



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA
October 25, 2022
10:00AM

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES**
- III. COMMUNICATIONS**
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- IV. CONSENT AGENDA**
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- V. DEVELOP ATTRACTIVE PLACES**
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Location: City of Chelsea
 - b. Peterson Farms, Inc.: A resolution to approve Community Development Block Grant funds in the amount of \$2,391,000 for water infrastructure costs..... 122
Location: Shelby Township, Oceana County
 - c. Public Gathering Spaces Funding Round Awards: A resolution to approve Community Development Block Grant Coronavirus Aid, Relief, and Economic Security Act funds in the amount of \$4,805,160 for the expansion and creation of public gathering spaces in seven communities and funds for administrative services to assist with compliance and administration of these funds in the amount of \$350,000. 128
Locations: City of Big Rapids, City of Ionia, City of McBain, City of Roscommon, Village of Calumet, Village of Kingsley, and Village of Shelby
 - d. Water Related Infrastructure Funding Round Awards: A resolution to approve Community Development Block Grant funds in the amount of \$14,777,963 for infrastructure improvements to nine units of local government and up to \$450,000 to provide administrative services to assist these communities with the compliance and administrative requirements of the awards 134
Locations: City of Clare, City of Ewart, City of Dowagiac, City of Hillsdale, City of Imlay City, City of Iron River, City of Lapeer, City of Reading, and City of Reed City

VI. ATTRACT, RETAIN AND GROW BUSINESS

- a. Magna Seating of America, Inc: A resolution to approve a Michigan Business Development Program Grant in the amount of \$2,900,000. 140
Location: City of Highland Park

- b. Magna Powertrain of America, Inc.: A resolution to approve a Michigan Business Development Program Grant in the amount of \$1,300,000 and a 50 percent Alternative State Essential Services Assessment exemption for up to five years valued at \$369,837 148
Location: Shelby Township, Macomb County

- c. Magna EV Structures Michigan, Inc.: A resolution to approve an amendment to the Company’s existing Michigan Business Development Grant Agreement by increasing the Qualified New Jobs requirement from 304 to 1,224 and the Michigan Business Development Program Award from \$1,500,000 to \$7,500,000 and to approve a 100 percent State Essential Services Assessment Exemption for up to fifteen years valued at up to \$6,304,520 and a waiver to the Eligible Distressed Area requirement. 160
Location: City of St. Clair

- d. VIA Motors International Inc.: A resolution to approve a Michigan Business Development Program Grant in the amount of \$2,500,000..... 174
Location: City of Auburn Hills

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- a. Business Marketing: A resolution to approve the allocation of \$10,000,000 of the existing contract between Lambert/9th Wonder and the Michigan Strategic Fund to establish and execute a talent marketing campaign 181

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- a. Michigan Manufacturing Technology Center A resolution to allocate funds in the amount of \$3,050,000 to support Industry 4.0 statewide services and supplier matchmaking services to the Michigan Manufacturing Technology Center. 186

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STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

GRETCHEN WHITMER
GOVERNOR

KEVIN FRANCCART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

October 11, 2022

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

Quentin L. Messer Jr.
President
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2022 Q4 Report of the Chief Compliance Officer. (July 1, 2022 – September 30, 2022)

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 as well as 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 2022 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law.

The Chief Compliance Officer (CCO) assisted MSF Board Members with question regarding conflicts of interest. The CCO, along with the AG and MEDC Legal, assisted with the Finance and Investment Subcommittee and the Policy and Planning Subcommittee. The CCO, along with the AG and MEDC Legal, discussed the need for an MSF Board procurement policy as well as an investment policy to be brought to the Board for approval. The requirement for a competitive process in awarding various incentives was also discussed and will be brought to the Board for discussion and approval at a future date. The review of the relationship with and the economic incentives provided to Michigan Community Capitol as reported previously continued. The CCO continued to assist the Department of Technology, Management, and Budget; Department of Treasury; the AG; and the MSF Fund Manager in coordinating with the workgroup to implement the requirements of the Economic Development Incentive Evaluation Act, MCL 18.1751 *et seq.* As reported previously, because of the staffing changes the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines.

The Chief Compliance Officer provided informal advice regarding various issues arising this quarter concerning such topics as the conflict of interest determination, breadth of delegated Board authority, authorized use of 21st century job fund funds, and compliance with established Board policy and limitations.

**MICHIGAN STRATEGIC FUND
APPROVED SPECIAL SESSION MINUTES
OCTOBER 5, 2022**

Members Present

Susan Corbin
Michael B. Kapp (on behalf of Director Ajegba)
Quentin L. Messer, Jr.

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Paul Gentilozzi
Dimitrius Hutcherson
Andrew Lockwood (on behalf of Treasurer Eubanks)
Charles P. Rothstein

Members Absent

Susan Tellier
Cindy Warner

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 9:30 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely. He thanked members for taking the time to participate in the special board meeting.

Mr. Messer provided an overview of the Strategic Outreach and Attraction Reserve (SOAR) Fund, components of contract agreements for projects, and the legislative process for transfer of funds from the SOAR Fund to the Critical Industry Program and the Strategic Site Readiness Program.

Mr. Messer introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

Britany L. Affolter-Caine, Ronald W. Beebe, and Paul Gentilozzi joined the meeting at 9:33 a.m. and 9:35 a.m., respectively.

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. Gary McDowell, Director of the Michigan Department of Agriculture and Rural Development, spoke in support of the Muskegon Wastewater Pipeline project.

III. COMMUNICATIONS

The MSF Board received several letters of support for the projects being considered, which are attached to the minutes. The letters include:

Gotion Inc.

Economic Development Leaders for Michigan (EDLM)

Muskegon Wastewater Pipeline Project

State Senator Jon Bumstead
State Senator Roger Victory
State Representative Luke Meerman
State Representative Terry Sabo

State Representative Greg VanWoerkom
Michigan Department of Agriculture and Rural Development (MDARD)
Michigan Farm Bureau
Consumers Energy
Applegate Dairy, LLC
Continental Dairy Facilities, LLC
fairlife, LLC
Swanson Pickle Co.
City of Coopersville
Michigan Chamber of Commerce
Economic Development Leaders for Michigan (EDLM)
Grand Rapids Chamber
Greater Muskegon Economic Development
Lakeshore Advantage
Muskegon Lakeshore Chamber of Commerce
Muskegon Municipal Wastewater Management Committee (representing 18 municipalities)
White Lake Area Chamber

Our Next Energy, Inc. (ONE)

Detroit Regional Partnership
Detroit Region Aerotropolis
Wayne County Economic Development

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported members met several times over the last month to discuss SOAR-related projects. Subcommittee members recommend approval of award recommendations to support the Gotion, Inc. and Muskegon Wastewater Pipeline projects. However, the Our Next Energy project was recently introduced to them, and they took no action on it.

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, was unable to attend the meeting. Britany L. Affolter-Caine reported the subcommittee has not met over the last month.

IV. CONSENT AGENDA

Resolution 2022-153 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: September 27, 2022
- b. Proposed Meeting Minutes: September 29, 2022

Dimitrius Hutcherson seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None

V. ATTRACT, RETAIN AND GROW BUSINESS

- a. **Resolutions 2022-154, 2022-155 & 2022-156 Gotion, Inc. / The Right Place Inc. / Big Rapids Charter Township and Green Charter Township / Mecosta County: Strategic Site Readiness Program Grant, Critical Industry Program Grant, and MSF-Designated Renaissance Zone**

Jeremy Webb, Interim Managing Director of Business Development Projects, provided the Board with information regarding these action items. The actions involve approval of a \$50,000,000 Strategic Site Readiness Program performance-based grant and a \$125,000,000 Critical Industry Program performance-based grant through the SOAR Fund, a MSF Designated Renaissance Zone for 30 years, and payment in lieu of taxes to Big Rapids Charter Township, Green Charter Township, or Mecosta County, or any combination thereof, for reimbursement of the real property taxes abated by the renaissance zone designation for their respective jurisdictions, to support a business development project in Mecosta County. The project is expected to result in total capital investment of up to \$2,364,000,000 and the creation of up to 2,350 jobs. Following discussion, Susan Corbin motioned for the approval of Resolution 2022-154. Dimitrius Hutcherson seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None

Quentin L. Messer, Jr. then motioned for the approval of Resolution 2022-155. Michael B. Kapp seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None

Finally, Ronald W. Beebe motioned for the approval of Resolution 2022-156. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None

b. Resolution 2022-157 Muskegon County: Strategic Site Readiness Program Grant (Muskegon Wastewater Pipeline Project)

Josh Hundt, Executive Vice President and Chief Business Development Officer, provided the Board with information regarding this action item. The action involves approval of a Strategic Site Readiness Program performance-based grant through the SOAR Fund to support a wastewater transport and disposal services project that will benefit the City of Coopersville and Polkton Charter Township in Ottawa County, and the Village of Ravenna and Ravenna Township in Muskegon County. Businesses expected to benefit include fairlife, LLC, Continental Dairy Facilities, LLC, DeVries Meats Inc., Applegate Dairy, LLC, and Swanson Pickle Co., which plan to invest at least \$187,000,000 and create 145 jobs related to the project. Following discussion, Susan Corbin motioned for the approval of Resolution 2022-157. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None

c. **Resolutions 2022-158, 2022-159 & 2022-160 Our Next Energy, Inc. (ONE): Critical Industry Program Grant, State Essential Services Assessment Exemption, and Jobs for Michigan Investment Fund Loan**

Josh Hundt, Executive Vice President and Chief Business Development Officer, provided the Board with information regarding these action items. The actions involve approval of a \$200,000,000 Critical Industry Program performance-based grant through the SOAR Fund, fifteen year State Essential Services Assessment exemption valued at up to \$21,655,020, and a \$15,000,000 Jobs for Michigan Investment Fund loan to support a business development project in VanBuren Charter Township, Wayne County. The project is expected to result in total capital investment of up to \$1,600,000,000 and the creation of up to 1,112 jobs. Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2022-158. Quentin L. Messer Jr. seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused; 1 abstained**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None; Abstained: Ronald W. Beebe

Susan Corbin then motioned for the approval of Resolution 2022-159. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None

Finally, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-160. Dimitrius Hutcherson seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein; Nays: None; Recused: None

Mr. Messer adjourned the meeting at 10:19 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



*Economic Development
Leaders for Michigan*

September 22, 2022

Rob Cleveland
President & CEO
Cornerstone Alliance

JoAnn Crary
President
Saginaw Future Inc.

Marty Fittante
CEO
Invest UP

Kevin Johnson
President & CEO
Detroit Economic Growth
Corporation

Maureen Krauss
President & CEO
Detroit Regional Partnership

Paul Krutko
President & CEO
Ann Arbor SPARK

James McBryde
President & CEO
Middle Michigan Development
Corporation

Jennifer Owens
President
Lakeshore Advantage

Jonas Peterson
CEO
Southwest Michigan First

Tyler Rossmassler
Executive Director
Flint & Genesee Economic
Alliance

Randy Thelen
President & CEO
The Right Place, Inc.

Bob Trezise
President & CEO
LEAP

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

On behalf of the members of Economic Development Leaders for Michigan, thank you for your consideration of transformational projects through the SOAR Fund process. We support your efforts to attract businesses to secure the future of Michigan's economy and create jobs for our workforce.

We expect your September 27 agenda to include a SOAR request on behalf of an internationally publicly traded company (known as Project Elephant) — one of the ten largest advanced battery manufacturers in the world. This business is choosing to locate a large battery manufacturing facility in Big Rapids, Michigan. The company proposes producing their battery materials here, specifically the anode and cathode components, which are the highest value-added pieces of new lithium-ion batteries. The anode and cathode produced in Big Rapids will support a wide array of customers, including automotive and utilities. The company is looking to invest over \$3.6 billion in a four-phase, multi-year development that will eventually employ over 2,000 people from across West Michigan. The company could break ground in 2023 with a goal of being operational by the end of 2024.

The company underwent an exhaustive due diligence process, having carefully considered over 40 locations across the United States for a domestic manufacturing facility and determined that Michigan, and the Big Rapids site in particular, is an ideal place to grow its U.S. operations.

The company recognized the area's strong work ethic and partnership opportunities with Ferris State University's world-class industrial tech programs as key factors in its decision-making process.

The site under consideration has long been held as a place for industrial investment by the community. Assembled and developed nearly 25 years ago, the community has been prepared for such an opportunity as this to materialize to utilize the infrastructure, airport, access to freeways and locally trained talent pool. Sites of this nature are in short supply across the country.

We strongly urge the Michigan Strategic Fund to approve a SOAR Fund transfer to invest in this unique opportunity for Michigan.

Sincerely,



*Economic Development
Leaders for Michigan*

Rob Cleveland
President & CEO
Cornerstone Alliance

Rob Cleveland
President & CEO, Cornerstone Alliance

JoAnn Crary
President
Saginaw Future Inc.

JoAnn Crary
President, Saginaw Future, Inc

Marty Fittante
CEO
Invest UP

Marty Fittante
CEO, Invest UP

Kevin Johnson
President & CEO
Detroit Economic Growth
Corporation

Kevin Johnson
President & CEO, Detroit Economic Growth
Corp

Maureen Krauss
President & CEO
Detroit Regional Partnership

Maureen Donohue Krauss
President & CEO, Detroit Regional Partnership

Paul Krutko
President & CEO
Ann Arbor SPARK

Paul Krutko
President & CEO, Ann Arbor Spark

James McBryde
President & CEO
Middle Michigan Development
Corporation

James McBryde
President & CEO, Middle Michigan
Development Corp

Jennifer Owens
President
Lakeshore Advantage

Jennifer Owens
President, Lakeshore Advantage

Jonas Peterson
CEO
Southwest Michigan First

Jonas Peterson
CEO, Southwest Michigan First

Tyler Rossmassler
Executive Director
Flint & Genesee Economic
Alliance

Tyler Rossmassler
Executive Director, Flint & Genesee Economic
Alliance

Randy Thelen
President & CEO
The Right Place, Inc.

Randy Thelen
President & CEO, The Right Place

Bob Trezise
President & CEO
LEAP

Bob Trezise
President & CEO, LEAP



JON BUMSTEAD

34TH DISTRICT

P.O. BOX 30036

LANSING, MI 48909-7536

PHONE: (517) 373-1635

FAX: (517) 373-3300

senjbumstead@senate.michigan.gov

**THE SENATE
STATE OF MICHIGAN**

September 19, 2022

Michigan Economic Development Corporation
ATTN: CEO Quentin Messer Jr.
300 N. Washington Sq.
Lansing, MI 48913

Dear Mr. Messer,

This letter is written in support of the Muskegon – Coopersville wastewater pipeline project, currently under consideration by the Michigan Strategic Fund.

Over the years my office in conjunction with other legislative offices, departments, local elected officials, business leaders, and employees have been working to find a solution to the wastewater issue that many agricultural businesses in the Coopersville and Muskegon area are facing.

Currently, the Coopersville wastewater treatment facility is not equipped to handle the overall wastewater need of their residents and the agricultural businesses need in the area. This lack of capacity and prohibitive costs to expand this facility has been an ongoing problem for the growth of this West Michigan region. Without a creative solution to this problem many of these agribusinesses will not be able to meet environmental safety standards as set by the Department of Environment, Great Lakes and Energy (EGLE), which will force these businesses which are currently looking to grow and expand.

The Muskegon County's Resource Recovery Center (MCCR) is currently only treating about one-third of its total capacity. Creating a pipeline from Coopersville to the MCCR will allow for these businesses to connect to the MCCR for treatment and give them the ability to meet standards and the opportunity to grow and expand. This project has the potential to have a lasting impact on the future of the agricultural industry in this region.

In addition to many others who have supported this project, I would like to add my support and ask that the Michigan Strategic Fund approve the Coopersville-Muskegon wastewater pipeline project. If you have any questions or concerns, please feel free to contact my office by phone at (866) 305-2134 or by email at SenJBumstead@senate.michigan.gov.

Best regards,

Jon Bumstead
State Senator
Michigan Senate District 34



**THE SENATE
STATE OF MICHIGAN**

ROGER VICTORY
30TH DISTRICT
P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-8920
FAX: (517) 373-2751
senrvictory@senate.michigan.gov

September 21, 2022

Michigan Strategic Fund Board Members:

I write you today in support of the Coopersville-Muskegon pipeline expansion project. The construction of this pipeline will help to address a major issue that has limited the growth of longstanding and successful agriculturally based businesses in the West Michigan Region.

The pipeline will have an immediate impact on Michigan's often overlooked Agricultural Industry. It will allow major dairy processors, Continental Dairy and FairLife, to increase production here in Michigan and purchase more milk from our long-suffering dairy farms across the state. It will also allow for increased protein processing at DeVries Meats, which in addition to supporting local pork producers will help shorten Michigan's overall food supply chain and drive down food costs for hardworking Michiganders. A planned industrial park along the pipeline will also offer more opportunities for expansion and growth outside of the agriculture sector.

This project, while being economically driven, is an investment in the communities of Muskegon and Coopersville. The Coopersville water treatment facility is at capacity and poses a serious environmental concern. Redirecting wastewater from FairLife and Continental up to the under-utilized Muskegon facility will allow both water treatment centers to operate more efficiently and in compliance with environmental regulations. The reduced capacity at Coopersville will also provide opportunities for residential and non-industrial growth within the city's service area.

The access to large scale, reliable, and environmentally sound wastewater treatment continues to be a major limiting factor for growth across our state. This large site preparedness project helps to not only increase production for stable local businesses but creates a long-term community-centered pro-growth environment that will improve the life and livelihoods of Michiganders for generations.

I strongly encourage your approval of the Coopersville-Muskegon pipeline and will continue to work to secure the necessary SOAR transfer through the legislative process.

Sincerely,

Roger Victory
State Senator
30th District



92ND DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-2646
FAX: (517) 373-9646
E-MAIL: TerrySabo@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

TERRY J. SABO
STATE REPRESENTATIVE

COMMITTEES:
WORKFORCE, TRADES, AND TALENT (MVC)
APPROPRIATIONS –
GENERAL GOVERNMENT (MVC)
CORRECTIONS
TRANSPORTATION

September 19, 2022

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

Dear Chairperson Messer,

I write today urging your full support of a request from Muskegon County leaders as well as Southeast Regional Force Main stakeholders for the approval of \$60 million in Strategic Outreach and Attraction Reserve (SOAR) funding toward the Southeast Regional Force Main expansion project.

Specifically, I hope you, along with the rest of the Michigan Strategic Fund Board Members will approve these incentives at the upcoming meeting on Tuesday, September 27th. This \$60 million investment will help support west Michigan regional growth and create more than 100 jobs over a three-year period.

I have personally worked on and supported this project for over 10 years dating back to 2013 when I was Chair of the Muskegon County Board of Commissioners. Notably, the benefits of this project to Muskegon County would be two-fold. The project would greatly expand the Muskegon County Wastewater Treatment Facility while also stabilizing wastewater treatment costs for Muskegon County residential users!

This is a great opportunity to ensure further economic development and there is no doubt that this project will benefit the entire greater Muskegon area. Please support these incentives in the upcoming MSF Board Meeting.

Thank you for your service to the citizens of Michigan.

Sincerely,

Terry J. Sabo
State Representative
District 92-Muskegon



88TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

LUKE MEERMAN
STATE REPRESENTATIVE

PHONE: (517) 373-1830
FAX: (517) 373-0292
LukeMeerman@house.mi.gov
www.RepMeerman.com

September 27, 2022

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

Dear Chairperson Messer,

I am writing to lend my formal support for the Coopersville-Muskegon Wastewater Infrastructure Proposal. Funding this project will provide a ripe opportunity for investment and economic growth in the Counties of Ottawa and Muskegon.

The City of Coopersville is a strong agricultural community and is home to many agricultural producers that rely on the City's wastewater treatment facility to operate. Due to agricultural investment from cash crops, dairy producers and food processors, business growth has strained and exceeded the capacity of the City's wastewater treatment facility.

To address this limitation, the economic development agencies in the Counties of Ottawa and Muskegon have developed a proposal to connect the City of Coopersville to the wastewater treatment facility in Muskegon County. The wastewater treatment facility in Muskegon County has the capacity to treat the wastewater from the City's agricultural producers and its residential population without straining its infrastructure. By connecting the City to this treatment facility, not only will local producers be able to expand operations without constraint, greater residential investment can be made to this growing municipality.

Due to the current strain on the City's wastewater treatment facility, local producers are forced to look elsewhere to expand operations. This will cost the City and region valuable job opportunities that only business investment can provide. I enthusiastically support this proposal, which will set up both Ottawa and Muskegon County for success for years to come.

Thank you for your time and consideration of this important project.

Sincerely,

Luke Meerman
State Representative, 88th District



91ST DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES
GREG VANWOERKOM
STATE REPRESENTATIVE

PHONE: (517) 373-3436
FAX: (517) 373-9698
Greg.VanWoerkom@house.mi.gov
www.frep.vanwoerkom.com

September 20, 2022

Michigan Strategic Fund
ATTN: Quentin Messer, Chair
300 N. Washington Sq.
Lansing, MI 48913

Dear Chairman Messer,

I am writing to lend my formal support for the Coopersville-Muskegon Wastewater Infrastructure Proposal. I believe that this project has the potential to provide significant benefits to Muskegon and Ottawa Counties.

The City of Coopersville is home to many agricultural producers that rely on the city's wastewater treatment facility to operate. The large quantity of wastewater being produced has reached an unsustainable level. This limited wastewater capacity has acted as a barrier for growth for many of these businesses and hindered potential economic investment in the area.

To address this limitation, the economic development agencies in the counties of Ottawa and Muskegon have developed a proposal to connect the City of Coopersville to the wastewater treatment facility in Muskegon County. The wastewater treatment facility in Muskegon County has the capacity to treat the wastewater from the city's agricultural producers and its residential population without straining its infrastructure. This solution would drastically increase the carrying capacity without requiring a new treatment facility to be built and maintained.

I look forward to solving this growing issue and helping improve our state. Thank you for your time and consideration.

Best Regards,

Greg VanWoerkom
State Representative – District 91



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

September 20, 2022


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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

The Michigan Department of Agriculture and Rural Development is supportive of the Muskegon-Coopersville Wastewater line and funding for this extremely important project. This project will have a significant impact for the food and agriculture industry in Michigan and particularly West Michigan.

