Rise has provided both as equity investors and as a lender through their PO Financing Program.

We learned about Michigan Rise through their presence in the early-stage investment ecosystem in Michigan. They worked with us to structure a short-term debt financing mechanism that catered to our needs. To date, we have borrowed approximately $250K (with additional transactions to come). Through these loans, we have been able to achieve a $1M annual revenue run rate and prove out the viability of short-term debt underwritten by grant-backed subsidies that we have received.

Given the partnership we developed with Michigan Rise through their PO Financing program, we invited them to participate in our pre-seed SAFE financing round. As we look to our next equity financing round ahead, we are excited to deepen our partnership with Michigan Rise through a potential follow-on investment and leverage their investor relationships to find other participants in our financing.

In summary, our Company has been fortunate to build a productive working relationship with Michigan Rise. Their flexibility made a massive difference in the early months of our company. We look forward to growing our business in Michigan with their continued support and guidance.

The following testimonial for the Pre-Seed Fund was provided by Culturewell, Co. PBC ("Culturewell"), a tech-enabled healthcare services startup based in Ann Arbor, MI:

Representing the Culturewell team, we want to express our deep appreciation for Michigan Rise's thoughtful and ongoing dedicated support over the past 18 months. This support has been pivotal in helping us build our early-stage, high-potential Michigan-based startup business!

Culturewell provides groundbreaking tech-enabled services to help health systems prevent costly healthcare-associated infections (HAIs), a massive challenge that 4,500+ U.S. hospitals spend $31B per year fighting to avoid increased morbidity, mortality, lengths of stay, unreimbursed excess costs, and negative quality score impacts. From our very first interactions with Michigan Rise, whom we connected with as a result of their active engagement in the Michigan startup ecosystem, the Michigan Rise team leveraged their deep scientific and startup knowledge to truly understand the unusual and multi-dimensional value that Culturewell was founded on. Culturewell helps stop outbreaks before they start by providing actionable risk-based cleaning insights and trends via cleaning audit subscriptions. With proprietary methods; a fast, high-volume Michigan-based reference laboratory; and a growing novel proprietary dataset for high-impact AI-enabled germ risk assessments and cleaning recommendation engine, Culturewell delivers difficult-to-replicate value to an underserved market. Over the months that followed, we appreciated your thoughtful due diligence, feedback and advice, and willingness to step forward to lead our first fundraising round. Throughout the process, Michigan Rise was a thoughtful lead investor who negotiated a tough yet balanced term sheet that enabled us to attract additional angel and small fund investors. Your willingness to make introductions and speak to other potential investors and accurately answer their many questions from an investor perspective was instrumental in helping us close nearly $1.5M in a difficult funding environment to support our commercialization efforts.

Thank you for your support in helping us establish our Board of Directors, and continuing to serve as an observer and supporter on our Board. We feel fortunate to have such strong investor support from Michigan Rise as we seek to accelerate our commercialization process. We look forward to continuing to work together with Michigan Rise to grow the Culturewell business in Michigan with your insights, advice, and connections.

Based on the Pre-Seed Fund's performance to date and MSUF's strong track record for successful early-stage investments, MEDC staff believes the MSF will realize a return on its investment into the Pre-Seed Fund. In order to support continued investment by MSUF through the Pre-Seed Fund, the MEDC recommends that the MSF Board allocate $6,000,000 from the Investment Fund to the Pre-Seed Fund Award.

Recommendation

MEDC staff recommends that the MSF Board approve the Request

MICHIGAN STRATEGIC FUND
RESOLUTION

2024-091

MICHIGAN STATE UNIVERSITY FOUNDATION
PRE-SEED FUND AMENDMENT 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 Michigan Strategic Fund ("MSF");

WHEREAS, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to Section 88h(1) of the Act, 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 Section 88h(5)(b) of the MSF Act, MCL 125.2088h(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 of the MSF Act;

WHEREAS, pursuant to Section 88h(3) of the MSF Act, MCL 125.2088h(3), the Investment Fund shall be invested as authorized under Chapter 8A of the MSF Act 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, on December 17, 2019, the MSF issued a request for proposals for awarding grants to non-profit organizations that operate early-stage funding programs (the "Pre-Seed Fund RFP"), appointed a joint evaluation committee ("JEC") to evaluate the proposals received in response to the Pre-Seed Fund RFP, and adopted scoring and evaluation criteria to be used by the JEC;

WHEREAS, on April 14, 2020, the MSF Board authorized a grant to the Michigan State University Foundation ("MSU Foundation") with an initial term of May 1, 2020 through April 30, 2025 (the "Initial Term"), with the option to extend up to an additional five years and an initial allocation of $3,000,000 for the first year of the Initial Term, with the option to allocate additional funding throughout the initial term at the sole discretion of the MSF Board and subject to available funds (the "Pre-Seed Fund Grant");

WHEREAS, on July 27, 2021, the MSF Board allocated $6,500,000 in additional funding from the Investment Fund to support a continuation of the Pre-Seed Fund Grant activities;

WHEREAS, on October 25, 2022, the MSF Board allocated $8,000,000 in additional funding from the Investment Fund to support a continuation of the Pre-Seed Fund Grant activities;

WHEREAS, on July 25, 2023, the MSF Board allocated $5,000,000 in additional funding from the Investment Fund to support a continuation of the Pre-Seed Fund Grant activities;

WHEREAS, the MEDC recommends that the MSF Board allocate $6,000,000 in additional funding from the Investment Fund to support a continuation of the Pre-Seed Fund Grant activities (the "Amendment Request"); and

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

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

Ayes:	Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner
Nays:	None
Recused:	Britany L. Affolter-Caine

Lansing, Michigan
July 9, 2024

72 (Rev. 03-19)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

July 9, 2024

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 Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, July 09, 2024.

- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: July 9, 2024

To: Michigan Strategic Fund ("MSF") Board Members

From: Suzanne Perreault, Director, Small Business Services

Subject: Request for MSF Approval of Match on Main Awards

Request

MEDC staff requests the following entities be awarded a Match on Main Program grant in the award amount identified below. Awardees have been selected following an open and completive application process in alignment with the Program Guidelines approved by the MSF in February 2024.

MATCH ON MAIN FY 24 - AWARDEES			
Eligible Applicant	Legal Name of the Business	DBA, If Applicable	Total Grant Award
Region 1			
Negaunee Downtown Development Authority	Snack-Time USA LLC	Slapshot Sandwiches	$25,000.00
Sault Ste. Marie Downtown Development Authority	UP North Nutrition & Gym 906 LLC		$25,000.00
Marquette Downtown Development Authority	Maria Del Barrio, Inc	Cafe Bodega	$25,000.00
Lake Superior Community Partnership, Inc. (on behalf of the City of Ishpeming)	Strong Little Leggies, Inc	Doozers	$25,000.00
Region 2			
City of Charlevoix Downtown Development Authority	Charlevoix Running Company LLC		$25,000.00
City of Cadillac	Walravens Markets		$25,000.00
Region 3			
Rogers City Downtown Development Authority	RC Flower Shop		$25,000.00
City of Alpena Downtown Development Authority	Mangos of Alpena LLC		$25,000.00

Region 4			
City of Plainwell	Mosaic Company	Mosaic Distillery	$25,000.00
Hart Economic & Redevelopment Team	HP105 LLC	Hart Pizza	$25,000.00
City of Allegan	Tilt 118, LLC		$25,000.00
City of Wayland Downtown Development Authority	McDuff's Bar and Grille		$21,670.14
Region 5			
Middle Michigan Development Corporation (on behalf of the City of Clare)	Northern Michigan Land and Cattle	Market on McEwan	$25,000.00
Middle Michigan Development Corporation (on behalf of the City of Harrison)	The Lynx Enterprise		$25,000.00
Buena Vista Charter Township	Redd Unlimited LLC	Baldwin's Smokehouse BBQ	$25,000.00
City of Bay City	Wanigans, Inc.	Wanigan Eatery	$25,000.00
Region 6			
Laingsburg Downtown Development Authority	Reform Wellness, LLC		$22,204.63
City of Owosso Downtown Development Authority	Oak + Ivory LLC	Oak & Ivory Clothing Co.	$24,830.71
Region 7			
Old Town Commercial Association (Old Town, Lansing)	Sweet Custom Jewelry LLC	Sweet Custom Jewelry	$25,000.00
City of Lansing	Veg Head LLC		$15,000.00
Region 8			
Coldwater Downtown Development Authority	Branch County Coalition Against Domestic Violence	Hope Cafe	$20,278.00
City of Kalamazoo	Layla's Cool Pops, Inc		$25,000.00
City of Sturgis Downtown Development Authority	Freakin Sweets LLC	My Freakin' Pizza	$25,000.00
Village of Stevensville	Watermark Brewing Company, LLC		$22,157.36
Village of Cassopolis	The Be Hyve Collective		$25,000.00
Downtown Development Authority of the City of South Haven	Beachtown	Coastal Blue	$25,000.00
Region 9			
Jackson Downtown Development Authority	Voyager Film Company, lLC	Uncharted Film Company	$22,877.98

City of Adrian Downtown Development Authority	101 East Maumee, LLC	Maumee Street: taproom + kitchen	$25,000.00
Saline Historic Downtown Alliance dba Saline Main Street	Updough Enterprises, LLC	DropTop Pizza	$25,000.00
Region 10			
Farmington Downtown Development Authority	Lone Light Spirits	Lone Light Spirits	$25,000.00
Oak Park Corridor Improvement Authority	Best Friends Child-Care, LLC	Best Friends Early Childhood Education Center	$25,000.00

Background

On February 27, 2024, the Michigan Strategic Fund (MSF) approved creation of the Match on Main Program ("the Program"), the adoption of the Program guidelines, and an allocation of $750,000 from the MSHDA Housing Development Fund for the implementation of the Program.

Match on Main serves as a tool to support new or expanding place-based businesses as they seek to launch and grow on main street, by providing up to $25,000 in funding. The program is administered and managed by local entities including municipalities, downtown development authorities, or other downtown management, business support, or community development organizations in eligible Redevelopment Ready Communities® or Michigan Main Street Communities. Local entities identify eligible businesses and projects, have submitted the program application, and will sub-grant program dollars to the business upon project completion.

Small businesses are the cornerstone of what makes Michigan's downtowns authentic. They bring vibrancy and contribute to a community's sense of place. This program aims to support the creation and growth of place-based businesses located in Redevelopment Ready Communities® or Michigan Main Street districts across the state, provide needed capital to place-based businesses, create and retain jobs, leverage private investment, activate vacant or underutilized space, and provide eligible communities with a business recruitment and retention tool as they work to grow and support their local entrepreneurial ecosystem. This program aligns with MEDC's strategic focus areas – supporting small business and developing attractive places.

The FY24 Match on Main application process yielded a total of 113 applicants from 80 communities, the highest participation to date.

Thirty-one applicants were selected to receive a grant, totaling $748,018.82 in grant awards. These projects are anticipated to leverage $2,796,846.39 in private investment, activate 8,835 in vacant or underutilized space in Michigan downtowns and commercial districts, and create 76 new full-time jobs. Of the grantees awarded, 8 are new businesses and 23 are existing businesses. The general business mix of awardees includes 15 restaurants, 9 retail establishments, 5 service businesses and 2 other businesses that demonstrate a commitment to revitalizing community infrastructure and boosting local employment.

Finally, in support of MEDC's Strategic Plan, 22 businesses (70%) are located within Geographically Disadvantaged Areas (GDAs). Small business awardees will continue to receive crucial support from the eligible applicants including municipalities, downtown development authorities, or other downtown management, business support, or community development organizations in eligible Redevelopment

Ready Communities® or Michigan Main Street Communities, that serve as the program applicant, ensuring Match on Main's success.

Selection Process

In accordance with the Program Guidelines, a public application was open from March 4, 2024, and closed April 17, 2024, at 5:00pm. The process yielded 113 applications from 80 organizations across Michigan. In total, the 31 eligible applications selected reflect high quality, small business projects. Each eligible application was evaluated through a two-phased Joint Evaluation Committee (JEC) review.

Additional details pertaining to the Selection Process, including a complete list of applicants, are listed in Exhibit A.

Recommendation

MEDC staff recommends the approval of the entities and award amounts noted in the above request for the FY24 Match on Main Program funding round.

EXHIBIT A

Match on Main Grant Program Selection Process & Applicant Pool

The Match on Main application was open from March 4, 2024, through April 17, 2024, and was proceeded by an informational webinar that guided potential applicants through the application process. In total, 113 total applications were received, 22 applications were deemed ineligible – in most cases, due to incomplete applications.

The 113 applications were narrowed down to 91 after eliminating the ineligible applications. Each eligible application was reviewed by two Joint Evaluation Committee members. JEC members consisted of 27 internal cross-departmental MEDC team members. Each application received a score (max score-105) based on a Scoring Matrix – developed by the Program Team with support from others across various business units. An average score was applied to each application. Applications were sorted into Prosperity Regions to ensure broad geographic coverage across the state. This was due to the volume of applications that scored above that threshold. If an applicant entity submitted two applications per community, only the highest scoring application (regardless of score) was considered. This was to ensure broad geographic distribution across the State of Michigan.

Application Evaluation

In compliance with the MSF approved Program Guidelines, a cross-departmental, volunteer group of MEDC staff reviewed eligible applications.

Eligible Applications were evaluated based on the following criteria:

- Related to the applicant organization may include:
    - History of supporting businesses within the district where the eligible business is located
    - Alignment of selected business and proposed project with mission, vision and/or strategic priorities of the applicant organization
    - Demonstrated administrative capacity and plan for program management
    - Transparency of process used to select the business included in the Match on Main application

Related to the applicant business and proposed project may include:

- Clarity and completeness of project scope documentation, including cost estimates and budget
- Private investment by the selected business
- Additional resources leveraged to support the business and/or proposed project
- Impact Match on Main funds will have on the selected business
- Jobs created and/or retained as a result of the proposed project
- Availability of private sources funding to implement project prior to Match on Main grant reimbursement

Additional factors were also considered including the geographic distribution of funding across various regions of the state and the location of selected businesses in geographically disadvantaged areas (as defined by either a State Opportunity Zone or a State HUBZone).

Reviewers

This year we had a vast number of MEDC staff members (27) participate in reviewing applications:

- Joe Frost
- Laura Krizov

- Lindsey Clark
- Sarah Snoeyink
- Megan McGreal
- Blake Newman
- Sue DeVries
- Pablo Majano
- Amber Westendorp
- Tanya Markos-Vanno
- LeTasha Peebles
- Jaclyn Wallace
- Catherine Abad
- Katie Higgs
- Mackenzie Miller
- Rachel Elsinga
- Hannah Yurk
- Jill Tremonti
- Alan Higgins
- Rodney Parkkonen
- Jennifer Tucker
- Joshua Prusik
- Paula Holtz
- Nate Scramlin
- Stephanie Peña
- Raymond Govus
- Holden Branch

FY24 Match on Main Applicants

The following chart identifies all Match on Main Applicants:

Applicant	Small Business Name	Funding Request	Selected for Funding
Boyne City Main Street (City of Boyne City DDA	Northern Michigan Fibershed, LLC	$25,000.00	
Buena Vista Charter Twp.	Redd Unlimited LLC	$25,000.00	Y
Charter Township of Oscoda	Lake Theatre, LLC	$25,000.00	
Charter Township of Oscoda	Pam Loveless Enterprises, Inc.	$25,000.00	
City of Adrian DDA	101 East Maumee LLC	$25,000.00	Y
City of Allegan	Tilt 118, LLC	$25,000.00	Y
City of Allegan	Hidden Alley Gaming	$25,000.00	
City of Alpena	Mangos of Alpena LLC	$25,000.00	Y
City of Alpena	Clem's Bait and Tackle LLC	$25,000.00	
City of Bay City	Wanigans, Inc.	$25,000.00	Y
City of Bay City	Ocean Jasper Wellness, LLC	$25,000.00	
City of Cadillac	Walravens Markets	$22,204.63	Y
City of Cadillac	Legacy Cadillac LLC	$25,000.00	
City of Charlevoix	Charlevoix Running Company LLC	$25,000.00	Y
City of Cheboygan	The Queens Head LLC	$25,000.00	
City of Clare	Northern Michigan Land and Cattle	$25,000.00	Y
City of Clare	Cardinal & Clover LLC	$20,278.00	
City of Evart	Michele Ann Beemer	$15,000.00	
City of Ferndale	Selando, Inc.	$25,000.00	
City of Ferndale	Incubizo, LLC	$24,000.00	
City of Gladwin	Char Stone House LLC	$22,877.98	
City of Greenville	The White Lotus Boutique LLC	$25,000.00	

City of Hancock	New Power Tour, Inc	$24,830.71	
City of Harrison	The Lynx Enterprise	$25,000.00	Y
City of Harrison	B&J Country Crafts, LLC	$25,000.00	
City of Hart	HP105 LLC	$25,000.00	Y
City of Hart	Birch & Blossom LLC	$25,000.00	
City of Hastings	The Wild Wood Books & Music, LLC	$25,000.00	
City of Hastings	Troy Dalman	$25,000.00	
City of Hillsdale	Skin of My Teeth, LLC	$22,157.36	
City of Hillsdale	Happy Pants, LLC	$21,670.14	
City of Howell	Corner Studio Spa	$25,000.00	
City of Ionia	Grand Event Rentals	$25,000.00	
City of Kalamazoo	Layla's™ Cool Pops, Inc	$25,000.00	Y
City of Kalamazoo	Kalamazoo Candle Company, LLC	$25,000.00	
City of Laingsburg	Reform Wellness, LLC	$25,000.00	Y
City of Laingsburg	MLN Realty	$25,000.00	
City of Marquette DDA	Maria Del Barrio, Inc.	$25,000.00	Y
City of Marquette DDA	Sloan Corp	$25,000.00	
City of Marshall, MI	Bogar Theatre LLC	$25,000.00	
City of Mt. Pleasant	Narrativality Artisan Coffee Roasters	$25,000.00	
City of Mt. Pleasant	Unplugged Outfitters LLC	$10,402.97	
City of Muskegon Heights	Urban Apparel LLC	$15,243.00	
City of Negaunee	Snack-Time USA LLC	$25,000.00	Y
City of Negaunee	Tino's Bar and Pizza, Inc.	$25,000.00	
City of Newaygo	Newaygo Operations, LLC	$25,000.00	
City of Niles	2nd and Main, Inc.	$25,000.00	
City of Petoskey	Petoskey Deli, LLC	$21,644.95	
City of Plainwell	Mosaic Company	$25,000.00	Y
City of Sturgis/DDA	Freakin Sweets LLC	$25,000.00	Y
City of Sturgis/DDA	St. Joseph County Comm. Co-Op, Inc.	$25,000.00	
City of Swartz Creek	Sharp Gerych LLC	$25,000.00	
City of Tawas City	The Bleu Moose Bakery LLC	$23,568.89	
City of Tecumseh	The Boulevard Market, LTD	$25,000.00	
City of Tecumseh	A&G Phillips LLC	$25,000.00	
City of Ypsilanti DDA	Hyperion Coffee Company LLC	$25,000.00	
City of Ypsilanti DDA	Ypsilanti Food Cooperative	$17,160.00	
Coldwater	Branch County Coalition Against Domestic Violence	$25,000.00	Y
Comstock Township - DDA	Evan Kowalski DDS PLLC	$25,000.00	
Downtown Grand Rapids, MI	Short Game Projects, LLC	$25,000.00	
Downtown Lansing	Veg Head LLC	$21,390.29	Y
Downtown Lansing	Clover Joy Collective	$25,000.00	

Farmington	Lone Light Spirits	$25,000.00	Y
Gladwin, Michigan	Char Stone House LLC	$17,479.56	
Grand Haven Main Street DDA	Extended Grace	$25,000.00	
Grayling	AuSable Artisan Village	$24,300.00	
Grosse Pointe	Ridge Crest Outfitters LLC	$25,000.00	
Grosse Pointe	Boggess Art LLC	$25,000.00	
Historic North End Main Street	Model - T Automotive Heritage Complex, Inc.	$25,000.00	
Howell	M Street Baking Company	$25,000.00	
Hudsonville	Leaping Panda Hobbies, LLC	$22,317.00	
Ionia	Summit Personal Training	$25,000.00	
Ishpeming, Michigan	Strong Little Leggies, Inc	$25,000.00	Y
Jackson DDA	Voyager Film Company, LLC	$25,000.00	Y
Lapeer	Cummings Chiropractic, LLC	$18,000.00	
Lapeer DDA	Lapeer Team Work, Inc.	$25,000.00	
Mexicantown Main Street	CREATIVE OUTLOOK, LLC	$25,000.00	
Munising	ByGeorge Brewing, LLC	$25,000.00	
Oak Park Corridor Improvement Authority	River Rouge Brewing Company, LLC	$25,000.00	
Old Town Com Assn (Old Town, Lansing Main Street)	Sweet Custom Jewelry, LLC	$25,000.00	Y
Old Town Com Assn (Old Town, Lansing Main Street)	Bradly's Home & Garden, LLC	$20,000.00	
Owosso Main Street & DDA	Oak + Ivory, LLC	$25,000.00	Y
Owosso Main Street & DDA	Blu Ashe, LLC	$24,830.71	
Rogers City DDA	RC Flower Shop	$25,000.00	Y
Rogers City DDA	Pure Hearts, LLC	$25,000.00	
Saginaw DDA	Red Eye Cafe, Inc.	$25,000.00	
Saline Main Street	Updough Enterprises, LLC	$18,000.00	Y
Saline Main Street	The Saline Brewery, LLC	$25,000.00	
Sault Ste. Marie Main Street	UP North Nutrition & Gym 906, LLC	$25,000.00	Y
Sault Ste. Marie Main Street	A. Brawley, LLC	$25,000.00	
Southfield, MI	Nora's Famous Pizzeria	$25,000.00	
St Johns, Michigan	Emily Kendall	$25,000.00	
Swartz Creek	Bella's Book Nook and Cafe, LLC	$25,000.00	
The City of Oak Park	Best Friends Childcare, LLC	$25,000.00	Y
The City of South Haven DDA	Beachtown	$25,000.00	Y
The City of South Haven DDA	Nature's Country Cupboard	$25,000.00	
Uptown Grand Rapids	Good Judys Juice Bar and Market	$25,000.00	
Uptown Grand Rapids	That Earlybird, LLC	$20,000.00	
Village of Cass City	Keine Entertainment, LLC	$25,000.00	
Village of Cass City	Cass Theatre, LLC	$8,372.00	
Village of Cassopolis	The Be Hyve Collective	$25,000.00	Y

Village of Cassopolis	Stone Lake LLC	$25,000.00	
Village of Marcellus	Terrill's Supermarket	$25,000.00	
Village of Marcellus DDA	Flyover Art	$25,000.00	
Village of Roscommon	Bird and the Bear, Inc.	$10,000.00	
Village of Roscommon	Green’s Tavern	$24,232.00	
Village of Stevensville	Watermark Brewing Company, LLC	$25,000.00	Y
Village of Stevensville	Peat's English Cider, LLC	$22,157.36	
Washington Sq. Comm. District	Pax Coworking Studio	$24,874.11	
Wayland, MI	McDuff's Bar and Grille	$25,000.00	Y
Wayland, MI	Schug Counseling Services	$21,670.14	
Ypsilanti Downtown Historic District	Kass Industries, LLC	$21,800.74	

