

MICHIGAN STRATEGIC FUND BOARD
FINAL MEETING AGENDA
October 23, 2018
10:00 am

Public comment – Please limit public comment to three (3) minutes

Communications

Chief Compliance Officer Quarterly Report – *Information Only*

A. Consent Agenda

Proposed Meeting Minutes – September 25, 2018
Y-Site, LLC – MCRP Amendment – Lynda Franke
City Center II Project LLC – MBT Amendment – Rob Garza
Temple Group Holdings, LLC – MCRP Amendment – Katie Adkins
213 Development, LLC – MCRP Re-approval – Julius Edwards
UTACP Grant Amendments Request – Grant Amendments – Denise Graves
Invest Michigan – Funding Request – Maggie McCammon
Hemlock Semiconductor Operations, LLC – Amendment – Stacy Bowerman
Newell Brands – MBDP Amendment – Mike Gietzen
2019 MSF Board Meeting Dates – Mark Morante

B. Business Investment

1. Business Growth

KLA-Tencor – Good Jobs for Michigan and MBDP Grant – Matthew Chasnis
Coyote Logistics – MBDP Grant – Erik Wilford

2. Capital Access

Oakland Corridor Partners LLC – Bond Authorization – Chris Cook
Grow Michigan II – Award Recommendation – Chris Cook

3. Entrepreneurship

MTRAC – Request for Approval of Amendments to Guidelines – Denise Graves

C. Quarterly Reports – Information Only



STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

RICK SNYDER
GOVERNOR

KEVIN FRAN CART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

October 8, 2018

TO: Honorable Richard D. Snyder
Governor and Chairperson of the State Administrative Board.

Jeff Mason
Chairperson
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2018 Q4 Report of the Chief Compliance Officer.

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures and with applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the fourth quarter of the 2018 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law. The Chief Compliance Officer assisted the MSF with conflict of interest questions; questions regarding the MTRAC Program; and consent agenda questions. As reported previously, because of staffing changes the site visit guidelines were modified. Because of the staffing changes the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines. The Chief Compliance Officer provided informal advice regarding various issues arising this quarter concerning such topics as the breadth of delegated Board authority, authorized use of 21st century job fund funds, and compliance with established Board policy and limitations.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-164**

**APPROVAL OF OCTOBER 2018 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, the Michigan Strategic Fund (“MSF”), at its February 2014 board meeting, approved the use of consent agendas at future board meetings pursuant to defined guidelines.

WHEREAS, the MSF, at its February 2014 board meeting, approved Guidelines for Preparation and Approval of Consent Agendas for the MSF (“Guidelines”).

WHEREAS, pursuant to the recommendation of MSF and MEDC staff, the MSF Board desires to approve the below Consent Agenda items;

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

Consent Agenda Items:

Proposed Meeting Minutes – September 25, 2018
Y-Site, LLC – MCRP Amendment
City Center II Project LLC – MBT Amendment
Temple Group Holdings, LLC – MCRP Amendment
213 Development, LLC – MCRP Re-approval
UTACP Grant Amendments Request – Grant Amendments
Invest Michigan – Funding Request
Hemlock Semiconductor Operations, LLC – Amendment
Newell Brands – MBDP Amendment
2019 MSF Board Meeting Dates

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

**MICHIGAN STRATEGIC FUND
FINAL MEETING MINUTES
September 25, 2018**

Members Present

Paul Gentilozzi
Larry Koops
Andrew Lockwood (on behalf of Treasurer Khouri)
Jeff Mason
Terrence J.L. Reeves

Member joined by phone

Shaun Wilson

Members Absent

Carl Camden
Roger Curtis
Stephen Hicks
Terri Jo Umlor
Wayne Wood

Mr. Mason called the meeting to order at 10:07 am.

Public Comment: Mr. Mason asked that any attendees wishing to address the Board come forward at this time. A public attendee addressed concerns regarding racial discriminatory practices related to MSF-approved projects. The public attendee asked what processes will the Board put in place to address these concerns in the future.

Mr. Mason introduced the following legislative staff members: Nick Plescia, attending on behalf of Senator Margaret O'Brien who spoke in support of the 400 Bryant Street project in Kalamazoo; Shaquila Myers, attending on behalf of Senator Jim Ananich in support of the Flint Marketplace Apartments project in Flint; and Victoria Pleasant, attending on behalf of Representative Sheldon Neeley in support of the Flint Marketplace Apartments project in Flint.

Communications: Rhonda Bishop, Board Liaison, informed the Board that a presentation handout regarding the Oakland Corridor Partners LLC / Michigan I-75 Modernization project was provided to the Board at the table. A copy of the handout is attached to the minutes.

A. CONSENT AGENDA

Resolution 2018-140 Approval of Consent Agenda Items

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

Proposed Meeting Minutes – August 28, 2018

Cornerstone Alliance/Project Tech – MSF Grant Award Amendment – **2018-141**

Pixel Velocity, Inc. – 21st CJF Business Plan Competition Loan Amendment – **2018-142**

Krieger Craftsmen, Inc. – Tool & Die Recovery Zone Revocation – **2018-143**

AccuBilt, Inc. – Tool & Die Recovery Zone Revocation – **2018-144**

Mach Mold Inc. – Tool & Die Recovery Zone Revocation – **2018-145**

Tri-Mation, Inc. – Tool & Die Recovery Zone Revocation – **2018-146**

CDBG 2017 Infrastructure Capacity Enhancement (ICE) Grants – Extension Request – **2018-147**
Fuel Cell Systems Manufacturing, LLC – MBDP Grant Amendment & Re-approval – **2018-148**
MVCA 2014 ESSS Venture Upstart III Grant – Term Extension/Additional Funding Allocation – **2018-149**
Geenen DeKock Properties LLC – MCRP Loan Participation Amendment & Re-approval – **2018-150**
Develop Michigan Inc. – Board Appointment – **2018-151**
Michigan Small Business Development Center – Master Grant Amendment – **2018-152**
BBC Entrepreneurial Training Corporation – SBIR/STTR Assistance Program Grant Amendment – **2018-153**
Michigan Translational Research and Commercialization (MTRAC) – FY 2019 Funding Allocation Request – **2018-154**
University of Michigan MTRAC Statewide Life Science Innovation Hub – New Grant Award – **2018-155**

Larry Koops seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

B. BUSINESS INVESTMENT

B1. Access to Capital

Resolution 2018-156 Gerdau Macsteel, Inc. – Bond Inducement

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item.

Following brief discussion, Larry Koops motioned for a roll call vote. Andrew Lockwood seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Paul Gentilozzi, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Shaun Wilson; Nays: None; Recused: None

Resolution 2018-157 Oakland Corridor Partners LLC / Michigan I-75 Modernization Project – Bond Inducement

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item.

Following brief discussion, Larry Koops motioned for a roll call vote. Terrence J.L. Reeves seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Paul Gentilozzi, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Shaun Wilson; Nays: None; Recused: None

Resolution 2018-158 Van Andel Research Institute Series 2013A – Amendment of Indenture

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item.

Following brief discussion, Larry Koops motioned for a roll call vote. Andrew Lockwood seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Paul Gentilozzi, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Shaun Wilson; Nays: None; Recused: None

Resolution 2018-159 Van Andel Research Institute Series 2013B – Amendment of Indenture

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item.

Following brief discussion, Larry Koops motioned for a roll call vote. Andrew Lockwood seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Paul Gentilozzi, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Shaun Wilson; Nays: None; Recused: None

C. COMMUNITY VITALITY

Resolution 2018-160 400 Bryant Street Project / City of Kalamazoo Brownfield Redevelopment Authority – Act 381 Work Plan

Michelle Audette-Bauman, Community Assistance Team Specialist, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2018-160. Terrence J.L. Reeves seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Resolutions 2018-161 & 2018-162 Temple Group Holdings, LLC/640 Temple Rehabilitation Project / City of Detroit Brownfield Redevelopment Authority – MCRP Loan Participation & Act 381 Work Plan

Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. Following brief discussion, Larry Koops motioned for the approval of Resolutions 2018-161 & 2018-162. Paul Gentilozzi seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Resolution 2018-163 310 East Third Street LDHA LP/Flint Marketplace Apartments Project – MSF Performance-Based Loan(s)

Chuck Donaldson, Community Assistance Team Specialist, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2018-163. Terrence J.L. Reeves seconded the motion. **The motion carried: 6 ayes; 0 nays; 0 recused.**

Mr. Mason adjourned the meeting at 11:10 am.

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund Board

From: Lynda Franke, Underwriting and Incentive Structuring Specialist

Subject: Request for Approval of an Amendment to a Michigan Community Revitalization Program Other Economic Assistance Equity Investment Agreement

Request

Y-Site, LLC (“Borrower”) is requesting approval of an amendment request to the Michigan Community Revitalization Program Other Economic Assistance Equity Investment (“Agreement”) and any related ancillary agreements to allow for a six-month time extension to Milestone Two: Proof of Closing and Flow of Funds, per the borrower’s request dated September 21, 2018.

Background

The Michigan Strategic Fund Board approved a \$2,957,000 Other Economic Assistance Equity Investment on February 27, 2018 to the Borrower, which plans to demolish the vacant, severely deteriorated YMCA building at 301 W. Lenawee in Lansing and construct a four-story mixed use building on 2.23 acres featuring 145 loft-style apartments and approximately 6,925 square feet of commercial and retail space on the ground level.

The first Part of Milestone Two has been fulfilled, Proof of Closing. The other part of Milestone Two is the requirement to draw down at least \$1,000,000 of construction funds. The project can draw on funds from their HUD 221(d)(4) financing after the old building has been demolished. In pursuing a demolition permit from the City of Lansing, the development team learned that a sanitary sewer line will need to be relocated before they can obtain the demolition permit. The development team hopes that demolition will be completed in 90 days. MEDC staff are requesting approval of the six-month time extension request. The borrower is current with reporting requirements except for the content of this amendment request.

Recommendation

The MEDC staff recommends approval of amendment #1 to the MCRP Other Economic Assistance Equity Investment Agreement and any related ancillary agreements to allow for a six-month time extension to Milestone Two: Proof of Closing and Flow of Funds, from October 31, 2018 to April 30, 2019.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-165**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE EQUITY INVESTMENT AWARD FOR
Y-SITE, LLC**

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

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

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

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

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

WHEREAS, by Resolution 2018-033 on February 27, 2018 the MSF Board awarded a MCRP Other Economic Assistance Equity Investment Award to Y-Site, LLC, in furtherance of the Project of up to \$2,957,000 (“Award”);

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to extend the deadline for Milestone Two from October 31, 2018 to April 30, 2019, with all other requirements remaining in place from the original approval.

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

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund Board

From: Rob Garza, Brownfield and MCRP Senior Program Specialist

Subject: Request for Approval of MBT Brownfield Credit Amendment #1
City Center Two #1 Project

Request

City Center Two Project, LLC requests an amendment to the Brownfield MBT credit for the City Center Two #1 Project located at 100-140 West Grand River Avenue, 303 Abbot Road, and 314-344 Evergreen Avenue in the City of East Lansing. This amendment requests the addition of 100 Grand River LLC as a qualified taxpayer and removal of City Center Two Project, LLC as a qualified taxpayer. The Brownfield MBT credit was originally approved by the MEGA Board on July 15, 2008. The project originally qualified for a MBT tax credit as a facility and functionally obsolete.

Background

The project was originally approved to redevelop twelve parcels of property into a mixed use building and six-story parking structure. This amendment request only includes the addition of a qualified taxpayer and removal of the original qualified taxpayer. A scope change amendment will be requested separately at a later date.

100 Grand River LLC is a single purpose LLC created by the parent company DRW Real Estate Investments, LLC. The parent company was formed in 2009 and has participated in 98 developments across the United States. Neither 100 Grand River LLC, nor its principals have previously been awarded incentives from MEGA or the MSF. The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy. No issues were identified.

Appendix A addresses the Brownfield MBT tax credit structure.

Recommendation

MEDC staff recommends approval of the Brownfield MBT credit amendment requests to add 100 Grand River LLC as a qualified taxpayer and remove City Center Two Project, LLC as a qualified taxpayer.

APPENDIX A - Brownfield MBT Tax Credit Structure

Brownfield MBT Credit Amendment Request By:

City Center Two Project, LLC
2875 Northwind Drive, Suite 235
East Lansing, Michigan 48823

Contact: Scott Chappelle, Manager

	Previous Approval	Amendment
Project Eligible Investment:	\$50,000,000	\$50,000,000
Requested Credit Amount:	\$10,000,000	\$10,000,000
Requested Credit Percentage:	20%	20%

ELIGIBLE INVESTMENT BREAKDOWN

Building Renovation	50,000,000
Total	\$ 50,000,000

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-166**

**CITY CENTER TWO #1 PROJECT
CITY CENTER TWO PROJECT, LLC
BROWNFIELD REDEVELOPMENT MBT CREDIT – AMENDMENT #1
CITY OF EAST LANSING**

At the meeting of the Michigan Strategic Fund (“MSF”) held on October 23, 2018 in Lansing, Michigan;

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

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

WHEREAS, by Resolution 2008-79 on July 15, 2008, the MEGA Board awarded a Brownfield MBT Tax Credit to City Center Two Project, LLC (the “Applicant”) to make eligible investment up to \$50,000,000 at an eligible property in the City of East Lansing (the “Project”);

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

WHEREAS, a request has been submitted to amend the Project by adding 100 Grand River, LLC as a qualified taxpayer and removing City Center Two Project, LLC as a qualified taxpayer; and

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and recommends approval of the amendment by the MSF Board, provided that the maximum credit amount does not exceed \$10,000,000;

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board amends the Project by adding 100 Grand River, LLC as a qualified taxpayer.

BE IT FURTHER RESOLVED, that City Center Two Project, LLC is hereby removed as a qualified taxpayer.

BE IT FURTHER RESOLVED, that the Project is required to submit a Certificate of Completion request for the final phase within one year of project completion. The 10-year statutory limit for this MBT credit expires on May 6, 2021.

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund Board

From: Katie Adkins, Commercial Real Estate Investment Manager

Subject: Temple Group Holdings, LLC
Michigan Community Revitalization Program (MCRP)
Request for Approval of an MCRP Other Economic Assistance Loan Participation
Award Amendment

Request

Temple Group Holdings, LLC (“Company”) and MEDC staff are requesting approval of an amendment to the Michigan Community Revitalization Program (MCRP) Other Economic Assistance Performance-Based Loan Participation Award. The request does not change the previously approved award amount, but it does recognize a potential change in lien position of the collateral supporting the loan.

Background

On September 25, 2018, the Michigan Strategic Fund Board approved a \$5,697,000 Other Economic Assistance Loan Participation award and Act 381 work plan to the Company for the purpose of rehabilitation of the former Standard Accident Insurance Company building into a mixed-use development that will include a 100-room boutique hotel with banquet facility, restaurant, and bar, 70 apartments, and a rooftop pool. The basement of the building will be converted into a nightclub with separate access.