The agriculture industry plays a significant role in the state's economy; with the food and agriculture sector contributing \$104.7 billion annually. In addition to revenue, Michigan's food and agriculture system is a large portion of the state's workforce. Total employment of approximately 805,000 employees accounts for 17 percent of the state's economy. Michigan is home to 2,400 food and beverage processors who contribute to the economy annually. Michigan boasts more than 48,000 farms and over 10 million cultivated acres. Funding for this project is critical to support several agriculture sectors including dairy, meat, fruit, and vegetable processing.

Michigan is number one in the production of 14 different commodities and in the top 10 for another 24 commodities. These rankings show the diversity and importance of production in many commodity areas. Michigan ranks number one in the U.S. in cucumber production with nearly 30 percent of the country's total production. The livestock industry, including dairy production, has the greatest economic impact at \$5.13 billion; followed closely by crops with an economic impact of \$5.12 billion. The new wastewater pipeline from Coopersville to Muskegon is a critical piece of infrastructure that will help Michigan's extremely diverse agriculture and food industry continue to grow and expand.

Sincerely,

Gary McDowell
Director

September 26, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

Michigan Farm Bureau is writing to voice its support to the Muskegon-Coopersville wastewater line as it appears on your September 27 board meeting agenda. Michigan Farm Bureau members have long supported a strong and growing agricultural processing industry in Michigan. The food and agriculture industry is an important part of the state's economy, contributing \$101.2 billion annually. This \$60 million infrastructure investment is an opportunity to further grow agricultural processing, providing additional market access for our members and helping to maintain a strong and vibrant agricultural economy.

We strongly encourage you to move forward and initiate a legislative transfer from the Strategic Outreach and Attraction Reserve (SOAR) Fund to the Coopersville-Muskegon wastewater line. Doing so will allow several agri-business and food processing operations to expand their operations in the region, fueling growth at local dairies, cold storage facilities and otherwise.

Thank you for your consideration of this investment to keep Michigan's agricultural and food processing sectors growing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Loren Koeman', with a long horizontal flourish extending to the right.

Loren Koeman
Lead Economist/Manager Industry, Conservation and Regulatory Relations
Michigan Farm Bureau

September 19, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

Consumers Energy writing to voice its support to the Muskegon-Coopersville wastewater line a reality at your September 27 board meeting. This \$60 million infrastructure investment would boost jobs and business growth in Michigan and specifically in Muskegon and Ottawa Counties.

Lack of adequate wastewater capacity in this region is a barrier to economic growth. Currently, the City of Coopersville and the Village of Ravena provide wastewater services to several local businesses who are looking to grow in West Michigan. However, they are not likely to make these investments in the region without the infrastructure or resources available to accommodate their existing and future wastewater needs.

This must be addressed for the region to move forward. Because the Muskegon County Resource Recovery Center has excess capacity to serve these neighboring employers and the surrounding communities, it only makes sense to invest in infrastructure to connect these two areas.

We strongly encourage you to move forward and initiate a legislative transfer from the Strategic Outreach and Attraction Reserve (SOAR) Fund to the Southeast Regional Force Main wastewater line. Doing so will allow a number of agri-business and food processing operations to expand their operations in the region, fueling growth at local dairies, cold storage facilities and otherwise.

Using the SOAR fund for this purpose matches the legislative intent of the program: to secure transformational business retention and attraction projects and provide a historic opportunity for growth across Michigan. We encourage your support for this \$60 million investment.

Sincerely,

Rich Houtteman, Community Affairs Manager
Consumers Energy

Greg Stahl
Owner
Applegate Dairy
4812 Wunsch Rd
Ravenna, MI 49451

September 9, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

On behalf of Applegate Dairy and our dairy farmer partners across the state, thank you for your consideration of a SOAR Fund investment benefitting Michigan's agricultural and food processing businesses. Applegate Dairy (formerly DenDulk Dairy) has operated in Muskegon County since 1996. We are proud to supply our state and country with high quality raw milk and grain.

As local employers, we strongly support the construction of the Southeast Regional Force Main wastewater infrastructure. Our area is currently underserved, and the lack of wastewater capacity is the main barrier to growth for our business. The completion of the force main connecting to the Muskegon County Resource Recovery Center will have transformational impacts on the success and growth of every dairy in Michigan, as well as the City of Coopersville, Muskegon County, Ottawa County, and the entire State of Michigan.

With this infrastructure in place, Applegate Dairy expects to expand. We'd invest approximately \$40 million in a new building, \$2 million in new equipment, and another \$2 million to build out an upstream feed processing facility. Additionally, the completion of the force main will allow us to expand a regional methane harvesting operation with our completed biodigester. This growth impacts our operation, as well as those of partnering dairy farmers who supply Applegate Dairy.

Thank you for your consideration of funding for Muskegon County to develop the force main. Applegate Dairy has already contributed millions in initial engineering fees to study this project, and has constructed a lift station to access the mainline, reducing the overall cost. Wastewater engineers have priced the project at \$65 million, and we thank our neighbor, fairlife, for their \$5 million commitment to reduce the needed SOAR Fund investment to \$60 million. This investment in West Michigan's farms and food processors will shore up our regional economy and our agricultural sector statewide.

We look forward to moving this project forward with your approval.

Sincerely,



Greg Stahl
Applegate Dairy



Steve Cooper
President
Continental Dairy Facilities
999 W. Randall Street
Coopersville, MI 49404

September 15, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

Thank you for your current consideration of a SOAR Fund investment benefitting Michigan's agricultural and food processing businesses by developing a wastewater solution in Muskegon and Ottawa Counties. Continental Dairy Facilities is headquartered in Coopersville, Michigan and provides grade A, Gold Star quality milk products to manufacturers across the country and around the world. Our operation produces 300,000 pounds of nonfat dry milk per day, and exports products globally. We currently employ 130 in Michigan, and partner with dairy farmers throughout the state.

As a local business with global reach, we strongly support the construction of the Southeast Regional Force Main wastewater infrastructure. At this time, our business is served by the wastewater treatment plant operated by the City of Coopersville. As our facility has grown over the years, along with fairlife's facility adjacent to our site, the wastewater we produce as significant industrial users has exceeded the capacity the Coopersville plant is able to treat. In order to continue to serve our needs long-term, the plant would require an upgrade costing as much as \$65 million to complete. The upgrade, if implemented, would cause user rates to soar across Coopersville's system. From our vantage point, the best possible solution is to connect our area to the Muskegon County Resource Recovery Center. For a similar cost, the completion of the force main will have transformational effects on our entire region and will allow Continental and others in our industry to maintain operations in Michigan.

Thank you for your offer of \$60 million in funding for Muskegon County to develop the force main. Your investment in West Michigan's farms and food processors will shore up our regional economy and our agricultural sector statewide.

Sincerely,

Steve Cooper
President, Continental Dairy Facilities



Tim Doelman
Chief Executive Officer
1001 West Adams Street
Chicago, IL 60607

September 22, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

On behalf of fairlife, thank you for your commitment to growing jobs and economic opportunity for the residents of the State of Michigan.

fairlife brands are growing at a rapid pace. The demand for our products has greatly outpaced our manufacturing capacity. To meet that demand, fairlife would like to promptly launch a two-phased expansion project at our location in Coopersville, Michigan that will ultimately increase our capacity by 35 million cases per year.

The ideal situation for fairlife would be to expand our Coopersville facility to meet increased demand. We are proud of our local relationships, and of the 280 talented Michigan employees we have invested in developing. However, the one barrier to our expansion here in Michigan is a lack of adequate wastewater capacity. Currently, the City of Coopersville provides wastewater services to fairlife. Coopersville simply does not have the infrastructure or resources available to accommodate fairlife's existing or future wastewater needs.

Working with the local municipalities, employers, state agencies, and economic development organizations, we have identified a viable solution. Muskegon County has the capacity to serve fairlife, several neighboring employers, and the surrounding communities with the construction of a Muskegon-Coopersville wastewater line. If the Muskegon-Coopersville wastewater line project moves forward, we at fairlife have the strongest possible expectation that our future growth will occur at the Coopersville site. This expansion includes an immediate investment of \$160 million for a Phase I expansion of our production line, with additional opportunities on the horizon. Without a wastewater solution, we will be forced to consider alternate sites for future growth, such as Texas where our business partners have a facility with the necessary wastewater infrastructure already in place.

Thank you for your efforts to secure the funding Muskegon County requires to make the Muskegon-Coopersville wastewater line a reality. Wastewater engineers have suggested that \$65 million is the total cost of the investment. fairlife has committed to supporting this infrastructure expansion direction with a \$5 million private investment, reducing the required SOAR fund investment to \$60 million. In the interim, we stand ready to execute temporary solutions for our wastewater so we can begin our expansion plans at our Coopersville facility in the near term. Our hope for this transformational investment in wastewater infrastructure is that

farmland remains productive, Michigan's agricultural and food processing sectors grow, and our regional economy flourishes.

Please let me know if you require any additional information or have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Doelman', with a long horizontal flourish extending to the right.

Tim Doelman
Chief Executive Officer, fairlife

Swanson Pickle Co., Inc.
Swanson Grading & Brining, Inc.
11561 Heights Ravenna Road
PO Box 211
Ravenna, MI 49451
Phone (231) 853-2289



September 9, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

On behalf of Swanson Pickle Co., thank you for your commitment to thriving regional economies in our state. We appreciate the opportunity to bring your focus to eastern Muskegon County, where our family farm has operated for four generations. Michigan is a diverse agricultural state, and the number one grower of pickling cucumbers in the United States. In addition to pickles, Swanson Pickle Co. also farms soybeans, wheat, and hay. We contribute to the food supply of our area and our country, and support a diverse workforce in our region.

As local employers, we strongly support the implementation of the Southeast Regional Force Main wastewater infrastructure which would allow Swanson Pickle Co. and other local food processors to connect to the Muskegon County Resource Recovery Center. This infrastructure would enable our business to grow and increase our brining operation. Our investment expectation for this expansion would be \$850,000-1,050,000 – a large amount for our family farm. Additionally, Swanson Pickle Co. recently cooperated with EGLE on a project to create a new liquid waste stream, which we are currently hauling in a tanker over the road. Access to the force main would ensure a more economical route to the wastewater treatment facility, with less wear and tear on our roads.

Thank you for your efforts to secure the funding Muskegon County requires to develop this wastewater infrastructure. We are also grateful for the \$5 million investment our colleagues at Fairlife have promised in support of the project. Wastewater engineers have priced the project at \$65 million, and Fairlife's investment reduces the needed SOAR fund investment to \$60 million. This transformational investment in West Michigan's farms and food processors will uplift our local economy as it allows our operations to grow and supports our agricultural sector.

We look forward to working together to keep Michigan on the map.

Sincerely,

A handwritten signature in black ink that reads "Katie Hensley". The signature is written in a cursive, flowing style.

Katie Hensley
Chief Financial Officer, Swanson Pickle Co.

CITY OF COOPERSVILLE

289 Danforth Street
Coopersville MI 49404-1204
Telephone: (616) 997-9731 • Facsimile: (616) 997-6679
www.cityofcoopersville.com



9-12-22

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

Subject: Muskegon Pipeline Impact on the City of Coopersville

Dear Chair Messer and Members of the Michigan Strategic Fund Board,

The intent of this letter is to express the significant positive impact that the Muskegon Pipeline would have on the City of Coopersville and our wastewater facility.

Coopersville is fortunate to have two major food processing industries within our City. The two industries are identified as Continental Dairy and fairlife. The two industries are Significant Industrial Users (SIU) connected to our small municipal wastewater facility. The two industries continue to grow within the City, providing hundreds of jobs and supporting numerous area dairy farmers by purchasing their milk. There are far too many benefits to list by having these two industries within our community. Let's not forget the unequivocal benefits of having their products sold nationwide.

The impact that every business we have within the City of Coopersville is extremely valued. The success of our local businesses is crucial to the future of our community. Every private residence and business greatly rely on the amenities that the City of Coopersville provides. Often, the simple pleasures of water and sewer are overlooked until they are unavailable or maxed out to capacity.

Being a smaller municipality with a population of 4,828, produces a daily average of 0.52 MGD of municipal waste comes with some challenges. The two SIU's are permitted to send a combined total of 1.2 MGD of waste to our facility. However, the daily average between the two industries regularly exceeds their NPDES permit. Which results in the City frequently having to issue fines to our two major food processing industries due to operating outside of their permit.

CITY OF COOPERSVILLE

289 Danforth Street
Coopersville MI 49404-1204
Telephone: (616) 997-9731 • Facsimile: (616) 997-6679
www.cityofcoopersville.com



Our wastewater facility simply does not have the capacity to handle what our two major food processing users need to continue growing in West Michigan. A recent study of our wastewater facility performed by Donohue & Associates estimated that we would need to invest between \$35 million to \$65 million dollars into our plant to meet the current and future needs of the City.

The construction of the Muskegon Pipeline will substantially help the City of Coopersville and all of our users. The Muskegon Resource Recovery Treatment Facility has ample capacity available for not only our immediate current needs, but future growth as well to ensure long-term success for the entire region.

Please contact me if you have any further questions or comments regarding the great impact that the Muskegon Pipeline would have in our community

Sincerely,

Dennis Luce
City Manager
City of Coopersville



September 8, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

The Michigan Chamber of Commerce is writing to voice its support to the Muskegon-Coopersville wastewater line a reality at your September 27 board meeting. This \$60 million infrastructure investment would boost jobs and business growth in Michigan and specifically in Muskegon and Ottawa Counties.

Lack of adequate wastewater capacity in this region is a barrier to economic growth. Currently, the City of Coopersville and the Village of Ravenna provide wastewater services to several local businesses who are looking to grow in West Michigan. However, they are not likely to make these investments in the region without the infrastructure or resources available to accommodate their existing and future wastewater needs. This must be addressed for the region to move forward.

Because the Muskegon County Resource Recovery Center has excess capacity to serve these neighboring employers and the surrounding communities, it only makes sense to invest in infrastructure to connect these two areas.

We strongly encourage you to move forward and initiate a legislative transfer from the Strategic Outreach and Attraction Reserve (SOAR) Fund to the Southeast Regional Force Main wastewater line. Doing so will allow a number of agri-business and food processing operations to expand their operations in the region, fueling growth at local dairies, cold storage facilities and otherwise.

Using the SOAR fund for this purpose matches the legislative intent of the program: to secure transformational business retention and attraction projects and provide a historic opportunity for growth across Michigan. We encourage your support for this \$60 million investment.

Sincerely,

A handwritten signature in black ink that reads "W. Block".

Wendy Block
Vice President of Business Advocacy & Member Engagement



*Economic Development
Leaders for Michigan*

September 22, 2022

Rob Cleveland
President & CEO
Cornerstone Alliance

JoAnn Crary
President
Saginaw Future Inc.

Marty Fittante
CEO
Invest UP

Kevin Johnson
President & CEO
Detroit Economic Growth
Corporation

Maureen Krauss
President & CEO
Detroit Regional Partnership

Paul Krutko
President & CEO
Ann Arbor SPARK

James McBryde
President & CEO
Middle Michigan Development
Corporation

Jennifer Owens
President
Lakeshore Advantage

Jonas Peterson
CEO
Southwest Michigan First

Tyler Rossmassler
Executive Director
Flint & Genesee Economic
Alliance

Randy Thelen
President & CEO
The Right Place, Inc.

Bob Trezise
President & CEO
LEAP

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

On behalf of the members of Economic Development Leaders for Michigan, thank you for your consideration of transformational projects through the SOAR Fund process. We support your efforts to retain incumbent Michigan businesses and shore up our statewide economy for decades to come through a SOAR Fund allocation to Muskegon County to build a regional force main for wastewater.

Food processors in West Michigan face a major obstacle to growth: insufficient capacity for wastewater treatment. In Ottawa County, the facility operated by the City of Coopersville is currently processing wastewater at levels above its permitted use. Area food processors wish to grow their operations at their Michigan sites, generating investment and growing jobs for Michiganders, but are limited by the amount of flow the Coopersville plant can accept. In Muskegon County, food processing businesses also wish to grow, but are not located near adequate infrastructure to carry their wastewater to the Muskegon County Resource Recovery Center (MCRRC).

With a statewide annual economic impact of \$104.7 billion, the food and agriculture industry is key to a healthy and diverse Michigan economy. When these businesses grow, the entire agricultural sector benefits – Michigan farmers producing crops and raw dairy can expand their own operations when food processors choose Michigan to invest in facilities to meet growing demand. With SOAR funding, Muskegon County can develop and build a wastewater mainline which will address the needs of the region and ensure businesses can grow. Millions of dollars in expansions are planned if – and only if – the wastewater issue is addressed for the area. By creating a regional solution, the proposed wastewater line would enable employers to flourish.

We urge the Michigan Strategic Fund to approve a SOAR Fund transfer to invest in this infrastructure for Michigan's food processing and agricultural sector.

Sincerely,

Rob Cleveland
President & CEO, Cornerstone Alliance

JoAnn Crary
President, Saginaw Future, Inc



*Economic Development
Leaders for Michigan*

Rob Cleveland
President & CEO
Cornerstone Alliance

JoAnn Crary
President
Saginaw Future Inc.

Marty Fittante
CEO
Invest UP

Kevin Johnson
President & CEO
Detroit Economic Growth
Corporation

Maureen Krauss
President & CEO
Detroit Regional Partnership

Paul Krutko
President & CEO
Ann Arbor SPARK

James McBryde
President & CEO
Middle Michigan Development
Corporation

Jennifer Owens
President
Lakeshore Advantage

Jonas Peterson
CEO
Southwest Michigan First

Tyler Rossmassler
Executive Director
Flint & Genesee Economic
Alliance

Randy Thelen
President & CEO
The Right Place, Inc.

Bob Trezise
President & CEO
LEAP

Marty Fittante
CEO, Invest UP

Kevin Johnson
*President & CEO, Detroit Economic Growth
Corp*

Maureen Donohue Krauss
President & CEO, Detroit Regional Partnership

Paul Krutko
President & CEO, Ann Arbor Spark

James McBryde
*President & CEO, Middle Michigan
Development Corp*

Jennifer Owens
President, Lakeshore Advantage

Jonas Peterson
CEO, Southwest Michigan First

Tyler Rossmassler
*Executive Director, Flint & Genesee Economic
Alliance*

Randy Thelen
President & CEO, The Right Place

Bob Trezise
President & CEO, LEAP



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Ottawa County

Dave Tebo

Ottawa Area ISD

Craig Ulrich

JR Automation

Jim Vander Kolk

Royal Technologies

Kyle Verplank

Shape Corp.

Jeweral Washington

J-Max Transportation

September 11th, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board,

We are pleased to provide this letter of support for the \$60 million investment in Muskegon County's Southeast Regional Force Main wastewater infrastructure. As the local economic development nonprofit serving Ottawa and Allegan counties, we know that the successful implementation of innovative and efficient wastewater infrastructure is essential in maintaining the lucrative business environment along the lakeshore.

Although the City of Coopersville is currently providing wastewater services to many local businesses, they do not have the infrastructure or resources available to accommodate growing wastewater needs. This investment is a significant collaboration effort, connecting the overcapacity Coopersville wastewater system in Ottawa County to the under-capacity wastewater system in Muskegon County. Local businesses in these counties, several of whom are poised for significant growth and expansion in the coming years, are hesitant to invest in the State of Michigan without sufficient wastewater infrastructure to meet their current and future needs. The realization of the wastewater pipeline not only equips them for significant future investment, but it also secures their presence here in West Michigan for years to come.

This initiative falls neatly within the scope of the intent of the Strategic Outreach and Attraction Reserve (SOAR) fund — enabling immediate business growth to retain our current employers and laying a foundation for future housing and industry growth. Lakeshore Advantage strongly encourages you to move forward and initiate a legislative transfer from the SOAR Fund to the Southeast Regional Force Main wastewater line. In doing so, businesses will be able to expand their operations in West Michigan, keeping our state's critical agricultural and food processing sectors growing for years to come.

Thank you for your dedication to Michigan's businesses, and for considering this historic opportunity for growth and development.

Sincerely,

Jennifer Owens

201 W. Washington Ave. Loft 410
Zeeland, Michigan 49464

P 616.772.5226
lakeshoreadvantage.com

GRAND RAPIDS CHAMBER

Grand Rapids Chamber
250 Monroe Ave NW
Suite 250
Grand Rapids, MI 49503

September 9, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

The Grand Rapids Chamber urges you to support the \$60 million investment in the Southeast Regional Force Main wastewater infrastructure granted to Muskegon County, as appears on your September 27 board meeting agenda. This new infrastructure would be an asset to the region – including Muskegon and Ottawa Counties – which would allow for increased investment and business growth.

As it stands, a lack of adequate wastewater capacity in this region is a barrier to economic growth. Currently, the City of Coopersville in Ottawa County provides wastewater services to several local businesses poised for growth. Coopersville simply does not have the infrastructure or resources available to accommodate future increases in wastewater needs. The Muskegon County Resource Recovery Center, meanwhile, has excess capacity to serve neighboring employers and the surrounding communities. However, there is no current infrastructure to connect the two areas.

We strongly encourage you to move forward and initiate a legislative transfer to fund the Southeast Regional Force Main wastewater line project through SOAR. We have the strongest possible expectation that regional food processor operations will expand their operations, fueling further growth at local dairies, cold storage facilities, and more. The SOAR fund was created to support strategic site development, and this project is just that: transformational infrastructure which benefits an entire region, supports business growth, and even allows for housing development in previously inaccessible areas.

Thank you for your consideration of this investment to keep Michigan's agricultural and food processing sectors growing, and our regional economy flourishing.

Sincerely,

A handwritten signature in black ink that reads "Rick Baker". The signature is written in a cursive style with a large, looped "R" and "B".

Rick Baker
President & CEO
Grand Rapids Chamber

September 16th, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board,

Greater Muskegon Economic Development (GMED) is pleased to provide this letter of support for the \$60 million investment in Muskegon County's Southeast Regional Force Main wastewater infrastructure. As the local economic development nonprofit serving Muskegon County, we know that the successful implementation of innovative, sustainable, and efficient wastewater infrastructure is essential in maintaining the agri-business environment along the lakeshore.

Lack of wastewater capacity in this region is a barrier to economic growth. Muskegon County Resource Recovery Center has excess capacity to serve neighboring employers and surrounding communities. However, there is no current infrastructure to connect the two areas.

Although the City of Coopersville is currently providing wastewater services to many local businesses, they do not have the infrastructure or resources available to accommodate growing wastewater needs. This investment is a significant collaboration between Muskegon and Ottawa County, connecting the over-capacity Coopersville wastewater system in Ottawa County to the under-capacity wastewater system in Muskegon County.