MICHIGAN STRATEGIC FUND
RESOLUTION 2024-092

APPROVAL OF
MATCH ON MAIN PROGRAM
AWARDS

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

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

WHEREAS, on March 22, 2015, the MSF Board authorized the MSF Fund Manager to submit an application to the Michigan State Housing Development Authority ("MSHDA") for a Housing Development Fund ("HDF") grant to support community development activities (the "HDF Grant");

WHEREAS, on January 25, 2017, MSHDA approved the MSF's application for the HDF Grant to support community development activities;

WHEREAS, on January 30, 2017, the MSF Board accepted the HDF Grant and authorized the MSF Fund Manager to execute all documents necessary to effectuate the HDF Grant agreement;

WHEREAS, the MSF and MSHDA executed the HDF Grant agreement on March 13, 2017;

WHEREAS, on June 27, 2017, the MSF authorized an amendment to the HDF Grant to alter the disbursement schedule of the grant from annual payments to a single lump sum payment;

WHEREAS, on June 28, 2017, the MSF and MSHDA executed an amended and restated agreement for the HDF Grant;

WHEREAS, on February 27, 2024, the MSF Board approved: 1) creation of the Match on Main Program to support new or expanding place-based businesses as they seek to launch and grow on main street; and 2) the guidelines for the Match on Main Program ("Guidelines"); and 3) the MSF Board allocated $750,000 from the HDF Grant to the Match on Main Program;

WHEREAS, pursuant to a competitive application process and the parameters set forth in the Guidelines, the MEDC recommends that the MSF Board authorize the following grants under the Match on Main Program in the amounts listed below:

MATCH ON MAIN FY 24 - AWARDEES			
Eligible Applicant (Awardee)	Legal Name of the Business	DBA, If Applicable	Total Grant Award
Region 1			
Negaunee Downtown Development Authority	Snack-Time USA LLC	Slapshot Sandwiches	$25,000.00
Sault Ste. Marie Downtown Development Authority	UP North Nutrition & Gym 906 LLC		$25,000.00
Marquette Downtown Development Authority	Maria Del Barrio, Inc	Cafe Bodega	$25,000.00
Lake Superior Community Partnership, Inc. (on behalf of the City of Ishpeming)	Strong Little Leggies, Inc	Doozers	$25,000.00
Region 2			
City of Charlevoix Downtown Development Authority	Charlevoix Running Company LLC		$25,000.00
City of Cadillac	Walravens Markets		$25,000.00
Region 3			
Rogers City Downtown Development Authority	RC Flower Shop		$25,000.00
City of Alpena Downtown Development Authority	Mangos of Alpena LLC		$25,000.00
Region 4			
City of Plainwell	Mosaic Company	Mosaic Distillery	$25,000.00
Hart Economic & Redevelopment Team	HP105 LLC	Hart Pizza	$25,000.00
City of Allegan	Tilt 118, LLC		$25,000.00
City of Wayland Downtown Development Authority	McDuff's Bar and Grille		$21,670.14
Region 5			
Middle Michigan Development Corporation (on behalf of the City of Clare)	Northern Michigan Land and Cattle	Market on McEwan	$25,000.00
Middle Michigan Development Corporation (on behalf of the City of Harrison)	The Lynx Enterprise		$25,000.00
Buena Vista Charter Township	Redd Unlimited LLC	Baldwin's Smokehouse BBQ	$25,000.00
City of Bay City	Wanigans, Inc.	Wanigan Eatery	$25,000.00
Region 6			
Laingsburg Downtown Development Authority	Reform Wellness, LLC		$22,204.63

City of Owosso Downtown Development Authority	Oak + Ivory LLC	Oak & Ivory Clothing Co.	$24,830.71
Region 7			
Old Town Commercial Association (Old Town, Lansing)	Sweet Custom Jewelry LLC	Sweet Custom Jewelry	$25,000.00
City of Lansing	Veg Head LLC		$15,000.00
Region 8			
Coldwater Downtown Development Authority	Branch County Coalition Against Domestic Violence	Hope Cafe	$20,278.00
City of Kalamazoo	Layla's Cool Pops, Inc		$25,000.00
City of Sturgis Downtown Development Authority	Freakin Sweets LLC	My Freakin' Pizza	$25,000.00
Village of Stevensville	Watermark Brewing Company, LLC		$22,157.36
Village of Cassopolis	The Be Hyve Collective		$25,000.00
Downtown Development Authority of the City of South Haven	Beachtown	Coastal Blue	$25,000.00
Region 9			
Jackson Downtown Development Authority	Voyager Film Company, lLC	Uncharted Film Company	$22,877.98
City of Adrian Downtown Development Authority	101 East Maumee, LLC	Maumee Street: taproom + kitchen	$25,000.00
Saline Historic Downtown Alliance dba Saline Main Street	Updough Enterprises, LLC	DropTop Pizza	$25,000.00
Region 10			
Farmington Downtown Development Authority	Lone Light Spirits	Lone Light Spirits	$25,000.00
Oak Park Corridor Improvement Authority	Best Friends Child-Care, LLC	Best Friends Early Childhood Education Center	$25,000.00

(the aforementioned, collectively, the "Match on Main Program Awards")

WHEREAS, the MEDC has completed the background checks on each awardee in accordance with the MSF Background Review Policy; and

WHEREAS, the MSF Board wishes to approve the Match on Main Program Awards.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Match on Main Program Awards.

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 Match on Main Program Awards.

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

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

July 9, 2024

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 Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, July 09, 2024.

- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund ("MSF") Board Members**

From: **Greg West, Manager, Federal Programs**
Paula Holtz, Managing Director, Regional Development

Subject: **Community Development Block Grant Program**
Public Gathering Space Initiative
Three Grant Amendments

Request

MEDC staff is requesting a total of $1,247,950 in Community Development Block Grant (CDBG) funds for budget increases/grant amendments to three (3) Public Gathering Space projects. **(Exhibit A)**

Background

On October 25, 2022, the Michigan Strategic Fund (MSF) board approved by Resolution 2022-176 a total of $4,805,160 in CDBG funds and up to $350,000 in additional CDBG funds for administrative costs for seven (7) Public Gathering Space projects.

Eligible Activities for the funding initiative include:

- Permanent infrastructure required for the successful creation and/or operation of a public gathering space such as utility infrastructure, playground equipment, pavilions, public restrooms, drinking fountains, sidewalks, etc.

- Permanent amenities including, but not limited to, outdoor speaker systems, exterior heating systems, lighting, affixed tables, benches, public art, etc.

- Universal Accessibility design elements that enable public spaces to comply with the Americans with Disabilities Act (ADA) and create welcoming public spaces for residents of all abilities, such as, accessible playground equipment, modified restrooms, etc.

- Other permanent infrastructure or amenities, deemed eligible by HUD, necessary to support the accessibility and seasonality of a public gathering space

As the Public Gathering Space grants were secured by these communities through a competitive MEDC funding round, the communities were not permitted to reduce the scope of the grant projects. However, all three of these projects were bid twice, and value engineering did occur with cost savings realized.

As the cost of these projects has increased, all three communities are contributing additional funds and are maintaining their initial, required match amount for each project.

Recommendation

MEDC Staff recommends the MSF authorize:

- A total of $1,247,950 in CDBG funds for the three (3) projects identified in **Exhibit A.**

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-093

APPROVAL OF CDBG FUNDING FOR THREE COMMUNITIES PUBLIC GATHERING SPACE PROJECT AMENDMENTS

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State's economic development functions and programs and their accompanying powers in the Michigan Strategic Fund ("MSF").

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

WHEREAS, Executive Order 2023-1 stated that the MSF retain the administration of the CDBG Disaster Recovery Program, the CDBG Coronavirus Aid, Relief and Economic Security (CARES) Act program and CDBG Program related to the 2022 CDBG annual program allocation and all prior year allocations.

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2022 Program Year Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2022-143, authorized and approved the 2022 Action Plan and the 2022 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants.

WHEREAS, on October 25, 2022, by Resolution 2022-176, the MSF Board approved the 2022 Public Gathering Spaces Projects, in the amount of $4,805,160 for seven (7) Public Gathering Space projects and an additional $350,000 in CDBG funds for administrative services.

WHEREAS, the three (3) of the projects have requested an additional $1,247,950 in CDBG funds for projects listed in **Exhibit A** (the "Amendment Requests").

WHEREAS, the CDBG program staff reviewed the Amendment Requests in light of the Criteria and HUD regulations and concluded the activities are eligible and recommends that the MSF Board approve the Amendment Requests; and

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

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

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
July 9, 2024

EXHIBIT A

Applicant/Communities	Amendment Request	Project Description
City of McBain	$467,950	This project includes the renovation and improvement of Pine Street Park. A new restroom facility will be installed alongside the installation of ADA accessible paths and parking. In addition, new pickleball courts will be installed and tennis courts will be renovated.
Village of Kingsley	$500,000	This project includes the renovation and improvement of Brownson Park. New playground equipment and a new splash pad will be installed.
Village of Roscommon	$280,000	This project includes the construction and installation of an ADA accessible canoe/kayak launch, pavilion, and outdoor seating to facilitate a food truck area.
TOTAL	**$1,247,950**	

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

July 9, 2024

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 Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, July 09, 2024.

- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

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 Agreement Consent**
601 West LLC

Request

601 West LLC ("Company") and Huntington Bank (f/k/a Chemical Bank) are requesting consent from the MSF to amend the Michigan Community Revitalization Program Other Economic Loan Participation Agreement and any related ancillary agreements ("Agreement"). The requests include the following: 1) borrower payoff of an approximately $2 million TIF loan with Huntington. As part of the paydown the MSF will be required to waive its pro rata share of the debt repayment; 2) re-amortize Huntington's remaining loan over a schedule of 30 years (up from 21 years); 3) adjust the current debt service coverage ratio (DSCR) covenants; and 4) reduce minimum guarantor liquidity requirement from $3,000,000 to $2,000,000. All other terms of the current Agreement will remain materially unchanged. The above requested changes will significantly improve the MSF's future financial position.

Background

The Michigan Strategic Fund Board approved a $2,900,000 Other Economic Assistance Loan Participation Award on July 26, 2016, to the Company for the purpose of constructing two mixed-use buildings on 0.75 acres of property in the City of Grand Rapids. The project consists of 63 market rate residential apartment units, approximately 8,200 square feet of commercial space, and 70 spaces of private underground parking.

An amendment to the project was approved on May 8, 2020, under the Awardee Relief Initiative to defer principal and interest payments to the MSF for a period of six months and consent to the Lender's six months of principal payment deferrals.

An Amendment to the project was approved by the MSF on May 19, 2020, for the following: 1) reduce the interest rate on the MSF Share of the financing from 5.00% to 1.00%; 2) waive the principal pay down requirement, allowing for 100% a $1,000,000 pay down being required by Senior Lender be applied to their share of the financing. As part of the waiver for pay down on the MSF Share of the financing, the Senior Lender agreed to re-amortize their debt based on the new outstanding principal amount. Also, the ownership team agreed to defer any distributions until the MSF has received a minimum of $175,000 in principal repayment and the project is able to achieve an overall DSCR of 1.25 to 1.00 on the combined debt based on a 25-year amortization on the MCRP loan; and 3) amended payment requirements on the MCRP financing to monthly interest only payments with annual principal payments, set at a level to maintain an overall 1.25 to 1.00 DSCR on the project, for the remaining term of the loan.

The project has continued to show positive revenue growth over the past three years but has experienced some recent challenges with its property which led to higher than anticipated residential turnover and bad

debt expenses. Additionally, the project experienced some one-time expenses incurred due to water damage to the property and a corresponding unanticipated insurance loss and legal expenses related to resolving the issues. All the above led to the project's inability to meet its required debt service coverage requirement with Huntington.

To resolve the covenant default and better position the property to be financially viable in a rising interest rate environment at refinance and make principal payments on the MCRP loan, the Company and Huntington Bank are requesting consent from the MSF for the following: 1) borrower payoff of an approximately $2 million TIF loan with Huntington. As part of the paydown the MSF will be required to waive its pro rata share of the debt repayment. The TIF loan is a variable rate loan with a relatively high current interest rate of over 7.50% which is much higher than other bank and MSF loans (approx. 4.00% and 1.00%, respectively); 2) re-amortize Huntington's remaining loan over a schedule of 30 years (up from 21 years); 3) adjust the current DSCR covenants to meet future targets of 1.25 to 1.00 through 06/30/2025, 1.05 to 1.00 (based on market rate interest rates) through 09/30/2025, and 1.10 to 1.00 (based on market rate interest rates) through 12/31/2025; and 4) reduce minimum guarantor liquidity requirement from $3,000,000 to $2,000,000.

MEDC staff is supportive of the current requests as they will provide a number of financial benefits to the project and the MSF's overall future position. The changes will significantly improve cash flow and position the project to begin to make additional principal payments on the MCRP loan and improve its collateral position. Additionally, the development team has remained committed to the project by agreeing to contribute over $3 million in additional equity to pay down debt (includes the anticipated $2 million TIF loan payoff) and the Bank has made various concessions to ensure success over the past four years.

The requested changes will bring the Company back into compliance with the Agreement and MCRP repayment requirements.

Recommendation
The MEDC staff recommends approval of the consent request as detailed above.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-094

**APPROVAL OF A CONSENT TO AMEND
A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD FOR
601 WEST LLC**

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

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

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

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

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

WHEREAS, by Resolution 2016-128 on July 26, 2016, the MSF Board awarded a MCRP Other Economic Assistance – Loan Participation Award to 601 West LLC (the "Company") in furtherance of the 601 West Project of up to $2,900,000 ("Award");

WHEREAS, by Resolution 2020-039 on April 14, 2020, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the "Awardee Guidelines") due to COVID-19, as amended by Resolution 2021-035 on March 23, 2021, and by Resolution 2020-040 on April 14, 2020, 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 Awardee Guidelines (the "MSF Board Delegates"), as amended by Resolution 2021-036 on March 23, 2021;

WHEREAS, on May 8, 2020, the MSF Fund Manager and MSF President approved a six-month payment deferral on the Award under the MSF Awardee Relief Initiative;

WHEREAS, by Resolution 2020-055, on May 19, 2020, the MSF Board approved an amendment to : 1) reduce the interest rate of the Award from 5.00% to 1.00%; 2) waive a pro rata principal pay down requirement, allowing for a $1,000,000 principal pay down on the senior lender's financing, with the ownership team deferring any distributions until the MSF has received a minimum of $175,000 in principal repayment; and 3) convert payment on the Award to monthly

interest only payments with annual principal payments, set at a level to maintain an overall 1.25 to 1.00 DSCR; and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF Board consent to the senior lender amending the Award to: 1) allow payoff an approximately $2 million TIF loan with Huntington. As part of the paydown the MSF will be required to waive its pro rata share of the debt repayment; 2) re-amortize Huntington's remaining loan over a schedule of 30 years (up from 21 years); 3) adjust the current debt service coverage ratio (DSCR) covenants; and 4) reduce minimum guarantor liquidity requirement from $3,000,000 to $2,000,000, with all other terms for the Award remaining materially unchanged (collectively, the "MCRP Amendment Recommendation").

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

Ayes:	Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner
Nays:	None
Recused:	Britany L. Affolter-Caine

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

July 9, 2024

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 Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, July 09, 2024.

- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund ("MSF") Board Members**

From: **Vicki Schwab, Managing Director, Regional Development**

Subject: **Forest Products Renaissance Zone ("FPPRZ") Rescission Request**

Billerud U.S. Production Holding LLC (the "Company" or "Billerud")

Request Summary

MEDC staff is requesting the MSF recommend to the State Administrative Board a rescission of the FPPRZ approval for the Company's project in Delta County.

Background

On December 13, 2022, MSF Board approved a recommendation to the State Administrative Board, which was subsequently approved on January 17, 2023, for a FPPRZ for the Company's project to upgrade its paper mill in Wells Township and Escanaba Township, Delta County, Michigan. The project was expected to generate up to $1.06 billion in investment and support the retention of 1,240 jobs in Escanaba. On September 26, 2023, the MSF and the Company entered into a development agreement to govern the terms and conditions of the FPPRZ (the "Development Agreement").

Additionally, in a supplemental spending bill signed by the Governor on January 31, 2023, the Michigan Legislature provided a direct appropriation of $200 million to support the Company's upgrades.

On May 21, 2024, the Company informed shareholders it will no longer be moving forward with the planned transformational project at the Escanaba mill. The project is now anticipated to result in a gradual shift of the Company's product mix toward packaging materials, resulting in a more moderate investment level. As a result, Billerud has agreed to mutually terminate the MSF and legislative incentives.

No local tax benefits have been received yet by the Company under the FPPRZ. Additionally, the legislative appropriation was structured like MEDC incentives, requiring performance prior to disbursement of any appropriated dollars. The Company does not anticipate meeting its performance metrics under the agreement governing the legislatively-appropriated funds, and therefore, the mutual termination of the agreement means none of the $200 million was received by the Company.

Recommendation

As outlined in the attached resolution, MEDC Staff recommends: (i) the MSF recommend rescission of the FPPRZ for the Company to the State Administrative Board, and (ii) ratification of the termination of the Development Agreement.

MICHIGAN STRATEGIC FUND
RESOLUTION
2024-095

RESCISSION OF A
FOREST PRODUCTS PROCESSING RENAISSANCE ZONE:
BILLERUD U.S. PRODUCTION HOLDING LLC

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

WHEREAS, on January 17, 2023, the SAB approved, upon recommendation by the MSF Board via MSF Resolution 2022-207, a Forest Products Processing Renaissance Zone for Billerud U.S. Production Holding LLC (the "Company") to begin on January 1, 2024 (December 31, 2023 for property tax purposes) (the "FPPRZ Designation");

WHEREAS, on May 21, 2024, the Company announced it no longer intends to pursue its project at the site of the Forest Products Processing Renaissance Zone;

WHEREAS, the Company has not yet received local or county tax benefits of the FPPRZ Designation;

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

WHEREAS, the MEDC recommends the MSF: (i) recommend to the SAB a rescission of the FPPRZ Designation; (ii) ratify the mutual termination of the Renaissance Zone Development Agreement between the Company and the MSF (the "Renaissance Zone Rescission").

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

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

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

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

July 9, 2024

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 Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, July 09, 2024.

- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

MICHIGAN STRATEGIC FUND
RESOLUTION

2024-089

APPROVAL OF THE JULY 9, 2024, 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 October 24, 2023,

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 MSF Board meeting:

Consent Agenda Items:

a. Proposed May 21, 2024, Meeting Minutes
b. Act 381 Memorandum of Agreement: MSF, EGLE, Treasury, and MSHDA
c. Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment
d. Match on Main: FY24 Grantee Selection
e. CDBG Amendments: Public Gathering Spaces Initiative
f. 601 West, LLC: Loan Participation Amendment
g. Billerud U.S. Production Holding, LLC: Delta County Forest Products Renaissance Zone Rescission

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

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

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Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
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Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Board Relations Liaison
Michigan Strategic Fund Office
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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

July 9, 2024

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Lansing, Michigan

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- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund ("MSF") Board Members**

From: **Christin Armstrong, SVP, Business Development Programs and Execution**
Terri Fitzpatrick, Senior Real Estate Advisor

Subject: Incentives Amendment Request

Ford Motor Company ("Company" or "Ford") Request
Project 1: Critical Industry Program (CIP) Grant Award Amendments
MSF Renaissance Zone Mutual Rescission
State Essential Services Assessment ("SESA") Exemption Approval
Project 2: CIP Grant Mutual Rescission and a SESA Exemption Amendment
Marshall Area Economic Development Alliance ("MAEDA") Request
Project 1: Strategic Site Readiness Program (SSRP) Grant Amendment Request

---

Request Summary
This is a request from the above-named entities to amend existing MSF incentives authorized to support two key projects: 1) construction of a new electric vehicle battery manufacturing facility in Calhoun County at what is known as the Marshall Area Jobs Opportunities and Recreation Campus ("MAJOR Campus") that was expected to create at least 2,500 qualified jobs ("Project #1); and 2) a multi-site project that was expected to create at least 3,260 total jobs and $2.014 billion in capital investment at facilities throughout Michigan ("Project #2").

Since approval, the EV market growth rate has slowed and has fallen short of industry expectations. The growth rate remains positive and EVs remain the fastest growing segment of the automotive industry. U.S. EV sales have increased by 33.1% through February 2024 and ICE vehicle sales increased by 1.5%. The Company is still committed to the projects; however, it has had to shift its allocation of capital to better match production and capacity demands while also recognizing the automotive industry is still in an accelerated transition to electrified propulsion allowing for transformative and far-reaching development.

The amendments to the existing MSF-approved incentives outlined below are necessary to account for the revised scope and to reflect the updated site development activities. The amendments will ensure activation of the new Blue Oval Battery Michigan facility, and secure continued investment in this critical sector.

Project 1:
- **Ford Request**
  - CIP Performance-based Grant amendment, as outlined in the attached term sheet, to:
    - Reduce the CIP grant amount from up to $210 million to $141 million for the creation of at least 1,700 Qualified Jobs and capital investment of $2.5 billion, with the ability for the Company to earn up to $166 million for the creation of 2,100 Qualified Jobs and capital investment of $3 billion
  - MSF Renaissance Zone mutual rescission
  - State Essential Services Assessment ("SESA") Exemption authorization to exempt the SESA on Eligible Manufacturing Personal Property associated with BlueOval Battery

Michigan, LLC ("BOBM") acquired on or after February 13, 2023, through the term of the agreement.
    - This will require MSF approval of a waiver of the SESA project guidelines requiring qualifying investments to be made after MSF approval and completed within three years of the commencement of the project

- **MAEDA Request**
    - SSRP Performance-based Grant amendments requested by MAEDA as outlined in the proposed Resolution accompanying this memo, including amendment of the budgets, parcel list and purchase requirements, revised BlueOval Battery Michigan site area, updated site plan and utility locations, and updated schedules for site improvements and water & wastewater improvements.

Project 2:

- **Ford Request**
    - CIP Mutual Rescission
    - Amend the SESA Exemption to expand the timeframe in which the Company and/or BOBM can make eligible investments in Eligible Personal Property from three years to fifteen years after MSF approval and execution of the agreement ("Commencement of the Project")
        - This will require MSF approval of a waiver of the SESA project guidelines requiring qualifying investments to be made after MSF approval and completed within three years of the commencement of the project

Background

Ford is one of the largest employers in the State of Michigan. As Ford made decisions about where to locate investments related to its electric vehicle ("EV") and EV battery manufacturing it sought support for two the key projects summarized below:

Project #1 Summary

The Company, through its wholly-owned subsidiary, BOBM, planned to build a new 2.5 million square foot battery manufacturing plant at the Marshall MAJOR Campus. The project was expected to result in the creation of 2,500 new jobs and $3.5 billion in capital investment. On February 13, 2023, the MSF Board approved the following incentives to support the project:

- A CIP grant of up to $210,000,000 for the creation of 2,500 Qualified Jobs above a statewide base job requirement of 40,200 jobs and investment of no less than $3.5 billion in Marshall, Calhoun County.
- A 15-year MSF-designated Renaissance Zone, with an anticipated payment in lieu of taxes agreement between the Company and the City of Marshall.