At the time of MSF Board approval, it was anticipated the collateral would match that of the Lender, Chemical Bank, in a 1st mortgage and assignment of rents and leases for the property located at 640 Temple Street, Detroit, MI 48201, and adjoining and commonly owned parcels (the Property). Post MSF Board approval, the other lenders in the project, Chemical Bank and Invest Detroit approved their respective loans with a different collateral lien position than the MSF. Chemical Bank, in addition to the construction loan in which the MCRP Loan is to be participated, is also providing a \$6,129,127 Bridge Loan to bridge the Federal Historic Tax Credit Equity provided by Insite Capital and Invest Detroit is providing \$1,500,000 in construction to perm loan financing. Chemical Bank has approved its share of the Construction Loan and the Bridge Loan to be prior to the MSF’s position in the construction loan collateral. Furthermore, Invest Detroit has also approved its position in the collateral to be prior to the MSF’s portion of the construction loan.

Recommendation

MEDC staff recommends approval of an amendment to the MCRP Other Economic Assistance Loan Participation award approval to authorize the MSF Fund Manager to negotiate the final collateral position of the MCRP loan prior to closing in consideration of the Chemical Bank and Invest Detroit approvals as discussed above.



MEMORANDUM

Date: September 25, 2018

To: Michigan Strategic Fund Board

From: Brittney Hoszkiw, Senior Community Assistance Team Specialist
Katie Adkins, Commercial Real Estate Investment Manager
Rob Garza, Brownfield & MCRP Senior Program Specialist

Subject: Request for Approval Michigan Community Revitalization Program (MCRP)
Other Economic Assistance Loan Participation Award and Request for
Approval of an Act 381 Work Plan 640 Temple Rehabilitation Project

Request

Temple Group Holdings, LLC (“Applicant”) is requesting approval of a MCRP performance-based loan participation with Chemical Bank (Lender) in the amount of \$5,697,000 and the City of Detroit Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including local and school tax capture for MSF eligible activities in the amount of \$4,957,402, to support a community development project that will rehabilitate a historic seven-story mixed-use building..

FINANCING OPPORTUNITY – MCRP LOAN PARTICIPATION

The Senior Lender along with the Applicant has requested the MSF participate in up to \$5,697,000 of a total \$37,947,000 In construction to permanent loan financing. It is anticipated that disbursements to the project on the loan will be made on a pro-rata basis. The MSF would allow the collateral to apply first to the Lender’s share in an event of liquidation. Below outlines a summary of the development sources and the proposed structure of the loan participation. With the financing structure described below, it is anticipated that the investors will be able to achieve just under a 7% return.

LOAN TERMS

MSF Facility: MCRP Loan Participation

Borrower: Temple Group Holdings, LLC or Other Related Party

Senior Lender: Chemical Bank

Total Amount of Loans: Currently estimated at \$37,947,000

Lender Share: Currently estimated at \$32,250,000



“EXHIBIT A”

ORIGINAL APPROVAL

Total Capital Investment:	Currently estimated at \$67,679,658
MSF Eligible Investment:	Currently estimated at \$45,590,677
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$5,697,000
Term:	To match that of the Lender, not to exceed 84 months including an interest only period of up to 24 months.
Amortization:	To match that of the Lender, not to exceed 300 months following an interest only period.
Interest Rate:	3.5% per annum
Repayment Terms:	Up to 24 months of monthly interest only, followed by monthly principal and interest payments with balance due at maturity
Collateral:	To match that of the Lender, anticipated to be a 1 st mortgage and assignment of rents and leases for the property located at 640 Temple Street, Detroit, MI 48201, and adjoining and commonly owned parcels (the Property); ii-Assignment of Municipal and State Incentives; iii-Assignment of Managing Member’s interest in the Borrower; iv-Assignment of all Construction and Development related contracts; v-Assignment of all Management Contracts and/or Franchise Agreements; vi-Other collateral as required by Bank. MSF share of collateral will be subordinated to that of the Lender.
Guarantee:	To match that of the Lender, anticipated to be the unlimited personal guaranty of Gretchen Valade, The Gretchen Valade Irrevocable trust dated 1/15/2009, The Gretchen Valade Revocable Trust dated 5/5/1982, Christos Moises & Trust, David Sutherland & Trust and the unlimited corporate guaranty of Byzantine Holdings, LLC. MSF Interest to be subordinated to that of the Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. The Lender may charge the borrower for this fee.
Deferred Developer Fees:	The developer fees of \$1,239,595 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
Funding:	The MSF will fund up to \$5,697,000 to be disbursed following closing of the Loan and achievement of other performance criteria.
Reserves:	Lease-up, Operating and Replacement Reserves will be required and determined based on Lender’s review of residential and commercial market data, currently anticipated to be \$689,000, \$1,200,114, and 2.00% of Gross Income deposits annually, respectively. Hard Cost Contingency currently anticipated to be \$1,500,000.

"EXHIBIT A"

ORIGINAL APPROVAL

Other Conditions:

The MSF's investment will be contingent upon receipt and review of the following:

- A minimum owner equity contribution of \$14,390,779.
- Executed Construction Documents (includes "Guaranteed Maximum Price" construction contract).
- Final Development Budget.
- State approval of OPRA tax abatement.
- Review and acceptance of Hotel Operator and Hotel Management Agreement and/or Hotel Franchise Agreement.
- Historic Part I and Part II approvals and any amendments from the National Park Service.
- Final Operating Agreement detailing equity pay-in schedule
- Other due diligence as may be required by MEDC staff.
- Such other conditions as determined by Lender.

SUMMARY OF DEVELOPMENT SOURCES:

Chemical Bank Share	\$ 32,250,000	47.65%
MSF Share	\$ 5,697,000	8.42%
Supplemental Loan	\$ 4,000,000	5.91%
Invest Detroit Loan	\$ 1,500,000	2.22%
Historic Tax Credit Equity	\$ 8,602,284	12.71%
Deferred Developer Fee	\$ 1,239,595	1.83%
Developer Equity	\$ 14,390,779	21.26%
TOTAL	\$ 67,679,658	100.00%

SUMMARY OF DEVELOPMENT USES:

Acquisition	\$ 9,000,000
Hard Construction	\$ 42,735,937
Eligible Soft Costs	\$ 7,930,500
Other	<u>\$ 8,013,221</u>
TOTAL	\$ 67,679,658

MCRP PROGRAM AND GUIDELINES

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on September 22, 2015, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF's investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo.

The project complies with all of the Board-approved MCRP parameters with the exception of the following: The pro forma debt service coverage ratio is between 1.00 and 1.15 in early years based on the committed financing for the project. Staff is comfortable with this deviation due to the financial strength of the development team.

“EXHIBIT A”

ORIGINAL APPROVAL

Local support for the project includes the establishment of an Obsolete Property Rehabilitation District valued at \$13,221,355 and the local portion of this Work Plan consideration. The City of Detroit is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project qualifies because it is a facility. The Applicant anticipates that the project will result in the creation of approximately 80 permanent full-time equivalent jobs with an average hourly wage of \$15.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on March 27, 2018. The property has been determined to be a facility as verified by the Michigan Department of Environmental Quality (DEQ) on August 17, 2018.

There are 31.6380 non-homestead mills available for capture, with state millage levied for school operating purposes equaling 24 mills (75.86%) and local millage equaling 7.6380 mills (24.14%). Tax increment capture will begin in 2019 and is estimated to continue for 30 years. The ratio is heavily weighted on state millage since the properties are located within the boundaries of the Downtown Development Authority (DDA) and most local millages are unavailable for capture. The requested tax capture for MSF eligible activities breaks down as follows:

State tax capture	(75.86%)	\$	3,760,685
Local tax capture	(24.14%)	\$	1,196,717
TOTAL		\$	4,957,402

COST OF MSF ELIGIBLE ACTIVITIES

Demolition	\$	1,639,860
Lead and Asbestos Abatement		425,000
Infrastructure Improvements		1,066,500
Site Preparation	+	741,100
Sub-Total	\$	3,872,460
Contingency (15%)	+	517,119
Sub-Total	\$	4,389,579
Interest (5%)	+	537,823
Sub-Total	\$	4,927,402
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	15,000
TOTAL	\$	4,957,402

In addition, the project is requesting from the MDEQ \$1,498,094 in TIF to assist with environmental eligible activities.

PROJECT BACKGROUND

The project will involve the rehabilitation of the 192,172 square foot, seven-story, former Standard Accident Insurance Company building designed in 1920 by the famed architect, Albert Kahn and located in the Midtown neighborhood, just blocks away from the new Little Caesars Arena. The seven-story building will be rehabilitated as a mixed-use development that will include an approximately 77,959 square foot 100 room boutique hotel with banquet facility, restaurant, and bar on floors one through four, and approximately 70 apartments occupying approximately 60,212 square feet on floors five through seven, and a rooftop pool. The basement of the building will be converted into a 7,365 square foot nightclub with separate access. The adjacent vacant lot will be the location of an on-site underground stormwater management system and will be capped with grass and landscaping which will serve as an area for outdoor entertainment.

ORIGINAL APPROVAL

Temple Group Holdings, LLC have exhausted all available funding sources including sub debt, a significant equity contribution (21%), and deferred development fees, and a funding gap still exists. The project is inhibited by significant brownfield conditions that make redevelopment costly and economic conditions that make traditional financing difficult. Further, because of its status as a historic building, design, planning, and rehabilitation costs are extraordinarily high to meet preservation standards required by the State Historic Preservation Office. The mixed-use nature of the product and lack of comparable in the Cass Park area of the City, resulted in a conservative valuation by the appraiser. The senior debt is based on the lower-than-anticipated valuation, thus resulting in a financing gap. Without the low-interest CRP loan, the gap would need to be supplemented with equity, which would drop returns to a point that makes the project not viable.

The project supports the vision and goals of the Cass Park neighborhood by increasing density and development surrounding the District Detroit and Little Caesars Arena. The project will result in significant taxable value increase in an area of the City that is positioned for significant investment, but is otherwise vacant and underutilized at this time. The project will include residential units with 20% of the units set aside for attainable rental rates at 80% average median income, creating a mixed-income neighborhood. The existing building is seven stories and plans include various programming on each level, creating continuous activity in the district. This work will ultimately put over 190,000 square feet back into productive use.

Brownfield eligible activities will alleviate Brownfield conditions across the site making it suitable for redevelopment, while protecting human health and the environment. Without Brownfield tax increment reimbursement, the cost burden related to Brownfield conditions would make the project financially unfeasible.

APPLICANT HISTORY

Temple Group Holdings, LLC is a single-purpose entity related to 400 Monroe Associates, a family-owned and Detroit-based real estate development and management company led by Christos Moisides, with a current portfolio of over 2,000,000 square feet of commercial, mixed-use, hospitality and industrial property. In 2013, Mr. Moisides established Byzantine Holdings with David Sutherland to create a boutique development firm concentrating on unique real estate properties, including the 1886 Wells Castle in Detroit and the 1918 Fire House in Corktown. Christos Moisides has received support from the Michigan Strategic Fund (MSF) in 2012 and 2013 in the form of a State of Michigan Film Incentives for three projects. Two of the projects, approved in 2012 and 2013, were completed and in good standing. The final 2013 project, Northern 48, requested one extension, but ultimately could not complete the project in the time allowed and the incentive was rescinded.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy. No issues were identified.

RECOMMENDATION

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

- a) Local and school tax capture for the Act 381 eligible activities totaling \$4,957,402. Utilizing the current state to local capture ratio, the amount of state tax capture for this project is estimated at \$3,760,685.
- b) A MCRP performance-based other economic assistance loan participation in the amount of up to \$5,697,000 for Temple Group Holdings, LLC on terms and conditions outlined in Exhibit A found in the resolution.

Waiver of the MCRP Incentive Parameter requirement of a 1.20 to 1.00 debt service coverage ratio for the project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-167**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE AWARD TO
TEMPLE GROUP HOLDINGS LLC, OR RELATED ENTITY OR ENTITIES**

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

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

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

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

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

WHEREAS, by Resolution 2018-161, on September 25, 2018 the MSF Board awarded an MCRP Other Economic Assistance Performance-Based Loan Participation award to Temple Group Holdings LLC, in furtherance of the Project in an amount up to \$5,697,000 (“Award”);

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to authorize the MSF Fund Manager to negotiate the final collateral position of the MCRP loan prior to closing, with all other requirements remaining in place from the original approval as referenced in Exhibit A (“Term Sheet”);

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Amendment 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 120 days (“MCRP Amendment Recommendation”); and

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

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

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

EXHIBIT A

“Term Sheet”

Loan Facility

MSF Facility

MCRP Loan Participation

Borrower:

Temple Group Holdings, LLC or Other Related Party

Lender:

Chemical Bank

Total Amount of Loans:

Anticipated to be \$37,947,000

Lender Share:

Anticipated to be \$32,250,000

MSF Share:

Up to the lesser of 20% of Eligible Investment or \$5,697,000

Term:

To match that of the Lender, not to exceed 84 months, including interest only period of 24 months.

Amortization:

To match that of the Lender, not to exceed 300 months following an interest only period.

Interest Rate:

3.5% per annum

Repayment Terms:

Up to 24 months interest only, followed by monthly principal and interest with balance due at maturity

Collateral:

Lien position on mortgage and assignment of rents and leases to be negotiated by Fund Manager prior to closing ~~To match that of the Lender, Anticipated to be a 1st mortgage and assignment of rents and leases for the property located at 640 Temple Street, Detroit, MI 48201, and adjoining and commonly owned parcels (the Property); ii-Assignment of Municipal and State Incentives; iii-Assignment of Managing Member’s interest in the Borrower; iv-Assignment of all Construction and Development related contracts; v-Assignment of all Management Contracts and/or Franchise Agreements; vi-Other collateral as required by Bank. MSF share of collateral will be subordinated to that of the Lender.~~

Guarantee:

To match that of the Lender, anticipated to be the unlimited personal guaranty of Gretchen Valade, The Gretchen Valade Irrevocable trust dated 1/15/2009, The Gretchen Valade Revocable Trust dated 5/5/1982, Christos Moisesides & Trust, David Sutherland & Trust and the unlimited corporate guaranty of Byzantine Holdings, LLC. MSF Interest to be subordinated to that of the Lender.

MSF Fee:

The MSF shall be paid a one-time fee equal to one percent of the MSF’s award. The Lender may charge the borrower for this fee.

Deferred Developer Fees:

The developer fees of \$1,239,595 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.

Funding:

The MSF will fund up to \$5,697,000 to be disbursed following closing of the Loan and achievement of other performance criteria.

Reserves:

Lease-up, Operating and Replacement Reserves will be required and determined based on Lender's review of residential and commercial market data, currently anticipated to be \$689,000, \$1,200,114, and 2.00% of Gross Income deposits annually, respectively. Hard Cost Contingency currently anticipated to be \$1,500,000.

Other Conditions:

The MSF's investment will be contingent upon receipt and review of the following:

- A minimum owner equity contribution of \$14,390,779 to the project
- Executed Guaranteed Maximum Price Construction Contract
- Final Development Budget
- State approval of OPRA tax abatement.
- Review and acceptance of Hotel Operator and Hotel Management Agreement and/or Hotel Franchise Agreement.
- Historic Part I and Part II approvals and any amendments from the National Park Service.
- Final Operating Agreement detailing equity pay-in schedule
- Other due diligence as may be required by MEDC staff.
- Such other conditions as determined by Lender.