Local businesses in these counties, several of whom are poised for significant growth and expansion in the coming years, are hesitant to invest in the State of Michigan without sufficient wastewater infrastructure to meet their current and future needs. The construction of the wastewater pipeline not only equips them for significant future investment, but it also secures their presence here in West Michigan for years to come. These companies not only affect our counties but also the entire State because of the 884 suppliers affected.

This initiative falls neatly within the scope of the intent of the Strategic Outreach and Attraction Reserve (SOAR) fund — enabling immediate business growth to retain our current employers and laying a foundation for future housing and industry growth on our shovel ready site. GMED strongly encourages you to move forward and initiate a legislative transfer from the SOAR Fund to the Southeast Regional Force Main wastewater line. In doing so, businesses will be able to expand their operations in West Michigan, keeping our state's critical agricultural and food processing sectors growing for years to come.

Thank you for your dedication to Michigan's businesses, and for considering this historic, collaborative, and long-awaited opportunity for growth and development in West Michigan and across the state.

Sincerely,



Marla Schneider
President/CEO
Greater Muskegon Economic Development



September 12, 2022

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

Dear Chair Messer and Members of the Michigan Strategic Fund Board:

The Muskegon Lakeshore Chamber of Commerce urges you to support the extension of the Southeast Regional Force Main wastewater line. This \$60 million infrastructure investment would allow for increased jobs and business growth in both Muskegon and Ottawa counties.

Lack of wastewater capacity in this region is a barrier to economic growth. Muskegon County Resource Recovery Center has excess capacity to serve neighboring employers and surrounding communities. However, there is no current infrastructure to connect the two areas.

We strongly encourage you to move forward and initiate a legislative transfer from the Strategic Outreach and Attraction Reserve (SOAR) Fund to the Southeast Regional Force Main wastewater line. Doing so will allow a number of agri-business and food processing operations to expand their operations in the region, fueling growth at local dairies, cold storage facilities and more.

Using the SOAR fund for this purpose matches the legislative intent of the program: to secure transformation business retention and attraction projects and provide a historic opportunity for growth across Michigan.

Thank you for your consideration of this investment to keep Muskegon County's agricultural and food processing sectors growing, and our region economy flourishing.

Sincerely,

A handwritten signature in black ink that reads 'Cindy Larsen'. The signature is written in a cursive style with a large, looped 'C' at the beginning.

Cindy Larsen
President
Muskegon Lakeshore Chamber of Commerce



CITY OF WHITEHALL

September 21, 2022

**Michigan Strategic Fund
300 North Washington Square
Lansing, MI 48913**

Dear Chair Messer and Members of the Michigan Strategic Fund Board,

On behalf of the 18 governmental units of the Muskegon Municipal Wastewater Management Committee, I would like to pass along our unanimous support for the Southeast Regional Force Main Project as voted on at a special meeting of the Committee held earlier this month. The Committee members recognize the significant financial and operational value of this Project to the Muskegon County Resource and Recovery Center along with the considerable economic impact to the region and for those private companies that have chosen to locate and expand in West Michigan.

The Committee respectfully requests your support of a legislative transfer of \$60 Million from the Strategic Outreach and Attraction Reserve Fund to the Southeast Regional Force Main Project which is vital to the success of the Project, the economic growth of the State, and the financial viability of local and international businesses.

Sincerely,



**Scott K. Huebler
Management Committee Chair
Whitehall City Manager**



September 19, 2022

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

Attention Members of the Michigan Strategic Fund Board:

The White Lake Area Chamber of Commerce welcomes the opportunity to support the \$60 million investment in the Southeast Regional Force Main wastewater infrastructure granted to Muskegon County which appears on the September 27 board meeting agenda.

This regional project will also have a tangible statewide impact for the many individual family farms that make up a large portion of the 884 suppliers tied to the five participating employers. It strengthens the entire value chain and ecosystem for Michigan farmers.

This infrastructure would be an asset to Muskegon and Ottawa Counties, allowing for increased investment and business growth. Currently there is a lack of adequate wastewater capacity in this region which is a barrier to economic growth. Coopersville simply does not have the infrastructure or the resources available to accommodate future increases in wastewater needs. Meanwhile, the Muskegon County Resource Recovery Center, has excess capacity to serve neighboring employers and the surrounding communities. However, there is no current infrastructure to connect the two areas.

We encourage the Board to move forward and initiate a legislative transfer to fund the Southeast Regional Force Main wastewater line project through SOAR. The SOAR fund was created to support strategic site development, and this project is just that: transformational infrastructure which benefits an entire region, supports business growth, and would potentially allow housing development in previously inaccessible areas.

Thank you for your time and consideration of this investment to keep Michigan's agricultural growing, and our regional economy flourishing.

Respectfully submitted,

A handwritten signature in cursive script that reads "Amy L. VanLoon".

Amy L. VanLoon, Executive Director
WHITE LAKE AREA CHAMBER OF COMMERCE
124 West Hanson, Whitehall, MI 49461
231.893.4585



Detroit
Regional
Partnership

October 3, 2022

Quentin L. Messer Jr.
Chair
Michigan Strategic Fund

Dear Chair Messer,

Please accept this letter in support of proposed incentives from the Michigan Strategic Fund for Our Next Energy's (ONE) potential expansion in Van Buren Township. As you know, the project is expected to generate more than 2,100 new jobs and about \$1.6 billion in investment in the Detroit Region and would further cement our state and region as the global epicenter of mobility.

The Detroit Region Partnership views ONE's proposal as a transformational project that will strengthen the regional economy and bolster this state's global leadership in automotive and mobility industries amid the transition to electric vehicles (EVs). ONE offers the type of mobility solutions global manufacturers seek as they pursue increased battery range and performance needed to create widespread adoption of EVs. Its unique dual chemistry battery technology is the product of Michigan's premier talent and reflects the depth of the industry innovation occurring here, which is sought around the world.

As an organization tasked with attracting national and international companies to southeast Michigan, the Detroit Regional Partnership believes that ONE's expansion would quickly be recognized globally as an example of why other automotive and mobility companies of all sizes need to locate here. This project reaffirms our region and state are the premier North American location to lead EV innovation and will surely help us attract additional companies moving forward, providing tremendous value for the state's investment.

As such, I request the support of Michigan Strategic Fund Board for this project. If you have any questions, I can be reached at 248-821-0864.

Sincerely,

Maureen Donohue Krauss

Maureen Donohue Krauss
President and CEO
Detroit Regional Partnership



DETROIT REGION AEROTROPOLIS®

11895 S. WAYNE RD. SUITE 101A | ROMULUS, MI 48174 | 734.992.2286 | DETROITAERO.ORG

September 28, 2022

ATTN: MSF Board Chair, Quentin L. Messer, Jr.
300 N. Washington Sq.,
Lansing, MI 48913

RE: Project First

Dear Quentin L. Messer, Jr.

The Detroit Region Aerotropolis Development Corporation (Aerotropolis) is a two-county, four-community economic development partnership. Aerotropolis actively engages with the MEDC, Detroit Regional Partnership (DRP), Wayne County and Van Buren Twp. to drive economic development to support the growth of Detroit Metropolitan Airport and Willow Run.

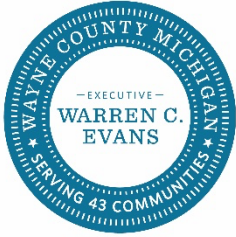
Working closely with the Center for Automotive Research (CAR), our community leadership has come to realize that the internal combustion engine (ICE) required many more automotive parts than the electric motor. Recent estimates have shown that 5,000 to 7,000 fewer moving parts are required to build the electric motor and drive train.

As we look to transition from ICE to electrification, our community needs to identify new industries and new pathway jobs to sustain a vibrant and healthy local economy. Project First offers our community an opportunity to transition into the carbon-conscience electrified future. We admire the leadership of the MEDC and its relentless work ethic to identify new pathway jobs for our residents. Our partnership is one that is true, nimble and most importantly, on the leading edge of economic and community development.

Please let me know if you I can provide additional information. You can reach me directly at cgirdwood@detroitaero.org or (734) 992-2286.

Sincerely,

Christopher J Girdwood
CEO
Detroit Region Aerotropolis Development Corp.
11895 Wayne Road #101A
Romulus, MI 48174



Warren C. Evans
County Executive

Sept. 29, 2022

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

Dear Mr. Messer,

Wayne County Economic Development submits this letter in support of Project First. This project aligns with our goal of enhancing the economic viability of our Wayne County communities and our support for the attraction of the next generation of automotive suppliers.

This project will complement the already significant investment in cutting edge electric vehicle research, development and manufacturing that is taking place in Wayne County, the region, and the state of Michigan. This includes the recent announcements by Ford Motor Company of their Ion Park and redevelopment of the Michigan Central Train station and surrounding area as a center of research and development for electric vehicles.

Wayne County is committed to upgrading the road network which will support this new development in Van Buren Township. It is also committed to working with our excellent community colleges and Michigan Works offices to aid in the attraction and training of the workforce this company will require to be as successful as we anticipate they will become.

Sincerely,

A handwritten signature in black ink, appearing to read "Luz V. Meza".

Luz V. Meza
Director of Economic Development
Wayne County

MICHIGAN STRATEGIC FUND
Michigan Economic Development Corporation
300 N. Washington Square, Lansing, Michigan 48913
*Lake Michigan Conference Room, 1st Floor**

2023 Meeting Dates

Tuesday, January 24, 2023
10:00am

Tuesday, February 28, 2023
10:00am

Tuesday, March 28, 2023
10:00am

Tuesday, April 25, 2023
10:00am

Tuesday, May 23, 2023
10:00am

Tuesday, June 27, 2023
10:00am

Tuesday, July 25, 2023
10:00am

Tuesday, August 22, 2023
10:00am

Tuesday, September 26, 2023
10:00am

Tuesday, October 24, 2023
10:00am

Tuesday, December 12, 2023*
10:00am

**Combined November/December Meeting*



MEMORANDUM

Date: October 25, 2022
To: Michigan Strategic Fund (“MSF”) Board
From: Colleen Horton – Director-Business Compliance
Subject: Bridgewater Interiors, LLC – Michigan Business Development Program Grant Amendment

Request Summary

Bridgewater Interiors, LLC (“Bridgewater” or “Company”) is requesting an amendment to its Michigan Business Development Program (“MBDP”) grant to restructure milestone due dates and reallocation of Qualified New Job (“QNJ”) creation as follows:

- Extend the Milestone 1 due date from September 30, 2021 to September 30, 2023
- Extend the Milestone 2 due date from December 31, 2022 to December 31, 2024
- Extend the Milestone 3 due date from April 30, 2023 to April 30, 2025
- Extend the Milestone 4 due date from November 30, 2023 to November 30, 2025
- Extend the Milestone 5 due date from February 28, 2024 to February 28, 2026
- Extend the grant term from August 31, 2024 to August 31, 2026

The Company is also requesting a reallocation of the 400 required QNJ as follows:

- Milestone 1 from 50 QNJ to 20 QNJ
- Milestone 2 remains at 90 QNJ
- Milestone 3 from 65 QNJ to 75 QNJ
- Milestone 4 from 125 QNJ to 135 QNJ
- Milestone 5 from 70 to 80 QNJ

Grant milestone disbursements of \$5,000 per additional QNJ will also be reallocated to be in line with the revised milestone requirements.

(the aforementioned, collectively, the “Request”).

Background

On July 28, 2020, Bridgewater was awarded a \$2,000,000 MBDP performance grant for the creation of 400 QNJ above a statewide base job requirement of 1,820 and projected investment of \$15,850,000 in the State of Michigan.

The MBDP Agreement includes the following key milestones:

- Key Milestone One: disbursement of \$100,000 for the creation of a minimum of 50 QNJ above the Base Employment Level of 1,820 by September 30, 2021.
- Key Milestone Two: disbursement of \$450,000 for the creation of an additional 90 QNJ (for a cumulative total of 140 QNJ) above the Base Employment Level of 1,820 by December 31, 2022.
- Key Milestone Three: disbursement of \$325,000 for the creation of an additional 65 QNJ (for a cumulative total of 205 QNJ) above the Base Employment Level of 1,820 by April 30, 2023.
- Key Milestone Four: disbursement of \$625,000 for the creation of an additional 125 QNJ (for a cumulative total of 330 QNJ) above the Base Employment Level of 1,820 by November 30, 2023.
- Key Milestone Five: disbursement of \$500,000 for the creation of an additional 70 QNJ (for a cumulative total of 400 QNJ) above the Base Employment Level of 1,820 by February 28, 2024.

The Company has experienced lower than expected growth due supply chain shortages led by the global semiconductor shortage which forced OEMs to significantly reduce production levels. Below normal production volumes in the automotive industry combined with delays in new program launches have necessitated the Company to revise the hiring plan based on current projections.

The Company fully expects to be able to fulfill the grant requirements and create 400 Qualified New Jobs in the State.

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-162**

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT AMENDMENT
BRIDGEWATER INTERIORS, 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 Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP as later amended on December 8, 2020 (“Guidelines”);

WHEREAS, on July 28, 2020, the MSF Board authorized a performance-based MBDP grant of up to a \$2,000,000 to Bridgewater Interiors, LLC (the “Company”);

WHEREAS, on January 16, 2021, the Company and the MSF entered into an MBDP Grant Agreement under which the Company agreed to create 400 Qualified New Jobs (“QNJ”) above a statewide Base Job requirement of 1,820 jobs at facilities located in the State of Michigan (the “MBDP Grant Agreement”);

WHEREAS, the Company has requested that the MSF approve an amendment with respect to the remaining term of the MBDP Grant Agreement with terms and conditions that shall include:

- a) Modification to Key Milestones as follows (the “Milestone Request”):
 1. Key Milestone One: Disbursement of \$5,000 per QNJ for the creation of 20 total cumulative QNJs by September 30, 2023.
 2. Key Milestone Two: Disbursement of \$5,000 per QNJ for the creation of 110 total cumulative QNJs by December 31, 2024.
 3. Key Milestone Three: Disbursement of \$5,000 per QNJ for the creation of 185 total cumulative QNJs by April 30, 2025.
 4. Key Milestone Four: Disbursement of \$5,000 per QNJ for the creation of 320 total cumulative QNJs by November 30, 2025.
 5. Key Milestone Five: Disbursement of \$5,000 per QNJ for the creation of 400 total cumulative QNJs by February 28, 2026.
- b) Extension of the MBDP Grant term from August 31, 2024 to August 31, 2026. (the “Term Request”).

WHEREAS, the MEDC recommends approval of the, the Milestone Request, and the Term Request (collectively, 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; 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 Amendment Request.

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Michigan Community Revitalization Program
Other Economic Assistance – Loan Participation Agreement Amendment #2
Bridge and Stocking, LLC

Request

Bridge and Stocking, LLC (“Company”) and Mercantile Bank (“Lender”) are requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance – Loan Participation Agreement and any related ancillary agreements (“Agreement”) and consent to waive any outstanding covenant defaults. The amendment request dated August 3, 2022 includes a request to amend the debt service coverage ratio covenant from 1.10 to 1.05 and consent to waive existing defaults under the ratio requirement. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund (MSF) Board approved a \$6,300,000 MCRP Other Economic Assistance Performance-based Loan Participation utilizing the Investment Fund on April 25, 2017 to the Company for the purpose of development of the first full-service urban grocery store in downtown Grand Rapids in combination with a structured parking deck, 116 market rate residential units, and approximately 56,000 square feet of office space.

An amendment to the project was approved by the MSF Board on February 25, 2020 to remove Paul Roberts, individually and as Trustee of the Paul B. Roberts living Trust dated January 14, 2005 as a guarantor for, and owner of, Bridge and Stocking, LLC and modify the guaranty amounts for the remaining Rockford Development Group (RDG) guarantors/owners to match that of the senior lender.

The project’s residential units are approximately 98% occupied and the grocery space has been successful but the project has experienced challenges with filling the office space. Interest in the commercial space has declined due to the impacts of the pandemic. Rockford Development Group has committed to leasing a portion of the office space, a 4% rent escalator is anticipated to kick in this month, and the development team is working to bring the residential rents in line with the market. The aforementioned will improve cash flow and help ensure the project remains in compliance into the future. The Lender remains confident in and committed to the project.

The company is current with all reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the Agreement to adjust the debt service coverage ratio to 1.05 and consent to waive existing covenant defaults per the Company’s request dated August 3, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-163**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE – LOAN
PARTICIPATION AWARD FOR
BRIDGE AND STOCKING, LLC**

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

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

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

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

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

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

WHEREAS, by Resolution 2017-066 on April 25, 2017 the MSF Board utilized the Investment Fund to award a MCRP Other Economic Assistance Performance Based Loan Participation Award to Bridge and Stocking, LLC (the “Company”), in furtherance of the Project of up to \$6,300,000 (the “Award”);

WHEREAS, by Resolution 2020-027 on February 25, 2020, the MSF Board approved a MCRP amendment to the Award to: 1) remove Paul Roberts, individually and as Trustee of the Paul B. Roberts living Trust dated January 14, 2005 as a guarantor for, and owner of, Bridge and Stocking, L.L.C., and 2) modify the guaranty amounts for the remaining Rockford Development Group (RDG) guarantors/owners to match that of the senior lender.

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to reduce the debt service coverage ratio to 1.05 and waive any existing covenant defaults related to this ratio, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan

October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Michigan Community Revitalization Program
Other Economic Assistance – Loan Participation Agreement Amendment #2
George F. Eyde Family, LLC

Request

George F. Eyde Family (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance – Loan Participation agreement and any related ancillary agreements (the “Agreement”). The amendment request dated August 17, 2022, includes requests to: 1) transfer the property from the Company to Capitol-Meridian, LLC; 2) release George F. Eyde Family, LLC from any future obligations; 3) refinance existing debt from Wells Fargo Bank with new lender First National Bank of Michigan; and 4) assign the Agreement to First National Bank of Michigan (the “FNBM”) and amend the agreement to match the terms of the FNBM.

Background

The Michigan Strategic Fund Board approved a \$2,400,000 Other Economic Assistance Loan Participation (the “MCRP Award”) on September 26, 2017, to the Company for the purpose of redeveloping a mixed-use, multi-story building located in the heart of Downtown Lansing just north of the State Capitol into approximately 4,430 square feet of office/retail space on the first floor, along with 103 market rate residential units on floors two through eight. The award included \$1,000,000 to be forgiven upon construction completion and achievement of other performance-based criteria (the “Loan Forgiveness”).

On April 24, 2018, the Michigan Strategic Fund Board reapproved the MCRP Award.

On February 22, 2021, the MSF Delegates approved the project for an amendment under the Awardee Relief Initiative to extend the Construction Loan Maturity Date and the Milestone Three, Certification of Loan Conversion to June 19, 2021.

On July 29, 2021, the Company received consent from the MSF Fund Manager to: 1) make final advance under the Lender’s loan; 2) acknowledgement of the Loan Forgiveness; and 3) the conversion of the balance of both of the Lender and MSF Shares into Permanent Loans A and B.

Sarah T. Eyde is a member of George F. Eyde Family, LLC, and is taking title to the project through Capitol-Meridian, LLC (a Michigan Limited Liability Company 100% controlled by Sarah) as a part of an agreement with the Company due to the untimely death of George Eyde. Following the passing of Mr. Eyde properties controlled by the Company were split up between various family members. As part of this agreement it requires the Company to be removed from any future obligations for the project. The agreement between the Company and Sarah necessitates the aforementioned amendments to the Agreement. As part of the refinancing, it anticipated that the MCRP loan term will be extended from November 5, 2023 to November 9, 2027 and replace the original guaranty of the Company with the anticipated 20% guarantee

by Sarah T. Eyde or trust to match the terms of the FNBM. It is anticipated that all other terms of the MCRP loan will remain materially unchanged. Staff is supportive of the requests as the MSF's position will not be materially impacted.

The project has stabilized and is current with all reporting requirements.

Recommendation

The MEDC staff recommends approval of amendments to the MCRP Other Economic Assistance Loan Participation Agreement to: 1) transfer the property from the Company to Capitol-Meridian, LLC; 2) release the Company from any future obligations; 3) refinance existing debt from Wells Fargo Bank with new lender; and 4) assign the Agreement to the FNBM and amend the Agreement to match the terms of the FNBM, per the Company's request dated August 17, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-164**

**APPROVAL OF AMENDMENTS TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION
AWARD FOR
GEORGE F. EYDE FAMILY, LLC
(OLIVER TOWER PROJECT)**

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

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

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

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

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

WHEREAS, by Resolution 2017-166 on September 26, 2017 the MSF Board awarded a MCRP Other Economic Assistance – Loan Participation award to George F. Eyde Family, LLC (the “Company”), in furtherance of the project of up to \$2,400,000 with up to \$1,000,000 forgivable (the “Award”);

WHEREAS, by Resolution 2018-053 on April 24, 2018, the MSF Board re-approved the Award;

WHEREAS, on February 22, 2021 the MSF Delegates approved an amendment to the Award under the Awardee Relief Initiative to extend the Construction Loan Maturity Date and the Milestone Three, Certification of Loan Conversion to June 19, 2021;

WHEREAS, on July 29, 2021 the MSF Fund Manager consented to: 1) make final advance under the Wells Fargo Bank loan; 2) acknowledgement of the forgiveness of \$1,000,000 of the MSF loan (consistent with the original approval); and 3) the conversion of the balance of both of the Wells Fargo Bank and MSF Shares into Permanent Loans A and B;

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to: 1) transfer the property from the Company to Capitol-Meridian, LLC; 2) release the Company from any future obligations; 3) refinance existing debt from Wells Fargo Bank with the lender First National Bank of Michigan (the “FNBM”); and 4) assign the Loan Participation agreement to the FNBM and amend the agreement to match the terms of FNBM, with all other requirements remaining materially unchanged for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan

October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Fredrick Molnar, Senior Vice President, Entrepreneurship & Innovation

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

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve (1) an allocation in the amount of \$8,000,000 from the Jobs for Michigan investment fund (the “Investment Fund”) to Michigan State University Foundation (the “MSUF”) (the “Allocation”) and (2) an amendment to the Grant Agreement, as amended (the “Grant Agreement”) between the MSF and the MSUF (collectively, the “Request”), to fund the continuation of investments in the form of loans and equity financing for the Michigan Rise Pre-Seed Fund III, LLC (the “Pre-Seed Fund”) and a success fee of one percent (1%) to the amount of funds repaid to the MSF under the Grant Agreement (collectively, the “Request”).