In November 2023, the Company announced that it was resizing and retiming some of its investments, including the investments it was proposing to make at the proposed BlueOval Battery Michigan site in Marshall, Michigan After a significant review of the market, the Company has decided to reduce the project scope and anticipates the construction of a 1.8 million square foot battery manufacturing plant that will require the company to invest at least $2.5 billion up to $3 billion to build and equip. The facility is expected to result in at least 1,500 new jobs, up to 2,100 new jobs, with a starting base wage of $25/hr (an increase of $5/hr). Since the announcement, the MEDC has been working diligently with Ford to understand the revised project scope and develop a revised incentive package that accounts for the changes.

A detailed breakdown of the revised project parameters and updated incentive recommendation are outlined below:

FORD INCENTIVE COMPARISONS

PROJECT PARAMETERS	(BlueOval Battery Park Michigan)		
	Existing Project Scope	Revised Project Scope	
		Minimum	Maximum
Total CapEx:	$ 3,500,000,000	$ 2,500,000,000	$ 3,000,000,000
New Jobs:	2,500	1,700	2,100
Starting Wage	$ 20.00	$ 25.00	$ 25.00
Average Wage:	$ 21.70	$ 25.50	$ 25.50
Estimated Annual Payroll:	$ 112,840,000	$ 90,168,000	$ 111,384,000
Anticipated Project Impact (5 years)	**$ 4,064,200,000**	**$ 2,950,840,000**	**$ 3,556,920,000**
INCENTIVES	**Existing Incentive Package**	**Revised Incentive Package**	
		Minimum	Maximum
Critical Industry	$ 210,000,000	$ 141,000,000	$ 166,000,000
SESA Exemption	Included in RZ	$ 18,495,000	$ 18,495,000
Renaissance Zone (RZ) (Real)*	$ 772,801,771	-	-
PA 198 / State Education Tax Abatement*	$ 52,087,897	$ 224,651,329	$ 224,651,329
Total Incentive	**$ 1,034,889,668**	**$ 384,146,329**	**$ 409,146,329**

* NOTE: The Renaissance Zone estimate was based on a percentage of Real Property CAPEX. The PA 198 estimate is based on building square footage to more accurately reflect the tax savings associated with the abatement.

The restructured incentive package will appropriately and necessarily address the project's rightsizing, balancing the Company's investment and growth in Michigan. It will also allow the Company to proceed with the BOBM project and facilitate continued investment at the Marshall MAJOR.

MAEDA Summary

In addition to the incentives listed above, the MSF Board provided further support to Project #1 through a Strategic Site Readiness Program ("SSRP") grant award to MAEDA in the amount of $120,300,000 for land acquisition, site preparation, water and wastewater upgrades, other necessary public infrastructure improvements, and related professional and administrative fees required for the Company's proposed BlueOval Battery Michigan site and within the MAJOR Campus in Marshall, Michigan (the "SSRP Award"). On September 26, 2023, the MSF Board approved a second SSRP grant award in the amount of $65,000,000 to support the acquisition and development of those portions of the MAJOR Campus where no end user had yet been identified.

On October 27, 2023, and SSRP grant agreement was signed by MAEDA and the MSF, memorializing the MSF SSRP awards which totaled $185,300,000 ("SSRP Grant").

It is necessary to amend the SSRP Grant to accommodate changes resulting from BOBM's project resizing and continued build out of the MAJOR Campus including updated budgets, parcel list and purchase requirements, revised BlueOval Battery Michigan site area, updated site plan and utility locations, and updated schedules for site improvements and water & wastewater improvements (collectively the "MAEDA SSRP Amendments").

In furtherance of and in consideration of timely completing the BOBM project, and other continuing infrastructure and transportation improvements required for the MAJOR Campus, it will be necessary for the MSF to direct and consent to MAEDA transferring the proposed BlueOval Battery Michigan parcel to BOBM (subject to the new CIP award to BOBM and CIP grant execution), and further, for the MSF to

direct and consent to MAEDA transferring all or a portion of certain other parcels in fee or by easement to governmental entities, utilities, etc., as further described in the attached SSRP resolution.

Project #2 Summary

The Company planned to expand and invest in facilities across the State of Michigan to increase its capacity to produce new electric battery and/or vehicles, make capital investments in existing internal combustion engine manufacturing and construct a new packaging facility. On June 2, 2022, the MSF Board approved the following incentives to support Project #2:

- A CIP grant of up to $100,800,000 for the creation of 3,030 new jobs and $1.16 billion of private investment. In addition to the overall job creation requirement, the CIP also required the Company to create a minimum of 90 percent of the projected new jobs at each project site (the "Project Site Jobs Commitment").
- A SESA Exemption at 10 facilities in Michigan for the creation of 230 additional jobs and an additional $854 million in private investment.

In total, the project was expected to result in the creation of up to 3,260 new jobs and a capital investment of up to $2.014 billion as outlined below:

	Location	Address	Job Creation	Investment	Eligible Manufacturing Personal Property
CIP/State ESA	Rouge Electric Vehicle Center	3001 Miller Road, Dearborn, MI	1,508	$450,000,000	$280,000,000
	Michigan Assembly Plant	38303 Michigan Avenue, Wayne, MI	382	$475,000,000	$380,000,000
	Monroe Packaging Center	14727 LaPlaisance Road, Monroe Township, MI	650	$35,000,000	$35,000,000
	Rawsonville Plant	10300 Textile, Ypsilanti Towship, MI	250	$160,000,000	$129,000,000
	Livonia Transmision Plant	36200 Plymouth Road, Livonia, MI	240	$40,000,000	$32,000,000
		Total CIP Job Creation/Investment	**3,030**	**$1,160,000,000**	**$856,000,000**
SESA Only	Flat Rock Assembly Plant	1 International Drive, Flat Rock, MI	28	$300,000,000	$240,000,000
	VanDyke Plant	41111 VanDyke Ave, Sterling Heights, MI	18	$159,000,000	$128,200,000
	Dearborn Engine Plant	3001 Miller Road, Dearborn, MI	102	$210,000,000	$169,000,000
	Woodhaven Stamping Plant	20900 West Rd, Woodhaven, MI	0	$75,000,000	$60,000,000
	Sterling Axle Plant	39000 Mound Rd., Sterling Heights, MI	82	$110,000,000	$90,000,000
		Total CIP and SESA Job Creation/Investment	**3,260**	**$2,014,000,000**	
		Total SESA Eligible Manufacturing Personal Property Equipment Investment			**$1,543,200,000**

Since MSF Board approval, the Company has met the overall Jobs Commitment and Investment Commitment; however, the Company will not meet the Project Site Commitment. To that end, the Company has agreed to forgo the CIP grant that was approved to support Project #2. Ford and the MEDC have negotiated a revised SESA incentive that consists of the following:

- An amendment to its existing 15-year SESA Exemption to include a waiver of the SESA program guidelines to allow investment in Eligible Manufacturing Personal Property over the term of the agreement. By doing so, we will encourage future investment in ten facilities in Michigan, ultimately solidifying the Company's presence in Michigan.

Recommendation

MEDC Staff recommends that the MSF Board approve the following actions:

- Project #1 Revised Incentives
  - A CIP grant of $141,000,000 for the creation of 1,700 Qualified Jobs above a statewide base job requirement of 40,200 jobs and investment of no less than $2.5 billion, with the ability to earn up to a maximum of $166,000,000 for the creation of 2,100 Qualified Jobs and investment of $3 billion.
  - MSF Renaissance Zone mutual rescission

    - State Essential Services Assessment ("SESA") Exemption authorization to exempt the SESA on Eligible Manufacturing Personal Property associated with BOBM acquired on or after February 13, 2023, through the term of the agreement.
        - Waive SESA project guidelines requiring qualifying investments to be made after MSF approval and completed within three years of the commencement of the project
    - MAEDA SSRP Amendments, BOBM Parcel Transfer and Other MAJOR Campus Transfers, as outlined in the attached SSRP resolution.

- Project #2 Revised Incentives
    - Mutual rescission of the CIP grant of $100,800,000
    - Modified SESA

MICHIGAN STRATEGIC FUND
RESOLUTION 2024-096

AMENDMENT TO
CRITICAL INDUSTRY PROGRAM GRANT FOR
FORD MOTOR COMPANY

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

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

WHEREAS, pursuant to Section 88s of the MSF Act, MCL 125.2088s, the MSF shall create and operate the critical industry program to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result of a technological shift in product or production or make capital investments (the "Critical Industry Program");

WHEREAS, the Critical Industry 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 Critical Industry Program and approved the guidelines for the implementation and operation of the Critical Industry Program;

WHEREAS, on February 13, 2023 via MSF Resolution 2023-010, the MSF Board approved a Critical Industry Program grant in the amount of $210,000,000 to support Ford Motor Company's (the "Company") new electric vehicle battery manufacturing facility project in Calhoun County (the "Grant Approval");

WHEREAS, on April 12, 2023, the Michigan Legislature approved the transfer of the SOAR funds to the MSF for the Grant Approval;

WHEREAS, the MSF has not yet finalized a written agreement for the Grant Approval;

WHEREAS, due to a change in project scope, the Company has requested, and the MEDC recommends, a modification of the Grant Approval to reduce the overall grant award amount to $166,000,000, and to replace the governing terms and conditions with those in the term sheet attached as Exhibit A to this Resolution (the "Amended Grant Approval Request");

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

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate final terms and conditions, and to execute all documents necessary to effectuate, the Amended Grant Approval Request.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew

Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

Critical Industry Program ("CIP") Grant Term Sheet

This term sheet ("Term Sheet") sets forth key terms of a potential grant by the Michigan Strategic Fund (the "MSF") in favor of Ford Motor Company and its Affiliates (collectively, the "Company" or "Ford"). "Affiliate(s)" means an entity that is wholly owned by Ford Motor Company.

The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement (the "Grant Agreement"). Any obligations that may be deemed to arise under this Term Sheet are contingent on the Company obtaining all necessary corporate approvals, and the Michigan Economic Development Corporation (the "MEDC") obtaining all necessary MSF Board approvals.

PROJECT SUMMARY

Scope of the Project: The Company intends to create a new electric vehicle battery manufacturing facility located within Calhoun County (the "Marshall MAJOR Campus"). The Company expects to ramp up over the course of the next several years resulting in an expected creation of at least 1,700 new jobs up to 2,100 new jobs and a projected investment of at least $2.5 billion up to $3 billion, to construct and equip a new facility to manufacture batteries that will go into several of the Company's key electric vehicles (the aforementioned, collectively, the "Project").

CIP Award Amount: A maximum grant of up to $166,000,000 (the "CIP Award")

Term of the Agreement: The effective date of the agreement through December 31, 2028 (the "Term").

Minimum Investment Commitment: Investment by the Company of no less than a total of $2.5 billion in Eligible Expenses by March 31, 2028 (the "Investment Performance Deadline") at the Project (collectively, the "Investment Commitment").

> "Eligible Expenses" means the actual expenditure by the Company for hard costs for site preparation, construction, infrastructure, development, machinery, equipment, tooling, computers, furniture, fixtures, and other such capital expenditures for the Project beginning on or after February 13, 2023. Certain costs, to be more particularly described in the Grant Agreement, such as administrative costs, debt and lease payments, meals, and entertainment expenses, are not eligible for reimbursement. Provided that in no event shall costs covered by other sources be eligible for reimbursement.

Minimum Jobs Commitment: Creation of a minimum of 1,700 Qualified Jobs (the "Minimum Jobs Minimum") at the Project, above a Statewide Base of 40,200 jobs (the "Minimum Base"), by March 31, 2028 (the "Jobs Performance Deadline"), which QJ's must have been maintained for the previous 12 months (collectively, the "Minimum Jobs Commitment").

- A "Qualified Job" or "QJ" is defined as a job that the Company creates at the Project, on or after February 13, 2023, and is performed by either: (i) a Michigan resident whose state income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident who is employed by the Company at the Project, as determined and verified by the MSF. Employees hired at the Project

may not be considered a Qualified Job if the employee was previously employed by the Company at a location in the state unless the transferred or rehired employee's job was backfilled at another location in the state but such job(s) may be counted as part of the Minimum Base, if applicable.

- **Security Interest and Other Interests**: Security interests and other interests in favor of the MSF must comply with the requirements of Section 88s(4) of the MSF Act, MCL 125.2088s(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, collateral in 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.

GRANT DISBURSEMENTS

Investment Disbursements – up to $141,000,000 for the creation of 1,700 Qualified New Jobs and $2.5 Billion in Eligible Expenses at the Project

- Up to One Hundred Forty-One Million 00/100 Dollars ($141,000,000.00) of the CIP Award will be disbursed on a reimbursement basis for fifty percent (50%) of the Eligible Expenses in accordance with the requirements set forth above and as more particularly set forth in the Grant Agreement. The Company shall submit one or more reimbursement requests, but no more frequently than monthly, together with a certification of the Company's compliance with the Grant Agreement. Requests for reimbursement will be verified by the Compliance Unit of the Legal and Compliance Division of the MEDC prior to release of any funds. The Company must request all funds under the Investment Disbursement prior to submission of the Project Completion Disbursement. The failure to satisfy the Investment Commitment and/or the Minimum Jobs Commitment may result in the Company's obligation to repay all or a portion of the Investment Disbursement.

Project Completion Disbursement due June 30, 2028 – up to $25,000,000 for up to an additional 400 qualified new jobs and $500 million in capital investment at the Project

- Up to Twenty-Five Million and 00/100 Dollars ($25,000,000) of the CIP Award will be disbursed upon achievement of the Investment Commitment and the Minimum Jobs Commitment (the "Project Completion Amount").
- The actual amount disbursed will be based on the following:
    - $30,400 per Qualified New Job in excess of 1,700 up to 2,100 up to a maximum disbursement of $12,600,000
    - $2,480,000 for each additional $100,000,000 in Eligible Expenses up to $500,000,000 for a maximum of disbursement of $12,400,000
- The Company may accelerate the Project Completion Disbursement by one year provided all funds have been disbursed under the Investment Disbursement and the Investment Commitment and Minimum Jobs Commitment have been met.
- If the Company does not meet the Investment Commitment and/or the Minimum Jobs Commitment have not been met, it will be obligated to repay a portion of the CIP Award actually received by the Company to the MSF using the formulas set forth under the Clawback Provisions

and Repayment/Forfeiture Events section below ("**Failure to Meet Investment Commitment"** and "**Failure to Meet Minimum Jobs Commitment")**

CLAWBACK PROVISIONS AND REPAYMENT/FORFEITURE EVENTS

The Company will be required to repay all or a portion of any disbursements actually received under the CIP Award upon the occurrence of one or more of the following events (each resulting in a "Repayment Amount"), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis.

- **Failure to Meet Investment Commitment** – The Company's failure to satisfy the Investment Commitment will result in the Company's obligations to repay a portion of the CIP Award actually received by the Company to the MSF, which will be calculated by dividing: (A) the actual amount of demonstrated investment by the Company for the Project by (B) the Investment Commitment (the "Investment Performance Percentage"). Company shall repay the difference between (A) the amount of CIP Award actually received by the Company and (B) the amount of CIP Award actually received by the Company multiplied by the Investment Performance Percentage.
- **Failure to Meet Minimum Jobs Commitment** – The Company's failure to satisfy the Minimum Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a portion of the CIP Award actually received by Company (or the remainder of such funds following any repayment that would be required by the Investment Performance Deadline). The Repayment Amount shall be calculated by dividing (A) the Peak Minimum Jobs Attained by (B) the Minimum Jobs Minimum (the "Jobs Performance Percentage"). The Company shall repay the difference between (A) the amount of the CIP Award actually received by the Company and (B) the amount of the CIP Award actually received by the Company multiplied by the Jobs Performance Percentage (the "Eligible CIP Award"). "Peak Minimum Jobs Attained" is the peak number of Qualified Jobs above the Minimum Base at any point within one year prior to the Jobs Performance Deadline.
- **Failure to Complete Construction of the Facility** – If the Company fails to complete the construction of the facility by the end of the Term, it may be required to repay all or a portion of state or MEDC funds utilized to purchase, develop, and transfer any portion of the Marshall MAJOR Campus then received by the Company, and may be required to transfer or convey to an entity designated by the MSF such parcels in their pre-construction condition or as otherwise agreed to by the parties.
- **Sale or Transfer of Land** – The fully executed written agreement will include security or other interests and repayment language in the event land purchased by or transferred to the Company or improved utilizing any state or MEDC funding source proceeds is sold or transferred. If the Company sells or transfers any land purchased by, improved by, or transferred to the Company utilizing any state or MEDC funds, it may be required to pay all or a portion of state or MEDC funds utilized to purchase and/or improve the applicable lands.
- **Mass Relocation** – If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of Grant disbursements actually received under the CIP Award. The Company may also be

required to repay all or a portion of any state or MEDC funds utilized to purchase, improve, and transfer the portion of the Marshall MAJOR Campus then received by the Company.

- **Project Abandonment** – If the Company abandons Eligible Expense activities at the Project for a period of one hundred twenty (120) consecutive days after the CIP Award is disbursed or permanently ceases production before the end of the Term, it will be required to repay a proportionate amount of disbursements actually received made under the CIP Award. The Company may also be required to repay all or a portion of any state or MEDC funds utilized to purchase, improve, and transfer the portion of the Marshall MAJOR Campus then received by to the Company, and may be required to transfer or convey to an entity designated by the MSF the portion of the Marshall MAJOR Campus then received in their pre-construction condition or as otherwise agreed to by the parties.
- **Company Bankruptcy or Insolvency** – If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of disbursements actually received under the CIP 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 CIP Award.
- **Material Misrepresentation** – If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of disbursements actually received under the CIP Award.
- **Misuse of Funds** – If the Company uses the CIP Award for a prohibited purpose during the Term it will be required to repay 100% of disbursements actually received by the Company under the CIP Award.

Suspension of Disbursements: The MSF may immediately suspend making disbursements of the CIP Award to the Company upon the occurrence of: (i) an event that would otherwise result in a Repayment Amount, or (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 grant, loan, or other economic assistance 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.

ADDITIONAL STATE REQUIRED TERMS

- **Amendments** – As required under Section 88s(5) of the MSF Act, MCL 125.2088s(5), 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 88s(5) prior to taking any action on such amendment request.
- **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 grant agreement.
- **Annual Progress Report** – During the Term the Company will be required to submit annual progress reports, which shall include the total number of Qualified Jobs created at the Project, the average annual salary of both the Base Jobs and the new Qualified Jobs, and the total

investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.

- **Access to Records & Audit Rights** – During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the Grant, all at times and locations mutually agreed upon by the parties.

Other provisions. The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Critical Industry Program 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 88s.

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION
2024-097

RESCISSION OF AN MSF-DESIGNATED RENAISSANCE ZONE
Marshall Area Renaissance Zone

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the "Act"), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (the "MSF") to designate up to twenty seven (27) renaissance zones (an "MSF-Designated Renaissance Zone") with the consent of the city, village, or township within which the boundaries of the MSF-Designated Renaissance Zone reside;

WHEREAS, on June 28, 2016, via MSF Resolution 2016-091, the MSF adopted guidelines for MSF-Designated Renaissance Zones (the "Guidelines");

WHEREAS, on February 13, 2023, the MSF Board approved an MSF-Designated Renaissance Zone for an area in or adjacent to the City of Marshall, more particularly described in MSF Resolution 2023-011 (the "Marshall Area Renaissance Zone");

WHEREAS, the conditions have not been met for the activation of the Marshall Area Renaissance Zone;

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

WHEREAS, due to changing economic conditions, the MEDC recommends that the MSF Board rescind the MSF-Designated Renaissance Zone designation for the Marshall Area Renaissance Zone (the "Rescission Recommendation").

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

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions of and to execute any documents to effectuate the Rescission Recommendation on behalf of the MSF.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-098

APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO BLUEOVAL BATTERY MICHIGAN, LLC

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (the "SESA") and the Alternative State Essential Services Assessment Act (the "Alternative SESA");

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

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

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Exemption Program;

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

WHEREAS, BlueOval Battery Michigan, LLC or Ford Motor Company (the "Company") is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the Program Guidelines require that qualifying investments be made after MSF approval and within three (3) years of commencement of the project in order to be eligible for the SESA Exemption Program (the "Investment Commencement Requirement");

WHEREAS, the Company is requesting a waiver to the Investment Commencement Requirement (the "Waiver Request");

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year SESA exemption estimated to be worth $18,495,000 for a minimum of at least $100,000,000 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the City of Marshall ("SESA Exemption Recommendation"); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the Waiver Request, and require a one-time administrative fee in the amount of $10,000 payable to the MSF upon completion of the first performance milestone (collectively, the "Request");

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

Ayes:	Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner
Nays:	None
Recused:	None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND
RESOLUTION 2024-099

RESCISSION OF
CRITICAL INDUSTRY PROGRAM GRANT TO
FORD MOTOR COMPANY

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 88s of the MSF Act, MCL 125.2088s, the MSF shall create and operate the critical industry program to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result of a technological shift in product or production or make capital investments (the "Critical Industry Program");

WHEREAS, the Critical Industry 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 Critical Industry Program and approved the guidelines for the implementation and operation of the Critical Industry Program;

WHEREAS, on June 2, 2022 via MSF Resolution 2022-085, the MSF Board approved a Critical Industry Program grant in the amount of $100,800,000 for Ford Motor Company's (the "Company") capital investment project across various sites in Michigan (the "Grant Approval");

WHEREAS, on June 23, 2022, the Michigan Legislature approved a transfer of SOAR funds to the MSF necessary to fund the Grant Approval;

WHEREAS, the MSF and the Company have not finalized a written agreement for the Grant Approval; and

WHEREAS, due to a change in project scope, the Company requests, and the MEDC recommends, the MSF Board rescind the Grant Approval.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board rescinds the Grant Approval; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate final terms and conditions, and to execute all documents necessary to effectuate, the rescission of the Grant Approval.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L.

Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

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Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

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Sincerely,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-100

AMENDMENT TO A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO FORD MOTOR COMPANY

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act ("SESA") and the Alternative State Essential Services Assessment Act ("Alternative SESA");

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

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

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Exemption Program;

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

WHEREAS, the Program Guidelines require that qualifying investments must be completed within 3 years of the commencement of the project (the "Three Year Rule");

WHEREAS, on June 2, 2022 via MSF Resolution 2022-086, the MSF Board approved a SESA Exemption for Ford Motor Company (the "Company") for a multisite investment project (the "SESA Award"); and

WHEREAS, the Company has requested, and the MEDC recommends, the MSF Board amend the SESA Award to approve a waiver of the Three Year Rule (the "Waiver Request").