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Community Development

Subject: 213 Development, LLC or a Related Entity
Request for Re-Approval of a Michigan Community Revitalization Program
Performance-Based Loan and Grant

Request

213 Development, LLC (“Company”) is requesting re-approval of a \$1,400,000 Michigan Community Revitalization Program (“MCRP”) Performance-Based Loan and a \$1,000,000 MCRP Performance-Based Grant in order to allow additional time to finalize and execute MCRP agreements.

Background

On June 27, 2017, the Michigan Strategic Fund (MSF) Board approved a \$1,400,000 performance-based loan and a \$1,000,000 performance-based grant for the Company for the purpose of renovating and repurposing the historic Crapo building located in downtown Bay City from vacant and blighted into a vibrant mixed-use development. The lower two levels are to consist of three commercial spaces, one earmarked for restaurant use. The upper stories will be converted into 26 residential market rate rental units. The property will have 30 surface parking spaces located at 807 Washington Avenue. This historic structure built in 1890 has a Romanesque Revival facade that has been covered with a midcentury modern paneled exterior. The panels will be removed, the masonry will be repaired, and the lower levels will be redesigned to complement the historic facade.

On March 27, 2018, the MSF re-approved the \$1,400,000 performance-based loan and \$1,000,000 performance-based grant for the Company to allow for additional time to execute the MCRP agreements.

During the time that has elapsed since the MSF Board’s previous re-approval the development team has continued to make progress on completing rehabilitation of the former Crapo building. The project is nearing substantial completion. It is anticipated with the proposed re-approval the development team and MSF will be able to execute the MSF Agreements within the next 90 days.

Recommendation

The MEDC staff recommends re-approval of the MCRP Performance-Based Loan in the amount of \$1,400,000 and the MCRP Performance-Based Grant in the amount of \$1,000,000.

MARCH 2018 RE-APPROVAL



MEMORANDUM

Date: March 27, 2018

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Community Development

Subject: 213 Development, LLC or a Related Entity
Michigan Community Revitalization Program
Request for Re-Approval of a Performance-Based Loan and Grant

Request

213 Development, LLC (“Company”) is requesting re-approval of a \$1,400,000 Michigan Community Revitalization Program (“MCRP”) Performance-Based Loan and \$1,000,000 MCRP Performance-Based Grant awards in order to allow additional time to finalize and execute a MCRP agreement.

Background

On June 27, 2017, the Michigan Strategic Fund Board approved a \$1,400,000 performance-based loan and \$1,000,000 performance-based grant for the Company for the purpose of renovating and repurposing the historic Crapo building located in downtown Bay City from vacant and blighted into a vibrant mixed-use development. The lower two levels are to consist of three commercial spaces, one earmarked for restaurant use. The upper stories will be converted into 26 residential market rate rental units. The property will have 30 surface parking spaces located at 807 Washington Avenue. This historic structure built in 1890 has a Romanesque Revival facade that has been covered with a midcentury modern paneled exterior. The panels will be removed, the masonry will be repaired, and the lower levels will be redesigned to complement the historic facade.

The MCRP approval required that an agreement be entered into within 180 days of the date of the approval, but allowed for a 90 day extension with approval from the MSF Fund Manager.

Renovation of the Crapo building is well underway. The parties have been unable to finalize and execute the MCRP agreement. The development team and MEDC staff are working to close the transaction and anticipate finalizing the agreement within the next 120 days.

Recommendation

The MEDC staff recommends re-approval of the MCRP Performance-Based Loan in the amount of \$1,400,000 and the MCRP Performance-Based Grant in the amount of \$1,000,000.

ORIGINAL APPROVAL



MEMORANDUM

Date: June 27, 2017

To: Michigan Strategic Fund Board

From: Charles Donaldson, Community Assistance Team Specialist
Julius Edwards, Manager, Underwriter and Incentive Structuring
Lori LaPerriere Brownfield and MCRP Program Specialist

Subject: City of Bay City Brownfield Redevelopment Authority
Request for Approval of an Act 381 Work Plan
213 Development, LLC or a Related Entity - Request for Approval Michigan
Community Revitalization Program Grant and Loan

Request

213 Development is a rehabilitation of the historic Crapo building located on a 0.24 acre lot in downtown Bay City. This adaptive reuse project will transform a prominent 49,476 square foot, 5-story building from a vacant, blighted, commercial property into a mixed-use iconic downtown asset. The proposed project will be undertaken by 213 Development, LLC. The project is located in a downtown and qualifies for a Michigan Community Revitalization Program (MCRP) award and an Act 381 work plan because it is functionally obsolete and a historic resource.

In order to alleviate brownfield conditions and prepare the proposed project site for redevelopment, the City of Bay City Brownfield Redevelopment Authority is seeking approval of local and school tax capture for MSF eligible activities in the amount of \$1,561,866.

213 Development, LLC (Applicant) is requesting approval of MCRP awards in the total amount of \$2,400,000 in the form of a \$1,400,000 Performance-Based Direct Loan and a \$1,000,000 Performance-Based Grant.

The total cost to complete the proposed renovation is estimated at \$11.7 million which is more than double the current appraised value for the building following completion (estimated at \$5.5 million). The low appraised value can be directly linked to the relatively low rental rates available in the area and the non-value added work required at the site, which limits the level of traditional debt the project can secure. The

development team is in the process of securing permanent term debt of approximately \$4.7 million. To bridge the significant gap between the appraised value and the cost to develop the project, the development team is contributing private equity of over 32% of the total development cost. As part of this equity investment, the development team is planning to utilize the benefit associated with the Federal Historic Tax Credits (HTCs) themselves. MEDC staff has determined that the capital being contributed to the project related to the HTCs is above what could have been raised in the traditional private market. To bridge the remaining gap the development team is deferring 100% of its “Developer Fees” and requesting consideration for \$2,400,000 in MCRP award. The MCRP award will allow the development team to achieve an anticipated return of less than 6 percent.

The eligible activities will alleviate Brownfield conditions across the site and make it suitable for redevelopment, and protect human health and the environment. Without brownfield tax increment reimbursement, the cost burden related to Brownfield conditions would make the project financially unfeasible. The MCRP detailed structure is provided in **Appendix A**.

The Applicant anticipates that the project will result in total capital investment in the amount of \$11,723,004, along with the creation of approximately 44 permanent full-time equivalent jobs with an average hourly wage of \$16.64.

Background

The existing building is currently vacant and has been deemed functionally obsolete and is listed on the Federal National Registry as a Historic Resource. The proposed historic renovation project will transform the building from vacant and blighted into a mixed-use development. The lower two levels will consist of three commercial spaces, one earmarked for restaurant use. The upper stories will be converted into 26 residential market rate rental units. The property has 30 surface parking spaces located at 807 Washington Avenue. This historic structure built in 1890 has a Romanesque Revival facade that has been covered with a midcentury modern paneled exterior. The panels will be removed, the masonry will be repaired, and the lower levels will be redesigned to complement the historic facade.

All floors of the building were determined to have asbestos and lead and abatement will be necessary prior to demolition activities in order to protect human health. Demolition activities include the demolition of the interior, exterior façade demolition, removal of basement slab, and removal of site improvements as necessary to prepare the building for renovation. Site preparation activities include foundation work to address site soil conditions. Other activities include walks, drives, landscaping, fencing, and lighting. Infrastructure improvements including repair and installation of main public utilities up to the building including water, sanitary, gas and electric are necessary to support the new development. In addition, there will be public infrastructure improvements to be installed and financed by the city. These include improving and paving the alley, street restoration, and infrastructure replacement.

213 Development, LLC, is a single purpose entity created for this project with two members including Jenifer Acosta and Rod Hildebrant. Jenifer Acosta founded The Neighborhood Development Co. in August of 2015, and recently completed the redevelopment of the Bay City Times Building, a \$6.5 million Federal Historic Tax Credit project, into 31 modern industrial-style residential rental units known as the Times Lofts. As a LEED accredited professional in Neighborhood Development Jenifer volunteers on the downtown management board, strategic planning initiatives, county roadmap to the future, and is a regional ambassador through the Great Lakes Bay Regional Alliance.

Appendix B addresses the programmatic requirements and **Appendix C** includes a project map and renderings.

Recommendation

MEDC staff recommends approval of the following:

- a) Local and school tax capture for the Act 381 eligible activities totaling \$1,561,866 Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$812,568;
- b) a MCRP Performance-Based Direct Loan Award in the amount of \$1,400,000 for 213 Development, LLC;
- c) a MCRP Performance-Based Grant Award in the amount of \$1,000,000 for 213 Development, LLC or a Related Entity;
- d) waiver of the MCRP Developer Fee limit, which limits Developer Fees to 4% of the total development cost. The estimated Developer Fee is just over 7% of the total development cost. Staff is requesting waiver because the higher Developer Fee allows the project to maximize the value of the HTCs, and 100% of the fee is being deferred; and
- e) waiver of the MCRP debt service coverage ratio requirement of 1.20 to 1.00. The cash flow for the project displays a debt service coverage ratio (DSCR) of 1.19 to 1.00. Additionally, following expiration of the property's tax abatement it is anticipated that the project's DSCR will fall below 1.20 to 1.00. Staff is comfortable because of the financial strength and support of the ownership team. See Appendix B for additional information.

EXHIBIT A
“Term Sheet”

LOAN FACILITY

MSF Facility:	MCRP Performance-Based Loan
Borrower:	213 Development, LLC or a Related Entity
Loan Amount:	Up to \$1,400,000
Term:	Up to 60 months
Amortization:	Up to 300 months
Interest Rate:	2% per annum
Repayment Terms:	Interest only for 12 months, followed by up to 48 equal monthly payments of principal and interest with the remaining principal balance due at maturity.
Collateral:	Anticipated to be a security interest in the property and the corresponding TIF reimbursements, subordinated only to the senior financing.
Guarantee(s):	Anticipated to be the guarantees of the project owners.
MSF Fees:	One-time fee equal to one percent of the MSF Loan award.
Funding:	The MSF will fund up to \$1,400,000 to be disbursed following completion of construction and achievement of other performance criteria.
Other Conditions:	Milestones or closing conditions anticipated to include: <ul style="list-style-type: none">● Receipt of a Guaranteed Maximum Price contract● Final Development Budget● Receipt of State approval of the tax abatement

PERFORMANCE-BASED GRANT

- Applicant:** 213 Development, LLC or a Related Entity
- Grant Amount:** Not to exceed the lesser of \$1,000,000 or 9% of the total development cost.
- MSF Fees:** One-time fee equal to one percent of the MSF Grant award.
- Funding:** The MSF will fund up to \$1,000,000 to be disbursed following completion of construction and achievement of other performance criteria.
- Other Conditions:** Milestones or closing conditions anticipated to include:
- Receipt of a Guaranteed Maximum Price contract
 - Final Development Budget
 - Receipt of State approval of the tax abatement
 - Total of MCRP Loan and Grant awards not to exceed the lesser of 25% of “Eligible Investment” or \$2,400,000

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-168**

**RE-APPROVAL OF MICHIGAN COMMUNITY REVITALIZATION PROGRAM
PERFORMANCE-BASED LOAN AND GRANT AWARDS TO
213 DEVELOPMENT, LLC OR A RELATED ENTITY
(THE LEGACY PROJECT)**

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

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

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

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

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

WHEREAS, by Resolution 2017-099 on June 27, 2017 the MSF Board awarded a \$1,400,000 MCRP Performance-Based Loan and \$1,000,000 MCRP Performance-Based Grant awards (“Award”) to 213 Development, LLC or an entity formed or to be formed in the furtherance of The Legacy Project (“Applicant”);

WHEREAS, by the terms of Resolution 2017-099, on December 19, 2017, the MSF Fund Manager approved an extension of the Award to March 26, 2018 (“Original Expiration Date”);

WHEREAS, by Resolution 2018-042 on March 27, 2018 the MSF Board re-approved the Award for the Applicant;

WHEREAS, by the terms of Resolution 2018-042, on July 18, 2018, the MSF Fund Manager approved an extension of the Award to October 22, 2018 (“Current Expiration Date”);

WHEREAS, the Applicant was unable to execute the Transaction Documents by the Current Expiration Date and is requesting re-approval of the Award along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”);

WHEREAS, the MEDC is recommending that the MSF re-approve the Award, with all other requirements remaining in place from the original approval.

WHEREAS, the MEDC is recommending the MSF re-approve the Applicant's Award 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 90 days (the foregoing, collectively, the "MCRP Award Recommendation"); and

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

ADOPTED

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund

From: Denise Graves, University Relations Director

Subject: University Technology Acceleration and Commercialization Programs (UTACP)
- Technology Transfer Talent Network (T3N) and Michigan Corporate Relations
Network (MCRN) Grant Amendments for Extension and Refunding

Action

MEDC Staff recommends the MSF Board approve a grant amendment for an extension of one year and refunding in an amount totaling \$2,485,000 for two UTAC Programs; the Technology Transfer Talent Network (T3N) \$1,175,000 and Michigan Corporate Relations Network (MCRN) \$1,310,000.

Background

On October 24, 2017, the MSF Board awarded the T3N and MCRN Programs, through a competitive RFP process, a University Technology Acceleration and Commercialization Program grant in the amount of \$2,660,000 with the option to extend the term of the grants for additional four one year terms, adding funding at the sole discretion of the MSF. The current grant agreements for both T3N and MCRN end on December 31, 2018.

Program Accomplishments

The T3N program is a collaboration of 7 universities (UM, MSU, WSU, WMU, Oakland U, GVSU and MTU – along with collaboration with 8 additional institutions FSU, EMU, CMU, SVSU, NMU, LSSU, UM Flint and UM Dearborn) supporting the commercialization of university projects into licenses with industry or startup companies. The support is by way of mentors in residence, postdocs and fellows. In 2017, the program supported 39 mentors, postdocs and fellows who engaged and worked on more than 450 projects. Their work supported the creation of 13 companies who hired 16 employees and have been awarded more than \$80 million in follow on funding. The program also recognized 30 licensing agreements and 16 issued patents.

The MCRN program is a collaboration of 6 universities (UM Ann Arbor, UM Dearborn, MSU, WSU, WMU, and MTU – along with 9 affiliates to the program FSU, EMU, CMU, SVSU, NMU, LSSU, UM Flint, Oakland and GVSU) supporting the interaction between small companies and public universities across the state of Michigan. The support is by way of matching funds to support new industry/university projects, interns (STEM focus with more than 50% being retained on at least a part time basis) and a research portal. In 2017, the program served 202 companies who hired 158 new employees and attracted more than \$135 million in follow on funding.