Background

On April 14, 2020, the MSF Board selected the MSUF following a competitive public application process to manage the Pre-Seed Fund, and awarded it a grant in the amount of \$3,000,000, with an initial term of May 1, 2020 through April 30, 2025, with the option to extend up to an additional five years (the “Term”) and allocate additional funding throughout the Term at the sole discretion of the MSF Board (the “Pre-Seed Fund Award”). On July 27, 2021, the MSF Board approved allocation of additional funding in the amount of \$6,500,000 to the Pre-Seed Fund Award, with the approved allocation reflected in an amendment to the Grant Agreement dated October 14, 2021. MSUF contributed \$2,400,000 in matching funds to the Pre-Seed Fund.

The purpose of the Pre-Seed Fund is to provide early-stage funding to help Michigan high-tech start-ups achieve commercial and technical milestones that will position them for future scaleup through capital, talent, and customer acquisition. Economic development and diversification of the Michigan economy is the primary objective of the Pre-Seed Fund. Success drivers for the Pre-Seed Fund include collaboration with Michigan SmartZones and university technology transfer offices, supporting high-potential Michigan university spinouts, and a commitment to both demographic and geographic diversity as the Pre-Seed Fund builds its portfolio. The Pre-Seed Fund provides the following financing options to Eligible Companies¹:

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

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

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

The Pre-Seed Fund Award includes a requirement that the MSUF reinvest Annual Returns² during the Term, thereby increasing the portfolio of investments and creating a greater opportunity for returns. The MSUF may use up to 12.5% of the Annual Returns to cover its administrative costs and expenses related to the reinvestment of the Annual Returns, subject to MSF review and approval, with all remaining Annual Returns being reinvested in accordance with the terms and conditions of the Grant Agreement.

The obligation to reinvest Annual Returns also continues after expiration of the Term of the Grant Agreement until the earlier to occur of 1) repayment of the total amount of the Pre-Seed Fund Award to the MSF or 2) the tenth anniversary of the end of the Term, during which the MSUF must use the Annual Returns as follows:

- (i) First, 25% of the Annual Returns shall continue to be reinvested in Eligible Companies in accordance with the terms and conditions of the Grant Agreement.
- (ii) Second, after the 25% reinvestment requirement is met, up to an additional 12.5% of the Annual Returns may be used to cover the MSUF's administrative costs and expenses related to the reinvestment of the Annual Returns, subject to MSF review and approval.
- (iii) Third, payment to the MSF based on the following sliding scale:

Amount of Annual Returns	Percent to MSF
\$0 - \$1,000,000	10%
\$1,000,001- \$2,000,000	20%
\$2,000,001- \$3,000,000	30%
\$3,000,001 - \$4,000,000	40%
\$4,000,001- \$5,000,000	50%
\$5,000,001 or more	60%

- (iv) Fourth, the remaining balance of the Annual Returns shall be paid to the MSUF.

As of the September 30, 2022, the Pre-Seed Fund has committed investment of \$8,204,975 in 51 of the most promising Eligible Companies to build a diverse and high-quality portfolio. Approximately 31% of the Pre-Seed Fund's portfolio companies are university spinouts, which are bringing to market disruptive research

² Annual Returns is defined in the Grant Agreement as "the sum of the earnings, royalties, return on investments, return of principal and interest, loan fees, payments made, or other money actually received by the Pre-Seed Fund under agreements related to investments or loans by Pre-Seed Fund, less any transactional closing costs attributable to such returned, calculated on an annual 12-month basis for the immediately preceding 12-month period ending June 30."

being done at Michigan universities. As a result, the Pre-Seed Fund has created over 480 new jobs and attracted over \$320,000,000 in follow on funding, including new sales. Approximately 75% of the 51 companies are led by diverse and underserved founders, and approximately 51% of the Pre-Seed Fund's companies are located in SBA HubZones and 24% are located in Michigan Opportunity Zones.

Based on the Pre-Seed Fund's performance to date, the reinvestment and repayment terms, and MSUF's strong track record for successful early-stage investments, MEDC staff believes the MSF will realize a return on its investment into the Pre-Seed Fund. In order to support continued investment by MSUF through the Pre-Seed Fund, the MEDC recommends that the MSF Board allocate \$8,000,000 from the Investment Fund to the Pre-Seed Fund Award and amend the Grant Agreement to add a one percent (1%) success fee to the Pre-Seed Fund Award to be repaid to the MSF under the terms and conditions of the Grant Agreement.

Recommendation

MEDC staff recommends that the MSF Board approve the Request

MICHIGAN STRATEGIC FUND

RESOLUTION 2022-165

MICHIGAN STATE UNIVERSITY FOUNDATION PRE-SEED FUND AMENDMENT RECOMMENDATION

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

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

WHEREAS, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to Section 88h(1) of the Act, MCL 125.2088h(1), the Jobs for Michigan investment fund was created as a permanent fund authorized by the state constitution (“Investment Fund”);

WHEREAS, pursuant to Section 88h(5)(b) of the Act, MCL 125.2088h(5)(b), the Investment Fund consists of, among other things, return on investments, return on principal, payments made, or other money received by or payable to the MSF under agreements related to grants, loans or investments made by the MSF under Chapter 8A or Chapter 8C;

WHEREAS, pursuant to Section 88h(3) of the Act, MCL 125.2088h(3), the Investment Fund shall be invested as authorized under Chapter 8A for the purpose of creating incentives for activities arising out of retaining or creating jobs, or increasing capital investment activity, or increasing commercial lending activity or encouraging the development and commercialization of competitive edge technologies, or revitalizing Michigan communities;

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

WHEREAS, on December 17, 2019, the MSF issued a request for proposals for awarding grants to non-profit organizations that operate early-stage funding programs (the “Pre-Seed Fund RFP”), appointed a joint evaluation committee (“JEC”) to evaluate the proposals received in response to the Pre-Seed Fund RFP, and adopted scoring and evaluation criteria to be used by the JEC;

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

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

WHEREAS, the MEDC recommends that the MSF Board allocate \$8,000,000 from the Investment Fund to support a continuation of the Pre-Seed Fund Grant activities and amend the Pre-Seed Fund Grant to include a one percent (1%) success fee in accordance with the following terms and conditions:

- a. Reinvestment of Annual Returns. “Annual Returns” means the sum of the earnings, royalties, return on investments, return of principal, payments made, or other money received under agreements related to loans and investments made by MSU Foundation, less any transactional closing costs attributable to such returns, calculated on an annual 12-month basis for the immediately preceding annual 12-month period ending June 30.
- b. Repayment of Pre-Seed Fund Grant. Upon expiration of the term and until the earlier to occur of (1) repayment to the MSF of the Pre-Seed Fund Grant Award plus a one percent (1%) fee or (2) the tenth anniversary of the end of the term, MSU Foundation shall use the Annual Returns as follows:

- (i) First, 25% of the Annual Returns shall continue to be reinvested in eligible companies in accordance with the terms and conditions of the Pre-Seed Fund Grant.

- (ii) Second, after the 25% reinvestment requirement is met, up to an additional 12.5% of the Annual Returns may be used to cover the MSUF’s administrative costs and expenses related to the reinvestment of the Annual Returns, subject to MSF review and approval.

- (iii) Third, payment to the MSF based on the following sliding scale:

<u>Amount of Annual Returns</u>	<u>Percent to MSF</u>
\$0 - \$1,000,000	10%
\$1,000,001 - \$2,000,000	20%
\$2,000,001 - \$3,000,000	30%
\$3,000,001 - \$4,000,000	40%
\$4,000,001 - \$5,000,000	50%
\$5,000,001 or more	60%

- (iv) Fourth, the remaining balance of the Annual Returns shall be paid to the MSUF.

(the aforementioned, collectively, the “Amendment Request”); and

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

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

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

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Fred Molnar, SVP Entrepreneurship and Innovation

Subject: Michigan Translational Research and Commercialization (MTRAC) Statewide Program, Life Sciences Innovation Hub Designation

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board designate the University of Michigan (the “UM”) as the Life Sciences Innovation Hub under the MTRAC Statewide Program and allocate \$1,000,000 in initial funding to support Life Sciences Innovation Hub activities for a six-year term beginning August 1, 2022 and ending July 31, 2028 (the “Request”).

Background

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

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

In July 2016, the MSF approved University of Michigan as the MTRAC Statewide Program Life Sciences Innovation Hub (the “Life Sciences Innovation Hub”). The Life Sciences Innovation Hub focuses on commercializing technologies related to therapeutics, medical devices, medical diagnostics, and digital health. As outlined in the MTRAC Program Guidelines, 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 MTRAC Life Sciences Innovation Hub Designation expired on July 25, 2022.

Through a public, competitive application process initiated in January 2022 and completed in February 2022, the MEDC received one application for the MTRAC Life Sciences Innovation Hub activities from the UM. The application was reviewed and scored, based on the approved scoring criteria previously approved by the MSF Board. UM meets the criteria for an Innovation Hub as outlined in the approved MTRAC Program Guidelines. MEDC staff recommends that the MSF Board designate UM as the Life Sciences Innovation Hub and allocate \$1,000,000 in initial funding to support Life Sciences Innovation Hub activities for a six-year term beginning August 1, 2022 and ending on July 31, 2028.

Over the past six (6) years in administering the Life Sciences Innovation Hub activities, UM has collaborated with universities, hospital systems and non-profit research centers across Michigan to support the activities of the hub. From the inception of hub activities in 2016, the program has reported the following metrics:

Number of proposals reviewed by Oversight Committee	228
Number of projects funded by Oversight Committee	116
Startups formed	16
Jobs created	26
Licenses and Options	18
Follow on funding	\$25.9M
Institutions where projects received funding	University of Michigan, Michigan State University, Wayne State University, Michigan Technological University, Grand Valley State University, Western Michigan University, Ferris State University, Beaumont Health, Henry Ford Health System, Mary Free Bed Rehabilitation Hospital and Spectrum Health Innovations

Recommendation

MEDC Staff recommends that the MSF approve the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2022-166

MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION PROGRAM LIFE SCIENCES INNOVATION HUB DESIGNATION AND GRANT AWARD RECOMMENDATION

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

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

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

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

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

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

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

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

WHEREAS, the designation for the prior Life Sciences Innovation Hub expired on July 25, 2022;

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

WHEREAS, one proposal was received from the University of Michigan (“UM”) in response to the MTRAC Application Process;

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

WHEREAS, MEDC staff recommends that the MSF Board designate UM as the Life Sciences Innovation Hub and allocate \$1,000,000 in initial funding to support Life Sciences Innovation Hub activities for a six-year term beginning August 1, 2022 and ending on July 31, 2028, with the option to allocate additional funds during the term at the sole discretion of the MSF (the “Innovation Hub Designation and Grant Award”); and

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

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

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Innovation Hub Designation and Grant Award.

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Fred Molnar, SVP Entrepreneurship and Innovation

Subject: Michigan Translational Research and Commercialization (MTRAC) Statewide Program, Ag Bio Innovation Hub Designation

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve the request from Michigan State University (the “MSU”) as the Ag Bio Innovation Hub under the MTRAC Statewide Program and allocate \$550,000 in initial funding to support Ag Bio Innovation Hub activities for a six-year term beginning August 1, 2022 and ending July 31, 2028 (the “Request”).

Background

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

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

In June 2016, the MSF approved Michigan State University as the MTRAC Statewide Program Ag Bio Innovation Hub (the “Ag Bio Innovation Hub”). The Ag Bio Innovation Hub focuses on commercializing technologies related to food, fuel & fiber including bio-derived/bio-based materials, natural resources, and animal health. As outlined in the MTRAC Program Guidelines, 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 MTRAC Ag Bio Innovation Hub Designation expired on June 28, 2022.

Through a public, competitive application process initiated in January 2022 and completed in February 2022, the MEDC received one application for the MTRAC Ag Bio Innovation Hub activities from MSU. The application was reviewed and scored, based on the approved scoring criteria previously approved by the MSF Board. MSU meets the criteria for an Innovation Hub as outlined in the approved MTRAC Program Guidelines. MEDC staff recommends that the MSF Board designate MSU as the Ag Bio Innovation Hub and allocate \$550,000 in initial funding to support Ag Bio Innovation Hub activities for a six-year term beginning August 1, 2022 and ending on July 31, 2028.

Over the past six (6) years in administering the Ag Bio Innovation Hub activities, MSU has collaborated with universities, hospital systems and non-profit research centers across Michigan to support the activities of the hub. From the inception of hub activities in 2016, the program has reported the follow metrics:

Number of proposals reviewed by Oversight Committee	116
Number of projects funded by Oversight Committee	71
Startups formed	6
Jobs created	7
Licenses and Options	21
Follow on funding	\$124.6M
Institutions where projects received funding	University of Michigan, Michigan State University, Michigan Technological University, Western Michigan University, Central Michigan University

Recommendation

MEDC Staff recommends that the MSF approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-167**

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION PROGRAM
AGRICULTURE-BIOLOGY INNOVATION HUB DESIGNATION AND
GRANT AWARD RECOMMENDATION**

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

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

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

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

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

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

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

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

WHEREAS, the designation for the prior Ag-Bio Innovation Hub expired on June 28, 2022;

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

WHEREAS, one proposal was received from Michigan State University (“MSU”) in response to the MTRAC Application Process;

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

WHEREAS, MEDC staff recommends that the MSF Board designate MSU as the Ag-Bio Innovation Hub and allocate \$550,000 in initial funding to support Ag-Bio Innovation Hub activities for a six-year term beginning July 1, 2022 and ending on June 30, 2028, with the option to allocate additional funds during the term at the sole discretion of the MSF (the “Innovation Hub Designation and Grant Award”); and

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

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

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Innovation Hub Designation and Grant Award.

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022
To: Michigan Strategic Fund Board
From: Fred Molnar, SVP Entrepreneurship and Innovation
Subject: Request for allocation of funds for the Michigan Translational Research and Commercialization Program

Request

Michigan Economic Development Corporation (the “MEDC”) staff requests the Michigan Strategic Fund (the “MSF”) Board approve 1) the programmatic allocation of funds of \$3,050,000 from the FY2023 budget to the Michigan Translational Research and Commercialization (the “MTRAC”) Statewide Program and 2) individual Innovation Hub grant allocations to the active Innovation Hubs as set forth in the table below (collectively the “Request”):

Individual Innovation Hub: Suballocations	FY23 Funding Amount
University of Michigan: MTRAC Advanced Transportation	\$750,000
Michigan Technological University: MTRAC Advanced Materials	\$325,000
Wayne State University: MTRAC Advanced Computing	\$425,000

Background

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

In April 2016, the MSF approved the creation of the MTRAC Statewide Program and guidelines including the designation of 5 Innovation Hubs for the support of translational research projects, in the following key areas: Bio-Medical Sciences, Life Sciences, Advanced Transportation, Advanced Materials and Agriculture-Biology. In October 2018, the MSF approved the elimination of the Bio-Medical program and recognized those activities as part of the Life Sciences Innovation Hub. The MSF also approved the addition of the Advance Computing Innovation Hub, maintaining program guidelines to support a total of 5 statewide innovation hubs: Life Science, Advanced Transportation, Ag Bio, Advanced Materials and Advanced Computing. Under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years. On June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of six years (up from a previous grant term of two years) to coincide with the term of the Innovation Hub designation.



These Innovation Hubs will support the translation of competitive edge research into commercial applications at all Michigan based institutions of higher education, hospital systems and nonprofit research centers. The five (5) Innovation Hubs as part of the MTRAC Statewide Program and their designated technology focus areas are as follows:

- **Life Sciences** – medical devices, diagnostics, therapeutics and healthcare IT
- **Advanced Transportation (Hub Designation)** – mobility, robotics and autonomy, sensors, electric vehicle drivetrain/propulsion
- **Ag Bio** – food, fuel & fiber, bio-derived/bio-based materials, natural resources and animal health
- **Advanced Materials** – novel materials, novel applications of conventional materials, equipment or processes that enable application of either novel materials or conventional materials for novel purpose
- **Advanced Computing** – cognitive computing, immersive technologies, cybersecurity, internet of things, industry x.0, blockchain and next generation computing

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 research university managing an Innovation Hub may apply for additional funding annually.

The University of Michigan (the “UM”) was designated as the Innovation Hub for Advanced Transportation on February 28, 2017 for a six year term ending February 27, 2023. Michigan Technological University was designated as the Innovation Hub for Advanced Materials on February 28, 2017 for a six year term ending February 27, 2023. Wayne State University was designated as the Innovation Hub for Advanced Computing on February 26, 2019 for a six year term ending February 25, 2025. The Innovation Hub designations for Ag-Bio and Life Sciences expired in June 2022 and July 2022, respectively. MEDC staff is bringing recommendations for new Innovation Hub designations and grants through a separate request.

Since the establishment of the MTRAC Statewide Program, the MSF has supported annual funding allocations as follows:

Funding Year	Amount
FY 2016	\$3,600,000
FY 2017	\$1,525,000
FY 2018	\$3,100,000
FY 2019	\$2,600,000
FY 2020	\$2,450,000
FY 2021	\$2,475,000
FY 2022	\$2,600,000

As of March 31, 2022 the Innovation Hubs have collectively reported the follow metrics:

	Prior to statewide program designation 2012-2016 4 years	After statewide program designation 2017-2022 5 years	Total Results

Proposals reviewed by Oversight Committee	322	513	835
Projects funded	152	248	400

Commercialization Results Since Project Funding through 3/31/2022			
	Project Results from Funding 2012-2016 4 years	Project Results from Funding 2017-2022 5 years	Total Results
Startups	33	45	78
Jobs	136	118	254
Licenses	18	22	40
Options	17	17	34
Follow on funding	\$152,459,502	\$217,077,714	\$369,537,216
Institutions receiving funding support	University of Michigan Ann Arbor and Dearborn, Michigan State University, Wayne State University, Michigan Technological University, Western Michigan University, Grand Valley State University, Beaumont Innovations, Henry Ford Innovations, Spectrum Innovations, Metropolitan Detroit Research and Education Foundation		

The total MTRAC Statewide Program allocation and the three suballocations will support the continued operation of the MTRAC Innovation Hubs throughout FY2023. This continued operation will provide match funding support, training, and mentorship for projects with the highest commercial potential.

Recommendation

MEDC Staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2022-168

ALLOCATION OF FUNDING TO THE MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION STATEWIDE PROGRAM

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

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

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

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

WHEREAS, on February 28, 2017, the MSF Board designated the University of Michigan as the Advance Transportation Hub and Michigan Technological University as the Advanced Materials Hub;

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

WHEREAS, on February 26, 2019, the MSF Board designated Wayne State University as the Advanced Computing Hub;

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

WHEREAS, the MEDC recommends that the MSF Board (1) allocate \$3,050,000 from the FY23 Entrepreneurial Funding Allocation to the MTRAC Program (the “MTRAC Program Funding Allocation”) and (2) approve individual grant allocations to the following active innovation hubs: \$750,000 to the University of Michigan, \$325,000 to Michigan Technological University, and \$425,000 to Wayne State University (the “MTRAC Hub Allocation”); and

WHEREAS, the MSF Board wishes to approve the MTRAC Program Funding Allocation and the MTRAC Hub Allocation.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MTRAC Program Funding Allocation and the MTRAC Hub Allocation.

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Fred Molnar, SVP Entrepreneurship and Innovation

Subject: Request for New Technology Transfer Talent (T3N) Agreement and Allocation of Funding

Request

Michigan Economic Development Corporation (the “MEDC”) staff requests the Michigan Strategic Fund (the “MSF”) Board approve a new five (5) year term Technology Transfer Talent (T3N) agreement, with an initial first-year allocation of \$750,000 from the FY2023 Entrepreneurship and Innovation program budget to the T3N program (the “T3N Program”).

Background

The Technology Transfer Talent Network (T3N) program is a statewide university network supporting the commercialization of university technologies, licenses to industry partners and startup creation through key talent and business expertise programs; mentors-in-residence, postdocs, fellows and shared services. Since 2012, the Program has supported, on a 1:1 basis, matching funds to universities for key talent expertise. These targeted resources are a critical component of the entrepreneurial and startup ecosystem across the state in support of getting technology from the university into the commercial market. On an annual basis the Program has been supporting an average of 23-25 Mentors-in-residence and 2-5 Postdocs. Based on increased activity in university projects at the larger institutions and increased requests for additional mentor support from smaller institutions this agreement and allocation request will help to support the hiring of mentors and Postdocs to focus on commercialization activities.

For 10 years (since 2012), the University of Michigan (UM) has effectively and professionally managed the T3N grant. There are only three universities within the State of Michigan with the resources and back-office support to manage a program as complex as T3N – University of Michigan (UM), Michigan State University (MSU) and Wayne State University (WSU). Managing 23-25 Mentors-in-residence, spread across the state, is a challenging task that requires a dedicated staff and dedicated resource allocation. Both MSU and WSU have written letters of support for UM to continue to manage this grant. Based on past performance, MEDC staff is supportive of UM continuing as the T3N grant manager.

Tech Transfer Talent Network (T3N) Program Overview

Identify Commercial Potential:

The T3N Program injects talent in the process to assess the commercial potential of a technology opportunity. Seeking industry advice, leveraging contacts that have experience in the market, and recognizing trends in a commercial space that can take advantage of a new technology are all examples

the ways the outlined programs will help identify the commercial potential of a new technology. The Tech Transfer Fellows and Mentor-In-Residence Program (the “MIR Program”) are designed to assist and apply expertise in the assessment process. Additionally, the MIR’s will assist the Tech Transfer office in finding additional industry and venture knowledge to help identify the commercial potential of a technology.

MIR Program:

The MIR Program deploys experienced serial-entrepreneurs to assist a Tech Transfer office in accelerating startup ventures, evaluating early-stage technology, and transforming technologies into business ventures. MIRs have been hired who engage in an average of four (4) projects a quarter. Based on the success and feedback of the existing MIR Program, the MIR Program now has both dedicated and pooled resources. Dedicated MIRs are hired (typically 50% part-time) by the university and often reside within Tech Transfer, and work on a portfolio of projects. The role of an MIR is to improve the decision process for early-stage technology transfer opportunities, expand and accelerate startup projects, grow the talent base by contributing to the talent database of a school and make connections to early-stage funders. Funding for dedicated MIRs is matched 1:1. The Pooled MIR Program is similar to the dedicated program, but the MIR is shared among multiple universities. These pooled MIRs are sourced from more resource-rich regions as Ann Arbor and shared across the partner universities. These MIRs are managed and work alongside other MIRs at the University of Michigan.