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

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Michigan Economic Development Corporation
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Sincerely,

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STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
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January 3, 2023

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Sincerely,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND
RESOLUTION 2024-101

APPROVAL OF AMENDMENTS TO THE 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 "SSRP");

WHEREAS, on January 11, 2022, the MSF Board created the SSRP and approved the SSRP guidelines, which have been updated from time to time, for the implementation and operation of the SSRP (the "SSRP Guidelines");

WHEREAS, the SSRP is funded through appropriations to the Strategic Outreach and Attraction Reserve Fund ("SOAR") created by Public Act 137 of 2021;

WHEREAS, on February 13, 2023, by Resolution No. 2023-10, the MSF Board approved a Critical Industry Program ("CIP") award to Ford Motor Company and its affiliates to support a proposed new electric vehicle battery manufacturing facility to be located within the Marshall mega-site (now commonly known as the Marshall Area Jobs Opportunities and Recreation Campus ("MAJOR Campus")), now known as the proposed BlueOval Battery Michigan, LLC ("BOBM") (collectively, the "BOBM Project");

WHEREAS, as a result of changes to the scope and size of the BOBM Project, the CIP award for the BOBM Project was amended by the MSF Board on July 9, 2024 ("BOBM CIP Award").

WHEREAS, on March 28, 2023, by Resolution No. 2023-053, subject to SOAR funding, the MSF Board approved an SSRP grant in the amount of up to $120,300,000 to the Marshall Area Economic Development Alliance ("MAEDA") to support land acquisition and site and infrastructure development activities to support the MAJOR Campus, including the BOBM Project ("$120.3M Award to MAEDA");

WHEREAS, on September 26, 2023, by Resolution No. 2023-149, the MSF Board approved an additional SSRP grant in the amount of up to $65,000,000 to MAEDA to conduct site assessment activities, site development activities, land assembly and site improvement activities for portions of the MAJOR Campus where an end-user had not been identified ("$65M Award to MAEDA");

WHEREAS, pursuant to Public Act 5 of 2023, the Michigan Legislature appropriated $330,000,000 to the Michigan Department of Transportation to support the development of transportation improvements in and around the MAJOR Campus ("MDOT Improvements");

WHEREAS, pursuant to SOAR, the Michigan Legislature approved the transfer of funds from SOAR to fund the $65M Award to MAEDA and the $120.3M Award to MAEDA (collectively, "SSRP Awards to MAEDA") on or about June 28, 2023, and September 7, 2023, respectively.

WHEREAS, on October 27, 2023, the MSF and the MAEDA signed an SSRP grant agreement memorializing the SSRP Awards to MAEDA in the total amount of $185.3 million ("MAEDA SSRP Grant").

WHEREAS, as a result of changes to the scope and size of the BOBM Project, MAEDA submitted a request to the MSF President to modify the MAEDA SSRP Grant in accordance with the terms as outlined in Exhibit A (the "MAEDA SSRP Amendments");

WHEREAS, and in accordance with Section 88t(8) of the MSF Act, MCL 125.2088t(h), the MSF President caused the required notice and a copy of the MAEDA SSRP Amendments to be provided as required to the governor, each member of the legislature, the clerk of the house of representatives, the secretary of the senate, and the senate and house fiscal agencies, as well as publication of the same on the MSF website.

WHEREAS, in furtherance of the BOBM Project, and subject to the execution of a CIP grant agreement in accordance with the BOBM CIP Award, it will be necessary for the MSF to release its existing security interests, as applicable, in all or portion of the BOBM Project Parcel and to permit MAEDA to transfer the BOBM Project parcel in fee to BOBM, subject to a mortgage in favor of the MSF ("BOBM Parcel Transfer");

WHEREAS, from time to time, in furtherance of, and subject to the continuing infrastructure and transportation improvements required for the MAJOR Campus, including with respect to the MDOT Improvements, it will be necessary for the MSF to release its existing security interests in all or portion of certain parcels within the MAJOR Campus, as applicable, to permit MAEDA to transfer such parcels in fee or by easement to MDOT, the City of Marshall, Marshall Township, Calhoun County, Marshall Fiber, Consumers, Marshall Electric, and/or other utility providers, non-BOBM persons and entities, and/or their affiliated or related entities ("Other MAJOR Campus Parcel Transfers");

WHEREAS, the MEDC recommends the MSF Board approve: (i) the MAEDA SSRP Amendments; (ii), the BOBM Parcel Transfer, and (iii) the Other MAJOR Campus Parcel Transfers ("MAJOR Campus Transactions").

WHEREAS, pursuant to SFCR 125.2088t, 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 SSRP.

WHEREAS, the MSF Board wishes to approve the MAJOR Campus Transactions, and consistent with SFCR 125.2088t, approves the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate the MAJOR Campus Transactions.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the MAJOR Campus Transactions, and consistent with SFCR 125.2088t, approves the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate the MAJOR Campus Transactions.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

EXHIBIT A

Date: July 3, 2024

TO: Quentin L. Messer, Jr., President, Michigan Strategic Fund

FROM: James Durian, CEO, Marshall Area Economic Development Alliance

SUBJECT: MAEDA Request to Amend SSRP Agreement

As you know, the Marshall Area Economic Development Alliance ("MAEDA") is working with MEDC, the MSF, and other local and state partners to develop an approximately 2,000-acre site in Marshall Township and the City of Marshall, Michigan, commonly known as the Marshall Area Jobs Opportunities and Recreation Campus ("MAJOR Campus"). On October 27, 2023, the MSF and MAEDA signed an SSRP grant agreement memorializing a Strategic Site Readiness Program ("SSRP") award to MAEDA in the total amount of $185.3 million in connection with MAEDA'S land acquisition, assembly and site development activities within the MAJOR Campus in Marshall, Michigan (MAEDA Grant).

The MAEDA Grant is to (i) permit MAEDA to complete various site improvements at the MAJOR Campus that are necessary to develop and support the water, wastewater and other utility infrastructure in support of the proposed BlueOval Battery Park project (using a budget of $120.3 million of the SSRP funding directly for the BlueOval Battery Michigan, LLC (BOBM) parcel), and (ii) includes the aforementioned activities coupled with land acquisition of parcels within the MAJOR Campus surrounding the proposed BOBM project (using a budget of $65 million of the SSRP funding for surrounding parcels where an end user has not yet been identified).

The scope of the MAJOR Campus project includes collaborative participation from the Construction Manager (Granger-Hoffman) and MAEDA's engineering and project management consultant (Stantec) with the detailed design and construction of the identified water and wastewater infrastructure improvements in support of the development of the MAJOR Campus.

As a result of Ford Motor Company announcing that its subsidiary, BOBM, will resume pursuit of its facility to create investment and jobs within the MAJOR Campus, coupled with the reduction in the size and scope of the proposed BOBM project, certain items in the SSRP Grant need to be adjusted. These adjustments are necessary to properly reflect MAEDA's activities in furtherance of the BOBM project and the remaining portions of the MAJOR Campus. Therefore, MAEDA requests the MSF amend the SSRP Grant in all places necessary to effectuate the following:

1. We have received a total of $57,894,501 of the SSRP Grant funding to date. Exhibit E in the SSRP Grant contains the Project Budgets for the BOBM parcels and the remaining parcels within the MAJOR Campus with no end-user identified. Below is the breakdown

of the current SSRP Grant Project Budgets, and the respective amounts disbursed to date thereunder to MAEDA:

Categories within the $120.3 Million portion of the Budget (BOPM parcels)	Budget	Paid to MAEDA to Date
Land Acquisition	-	-
Site Improvements – Water Infrastructure	$74,750,000	$10,535,913
Site Improvements – Wastewater Infrastructure	$35,300,000	$5,675,838
Site Improvements – All Others	$10,000,000	
Land Acquisition and Site Improvement Contract Management Professional Fees	$250,000	$250,000
TOTALS	$120,300,000	$16,461,750
MAEDA GRANT AMOUNT REMAINING	$103,838,250	

Categories within the $65 Million portion of the Budget (no end user identified; non-BOBM parcels)	Budget	Paid to MAEDA to Date
Land Acquisition	$46,000,000	$34,995,500
Site Improvements – Water Infrastructure	$6,750,000	$4,140,938
Site Improvements – Wastewater Infrastructure	$3,600,000	$2,146,313

Site Improvements - Other	$8,500,000	-
Land Acquisition and Site Improvement Contract Management Professional Fees	$150,000	$150,000
TOTALS	$65,000.000	$41,432,751
MAEDA GRANT AMOUNT REMAINING:	$23,567,249	

We request the above Project Budgets (Exhibit B-1 to reflect the new respective Budget categories within the tables and Exhibit E which contain the new respective categories and the dollar amounts within the Budget tables) of the SSRP Grant be amended to reflect the following, accordingly:

Categories within the $120.3 Million portion of the Budget (BOBM)	Budget	Paid to MAEDA to Date	Remaining $103,838,250
Land Acquisition	-	-	-
Site Improvements – Water & Wastewater Infrastructure	$110,050,000	$16,211,750	$93,838,250
Site Improvements – All Others	$10,000,000	-	$10,000,000
Land Acquisition and Site Improvement Contract Management Professional Fees	$250,000	$250,000	$0
TOTALS	$120,300,000	$16,461,750	$103,838,250

Categories within the $65 Million portion of the Budget (non-BOBM parcels)	Budget	Paid to MAEDA to Date	Remaining $23,567,249
Land Acquisition	$34,995,500	$34,995,500	$0
Site Improvements – Water, Wastewater & Other Infrastructure	$29,854,500	$6,287,251	$23,567,249
Land Acquisition and Site Improvement Contract Management Professional Fees	$150,000	$150,000	$0
TOTALS	$65,000.000	$41,432,751	$23,567,249

2. As MAEDA continues to acquire Parcels to assemble the MAJOR Campus, including those Parcels that are expected to be required for the MDOT's proposed transportation improvements at or near the MAJOR Campus, it may become necessary for MAEDA to not acquire certain Parcels if for example, they are no longer needed by MDOT and/or if MDOT intends to directly acquire such Parcels or the right of way to further the interests of the overall MAJOR Campus development. We need to amend section 2.4(a) of the SSRP Grant to recognize that there may be situations that arise wherein certain Parcels on the Parcel list may not be purchased, and to allow MAEDA to proceed accordingly upon prior written consent of the MSF Fund Manager.

3. Exhibit F is the list of Parcels to be purchased by MAEDA within the MAJOR Campus. Parcel splits in case of the one seller (Zapata) is documented through the revised list of Parcels, thus we need to amend Exhibit F to reflect this change.

4. BOBM was originally proposed to cover over 700 acres within the MAJOR Campus. Now, the BOBM project is to cover approximately 500 acres. Given the reduction in the size of the BOBM Project Parcel, we need to amend Exhibit F-1 and all references in the SSRP Grant to reflect the current legal description of the BOBM Project Parcel.

5. In order to document final details of the BOBM site boundaries, locations of certain utilities and locations of MDOT right of ways, we need to amend Exhibit F-2 Site Plan.

6. When Ford Motor Company announced it was pausing its pursuit of the BOBM project in the Fall 2023, the construction schedule related to MAEDA's site development work pursuant to its construction contract with Walbridge needed to be updated. Given BOBM has resumed its project, we need to amend Exhibit I to reflect revisions to the Walbridge Construction Schedule to reflect the updates.

7. When Ford Motor Company announced it was pausing its pursuit of the BOBM project in the Fall 2023, the construction schedule related to MAEDA's water and wastewater infrastructure work pursuant to its construction contract with Granger-Hoffman needed to be updated. Given BOBM has resumed its project, we need to amend Exhibit J-1 MAEDA-CMAR Construction Schedule to reflect the updates.

8. When Ford Motor Company announced it was resuming its pursuit of the BOBM project since it was last paused in the Fall 2023, Ford reduced the scope and size of its proposed Project and projected investment and lowered the number of estimated new jobs to be created through this Project. The corresponding downward adjustments to the Critical Industry Program Grant ("CIP Grant") will be submitted to the MSF Board for its review and approval simultaneously with the proposed amendments to the SSRP Grant. We need to amend references to the CIP Grant amount by adding a new section to the Recitals of the SSRP Grant.

For additional questions please feel free to contact me at any time.

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Board Relations Liaison
Michigan Strategic Fund Office
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Sincerely,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund ("MSF") Board Members**

From: **Amanda Baker, Sr. Business Development Manager**
Erik Wilford, Managing Director

Subject: **Grant Request**
Michigan Business Development Program ("MBDP")
State Essential Services Assessment ("SESA") Exemption Request
Gestamp North America, Inc. ("Company" or "Applicant")

Request Summary

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

- Approval of a $5,000,000 MBDP Grant, as outlined in the attached Term Sheet.
- Approval of three (3) 15-year 100% SESA Exemptions with an estimated value of up to $5,963,232 for $278,755,640 eligible investment in Eligible Personal Property ("SESA Request").
    - Additionally, due to the competitive nature of the project and the desire to capture as much investment as possible, the Applicant is requesting the following waivers to the SESA Guidelines (1) that the project be located in an Eligible Distressed Area and (2) the Commencement Requirement to allow investments made within five years of the commencement of the project (3) a minimum of $100,000,000 of qualified investment in Eligible Personal Property at a project location in order to qualify for a 15-year exemption, as defined in the Program Guidelines (collectively, the "Waiver Request").
- This project involves the creation of up to 580 Qualified New Jobs and a capital investment of up to $390,240,250 in the Township of Chesterfield, Macomb County, City of Mason, Ingham County City of Chelsea, Washtenaw County and City of Lapeer, Lapeer County.

Applicant History

Gestamp is a multinational group that specialized in the design, development and manufacture of highly engineered metal components for leading automobile manufacturers. Gestamp Group has 100+ plants in 24 countries and 13 Research and Development Centers. Gestamp is one of the main suppliers and developers of body-in-white, chassis and mechanism components that are increasingly safer and lighter. Gestamp's North America Headquarters was founded in Troy, Michigan, in 2004. Gestamp has manufacturing operations in South Charleston, West Virginia; Chattanooga, Tennessee; McCalla, Alabama; Union, South Carolina as well as Michigan locations in Chelsea, Mason and Lapeer

The Company's parent, Corporacion Gestamp, is based in Madrid Spain and is an international group, which has designed, developed and manufactured metal parts and assemblies for automobile manufacturers since 1997. It specializes in the development of products with an innovative design to produce lighter and safer vehicles, which offer improved energy consumption and a reduced environmental impact. The parent company's product portfolio includes vehicle bodies and chassis, complex assembly and mechanical opening systems, as well as tooling, and die-cutting.

The background review process was completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Project Description

The Company is examining the new construction of a facility in Chesterfield in addition to expansions at three of its Michigan manufacturing operations in Chelsea, Mason, and Lapeer. These projects could add new production machinery and equipment to produce new OEM business components.

The construction in Chesterfield will require approximately $64,500,000 in real property investment and will result in a new 450,000 square foot manufacturing facility. The Chelsea operation would be expanded by approximately 35,000 square feet to allow for additional machinery and equipment. Mason and Lapeer real property investment would be limited to renovations of the existing facilities. Real property investment in Chelsea, Mason, and Lapeer is $11,269,650, $18,453,830, and $1,086,890, respectively. Investment in machinery and equipment for Chesterfield, Chelsea, Mason, and Lapeer is estimated to be $75,331,060, $66,809,020, $136,615,560, and $16,174,240, respectively.

As a result of the new Chesterfield location and the three expansion opportunities, the Company expects to attract and procure additional production of new components for OEM Electronic Vehicles. The investments will result in 390 new jobs in Chesterfield, 62 new jobs in Chelsea, 100 new jobs in Mason, and 28 new jobs in Lapeer.

The Company is considering the Township of Chesterfield, City of Chelsea, City of Mason, and City of Lapeer for the project, and anticipates the project will result in capital investment of up to $390,240,250. The project will also result in the creation of up to 580 new jobs paying an average wage of $28.14 per hour plus benefits, which is well above all the Regional Median Wage rates for the different locations.

Demonstrated Need

As a global corporation, the Company's parent evaluates all potential locations when considering placing investment. Incentive assistance is necessary to make the case that Michigan is the best location for the projects. The Company is contemplating increasing its presence in the South, where substantial investments have recently been made by the Company. Current facilities in South Charleston, West Viriginia and Chattanooga, Tennessee have excess capacity to absorb additional production. The Company is also examining the feasibility of building a new manufacturing operation in Western Tennessee. Without incentive support, the locations in the South are viewed as cheaper alternatives.

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

Request

In order to secure the project, the Applicant is requesting a $5,000,000 MBDP performance-based grant and a 15-year 100% SESA exemption for personal property investment in Chesterfield, Chelsea, and Mason. The incentive request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites in the southern United States. The incentive request will help offset the cost of constructing a new manufacturing facility in Chesterfield while investing in the 3 other facilities, ultimately allowing the Company to continue being a strong employer in the region.

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

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-102

APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO GESTAMP NORTH AMERICA, 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, Gestamp North America, Inc. (the "Company") has requested a performance based MBDP grant of up to $5,000,000 (the "Request"), along with other general terms and conditions which are outlined in the term sheet attached (the "Term Sheet") to establish new steel blanks manufacturing operations (the "Project");

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Standard MBDP because the Company committed to the creation of at least 50 Qualified New;

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, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew

Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

Michigan Business Development Program ("MBDP") Grant Term Sheet

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

PROJECT SUMMARY

Scope of the Project: The Company intends to build a new facility and expand other operations due to a new automotive contract in the Township of Chesterfield, Macomb County, City of Mason, Ingham County City of Chelsea, Washtenaw County and City of Lapeer, Lapeer County (the "Project Site"). The Company expects to ramp up over the course of the next four (4) years resulting in an expected creation of at least 580 new jobs at the Project Site and a projected investment of $390,240,250 by November 30, 2028 at the Project Site (collectively, the "Project").

Award Amount: A maximum grant of $5,000,000 (the "Award"), all or a portion of which is also referred to as the "Grant").

Term of the Agreement: Effective Date of the Grant Agreement through February 28, 2029 (the "Term").

Overall Jobs Commitment: Creation of a minimum of 580 Qualified New Jobs (the "Overall Jobs Minimum") at the Project Site, above the Company and/or its affiliates or subsidiaries (including Gestamp Mason, LLC, Gestamp Washtenaw, LLC, and Gestamp Alabama, LLC) (collectively, the "Company Group") Statewide Base of 1,039 employees (the "Overall Base"), on November 30, 2028, (the "Jobs Performance Deadline") (collectively, the "Overall Jobs Commitment").

- A "Qualified New Job" or "QNJ" is defined as a new, full-time job created by the Company Group for the Project at the Project Site on or after September 29, 2023 (date of offer acceptance), and maintained continuously for the previous six (6) months, and performed for the Company Group by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company Group, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company Group at the Project Site, provided that the Company/applicable entity certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company Group are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

"Eligible Expenses" means the actual expenditure by the Company Group on or after September 29, 2023 (date of offer acceptance) for the Project at the Project Site of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training material costs. Provided, however, in no event shall any of the Eligible Expenses include: (i) costs, fees, or expenses for salaries, wages, benefits, meals and entertainment expenses, on-the-job training costs, debt payments, or administrative services for any of the Company or its employees, board members, officers, directors, or other administrative contractors, or (ii) any other expenses reimbursed or paid for under another grant or other public economic assistance.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company Group. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than August 31, 2028, together with a certification of the Company's compliance with the grant agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

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

any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.

- **Material Misrepresentation**: If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds**: If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

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

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-103

APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO GESTAMP MASON, LLC

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (the "SESA") and the Alternative State Essential Services Assessment Act (the "Alternative SESA");

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

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

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Exemption Program;

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

WHEREAS, Gestamp Mason, LLC (the "Company") is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the Program Guidelines require that qualifying investments be made after MSF approval and within three (3) years of commencement of the project in order to be eligible for the SESA Exemption Program (the "Commencement Requirement");

WHEREAS, the MEDC is requesting a waiver to the Commencement Requirement to allow qualified investments to be made up to five (5) years from commencement of the project (the "Commencement Waiver Request");

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year SESA exemption estimated to be worth $2,875,393 for up to $136,615,560 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the City of Mason ("SESA Exemption Recommendation"); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the Commencement Waiver Request, and require a one-time administrative fee in the amount of $10,000 payable to the MSF upon completion of the first performance milestone (collectively, the "Request");

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

Ayes:	Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner
Nays:	None
Recused:	None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-104

APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO GESTAMP SAINT CLAIR, LLC

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (the "SESA") and the Alternative State Essential Services Assessment Act (the "Alternative SESA");

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

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

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Exemption Program;

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

WHEREAS, Gestamp Saint Clair, LLC (the "Company") is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the Program Guidelines require that the project to be located in an Eligible Distressed Area to receive 100% exemption ("EDA Requirement");

WHEREAS, the Program Guidelines also require a minimum of $100,000,000 of qualified investment in Eligible Personal Property at a project location, as defined in the Program Guidelines, in order to be eligible for a fifteen year SESA Exemption (the "Minimum Investment Requirement");

WHEREAS, the Program Guidelines require that qualifying investments be made after MSF approval and within three (3) years of commencement of the project in order to be eligible for the SESA Exemption Program (the "Commencement Requirement");

WHEREAS, the MEDC is requesting a waiver to the EDA Requirement, Minimum Investment Requirement, and the Commencement Requirement (the "Waiver Request");

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year SESA exemption estimated to be worth $1,652,342 for up to $75,331,060 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the Township of Chesterfield ("SESA Exemption Recommendation"); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the Waiver Request, and require a one-time administrative fee in the amount of $10,000 payable to the MSF upon completion of the first performance milestone (collectively, the "Request");

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

Ayes:	Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner
Nays:	None
Recused:	None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-105

APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO GESTAMP WASHTENAW, LLC

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (the "SESA") and the Alternative State Essential Services Assessment Act (the "Alternative SESA");

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

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

WHEREAS, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Exemption Program;

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

WHEREAS, Gestamp Washtenaw, LLC (the "Company") is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the Program Guidelines require that the project to be located in an Eligible Distressed Area to receive 100% exemption ("EDA Requirement");

WHEREAS, the Program Guidelines also require a minimum of $100,000,000 of qualified investment in Eligible Personal Property at a project location, as defined in the Program Guidelines, in order to be eligible for a fifteen year SESA Exemption (the "Minimum Investment Requirement");

WHEREAS, the Program Guidelines require that qualifying investments be made after MSF approval and within three (3) years of commencement of the project in order to be eligible for the SESA Exemption Program (the "Commencement Requirement");

WHEREAS, the MEDC is requesting a waiver to the EDA Requirement, Minimum Investment Requirement, and the Commencement Requirement (the "Waiver Request");

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year SESA exemption estimated to be worth $1,435,498 for up to $66,809,020 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the City of Chelsea ("SESA Exemption Recommendation"); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the Commencement Waiver Request, and require a one-time administrative fee in the amount of $10,000 payable to the MSF upon completion of the first performance milestone (collectively, the "Request");

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

Ayes:	Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner
Nays:	None
Recused:	None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

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Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund Board**

From: **Megan McGreal, Senior Community Development Manager, Region 10**
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Program Specialist, Community Development Incentives

Subject: **Request for Approval of a Michigan Community Revitalization Program (MCRP) Other Economic Assistance Loan Participation and Request for Approval of an Act 381 Work Plan**
Broadway Detroit Development II, LLC, Broadway Detroit Properties, LLC and City of Detroit Brownfield Redevelopment Authority (BRA) – Broadway Lofts Redevelopment Project

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Project Summary & Request

The Broadway Lofts Redevelopment Project is located within the Historic Paradise Valley Entertainment and Cultural District in downtown Detroit. The applicant will convert and add on to three vacant buildings creating a single, multistory, mixed-use building in the city's historic epicenter of African American businesses. Once completed, the project will include approximately 6,462 square feet of commercial space on the ground level and 80 new residential units, with 20% of the units reserved at 60% of Area Median Income ("AMI"), monitored by the City of Detroit. The development team is seeking an $8,219,556 MCRP Loan and Brownfield Tax Increment Financing with state tax capture capped at $3,455,600 which is necessary to make the conversion of these vacant buildings and addition of mixed-income housing financially feasible providing the developer a return of 5.3%. This project will support the City's vision for building density and walkability in the Historic Paradise Valley District, adjacent to world class entertainment and cultural institutions in downtown Detroit.