Recommendation

MEDC Staff recommends the MSF Board approve this grant amendment for extension and refunding and that the MSF Board delegate authority to the MSF Fund Manager, with the assistance of MEDC staff, to negotiate and execute the final terms and conditions for the amended grant agreement.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-169**

**UNIVERSITY TECHNOLOGY AND COMMERCIALIZATION PROGRAM
GRANT AMENDMENTS**

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

WHEREAS, MCL 125.2088o authorizes the Michigan Strategic Fund (“MSF”) Board to create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

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

WHEREAS, on August 22, 2017, the MSF issued a Request for Proposals (“RFP”) to award grant funding to institutions of higher education for the purpose of: 1) encouraging collaboration and identification of the commercial potential in advanced technologies from individual institutions; 2) facilitating the bundling of inventions into packages that could be of interest to the public sector; 3) encouraging business formation efforts; and 4) increasing the number of university related start-up companies (the “University Technology and Commercialization Program RFP”);

WHEREAS, on August 22, 2017, the MSF Board also allocated \$2,800,000 for the University Technology and Commercialization Program RFP, appointed a Joint Evaluation Committee (“JEC”) to review proposals received in response to the University Technology and Commercialization Program RFP; and adopted scoring and evaluation to be used by the JEC in its review of proposals received in response to the University Technology and Commercialization Program RFP;

WHEREAS, two proposals were received in response to the University Technology and Commercialization Program RFP and evaluated in accordance with the requirements of the scoring and evaluation criteria adopted by the MSF Board;

WHEREAS, on October 24, 2017, the JEC recommended that the MSF Board authorize the following grants for an initial term of one year, with the option to extend the grants for up to an additional four years and allocate additional funds, at the sole discretion of the MSF Board and subject to available funding:

Applicant	Amount
University of Michigan – Michigan Corporate Relations Network	\$1,400,000
University of Michigan – Technology Transfer Talent Network	\$1,260,000

(collectively, the “University Technology and Commercialization Program Awards”); and

WHEREAS, the MSF Board wishes to amend the University Technology and Commercialization Program Awards to increase the grants and extend the terms as follows:

Awardee	FY2019 Allocation Amount	Term Extension
University of Michigan – Michigan Corporate Relations Network	\$1,310,000	12/31/19
University of Michigan – Technology Transfer Talent Network	\$1,175,000	12/31/19

(collectively, the “UTACP Amendments Request”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the UTACP Amendments Request; and

BE IT FURTHER RESOLVED, that the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effective the UTACP Amendments Request.

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018
To: MSF Board
From: Fred Molnar, VP, Entrepreneurship and Innovation
Subject: Invest Michigan Grant Amendment Request

REQUEST

MEDC Staff requests the Michigan Strategic Fund (“MSF”) Board approve a grant amendment for the Invest Michigan Pre-Seed II Fund (“Invest Michigan”) for \$3,000,000 in additional funding to allow investments in new technology start-up companies to continue for another year (the “Request”).

BACKGROUND TO AWARD

Under Section 88k of the MSF Fund Act (the “Act”), MCL 125.2088k, the MSF is authorized to award grants and loans for basic research, applied research, university technology transfer, and commercialization of products, processes and services to encourage the development of competitive edge technologies to create jobs within the State of Michigan.

The purpose of the Invest Michigan is to invest in high-tech Michigan start-up companies through loans or equity. In February 2014, the MSF Board selected Invest Michigan to manage the Michigan Pre-Seed Fund (or “Fund”) and awarded it a grant in the amount of \$7,958,000 (Resolution 2014-018). In September 2015 the funding was increased by \$2,500,000 (Resolution 2015-128) and in September 2017 by an additional \$1,750,000 (Resolution 2017-146).

PROGRAM RESULTS

Since inception, Invest Michigan has proven to be an outstanding steward of taxpayer dollars, developing a stringent and comprehensive due diligence process that maximizes opportunity while minimizing MEDC exposure.

- Stage one of this process involves investment approval by an independent Investment Review Committee, the members of which are custom selected for each individual company review from a pool of 40 experts.
- In stage two the Fund mitigates risk by not disbursing all of the loan or equity purchase in one lump sum. Instead, each award is disbursed across several payments, dependent on company progression such as milestones achieved.

As a result of this diligence Invest Michigan has enjoyed unprecedented success. On July 15, 2014, Invest Michigan funded its first investment and to date has completed 88 investments into 49 companies, attracting \$93.9 million in follow-on investment and generating \$56 million in new sales revenue. The Invest Michigan leadership team play an active role on 15 Boards of

Directors of client companies and lead several strategic initiatives such as CEO searches and identifying relevant personnel for board positions. In March 2018, Invest Michigan completed its first financial audit by an external CPA receiving an unqualified opinion, attesting to strict financial controls and compliance with the MEDC contract.

RECOMMENDATION

MEDC Staff recommends the MSF Board approve the Request.

**MICHIGAN STRATEGIC FUND
RESOLUTION
2018-**

INVEST MICHIGAN GRANT AMENDMENT #5

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

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

WHEREAS, MCL 125.2088k authorizes the MSF to award grants and loans for basic research, applied research, university technology transfer, and commercialization of products, processes, and services to encourage the development of competitive edge technologies to create jobs within the State of Michigan;

WHEREAS, at its October 23, 2013 meeting, the MSF authorized a request for proposals to award grants to Michigan nonprofit corporations that invest in pre-seed and early stage companies that require capital to transition from research to the early stages of the commercialization process in the competitive edge technology sectors (the “Early State Funding RFP”);

WHEREAS, at its February 24, 2014 meeting, the MSF awarded a grant to Invest Michigan in the amount of \$7,958,000 for an initial term of March 24, 2014 to April 15, 2016, with the option to extend the term of the grant for up to an additional three years and to allocate additional funding at the sole discretion of the MSF (the “Invest Michigan Grant”);

WHEREAS, on June 29, 2015, the MSF Fund Manager, in accordance with the authority set forth in Section 125.2088k-5(2) of the MSF Compiled Resolutions, approved a no-cost extension of the Invest Michigan Grant to April 15, 2017 (“Grant Amendment #1”)

WHEREAS, at its September 22, 2015 meeting, the MSF exercised its option to allocate additional funding to Invest Michigan and increased the Invest Michigan Grant by \$2,500,000 (“Grant Amendment #2”);

WHEREAS, on March 11, 2017, the MSF Fund Manager, in accordance with the authority set forth in Section 125.2088k-5(2) of the MSF Compiled Resolutions, approved a no-cost extension of the Invest Michigan Grant to September 30, 2019 (“Grant Amendment #3”);

WHEREAS, on September 26, 2017, the MSF allocated \$1,750,000 in additional funding to the Invest Michigan Grant for continuation of the grant activities (“Grant Amendment #4”);

WHEREAS, the MEDC recommends that the MSF allocate \$3,000,000 in additional funding to the Invest Michigan Grant for continuation of the grant activities through September 30, 2019 (“Grant Amendment #5 Request”); and

WHEREAS, the MSF wishes to approve the Grant Amendment #5 Request.

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Grant Amendment #5 Request; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the Grant Amendment #5 Request and to execute all documents necessary to effectuate the Grant Amendment #5 Request in accordance with the terms of this Resolution.

Ayes:

Nays:

Recused:

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018

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

From: Stacy Bowerman, Vice President Business Development Projects

Subject: Hemlock Semiconductor Corporation (“Company”)
Amendment to Approved PolySi Energy Credit

Request

The Company is requesting an amendment to its existing PolySi Energy Credit Agreement to replace the Company name with Hemlock Semiconductor Operations LLC and revise the Term of the Agreement.

Background

On December 30, 2008, the Company and the Michigan Economic Growth Authority (the “MEGA”) entered into the PolySi Energy Credit Agreement for a period of 15 years commencing December 2008. The PolySi Energy Credit, designed to offset the high cost of energy, is a credit against the Michigan Business Tax for a company that constructed and operated a new or expanded facility for the manufacture of polycrystalline silicon. To date, the Company has satisfied the requirements of the Agreement and has collected the credit for years 2012 through 2016.

Since approval, the Company has restructured and was converted to a Michigan limited liability company resulting in a name change to Hemlock Semiconductor Operations, LLC. A modification of the Company name is necessary for the Company to collect the credit.

Additionally, an amendment to the Michigan Public Service Commission Act (PA 3 of 1939) is being proposed that will allow the Michigan Public Service Commission to authorize a contract under a long-term industrial load rate for the Company. This new rate will reduce the Company’s energy costs at its facility in Thomas Township, Saginaw County. In order to eliminate a credit against reduced electrical rates, the term of the Agreement will be amended to restrict the Company from claiming the credit when the long-term industrial rate is first utilized by the Company.

Recommendation

MEDC Staff recommends the following amendments to the PolySi Energy Credit (collectively, “Recommendation”):

- a) Replace “Hemlock Semiconductor Corporation” with “Hemlock Semiconductor Operations LLC”
- b) Replace Section I.R with: “Term” means the time period beginning December 15, 2008, and ending on the last day of the Company’s tax year ending 2023, except that, if the Company may not claim a Poly-Si Energy Credit in a tax year prior to 2023 under Section VIII, the time period shall end on the last day of the Company’s last tax year that it may claim a Poly-Si Energy Credit under Section VIII.
- c) Add Section III.5: If the Term is adjusted to end before the 2023 tax year under Section I.R., subsections 2, 3, and 4 only apply if the tax years referenced in those subsections are within the adjusted Term.
- d) Add Section VIII: If the Michigan Public Service Commission approves a contract for a term under a long-term industrial load rate for the Company established pursuant to Section 10GG of 1939 PA 3, MCL 460.10GG, the Company may not claim a Poly-Si Energy Credit for any tax year after the tax year in which the long-term industrial load rate is first utilized by the Company.
- e) All other aspects of the approval remain unchanged.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-171**

**HEMLOCK SEMICONDUCTOR OPERATIONS LLC
(F/K/A HEMLOCK SEMICONDUCTOR CORPORATION)
AMENDMENT TO POLYSI ENERGY TAX CREDIT**

WHEREAS, the Michigan Legislature created the Michigan Economic Growth Authority (“MEGA”) under the Michigan Economic Growth Authority Act, 1995 PA 24, as amended (the “MEGA Act”), with the authority to grant an authorized business a credit against the tax imposed by the Michigan Business Tax Act, 2007 PA 36, as amended;

WHEREAS, by Executive Order 2012-9, the MEGA was abolished and all the authority, powers, duties and functions of the MEGA were transferred to the Michigan Strategic Fund (“MSF”);

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

WHEREAS, on December 15, 2008, the MEGA Board authorized a high tech tax credit for Hemlock Semiconductor Operations LLC f/k/a Hemlock Semiconductor Corporation (“Hemlock” or “Company”) of up to 100 percent for fifteen consecutive years beginning no later than the company’s tax year ending December 31, 2011 for the construction and operation of an expanded facility for the manufacture of polycrystalline silicon in Thomas Township, Saginaw County (the “Project”), provided that:

- (a) Hemlock created and maintained a minimum of five qualified new jobs by the end of the first year in which the Company was eligible to receive the tax credit and 25 qualified new jobs by the end of the fifth year in which the Company was eligible to receive the tax credit, with a maximum of 190 qualified new jobs under the tax credit;
- (b) The Company maintained a base employment level equal to or greater than the 800 full-time jobs it had in Michigan prior to the Project;
- (c) The qualified new jobs paid an average weekly wage of at least \$879;
- (d) The agreement contained a repayment provision requiring repayment of all or a portion of the tax credits received by Hemlock if it relocated qualified new jobs outside the State of Michigan during the term of the agreement; and
- (e) The Township of Thomas approved a tax abatement under 1974 PA 198 for new property related to the Project.

(the “PolySi Energy Tax Credit”);

WHEREAS, the PolySi Energy Tax Credit was intended to offset the high cost of energy related to the Project;

WHEREAS, a proposed amendment to the Michigan Public Service Commission Act, 1939 PA 3, would allow the Michigan Public Service Commission to authorize a contract under a long-term industrial load rate for the Company that would reduce the Company’s energy costs related to the Project;

WHEREAS, due to a pending amendment to 1939 PA 3, it is necessary to amend the PolySi Energy Tax Credit in order to eliminate a tax credit against reduced electrical rates;

WHEREAS, MEDC staff recommends that the PolySi Energy Tax Credit be amended to restrict the Company's ability to claim the PolySi Energy Tax Credit if the amendment to 1939 PA 3 is enacted and the Michigan Public Service Commission approves the long-term industrial rate contract and such rate is used by the Company (the "Amendment Request"); and

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

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

BE IT FURTHER RESOLVED, except as to those provisions that must be revised in order to effectuate the Amendment Request, the terms and conditions of the PolySi Energy Tax Credit shall remain in full force and effect.

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF President or the MSF Fund Manager, with only one required to act, to negotiate the final terms and conditions of the Amendment Request and to execute all documents necessary to effectuate the Amendment Request.

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018

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

From: Mike Gietzen, Senior Development Finance Manager

Subject: Newell Brands Inc. (“Company” or “Applicant”)
Amendment to Approved Michigan Business Development Program Grant Agreement

Request

The Company is requesting an amendment to its existing Michigan Business Development Program (“MBDP”) performance-based grant Agreement to add the related entity Newell Rubbermaid Development LLC (“Newell Development”) for the purpose of counting Base Employment and Qualified New Jobs.

Background

On September 26, 2017 the Michigan Strategic Fund approved a \$1,479,000 performance-based grant under the Michigan Business Development Program. As a result of the acquisition of Jarden, Newell Brands required an expansion of the Company’s existing design capabilities in order to accommodate the additional product lines which would require an expansion of 22,225 sq. ft. to house the new growth.

As of June 2018, the Company has created 37 Qualified New Jobs above the Base Employment Level and is in a position to collect on Milestone One.

Newell Development is treated merely as a division of Newell Brands and was created in order to segregate brand and product development activities.

Recommendation

MEDC Staff recommends the following (collectively, “Recommendation”):

- a) Amend to allow Newell Rubbermaid Development LLC to be added for the purpose of counting Base Employment and Qualified New Jobs.
- b) All other aspects of the approval remain unchanged.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-172**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT AMENDMENT TO
NEWELL BRANDS 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 (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Trust Fund programs;

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (“MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP (“Guidelines”);

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

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

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

WHEREAS, the Company requests that the MSF Board approve an amendment to the Michigan Business Development Program performance-based grant by adding the related entity Newell Rubbermaid Development LLC (“Newell Development”) for the purpose of counting Base Employment and Qualified New Jobs (the “Grant Amendment Request”);

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

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

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

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

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MICHIGAN STRATEGIC FUND

**Michigan Economic Development Corporation
300 N. Washington Square, Lansing, Michigan
Lake Michigan Conference Room**

2019 Proposed Meeting Dates

Tuesday, January 22, 2019
10:00 am

Tuesday, February 26, 2019
10:00 am

Tuesday, March 26, 2019
10:00 am

Tuesday, April 23, 2019
10:00 am

Tuesday, May 28, 2019
10:00 am

Tuesday, June 25, 2019
10:00 am

Tuesday, July 23, 2019
10:00 am

Tuesday, August 27, 2019
10:00 am

Tuesday, September 24, 2019
10:00 am

Tuesday, October 22, 2019
10:00 am

Tuesday, November 26, 2019
10:00 am

Tuesday, December 17, 2019
10:00 am

MEMORANDUM

Date: October 23, 2018
To: Michigan Strategic Fund (“MSF”) Board Members
From: Matt Chasnis, Business Development Project Manager
Subject: KLA-Tencor Corporation (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request
Good Jobs for Michigan (“GJFM”) Program Request

Request

This is a request from the Applicant for a 100 percent Good Jobs for Michigan Withholding Tax Capture for up to 8 years valued at \$16,171,948 for the creation of 500 Certified New Jobs as well as a \$1,500,000 Michigan Business Development Program Performance-based grant for the creation of 150 Qualified New Jobs, as outlined in the attached Term Sheet (“MBDP Request”). This project involves the total creation of 500 new full-time jobs, of which 150 will be eligible for both the Good Jobs for Michigan Program and the Michigan Business Development Program, and a capital investment of up to \$71,130,000 in Washtenaw County.