Bundling Inventions:

Close collaboration among the university tech transfer offices across the state increases potential for finding complimentary technologies that can be bundled to enhance the licensing potential. Industry knowledge is required to assess both the technology value and the driving market needs and requirements. Leveraging industry talent through Talent outreach programs, as well as the dedicated and pooled MIR programs assist in the bundling of inventions and other proposals to increase the attractiveness of tech transfer opportunities to potential businesses and venture partners. The Fellows program is another way to identify various technologies that can be bundled to make them more commercially viable.

Encourage Business Formation:

Along with the business formation staff at each of the tech transfer offices, the MIR’s act as coaches, encouraging inventors to pursue the path to a startup. Most importantly, they provide program management to access and develop opportunities and connect these opportunities to entrepreneurs and venture partners. By quickly assessing the potential of an idea to be a fundable startup, MIR’s increase the quality and quantity of startups by focusing scarce resources and increasing the satisfaction of all participants. In addition, using the MIR’s for outreach programs and data collection systems to support the sourcing of effective management talent and advisors, encourages the faculty to pursue a startup, while the post-Doc Fellows program encourages researchers to join a startup.

Apply Faculty Expertise:

Engaging faculty in the commercialization process creates a relationship with corporate partners licensing the technology. It is this relationship that leads faculty to lend their technical expertise to companies often beyond the technology licensed. Mentors encourage faculty to apply their expertise to technology licensees,

startups, and other industry engagements. This leads to the introduction of other corporations to the faculty and other faculty to the corporate partner. Talent is essential to the success of other programs as well.

Recommendation

MEDC Staff recommends approval of the Request to create a new 5-year term agreement with the University of Michigan to continue to manage the T3N Program and for the first year allocate \$750,000 in FY23 Entrepreneurship and Innovation funds to the T3N Program. Any additional funding allocation will be budget dependent and require MSF Board approval.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-169**

TECHNOLOGY TRANSFER TALENT NETWORK GRANT AWARD

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

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

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

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

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

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

WHEREAS, the MSF Board wishes to approve the T3N Grant.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the T3N Grant; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the T3N Grant and to execute all documents necessary to effectuate the T3N Grant, consistent with the terms of this Resolution.

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Greg West, Program Manager, Community Development Block Grant (CDBG) Program
Amy Schlusler-Schmitt, Senior Program Specialist, CDBG Program

Subject: Community Development Block Grant Program
221002-WRI Grant Amendment
City of Escanaba, Delta County

Request

The City of Escanaba is requesting an additional \$500,000 in Community Development Block Grant (“CDBG”) funds for costs related to construction of the City of Escanaba’s Water Related Infrastructure Project.

Background

On September 28, 2021 the Michigan Strategic Fund (the ‘MSF’) approved a \$1,800,000 CDBG award to the City of Escanaba (the “City”) for the Water Related Infrastructure project for construction costs. (the “Grant”)

The City worked with its selected engineering firm to prepare bid materials and undertook a sealed bid process. Only one contractor submitted a bid. The submitted bid exceeded the estimated project amount. Cost increases have been attributed to the high demand for construction materials and low supply chain due to the long-term effects of the COVID-19 pandemic.

As this Grant was secured by the City through a competitive MSF CDBG funding round, the City is not permitted to reduce the scope of the Grant project. Value Engineering did occur on the project, however, there is very little opportunity for modifications as CDBG funds are being allocated to a clear well replacement.

The initial proposed construction and contingency was identified as \$2,100,000, and the amount of the bid received was \$4,436,000 with construction and contingency. The City is contributing \$2,136,000 of the \$2,636,000 overage bid amount. That is approximately 81% of the increased construction amount.

The proposed increase of CDBG funds would take the total amount of CDBG funding above the \$2,000,000 cap identified for this funding round. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Recommendation

The MEDC Staff recommends the MSF Board approve:

- An additional allocation of CDBG funds in the amount of \$500,000 be authorized for the City’s Water Related Infrastructure project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-170**

**APPROVAL OF CITY OF ESCANABA’S WATER RELATED INFRASTRUCTURE PROJECT
AMENDMENT**

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

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

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

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus Aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, on September 28, 2021, by Resolution 2021-128, the MSF Board approved the 2021 Water Related Infrastructure Projects, including \$1,800,000 in CDBG funds to the City of Escanaba’s (the “City”) for an infrastructure project (the “Escanaba Project”);

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the City has requested an additional \$500,000 in CDBG funds for the Escanaba Project (the “Amendment Request”);

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

WHEREAS, the CDBG program staff recommends that the MSF Board approve the Amendment Request and execution of the amendment to the grant agreement, within 120 days of the date of this Resolution 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.

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

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Greg West, Program Manager, Community Development Block Grant Program
Bill Povalla, Senior Program Specialist, Community Development Block Grant Program

Subject: Community Development Block Grant Program
221004-WRI Grant Amendment
City of Rogers City, Presque Isle County

Request

The City of Rogers City is requesting an additional \$127,500 in Community Development Block Grant (“CDBG”) Funds for costs related to construction of the City of Rogers City’s Water Related Infrastructure Project.

Background

On September 28, 2021 the Michigan Strategic Fund (the “MSF”) approved \$1,200,000 CDBG award to the City of Rogers City (the “City”) for the Water Related Infrastructure project for construction costs. (the “Grant”)

The City worked with its selected engineering firm to prepare bid materials and undertook a sealed bid process. Four companies submitted bids, all of which were over the estimated budget amount. Cost increases have been attributed to the high demand for construction materials and supply chain issues due to the long-term effects of the COVID-19 pandemic.

As this Grant was secured by the City through a competitive MSF CDBG funding round, the City is not permitted to reduce the scope of the Grant project. Value Engineering did occur on the project and some cost savings did occur; however, reductions were limited due to the project type.

The initial proposed construction and contingency was identified as \$1,400,900, and the lowest bid received was \$1,570,900 with construction and contingency. The City is contributing \$42,500 of the \$170,000 overage bid amount. That is approximately 25% of the increased construction amount.

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

Recommendation

The MEDC Staff recommends the MSF Board approve:

- An additional allocation of CDBG funds in the amount of \$127,500 be authorized for the City’s Water Related Infrastructure project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-171**

**APPROVAL OF CITY OF ROGERS CITY’S WATER RELATED INFRASTRUCTURE PROJECT
AMENDMENT**

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

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

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

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus Aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, on September 28, 2021, by Resolution 2021-128, the MSF Board approved the 2021 Water Related Infrastructure Projects, including \$1,200,000 in CDBG funds to the City of Rogers City (the “City”) for an infrastructure project (the “Rogers City Project”);

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the City has requested an additional \$127,500 in CDBG funds for the Rogers City Project (the “Amendment Request”);

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

WHEREAS, the CDBG program staff recommends that the MSF Board approve the Amendment Request and execution of the amendment to the grant agreement, within 120 days of the date of this Resolution 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.

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

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Natalie Chmiko, SVP, Small Business Solutions

Subject: Industry 4.0 Accelerator Funding Allocation

Request

Michigan Economic Development Corporation (the “MEDC”) staff requests that the Michigan Strategic Fund (the “MSF”) Board allocate funds to support the Industry 4.0 (“I4.0”) Accelerator hosted at Lean Rocket Lab (the “LRL”) and Lawrence Technological University Centrepolis Accelerator (the “LTUCA”) to develop and support a robust ecosystem of I4.0 technology companies in Michigan and facilitate connections to Michigan small manufacturers. A total of \$960,000 in funding from the Business and Community Development Programs and Activities is requested (\$480,000 to LRL and \$480,000 to LTUCA) for an initial term of July 1, 2022 to December 31, 2024, with the option to extend the term for an additional two years and allocate additional funding, at the sole discretion of the MSF Board (the “Request”)

Background

On December 8, 2020, MSF approved the statewide Industry 4.0 Initiative with the mission to ensure that 50% of Michigan small and medium-sized manufactures (6,200 businesses) will be prepared to adopt I4.0 technologies by 2025. The I4.0 Accelerator complements existing I4.0 statewide programming provided by Automation Alley, Michigan Manufacturing Technology Center and a network of regional partners.

The I4.0 Accelerator is an economic development program designed to attract, retain and grow Michigan’s advanced manufacturing sector enabled by I4.0 tech experts. Launched in February of 2020, the I4.0 Accelerator has served as a consulting assistance and funding vehicle for early-stage companies as well as established firms looking to commercialize products, services or technologies within the I4.0 sector. The program to date has been successful in attracting new high technology I4.0 businesses to Michigan, growing established I4.0 firms in the State, securing critical value chain partnerships, and orchestrating I4.0 implementations with manufacturers to improve production efficiencies that bring about better throughput, quality, yield, operating costs and energy savings.

The I4.0 Accelerator program is designed to:

- 1) globally attract the best industry 4.0 technology companies in the world;
- 2) retain and grow promising Michigan based I4.0 technology companies;
- 3) connect these I4.0 technology companies to Michigan manufacturing firms to help improve their operational efficiencies; and
- 4) connect these I4.0 technology firms to Michigan based system integrators and others in the manufacturing value chain to growth their business through appending I4.0 technology to their existing portfolio of capabilities in an effort to strengthen the regional I4.0 cluster.

LRL and LTUCA co-lead the I4.0 Accelerator program connecting promising I4.0 technology companies to Michigan manufacturers. These organizations meet regularly with corporate manufacturing partners, specifically their I4.0 technology scouts, advanced manufacturing R&D and operational efficiency teams

to provide their problem statement and innovation interest focus areas. Then I4.0 technology solutions are recommended that match those problem statements and needs. The I4.0 Accelerator has now secured over 30 corporate manufacturing partners including Magna, Whirlpool, DENSO, Bosch, Lear, Faurecia, Siemens, etc.

To date, the I4.0 Accelerator has had over 400 startup applications from 36 countries, with more than 50 I4.0 attraction candidates. The Accelerator has successfully attracted eight I4.0 technology companies to Michigan, facilitating 34 demonstration projects with Michigan manufacturers and creating over 100 jobs.

Projected outcomes as a result of this award:

- 30+ new companies created or attracted to Michigan
- 100 clients provided with tactical and deep level services
- 150 jobs created
- 1,000+ of jobs retained and positively supported across the manufacturing value chain
- \$32.5 million in new client capital
- \$12 million in contracts to Michigan suppliers
- 50 industry proof of concept projects with Michigan manufacturers and strategic partners

Budget:

Line Item	2022	2023	2024	Total
Project Management and Operations	\$70,000	\$140,000	\$140,000	\$350,000
Manufacturing Entrepreneur's in Residence (MEIR)	\$60,000	\$120,000	\$120,000	\$300,000
Marketing, Communications, Events & Travel	\$30,000	\$60,000	\$60,000	\$150,000
Subtotal	\$160,00	\$320,000	\$320,000	\$800,000
Overhead	\$32,000	\$64,000	\$64,000	\$160,000
TOTAL	\$192,000	\$384,000	\$384,000	\$960,000

2022 = July 1, 2022 through December 31, 2022

2023 = January 1, 2023 through December 31, 2023

2024 = January 1, 2024 through December 31, 2024

Line Item	2022 (partial year)	2023	2024	Total
LTU Centrepolis Accelerator	\$96,000	\$192,000	\$192,000	\$480,000
Lean Rocket Lab	\$96,000	\$192,000	\$192,000	\$480,000
TOTAL	\$192,000	\$384,000	\$384,000	\$960,000

With additional funding, LRL and LTUCA will support the existing statewide network of regional I4.0 implementation grant program awardees to ensure a pipeline of I4.0 technology companies and help them match these technology companies to problem statements they identify with small to medium sized manufacturers in their respective regions.

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-172**

INDUSTRY 4.0 ACCELERATOR GRANTS

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

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

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

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

WHEREAS, the MEDC recommends that the MSF Board approve the following grants to develop and support a robust ecosystem of Industry 4.0 technology companies in Michigan and facilitate connections to Michigan small manufacturers:

Grantee	Amount	Term
Lean Rocket Lab	\$480,000	7/1/2022-12/31/2024 With option to extend 2 additional years
Lawrence Technological University – Centrepolis Accelerator	\$480,000	7/1/2022-12/31/2024 With option to extend 2 additional years

(collectively, the “Industry 4.0 Accelerator Grants”); and

WHEREAS, the MSF Board wishes to approve the Industry 4.0 Accelerator Grants.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Industry 4.0 Accelerator Grants; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the Industry 4.0 Accelerator Grants and to execute all documents necessary to effectuate the Industry 4.0 Accelerator Grants, consistent with the terms of this Resolution.

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the consent agenda on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, October 25, 2022.

The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-161**

**APPROVAL OF THE OCTOBER 25, 2022 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

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

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

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

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

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

Consent Agenda Items:

- a. Proposed Meeting Minutes: October 5, 2022
- b. 2023 MSF Board Meeting Dates
- c. Bridgewater Interiors: MBDP Amendment
- d. Bridge and Stocking: MCRP Amendment
- e. Oliver Towers – MCRP Amendment
- f. Pre-Seed III Funding: MSU Foundation – Michigan Rise
- g. MTRAC Life Sciences – University of Michigan: Funding Request
- h. MTRAC AgBio – Michigan State University: Funding Request
- i. MTRAC FY2023: Funding Allocation
- j. T3N Program – University of Michigan: Funding Request
- k. City of Escanaba 2021: CDBG WRI Amendment
- l. City of Rogers City 2021: CDBG WRI Amendment
- m. Industry 4.0 Accelerator Contract

Ayes: Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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Sincerely,

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



October 25, 2022

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

Dear Ms. Hoag,

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The reason for my recusal is that I have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

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

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



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Paula Holtz, Senior Community Development Manager, Region 9
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Program Specialist, CD Incentives

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant and Request for Approval of an Act 381 Work Plan
Chelsea Rockwell LLC and County of Washtenaw Brownfield Redevelopment Authority (BRA) – Rockwell Building Redevelopment

Project Summary & Request

The request will support a community development project located in the city of Chelsea that will rehabilitate a three-story, 43,752 square foot building that is functionally obsolete, representing over \$8.8 million in total capital investment. The project, upon completion, will create 51 new residential units on this 0.33-acre site. The three-story brick Chelsea Rockwell building was constructed in 1909 and has been vacant for 34 years. The building operated as a stove manufacturing warehouse and was used over the decades for other manufacturing uses. This building is located within the Chelsea Commercial Historic District (The Chelsea Clocktower Plaza), a mixed-use development within the Chelsea DDA District. This project is residential only and will create 51 apartments; 20 studios, 22 one-bedroom and nine two-bedroom units. This project is consistent with the recommendations in the City's 2019 Master Plan and a Target Market Analysis conducted in 2015, which identified the potential for the absorption of 250-675 new moderate to upscale housing over the next five years, with very few having been built.

PROJECT SUMMARY	
Project Eligibility	Functionally Obsolete
Total Approximate Square Feet Revitalized	43,752
Total Approximate Acres Activated	0.33
Estimated # of Residential Units	51
Estimated Commercial Square Footage	0
Current Taxable Value	\$86,380
Projected Taxable Value at Completion	\$2,000,000
Total Anticipated Capital Investment	\$8,842,179
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$239,891
MCRP Grant Request	\$1,500,000



This project has been identified as a top priority for the City of Chelsea, a Redevelopment Ready Communities engaged community, and they are supporting the development with local TIF, and a Commercial Rehabilitation Act tax abatement valued at \$658,000. The project activates a long-vacant, underutilized, and historic industrial building and will be a catalytic project in the heart of downtown Chelsea.

SHPO has reviewed the project design and determined it will have no negative impact.

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

Act 381 of 1996 (“the Act”), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing MSF Program Guidelines (“Brownfield TIF”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF Guidelines and programmatic requirements, and a financial review has been completed.

Demonstrated Needs

Costs to redevelop this functionally obsolete industrial building into new modern housing units are substantially combined with market rental rates in downtown Chelsea that are not high enough to support the value and corresponding debt required to activate this important downtown building. Without MCRP support, this project’s ability to create housing units and activate a long vacant significant property in downtown Chelsea would not be financially feasible. The developer is contributing 12% equity, has maximized bank financing, has obtained an EGLE grant and will utilize a work plan for eligible environmental costs. Even with MCRP support, the projected return over a 20-year time horizon is a modest 6.8%.

Local Support

The City of Chelsea is supporting the development with a Commercial Rehabilitation Act tax abatement valued at approximately \$658,000 and is also supporting the project with the local portion of the Brownfield Tax Increment Financing valued at approximately \$410.

Applicant Background / Qualifications

Chelsea Rockwell LLC is a single purpose LLC created specifically for this project with Dale Inman and Ethan LaVigne as the managing partners. Dale Inman has spent almost the entirety of his 40+ year career in development and is a managing partner with Wolf River Development, LLC, which has completed two Act 381 projects that received MSF support. The first project, 550 East Grand River/Wolf River II was approved in 2012, receiving state TIF reimbursement in the amount of just over \$98,000. The most recent project, approved in 2017, was awarded \$1,013,470 in state brownfield TIF to support 409 on Nine in Ferndale, a mixed-use project in downtown Ferndale. Ethan LaVigne has owned and operated a small construction company of his own since the early 2000's, has been rehabilitating houses in the Flint/Genessee region and most recently has been stabilizing a commercial building in south Flint.

An organizational chart for Chelsea Rockwell LLC is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Financial Highlights

- Construction cost per square foot is \$170.77.
- Rental rates are projected at \$1,150 for Studio units, \$1,475 for one-bedroom units and \$1,625 for two-bedroom units, with an average of \$2.05 per square foot.
- Projected debt service coverage ratio is 1.21 to 1.0 with a 30-year average of 1.22 to 1.0.
- Owner equity contribution of approximately \$1,079,000 or just over 12%, senior debt of \$5,800,000 or roughly 65%, and an EGLE grant of \$463,140.
- Developer return over a 20-year timeframe is projected at 6.8%.

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

An MSF Eligible Activities and Tax Capture Summary are included in Appendix D.

Recommendation

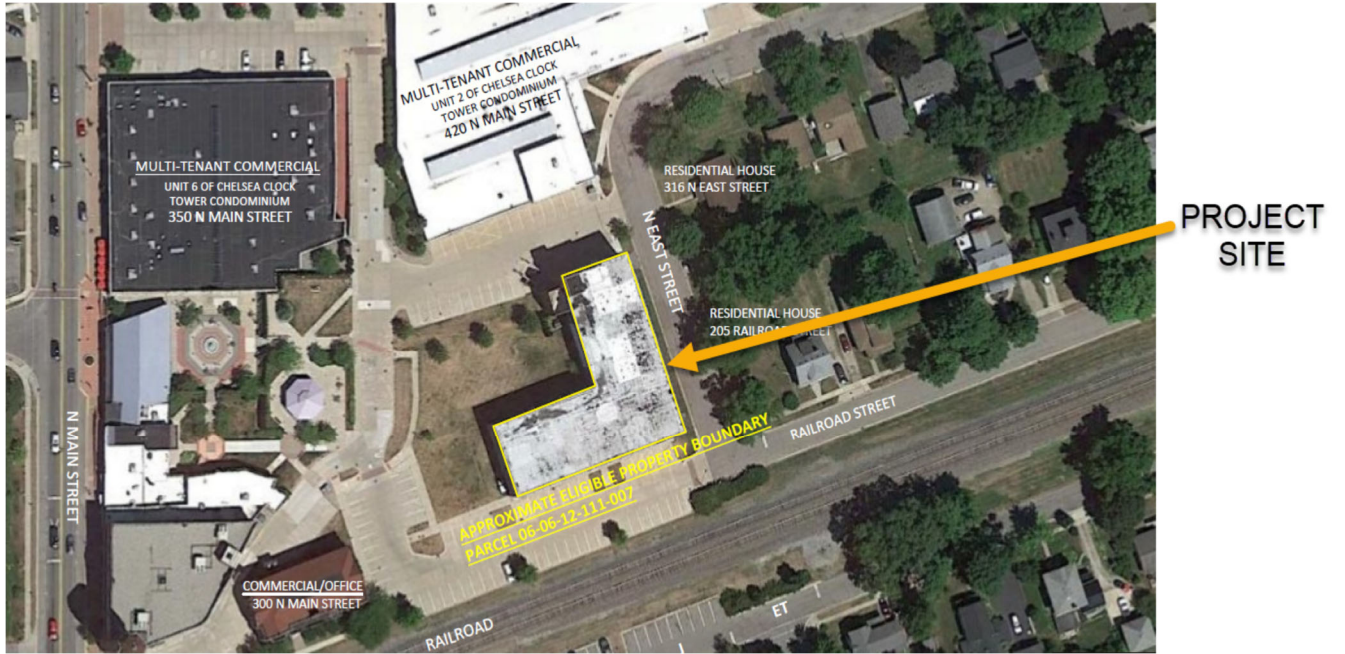
MEDC staff recommends approval of the following (the "Recommendation"):

- a) State tax capture for Act 381 eligible activities capped at \$239,891, utilizing the current state to local capture ratio.
- b) A MCRP performance-based Grant in an amount up to \$1,500,000 for Chelsea Rockwell LLC.

APPENDIX A – Organizational Chart

Organizational Structure				
Company Name:		Chelsea Rockwell, LLC		
Employer Identification Number:		86-2470219		
MANAGER:		Dale Inman/Ethan LaVigne		
Member		Ownership Interest	EIN number	State of Organization
Member/Company name and manager		Totals	86-2470219	Michigan
Dale Inman	24.50%			
Ethan LaVigne	24.50%			
Justin McFarland	4%			
Aaron Dion	4%			
Tom Bell	3%			
Steven Brown	4%			
William Loyall	6%			
David Armstrong	2%			
Mick Kronberg	6%			
Cathy Breitbach	4%			
Daniel LaVigne	3%			
Michael Neubauer	5%			
Kurt Neubauer	5%			
Casie Thomas	5%			
		100.00%		
Guarantors	Amount of Guarantee			
Kurt Neubauer	33%			
Michael Neubauer	33%			
Casie Thomas	33%			

APPENDIX B – Project Map and Renderings
Project map and renderings



APPENDIX C – Financial Terms

Summary of Development Sources:

Bank Debt	\$	\$5,800,000	65.60%
MSF Grant	\$	1,500,000	16.96%
EGL Grant	\$	463,140	5.24%
Developer Equity	\$	1,079,039	12.20%
TOTAL	\$	8,842,179	100.00%

Summary of Development Uses:

Acquisition	\$	630,000
Hard Construction Costs	\$	7,471,429
Eligible Soft Costs	\$	360,000
Other	\$	380,750
TOTAL	\$	8,842,179

Grant Terms

- MSF Incentive:** MCRP Performance Based Grant
- Grantee:** Chelsea Rockwell LLC
- Total Capital Investment:** Currently estimated at \$8,842,179
- MSF Eligible Investment:** Currently estimated at \$7,207,367
- Minimum Eligible Investment:** Currently estimated at \$5,765,900
- MSF Share:** Up to the lesser of 25% of “Eligible Investment” or \$1,500,000.
- Other Conditions:** If requested by Lender, MSF may allow for the assignment of the Grant rights and responsibilities to the Lender, per section 8.8 of the Grant Agreement.

APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the Washtenaw County Brownfield Redevelopment Authority on behalf of the City of Chelsea, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on May 19, 2021. The property has been deemed functionally obsolete as verified by a Michigan Advanced Assessing Officer (MAAO) on March 17, 2021.

There are 60.70840 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.00000 mills (39.53%) and local millage equaling 36.70840 mills (60.47%). Tax increment capture will begin in 2023 and is estimated to continue for 7 years. The state tax capture is recommended to be capped at \$239,891, which is the amount of tax increment revenue anticipated to be generated in 7 years. The tax capture ratio is impacted by the Commercial Rehabilitation Act tax abatement and the blended ratio is identified below. Total MSF eligible activities are estimated at \$511,027. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(99.83%)	\$	239,891
Local tax capture	(0.17%)	\$	410
TOTAL		\$	240,301

Cost of MSF Eligible Activities

Demolition	\$	84,525
Lead, Asbestos, or Mold Abatement		82,845
Sub-Total	\$	167,370
Contingency (15%)	+	25,105
Sub-Total	\$	192,475
Interest (4%)	+	27,826
Sub-Total	\$	220,301
Brownfield/Work Plan Preparation	+	18,000
Brownfield/Work Plan Implementation	+	2,000
TOTAL	\$	240,301

In addition, the project is requesting \$5,493 in TIF from EGLE to assist with environmental eligible activities.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:

The Washtenaw County unadjusted jobless rate was 3.5% in August 2022.

B. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:

The Chelsea Rockwell development project reuses and repurposes a large vacant former industrial building in downtown Chelsea that has been deemed by the City of Chelsea as Functionally Obsolete.

C. Whether project will create a new brownfield property in the State:

No new Brownfields will be created by this project.

MCRP Programmatic Requirements

MCRP Program and Guidelines

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

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

A. The importance of the project to the community in which it is located:

Once complete, the Chelsea Rockwell Development will contribute to the vibrancy, density, and walkability of downtown Chelsea through the creation of fifty-one (51) market-rate downtown residential units. This project is a priority for the City of Chelsea because it is reactivating vacant, functionally obsolete space, and creating much-needed downtown residential housing. The completion of this project directly meets the goals as identified in the City's 2019 Master Plan and a Target Market Analysis conducted in 2015, which identified the potential for the absorption of 250-675 new moderate to upscale housing over the next five years, with very few having been built.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:

This proposed project is an adaptive reuse of a former industrial building. It will act as a catalyst for additional revitalization within the community by creating residential density and enabling additional residents to live directly within the downtown community.

C. The amount of local community and financial support for the project:

This project has been identified as a top priority for the City of Chelsea, a Redevelopment Ready Communities engaged community, and they are supporting the development with local TIF, and a Commercial Rehabilitation Act tax abatement valued at \$658,000. The project activates a long-vacant and underutilized historic industrial building and will be a catalytic project in the heart of downtown Chelsea.

D. The applicant's financial need for a community revitalization incentive:

The cost to rehabilitate a long vacant, functionally obsolete industrial property into modern residential units is substantial. In addition, market rental rates in downtown Chelsea are not high enough to support the value and corresponding debt required to activate the subject property. The developer has maximized all other available financing sources including senior debt at \$5,800,000, an EGLE grant and Brownfield TIF, and is contributing 12% equity. Even with MCRP support, the projected return over a 20-year time horizon is a modest 6.8%. Without MCRP support, this project's ability to create housing units and activate a long vacant significant property in downtown Chelsea would not be financially feasible.

E. The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:

The Chelsea Rockwell development project reuses and repurposes a large vacant former industrial building in downtown Chelsea. The project is not qualifying as historic or blighted. This project fits into the MEDC's community development priorities as it pertains to the revitalization of a community's historic downtown.

F. Creation of jobs:

This redevelopment will result in the creation of 4 full-time equivalent (FTE) jobs at an average wage of \$20.00 per hour. Job projections include a mix of property management, leasing, and maintenance positions.

G. The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:

The project has been able to secure senior bank financing in the amount of \$5,800,000 and an owner investment of \$1,079,039 for total private investment of \$6,879,039. There is no federal funding associated with this project.

H. Whether the project is financially and economically sound:

The projected debt service coverage ratio is 1.21 to 1.0 with a 30-year average of 1.22 to 1.0. The development team is contributing equity of approximately \$1,079,000 or 12% and bank financing has been maximized at \$5,800,000. Staff considers the project to be financially and economically sound.

I. Whether the project increases the density of the area:

The project will not expand the existing building footprint. The Chelsea Rockwell development project increases the density of the area by creating fifty-one (51) new market-rate apartments.

J. Whether the project promotes mixed-use development and walkable communities:

This project promotes a walkable community by renovating a three-story former industrial building and by creating fifty-one (51) residential apartments. This project fosters and improves a walkable community by creating new enhanced residential living spaces in a downtown development area and will increase foot traffic in the surrounding downtown area.

K. Whether the project converts abandoned public buildings to private use:

This project converts a portion of the Glazier Stove Works manufacturing site to a residential multi-family development. The ownership prior to this project was private.

L. Whether the project promotes sustainable development:

This development rehabilitates a building from the early 1900s and proposed construction activities will reuse building elements to reduce landfill waste. The project is located within Chelsea's downtown district, reducing needs for additional infrastructure to support the development. The building will incorporate energy efficient appliances and fixtures. LED lighting is planned for the entire building as well as state-of-the-art energy efficient HVAC systems.

M. Whether the project involves the rehabilitation of a historic resource:

This project involves the rehabilitation of a former industrial building, built in 1909, located within the Chelsea Commercial Historic District. This project rehabilitates a historic resource and the State

Historic Preservation Office has been consulted and determined that the project will have no adverse effect.

N. Whether the project addresses area-wide redevelopment:

The project is a critical element to the area-wide redevelopment of downtown Chelsea. The proposed redevelopment creates much-needed downtown residential housing.

O. Whether the project addresses underserved markets of commerce:

This project will address the underserved residential market in the city of Chelsea. The city has not had any significant residential development in the downtown area for many years. Washtenaw County is currently experiencing a shortage of modern and affordable housing options and this project will assist in addressing that need.

P. The level and extent of environmental contamination:

The property is qualifying as a facility and functionally obsolete. Appropriate environmental assessment has been conducted to evaluate the property conditions and potential exposure pathways to human health, safety, and the environment, however, additional due care investigative activities are required to provide design considerations for a proposed vapor mitigation system. A \$463,140 Brownfield Grant has been awarded by EGLE and eligible EGLE Department Specific Activities will be conducted under the grant program.

Q. If the rehabilitation of the historic resource will meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67):

The property is not qualifying as a historic resource. It is qualifying as functionally obsolete.

R. Whether the project will compete with or affect existing Michigan businesses within the same industry:

The project will add new residential units and is not anticipated to compete with or affect existing Michigan businesses within the same industry.

S. Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter:

There are no additional criteria pertinent to this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-173**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
GRANT AWARD TO CHELSEA ROCKWELL LLC**

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

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

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

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

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

WHEREAS, Chelsea Rockwell LLC (the “Company”) has requested a performance-based Grant of up to \$1,500,000 (the “Award Request”), along with other general terms and conditions; and

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

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-174**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
COUNTY OF WASHTENAW BROWNFIELD REDEVELOPMENT AUTHORITY
ROCKWELL BUILDING REDEVELOPMENT**

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

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

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

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

WHEREAS, the County of Washtenaw Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated September 7, 2022 for property located at 301 N. East Street within the City of Chelsea, known as Rockwell Building Redevelopment (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 99.83% to .17% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of demolition and lead, asbestos, or mold abatement as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of

the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$192,475 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$27,826 in interest, a maximum of \$18,000 for brownfield and work plan preparation, and a maximum of \$2,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$239,891.

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: October 25, 2022

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

From: Erik Wilford, Senior Business Development Project Manager
Louis Vinson, Senior Program Specialist, Community Development Block Grant
Greg West, Program Manager, Community Development Block Grant Program

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

Request

- This is a request from the Township for (collectively, the “Incentive Request”):
 - The Township is requesting \$2,267,400 in CDBG funds for water infrastructure costs to support the Company’s workforce housing (the “Project”) located in Oceana County, Michigan.
 - The Township is requesting an additional \$27,000 in CDBG funds to provide administrative services to assist with the compliance and administrative requirements of the award.
- The Project involves a capital investment of up to \$3,194,400 in the Township of Shelby, Oceana County and the retention of 52 rental units. Peterson Farms, Inc. (the “Company”) has agreed that at least 27 of the 52 rental units are inhabited by low to moderate income persons.

Background

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

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

deemed a necessary correction by the Michigan Department of Environment, Great Lakes, & Energy (EGLE).

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

If this proposed solution is not funded and implemented, the units will be evacuated and no longer used as housing. This not only will cause a total of 173 low and moderate income adults and children to lose affordable shelter, but also further strain the county's already insufficient housing inventory. The intended immediate outcome of this infrastructure project is to sustain 52 viable affordable housing units. Shelby Township has identified low to moderate income housing as the number one strategic initiative based on the current need.

The affordable housing shortage for the low income is an issue across the state and the nation. The housing development that will be served by this water service extension project has already been shared as a best practice housing model to employers throughout the state and business groups. Long-term business and residential development along the expansion route will also be positively impacted by this rural infrastructure project.

Considerations for CDBG

Program specific requirements and screening guidelines are addressed in **Appendix A**.

Project area map is provided in **Appendix B**.

Recommendation

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

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

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

- **National Objective:**
This Project qualifies for CDBG funding as the project activities are expected to result in the retention of 52 rental units over the next two years. The business has agreed that at least 27 of the 52 rental units are inhabited by low to moderate income persons. The Project meets a national objective by providing benefit to at least 51 percent low and moderate income persons.
- **Eligible Activity:**
This Project involves eligible activities identified in Section 105(a) (4) of Title I of the Housing and Community Development Act of 1974, as amended.

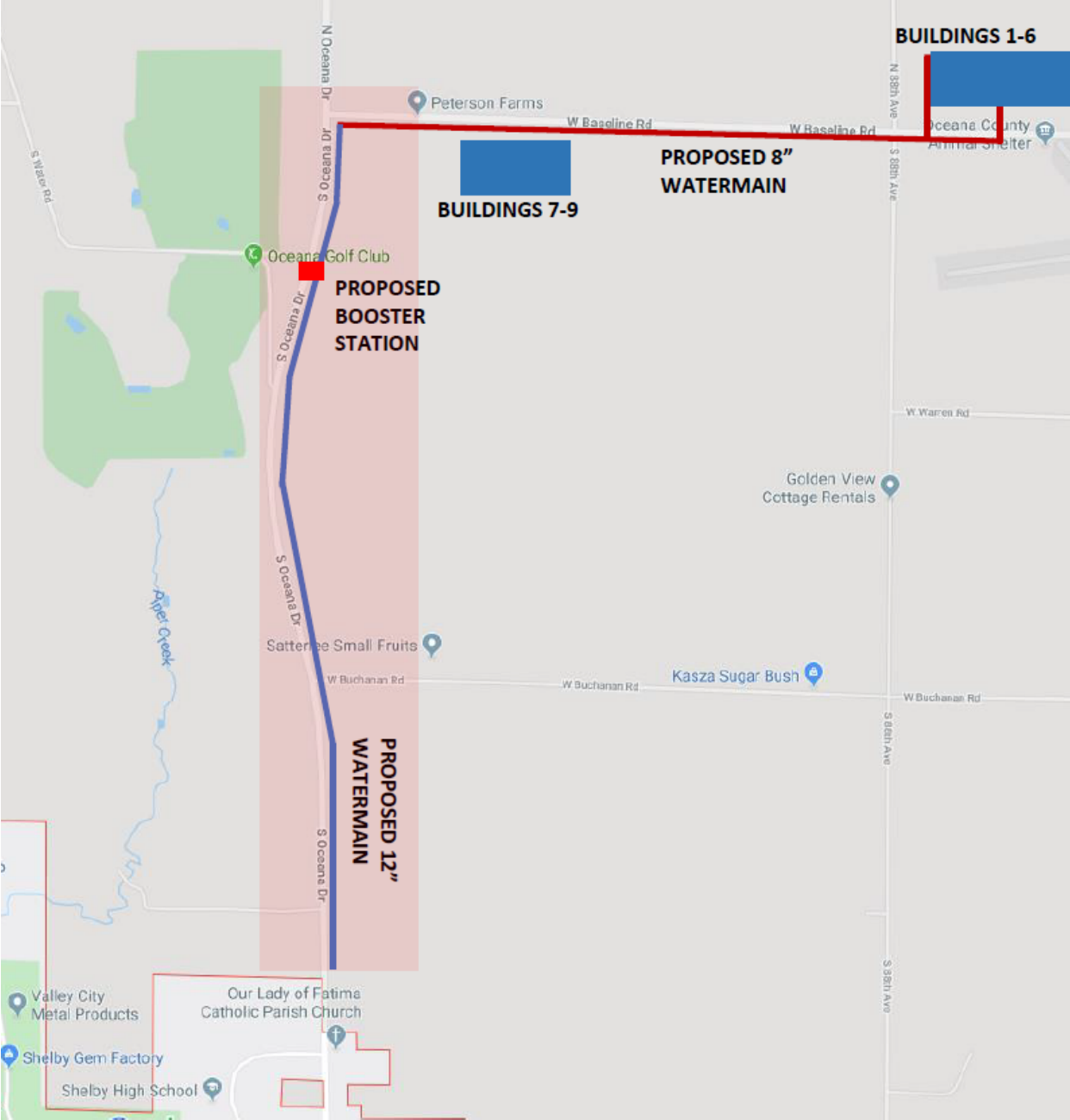
Screening Guidelines

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

- **Economic Impact:** The economic impact of this Project was evaluated. It was determined that the proposed facility is in a geographically disadvantaged area which is where the Company draws some of its new talent. The availability of affordable housing provides a community benefit. The project represents a diversification of the economic base of the local and state economy and provides benefit to current local businesses.
- **Minimum Local Participation:** The Township of Shelby will support the Project with staff time and resources.
- **Financial Viability:** The business receiving the benefit from this project has been determined to be financially viable.
- **Background Check:** A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

The MEDC staff has concluded that the Project meets the minimum program requirements and screening guidelines to be eligible under the CDBG program.

APPENDIX B – Project Area Map



MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-175**

APPROVAL OF SHELBY TOWNSHIP’S INFRASTRUCTURE PROJECT

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus Aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, Shelby Township (the “Township”) has requested CDBG grant funds in the amount of \$2,267,400 for the extension of water infrastructure and an additional \$27,000 in CDBG funds for administrative services, (the “Request”);

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

WHEREAS, staff recommends approval of the Request and execution of the grant agreement, within 120 days of the date of this Resolution 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, (the “Time Period”) (collectively, the “CDBG Request”); and

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

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Paula Holtz, Senior Community Development Manager
Gregory West, Program Manager, Community Development Block Grant Program
Amy Schlusler-Schmitt, Senior Program Specialist, Community Development Block Grant Program

Subject: Community Development Block Grant Program
2022 Public Gathering Spaces Grants

Request

Seven (7) units of general local government (the “UGLG”) are requesting a total of \$4,805,160 in Community Development Block Grant (“CDBG”) Coronavirus Aid, Relief, and Economic Security (CARES) Act funds for the expansion and creation of public gathering spaces in their communities. In addition, MEDC staff is requesting up to \$350,000 in CDBG CARES funds to provide administrative services to assist these communities with the compliance and administrative requirements of the awards.

Background

On December 2, 2021, the MSF Board approved the Public Gathering Spaces Initiative and allocated \$5,000,000 in CDBG funds. In early February of 2022, the CDBG Program opened a Public Gathering Spaces competitive funding round in the amount of \$5,000,000. The Public Gathering Spaces Initiative is funding improvements intended to increase the usability, accessibility, and seasonality within new or existing community spaces on publicly owned property, utilizing CDBG CARES funding. Examples of projects recommended for funding include improvements to parks, town squares, and playgrounds. The CDBG Program received 33 applications, totaling \$29 million in requests.

Program specific requirements and screening guidelines are addressed in **Appendix A**.

A list of the seven (7) recommended projects is attached as **Appendix B** to this resolution and totals \$4,805,160. The list includes the CDBG applicants, percentage of low- and moderate-income people living in the community, grant amount requested and local match commitment.

Recommendation

MEDC Staff recommends the MSF to authorize:

- A total of \$4,805,160 in CDBG CARES funds for construction of public gathering spaces; and
- Up to \$350,000 in CDBG CARES funds for administrative services.

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The projects were evaluated utilizing the CDBG requirements. It has been determined that the projects meet the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
The projects qualify for CDBG funding as the project’s activities will benefit all residents of the project area and at least 51 percent of the residents of the community are low- and moderate-income persons as determined by census data provided by the U.S. Department of Housing and Urban Development, or an income survey previously approved by staff. The projects meet a national objective by providing benefit to at least 51 percent low- and moderate-income persons.
- **Eligible Activity:**
The projects involve eligible activities identified in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended.
- **CDBG Coronavirus Aid, Relief, and Economic Security (CARES) Act Eligibility:**
Buildings and Improvements, Including Public Facilities: Construct a public facility, such as a park, serving an LMI area, to provide suitable outdoor fitness, and social space where insufficient facilities are available to support social distancing guidance.

Screening Guidelines

All recommended projects have met the following criteria:

- Located in a Community listed on the CDBG Low-Moderate Income Community Customer list and the project benefits the entire community.
- Shall be to install permanent infrastructure or amenities required for the successful creation and/or operation of a public gathering space.
- Incorporates the basic tenets of Universal Accessibility design elements that enable public spaces to comply with the Americans with Disabilities Act (ADA) and create welcoming public spaces for residents of all abilities.
- Located on municipally owned property that demonstrates the ability to meet that LMI Area-Wide Benefit National Objective.
- Community is contributing a minimum cash match equal to 10% of total project costs.
- Community demonstrated a management/maintenance plan for the proposed project for its useful life.
- Timeline of project to be completed by December 31, 2024.
- Grant request between \$200,000 and \$1,000,000. (One grant request per community)

The MEDC staff has concluded that the projects meet the minimum program requirements and screening guidelines to be eligible under the CDBG program.

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-176**

APPROVAL OF 2022 PUBLIC GATHERING SPACES PROJECTS

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, on December 7, 2021, by Resolution 2021-156, the MSF Board approved the Public Gathering Spaces Initiative and screening guidelines;

WHEREAS, seven units of general local governments (the “UGLG”), a list of the UGLG is attached to this resolution, have requested \$4,805,160 in CDBG CARES funding from the 2022 Public Gathering Spaces project (the “Projects”);

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus Aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, the CDBG program staff reviewed the Projects (“Project”) in light of the Criteria and HUD regulations and concluded the activities are eligible;

WHEREAS, staff recommends approval of the Projects and an additional \$350,000 in CDBG CARES funds for administrative services (collectively, the “Request”); and

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

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022

**Community Development Block Grant Program
 Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds
 2022 Public Gathering Spaces Grants
 Recommended Projects**

Applicant/Communities	Percent Low/Mod	CDBG Request	Total Local Match
City of Big Rapids	64.79%	\$1,000,000	\$599,000
City of Ionia	67.68%	\$440,000	\$110,000
City of McBain	57.76%	\$750,000	\$150,000
City of Roscommon	74.88%	\$919,870	\$184,100
Village of Calumet	73.72%	\$280,000	\$31,538
Village of Kingsley	59.7%	\$1,000,000	\$111,000
Village of Shelby	57.59%	\$415,290	\$138,430
		\$4,805,160	\$1,324,068



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

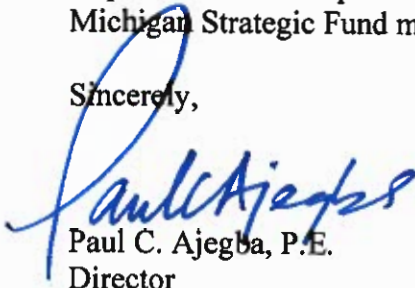
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: October 25, 2022

To: Michigan Strategic Fund Board

From: Gregory West, Program Manager, Community Development Block Grant Program

Subject: Community Development Block Grant Program
2022 Water Related Infrastructure Grants

Request

Nine (9) units of general local government (the “UGLG”) are requesting a total of \$14,777,963 in Community Development Block Grant (“CDBG”) funds for infrastructure improvements in their communities. In addition, MEDC staff is requesting up to \$450,000 in CDBG funds to provide administrative services to assist these communities with the compliance and administrative requirements of the awards.

Background

On October 26, 2021, the MSF Board approved \$15,000,000 in CDBG funds for an infrastructure funding round, as a part of the Fiscal Year 2022 budget allocation.

On March 14, 2022, the CDBG Program opened a Water Related Infrastructure competitive funding round in the amount of \$15,000,000. Activities eligible for funding included upgrades or replacement of existing public infrastructure related to water, sewer and wastewater systems. These activities included: water lines and related facilities; sanitary and storm sewer lines and related facilities; and wastewater treatment plants and related activities, with only road replacement activities related to these activities being eligible. The CDBG Program received forty-four (44) infrastructure applications requesting a total of \$65,935,562.

Program specific requirements and screening guidelines are addressed in **Appendix A**.

A list of the nine (9) recommended projects is attached as **Appendix B** to this memorandum and totals \$14,777,963. The list includes the CDBG applicants, percentage of low- and moderate-income people living in the community, grant amount requested and local match commitment.

Recommendation

MEDC Staff recommends the MSF to authorize;

- A total of \$14,777,963 in grants to nine UGLG for infrastructure improvements; and
- Up to \$450,000 for administrative services.

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The projects were evaluated utilizing the CDBG requirements. It has been determined that the projects meet the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
The projects qualify for CDBG funding as the project’s activities will benefit all residents of the project area and at least 51 percent of the residents of the community are low- and moderate-income persons as determined by census data provided by the U.S. Department of Housing and Urban Development or an income survey previously approved by staff. The projects meet a national objective by providing benefit to at least 51 percent low- and moderate-income persons.
- **Eligible Activity:**
The projects involve eligible activities identified in Section 105(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended.