PROJECT SUMMARY	
Project Eligibility	Functionally Obsolete
Total Approximate Square Feet Revitalized	71,247
Total Approximate Acres Activated	0.24
Estimated # of Residential Units	80
Estimated Commercial Square Footage	6,462
Current Taxable Value	$170,422
Projected Taxable Value at Completion	$6,700,000
Total Anticipated Capital Investment	$37,866,900
Brownfield TIF State Capture Request	$3,455,600
MCRP Loan Participation	$8,219,556

Demonstrated Needs

The incentive is necessary due to the market conditions in the City of Detroit that continue to make development challenging, including market rate rents that continue to lag construction inflation costs. The City of Detroit also requires a portion of the units to remain affordable with rents at 80% of Area Median Income or lower, further limiting cash flow. This combination of factors is driving the need for MCRP support. The development team has maximized traditional financing at $13,800,000 and will be contributing significant equity of just over $4,000,000 or 10%. In addition, they will be leveraging financing from the Downtown Development Authority (DDA), utilizing Brownfield TIF and a Commercial Rehabilitation Act (P.A.210) tax abatement, and an anticipated Revitalization and Placemaking (RAP) award of $4,275,000 through the Detroit Economic Growth Corporation. The proposed MCRP incentive will fill the remaining financing gap and allow the project to remain financially feasible. Even with MCRP support, the projected return over a 20-year period is 5.3%.

Local Support

The City is supporting the project through a Commercial Rehabilitation Act (P.A. 210) tax abatement with an estimated value of $4.3 million and a $6,750,000 loan through the Downtown Development Authority (DDA), plus $3 million in public infrastructure improvements in the Paradise Valley neighborhood in preparation for this and other developments across the district. The project supports the vision and goals stated in the Paradise Valley conservancy plan and is located in a Geographically Disadvantaged Area.

Applicant Background / Qualifications

The developer for the project is Broadway Detroit Development II, LLC, an affiliate of Basco of Michigan, Inc. (Basco). For the last nine years, Basco has made significant and focused investments in and around downtown Detroit and has been one of the developers leading the way in the City's resurgence. Some of Basco's latest accomplishments include the redevelopment and historic restoration of the Albert Kahn masterpiece at 751 Griswold, which is now home to Marxmoda; the conversion of the US Mortgage Bond Building at 607 Shelby into a state-of-the-art mixed-use multi-office and retail property; a complete gut- and rebuild of 220 Congress into a mixed-use tech hub anchored by Venture-X; and historic restoration and re-development of 311 East Grand River which is the new home of Lighthouse Artspace and their various art exhibitions.

An Organizational Chart for Broadway Detroit Development II, LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on May 28, 2024.

Financial Highlights

- Construction cost per square foot of $447.32.
- Average rental rates are projected to range from $940 to $1,448 for Studio units, $1,007 to $1,993 for one-bedroom units and $3,117 and $5,750 for two-bedroom units, with an average of $2.31 per square foot. 20% of units will be reserved for residents with incomes at 60% of Area Median Income.
- Ground level commercial space is projected to lease at $35.00 per square foot.
- Projected average debt service coverage ratio of 1.28 to 1.0. Several early years are below the benchmark 1.20 to 1.0. The MSF debt is structured with an extended interest only period and amortization, outside of the standard structure guidance, to allow for maximum flexibility and help ensure the project's long-term viability and covenant compliance with the senior debt. The MSF debt was structured to closely mirror the DDA loan terms, which offer even greater flexibility with interest only payments deferred for the first four years of the six-year interest only period.
- Equity contribution of approximately $4,022,281, or 10.6%.
- Developer return over a 20-year time horizon is projected at 5.3%.

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

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and programmatic requirements, and a financial review has been completed.

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

The 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 $3,455,600, utilizing the current state to local capture ratio.

b) A MCRP Other Economic Assistance Loan Participation in an amount up to $8,219,556 for Broadway Detroit Development II, LLC.

c) Approval of funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088h(3)(e) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Broadway Detroit Development II, LLC

Employer Identification Number: 84-2023988

MANAGER: Roger, Emmanuel, Basmajian

Member		Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Member/Company name and manager		**100.00%**		
Broadway Opportunity Zone Fund, LLC	100.00%		83-4473659	Michigan
Roger, Emmnauel, Basmajian	55.00%		XXX	
Shakeh, Hasmig, Basmajian	45.00%		XXX	
		100.00%		

Organizational Structure

Company Name: Broadway Detroit Properties, LLC

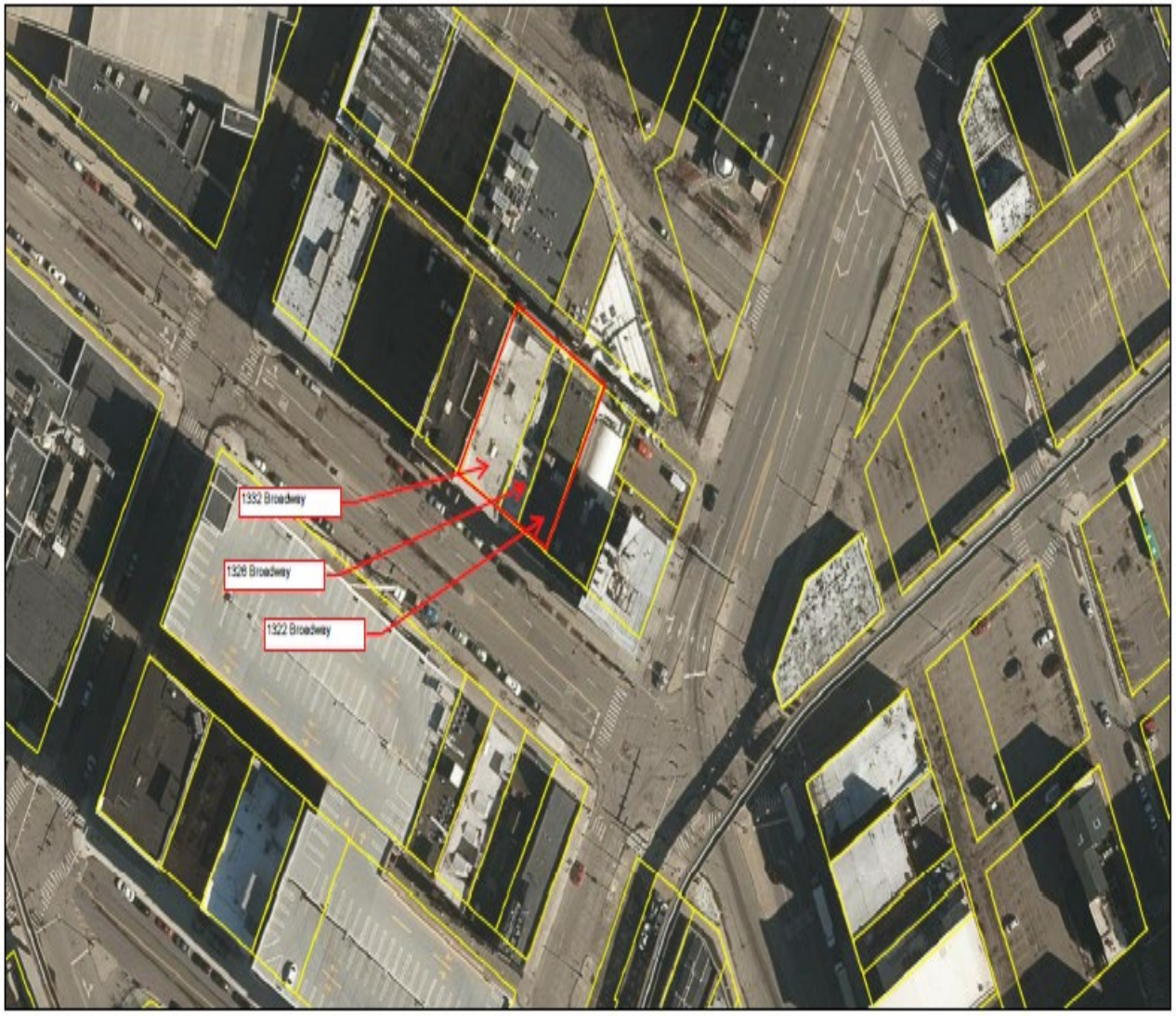
Employer Identification Number: 47-2523346

MANAGER: Roger Emmanuel Basmajian

Member		Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Member/Company name and manager		**100.00%**	47-2523346	Michigan
Broadway Detroit Properties, LLC	100.00%			
Roger Emmanuel Basmajian	100%			

APPENDIX B – Project Map and Renderings

Parcel Map




BROADWAY LOFTS
retail
retail
KraemerDesignGroup

APPENDIX C – Financial Terms

Summary of Development Sources:

Senior Lender	$	13,800,000	36.44%
DDA Loan	$	6,750,000	17.83%
MSF Loan	$	8,219,556	21.71%
RAP Grant	$	4,275,000	11.29%
Deferred Developer Fee	$	800,000	02.11%
Developer Equity	$	4,022,344	10.62%
TOTAL	**$**	37,866,900	**100.00%**

Summary of Development Uses:

Acquisition	$	1,575,043
Hard Construction Costs	$	31,864,039
Eligible Soft Costs	$	1,322,436
Other	$	3,105,382
TOTAL	**$**	37,866,900

Loan Terms

Borrower: Broadway Detroit Development II, LLC and Broadway Detroit Properties, LLC and/or Related Entities

Senior Lender: City of Detroit Downtown Development Authority or other lender acceptable to the MSF

Total Capital Investment: Currently estimated at $37,866,900

MSF Eligible Investment: Currently estimated at $33,186,475

Minimum Eligible Investment: Currently estimated at $32,879,000

MSF Share: Up to the lesser of 25% of "Eligible Investment" or $8,219,556

Term: Currently anticipated to be up to 120 months. Includes an interest only period of up to 60 months.

Amortization: Currently anticipated to be up to 445 months (matches DDA), following the interest only period

Interest Rate: 1.0% per annum

Repayment Terms:	Currently anticipated to be monthly interest only payments for up to 60 months, followed by principal and interest payments, with principal due at maturity.
Collateral:	Shall reasonably match that of Lender, currently anticipated to be a shared second priority security interest in the subject real estate, assignment of rents and leases, and assignment of other contracts and documents deemed necessary or to match Lender.
Guarantee:	Shall reasonably match that of Lender, currently anticipated to be the guaranties of the LLC members.
MSF Fees:	The MSF shall be paid a one-time fee equal to 1.0% of the Loan Amount.
Reserves/Contingencies:	Currently anticipated to be approximately $1,100,000 in reserves and contingencies.
Developer Fees:	Deferred Developer fee of $800,000 or 2.1%
Funding:	The MSF will fund up to $8,219,556 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: - Receipt of final construction documents - Final Development Budget - Anticipated minimum owner equity investment of $4,022,000 - Other legal due diligence, as required

MCRP Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered. The project meets the MCRP Guidelines, and a financial review has been completed.

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

A. The importance of the project to the community in which it is located:
The project buildings are currently unused and have sat vacant for many years. The project proposes to rehabilitate and enhance the buildings into both commercial space and multi-family housing, adding 80 residential units to the area having an immediate impact by increasing walkability in the neighborhood and adding foot traffic to local businesses. The Paradise Valley neighborhood sits adjacent to world class arts and entertainment venues. Introducing mixed income housing to the area would bring a much-needed density and a variety of housing types to the neighborhood.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:
The project will act as a catalyst for additional revitalization as it will provide proof of concept of rehabilitating underutilized buildings and will spur additional investment in rehabilitating and revitalizing vacant building stock nearby. Additionally, the project will bring an influx of residents to the area by providing 80 housing units which will activate the community and bring additional business to the existing local commercial district.

C. The amount of local community and financial support for the project:
The City of Detroit has contributed to the project with a PA-210 tax abatement. The value of the PA-210 is $4.3 million over the 10 years. The project is supported locally by a Downtown Development Authority low interest loan in the amount of $6.75 million that was approved in June of 2023.

D. The applicant's financial need for a community revitalization incentive:
The incentive is necessary due to the market conditions in the City of Detroit that continue to make development challenging, including market rate rents that continue to lag construction inflation costs. The City of Detroit also requires a portion of the units remain affordable with rents at 80% of Area Median Income or lower, further limiting cash flow. This combination of factors is driving the need for MCRP support. The development team has maximized traditional financing at $13,800,000 and will be contributing significant equity of just over $4,000,000 or 10%. In addition, they will be leveraging financing from the Downtown Development Authority (DDA), utilizing Brownfield TIF and a PA-210 tax abatement, and an anticipated Revitalization and Placemaking (RAP) award of $4,275,000 through the Detroit Economic Growth Corporation. The proposed MCRP incentive will fill the remaining financing gap and allow the project to remain financially feasible. Even with MCRP support, the projected return over a 20-year period is 5.3%.

E. The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:
The project will reuse three dilapidated buildings that have long sat vacant in the Historic Paradise Valley Cultural and Entertainment District. This project aligned most closely with the vision for Paradise Valley and thus was the winning response to an RFP of two of the three buildings.

F. Creation of jobs:
The project will create one new full-time job for property management. The restaurant and market are expected to create at least 44 full-time equivalent positions.

G. The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:
Besides the above-mentioned senior loan of $13,800,000 and the $6,750,000 low interest loan from the Downtown Detroit Development Authority, the developers will be bringing over $4,000,000 of equity into the deal.

H. Whether the project is financially and economically sound:
Staff consider the project to be financially and economically sound.

I. Whether the project increases the density of the area:
The project will be increasing residential density in the area by providing 80 new residential rental units.

J. Whether the project promotes mixed-use development and walkable communities:
The project promotes mixed-use development and the walkable community of Detroit and the city's Paradise Valley neighborhood by adding places for Michiganders to rent and call home. These new residents will have amenities across many different use types within walking distance of the project, as it is adjacent to world class arts and entertainment venues.

K. Whether the project converts abandoned public buildings to private use:
The project will be activating the abandoned alley behind the project, creating a second artery along the back of the building and parallel to Broadway Street.

L. Whether the project promotes sustainable development:
The project involves the reuse of existing buildings. By reusing underutilized existing buildings, the carbon emissions for the construction of the project should be lower due to harnessing the embodied carbon in the existing building and requiring less manufacturing of new material. The project will embark in receiving the Fitwel Certification which assesses a project's location to other amenities, walkability, transit, outdoor spaces, project amenities, operable windows, safety, air and environmental quality of project interiors, efficient HVAC systems, and overall quality of life standards measurements.

M. Whether the project involves the rehabilitation of a historic resource:
This project will completely restore the 2 building facades to their original glory by following the Secretary of the Interior Standards and National Parks Services recommended and standards for rehabilitation, including masonry restoration, mortar cleaning and tuckpointing, recreating missing terra cotta tiles, fabricating and replacing the storefronts and windows that were carelessly replaced in the 1970's, 1980's and 90's with incorrect vinyl products. The 3rd facade which had most of the protruding architectural elements such as the cornice chopped off and hundreds of drill holes put

in the limestone to adhere a modernist metal skin is beyond restoration, so this building will be torn down and recreated in like scale and proportions.

N. Whether the project addresses area-wide redevelopment:
The project is in a quadrant of downtown that has not received much investment and development activity. The project will create a significant density on a block that has many historic buildings that are vacant. The new mixed-use project with 80 residential units, two retail/restaurant spaces and the activated alley adjacent to the project will be a catalyst to attracting other investment in the area and nudging other neighboring property owners to start investing in their properties. Furthermore, the project will become a much-needed infill development to bridge the significant developments happening on Woodward Avenue such as the Hudson Tower and Shinola Hotel and much more to the South and to connect the recently announced Music Hall expansion.

O. Whether the project addresses underserved markets of commerce:
The project's ground floor will be home to a new restaurant and a small food market. The area is in dire need of additional food service establishments, especially food markets. Downtown Detroit has had a shortage of food service businesses, and currently residents of downtown have to drive outside of these neighborhoods to do simple shopping for daily needs.

P. The level and extent of environmental contamination:
There will be extensive demolition and cleanup in the properties and proper disposal of contaminated material. The properties have extensive mold and mildew throughout the properties. Lead paint is extensive in the properties with peeling lead paint and flaking in all the buildings. The Hazardous Materials report also noted extensive asbestos containing materials in the buildings that have been disturbed and in friable state and unsafe in current condition.

Q. If the rehabilitation of the historic resource will meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67):
The project intends to completely restore the two building facades to its original glory by following the Secretary of the Interior Standards and National Parks Services recommended and standards for rehabilitation, including masonry restoration, mortar cleaning and tuckpointing, recreating missing terra cotta tiles, fabricating and replacing the storefronts and windows that were carelessly replaced in the 1970's, 1980's and 90's with incorrect vinyl products. The 3rd facade which had most of the protruding architectural elements such as the cornice chopped off and hundreds of drill holes put in the limestone to adhere a modernist metal skin is beyond restoration, so this building will be torn down and recreated in like scale and proportions.

R. Whether the project will compete with or affect existing Michigan businesses within the same industry:
The project will not compete with or affect existing Michigan businesses within the same industry.

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

APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on February 7, 2022. The property has been deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on July 22, 2021 and determined to be a historic resource within the Broadway Avenue Local Historic District by the local jurisdiction.

There are 29.6380 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (80.98%) and local millage equaling 5.6380 mills (19.02%). 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 $3,455,600, which is the amount of tax increment revenue anticipated to be generated in 22 years. The tax capture ratio is impacted by the Commercial Rehabilitation Act (P.A. 210) tax abatement, and the blended ratio is included below. Total MSF eligible activities are estimated at $3,455,600. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(100%)	$	3,455,600
Local tax capture	(0%)	$	0
TOTAL		**$**	3,455,600

Cost of MSF Eligible Activities

Demolition	$	879,281
Infrastructure Improvements		369,500
Site Preparation		806,694
Asbestos		10,000
Sub-Total	$	2,065,475
Contingency (15%)	+	309,821
Sub-Total	$	2,375,296
Interest (5%)	+	1,040,304
Sub-Total	$	3,415,600
Brownfield/Work Plan Preparation	+	30,000
Brownfield/Work Plan Implementation	+	10,000
TOTAL	**$**	3,455,600

In addition, the project is requesting $6,500 in TIF from EGLE to assist with environmental eligible activities.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:
The City of Detroit seasonally adjusted jobless rate was 4.5% in September 2023.

B. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:
This property contains an obsolete building, which will be renovated and reused for high-demand housing.

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-106

APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD TO BROADWAY DETROIT DEVELOPMENT II, LLC AND BROADWAY DETROIT PROPERTIES, LLC

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

WHEREAS, the Michigan Economic Development Corporation (the "MEDC") provides administrative services to the MSF for 21st Century Jobs Trust Fund programs and activities and for the MCRP;

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

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

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

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

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

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

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

WHEREAS, Broadway Detroit Development II, LLC and Broadway Detroit Properties, LLC (the "Companies") have requested an MCRP performance-based Other Economic Assistance Loan

Participation award of up to $8,219,556 (the "Award Request"), along with other general terms and conditions, which are outlined in the term sheet attached as Exhibit A (the "Term Sheet");

WHEREAS, the MEDC recommends that the MSF Board approve funding of $8,219,556 from the Investment Fund to fund the Award Request (the "Funding"); and

WHEREAS, the MEDC has recommended that the MSF approve the Award Request and the Funding in accordance with the Term Sheet, subject to: (i) available funding; (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 180 days of the date of this Resolution (the "Time Period"), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 180 days (collectively, the "MCRP Award Recommendation").

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

Ayes:	Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner
Nays:	None
Recused:	None

Lansing, Michigan
July 9, 2024

EXHIBIT A

"TERM SHEET"

Loan Terms

MSF Incentive:	MCRP Performance-Based Other Economic Assistance Loan Participation
Borrower:	Broadway Detroit Development II, LLC and Broadway Detroit Properties, LLC and/or Related Entities
Senior Lender:	City of Detroit Downtown Development Authority or other lender acceptable to the MSF
Total Capital Investment:	Currently estimated at $37,866,900
MSF Eligible Investment:	Currently estimated at $33,186,475
Minimum Eligible Investment:	Currently estimated at $32,879,000
MSF Share:	Up to the lesser of 25% of "Eligible Investment" or $8,219,556
Term:	Currently anticipated to be up to 120 months. Includes an interest only period of up to 60 months.
Amortization:	Currently anticipated to be up to 445 months (matches DDA), following the interest only period
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be monthly interest only payments for up to 60 months, followed by principal and interest payments, with principal due at maturity.
Collateral:	Shall reasonably match that of Lender, currently anticipated to be a shared second priority security interest in the subject real estate, assignment of rents and leases, and assignment of other contracts and documents deemed necessary or to match Lender.
Guarantee:	Shall reasonably match that of Lender, currently anticipated to be the guaranties of the LLC members.
MSF Fees:	The MSF shall be paid a one-time fee equal to 1.0% of the Loan Amount.

Reserves/Contingencies:	Currently anticipated to be approximately $1,100,000 in reserves and contingencies.
Developer Fees:	Deferred Developer fee of $800,000 or 2.1%
Funding:	The MSF will fund up to $8,219,556 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: - Receipt of final construction documents - Final Development Budget - Anticipated minimum owner equity investment of $4,022,000 - Other legal due diligence, as required

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-107

APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
BROADWAY LOFTS REDEVELOPMENT

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

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

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

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

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the "Authority") has submitted a work plan (the "Brownfield Work Plan") dated April 30, 2024 for property located at 1322, 1326, 1332 Broadway Street within the City of Detroit, known as Broadway Lofts Redevelopment (the "Project");

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 100% to 0% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, asbestos abatement and infrastructure improvements as presented in the Brownfield Work Plan. 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 $2,375,296 for the principal activity

costs of non-environmental activities and a contingency, a maximum of $1,040,304 in interest, a maximum of $30,000 for brownfield and work plan preparation, and a maximum of $10,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of $3,455,600.

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 City , as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

Ayes:	Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner
Nays:	None
Recused:	None

Lansing, Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund Board**

From: **Dominic Romano, Senior Community Development Manager**
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Program Specialist

Subject: **Request for Approval of a Michigan Community Revitalization Program (MCRP)**
Other Economic Assistance Loan Participation
Coleman Allen LLC – 111 Oneida

Project Summary & Request

The project will rehabilitate a blighted and vacant property in the City of Pontiac. The Casa Del Ray building at 111 Oneida is located in the Main Street Oakland County Huron Road Corridor community west of downtown and blocks away from the Webster Community Center. Public interest has risen in recent years in new or newly improved residential options in Pontiac. This demand will be addressed in the 50 units offered through this project, creating more density and pedestrian activity in the corridor.