Background

The Applicant, formed in April 1997 through the merger of KLA Instruments (KLA) and Tencor Instruments (Tencor), is primarily engaged in the design, manufacturing, and marketing of process control and yield management solutions for the semiconductor and related nanoelectronics industries. The Company, headquartered in Milpitas, CA, has roughly 6,000 employees worldwide but does not currently have any employees in Michigan. The Company provides a portfolio of inspection and metrology products, and related services, software, and other offerings to a number of high technology industries. The products and services are intended for all phases of wafer, integrated circuit (IC), and packaging production, and are used by the vast majority of bare wafer, IC, reticle, and disk manufacturers around the world.

The Applicant reported record financial results in 2017 and plans to sustain market leadership by keeping a strong pace of innovation through maintaining a high level of investment in R&D. The proposed investment will enable the Company to increase and enhance its R&D efforts to satisfy long-term growth projections and better serve its global customer base. The Applicant initially plans to lease temporary space in Ann Arbor until a suitable site is chosen to construct their permanent facility in one of the surrounding communities of Ann Arbor Charter Township or Pittsfield Charter Township. The projects total capital investment of \$71,130,000 will result in the Company’s newest R&D operation and will generate approximately 500 new, full-time jobs. The new jobs will be comprised of recent graduates from technical disciplines (principally Masters and PhD educated), highly skilled engineers, and managerial level talent, and wages are expected to average between \$48 and \$72 per hour.

The Applicant is also considering Dallas, Texas and Toronto, Canada for this project. The Company references the larger talent pools and an abundance of real estate options in the other locations relative to the Ann Arbor area. Additionally, the exchange rate between the United States and Canada provides the Toronto option a more favorable labor cost structure. Choosing to locate the project in the Ann Arbor area will result in higher talent recruitment costs and a significant amount of capital that will be spent on a temporary space until the permanent build-to-suit construction is complete. Incentive assistance will help offset these upfront costs and allow the Company to expand in Michigan.

In addition to MSF support, Ann Arbor Charter Township or Pittsfield Charter Township anticipates approval of a real property tax abatement in support of the project.

Considerations

1. BDP Considerations:

- a) The Applicant is a “Qualified Business”, as defined in MCL 125.2088r(7)(b), that is located and operates in Michigan.
- b) "Qualified new job" means a job performed by an individual who is a resident of this state whose Michigan income taxes are withheld by an employer.
- c) The project will be located in Washtenaw County. Ann Arbor Charter Township and Pittsfield Charter Township have offered a “staff, financial, or economic commitment to the project” in the form of a tax abatement, which amounts to a reduction in property taxes of approximately 50%, which will help reduce the overall cost of doing the project in Michigan.
- d) The Applicant has demonstrated a need for the funding. The Applicant is also considering Dallas, Texas and Toronto, Canada for this project. The Company references the larger talent pools and an abundance of real estate options in the other locations relative to the Ann Arbor area. Additionally, the exchange rate between the United States and Canada provides the Toronto option a more favorable labor cost structure. Choosing to locate the project in the Ann Arbor area will result in higher talent recruitment costs and a significant amount of capital that will be spent on a temporary space until the permanent build-to-suit construction is complete. Incentive assistance will help offset these upfront costs and allow the Company to expand in Michigan.
- e) The Applicant plans to create 150 Qualified New Jobs above a statewide base employment level of 0.

2. GJFM Considerations

- a) The Applicant is a “Eligible Business”, as defined in MCL 125.2090g(d), that is located and operates in Michigan.
- b) “Certified new job”, used with Good Jobs for Michigan, means a full-time job created by an authorized business at a facility in this state that is in excess of the number of full-time jobs that the authorized business maintained in this state prior to the expansion or location.
- c) The Eligible Business has committed to creating and maintaining a minimum of 250 Certified New Jobs with an average wage of equal to or greater than 125 percent of the regional prosperity average wage of \$51,809 annually.
 - a. The Applicant plans to create 500 Certified New Jobs above a statewide base employment level of 0 paying an average wage of \$90,064. The Certified New Jobs will be created within five years of entering into the written agreement.
- d) The maximum amount of withholding tax capture revenues captured related to the project is \$16,171,948.
- e) Ann Arbor Charter Township or Pittsfield Charter Township have approved the Eligible Businesses new location by resolution.
- f) The plans for the expansion are economically sound.

- g) The expansion or location of the Eligible Business will increase employment opportunities and strengthen Michigan's economy.
- h) Assistance under this program is an incentive to locate the Eligible Business in Michigan and address the competitive disadvantages with sites outside the state.
- i) The expansion or location of the Applicant will result in a positive fiscal impact to the state. The following was taken into consideration when determining the term of the withholding tax capture revenues: the number of new Certified New Jobs to be created, the level in which the average annual wage exceeds the prosperity regional average wage, the potential impact of the expansion on Ann Arbor Charter Township or Pittsfield Charter Township and the state of Michigan's economy.

3. Additional Considerations:

Pursuant to the MBDP and GJFM program guidelines, the following was taken into consideration for the proposed project: involves out-of-state competition, shovel-ready project with the support of the MSF; diversification of Michigan economy, prospect of near-term job creation, high wage level for new jobs, strong links to Michigan suppliers, and is projected to result in a net positive return for the State of Michigan.

Recommendation

MEDC Staff recommends approval of the MBDP and GJFM Request, as outlined in the attached resolutions.

EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP").

Date: October 3, 2018

Company Name: KLA-Tencor Corporation and/or its affiliates and subsidiaries.

Project Location: Washtenaw County

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$1,500,000

Base Employment Level: At least 0

Qualified New Jobs: At least 150 at the Project Location

Municipality Supporting Project: Ann Arbor Charter Township or Pittsfield Charter Township have agreed to provide staff, financial or economic assistance in support of the project.


Start Date for Measurement of Creation of Qualified New Jobs: September 28, 2018 (Application Submission Date)

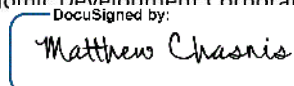
Term of the Agreement: May 31, 2021

Milestone Based Incentive: Disbursements will be made over a 2 year period and will be performance based on job creation as follows:
Milestone 1: \$500,000 for the creation of 50 jobs.
Milestone 2: \$1,000,000 for the creation of 100 additional jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:

KLA-Tencor Corporation
By: 
Printed Name: Bobby Bell
Its: ERP KLA-Tencor

Michigan Economic Development Corporation
DocuSigned by:
By: 
Printed Name: Matthew Chasnis
Its: Business Development Projects Manager

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-173**

GOOD JOBS FOR MICHIGAN AWARD

KLA-TENCOR CORPORATION

WHEREAS, Public Act 109 of 2017 authorized the Michigan Strategic Fund (the “MSF”) to create and operate the Good Jobs for Michigan Program (the “GJFM Program”);

WHEREAS, on September 26, 2017, the MSF created the GJFM Program and adopted guidelines for the GJFM Program;

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

WHEREAS, KLA-Tencor Corporation (the “Company”) proposes to make a capital investment of \$71,130,000 and create 500 Certified New Jobs as it constructs and operates a new facility in Washtenaw County (the “Project”) and applied for a GJFM incentive in connection with the Project;

WHEREAS, MEDC staff has reviewed the Company’s request for a GJFM incentive and determined that the following statutory requirements have been or will be met by the Company:

- (a) The Company is an Eligible Business as defined in MCL 125.2090g(d);
- (b) The Company will create and maintain a minimum of 250 Certified New Jobs with an average wage equal to or greater than 125 percent of the regional prosperity average wage of \$51,809 annually;
- (c) The plans for the expansion are economically sound;
- (d) The expansion of the Eligible Business will increase employment opportunities and strengthen Michigan’s economy;
- (e) The assistance provided under GJFM is an incentive to expand in Michigan and address the competitive disadvantages with sites outside the State;
- (f) An industry-recognized regional economic model cost-benefit analysis has indicated that the payment of withholding tax capture revenues under the GJFM Program will result in an overall positive fiscal impact to the State;
- (g) The Company will create the Certified New Jobs not more than five years after execution of a written agreement with the MSF;
- (h) The Company will maintain the requisite number of Certified New Jobs for the duration of the period of time that the Company receives withholding tax capture revenues under the GJFM Program; and
- (i) Ann Arbor Charter Township and Pittsfield Charter Township approved the Company’s expansion by resolution.

WHEREAS, the MEDC recommends that the MSF authorize the Company to receive withholding tax capture revenues for the Project of up to 100 percent for eight years, not to exceed \$16,171,948 (the “GJFM Award Recommendation”); and

WHEREAS, the MSF wishes to approve the GJFM Award Recommendation.

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

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate all final terms and conditions and execute all documents necessary to effectuate the GJFM Award Recommendation.

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor

Nays: 0

Recused: Shaun Wilson

Lansing, Michigan
October 23, 2018

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-174**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
KLA-TENCOR CORPORATION**

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

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

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (“MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP (“Guidelines”);

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

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

WHEREAS, KLA-Tencor Corporation (“Company”) has requested a performance based MBDP grant of up to \$1,500,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

WHEREAS, the MEDC recommends that the MSF approve the Company’s Grant 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 (“MBDP Award Recommendation”).

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

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor

Nays: 0

Recused: Shaun Wilson

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018
To: Michigan Strategic Fund (“MSF”) Board Members
From: Erik Wilford, Business Development Project Manager
Subject: Coyote Logistics (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request

Request

This is a request from the Applicant for a \$1,500,000 MBDP Performance-based grant as outlined in the attached Term Sheet (“MBDP Request”). This project involves the creation of 300 Qualified New Jobs, and a capital investment of up to \$3,600,000 in the City of Detroit.

Background

Founded in 2006, the Company is a leading third-party logistics (3PL) service provider in North America and Europe. The Company provides truckload, less-than-truckload, intermodal, air and ocean brokerage services, and transportation management services to more than 14,000 shippers of various sizes and industries. The Company was acquired by United Parcel Service of America, Inc. (“UPS”) in August 2015 but remains a separate entity with 15 facilities in 12 states.

The Company has continued to grow at a rapid pace, especially following UPS’s acquisition and has outgrown its current facility. In an effort to keep up with 3PL demand, the Company is considering expanding one of its current operations in Denver, Colorado or changing locations in Michigan. The Company is considering leasing an existing building in the City of Detroit near the Corktown neighborhood. The project will result in the creation of 300 new jobs and \$3.6 million in investment in the City of Detroit.

The Company is also considering expanding a current facility in Denver, Colorado. With facilities in 12 states, the Company has the ability to relocate more easily. The biggest constraint to expanding in Detroit will be leasehold improvement costs and talent attraction/retention. The Company primarily recruits recent college graduates which is a priority to the community. The Company has noted that although the cost of living is higher in Colorado, the Company spends more time and money hiring and retaining talent in Michigan compared with Colorado. The incentive assistance is necessary to support the Company’s growth and keep these jobs in Michigan.

The Applicant has received incentives from the MSF in the past. In August of 2013, the Company was awarded a \$1,000,000 MBDP grant to establish operations in Michigan and create 120 jobs. Additionally, in September of 2015, the Company was awarded a \$320,000 MBDP grant to expand operations in Michigan and create 80 jobs. The Company has met the terms and conditions under both grants to date and is currently in compliance with both grants.

In addition to MSF support, the City of Detroit anticipates approval of a personal property tax abatement in support of the project.

The MEDC is in the process of completing civil and criminal background checks in accordance with the MSF Background Review Policy. This is expected to be completed prior to the board meeting.

Recommendation

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

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP").

Date: October 8, 2018

Company Name:	Coyote Logistics, LLC and/or its affiliates and subsidiaries.
Project Location:	1700 W Fort Street Detroit, Michigan 48216
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$1,500,000
Base Employment Level:	At least 200
Qualified New Jobs:	At least 300
Municipality Supporting Project:	City of Detroit to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	Date of MSF Approval
Term of the Agreement:	May 31, 2023
Milestone Based Incentive:	Disbursements will be made over a 3 year period and will be performance based on job creation as follows: Milestone 1: \$250,000 for the creation of 50 jobs. Milestone 2: \$500,000 for the creation of 100 jobs. Milestone 3: \$750,000 for the creation of 150 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:

Coyote Logistics, LLC

By:



Printed Name:

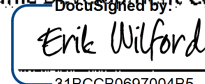
Craig Gaubert

Its:

CFO

Michigan Economic Development Corporation

By:



Printed Name:

Erik Wilford

Its:

Business Development Project Manager

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-175**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
COYOTE LOGISTICS, LLC**

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

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

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (“MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP (“Guidelines”);

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

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

WHEREAS, Coyote Logistics, LLC (“Company”) has requested a performance based MBDP grant of up to \$1,500,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

WHEREAS, the MEDC recommends that the MSF approve the Company’s Grant 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 (“MBDP Award Recommendation”).

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

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund Board

From: Christopher Cook, Director, Capital Access

Subject: *Private Activity Bond – Bond Authorizing
Oakland Corridor Partners LLC – NTE \$725,000,000
Tax-Exempt*

Request:

Oakland Corridor Partners LLC (“Applicant”) was formed to develop, design, construct, finance and maintain a portion of the existing I-75 highway in Michigan from north of 13 Mile Road to north of 8 Mile Road as Segment 3 of the Michigan I-75 Modernization Project (the “Project”) pursuant to an agreement entered into with the Michigan Department of Transportation (“MDOT”) as contemplated by the Request for Proposals to develop, design, construct, finance and maintain the I-75 Modernization Project (Segment 3) issued by MDOT on March 30, 2018 and amended by Addendum No. 1 issued on May 25, 2018, Addendum No. 2 issued on July 13, 2018 and Addendum No. 3 issued on August 6, 2018 (as so amended, the “RFP”).

Background:

Applicant is a limited liability company formed under the Delaware Limited Liability Company Act on September 7, 2018.

Oakland Corridor Partners HoldCo LLC, a Delaware limited liability company (“Oakland HoldCo”), holds all of the ownership interest of the Applicant. Oakland HoldCo was formed by AECOM Capital, Inc. (“AECOM”), John Laing Investments Limited (“John Laing”), Jay Dee Contractors, Inc. (“Jay Dee”), Ajax Paving Industries, Inc. (“Ajax”), and Dan’s Excavating, Inc. (“DEI”), each of which holds, directly, or indirectly, the following ownership interest in Oakland HoldCo:

John Laing	40%
AECOM	30%
Ajax	10%
DEI	10%
Jay Dee	10%

Description of Project:

The Project consists of the realignment and reconstruction of a 5.5 mile segment (“Segment 3”) of the I-75 Corridor. Segment 3 is located north of 13 Mile Road to north of 8 Mile Road in the Cities of Madison Heights, Royal Oak, and Hazel Park, which are all within Oakland County.