Screening Guidelines

All recommended projects have met the following criteria:

- Located in a Community listed on the CDBG Low-Moderate Income Community Customer list and the project benefits the entire community.
- Shall be for an existing system capital replacement or upgrade, not system maintenance.
- Community has a locally approved Capital Improvements Plan (CIP) and the proposed project is specifically identified within the CIP as a non-maintenance capital expenditure.
- Includes only eligible CDBG activities and Community owns or can acquire easement to the property encompassing the project.
- Community is contributing a minimum cash match equal to 10% of total project costs.
- Communities demonstrated a management/maintenance plan for the proposed project for its useful life.
- Timeline of project to be completed by December 31, 2024.
- Grant request between \$500,000 and \$2,000,000. (One grant request per community)
- Community had a set of project plans and specifications.

The MEDC staff has concluded that the projects meet the minimum program requirements and screening guidelines to be eligible under the CDBG program.

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-177**

APPROVAL OF 2022 WATER RELATED INFRASTRUCTURE PROJECTS

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

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

WHEREAS, the CDBG Program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF Board, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants and \$15,000,000 in CDBG funds for an infrastructure funding round;

WHEREAS, on March 14, 2022, the CDBG Program opened a Water Related Infrastructure competitive funding round and received forty-four applications (the “Applications”);

WHEREAS, the CDBG Program staff reviewed the Applications in light of the Criteria and HUD regulations and concluded that nine of the Applications are eligible projects (the “Recommended Projects”);

WHEREAS, CDBG Program staff recommends approval of the Recommended Projects listed in Appendix B attached hereto and an additional \$450,000 in CDBG funds for administrative services (collectively, the “Request”); and

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

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022

**Community Development Block Grant Program
2022 Water-Related Infrastructure Grants
Recommended Projects**

Applicant/Communities	Percent Low/Mod	CDBG Request	Total Local Match
City of Clare	56.56	2,000,000	770,790
City of Ewart	73.27	755,250	251,750
City of Dowagiac	62.78	1,140,000	380,000
City of Hillsdale	58.56	2,000,000	680,000
City of Imlay City	62.59	1,768,913	965,316
City of Iron River	62.72	1,363,800	455,000
City of Lapeer	64.06	2,000,000	2,235,000
City of Reading	62.92	1,750,000	1,164,674
City of Reed City	63.28	2,000,000	670,000
		\$14,777,963	\$7,572,530



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: October 25, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jeremy Webb, Interim Managing Director, Business Development Projects
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
Magna Seating of America, Inc. (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$2,900,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 490 Qualified New Jobs and a capital investment of up to \$3,772,000 in the City of Highland Park, Wayne County.

Applicant History

The Company’s parent, Magna International, Inc. group of companies (“Magna”), has had deep roots in the auto industry going back to 1957 when they began working with General Motors. Today, Magna is a global automotive supplier that makes everything from seats to powertrains and is the only auto supplier to build complete vehicles. Magna’s products include body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting, and roof systems. The products they manufacture can be found on most vehicles today. Magna also has electric and software capabilities across many of these areas.

Magna’s organizational structure includes several separate entities as well as divisions within each entity that operate independently from each other. Magna has four operating segments: body, exteriors and structures; power and vision; seating systems; and complete vehicles. Each operating segment is overseen by the Magna Executive Management team. Operating segment activities are conducted through divisions, which are autonomous business with separate profit centers under the authority of a general manager. The general manager has the discretion to determine rates of pay, hours of work and sources of supply. The processes and products are separate and distinct and in many cases Magna divisions compete against each other for new products and business. In total Magna has 341 manufacturing operations and 89 product development, engineering, and sales centers in 28 countries with over 161,000 employees worldwide, of which 35 facilities and more than 10,000 employees are located in Michigan.

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

Project Description

The Company is looking to lease a 114,000 square foot facility for six years. The Company will be assembling seat frames and insourcing the trim and foam assembly. The project will require the Company to bring in new assembly equipment for the frame lines and redeploy equipment from its sub supplier. This will be a three-shift operation and bring on an additional 490 employees.

The Company is considering Highland Park for the project and anticipates the project will result in capital investment of up to \$3,772,000. The project will also result in the creation of up to 490 new jobs paying an average wage of over \$700 per week plus benefits in a geographically disadvantaged area.

The Company understands that employees feel more engaged when their employer is concerned about their growth and provides avenues to reach individual career goals. Each employee at the Company has access to check for internal job listings, training opportunities, and a career development path to enhance their skills and knowledge, leading to mastery of their current jobs, promotions, and transfers to new or different positions. The employee skillsets and interests will determine which optional path within the company they can take. The Company provides medical, dental, and vision insurance; short-term and long-term disability benefits; employee profit sharing program; 401(k) with company match; paid vacations and holidays. The Company utilizes Michigan Works to reach local talent.

Demonstrated Need

The Company is considering its facility in Tennessee as Magna has an existing manufacturing facility and capacity in Tennessee. Tennessee offers various financial incentives to help support investments, job creation, and training. Some of its incentives include FastTrack Job Training Assistance, FastTrack Economic Development Fund, Job Tax Credit, Enhanced Job Tax Credit, Industrial Machinery Tax Credit, and Sales & Use Tax Exemptions.

Michigan is Magna's U.S. corporate home and the state with their largest U.S. footprint. Magna operates 35 facilities in the State of Michigan and employs more than 10,000 Michiganders. While Magna remains committed to Michigan, incentive assistance is necessary to make the expansion in Michigan a competitive decision.

In addition to MSF support, the City of Highland Park anticipates approval of a real property tax abatement in support of the project.

Request

In order to secure the project, the Applicant is requesting a \$2,900,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also impact the local region with immediate job growth with a large and expanding automotive supplier. This facility will result in the creation of up to 490 new jobs and up to \$3,772,000 in capital investment in the City of Highland Park, Wayne County. Adding 490 new jobs to a geographically disadvantaged area in the State of Michigan would further solidify the Company's presence and future business in the state.

Under the MSF Act, the MSF Board has the ability to determine which entity (or entities) it deems to be the qualified business. In this case, it could be the complete Magna umbrella of 35 facilities and 10,000+ employees in the state, just the Company, or any other combination thereof. The qualified business must maintain the number of jobs the qualified business had in the state prior to the expansion or investment is the base employment level (the "Base Jobs") in order to receive disbursement for QNJs. QNJs are those jobs in excess of the Base Jobs.

The Company requests that due to its organizational structure and the fact that the Company will operate independent from other Magna related entities, it, and not Magna, should be deemed the qualified business. However, based on its application, Magna International will be providing 100% of the financing for the project. If the MSF Board approves of the Company's request, the Base Jobs for this project will be zero

rather than the 10,000+ jobs Magna currently has in the state. As such, Magna would be able to eliminate any or all of its jobs within the state and the Company would still qualify for 100 percent of the grant if it created the required QNJs.

The MEDC supports the Company's request to establish the Base Jobs at zero, due to the Company's organizational structure (outlined above) and the nature of the work being completed. For this project, the Company will operate under the Magna Detroit Seating South division that is housed within the seating systems operating group. The Company will have its own management and leadership group with its own payroll system and accounting systems and will fulfill customer requirements under separate programs, terms, and purchase orders separate from other divisions. Additionally, each business entity under a division manufactures products that require a completely different skillset. The skill set required to manufacture this product is unique to the facility and is not commonly available from other Magna operations in Michigan. Since the skills required are very technical and unique it is very unlikely there will be many employees transferred from an existing Michigan business operation to the facility.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-178**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
MAGNA SEATING OF AMERICA, INC.**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, Magna Seating of America, Inc. (“Company”) has requested a performance based MBDP Grant of up to \$2,900,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”) to lease a facility for assembling seat frames and insourcing the trim and foam assembly (the “Project”);

WHEREAS, pursuant to the Guidelines, the Project is eligible as an Innovation MBDP because the Company committed to the creation of at least 490 Qualified New Jobs and the Project falls under motor vehicle parts, an Innovation Industry;

WHEREAS, the MEDC has completed the background check in accordance with the MSF policy, and the Project may proceed for MSF consideration; and

WHEREAS, the MEDC recommends that the MSF Board approve the 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 (collectively, the “MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

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

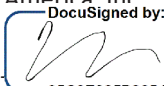
The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Michigan Business Development Program (“MBDP”).


Date: October 11, 2022

- Company Name:** Magna Seating of America, Inc. and/or its affiliates and subsidiaries.
- Project Location:** 12240 Oakland Parkway
Highland Park, Michigan 48203
- MBDP Incentive Type:** Performance Based Grant
- Maximum Amount of MBDP Incentive:** Up to \$2,900,000
- Base Employment Level:** At least zero jobs at the time of first disbursement of funds and thereafter
- Maximum Number of Qualified New Jobs (“QNJ”):** Up to 490 Full-Time Jobs at the Project Location
- Municipality Supporting Project:** City of Highland Park has agreed to provide staff, financial or economic assistance in support of the project.
- Start Date for Measurement of Creation of Qualified New Jobs:** May 16, 2022 (date of accepted offer)
- Term of the Agreement:** **December 31, 2023**
- Milestone Based Incentive:** Disbursements will be made over a one-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
\$5,918.36 per QNJ for the creation of a minimum of **350** jobs up to a maximum of **490** jobs.

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

Acknowledged as received by:

Magna Seating of America, Inc.
DocuSigned by:

 By: _____
35C9E325B365493...
 Printed Name: Jeff Fuller
 Its: Group General Manager
~~Magna Seating~~

Michigan Economic Development Corporation

 By: _____
 Printed Name: Jeremy J. Webb
 Its: Interim Managing Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: October 25, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jeremy Webb, Interim Managing Director, Business Development Projects
Subject: Incentives Request

**Michigan Business Development Program (“MBDP”) Grant Request
Alternative State Essential Services Assessment (“ASESA”) Request
Magna Powertrain of America, Inc. (“Company” or “Applicant”)**

Request Summary

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

- A \$1,300,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”); and
- A 50% ASESA Exemption for up to five years valued at up to \$369,837 for its \$81,678,814 eligible investment in Eligible Personal Property (“ASESA Request”).

This project involves the creation of up to 159 Qualified New Jobs (“QNJ”) and a capital investment of up to \$96,178,814 in Shelby Township, Macomb County.

Applicant History

The Company’s parent, Magna International, Inc. group of companies (“Magna”), has had deep roots in the auto industry going back to 1957 when they began working with General Motors. Today, Magna is a global automotive supplier that makes everything from seats to powertrains and is the only auto supplier to build complete vehicles. Magna’s products include body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting, and roof systems. The products they manufacture can be found on most vehicles today. Magna also has electric and software capabilities across many of these areas.

Magna’s organizational structure includes several separate entities as well as divisions within each entity that operate independently from each other. Magna has four operating segments: body, exteriors and structures; power and vision; seating systems; and complete vehicles. Each operating segment is overseen by the Magna Executive Management team. Operating segment activities are conducted through divisions, which are autonomous business with separate profit centers under the authority of a general manager. The general manager has the discretion to determine rates of pay, hours of work and sources of supply. The processes and products are separate and distinct and in many cases Magna divisions compete against each other for new products and business. In total Magna has 341 manufacturing operations and 89 product development, engineering, and sales centers in 28 countries with over 161,000 employees worldwide, of which 35 facilities and more than 10,000 employees are located in Michigan.

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

Project Description

The Company is looking to lease a 200,000 square foot facility for 10 years with the option to renew. The Company was awarded new business from an existing customer to manufacture internal components for

battery trays of electric vehicles. The Company anticipates production capacity of 13,003,960 units in 2023; 25,988,180 units by 2024; and projected production capacity of 73,773,080 by 2030.

The Company is considering Shelby Township for the project and anticipates the project will result in capital investment of up to \$96,178,814. The project will also result in the creation of up to 159 high-paying new jobs paying an average wage of over \$2,500 per week plus benefits.

All operators will go through extensive training and have opportunities for advancement within the organization. The Company has developed a training program and mentorship program that have been created to support career growth through a Master Operator, Team Leader, or Quality Team Leader. The Company will work with local workforce development organizations to assist with their recruitment efforts. The Company has also put together an executive leadership program, which works directly with local school districts, colleges, universities, and other workforce agencies, to help build out an employment pipeline strategy.

Demonstrated Need

The Company is considering its facilities in Windsor, Ontario as Magna has existing manufacturing facilities and capacity in Windsor. The City of Windsor's Economic Revitalization Community Improvement Plan offers financial incentives to encourage new investments such as the Business Development Grant, Business Retention and Expansion Grant, and Development Charges Grant Program. Windsor also offers available apprenticeship, training, and job creation grants such as the Southwestern Ontario Development Fund, as well as the Ontario Works and Apprenticeship Training Tax Credit.

Michigan is Magna's U.S. corporate home and the state with their largest U.S. footprint. Magna operates 35 facilities in the State of Michigan and employs more than 10,000 Michiganders. While Magna remains committed to Michigan, incentive assistance is necessary to make the expansion in Michigan a competitive decision.

In addition to MSF support, Shelby Township anticipates approval of a real property tax abatement in support of the project.

Request

In order to secure the project, the Applicant is requesting a \$1,300,000 MBDP performance-based grant and a five year, 50% ASESAs. The MBDP Request and ASESAs Request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also impact the local region with immediate job growth with a large and expanding automotive supplier. This facility will result in the creation of up to 159 new jobs and up to \$96,178,814 in capital investment in the Shelby Township, Macomb County.

Under the MSF Act, the MSF Board has the ability to determine which entity (or entities) it deems to be the qualified business. In this case, it could be the complete Magna umbrella of 35 facilities and 10,000+ employees in the state, just the Company, or any other combination thereof. The qualified business must maintain the number of jobs the qualified business had in the state prior to the expansion or investment is the base employment level (the "Base Jobs") in order to receive disbursement for QNJs. QNJs are those jobs in excess of the Base Jobs.

The Company requests that due to its organizational structure and the fact that the Company will operate independent from other Magna related entities, it, and not Magna, should be deemed the qualified business. However, based on its application, Magna International will be providing 100% of the financing for the project. If the MSF Board approves of the Company's request, the Base Jobs for this project will be zero rather than the 10,000+ jobs Magna currently has in the state. As such, Magna would be able to eliminate any or all of its jobs within the state and the Company would still qualify for 100 percent of the grant if it created the required QNJs.

The MEDC supports the Company's request to establish the Base Jobs at zero, due to the Company's organizational structure (outlined above) and the nature of the work being completed. For this project, the Company will operate under the powertrain division that is housed within the power and vision operating group. The Company will have its own management and leadership group with its own payroll system and accounting systems and will fulfill customer requirements under separate programs, terms, and purchase orders separate from other divisions. Additionally, each business entity under a division manufactures products that require a completely different skillset. The skill set required to manufacture this product is unique to the facility and is not commonly available from other Magna operations in Michigan. Since the skills required are very technical and unique it is very unlikely there will be many employees transferred from an existing Michigan business operation to the facility.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-179**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
MAGNA POWERTRAIN OF AMERICA, INC.**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, Magna Powertrain of America, Inc. (“Company”) has requested a performance based MBDP Grant of up to \$1,300,000 (the “Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”), to lease an existing facility to manufacture internal components for battery trays of electric vehicles (the “Project”);

WHEREAS, pursuant to the Guidelines, the Project is eligible as an Innovation MBDP because the project falls under motor vehicle parts, an Innovation Industry;

WHEREAS, the MEDC has completed the background check in accordance with the MSF policy, and the Project may proceed for MSF consideration; and

WHEREAS, the MEDC recommends that the MSF Board approve the 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 (collectively, the “MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



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 4, 2022

- Company Name: Magna Powertrain of America, Inc. and/or its affiliates and subsidiaries.
Project Location: Shelby Township, Michigan
MBDP Incentive Type: Performance Based Grant
Maximum Amount of MBDP Incentive: Up to \$1,300,000
Base Employment Level: At least zero, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs ("QNJ"): Up to 159 Full-Time Jobs at the Project Location
Municipality Supporting Project: Shelby Township has agreed 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: December 31, 2025
Milestone Based Incentive: Disbursements will be made over a three-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
\$8,176.10 per QNJ for the creation of a minimum of 50 jobs up to a maximum of 71 jobs.
\$8,176.10 per QNJ for the creation of a minimum of 74 jobs up to a maximum of 105 jobs.
\$8,176.10 per QNJ for the creation of a minimum of 111 jobs up to a maximum of 159 jobs.

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

Acknowledged as received by:

Magna Powertrain of America, Inc.

By:

[Signature]

Printed Name:

RAMIN RAZDAR

Its:

General manager

Michigan Economic Development Corporation

By:

[Signature]

Printed Name:

Jeremy J. Webb

Its:

Interim Managing Director

October 4, 2022 – Magna Powertrain of America, Inc.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-180**

**APPROVAL OF AN ALTERNATIVE STATE ESSENTIAL SERVICES ASSESSMENT
EXEMPTION TO
MAGNA POWERTRAIN OF AMERICA, INC.**

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

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

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

WHEREAS, on October 28, 2014, the MSF Board approved the SESA and Alternative SESA Exemption Program Guidelines (“Program Guidelines”);

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

WHEREAS, Magna Powertrain of America, Inc. (“Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the eligible investments will be made after MSF Board approval and completed within three years of December 31, 2022;

WHEREAS, the Company has requested that the MSF Board approve an Alternative SESA exemption of up to five years valued at up to \$369,837 for its \$81,678,814 eligible investment in Eligible Personal Property, as defined in the Program Guidelines, in the Shelby Township (“Alternative SESA Exemption Recommendation”); and

WHEREAS, the MEDC recommends the MSF Board approve the Alternative SESA Exemption Recommendation, and require a one-time administrative fee in the amount of \$3,699 payable to the MSF upon completion of the first performance milestone (the “Admin Fee”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Alternative SESA Exemption Recommendation, and the Admin Fee; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of and to execute an Alternative SESA agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: October 25, 2022

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

From: Jeremy Webb, Interim Managing Director, Business Development Projects

Subject: Incentives Request

**Magna Electric Vehicle Structures – Michigan, Inc. (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Amendment Request
State Essential Services Assessment (“SESA”) Exemption Request**

Request

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

- An amendment to the Company’s previously approved MBDP Grant Agreement (“Agreement”), as outlined in the attached term sheet, to (collectively, the “MBDP Amendment Request”):
 - Increase the Qualified New Jobs (“QNJ”) requirement from 304 to 1,224; and
 - Increase the MBDP Award from \$1,500,000 to \$7,500,000.
- A 100% SESA Exemption for the Company for up to fifteen years valued at up to \$6,304,520 for its \$287,590,000 eligible investment in Eligible Personal Property (“SESA Request”).
 - In accordance with the SESA and Alternative SESA Program Guidelines (“Program Guidelines”), SESA Exemptions can be considered for those projects locating in an Eligible Distressed Area (“EDA Requirement”). As part of the SESA Request, staff is recommending the MSF waive the EDA Requirement for this project (“EDA Requirement Waiver Request”) as this is a transformational project for the City of St. Clair, St. Clair County.

Background

On February 23, 2021, the MSF approved a \$1,500,000 award for the Company under the MBDP. The Company proposed to open a new facility in the City of St. Clair which would result in the creation of 304 Qualified New Jobs and \$70,106,000 in capital investment. The City of St. Clair committed to provide a property tax abatement in support of the project.

The Company successfully completed and received disbursement for the first Key Milestone and has met the requirements of the remaining Key Milestones. In addition, as of its recently submitted 2022 MBDP Progress Report, the Company reported a cumulative investment of \$196,399,427 and have created 313 new jobs for the project, which is more than double the investment the Company anticipated investing in the project.

Applicant History

The Company business entity was established 2012 under the Magna International, Inc. group of companies (“Magna”). The entity remained dormant until 2020 when it was reconstituted for the purpose of implementing and operating a new facility that will produce complex structural battery enclosures for electric propulsion vehicles. Magna’s deep roots in the auto industry go back to 1957, when they began working with General Motors. Today, Magna is a global automotive supplier that makes everything from seats to powertrains and is the only auto supplier to build complete vehicles. Magna’s products include body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors,

lighting, and roof systems. The products they manufacture can be found on most vehicles today. Magna also has electric and software capabilities across many of these areas.

Magna's organizational structure includes several separate entities as well as divisions within each entity that operate independently from each other. Magna has four operating segments: body, exteriors and structures; power and vision; seating systems; and complete vehicles. Each operating segment is overseen by the Magna Executive Management team. Operating segment activities are conducted through divisions, which are autonomous business with separate profit centers under the authority of a general manager. The general manager has the discretion to determine rates of pay, hours of work and sources of supply. The processes and products are separate and distinct and in many cases Magna divisions compete against each other for new products and business. In total Magna has 341 manufacturing operations and 89 product development, engineering, and sales centers in 28 countries with over 161,000 employees worldwide, of which 35 facilities and more than 10,000 employees are located in Michigan.

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

Project Descriptions

2021 Approved Project: The Company has been awarded a new program from a major OEM for the next eight years. This new program will grow new business to support electrification strategy which is a key growing priority for the Company to increase its leadership position in the battery frame market. This new facility will include numerous manufacturing processes to produce complex structural battery enclosures for electric propulsion vehicles to be produced in Michigan and Ohio. These tightly tolerance and tested products require multiple state of the art metal joining techniques. In order to support the growth, the Company will need to construct an initial 345,000 square foot facility with the ability to support expansion capabilities of up to a 1 million square foot facility, hire 304 new employees and invest \$70,106,000 in the City of St. Clair over the next five years.

The Company will hire various positions, which include General Manager, IT Manager, Weld Engineer, Administrative Assistant, Skilled Trades Technician, Team Leaders, and Operators. Wages for the newly created positions range from \$17 per hour up to \$48 per hour, with an overall average wage of \$27 per hour.

2022 New Project: Focusing its attention on growing the business, the Company secured a new contract to supply battery frames for electric propulsion vehicles produced in the Midwest. This new business will require welding (laser, spot, and MIG), sealer application, leak testing, general assembly, and E-coating. In order to house this new business, the Company will need to expand its existing 372,000 square foot facility in St. Clair by 740,000 square feet, putting the entire footprint at 1,112,000 square feet. In addition, the Company plans to create 920 additional jobs and \$426,599,000 additional investment for the project.

The Company will hire various positions, including production workers, mechanical engineers, machinery maintenance works, and mechanical engineering technicians. Wages for the new positions range from over \$19 per hour to over \$62 per hour with an overall average wage of over \$29 per hour. All operators will go through extensive training and have opportunities for advancement within the organization. The Company has developed a training program and mentorship program that have been created to support career growth through a Master Operator,

Team Leader, or Quality Team Leader. The Company will work with local workforce development organizations to assist with their recruitment efforts.