The Oakland County Land Bank is selling the property to the development team and has been working closely with the developer and the city to support the transition of ownership. This collaboration of partners has been strong throughout the process and serves as a good model for future projects in the region, as the project also involves an emerging developer.

The surrounding neighborhood will benefit from this project's residential offerings and activation of the vacant property. Rental rates will target middle to low-income tenants earning between 60% and 120% of Area Median Income (AMI). These rent levels will also be supported and monitored by MSHDA Missing Middle and Housing TIF incentives which include parameters to ensure affordable and attainable rental rates. The improvements will be catalytic to a place of need and in proximity to the downtown area, and other amenities along the Huron Road corridor.

PROJECT SUMMARY	
Project Eligibility	Blighted
Total Approximate Square Feet Revitalized	47,435
Total Approximate Acres Activated	0.65
Estimated # of Residential Units	50
Current Taxable Value	$241,900
Projected Taxable Value at Completion	$4,350,000
Total Anticipated Capital Investment	$13,914,019
MCRP Loan	$2,673,400

Demonstrated Needs

A financial need exists due to the market conditions in the City of Pontiac that continue to make development challenging, including market rate rents that continue to lag construction inflation costs. In addition, the city and development team's interest in providing affordability limits the revenue that can be generated. This combination of the inclusion of attainable housing merged with the high cost of construction associated with redevelopment of a long vacant, blighted building in Pontiac, limits the amount of traditional debt the project can secure and is driving the need for MCRP support. Multiple financing sources have been explored and maximized, including loans from IFF and the Oakland County Housing Trust Fund and a MSHDA Missing Middle Grant of $3,500,000. In addition, the project is leveraging MSHDA Housing TIF, with an estimated value of $4,342,000, and a Neighborhood Enterprise Zone (NEZ) tax abatement. The proposed MCRP loan incentive will fill the remaining financing gap and allow the project to remain financially feasible.

Local Support

Local support for the project will be provided by Oakland County through a $3,000,000 Oakland County Housing Trust Fund loan and an environmental grant of $33,050. The City of Pontiac is also expected to provide a Neighborhood Enterprise Zone (NEZ) abatement valued at approximately $2.8 million and participation in a MSHDA Housing TIF work plan set to capture approximately $4.3 million over 30 years.

Applicant Background / Qualifications

Coleman Allen LLC is a family business co-founded by Gregory and Ronita Coleman, who rehabilitate blighted places in Metro Detroit to high-quality, accessible, and diverse housing options. Gregory, born and raised in Detroit, is a graduate of Cass Tech and has a Bachelor of Science in Business Administration from Wayne State University. Ronita Coleman has a Bachelor of Science in Mechanical Engineering from Ohio State University. Both currently work at General Motors in leadership roles in the capacity of Purchasing, Supply Chain and Inventory Management. Together, they have addressed multiple properties in Oakland County (Birmingham, Clawson, Southfield & Lathrup Village). They own and manage nine rental properties in Metro-Detroit. The development team also includes partner entity Architech, the project general contractor and owner's representative, with over 25 years of experience. The 111 Oneida project is their first multi-unit commercial development.

An Organizational Chart for Coleman Allen LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on May 13, 2024.

Financial Highlights

Relevant financial details for this project include, but are not limited to, the following:

- Construction cost per square foot is $217.93.
- Rental rates are projected at $1,000 for Studio units, $1,300 for one-bedroom units, $1,550 for two-bedroom units, and $2,000 for one three-bedroom unit, with an average of $1.78 per square foot.
- Affordability requirements are as follows:
    - MSHDA Housing TIF requires all units to be affordable to households earning 120% of AMI or less.
    - Oakland County Housing Trust Fund loan requires at least 12 units reserved for residents earning less than 80% of AMI (percentage is proportional to their investment).
    - IFF requires 100% of units to be between 60% and 120% AMI.
- The projected average debt service coverage ratio is 1.28 to 1.0. Several early years, after the expiration of the interest only period, are below the benchmark 1.20 to 1.0, ranging from 1.12 to

1.19 to 1.0. However, this assumes a standard amortization for the County's Housing Trust Fund loan repayment and does not account for the cash flow dependent repayment provision.

- Equity contribution of approximately $724,000, or 5%, is considered a deviation from underwriting standards and the minimum of 10%. However, this is considered an acceptable deviation as the developer is considered an emerging developer and is part of the Cinnaire Women Empowered to Build "WE Build" program, a program aimed at fostering growth in Detroit women developers and fostering diversity and inclusivity in the field of real estate development in Michigan.
- Developer return over a 20-year timeframe is projected at 8.6%.

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

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and programmatic requirements and a financial review has been completed.

Recommendation

MEDC staff recommends approval of the following (the "Recommendation"):

a) A MCRP Other Economic Assistance Loan Participation in an amount up to $2,673,400 for Coleman Allen LLC, on terms and conditions outlined in Exhibit A found in the resolution.

b) Approval of funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088h(3)(e) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Coleman Allen LLC
Employer Identification Number: 82-4025427
MANAGER: Ronita Coleman

Member			Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Member/Company name and manager			**100.00%**	82-4025427	Michigan
Coleman Allen LLC					
	Ronita Coleman	51.00%			
	Gregory Coleman	49.00%			

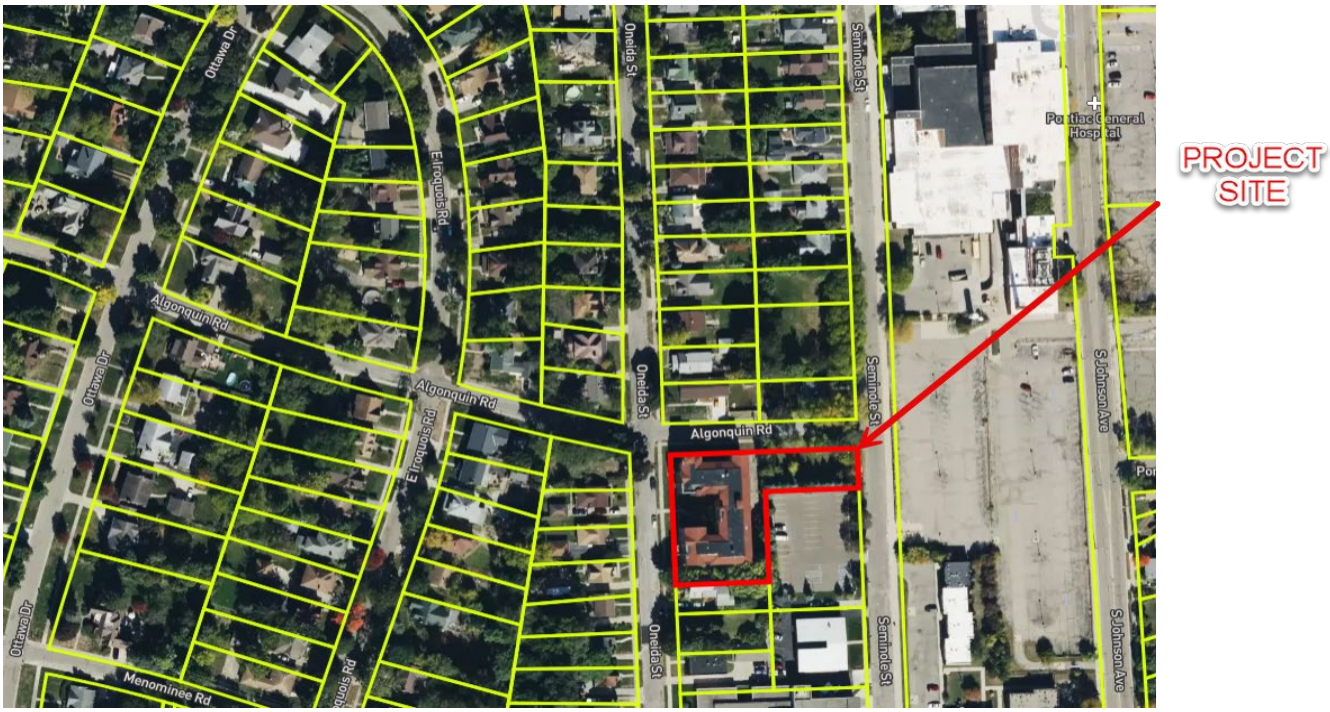
Background Check -- Key Individuals

Chief Executive Officer (CEO)	Ronita Coleman
Chief Operating Officer (COO)	Gregory Coleman
Chief Financial Officer (CFO)	Ronita Coleman
Incentive Manager (Person responsible for managing State Awarded funds)	Ronita Coleman

Guarantee section is not required for TIF-only requests.

Key Principals/Guarantors:	**Amount of Guarantee**
Ronita Coleman	$ 2,600,000
Gregory Coleman	$ 2,600,000

APPENDIX B – Project Map and Renderings





APPENDIX C – Financial Terms

Summary of Development Sources:

Senior Loan	$	3,500,000	25.16%
MSF Loan	$	2,673,400	19.21%
MSHDA MM Grant	$	$3,500,000	25.15%
Oakland County HTF	$	$3,000,000	21.56%
Deferred Developer Fee	$	516,000	03.71%
Developer Equity	$	724,619	05.21%
TOTAL	**$**	13,914,019	**100.00%**

Summary of Development Uses:

Acquisition	$	880,569
Hard Construction Costs	$	10,487,369
Eligible Soft Costs	$	465,050
Other	$	2,081,031
TOTAL	**$**	13,914,019

Loan Terms

MSF Incentive: MCRP Performance-Based Other Economic Assistance Loan Participation

Borrower: Coleman Allen LLC and/or Related Entity

Senior Lender: IFF or other federally insured lender acceptable to the MSF ("Lender")

Total Capital Investment: Currently estimated at $13,914,019

MSF Eligible Investment: Currently estimated at $10,922,419

Minimum Eligible Investment: Currently estimated at $10,693,600

MSF Share: Up to the lesser of 25% of "Eligible Investment" or $2,673,400.

Term: Shall reasonably match that of Lender, currently anticipated to be up to 120 months. Includes an interest only period of up to 36 months.

Amortization: Currently anticipated to be up to 360 months, following the interest only period

Interest Rate: 1.0% per annum

Repayment Terms: Currently anticipated to be monthly interest only payments for up to 36 months, followed by principal and interest payments, with principal due at maturity.

Collateral: Shall reasonably match that of Lender, currently anticipated to be a first priority security interest in the subject real estate, assignment of rents and

	leases, and assignment of other contracts and documents deemed necessary or to match Lender. MSF share of collateral will be subordinated to that of the Senior Lender.
Guarantee:	Shall reasonably match that of Lender, currently anticipated to be the guaranties of the LLC members. MSF share of collateral will be subordinated to that of the Senior Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to 1.0% of the Loan Amount.
Reserves/Contingencies:	Currently anticipated to be approximately $2,000,000 in reserves and contingencies.
Developer Fees:	Developer fee of $531,000, or 3.8%, of which approximately $516,000 will be deferred.
Funding:	The MSF will fund up to $2,673,400 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: - Receipt of final construction documents - Final Development Budget - Local approval of NEZ tax abatement - Anticipated minimum equity investment of $724,000 - Other legal due diligence, as required

MCRP Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered. The project meets the MCRP Guidelines and a financial review has been completed.

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

A. The importance of the project to the community in which it is located:
The project is important to the community as it supports the Pontiac Housing Commission Housing Improvement and Action Plan of June 7, 2023, addresses an unused, blighted structure, will increase walkers in the neighborhood, and will add economic activity from the added pedestrians to amenities in proximity along the Huron Road corridor.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:
The project will act as a catalyst for additional revitalization in the community. This building is close to Pontiac's downtown, a place where many projects are slated to occur in the coming years. It is conveniently located to all necessary local amenities and the redevelopment of this property will contribute to a growing number of investments in the city of Pontiac that have and will turn other blighted properties into viable engines of economic growth and opportunity.

C. The amount of local community and financial support for the project:
The local government and the county have shown support and assistance for the project directly with loan and grant incentives from Oakland County and city incentives including a NEZ abatement and participation though a MSHDA Housing TIF work plan.

D. The applicant's financial need for a community revitalization incentive:
A financial need exists due to the market conditions in the City of Pontiac that continue to make development challenging, including market rate rents that continue to lag construction inflation costs. In addition, the city and development team's interest in providing affordability limits the revenue that can be generated. This combination of the inclusion of attainable housing merged with the high cost of construction associated with redevelopment of a long vacant, blighted building in Pontiac, limits the amount of traditional debt the project can secure and is driving the need for MCRP support. Multiple financing sources have been explored and maximized, including loans from IFF and the Oakland County Housing Trust Fund and a MSHDA Missing Middle Grant of $3,500,000. In addition, the project is leveraging MSHDA Housing TIF, with an estimated value of $4,342,000, and a Neighborhood Enterprise Zone tax abatement. The proposed MCRP loan incentive will fill the remaining financing gap and allow the project to remain financially feasible.

E. The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:
The project will reuse an existing blighted historic building to be rehabilitated to complete the project.

F. Creation of jobs:
The project anticipates creating 3 jobs. The average hourly wage is estimated to be $16.

G. The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:
Other sources and contributions to the project include senior financing from IFF at $3,500,000 and MSHDA Missing Middle grant funds of $3,500,000.

H. Whether the project is financially and economically sound:
Staff consider the project to be financially and economically sound.

I. Whether the project increases the density of the area:
The project increases the density of the area by bringing 50 newly improved residential units back into the market. This comes with the possibility of up to 67 tenants residing in the units thus driving up the residential density for the area.

J. Whether the project promotes mixed-use development and walkable communities:
The project will promote mixed-use development and walkability in the community by increasing density in the neighborhood. This building will be all residential and will promote alternative transportation methods such as biking, bussing and walking in proximity to many businesses, downtown and necessary amenities like a public school, library, market, post office, pharmacy, hospital, childcare, church, public park and job training center.

K. Whether the project converts abandoned public buildings to private use:
The project will convert an abandoned building currently owned by Oakland County to a privately operating apartment building.

L. Whether the project promotes sustainable development:
The project has completed a level 2 DTE-supported assessment and recommendations will be integrated into the plans for the mechanical, electrical, building envelop and plumbing systems.

M. Whether the project involves the rehabilitation of a historic resource:
The project includes the rehabilitation of a historic asset for which the local historic district commission has issued a certificate of appropriateness. Federal historic tax credits were explored as a source which would include SHPO assistance, however, given the timing of other sources in the deal and the capacity and experience of the emerging developer team, the tax credits will not be an incentive for this project.

N. Whether the project addresses area-wide redevelopment:
This project addresses area-wide redevelopment by providing housing options at various income levels and supports the Pontiac Housing Commission Housing Improvement and Action Plan of June 7, 2023, which includes the city vision and 5-year plan for Housing.

O. Whether the project addresses underserved markets of commerce:
The project addresses underserved markets of commerce by providing support to missing middle-income groups. Given the low inventory of affordably priced residential properties and the rising cost of rents, Coleman Allen LLC's plan focuses on supporting underserved markets by preserving more affordable housing for renters in Pontiac.

P. The level and extent of environmental contamination:
The level and extent of environmental contamination was assessed and asbestos and lead was identified and as a part of the Housing TIF work plan to be mitigated.

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):
Although the project plans to preserve as much historic significance as possible, due to the blighted nature of the structure and updated development processes and requirements, full compliance to the Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings will not be possible. This is also affected by the nature of the development team's inexperience with federal historic processes and incentives.

R. Whether the project will compete with or affect existing Michigan businesses within the same industry:
The project will not compete with or affect existing Michigan businesses within the same industry.

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-108

APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD TO COLEMAN ALLEN, LLC

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

WHEREAS, the Michigan Economic Development Corporation (the "MEDC") provides administrative services to the MSF for 21st Century Jobs Trust Fund programs and activities and for the MCRP;

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

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

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

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

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

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

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

WHEREAS, Coleman Allen LLC (the "Company") has requested an MCRP performance - based Other Economic Assistance Loan Participation award of up to $2,673,400 (the "Award Request"), along with other general terms and conditions, which are outlined in the term sheet attached as Exhibit A (the "Term Sheet");

WHEREAS, the MEDC recommends that the MSF Board approve funding of $2,673,400 from the Investment Fund to fund the Award Request (the "Funding"); and

WHEREAS, the MEDC has recommended that the MSF approve the Award Request and the Funding in accordance with the Term Sheet, subject to: (i) available funding; (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 180 days of the date of this Resolution (the "Time Period"), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 180 days (collectively, the "MCRP Award Recommendation").

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

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

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

EXHIBIT A

"TERM SHEET"

Loan Terms

MSF Incentive:	MCRP Performance-Based Other Economic Assistance Loan Participation
Borrower:	Coleman Allen LLC and/or Related Entity
Senior Lender:	IFF or other federally insured lender acceptable to the MSF ("Lender")
Total Capital Investment:	Currently estimated at $13,914,019
MSF Eligible Investment:	Currently estimated at $10,922,419
Minimum Eligible Investment:	Currently estimated at $10,693,600
MSF Share:	Up to the lesser of 25% of "Eligible Investment" or $2,673,400.
Term:	Shall reasonably match that of Lender, currently anticipated to be up to 120 months. Includes an interest only period of up to 36 months.
Amortization:	Currently anticipated to be up to 360 months, following the interest only period
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be monthly interest only payments for up to 36 months, followed by principal and interest payments, with principal due at maturity.
Collateral:	Shall reasonably match that of Lender, currently anticipated to be a first priority security interest in the subject real estate, assignment of rents and leases, and assignment of other contracts and documents deemed necessary or to match Lender. MSF share of collateral will be subordinated to that of the Senior Lender.
Guarantee:	Shall reasonably match that of Lender, currently anticipated to be the guaranties of the LLC members. MSF share of collateral will be subordinated to that of the Senior Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to 1.0% of the Loan Amount.

Reserves/Contingencies:	Currently anticipated to be approximately $2,000,000 in reserves and contingencies.
Developer Fees:	Developer fee of $531,000, or 3.8%, of which approximately $516,000 will be deferred.
Funding:	The MSF will fund up to $2,673,400 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: - Receipt of final construction documents - Final Development Budget - Local approval of NEZ tax abatement - Anticipated minimum equity investment of $724,000 - Other legal due diligence, as required

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund Board**

From: **Amber Westendorp, Capital Project & Portfolio Manager**

Subject: ***Private Activity Bond – Inducement Amendment***
BerQ US Investments, LLC
Solid Waste - $235,000,000

Request:
BerQ US Investments, LLC, a Delaware limited liability company ("BerQ"), is requesting an amendment to MSF's Inducement Resolution 2022-067 for private activity bond financing to include two additional project locations and increase the not to exceed amount to $235,000,000.

The two new projects are:

- Cow Pleasant: Farwell, MI, Clare County
- Kalamazoo: Kalamazoo, MI, Kalamazoo County

MSF previously adopted Inducement Resolution 2022-067 on April 26, 2022 in connection with the BerQ project. On April 16, 2024, an inducement extension was approved with Resolution 2024-063. Several factors have contributed to the delay in two of the project sites, including supply chain delays, permitting matters and a reevaluation of project designs. BerQ has requested this amendment due to project cost increases and two new projects. The remainder of the application and the scope of the project remain unchanged.

Description of Project:
The project ("Project") will produce renewable natural gas ("RNG") for transportation fuel sourced from biomethane from dairy farms. The Project will use anaerobic digesters at the farms to capture raw biogas and then clean, upgrade, and compress it. RNG from the Project will be used to power trucks, buses, and other vehicles operating on compressed natural gas. The RNG will be transported through local, state, and/or interstate pipelines. The Project will consist of the acquisition, construction, rehabilitation, installation, development and equipping of solid waste disposal facilities related to the production of renewable natural gas, including, but not limited to, handling and sorting systems, conveyance systems, anaerobic digesters, purification and refinement systems, collection systems, pumps, pipes, monitoring control systems, site improvements, digestate handling and treatment systems and all other assets (including

land) necessary to support the foregoing improvements and to place them into service in the locations in Michigan.

The Project is expected to provide a significant economic benefit and job creation for the State of Michigan. BerQ expects to create directly and indirectly approximately 160 construction jobs and 30 operational jobs.

Background:
BerQ was incorporated in September of 2021 in the state of Delaware and is indirectly owned by Lotus Infrastructure Partners.

Since inducement in 2022, two of the project sites have been completed for the sites at Freeport and Fennville and commercial production of RNG has commenced at these facilities. The projects for Elise and Hopkins locations anticipate commercial operation to begin in 2025. The new projects to be added to the inducement are expected to begin construction in October 2024. Several factors have contributed to the delay in the project sites, including supply chain delays, permitting matters and a reevaluation of project designs.

The background review process was completed in accordance with the MSF Background Review Policy on March 18, 2024.

Recommendation:
After reviewing the request for an amendment to the inducement resolution for BerQ, staff recommends the adoption of an amendment to Inducement Resolution 2022-067 to allow for the addition of two project sites and an increase in the not to exceed amount of the private activity bond of up to $235,000,000.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-109

BerQ US Investments, LLC

WHEREAS, the Michigan Strategic Fund (the "Fund") has previously induced a project for BerQ US Investments, LLC (the "Borrower") pursuant to Resolution 2022-067 on April 26, 2022;

WHEREAS, the Borrower's inducement included to finance the costs of the acquisition, construction, installation, equipping, and furnishing of certain solid waste disposal facilities relating to renewable gas projects in the following four locations in Michigan: Freeport, Barry County; Fennville, Allegan County; Hopkins, Allegan County; and Elsie, Clinton County (the "Project");

WHEREAS, the induced Project specified the cost of the Project would not exceed One Hundred Sixty-Five Million Dollars ($165,000,000);

WHEREAS, the Fund approved an extension to the expiration date of Resolution 2022-067 on April 16, 2024 by adopting Resolution 2024-063;

WHEREAS, the Borrower requests that the Fund amend Resolution 2022-067 to include two additional project locations in Michigan: Farwell, Clare County; Kalamazoo, Kalamazoo County and to include an increase to the cost of the Project to a not to exceed amount of Two Hundred Thirty-Five Million Dollars ($235,000,000) (collectively, the "Amendment Request").

NOW, THEREFORE, BE IT RESOLVED by the Board of the Michigan Strategic Fund that:

1. The Amendment Request is approved.

2. This resolution shall become effective upon adoption.

Adopted:	Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner
Ayes:	None
Nays:	None

Lansing Michigan
July 9, 2024

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

To: Michigan Strategic Fund Board

From: Chris Cook, Managing Director – Capital Access

Date: July 9, 2024

Subject: SSBCI 2.0 – MBGF Small Business Venture Capital Program – eLab Capital Partners III, Michigan Innovation Fund LP – Request for Investment

Request

To provide up to $11 million of SSBCI 2.0 Small Business Venture Capital Program funding in the form of a limited partner investment in eLab Capital Partners III, Michigan Innovation Fund LP ("Michigan Fund" or "Fund"). The Fund is being formed to make investments in Michigan-based portfolio companies alongside eLab Capital Partners III, L.P. ("Regional Fund" or "Companion Fund"). The Michigan Fund will be operated as a sidecar to the Companion Fund. The Michigan Fund will follow the investment decisions of the Regional Fund but is allocated solely for investments within Michigan. As a sidecar, the Michigan Fund will benefit from the Regional Fund's due diligence and investment expertise while focusing on a targeted subset of investments that meet the SSBCI criteria and objectives. The MSF will be the sole limited partner ("LP") in the Michigan Fund.