Key aspects of the design and construction of the Project include the realignment and reconstruction of the I-75 mainline, service drives and ramps; addition of a new lane in both directions; reconstruction of structures, drainage improvements, including construction of a 14.5 foot (internal) diameter and 4-mile long stormwater storage and drainage tunnel and installation of a new pump station; and ITS upgrades.

The Project also includes grading, environmental compliance, site work, landscaping, aesthetics, noise and retaining walls, traffic maintenance during construction, paving, pavement marking, signing, certain utility work and coordination, quality, construction safety, permitting and public information.

Also included in the Project, but not financed with the Bonds described below, is the routine and long-term maintenance of certain asset categories during a 25-year Maintenance Term which commences following substantial completion of construction.

The estimated Project cost includes all costs relating to the machinery and equipment to construct the Project. There are no costs relating to the land as MDOT owns all relevant lands and allows the Applicant to access the lands under the terms of the Project Agreement.

The expected dates of the Project start-up and completion are:

- October 2018 – Signed Project Agreement with MDOT and achieved commercial close
- November 2018 – Expected to issue bonds and close financing arrangements
- November 2018 – Expected to commence design and construction schedule
- August 2023 – Expected to achieve substantial completion of Project
- September 2023 – Expected to commence long-term maintenance scope of work
- February 2024 – Expected to achieve final completion of Project
- August 2048 – Expected contract expiration date

The Project consists of two distinct phases of work for which individuals will be hired to complete the necessary scope: (a) the design and construction phase; which includes the interim maintenance of the project during construction; and (b) the long-term maintenance phase.

The following is an estimate for the design and construction phase:

- Position 1 – Laborers: 120 required, 90 current employees, 30 new hires
- Position 2 – Operators: 90 required, 70 current employees, 20 new hires
- Position 3 – Carpenters: 50 required, 35 current employees, 15 new hires
- Position 4 – Electricians: 20 required, 15 current employees, 5 new hires
- Position 5 – Truck Drivers: 50 required, 35 current employees, 15 new hires

The Construction Management team includes 21 positions, supported by 15 Foreman positions. It is not expected that there will be any new hires within this group.

For the Maintenance Period, between 10 and 12 new positions will be created to complete the scope of work required. These positions, skilled and semi-skilled, will be advertised and hired within the local market, in the period leading up to the completion of the construction project. These positions include roadway technicians, truck drivers and administrative staff. The average hourly, straight-time wage for these individuals, excluding fringes, benefits and/or overtime is approximately \$50.

Overall, the Project is led by a small management team of individuals selected by the Applicant's members. It is expected that there will be two local hires to support the management. These will be local sourced positions, with an average hourly salary in the range of \$50, excluding fringes and overtime.

The MEDC has completed civil and criminal background checks in accordance with the MSF background review policy. No issues were identified.

Plans of Finance:

Proceeds of the MSF Bonds will be used by the MSF to make one or more loans to the Applicant. The Applicant will use the proceeds of the loan from the MSF, together with other available funds, to (a) pay the costs of the Project, (b) pay a portion of the interest payable on the Bonds during construction, (c) to the extent not funded by other sources of capital, fund a debt service reserve for the Bonds and (d) pay the costs of issuing the Bonds. The Bonds will not finance all Project costs over the life of the Project. Rather, proceeds of the Bonds will be expended in accordance with the Internal Revenue Code. At least 95% of the net proceeds of the Bonds will be expended on the Project by the date that is five years from the date of issuance. The Bonds will be subject to extraordinary mandatory redemption from any unexpended proceeds.

The Bonds will be underwritten by Merrill Lynch, Pierce, Fenner & Smith Incorporated or BofAML Securities, Inc. and Wells Fargo Bank, N.A,

The transaction calls for proceeds of the Bonds to be invested in a Guaranteed Investment Contract ("GIC") with Sumitomo Mitsui Banking Corporation ("SMBC"). SMBC is currently rated "A1" by Moody's, "A" by S&P and "A" by Fitch, which does not meet the requirements of the Fund's permitted investment policy (MSF Resolution 1993-014). The policy requires proceeds of MSF private activity bonds invested in a GIC to be held by a provider that is rated within the two highest rating classifications established by at least one national rating service. Staff is requesting the Board approve a waiver to the Permitted Investment Policy and approve the SMBC GIC.

Please note: the Bonds will be issued through the MSF subject to receipt of a private activity bond allocation from the United States Secretary of Transportation under Section 142(m) of the Internal Revenue Code. Such allocation is separate from the Michigan State Treasurer's annual private activity bond allocation that is subject to federally imposed unified volume limitation and thus the ability of the MSF to issue future bonds will not be impacted.

The MSF issuance fee will be \$40,000.

Recommendation:

Based upon a determination by Dykema Gossett PLLC and the State of Michigan Attorney General's office that this transaction complies with state and federal law requirements for tax-exempt financing, staff recommends the adoption of a Bond Authorizing Resolution in an amount not to exceed \$725,000,000.

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN
STRATEGIC FUND LIMITED OBLIGATION REVENUE BONDS (I-75
IMPROVEMENT PROJECT), SERIES 2018
(THE “BONDS”)

Resolution 2018-176

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. Oakland Corridor Partners LLC, a Delaware limited liability company (the “Obligor”), has requested a loan from the Fund to: (i) finance the costs of the development, design, construction, and financing of the existing I-75 highway in Oakland County, Michigan from north of 13 Mile Road to north of 8 Mile Road as Segment 3 of the Michigan I-75 modernization project; (ii) pay a portion of the interest payable on the Bonds during construction; (iii) to the extent not funded by other sources of capital, fund a debt service reserve for the Bonds; and (iv) pay costs of issuance of the Bonds (collectively the “Project”).

C. The Obligor has requested the Fund to issue the Bonds in a principal amount of not to exceed \$725,000,000 pursuant to this resolution (the “Resolution”) and an indenture of trust (the “Indenture”), between the Fund and U.S. Bank National Association, as bond trustee (the “Trustee”), relating to the Bonds to obtain funds which will be loaned to the Obligor pursuant a loan agreement between the Fund and the Obligor (the “Loan Agreement”), to pay costs of the Project.

D. The Bonds will be issued as fully registered bonds in the denomination of \$5,000 and integral multiples of \$5,000 in excess thereof.

E. The Bonds will be purchased by Merrill, Lynch, Pierce, Fenner & Smith Incorporated or BofAML Securities, Inc. and Wells Fargo Bank, N.A., as underwriters (together, the “Underwriters”) pursuant to a bond purchase agreement among the Underwriters, the Fund, and the Obligor (the “Bond Purchase Agreement”).

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund’s Board of Directors (a “Member”) or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be limited obligations of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Indenture.

The Bonds will be issued through the Fund subject to receipt of a private activity bond allocation from the United States Secretary of Transportation under Section 142(m) of the Internal Revenue Code.

SECTION 2. Approval, Execution and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Loan Agreement,
- b. Indenture, and
- c. Bond Purchase Agreement

Any Member and Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 6.0% per annum, and the principal amount of the Bonds, which shall not be greater than \$725,000,000 and a Final Maturity not to exceed June 2048. Approval of those terms shall be evidenced by the Member's execution of the Bond Purchase Agreement.

SECTION 4. Acknowledgment of Collateral Documents. The form of the Collateral Agency Agreement, Security Agreement, Pledge Agreement and Equity Contribution Agreement on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, is acknowledged with such changes as are permitted by the Act or otherwise by law and not materially adverse to the Fund.

SECTION 5. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General"),

b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel, and

c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Trustee to be credited in accordance with the Indenture.

SECTION 6. Designation of Certain Parties. The Trustee's acceptance of duties as trustee shall be evidenced by its execution of the Indenture.

SECTION 7. Preliminary Official Statement. The use and distribution by the Underwriters of a Preliminary Official Statement to solicit offers to purchase the Bonds, in substantially the form on file with the Fund and on which an Authorized Officer shall endorse the date of adoption of this Resolution, is authorized. The use and distribution of an Official Statement in substantially the same form as the Preliminary Official Statement is approved. Any Member or Authorized Officer is authorized to approve changes in the Preliminary Official Statement as may be necessary or desirable, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 8. Authorization of Filings, Submissions and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Indenture, the Loan Agreement, or the Bond Purchase Agreement, or as may be necessary to effectuate the valid issuance, sale and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 9. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before January 25, 2019, the authority granted by this Resolution shall lapse.

Adopted.

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

October 23, 2018
Lansing, Michigan

MEMORANDUM

To: Michigan Strategic Fund Board

From: Chris Cook, Director – Capital Access

Date: October 23, 2018

Subject: Award Recommendation for Second Grow Michigan Mezzanine Lending Fund

Request

This is a request to approve an award of \$9.6 million from the Investment Fund which will be contributed as an equity investments into Grow Michigan II, LLC (“GMI II” or “Fund”), a new mezzanine style loan fund, under terms as outlined in Exhibit A to the resolution. The purpose of this investment is to leverage private sector investment with a targeted Fund size of \$59.6 million. The MSF award would be divided into two investments, a \$9.5 million equity investment to the Fund which would be used by the Fund to provide loans to operating companies, and a \$100,000 preferred equity investment to the Fund which would defray start-up expenses.

The term and conditions for the proposed investment are structured to be substantially similar to an investment award approved by the MSF Board in 2012. The fund which received this investment has operated since 2012 as Grow Michigan LLC (“GMI”).

The MEDC has completed a background check on the key management of the Fund in accordance with MSF background check policy.

Background

In 2012, the MSF executed a subscription agreement for up to \$9.5 million and a loan agreement for \$500,000 with GMI. The purpose of the award was to provide economically competitive growth and acquisition capital to small businesses shut out of that market due to scale (loan size too small to be profitable for the lender). GMI was structured based on best practices of similar loans funds operating outside of Michigan.

GMI was developed as a result of a 2008 study of the Michigan banking environment that identified a material weakness which exists in nearly all capital markets and which has been addressed successfully in a number of other states. The weakness addresses the need for growth capital, succession and acquisition financing and balance sheet reconfiguration capital for small operating companies. Used here, small is defined as having revenues generally under \$50 million per year and a “mezzanine” style capital need between \$2.0 million and \$6.0 million approximately.

GMI raised \$42.7 million in Class A investment from a total of 16 banks operating in Michigan. This amount of Class A investment was sufficient to prompt \$7 million in Class B investment from the MSF. Utilizing this funding, GMI has to date provided subordinated loans to 30 operating companies totaling \$56.2 million. Total private investment associated with these projects, including the GMI debt, totals \$303.7 million, with the remaining funding being provided through concurrent senior debt and equity contributions. Redemptions have been provided for \$22.8 million of the GMI debt, with a meaningful portion of the recycled funding being used to support new financing. Based on the actual MSF contributed capital provided to date of \$5.98 million, GMI reports a private sector leverage rate of over 50:1. Based on the current pipeline for new projects and portfolio performance, management of GMI anticipates a break-even financial return for GMI.

The economics of the MSF's proposed investment in GMI II are anticipated as follows:

- 50% First loss position on MSF committed capital
- .25% Preferred return
- 10% carried interest once the Class A financial investors received a 15% annualized ROI.

The inclusion of capital at a lesser rate of return and including a provision for first-loss has been determined to be necessary to elicit investment from banks and other similar class investors. While the MSF investment in GMI included a 75% first-loss provision, Staff believes other factors critical to banks, including involvement in transactions which may qualify for CRA credit, mitigates the need for the same level of first loss provision. The proposed rate of return on earnings will be substantially similar to that of the MSF investment in GMI.

Management of GMI states that significant demand still exists for mezzanine capital as is currently being provided by GMI. The original five-year commitment period for GMI, which was set to expire at the end of 2017, was extended for an additional two years. Based on available capital and the existing pipeline of new projects, management of GMI anticipates available funding for investment in new projects to be exhausted prior to the end of the extension and likely at some time in early 2019.

Management

Management of GMI II will mirror the current management structure for GMI. GMI has provided a summary of the management team of GMI is as follows:

Patrick O'Keefe (CEO) - Mr. O'Keefe is recognized as an expert in the fields of strategic advisory services, corporate reorganization, debt restructuring, turnaround consulting, refinancing solutions, due diligence support, valuation and litigation support. Mr. O'Keefe has been approved by the U.S. Department of Justice to act as a Chapter 11 trustee and has performed as a court appointed receiver for numerous operating companies. For over 30 years, Mr. O'Keefe has been active as a financial consultant and turnaround advisor to under-performing businesses in various industries including, retail, construction,

automotive, manufacturing, and real estate, and has successfully completed assignments in out-of-court and Chapter 11 restructurings.

Under his direction, his firm, O’Keefe & Associates (“O’Keefe”), has been recognized by the M&A Advisor as Accounting/Due Diligence Firm of the Year, the M&A Global Network as Boutique Turnaround Consulting Firm of the Year, and was awarded Turnaround of the Year-Middle Market by the M&A Advisor and Turnaround Management Association. In 2016 the firm was awarded Real Estate Deal of the Year, Restructuring Deal of the Year, Community Revival Restructuring of the Year, and Chapter 11 Restructuring Deal of the Year.

Russell Long (COO) – Mr. Long is a Partner and Managing Director at O’Keefe. He specializes in real estate consulting, receiverships, litigation support, business valuation and forensic accounting. He has vast experience in preparing complex financial analyses and forecasts for use in turnaround assignments, plans of reorganization, preparation of business valuations, and preparation of financial packages for secured and unsecured creditors.

Mr. Long is a Certified Public Accountant (CPA) and earned his Bachelor of Arts, with Distinction, in Accounting from Walsh College. He has been awarded the Accredited in Business Valuation (ABV) credentials by the American Institute of Certified Public Accountants (AICPA) and is also Certified in Financial Forensics (CFF).

Chris Seablom (CFO) - Ms. Seablom is Chief Financial Officer and Director for O’Keefe. As CFO, she assists in strategic planning for long term goals for the firm, supports the CEO to create shareholder value, measures and monitors business performance, and manages governance, controls, and/or risks. In addition to her role as CFO, Ms. Seablom is also engaged in client assignments. As a multi-faceted professional, Ms. Seablom has great successes in litigation support cases, forensic accounting, receiverships, business valuation, corporate finance and turnaround consulting projects.

Prior to joining O’Keefe, Ms. Seablom spent 23 years in the banking industry, most recently serving as Finance Manager and Vice President within a major Michigan bank. Ms. Seablom was responsible for all of the finance functions of the East Michigan region, including project management, forecasting, and profitability analysis. She directed the finance staff in developing and implementing revenue enhancement and expense reduction strategies, corporate budgets, and strategic planning initiatives.

Recommendation

Staff recommends the MSF award \$9.6 million for the purpose of making an investment in GMI II, subject to terms and conditions contained within Exhibit A of the proposed resolution.