Investment Structure

The Companion Fund is the primary investment vehicle. This fund focuses on early-stage artificial intelligence ("AI") companies with a broad geographical scope with a focus on the Midwest, but which may invest throughout the US and Canada. The Michigan Fund will act as a sidecar fund to the primary Regional Fund. It is designed to co-invest exclusively in Michigan-based companies also receiving investments from the Regional Fund.

Investments of the Fund and Companion Fund will be pari passu in cash flow rights. Each will have equivalent management fees and investment periods.

Background

The Regional Fund is designed to invest equity in early-stage companies innovating in the AI sector. Its primary focus is identifying and investing in opportunities throughout the US. This fund has set a goal to secure $69 million in commitments from LPs. No first closing has occurred for the Companion Fund, although the manager represents it has soft commitments of $29 million. Included in the soft commitments is one that is anticipated to be provided by the State of Michigan Retirement System ("SMRS"). The MSF contribution will be matched only by private sector investors, excluding any commitment from SMRS.

The Michigan Fund is being established to leverage a portion of the Regional Fund's commitments to invest in Michigan based portfolio companies. Upon achieving specific benchmarks as defined in Exhibit A for

closing on additional LP commitments concurrent and/or subsequent to closing of the Michigan Fund commitment, the Regional Fund would invest alongside the Michigan Fund in Michigan based portfolio companies. The ratio of investment by the Michigan Fund in a portfolio company will be 49% by the Michigan Fund and 51% by the Regional Fund.

eLab Capital Associates III, LLC ("General Partner") will be the general partner for the Fund and Companion Fund. eLab Capital Partners ("eLab" or "Management Company") will provide certain advisory, administrative, and support services to the Fund and Companion Fund.

Investment Strategy

eLab is an AI focused venture capital firm with offices in Ann Arbor, Michigan and San Mateo, California. It was established 10 years ago and is currently fundraising for its third fund. As with its two previous funds, the Regional and Companion Fund will focus on investing in early-stage startups with disruptive technologies and business models that have the potential to serve large markets.

The Fund plans to invest an average of $2-4M per company at the seed stage, while reserving additional capital for the series A and B follow-on financing rounds up to a total per company investment of approximately $5 million. As compared to our prior funds, the larger average seed stage deal size and expansion to additional Deep Tech ecosystems are the primary drivers for increasing the Fund size to $80 million. Assuming a Fund size of $80 million, the General Partner anticipates seed and/or series A stage investments in 12-20 companies over the life of the Fund.

Fund III will leverage substantially the same model, team, process and investment criteria as its previous two funds, with a continued focus on disruptive technology and business models, with an emphasis on disruptive AI companies. Funds I and II had considerable success with identifying unique deal flow and first look at startups from the Ann Arbor and Silicon Valley ecosystems. In addition to AI, the Fund intends to deploy up to approximately 30% of its invested capital on startups in other capital efficient technologies and business models, including Cybersecurity, Big Data/Analytics, Enterprise Software, SaaS/cloud computing and Internet of Things. Each of the eLab team members has a long track record of success in information technologies, and the team's strong connection to Silicon Valley and Deep Tech ecosystems will enable unique investment opportunities.

The firm has a strong track record of investing in research-led spinouts from the University of Michigan and relies heavily on its partners' network and involvement in the Michigan entrepreneurial and investor ecosystem to source deals. Michigan's three research universities conduct $2.8 billion in research and development (R&D) annually, making Michigan a Top 10 state for university R&D. Opportunities for private equity investments continue to grow in Michigan and the Midwest, particularly in areas of AI, IT security, enterprise software, transportation, and healthcare IT.

eLab does not have a target for support of SEDI qualifying opportunities. It estimates that 75% of investments will meet SSBCI VSB designation.

Management

Paul Brown, Doug Neal, and Bob Stefanski will serve as managing partners for the General Partner, which is the same roles that each served in the management of eLab's first two funds. Mr. Brown and Mr. Neal are both Michigan residents and devote the majority of their time to Michigan investments. Mr. Stefanski is based in California and will spend about 1/3 of his time on Michigan investments.

Paul Brown – Mr. Brown has over 20 years of experience as a lawyer, entrepreneurial educator, technology founder and operator, and venture capital investor. Most recently Mr. Brown co-founded and invested in Front Door Insights, a mobile technology company. He helped raise two rounds of angel investment and executed the sale of the company in May 2013 to Mobivity, a publicly traded mobile marketing and advertising company. Mr. Brown began his career practicing law as a law clerk in Federal District Court then in the Manhattan office of the law firm Skadden, Arps, Slate, Meagher & Flom LLP. He has degrees from the University of Michigan in History (BA 1996), University of Michigan Ross School of Business (MBA 2008) and received his law degree from Wayne State University (2000). He has been on the University of Michigan Board of Regents since 2019 and is currently the board chair.

Doug Neal – Mr. Neal has over 30 years of technology industry experience including founding, operations, investing, venture accelerator management and entrepreneurial education. After 15 years in California in a variety of leadership positions at Hewlett Packard and Symantec, Doug co-founded Mobile Automation, a mobile software security company which was venture-backed by Greylock and acquired by iPass Inc. Mr. Neal served on Michigan's First Step Fund Review Board, the Michigan Pre-Seed Fund 2.0 Investment Review Board, the Michigan Venture Capital Association Board, where he is Talent Committee Chairman and Treasurer, The University of Michigan's Tech Transfer Venture Center Board, Co-Chair of TiECon Midwest 2016 Mobility Conference and as a Mentor at Detroit'sTechStars Mobility Accelerator. Doug has a bachelor's degree in computer science from Central Michigan University (1988).

Bob Stefanski – Mr. Stefanski has over 30 years of technology industry experience including founding, operations, investing, legal, business development and entrepreneurial education. He was on the founding team of TIBCO Software, a world leader in enterprise infrastructure software, where he served as Executive Vice President, Corporate Development and General Counsel. He has been an advisor, mentorand speaker with the University of Michigan Center for Entrepreneurship since its inception in 2007 and has served on the advisory board since 2014. Mr. Stefanski was also a member of the board of The University of Michigan Alumni Association from 2015-2022, including as board chair from 2019-21, and was a member of the President's West Coast Advisory Council. Mr. Stefanski was previously a partner with global law firm Reed Smith where he chaired the firm's Venture Capital and Emerging Company Practice. He began his career as an attorney with Weil, Gotshal & Manges in New York City, where his practice focused on representing the world's leading software and technology companies. Mr. Stefanski is a graduate of the University of Michigan Law School (1989), the University of Michigan Graduate School of Engineering (MS Computer, Information and Control Engineering 1986) and Northern Michigan University (BS Computational Mathematics 1984).

In addition to the managing partners, two advisors will assist in identifying opportunities and conducting due diligence on Michigan investments. Each advisor will receive a portion of the carry of Funds.

Rada Mihalcea – Dr. Mihalcea is the Janice M. Jenkins Professor of Computer Science and Engineering at the University of Michigan and the Director of the Michigan Artificial Intelligence Lab. Her research interests are in natural language processing, including multilingual natural language processing, computational social sciences, multimodal processing. She is an Association of Computing Machinery ("ACM") Fellow, an Association for the Advancement of Artificial Intelligence ("AAAI") Fellow, and is a former President of the Association for Computational Linguistics ("ACL"). She is the recipient of a Sarah Goddard Power award for her contributions to diversity in science, and the recipient of a Presidential Early Career Award for Scientists and Engineers awarded by President Obama.

Jon Oberheide – Dr. Oberheide is a board member, advisor, and investor, focused on working with cybersecurity and enterprise SaaS companies. Previously, Dr. Oberheide was the co-founder and CTO of Duo Security, with a mission to democratize security by making it easy and effective. Over 12 years, Duo scaled from zero to over 30,000 customers, $500M ARR, a 70+ NPS, and 1000 FTEs. Duo was acquired by Cisco for $2.4B. Prior to founding Duo, Jon was a security researcher and completed his BS, MS, and PhD at the University of Michigan in cybersecurity.

Past Performance

eLab has previously operated two funds. Those funds have completed 22 investments totaling $31.8 million in eLab managed fund investment. As of 5/20/2024, eLab's fund I had a realized profit of $6.3 million with a resulting multiple of cost of 1.8x. Total unrealized value for the fund I is $41.9 million with a resulting multiple of cost of 3.6x. The total unrealized value for fund II is $28.1 million with a resulting multiple of cost of 2.1x.

Total investment made by eLab managed funds provided to companies located in Michigan totals $20.8 million. The total unrealized value for those investments is $37.1 million with a resulting multiple of cost of 1.8x.

Recommendation

Approval of the investment as detailed in the term sheet in Exhibit A.

MICHIGAN STRATEGIC FUND

RESOLUTION
2024-110

APPROVAL OF A STATE SMALL BUSINESS CREDIT INITIATIVE 2.0
VENTURE CAPITAL PROGAM INVESTMENT IN
ELAB CAPITAL PARTNERS III, MICHIGAN INNOVATION FUND LP

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, under the SSBCI 2.0, authorized SSBCI 2.0 Programs 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;

WHEREAS, the State of Michigan ("State") submitted a Notice of Intent to Apply to receive SSBCI 2.0 funding on May 4, 2021;

WHEREAS, the SSBCI 2.0 requires the State to designate a department, agency or political subdivision of the State to implement and participate in the SSBCI 2.0;

WHEREAS, in accordance with Michigan Strategic Fund Act, MCL 125.2001, et. seq. ("MSF Act"), and in particular, MCL 125.2005 and MCL 125.2007, the MSF is a public body corporate and politic within the Michigan Department of Labor and Economic Opportunity and has the authority to solicit SSBCI 2.0 funds from the US Treasury to participate in SSBCI 2.0;

WHEREAS, by letter dated May 10, 2021 to the US Treasury, Governor Whitmer designated the MSF as the State agency to apply for and receive funds from the SSBCI 2.0;

WHEREAS, subject to the control and direction of the MSF Board, the Michigan Economic Development Corporation provides administrative services to the MSF;

WHEREAS, on January 25, 2022, the MSF Board approved the creation of the SSBCI 2.0- MBGF-Venture Capital Program (the "SSBCI 2.0-MBGF-VCP") and adoption of its program guidelines, as such guidelines were further amended on January 23, 2024 ("VC Guidelines");

WHEREAS, eLab Capital Partners III, Michigan Innovation Fund LP ("Fund") is proposed to be a sidecar venture capital fund to that of eLab Capital Partners III, L.P. ("Companion Fund");

WHEREAS, the Fund submitted an application seeking an SSBCI 2.0-MBGF-VCP investment by the MSF in the amount of the lesser of: (i) $11 million or (ii) an MSF investment of not more than 49% of the Fund's total investible assets in capital support to the Fund on a combined basis with concurrent or subsequent limited partner commitments the Companion Fund, toward further investments in Michigan by the Fund in accordance with the terms and conditions outlined in the Term Sheet attached as Exhibit A ("Term Sheet") (collectively, the "VC Award"); and

WHEREAS, the MEDC recommends that the MSF approve the VC Award, subject to: (i) available funding, and (ii) final due diligence, the results of which must be satisfactory to the MEDC (collectively, the "VC Award Recommendation").

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves the VC Award Recommendation.

BE IT FURTHER RESOLVED the MSF Board approves the MSF Fund Manager or MSF President to negotiate the final terms and conditions of the VC Award in accordance with the SSBCI 2.0-MBGF-VCP and the VC Guidelines, and to sign all documents necessary to effectuate the VC Award Recommendation.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

EXHIBIT A

TERM SHEET

eLab Capital Partners III, Michigan Innovation Fund LP

Summary of Terms and Conditions

The following is a summary of the general terms and conditions of eLab Capital Partners III, Michigan Innovation Fund LP

Limited Partnership:	eLab Capital Partners III, Michigan Innovation Fund LP ("Fund") with MSF as sole limited partner
Companion Fund:	eLab Capital Partners III, L.P.
General Partner:	eLab Capital Associates III, LLC
Manager of the Fund:	eLab Capital Partners
General Partner Commitment:	Cash contribution to the Companion Fund of at least 2% of commitments of Fund and Companion Fund,
Management Fee:	1.85% annually of committed capital during the Investment Period, followed by 1.5% annually of invested capital thereafter during the remaining term of the Fund following the Investment Period.
MSF Investment Source:	SSBCI 2.0-MBGF-Venture Capital Program ("SSBCI 2.0 MBGF-VCP")
Investment Split:	The maximum contribution by the Fund for any initial investment in an Eligible Investment will be 49% of combined investment of the Fund and Companion Fund.
Purpose:	The Fund's investments will be Eligible Investments generally focusing on seed thru Series A equity and/or convertible debt instruments that solely support Michigan based companies.
Michigan Investments:	The Fund will invest in Eligible Investments on a concurrent basis with the Companion Fund only in Michigan-based companies.

Eligible Investments:	The Fund will invest only in operating companies deriving or projecting to derive at least 50% of gross revenue from operations related to the following industries: artificial intelligence, cybersecurity, enterprise software, SaaS/cloud, internet of things, or such other industries approved by the partners of the Fund in accordance with the Fund documents, which must include the affirmative written approval of the MSF Fund Manager.
MSF Commitment:	The Michigan Strategic Fund will provide the lesser of (ii) $11 million or (ii) 49% of the Fund's total investible assets in capital support to the Fund from the MSF Investment Source combined with concurrent or subsequent private sector limited partner commitments in the Companion Fund, in the form of a limited partner ("LP") investment. The MSF will make eligible for call of its committed investment from the Investment Source based on a schedule of concurrent or subsequent private sector LP commitments to the Companion Fund: • $2.75 million upon the first $2.875 million commitment of other private sector LP investment • An additional $2.75 million (aggregate of $5.5 million) upon the aggregate commitment of $5.75 million of other private sector LP investment • An additional $2.75 million (aggregate of $8.25 million) upon the aggregate commitment of $8.625 million of other private sector LP investment • An additional $2.75 million (aggregate of $11 million) upon the aggregate commitment of $11.5 million of other private sector LP investment MSF capital shall be called and contributed in installments and pro rata based on the Companion Fund LP's respective commitments and calls. Commitments funded by any State of Michigan managed funds will not count toward the matching LP commitments for the purpose of matching by the MSF.
Initial Closing:	The initial closing shall not occur until the Companion Fund has raised an aggregate of LP commitments for the Companion Fund in the amount of at least $2.875 million, which shall occur no later than March 31, 2025.
Investment Period:	The investment period will begin at the first close of the Fund and end on the fifth anniversary of the earlier of (i) the last closing date

	of the admission of any LP to the Companion Fund or the increase of a commitment of any LP or General Partner of the Companion Fund, or (ii) the first anniversary of first close of the Companion Fund.
Term of the Fund:	The Fund term shall continue until the tenth anniversary of the final closing date (the "Fund Term"), which Fund Term may be extended for up to three additional one-year periods at the discretion of the General Partner.
SSBCI 2.0 MBGF-VCP Requirements:	The Fund and, with respect to Eligible Investments including the MSF Investment Source, the GP, and the Companion Fund and its partners, will comply with all federal, state, and MSF guidelines and requirements of the SSBCI 2.0 MBGF-VCP, including but not limited to, execution and provision of all SSBCI 2.0 MBGF-VCP assurances and disclosures, the conflict-of-interest rules and disclosures, reporting requirements, State of Michigan required terms, including execution of all documents deemed necessary or appropriate by the MSF Fund Manager related to the Fund, MSF Investment Source, Eligible Investments of the Fund and Companion Fund contributions thereto, and all other documents arising out of or related to any of the foregoing.
Distributions:	Fund distributions to partners shall first be in proportion to their respective capital commitments until each has received a return of its contributed capital and shall thereafter be made 80% to the LPs and 20% to the General Partner (in respect of its carried interest). Distributions paid to the MSF may not be recalled.
MSF Funding Claw Back:	MSF reserves the right to require a return of capital back to the MSF on the pro rata share of any investment which is determined does not comply with SSBCI 2.0 MBGF-VCP statutory requirements, rules, regulations and guidelines, or there is an event which otherwise does not comply with the Fund documents.
Other:	The Fund documents will include the partnership agreement, private placement memorandum, subscription agreements, and may include a management agreement and other documents and agreements customary to a Fund of this nature. The partnership agreement shall include representations, covenants, and other transaction provisions required by the MSF and SSBCI 2.0-MBGF-VCP rules and regulations, including without limitation, indemnification in favor of the MSF, non-discrimination and unfair labor practices, termination of funding, annual reporting,

and access to records requirements. The Fund documents will include other terms and conditions deemed necessary or appropriate by the MSF Fund Manager or MSF President, such as key person provisions, side letter provisions, limitations on capital calls for expenses, and investment and/or advisory or other management committee provisions, and other terms and conditions customary to a fund of this nature.

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

To: Michigan Strategic Fund Board

From: Chris Cook, Managing Director – Capital Access

Date: July 9, 2024

Subject: SSBCI 2.0 – MBGF Small Business Venture Capital Program – Side Door Michigan I, LP – Request for Investment

Request

To provide up to $9.8 million of SSBCI 2.0 Small Business Venture Capital Program funding in the form of a limited partner investment to Side Door Michigan I, LP ("Side Door Michigan" or "Fund").

Background

Side Door Michigan is being launched as a venture capital investment fund with a goal of supporting technology companies. The Fund has a target size of $20 million and will operate exclusively within the State of Michigan. The proposed MSF investment will constitute no more than 49% of the Fund.

SDV-MI GP, LLC ("General Partner") will be the Fund's general partner. SDV Management LLC ("Management Company") will provide certain advisory, administrative, and support services to the Fund. Edward Kim and Andrew Batey will manage the Fund, while ownership will reside with Side Door Ventures ("SDV"), a venture capital firm based in San Francisco. With over thirty years as a Michigan resident and twelve years as an investor, Edward Kim brings a wealth of experience from the state's early-stage ecosystem. His roles have included founder and partner at K5 Velocity Ventures ("K5") and Program Director at the MTRAC Innovation Hub for Advanced Computing. Andrew Batey, a serial entrepreneur, has founded five companies, successfully raised over $50 million, and holds over thirty patents in various high-tech fields, including artificial intelligence, machine learning, blockchain, and data infrastructure.

Investment Strategy

Side Door Michigan's investment strategy and philosophy will draw from its team's broad experience in founding, venture capital, and industry operations. This background equips the Fund to effectively identify and assess early- stage startups, focusing on founders with the capacity to impact their sectors significantly. The firm emphasizes investing in startups that show potential for growth and scalability, with a view toward long-term value creation. The Fund aims to support startups that are developing innovative technologies and business models, with the expectation of steady growth and return on investment. The firm's strategy extends beyond financial investment, as it actively partners with its portfolio companies, providing strategic advice, networking opportunities, and industry expertise to foster growth and operational effectiveness.

Leveraging Michigan's rich history in automotive and advanced manufacturing, Side Door Michigan aims to invest in early-stage technology companies in mobility, AI, advanced manufacturing, Industry X.0,

space, and next-generation computing. This focus is built on the belief that Michigan's evolving industrial base presents unique opportunities for technology-driven startups.

Side Door Michigan's portfolio construction strategy aims to make 15 investments with an average size of around $750,000 each, primarily leading rounds in Pre-Seed and Seed-stage technology companies. These early- stage investments are expected to be in firms that are often pre-revenue or have limited sales, usually from pilot or beta customers. Given these early-stage companies' high growth potential and generally negative cash flow, the Fund's investment approach targets firms with substantial return prospects, targeting a 50-100x return multiple upon exit.

Diversity is a cornerstone of Side Door Michigan's investment philosophy. The fund aims for at least one-third of the portfolio companies to be founded or led by individuals from disadvantaged groups. This commitment extends to very small businesses ("VSB"s), as the fund anticipates most of its investees will have fewer than ten employees. Through this strategy, the Fund plans to build a diverse, dynamic portfolio that reflects its broad investment criteria and supports the growth of Michigan's technology sector.

Management

SDV operates on a "one-firm" model, meaning staff may work across various funds, with compensation structures reflecting their roles. Associates are paid from specific fund fees, while principals work and are paid across funds, with both groups sharing in carried interest. SDV Management covers the core operational expenses and any management fees from the Fund.

Edward Kim is a resident of Michigan and will work primarily on Side Door Michigan. Andrew Batey will work across SDV's portfolio of funds. Post the first close of the Fund, SDV anticipates adding a full-time associate level employee with a focus Side Door Michigan. SDV is targeting a resident of Michigan, or someone willing to relocate to Michigan, with 3-5 years of analyst level experience for this new position. Until the full-time associate is added, the Fund will be supported by at least one full-time employee of SDV who will relocate to Michigan.

Edward Kim – Mr. Kim was the Commercialization Program Director of the Michigan Translational Research and Commercialization ("MTRAC") Innovation Hub for Advanced Computing Technologies until 5/31/2024. At MTRAC, Mr. Kim helps accelerate the productization and commercialization of deep-tech innovations developed at the State's leading research institutions through funding and mentorship. As a venture capitalist and entrepreneur, Mr. Kim has been active in the state's startup ecosystem in various roles, including founder, mentor, and investor, focusing on disruptive technologies such as machine learning, advanced manufacturing, and mobility. He has co-founded three past startups, raised over $20M, graduated from international accelerators, and earned two exits. Mr. Kim is also a co-founder and partner at a Michigan-based private equity firm with over $200M in capital commitments. The firm intends to acquire technology and manufacturing companies, create minority business enterprises, and develop high-paying jobs for underserved communities in Michigan.

Andrew Batey - As the General Partner at SDV, a multi-stage investment firm spearheaded by former venture-backed founders, Mr. Batey oversees a portfolio of funds. This portfolio includes the Opportunity

Fund, which writes 15-20 checks annually ($1M-$8M per ticket), the Seed Fund, which invests in 10-12 early-stage opportunities each year and boasts a robust set-aside for follow-ons, as well as an early-stage web3 fund that writes around twenty first checks of $250K annually into companies solving real-world problems with blockchain technology.

Mr. Batey has been an early investor in many significant blockchain companies, including the first institutional investor in Splinterlands. Batey holds over thirty patents on high throughput blockchain infrastructure and ten in machine learning and predictive models. As the Founder and Co-CEO of Beatdapp, he now focuses on assisting music labels and artists in collecting royalties and fighting streaming fraud through blockchain innovation. Based in Vancouver, BC, Beatdapp offers a real-time media streaming authentication, verification, and validation system. Throughout his 15-year career, he has raised over $50M for his own startups.

Past Performance

Side Door Michigan is a first-time fund. The track record for SDV is presented through their investment performance in various funds, showing both realized and unrealized investments:

- **Realized Investments:**
    - K5 Ventures (Angel Investments) had 4 portfolio companies totaling $640,000 and a return of 5.33x.
    - SDV Fund I (Opportunity Fund I) and SDV VIP Fund I each had one investment with total values of $25,195.47 and $19,780.37, respectively, yielding a 0.18x return.
- **Unrealized Investments:**
    - K5 Ventures had 3 companies with a total value of $1,925,000.
    - SDV Fund I had 15 companies valued at $17,590,733, with a multiple on invested capital ("MOIC") of 4.49x.
    - Other funds like SDV Seed Fund I, SDV Opportunity Fund II, and SDV Seed Fund II had various numbers of companies and total values, with MOICs ranging from 1.07x to 1.78x.
- **Combined Track Record:**
    - The total combined value of realized and unrealized investments across all portfolios was $46,004,160.32.

Recommendation

Approval of the investment as detailed in the term sheet in Exhibit A.

MICHIGAN STRATEGIC FUND

RESOLUTION
2024-111

APPROVAL OF A STATE SMALL BUSINESS CREDIT INITIATIVE 2.0
VENTURE CAPITAL PROGAM INVESTMENT IN
SIDE DOOR MICHIGAN I, LP

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, under the SSBCI 2.0, authorized SSBCI 2.0 Programs 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;

WHEREAS, the State of Michigan ("State") submitted a Notice of Intent to Apply to receive SSBCI 2.0 funding on May 4, 2021;

WHEREAS, the SSBCI 2.0 requires the State to designate a department, agency or political subdivision of the State to implement and participate in the SSBCI 2.0;

WHEREAS, in accordance with Michigan Strategic Fund Act, MCL 125.2001, et. seq. ("MSF Act"), and in particular, MCL 125.2005 and MCL 125.2007, the MSF is a public body corporate and politic within the Michigan Department of Labor and Economic Opportunity and has the authority to solicit SSBCI 2.0 funds from the US Treasury to participate in SSBCI 2.0;

WHEREAS, by letter dated May 10, 2021 to the US Treasury, Governor Whitmer designated the MSF as the State agency to apply for and receive funds from the SSBCI 2.0;

WHEREAS, subject to the control and direction of the MSF Board, the Michigan Economic Development Corporation provides administrative services to the MSF;

WHEREAS, on January 25, 2022, the MSF Board approved the creation of the SSBCI 2.0- MBGF-Venture Capital Program (the "SSBCI 2.0-MBGF-VCP") and adoption of its program guidelines, as such guidelines were further amended on January 23, 2024 ("VC Guidelines");

WHEREAS, Side Door Michigan I, LP ("Fund") submitted an application seeking an SSBCI 2.0-MBGF-VCP investment by the MSF in the amount of the lesser of: (i) $9.8 million or (ii) an MSF investment of not more than 49% of the Fund's total investible assets, toward further investments in Michigan by the Fund in accordance with the terms and conditions outlined in the Term Sheet attached as Exhibit A ("Term Sheet") (collectively, the "VC Award"); and

WHEREAS, the MEDC recommends that the MSF approve the VC Award, subject to: (i) available funding, and (ii) final due diligence, the results of which must be satisfactory to the MEDC (collectively, the "VC Award Recommendation").

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves the VC Award Recommendation.

BE IT FURTHER RESOLVED the MSF Board approves the MSF Fund Manager or MSF President to negotiate the final terms and conditions of the VC Award in accordance with the SSBCI 2.0-MBGF-VCP and the VC Guidelines, and to sign all documents necessary to effectuate the VC Award Recommendation.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

EXHIBIT A

TERM SHEET

Side Door Michigan I, LP

Summary of Terms and Conditions

The following is a summary of the general terms and conditions of Side Door Michigan I, LP

Limited Partnership:	Side Door Michigan I, LP ("Fund")
General Partner:	SDV-MI GP, LLC
Manager of the Fund:	SDV Management LLC
General Partner Commitment:	Cash contribution of at least 2% of Fund
Management Fee:	2.0% annually of committed capital during the Investment Period, followed by 2.0% annually of invested capital during the remaining term of the Fund following the Investment Period.
MSF Investment Source:	SSBCI 2.0-MBGF-Venture Capital Program ("SSBCI 2.0 MBGF-VCP")
Purpose:	The Fund's investments will generally focus on pre-seed and seed equity and/or convertible debt investments in Michigan based companies.
Michigan Investments:	The Fund will invest only in Michigan-based companies.
Eligible Investments:	The Fund will invest only in operating companies deriving or projecting to derive at least 50% of gross revenue from operations related to the following industries: AI, industry x.0, space, next gen computing, mobility, and advanced manufacturing, or such other industries approved by the partners of the Fund in accordance with the Fund documents, which must include the affirmative written approval of the MSF Fund Manager.
MSF Commitment:	The Michigan Strategic Fund will provide the lesser of (ii) $9.8 million or (ii) 49% of the Fund's total investible assets in capital support to the Fund from the MSF Investment Source, in the form of a limited partner ("LP") investment.

	The MSF will make eligible for call of its committed investment from the MSF Investment Source based on a schedule of other LP commitments to the Fund: • $2.45 million upon the first $2.55 million commitment of other LP investment • An additional $2.45 million (aggregate of $4.9 million) upon the aggregate commitment of $5.1 million of other LP investment • An additional $2.45 million (aggregate of $7.35 million) upon the aggregate commitment of $7.65 million of other LP investment • An additional $2.45 million (aggregate of $9.8 million) upon the aggregate commitment of $10.2 million of other LP investment MSF capital shall be called and contributed in installments and pro rata based on the other LP's respective commitments and calls.
Initial Closing:	The initial closing shall occur as soon as reasonably possible, provided however, the Fund shall raise the aggregate of LP commitments (other than the MSF commitment) in the amount of at least $2.55 million no later than March 31, 2025.
Investment Period:	The investment period will be for a term of three years from initial closing.
Term of the Fund:	Not more than 10 years from the initial closing, which may be extended for up to two additional periods of one year each. The first extension may be approved at the sole discretion of the GP. The second extension shall require majority consent of all LPs of the Fund, so long as such majority includes the MSF.
SSBCI 2.0 MBGF-VCP Requirements:	The Fund and GP will comply with all federal, state, and MSF guidelines and requirements of the SSBCI 2.0 MBGF-VCP, including but not limited to, execution and provision of all SSBCI 2.0 MBGF-VCP assurances and disclosures, the conflict-of-interest rules and disclosures, and reporting requirements, and including State of Michigan required terms.
Distributions:	Fund distributions to partners shall first be in proportion to their respective capital commitments until each has received a return of its contributed capital and shall thereafter be made 80% to the LPs and 20% to the General Partner (in respect of its carried interest). Distributions paid to the MSF may not be recalled.

MSF Funding Claw Back:	MSF reserves the right to require a return of capital back to the MSF on the pro rata share of any investment which is determined does not comply with SSBCI 2.0 MBGF-VCP statutory requirements, rules, regulations and guidelines, or there is an event which otherwise does not comply with the Fund documents.
Other:	The Fund documents will include the partnership agreement, private placement memorandum, subscription agreements, and may include a management agreement and other documents and agreements customary to a Fund of this nature. The partnership agreement shall include representations, covenants, and other transaction provisions required by the MSF and SSBCI 2.0-MBGF-VCP rules and regulations, including without limitation, indemnification in favor of the MSF, non-discrimination and unfair labor practices, termination of funding, annual reporting, and access to records requirements. The Fund documents will include other terms and conditions deemed necessary or appropriate by the MSF Fund Manager or MSF President, such as key person provisions, side letter provisions, limitations on capital calls for expenses, and investment and/or advisory or other management committee provisions, and other terms and conditions customary to a fund of this nature.

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Date: **July 9, 2024**

To: **Michigan Strategic Fund Board**

From: **Christin Armstrong, SVP, Business Development Programs and Execution**

Subject: **Approval of the Renaissance Zone Program Amendment Guidelines**

Request

The Michigan Economic Development Corporation ("MEDC") requests the Michigan Strategic Fund ("MSF") board approve Renaissance Zone Program Amendment Guidelines.

Background

The Michigan Renaissance Zone Act was established in 1996 (P.A. 376 of 1996) to foster economic opportunities in the state; facilitate economic development; stimulate industrial, commercial, and residential improvements; prevent physical and infrastructure deterioration of defined areas; and provide for the reuse of unproductive or abandoned industrial properties. The program allows the MSF to authorize Renaissance Zones that provide temporary relief of certain taxes during the duration of the zone designation.

Under existing legislation, businesses and/or projects had to qualify based on one of the following categories of Renaissance Zones: MSF Designated, Next Michigan; Agricultural Processing; Forest Processing; Border Crossing; or Renewable Energy. The MSF was also prohibited from extending the duration of the designation.

On May 17, 2024, Governor Gretchen Whitmer, signed bipartisan legislation to streamline and modernize the Michigan Renaissance Zone Program. In addition to consolidating the remaining categories of Renaissance Zone, the amended legislation also allows the MSF to extend the duration of MSF Designated Renaissance Zones upon application by the local taxing jurisdiction.

The proposed guidelines presented for consideration include requirements and criteria for awarding amendments to existing Renaissance Zone durations and/or boundaries.

Recommendation

The MEDC staff recommends approval of the Renaissance Zone Program Amendment Guidelines attached to the Resolution.

MICHIGAN STRATEGIC FUND

RESOLUTION
2024-112

APPROVAL OF RENAISSANCE ZONE EXTENSION AND BOUNDARY MODIFICATION GUIDELINES

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the "Act"), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (the "MSF") to designate up to twenty seven (27) renaissance zones (an "MSF-Designated Renaissance Zone") with the consent of the city, village, or township within which the boundaries of the MSF-Designated Renaissance Zone reside;

WHEREAS, on June 28, 2016, via MSF Resolution 2016-091, the MSF adopted guidelines for MSF-Designated Renaissance Zones (the "Guidelines");

WHEREAS, on May 17, 2024, the Act was amended by Public Act 40 of 2024 to provide authorization for the MSF to extend the duration of an MSF-Designated Renaissance Zone already designated (the "Extension Authorization");

WHEREAS, Section 6(3) of the Act provides authority for the State Administrative Board to alter the geographic boundaries of a renaissance zone if the applicable qualified local governmental unit consented by resolution to the alteration (the "Boundary Alteration Authorization");

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

WHEREAS, the MEDC recommends the MSF adopt the guidelines attached as Exhibit A to this resolution to govern the Extension Authorization and recommendations from the MSF to the State Administrative Board to utilize the Boundary Alteration Authorization (the "Extension and Boundary Guidelines").

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Extension and Boundary Guidelines; and

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions of and to execute any documents to effectuate the Extension and Boundary Guidelines on behalf of the MSF.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 9, 2024

Michigan Strategic Fund
Renaissance Zone
Amendment Guidelines

Background

Public Act 40 of 2024 amended the Michigan Renaissance Zone Act, MCL 125.2681 et seq. (the "Act"), to allow the Michigan Strategic Fund ("MSF") Board to 1) designate any undesignated renaissance zones under Section 8e (renewable energy facilities), 8f (forest processing facilities), or 8g (border crossing facilities) under Section 8a(2) as an MSF-designated Renaissance Zone; and 2) permit extensions of the duration of any existing Section 8a(2) Ren Zone upon application by a Qualified Local Governmental Unit or Units in which such Section 8a(2) Ren Zone is located.

The Act also allows for alteration of the geographic boundaries or duration of a Renaissance Zone described in an application provided each Qualified Local Governmental Unit and each Local Governmental Unit in which the Renaissance Zone is located consent by resolution to the alteration.

Eligibility Requirements

The MSF Board shall consider the following parameters in determining whether to approve an amendment to an existing Renaissance Zone, as applicable:

- Requests to extend the duration of a Section 8a(2) Ren Zone must be made by application of the Qualified Local Governmental Unit in which the Section 8a(2) Ren Zone is located. The MSF Board may consider conditional approval of the application if the Qualified Local Governmental Unit will provide consent resolution approval within 30 business days of MSF Board action.
- Requests to alter the geographic boundaries of a Renaissance Zone must include copies of resolutions demonstrating the consent of each Qualified Local Governmental Unit and each Local Governmental Unit in which the proposed altered Renaissance Zone boundary is located and is subject to approval by the State Administrative Board.
- The recipient(s) of the Renaissance Zone must be in good standing with the State of Michigan and its state of incorporation, as applicable.
- The recipient of the Renaissance Zone must be compliant with the terms and conditions of its existing Development Agreement with the MSF at the time of application.
- The recipient of the Renaissance Zone must demonstrate additional capital investment to support the need for an extension of the duration and/or the alteration of the geographic boundaries.
- In the event the Renaissance Zone designation includes a payment in lieu of taxes ("PILOT") arrangement with the Qualified Local Governmental Unit, the recipient of the Renaissance Zone must negotiate a revised PILOT arrangement with the

Qualified Local Governmental Unit to match the requested extension to the duration of the Renaissance Zone designation.

Other Terms and Conditions

- The MSF and the recipient of the Renaissance Zone must execute an amended Development Agreement outlining the terms and conditions of the amendment, including, but not limited to, specific dates and benchmarks for investment, job creation, and/or job retention requirements.
- The duration of Section 8a(2) Ren Zone may be extended more than once, however, the total duration, including all extensions, may not exceed fifty (50) years.

Defined Terms

“Local Governmental Unit” means a county, city, village, township, or, for taxes levied after 2009, any other taxing jurisdiction that levies an ad valorem property tax.

“Qualified Local Governmental Unit” means either of the following: 1) a county or 2) a city, village, or township that contains an eligible distressed area as defined in Section 11 of the State Housing Development Authority Act of 1966, 1966 PA 346, MCL 125.1411.

“Section 8a(2) Ren Zones” means those renaissance zones designated pursuant to Section 8a(2) of the Act.

“Renaissance Zone” means any renaissance zone designated pursuant to the Act.

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

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

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

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

Sincerely,

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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,

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: June 25, 2024

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 May 1, 2024, to May 31, 2024, 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 Matt Casby know if you have any questions or comments about the content of these reports.

Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from May 1, 2024, to May 31, 2024.

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 of 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 May delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout May 2024, 19% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all May approved projects through delegated authority have committed to creating just over 1,000 jobs and just over $45.4 million in private investment.

MSF Report
Delegate Approvals

Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during May 2024, 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 assistanceto businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
dSPACE, Inc.	5/1/2024	New Hudson	408,000	dSPACE, Incorporated was founded in Germany in 1988 and established its North American headquarters in the city of Wixom in 2007. The Company engineers and designs products that allow automotive original equipment manufacturers to use this technology in its development process to test vehicle software before it is installed in the vehicle. The Company is looking to expand its capacity to meet the rapidly growing demand for innovative software in electric, hybrid, and internal combustion engines. This project involves the creation of up to 51 Qualified New Jobs and a capital investment of up to $3,100,000 in the city of Wixom, Oakland County. Supported by a $408,000 Michigan Business Development Program grant, Michigan was chosen over competing sites in California and Illinois.
HL Mechatronics	5/16/2024	Auburn	$473,000	HL Mando America Corporation is a state-of-the-art research and development facility that is committed to the design of electronics, embedded systems, and magnetics for use in many precision motor control applications. The Company focuses on the designing and testing of steering, brakes, and propulsion technology to final production at its headquarters in Bay City. The Company is looking to purchase two 140,000 square foot facilities to accommodate engineering offices and research and development testing. This project involves the creation of up to 43 Qualified New Jobs and a capital investment of up to $8,500,000 in Williams Township, Bay County. Supported by a Michigan Business Development Program grant valued at $473,000, Michigan was chosen over a competing site in Alabama.
SJS Electric VDC	5/22/2024	Battle Creek	$350,000	SJS Electric VDC Inc is spinoff of SJS Electric, a traditional electrical contractor. Headquartered in Battle Creek, the Company provides virtual design of electrical systems for buildings, a service that complements the structural blueprints that an architect would design. SJS is at capacity at its Battle Creek location and plans to expand to allow for additional employees. The project is expected to generate a total capital investment of $762,040 and create 60 specialized engineering design and development jobs with the support of a $350,000 Michigan Business Development Program performance-based grant. Michigan was chosen over competing sites in Texas and Virginia because of the existing training program the Company already has in place in Battle Creek.

Capital Access

The Capital Access team partners with lenders to assist in helping small businesses obtain financing that would otherwise not be available.

State Small Business Credit Initiative (SSBCI) 2.0 – Collateral Support Program (CSP)

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Streamline Electric, INC.	5/1/2024	Detroit	$249,000	Invest Detroit is working with the company to provide them with a note to refinance and consolidate outstanding debt and provide working capital. Due to a collateral shortfall the CDFI is requesting assistance from the SSBCI 2.0 Collateral Support Program.
IPAW Enterprises, LLC	5/3/2024	Muskegon	$40,828	IPAW Enterprises, LLC was created by Ira Williams and Parker Aerts as their parent company of Infinity Staffing Professionals and Infinity Transportation Professionals. They are dynamic and innovative staffing solution providers dedicated to meeting the evolving workforce needs of businesses across industries. The company is working with Opportunity Resource Fund to fund startup costs. Due to a collateral shortfall, ORF is asking for assistance from the SSBCI 2.0 CSP.
Total Security Solutions, Inc.	5/9/2024	Fowlerville	$1,743,928	Huntington Bank is working with Total Security Solutions Inc. on a new loan. Due to the lack of collateral, the Lender is asking for SSBCI 2.0 collateral support.
Component Engineering Solutions, LLC	5/16/2024	Wyoming	$94,810	First Merchants Bank is working with Component Engineering to complete the construction on their building expansion. Due to a shortfall of collateral, the Bank is requesting SSBCI collateral support.
Automotive Media, LLC dba iMBranded	5/17/2024	Troy	$998,000	Oxford Bank is working with Automotive Media LLC on a new line of credit. Due to a shortfall in collateral, the lender is requesting collateral support.
Calo Group, Inc. dba Control System Integrators, Inc.	5/31/2024	Lansing	$1,996,000	Independent Bank is working with Calo Group, Inc. dba Control System Integrators, Inc. on the renewal and increase of their working capital line of credit. Due to a shortfall of collateral, the Bank is requesting SSBCI collateral support.
Musgrove & Company	5/31/2024	Tecumseh	$178,062	Northern Initiatives is working with the company to refinance private lender debt, provide working capital and leasehold improvements. Due to collateral shortfall, NI is requesting support from the SSBCI 2.0 CSP.
Shoreline Staffing	5/31/2024	Muskegon	$285,860	West Shore Bank is providing Shoreline Staffing with two loans, one to pay off factoring company debt and one for working capital. Due to a collateral shortfall on both loans, the bank is requesting collateral support from the SSBCI 2.0 CSP.

Build Michigan Community Grant Initiative

The Build MI Community Grant is an initiative designed to promote private investment in Michigan communities. This tool provides access to real estate development gap financing for small scale, incremental redevelopment projects.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Slate Property Co, LLC	5/5/2024	Hesperia	$227,705	The project will redevelop an existing downtown building located at 194 N. Division in Hesperia. The building is a 3,572 square foot, two-story commercial property consisting of approximately 0.10 acres of land. The family-owned Bob's Drugs store will occupy the main floor (1,767 square feet) and three rental housing units will be created on the second floor (1,805 square feet). The project includes improvements to the building façade. The total development cost of the project is approximately $669,328. The BMC contributions have been approved at $227,705.
Detroit Future Ops, LLC	5/20/2024	Detroit	$75,189	Detroit Future Ops LLC and AGI Construction, LLC (the Applicant and the Co-Applicant) will convert an approximately 3,000 square feet Queen Ann house in the Hubbard Richard neighborhood in Southwest Detroit into a design-build green hub. The approximately 1,700 square feet first floor will be a shared space. The approximately 1,300 square feet second floor will be used for office space. The total anticipated capital investment is $498,522.

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
Cobra Aero	5/22/2024	Hillsdale	$8,810
Ross Operating Valve Company dba Ross Controls	5/22/2024	Ferndale	$4,150
APEC	5/23/2024	Lake Odessa	$3,360

Program Amendments

For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval from May 1, 2024, to May 31, 2024.

Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Frankenmuth Bavarian Inn Motor Lodge, Inc.	5/21/2024	Frankenmuth	Amend to extend the M2 due date from 6/30/2024 to 11/30/2024 and extend the grant term date from 1/31/2024 to 12/31/2024.

Façade Restoration Program

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Midtown Detroit, Inc.	5/22/2024	Detroit	An administrative correction that will amend the Michigan Strategic Fund Grant Agreements and any related ancillary agreements (Agreement) with the Façade Restoration Initiative Awardees to 1) extend the Term date October 31, 2025 to May 31, 2026; 2) extend the due date in Section 5.1(a) Suspension, Termination, Default and Repayment from October 31, 2024 to October 31, 2025; and 3) extend the due date in Section 5.2(d) Failure to Disburse from October 31, 2025 to March 31, 2026. All other terms of the current Agreement will remain the same.
City of Coldwater - Downtown Development Authority Facade Restoration Initiative	5/22/2024	Coldwater	An administrative correction that will amend the Michigan Strategic Fund Grant Agreements and any related ancillary agreements (Agreement) with the Façade Restoration Initiative Awardees to 1) extend the Term date October 31, 2025 to May 31, 2026; 2) extend the due date in Section 5.1(a) Suspension, Termination, Default and Repayment from October 31, 2024 to October 31, 2025; and 3) extend the due date in Section 5.2(d) Failure to Disburse from October 31, 2025 to March 31, 2026. All other terms of the current Agreement will remain the same.
Manistee Downtown Development Authority - Facade Restoration Initiative	5/22/2024	Manistee	An administrative correction that will amend the Michigan Strategic Fund Grant Agreements and any related ancillary agreements (Agreement) with the Façade Restoration Initiative Awardees to 1) extend the Term date October 31, 2025 to May 31, 2026; 2) extend the due date in Section 5.1(a) Suspension, Termination, Default and Repayment from October 31, 2024 to October 31, 2025; and 3) extend the due date in Section 5.2(d) Failure to Disburse from October 31, 2025 to March 31, 2026. All other terms of the current Agreement will remain the same.

Façade Restoration Program

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
City of Alpena Downtown Development Authority – Façade Restoration Initiative	5/22/2024	Alpena	An administrative correction that will amend the Michigan Strategic Fund Grant Agreements and any related ancillary agreements (Agreement) with the Façade Restoration Initiative Awardees to 1) extend the Term date October 31, 2025 to May 31, 2026; 2) extend the due date in Section 5.1(a) Suspension, Termination, Default and Repayment from October 31, 2024 to October 31, 2025; and 3) extend the due date in Section 5.2(d) Failure to Disburse from October 31, 2025 to March 31, 2026. All other terms of the current Agreement will remain the same.

Financial Data Overview and Terminations

Michigan Business Development Program – Terminations

Project Name	Project Location	Incentive Type	Amount	Date	Reason for Termination	Repayment
American Mitsuba Corporation	Mt. Pleasant	Grant	$200,000	5/13/2024	Company unable to reestablish eliminated QNJs	$138,341.92
L. Perrigo Company-HQ	Grand Rapids	Grant	$2,000,000	5/16/2024	Company unable to meet requirements	$0.00
Walbro LLC	Cass City	Grant	$400,000	5/16/2024	Company unable to meet requirements	$0.00
Logos Logistics, Inc.	Romulus	Grant	$227,500	5/31/2024	Company unable to reestablish eliminated QNJs	$6,593.00
Emabond Solutions	Auburn Hills	Grant	$153,000	5/31/2024	Company unable to meet requirements	$0.00