EXHIBIT A

Grow Michigan II, LLC

Summary of Term and Conditions of the Fund

The following is a summary of terms and conditions of the Fund

General Terms

Awardee:	Grow Michigan II, LLC
Purpose:	The Fund's investments will generally focus on strong growth potential (revenue and jobs) lower middle-market companies in Michigan with \$3 to \$75 million in revenues. Target transactions will generally range from \$1 to \$3 million for terms from generally three to five years. No single transaction shall exceed \$5 million. The Fund will not invest more than 10% of the Fund's committed capital in any portfolio company (including affiliates).
Michigan Investments	The Fund will invest only in Michigan based companies, and only in Michigan based projects.
Eligible Investments:	The Fund will invest only in operating companies deriving at least 50% of gross revenue from operations related to the following industries: manufacturing; warehousing; freight transportation/logistics; distribution; technology; research & development; and mining.
MSF Commitment:	<p>The Michigan Strategic Fund will provide not more than \$9.6 million of capital support to the Fund in the form of a (a) \$9.5 million Class B equity ("Class B Investment"), and (b) \$100,000 preferred equity funding ("Class C Investment") to defray organization and early operating expenses.</p> <p>The MSF will make eligible for call of the Class B Investment based on a schedule of Class A commitments as follows:</p> <ul style="list-style-type: none">• \$2 million upon the first \$10 million of Class A investment• \$2.5 million upon the aggregate commitment of \$20 million of Class A investment• \$2.5 million upon the aggregate commitment of \$35 million of Class A investment

- \$2.5 million upon the aggregate commitment of \$50 million of Class A investment

Further, the MSF reserves the right to advance at a ratio of Class A investment to MSF commitment of not less than 5 to 1.

Commitment Period:

The commitment period will be for a term of five years from initial closing and the Board of Managers may extend the commitment period for two additional periods of two years each.

Board of Managers of the Fund:

The operating agreement for the Fund shall provide that the Board of Managers shall consist of nine individuals, one-third of which shall be individuals designated by the MSF Fund Manager.

Investment Committee of the Fund:

The operating agreement for the Fund shall provide that the Investment Committee of the Fund shall consist of five individuals, one of which shall be appointed by the MSF Fund Manager.

Other:

Other terms and conditions deemed necessary or appropriate by the MSF Fund Manager or MSF President.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2018-177**

**APPROVAL OF FUNDING AND EQUITY INVESTMENTS
FOR THE GROW MICHIGAN II PROJECT**

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

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

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

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

WHEREAS, pursuant to Chapter 8A, specifically, MCL 125.2088(b)(2)(c), Investment Fund monies are authorized to be invested for programs or activities authorized under the MSF Act as long as the programs or activities provide for repayment for breach of the written agreement or the failure to meet measureable outcomes;

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

WHEREAS, it is proposed that the MSF invest in Grow Michigan II, LLC, a private equity fund (“PE Fund”) in collaboration with the management of the existing Grow Michigan, LLC: (i) up to a \$9.5 million equity investment in the PE Fund toward further investments by the PE Fund in operating companies and (ii) up to a \$100,000 equity investment in the PE Fund toward defraying initial start-up and other operating expenses of the PE Fund, along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”) (the, foregoing, collectively, “PE Fund Investments”);

WHEREAS, the MEDC recommends that the MSF approve funding of up to the aggregate of \$9.6 million from the Investment Fund to fund the PE Fund Investments (“Funding”); and

WHEREAS, the MEDC recommends that the MSF approve the PE Fund Investments in accordance with the Term Sheet, subject to: (i) available Funding and (ii) final due diligence performed to the satisfaction of the MEDC (the foregoing, collectively, the “Award Recommendation”).

NOW THEREFORE, BE IT RESOLVED, the MSF approves the Funding;

BE IT FURTHER RESOLVED, the MSF approves the Award Recommendation; and

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager or MSF President to negotiate the final terms and conditions of the Award Recommendation, approves the MSF Fund Manager or MSF President to further approve disbursement milestones, repayment and other terms and conditions deemed necessary from time to time to adapt to PE Fund needs, so long as such terms and conditions continue to include disbursement milestones and repayment provisions, and approves the MSF Fund Manager or MSF President to sign all documents necessary to effectuate the foregoing.

Ayes: Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri, designation attached), Jeff Mason, Terrence J.L. Reeves, Terri Jo Umlor, Shaun Wilson

Nays: 0

Recused: 0

Lansing, Michigan
October 23, 2018

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund

From: Denise Graves, University Relations, Entrepreneurship and Innovation

Subject: Requested updates to the Michigan Translational Research and Commercialization Statewide Program Guidelines

Action

Michigan Economic Development Corporation (“MEDC”) Staff recommends the Michigan Strategic Fund (“MSF”) Board approve updates to the Michigan Translational Research and Commercialization (“MTRAC”) Statewide Program Guidelines, as noted in the attachment to the Resolution (the “Request”).

Background

At its April 26, 2016 board meeting the MSF approved the establishment of a MTRAC Statewide Program, supporting the translation of competitive edge research into commercial applications at all Michigan based institutions of higher education, hospital systems and nonprofit research centers. With the establishment of the MTRAC Statewide Program the MSF also approved Statewide Program Guidelines which included the creation of Innovation Hubs in five key technology areas of Bio Medical Sciences, Life Sciences, Advanced Transportation, Advanced Materials and Agriculture-Biology. In addition to the creation of five Innovation Hubs, the Program Guidelines also set forth a number of eligibility requirements including the demonstration of a 1:1 cash match for the eligibility of an Innovation Hub and Subawardee to participate in the program.

MEDC Staff is requesting updates to the Program Guidelines related to the establishment of the Innovation Hubs. In the execution of the statewide program over the last two years, it has become apparent that to continue to be effective in the translation of technology into the commercial market, a key technology sector of Advanced Computing should be added as an Innovation Hub. Program oversight of the Life Sciences Innovation Hub and the projects awarded through the Innovation Hub; it has become clear to eliminate the Bio Medical Sciences Innovation Hub and recognize those activities as having synergies with the Life Sciences Hub. The activities can be merged to maintain one Life Sciences Innovation Hub. With these two changes the program would still maintain five innovation hubs; Life Sciences, Advanced Computing, Advanced Transportation, Advanced Material and Agriculture-Biology.

MEDC Staff is also requesting a change in the 1:1 cash match requirement for the institutions of higher education. A tiered match requirement would be based upon university research expenditures as reported through the Higher Education Research and Development (“HERD”) survey. This survey report collects information from individual institutions on their research expenditures, a dollar figure that reflects the amount of research done at the institution. Through program management and in working with institutions of higher education throughout the state, the smaller institutions with extremely smaller research budgets struggle to provide the 1:1 match for a project as compared to their much larger counterparts. With this

knowledge, a recommendation to structure the cash match based on tiers related to research expenditures would be defined as follows:

>\$150 million – 100% match

\$50 - \$150 million – 75% match

<\$50 million – 50% match – whereas institutions of higher education that fall below \$50 million in research expenditures, the match requirement will be 10% of their proposed project budget

This provides a more realistic approach to the match requirement and allows for the smaller institutions to participate in the MTRAC program.

Recommendation

MEDC Staff recommends the approval of the Request.

MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION STATEWIDE PROGRAM GUIDELINES

IN GENERAL

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

- In furtherance of these objectives, the Michigan Strategic Fund (“MSF”) wishes to provide grant funding to up to five (5) Innovation Hubs in key technology areas of – Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology and Life Sciences - to accelerate technology transfer from Michigan’s institutions of higher education, non-profit research centers and hospital systems for commercialization of competitive edge technologies, as defined in Section 88a of the MSF Act, MCL 125.2088a et seq., to the private sector.

ELIGIBILITY REQUIREMENTS OF INNOVATION HUBS

In order to be designated as an Innovation Hub and to receive funding from the MSF under the MTRAC Statewide Program, an applicant must meet all of the following criteria:

- Be a state research university with a designated technology transfer office;

- Can meet or exceed the following metrics at the Innovation Hub or through a Subawardee (defined below), or a combination thereof: 1) create a minimum of five (5) jobs; 2) create a minimum of two (2) start-up companies; 3) issue a minimum of three (3) licenses to corporate partners; and 4) obtain a minimum of \$2,000,000 in follow on funding.

- Demonstrated expertise in one of the following five key areas: Advanced Computing, Life Sciences, Advanced Transportation, Advanced Materials or Agriculture-Biology.

- Demonstrate a financial match according to the tiers below, as an institution of higher education based upon research expenditures as reported through the Higher Education Research and Development (HERD) survey:

>\$150 Million – 100% match

\$50 Million - \$150 Million – 75% match

<\$50 Million –whereas institutions of higher education that fall below \$50 million in research expenditures, the match requirement will be 10% of their proposed project budget

- Maintain an annual Request for Proposals or alternative competitive process in which proposals can be submitted to the Innovation Hub from internal faculty of the state research university with which the Innovation Hub is affiliated, other Innovation Hubs, institutions of higher education, non-profit research centers and hospital systems throughout the State of Michigan (the “Subawardee(s)”) for funding of Eligible Technology Transfer Activities (defined below).
- Have a Commercialization Program Director (“CPD”) who is responsible for program management, oversight and reporting to ensure program efficiency and future success.
- Have an Oversight Committee comprised of industry experts and investment professionals to review and score proposals, provide commercialization goals and milestones to projects, vote on project awards and mentor projects to completion.
- Demonstrate a commitment from the state research university with which the Innovation Hub is affiliated to support the commercialization of advanced technologies and bio economy technologies on a statewide basis through the collaboration with other Innovation Hubs, industry, institutions of higher education, non-profit research centers and hospital systems throughout the State of Michigan.

SUBAWARDEE ELIGIBILITY REQUIREMENTS

In order to apply for project funding from the Innovation Hub, a Subawardee must meet all of the following criteria:

- Be a Michigan institution of higher education, non-profit research center or hospital system.
- Propose a project that encompasses supporting translational research into a commercial market related to competitive edge technologies as defined in Section 88a of the MSF Act, MCL 125.2088a et seq., with the outcome being a new startup company or a license to a corporate partner (“Eligible Technology Transfer Activities”).
- Adhere to the Innovation Hub submission and reporting requirements and timelines.
- Demonstrate a 1:1 financial match in its request for funding to the Innovation Hub as a non-profit research center or hospital system. Demonstrate a financial match according to the tiers below, as an institution of higher education based upon research expenditures as reported through the Higher Education Research and Development (HERD) survey:

>\$150 Million – 100% match

\$50 Million - \$150 Million – 75% match

<\$50 Million – 50% - whereas institutions of higher education that fall below \$50 million in research expenditures, the match requirement will be 10% of their proposed project budget

- Provide a project manager to assist in budget, milestone management and reporting requirements.

ADDITIONAL PROGRAM DETAILS

- The MEDC provides administrative services to the MSF for the program, including conducting due diligence and compliance processes, and promoting the collaboration of Innovation Hubs with institutions of higher education, non-profit research centers, and hospital systems.
- The grant to a research university for an Innovation Hub shall be performance based. The research university managing an Innovation Hub may apply for additional funding annually and a new grant award with continuation funding every two years, within three months prior to the current grant period end date. A grant award, for the continuation of the Innovation Hub activities, will be based on the successful completion of the requirements, including but not limited to milestones and budget from a previous award and will include submission of detailed annual program milestones, metrics and budgets.
- The designation as an Innovation Hub and its ability to receive funding from the MSF under the MTRAC Statewide Program is valid for a period not to exceed six (6) years from date of designation. The state research university with which the Innovation Hub is affiliated may reapply to be designated as an Innovation Hub, receiving at least an 80% score on the Scoring Criteria Worksheet, successful completion of the requirements, including but not limited to milestones and budget from a previous award, upon expiration of its six (6) year designation.
- All MSF Support will be memorialized in a final written grant with terms and conditions in accordance with these guidelines and otherwise satisfactory to the MSF, including without limitation, requiring performance based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF Board and the Michigan legislature, including periodic reporting after completion of a project and repayment for misappropriation, event of default, or other actions or activities prohibited under the MSF Act.
- All decisions for MSF Support are subject to approval of the full MSF Board and available funding.

MEMORANDUM

DATE: October 23, 2018
TO: Michigan Strategic Fund (“MSF”) Board Members
FROM: Mary Kramer, Manager, MCRP, Brownfield and SmartZone Programs
SUBJECT: Quarterly Report of Delegated Approvals of Brownfield Act 381 Work Plans

On April 5, 2017, the Brownfield Redevelopment Financing Act (Act 381) was amended to allow the chairperson of the Michigan Strategic Fund delegated approval of work plans that consist of tax capture of less than \$1,000,000.

There were no Brownfield Act 381 Work Plans approved by the delegates during the fourth quarter of the 2018 fiscal year.

MEMORANDUM

DATE: October 23, 2018

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

FROM: Trevor Friedeberg, Director, Business Development Projects
Mary Kramer, Manager, MCRP, Brownfield and SmartZone Programs

SUBJECT: Quarterly Report of Delegated Approvals on Michigan Business Development Program & Michigan Community Revitalization Program

On December 21, 2011, the MSF Board approved the Michigan Business Development Program (“MBDP”) and the Michigan Community Revitalization Program (“MCRP”). Both programs allow for delegated approval of projects that have incentives of \$1 million or less. Listed below is a synopsis of the delegated deals that were approved during the fourth quarter of the 2018 fiscal year.

If you would like additional information on a project, please let us know.

MBDP APPROVALS

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment
Amphenol-Borisch Technologies	7/11/2018	City of Grand Rapids	\$410,000.00	82	\$3,700,000.00
Fanuc Robotics America Corporation	7/19/2018	City of Auburn Hills	\$1,000,000.00	100	\$51,060,000.00
Drake Enterprises, Inc.	8/6/2018	Clinton Township	\$750,000.00	125	\$18,970,000.00
Motion Dynamics Corporation	8/8/2018	Village of Fruitport	\$530,000.00	80	\$3,750,000.00
Dennis Group	8/17/2018	City of Battle Creek	\$500,000.00	65	\$621,000.00
Location Services	8/20/2018	City of Ann Arbor	\$500,000.00	106	\$1,152,500.00
Alps Electric (North America), Inc.	8/23/2018	City of Auburn Hills	\$650,000.00	100	\$5,100,000.00
Michigan Milk Producers Association	8/28/2018	Village of Constantine	\$122,000.00	11	\$24,000,000.00

MBDP and MCRP Delegated Approvals

October 23, 2018

Page 2 of 2

Tooling Technologies Group LLC	8/29/2018	Macomb Township	\$750,000.00	100	\$19,875,000.00
Kostal Kontakt Systeme, Inc.	8/30/2018	City of Rochester Hills	\$320,000.00	32	\$46,414,000.00
Configit, Inc.	8/30/2018	City of Southfield	\$365,000.00	51	\$803,000.00
Kalamazoo Outdoor Gourmet	9/7/2018	City of Galesburg	\$200,000.00	31	\$3,130,000.00
Piston Automotive	9/10/2018	VanBuren Township	\$590,000.00	118	\$16,737,999.00
AGS Automotive Systems Inc	9/12/2018	City of Sterling Heights	\$950,000.00	100	\$5,000,000.00
Jones Lang LaSalle Business Consulting Group	9/14/2018	City of Ypsilanti	\$350,000.00	42	\$15,691,728.00
Medline	9/18/2018	City of Romulus	\$250,000.00	75	\$5,928,224.00
Magna Mirrors of America, Inc.	9/19/2018	City of Newaygo	\$448,000.00	48	\$45,066,251.00
Healthmark Industries	9/26/2018	City of Fraser	\$1,000,000.00	139	\$12,000,000.00
West Michigan Compounding, LLC	9/28/2018	City of Greenville	\$150,000.00	33	\$6,000,000.00
Feyen Zylstra	9/28/2018	City of Grand Rapids	\$570,000.00	100	\$6,095,000.00
Arcanum Alloys	9/28/2018	City of Kentwood	\$162,500.00	25	\$693,000.00

MCRP APPROVALS

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment
Main Street Uptown Development LLC	9/15/2018	Bay City	\$575,000	3	\$8,022,566
URC South 600, LLC	9/27/2018	Flint	\$200,000	15	\$1,221,509

**MSF DELEGATED AUTHORITY QUARTERLY UPDATE
MSDF AND SSBCI PROGRAMS
CAPITAL ACCESS TEAM
July 1 – September 30, 2018**

APPROVALS BY AUTHORIZED DELEGATES

Between July 1 and September 30, 2018 the following actions were approved by the MSF Chairperson and MSF Fund Manager, subject to due diligence, and available funding:

SSBCI-MBGF						
Organization	Request Type	Loan Amount	MSF Support	Action	Date Approved	Closed
Gilden Woods Real Estate, LLC	MBGF-CSP	\$ 1,026,675	\$ 172,000	Approved by Chair and Fund Manager	September 7, 2018	Y
The Coffee Beanery, LTD	MBGF-CSP	\$ 1,500,000	\$ 788,420	Approved by Chair and Fund Manager	September 28, 2018	Y
Total		\$ 2,526,675	\$ 960,420			
MSDF						
Organization	Request Type	Loan Amount	MSF Support	Action	Date Approved	Closed
Proos Manufacturing, Inc.	MSDF-CSP	\$ 2,000,000	\$ 998,000	Approved by Chair and Fund Manager	August 29, 2018	Y
Total		\$ 2,000,000	\$ 998,000			

MEMORANDUM

Date: October 23, 2018

To: Michigan Strategic Fund Board

From: Christine Whitz, Director, Community Development Block Grant Program

Subject: *Community Development Block Grant Program
Quarterly Report of Delegated Approvals (July - September, 2018)*

On October 23, 2013, the MSF Board approved the Community Development Block Grant (CDBG) program delegated approval of projects that have incentives of \$1 million or less. Listed below is a synopsis of the delegated deals that were approved during the previous quarter. If you would like additional information on a project, please feel free to contact me.

Grantee	Approval Date	CDBG Funds	Brief Summary of Project
City of Bad Axe Village of Deckerville City of Coleman City of Crosswell	7/3/18	\$54,750	On September 26, 2017, the Michigan Strategic Fund awarded Infrastructure Capacity Enhancement grants. Each of these communities procured a CDBG Certified Grant Administrator to assist with the administration of their grant’s compliance. Since then, the CGA has resigned due to medical reasons. CDBG staff assisted each of these communities to procure a new CGA for their projects. The result is an increase in administrative cost as follows: <ul style="list-style-type: none"> • City of Bad Axe \$16,500 • Village of Deckerville \$ 6,250 • City of Coleman \$16,000 • City of Crosswell <u>\$16,000</u> <p style="text-align: right;">TOTAL \$54,750</p>
Village of Vernon	7/31/18	\$428,400	The Village of Vernon requested an additional \$428,400 in CDBG funds for its Infrastructure Capacity Enhancement project. The project’s original estimated CDBG funded budget increased significantly due to several factors, including: a discovery made during a geotechnical investigation that identified the presence of heavy ground water requiring design modifications to mitigate any potential adverse effects and price of materials at time of bidding the project.



CDBG Program	8/2/18	\$0	CDBG staff requested approval to implement the policy to reimburse pre-agreement costs. This change in internal program policy would allow the reimbursement of such costs that a CDBG certified grant administrator would incur to complete an environmental review, reimbursement of lead/asbestos inspections and other exempt activities related to a project prior to formal Michigan Strategic Fund (MSF) approval. Such costs would be included in the formal MSF grant award request.
City of Cheboygan	8/7/18	\$60,632	The City of Cheboygan requested an additional \$60,632 in CDBG funds for its Downtown Façade Improvement project. The building's original estimated CDBG funded budget increased significantly due to several factors, including: additional work needed to bring the building up to code, deteriorated concrete, and second story siding removal and replacement.
City of Newaygo	8/13/18	\$990,000	The City of Newaygo requested \$990,000 in CDBG funds for façade improvements needed for the City of Newaygo-Downtown Facades-2018 project. The City expects that this project could result in private investment of \$1,120,918.
Village of Middleville	8/22/18	\$352,850	The Village of Middleville requested \$352,850 in CDBG funds for spot blight needed for the Village of Middleville-Lofts of Middleville project. The Village expects that this project could result in private investment of \$377,500.
Charlevoix County	9/29/18	\$25,641	Charlevoix County requested an additional \$25,641 in CDBG funds for CDBG Housing Grant #MSC-2014-0729-HO. As part of the original total project costs, there was a planned grant from the Weatherization Assistance Program. It was later found that the property had received assistance many years ago so that made the property ineligible for the Weatherization Assistance Program. The additional \$25,641 in CDBG funding will allow for the completion of the home renovations which include: window and door replacement, attic insulation and lead abatement.
Total CDBG Funds for Quarter		\$1,912,273	

**MSF DELEGATED AUTHORITY QUARTERLY UPDATE
MSF CONFIDENTIALITY MEMOS
Board Meeting October 23, 2018**

FOR QUARTER ENDED SEPTEMBER 30, 2018

BACKGROUND

As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

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

APPROVALS BY AUTHORIZED DELEGATE

During the period between July 1, 2018 and September 30, 2018, the following confidentiality memos were approved by the MSF Fund Manager:

Company Name and Location	Overview of Confidential Information
<p>The Platform, LLC 3011 W. Grand Blvd., Suite 215 Detroit, MI 48202</p>	<ul style="list-style-type: none"> • Project Calendar, as may be revised from time to time • Albert Kahn Building ALTA/ACSM Land Title Survey, prepared by NF Engineers • Parking Lot ALTA/NSPS Land Title Survey, as prepared by NF Engineers • Fisher Lot 1 Concept Package, prepared by Cline Design • Excel document containing assumptions and capture calculations for Fisher Building, Lot #1, Cass & York (all components) • Drafts of Act 381 Combined Transformational Brownfield Plan • Eligibility Maps for Fisher Building & Lot 1 and Cass & York, created by: MAW, ASTi Environmental

	<ul style="list-style-type: none"> • Platform Transformational Brownfield Plan Net Benefit Analysis Spreadsheets for Cass York Integrated and Fisher Building/Lot 1 • The Platform, LLC Cass & York Project Summary document, prepared by ASTi Environmental, dated December 15, 2017, and any updated versions thereto • All proformas (combined or otherwise) for all potential TBP sites, except for details regarding sources and amounts of tax capture • Cass & York Project Renderings, created by: MAW, ASTi Environmental • Block & Stack Diagram for Lot 1, prepared by Smithgroup JJR (pages 20-26 in Feasibility Study)
<p>Western Michigan University Homer Stryker M.D. School of Medicine, Micromyx LLC, SW Michigan Innovation Center 4717 Campus Drive Suite 100 Kalamazoo, MI 49008</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>The Coffee Beanery, Ltd. 3429 Pierson Place Flushing, MI 48433</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.</p>
<p>Gilden Woods Real Estate, LLC 555 Cascade West Parkway SE Grand Rapids, MI 49546</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio</p>

	analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.
Regents of the University of Michigan 10090 Wolverine Tower 3003 S State St Ann Arbor, MI 48109-1432	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
Regents of the University of Michigan – Michigan Corporate Relations Network (MCRN) Small Company Innovation Program (SCIP) 3028 Administrative Services Building Ann Arbor, MI 48109-1432	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
City of Marquette Local Development Finance Authority, Innovate Marquette SmartZone 1401 Presque Isle Avenue Marquette, Michigan 49855	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
Ferris Wheel Innovation Center 601 South Saginaw Street Flint, Michigan 48502	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue

	<ul style="list-style-type: none"> • Employment projections
<p>Northern Michigan University 1401 Presque Isle Avenue Marquette, Michigan 49855</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>BBC Entrepreneurial Training & Consulting, LLC 12671 E. Old U.S. 12 Chelsea, MI 48118</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Central Michigan University Research Corporation 2625 Denison Drive Mount Pleasant, MI 48858</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>NextEnergy Center 461 Burroughs St Detroit, MI 48202</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Lakeshore Advantage Corporation 201 West Washington, Suite 410 Zeeland, MI 49464</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation)

	<ul style="list-style-type: none"> • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Michigan Venture Capital Association 303 Detroit St, Suite 105 Ann Arbor, MI 48104</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Economic Development Alliance of St. Clair County 735 Erie Street, Suite 250 Port Huron, MI 48060</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Ann Arbor Spark 201 S Division St Suite 430 Ann Arbor, MI 48104</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Invest Michigan 500 Griswold, Suite 1640 Detroit, MI 48226</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements)

	<ul style="list-style-type: none"> • Revenue • Employment projections
<p>Lenawee County Economic Development Corporation (d/b/a Lenawee Now) 5285 West US Highway 223, Suite A Adrian, MI 49221</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Detroit Development Ventures, Inc. (d/b/a Invest Detroit) 600 Renaissance Center, Suite 1710 Detroit, MI 48243</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Lake Superior State University 203 Administration Building Sault Ste. Marie, MI 49783</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Oakland University, c/o Macomb Oakland University INCubator 6633 Eighteen Mile Road Sterling Heights, MI 48314</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Grand Valley State University Small Business Development Center Business Consultant Services</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation)

<p>510 W. Fulton St Grand Rapids, MI 49525 United States</p>	<ul style="list-style-type: none"> • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Local Development Finance Authority of the Cities of Houghton and Hancock, Michigan Tech Enterprise Corporation SmartZone 600 E. Lakeshore Drive Houghton, MI 49931</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Grand Valley State University, Small Business Development Center (SBDC), Business Accelerator Fund (BAF) 510 W. Fulton St Grand Rapids, MI 49525 United States</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Midland Tomorrow 300 Rodd St Suite 201 Midland, MI 48640</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Oakland University Incubator 419 Golf View Lane Rochester, MI 48309</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements)

	<ul style="list-style-type: none"> • Revenue • Employment projections
<p>Grand Valley State University, Small Business Development Center, Emerging Technologies Fund 510 W. Fulton St Grand Rapids, MI 49525 United States</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Automation Alley 2675 Bellingham Troy, MI 48083</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Western Michigan University Homer Stryker M.D. School of Medicine (d/b/a Wmed) 4717 Campus Drive Suite 100 Kalamazoo, MI 49008</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Lawrence Technological University 21000 West Ten Mile Road Southfield, MI 48075-1058</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation) • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>Wayne State University Research and Technology Park in the City of Detroit (d/b/a Techtown)</p>	<ul style="list-style-type: none"> • Employment information (including but not limited to numbers of employees and compensation)

<p>440 Burroughs St Detroit, MI 48202</p>	<ul style="list-style-type: none"> • Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments) • Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements) • Revenue • Employment projections
<p>American Center for Mobility 801 Kirk Profit Dr. Ypsilanti, MI 48198</p>	<p>All employment agreements (including, without limitation, employee compensation agreements, termination agreements, etc.)</p>
<p>FCA US, LLC 1000 Chrysler Drive Auburn Hills, MI 48326</p>	<ul style="list-style-type: none"> • DTE Energy Offering – Project Peregrine Falcon, dated August 23, 2018, and any updates thereto • Excel Spreadsheet: Trenton North – Potential Mack Relocation – Investment List, sent to MEDC on 8/24/2018 • Peregrine Falcon: Questions + Answers – Version II, dated August 24, 2018, and any previous or updated versions or drafts thereto
<p>Proos Manufacturing, Inc. 2555 Oak Industrial Drive NE Grand Rapids, MI 49505</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.</p>
<p>Ilitch Holdings, Inc. and Olympia Development of Michigan, LLC 2211 Woodward Ave. Fox Office Center Detroit, Michigan 48201</p>	<ul style="list-style-type: none"> • Draft pro forma packages for each of the transformational developments • Draft construction budgets, designs, drawings, and site plans for each of the transformational developments • Replace “PGAV Net Economic Benefit Study” approved on April 17, 2018 and amended on April 23, 2018 with “WSP, Inc. Net Economic Benefit Study”

	<ul style="list-style-type: none"> • ODM TBP Submission – Executive Summary, Leasing & Operating Metrics, Program Overview, and Project Overview • The District Detroit TBP Updated Project Strategy, dated June 2018 • Proformas for each of the proposed development projects, except for details of MSF funding • The District Detroit TBP Updated Project Strategy dated August 2018 • The District Detroit Bi-weekly Meeting Agendas • Market Study for Nine Development Sites Surrounding The District Detroit, prepared by CBRE, and all drafts thereto • ODM TBP Submission Coordinated Calendar, and any updates thereto
<p>Medline Industries, Inc. 1 Medline Place Mundelein, IL 60060</p>	<ul style="list-style-type: none"> • Comfort Letter issued by Grant Thornton to Mr. Kristofer Howard on March 31, 2016 • Comfort Letter issued by Grant Thornton to Mr. Kristofer Howard on March 31, 2017 • Comfort Letter issued by Grant Thornton to Mr. Michael Drazin on April 4, 2018 • Incremental wage and investment data provided on the MSF BDP application (does not include cumulative figures) • Identities and percent ownership of shareholders who own less than 20% of the Company
<p>Bedrock Management Services, LLC 630 Woodward Ave Detroit, MI 48226</p>	TBP Authorized Reimbursement and Exemption doc
<p>FANUC Robotics America Corporation 3900 West Hamlin Road Rochester Hills, MI 48309-3253</p>	Company bylaws
<p>Tooling Technologies Group LLC 51223 Quadrate Drive Macomb Township, MI 48042</p>	<ul style="list-style-type: none"> • Business Entity Organization Chart • Company internal resolution approving BDP grant • Financial Statements (2015, 2016, & 2017) • Operating Agreement • FEIN for both Majestic Industries, Inc. and the Company
<p>Temple Group Holdings, LLC</p>	<ul style="list-style-type: none"> • Draft and executed Leases

<p>1 Kercheval Ave Grosse Pointe Farms, MI 48236</p>	<ul style="list-style-type: none">• Letter(s) of Intent/Interest• 640 Temple/Temple Group Holdings Proforma(s), except for terms of MSF funding• Third Party Contract(s)• Wage and Benefit information for individual and incremental classes of employees• Atheneum Suite Hotel Statement of Operations
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