The Company has also put together an executive leadership program, which works directly with local school districts, colleges, universities, and other workforce agencies, to help build out an employment pipeline strategy.

Demonstrated Need

The Company competed with other divisions within Magna for this project. Magna also evaluated other existing facilities within the Midwest for this project. When determining where to locate, all aspects of the Michigan business case, including operating costs, wage competitiveness and state and local incentives are evaluated. Magna currently has facilities with excess capacity allowing for a faster timeline and lower upfront costs as well as lower labor costs than Michigan.

Michigan is Magna's U.S. corporate home and the state with their largest U.S. footprint. Magna operates 35 facilities in the State of Michigan and employs more than 10,000 Michiganders. While Magna remains committed to Michigan, incentive assistance is necessary to make the expansion in Michigan a competitive decision.

In addition to MSF support, the City of St. Clair anticipates approval of a real property tax abatement in support of the project as well as supporting the construction of a water tower for the project. The MEDC also authorized a State Education Tax abatement to be used in conjunction with the locally approved abatement.

Request

In order to secure the project, the Applicants are requesting the following incentives:

- An amendment to the Company's previously approved MBDP Agreement to increase the QNJ requirement from 304 to 1,224 and increase the MBDP Award from \$1,500,000 to \$7,500,000;
- A 100% SESA Exemption for the Company for up to fifteen years valued at up to \$6,304,520; and

The project aligns with the MEDC's strategic focus areas to **attract, retain and support businesses** and **foster high-wage skills growth** in the focus industry of **mobility and automotive manufacturing**. The proposed project will impact the regions around St. Clair County with near term job growth and significant investment by the Company. In total, the project would result in the creation of up to 920 new jobs and a capital investment of up to \$426,599,000 making the Company the second largest employer in St. Clair County.

In addition to the Company incentives, the Economic Development Alliance of St. Clair County will be requesting \$3,600,000 in funding in the form of an MSF Performance-Based Grant to support infrastructure improvements related to the Company's water needs at the site at a future MSF Board meeting. The overall cost for constructing the water tower, booster station, and piping to the water tower totals \$7,450,000. In addition, the municipal water plant requires \$8,200,000 in upgrades, some of which will be apportioned to the project, though the percentage of which is not yet known.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-181**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
AMENDMENT FOR
MAGNA ELECTRIC VEHICLE STRUCTURES – MICHIGAN, INC.**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP and later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

WHEREAS, pursuant to the Guidelines, the Project is eligible as an Innovation MBDP because the project falls under other transportation equipment, an Innovation Industry;

WHEREAS, the MEDC has completed the background check in accordance with the MSF policy, and the Project may proceed for MSF consideration;

WHEREAS, the MSF Board approved a \$1,500,000 MBDP performance-based grant to Magna Electric Vehicle Structures – Michigan, Inc. (“Company”) on February 23, 2021 to open a new facility in the City of St. Clair (the “Project”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the MBDP performance-based grant to increase the MBDP award from \$1,500,000 to \$7,500,000 (“MBDP Amendment 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 approval of the MBDP Amendment Request; and

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

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

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

MICHIGAN BUSINESS DEVELOPMENT PROGRAM Performance Based Grant Amendment - Term Sheet

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

Date: October 4, 2022

Company Name: Magna Electric Vehicle Structures – Michigan, Inc. and/or its affiliates and subsidiaries (“Company”)

Company Address (“Project”): 1811 Range Road
St. Clair, Michigan 48079

MBDP Incentive Type: Performance Based Grant

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

- **Maximum Amount of MBDP Incentive:** Up to \$1,500,000 (“MBDP Incentive Award”)
- **Base Employment Level:** Zero
- **Total Qualified New Job Creation:** 304 at the Project
(above Base Employment Level)
- **Company Investment:** \$70,106,000 in new construction, machinery & equipment, or any combination thereof, for the Project.
- **Municipality supporting the Project:** City of St. Clair
- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award are outlined in Exhibit B of the Agreement, and include:
 - **Disbursement Milestone 1:** Up to \$250,000 Upon demonstrated creation of 50 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than July 31, 2023.
 - **Disbursement Milestone 2:** Up to \$250,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 50 additional Qualified New Jobs (for a total of 100 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2023.
 - **Disbursement Milestone 3:** Up to \$500,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 100 additional Qualified New Jobs (for a total of 200 Qualified New Jobs) above the Base

PURE MICHIGAN®

Employment Level, by no later than December 31, 2024.

- **Disbursement Milestone 4:** Up to \$500,000 Upon completion of Disbursement Milestone 1, Disbursement Milestone 2, and Disbursement Milestone 3, and upon demonstrated creation of 104 additional Qualified New Jobs (for a total of 304 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2025.
- **Term of Agreement:** Execution of Agreement to June 30, 2026.

Proposed MBDP Incentive Amendment

- **Maximum Amount of MBDP Incentive:** Up to \$7,500,000 (“MBDP Incentive Award”)
- **Total Qualified New Job Creation:** 1,224 Increased from 304
(above Base Employment Level)
- **Company Investment:** \$496,705,000 in new construction, leasehold improvements, machinery & equipment, or any combination thereof, for the Project. Increased from \$70,106,000.

Disbursement Milestones: The final terms and conditions of each of the disbursements of any portion of the MBDP Incentive award shall be included in the final Agreement, including that before any disbursement is made to the Company, the Company must have: (i) met the Base Employment Level, (ii) subsequently maintain the Base Employment Level through the remainder of the Term of the Agreement, and (iii) maintained any Qualified New Jobs for which disbursements by the MSF have been made, and the Company must otherwise be in compliance with all terms and conditions of the final Agreement, and further shall include:

- On March 31, 2022, the Company was approved for, and received, a \$250,000 disbursement for Disbursement Milestone 1 for the creation of 50 Qualified New Jobs under its current Agreement. The remaining milestones below will account for the remaining 1,174 Qualified New Jobs and remaining \$7,250,000 award.
- On **December 31st** of each year, the Company may request disbursement equal to **\$6,175.46** for each remaining Qualified New Job (up to **1,174** Qualified New Jobs and not to exceed the total amount of **\$7,250,000**) upon demonstration that the Base Employment Level and any Qualified New Jobs for which disbursements have previously been made have been maintained, and provided that:
 1. On **December 31, 2022**, the Company has created a minimum of at least 254 up to 263 Qualified New Jobs above the Base Employment Level; and
 2. On **December 31, 2023**, the Company has created a minimum of least **399** up to **470** Qualified New Jobs above the Base Employment Level; and
 3. On **December 31, 2025**, the Company has created a minimum of **577** up to **725** Qualified New Jobs above the Base Employment Level; and
 4. On **December 31, 2026**, the Company has created a minimum of **822** up to **1,174** Qualified New Jobs above the Base Employment Level.

The Company shall receive disbursement for each Qualified New Job only once. In any given year, should the Company not achieve the number of Qualified New Jobs for which disbursements have been previously made, the Company shall not receive disbursement that year. Should a Company fail to meet the minimum QNJ requirement in two consecutive years, the Company will be in default of the Agreement and the MSF may end all future disbursements.

- **Term of Agreement:** Execution of Agreement to June 30, 2027

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

Acknowledged as received by:

Magna Electric Vehicle Structures – Michigan, Inc.

Michigan Economic Development Corporation

By: _____
 Printed Name: DocuSigned by:
Andy Hrasky

 Group General Manager
 Its: 10/11/2022
 Dated: _____

By: _____
 Printed Name: Jeremy J. Webb

 Interim Managing Director
 Its: _____
 Dated: 10/11/2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-182**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
MAGNA ELECTRIC VEHICLE STRUCTURES – MICHIGAN, INC.**

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

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

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

WHEREAS, on October 28, 2014, the MSF Board approved the SESA and Alternative SESA Exemption Program Guidelines (“Program Guidelines”);

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

WHEREAS, Magna Electric Vehicle Structures – Michigan, Inc. (“Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the eligible investments will be made after MSF Board approval and completed within three years of December 31, 2022;

WHEREAS, the Program Guidelines require that projects be located in Eligible Distressed Areas, as defined in the Program Guidelines in order to be eligible for a SESA Exemption (“EDA Requirement”);

WHEREAS, the MEDC is requesting the MSF Board approve a SESA Exemption in a non-Eligible Distressed Area for the project by waiving the EDA Requirement due to the transformational nature of the project (“EDA Requirement Waiver”);

WHEREAS, the Company has requested that the MSF Board approve a SESA Exemption of up to fifteen years valued at up to \$6,304,520 for its \$287,590,000 eligible investment in Eligible Personal Property, as defined in the Program Guidelines, in the City of St. Clair (“SESA Exemption Recommendation”); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the EDA Requirement Waiver, and require a one-time administrative fee in the amount of \$10,000 payable to the MSF upon completion of the first performance milestone (the “Admin Fee”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the SESA Exemption Recommendation, the EDA Requirement Waiver, and the Admin Fee; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of and to execute a SESA agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: October 25, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Matt Chasnis, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
VIA Motors Inc. (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$2,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 300 Qualified New Jobs and a capital investment of up to \$12,359,000 in the City of Auburn Hills, Oakland County.

Applicant History

The Company, an American electric vehicle development and manufacturing company, was established in 2010 and began converting vehicles into plug-in hybrids. The Company has evolved over the years and is now pursuing the ground-up development and manufacturing of their own fleet electric commercial vehicles. Currently headquartered in Orem, Utah, the Company has approximately 85 employees across the globe. The Company is in the process of being acquired by Ideanomics and is looking to significantly accelerate their growth. Via designs and manufactures electric vans and trucks for last- and middle-mile delivery, using a modular, “skateboard” style architecture from class 2 to class 5 commercial vehicles. The Company currently has committed customers including Pegasus Bus.

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

Project Description

The Company is considering relocating its headquarters from Utah to Michigan in order to accelerate the Company’s electric vehicle production. In addition to being the Company’s HQ, the location will also include an R&D Tech Center that will house engineering and prototyping. The Company has identified a 98,000 square foot building that will be split between office space and high-bay industrial space. The office will be used to accommodate corporate executives, HR, sales, marketing, and engineering functions while the high-bay area will be used to design and work on commercial vehicles. The space will be renovated to house testing equipment, R&D, concept production, maintenance, warranty investigation work, and area for supplier evaluation.

The majority of the jobs being created will relate to engineering and wages will be much higher than the regional average. This Company anticipates compensation to be higher than average in order to attract talent from other automotive companies around the area. Additionally, all employees will receive full benefits packages.

The Company is considering Auburn Hills for the project and anticipates the project will result in capital investment of up to \$12,359,000. The project will also result in the creation of up to 300 new jobs paying an average wage of \$2,458 per week plus benefits.

Demonstrated Need

The Company has considered scenarios involving a number of different states, including California and Utah, but is focused on an alternative plan that involves keeping the headquarter location in Utah. The Company's existing headquarter building, or a nearby alternate location, has space to accommodate the additional growth and would not require the relocation of key personnel. If the Utah facility is chosen, the project would require significantly less investment than a new location in Auburn Hills. Additionally, much of the executive staff is located in Utah and relocating these individuals will likely be costly for the Company.

The Company is attracted to locating this facility in Michigan because of the State's robust supply chain for electric vehicles and mobility. Additionally, the knowledge and skill level of talent in the automotive industry and the state's achievements so far in this industry are expected to benefit the company as it continues its growth. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure this project moves forward in Michigan. In addition to MSF support, the City of Auburn Hills will support the project through marketing and talent acquisition.

Request

In order to secure the project, the Applicant is requesting a \$2,500,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing state of Utah. The MBDP funds will help offset the cost of renovating and retrofitting the Auburn Hills facility and allow the Company to establish its headquarter location in Michigan.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also impact the local region with near term job growth with a rapidly growing automotive manufacturer. This facility will result in the creation of up to 300 new jobs and up to \$12,359,000 in capital investment in the City Auburn Hills, Oakland County.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-183**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
VIA MOTORS, INC**

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

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

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

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

WHEREAS, on December 8, 2020, by Resolution 2020-146, the MSF adopted an amendment to the guidelines for the MBDP (the “Guidelines”);

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

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

WHEREAS, pursuant to the Guidelines, the project is eligible as a Standard BDP because the Applicant committed to the creation of at least 50 QNJs.

WHEREAS, the MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration;

WHEREAS, Via Motors Inc. (the “Company”) has requested a performance based MBDP Grant of up to \$2,500,000 (the “Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”); and

WHEREAS, the MEDC recommends that the MSF Board approve the 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 (the “MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



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 10, 2022

Company Name: VIA Motors Inc. and/or its affiliates and subsidiaries.

Project Location: Auburn Hills, Oakland County

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$2,500,000

Base Employment Level: At least 73, at the time of first disbursement of funds and thereafter

Maximum Number of Qualified New Jobs ("QNJ"): Up to 300 Full-Time Jobs at the Project Location

Municipality Supporting Project: The City of Auburn Hills has agreed to provide staff, financial or economic assistance in support of the project.

Start Date for Measurement of Creation of Qualified New Jobs: August 16, 2022 (Date of submitted application)


Term of the Agreement: **May 31, 2027**

Milestone Based Incentive: Disbursements will be made over a 4-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
 \$8,333 per QNJ for the creation of a minimum of 53 jobs up to a maximum of 75 jobs.
 \$8,333 per QNJ for the creation of a minimum of 105 jobs up to a maximum of 150 jobs.
 \$8,333 per QNJ for the creation of a minimum of 158 jobs up to a maximum of 225 jobs.
 \$8,333 per QNJ for the creation of a minimum of 210 jobs up to a maximum of 300 jobs.

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

Acknowledged as received by:

VIA Motors Inc.

By: 

Printed Name: Robert Purcell

Its: CEO

Michigan Economic Development Corporation

DocuSigned by: 

By: 60049B4867CE4B5...

Printed Name: Matthew Chasnis

Its: Business Development Projects Manager

October 10, 2022 – VIA Motors Inc.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: October 25, 2022
To: MSF Board Members
From: Michelle Grinnell, Senior Vice President Marketing and Communications
Subject: Talent Marketing Funding

Request

This request is for the Michigan Strategic Fund (the “MSF”) Board to approve the allocation of \$10 million to the MSF’s existing contract with Lambert/9th Wonder to support and grow talent by executing a talent marketing campaign to retain and attract talent for in-demand and high-growth occupations statewide.

Background

On July 20, 2022, Public Act 166 of 2022 was signed into law setting the FY23 appropriated budget for the state, including \$100 million for Business Attraction and Community Revitalization and \$15.6 million for Entrepreneurship and Innovation – of which up to five percent may be used for business marketing efforts.

On August 23, 2022, the MSF Board authorized the FY23 allocation of \$5,782,500 for year two of the current three-year contract with Lambert/9th Wonder to continue business marketing efforts that support and help drive MSF’s efforts to attract, retain and grow businesses that deliver economic opportunity to the State of Michigan.

This additional allocation of \$10 million to that contract with Lambert/9th Wonder will be used to establish a new talent marketing campaign to complement and create a partner campaign to the existing business marketing and leisure travel campaigns. Target audiences for the campaign are still to be determined, with an intention of both in-state retention targets and out-of-state attraction targets. MEDC’s marketing and communications team will coordinate closely with the talent solution team, along with its full suite of agency partners to ensure alignment with MEDC’s strategic focus area of supporting and growing talent in the state. MEDC staff would expect to request funding for a talent marketing campaign in subsequent years.

Lambert/9th Wonder was selected in September 2021 as the business marketing agency of record for the MSF through a competitive RFP process. While the talent marketing campaign would be an expansion of the agency’s existing scope of work; it remains consistent with MEDC business marketing objectives to promote Michigan as a world-class business destination and the objectives set out in the RFP and subsequent competitive process.

Company Background

Lambert is a well-known and Michigan founded communications and marketing firm. 9th Wonder is a full-service international branding and advertising agency recognized as one of Adweek’s fastest-growing firms. 9th Wonder is a certified Minority Business Enterprise. Since being named advertising

agency of record for MSF, Lambert and 9th Wonder have continued to expand their presence and teams in Michigan.

In first year of the contract, Lambert/9th Wonder has:

- Led business marketing initiatives including a successful transition of the ongoing paid media campaign from the previous agency of record without a disruption in execution or the campaign going dark.
- Orchestrated a paid media strategy around transformational project investments by GM, Ford and LGES in Michigan.
- Completed research with national and in-state business leaders, startups and economic development stakeholders to inform recommendations on marketing impact across all MSF paid and owned channels.
- Led efforts to refresh and reimagine the state's business marketing campaign creative.

Recommendation

Staff recommends approval of an allocation of \$10 million for year two of the current three-year contract with Lambert/9th Wonder to support and grow talent by executing a talent marketing campaign to retain and attract talent for in-demand and high-growth occupations statewide.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-184**

LAMBERT/9TH WONDER CONTRACT FOR BUSINESS MARKETING

WHEREAS, Public Acts 215 and 225 of 2005 established the 21st Century Jobs Trust Fund initiative within the Michigan Strategic Fund Act, Public Act 27 of 1984, as amended (the “Act”);

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

WHEREAS, Section 88b(4) of the Act, allows for not more than five percent of annual appropriations as provided by law from the Act may be used for business development and business marketing costs;

WHEREAS, on September 28, 2021, the MSF approved the selection of Lambert/9th Wonder as the vendor for the development and implementation of the marketing and advertising efforts for business marketing campaigns for the period of three years, with the option for two additional one-year extensions and allocated an initial amount of up to \$7.1 million;

WHEREAS, on August 23, 2022, the MSF Board approved an additional allocation of \$5,782,500 to Lambert/9th Wonder for the development and implementation of the marketing and advertising efforts for business marketing campaigns;

WHEREAS, the MEDC recommends allocating an additional \$10,000,000 for the development and implementation of the marketing and advertising efforts for business marketing campaigns; and

WHEREAS, the MSF Board desires to allocate \$10,000,000 for the development and implementation of the marketing and advertising efforts for business marketing campaigns.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board allocates \$10,000,000 for the development and implementation of the marketing and advertising efforts for business marketing campaigns.

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to execute the agreement with Lambert/9th Wonder consistent with the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: October 25, 2022
To: Michigan Strategic Fund Board
From: Colin Dillon, Data & Strategy Manager, Pure Michigan Business Connect
Subject: FY23 Funding Allocation – Michigan Manufacturing Technology Center

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board allocate \$3,050,000 in funding to support Industry 4.0 (I4.0) statewide services and supplier matchmaking services to the Michigan Manufacturing Technology Center (“MMTC”) for the term of October 1, 2022, to September 30, 2023, with the option to extend for up to four additional years.

MMTC Industry 4.0 Signature Initiative

On December 8, 2020, MSF approved the statewide Industry 4.0 Initiative with the mission to ensure that 50% of Michigan’s small and medium-sized manufacturers (6,200 businesses) will be prepared to adopt I4.0 technologies by 2025. This included statewide services provided by MMTC and Automation Alley, ten regional awardees, and a statewide awareness campaign.

In just under two years since the initiative launched, this statewide network of partners has served 2,067 unique manufacturers with over 6,000 activities. These include educational training and seminars. Roadshows, and in-depth Industry 4.0 Technology Assessments. From October 2020 through July 2022, MMTC has had 1,625 individual I4.0 engagements. Of those, they have facilitated 283 in-depth company assessments and 32 MMTC Course Training with manufacturers looking to integrate I4.0 technology. The MMTC has also hosted 435 participants from 188 companies in outreach events and webinars, including 217 attendees from 93 companies at MMTC Technology Roadshows throughout the state. Finally, MMTC continues to participate in quarterly meetings with I4.0 awardees and manufacturing stakeholders to ensure alignment and collaboration among all partners.

For year three of the initiative, MEDC and its partners will continue working to increase awareness of I4.0 and digitization in the manufacturing industry and provide resources to help small business manufacturers understand what these changes mean for their businesses. A critical component of the initiative is providing statewide tools, offered by MMTC and Automation Alley.

MMTC Background

MMTC is the sole program of the 501c3 Industrial Technology Institute, Inc. (ITI), a not-for-profit Michigan corporation. In 1991, ITI was awarded the charter to operate the Michigan portion of the National Institute of Standards and Technology (“NIST”) Hollings Manufacturing Extension Partnership (“MEP”) program. MMTC is a public-private network and receives federal match funds, in addition, to support from MSF. MMTC receives \$4.94 million in matching funds from the Federal Department of Commerce/National Institute of Standards and Technology (Manufacturing Extension Partnership) along with \$6.6 million from the MMTC’s manufacturing clients in Michigan, and the University of Michigan (Economic Growth Institute – EGI).

In addition to the Industry I4.0 Initiative, MMTC assists Michigan's small and medium-sized manufacturers to operate smarter, compete and prosper. MMTC develops more effective business leaders, drives product and process innovation, assists with navigating governmental and industry regulations, promotes company-wide operational excellence, and fosters creative strategies for business growth and greater profitability.

Through the third quarter of FY2022, MMTC has already exceeded its annual impact goals. MMTC worked with 384 Michigan companies on projects resulting in \$753.2 million in new or retained sales and 4,989 new or retained jobs directly attributed to assistance provided by the MMTC. Projects included in this definition are those designed to help Michigan companies with product and process innovation, lean manufacturing and continuous improvement, quality systems, costing systems, supervisory training, cybersecurity, market research, food processing, and business development. This impact was determined through the MMTC quarterly surveying process in which 269 manufacturers reported that MMTC programming directly led to new/retained jobs and/or increased sales.

MMTC also provides critical support to MEDC's Pure Michigan Business Connect Program ("PMBC") by connecting established procurement demand to the Michigan supply base. PMBC works with MMTC to provide custom supplier lists and recommendations for procurement demand. From FY2019 through FY2022, the term of the last MSF agreement, MMTC assisted PMBC with more than 220 custom lists which included more than 4,300 supplier recommendations.

In FY2023, MMTC plans to assist 318 Michigan companies on projects resulting in \$275 million in new or retained sales and 3,300 new or retained jobs directly attributed to assistance provided by the MMTC. For the Industry 4.0 initiative in FY2023, the MMTC expects to provide 150 I4.0 Assessments, ten I4.0 Roadshows to different geographies across the state, host sixteen courses on relevant I4.0 topics, support outreach efforts and continue to develop the content and resources based on the latest trends and technologies.

Recommendation

MEDC staff recommends that the MSF Board approve a budget allocation of \$3,050,000 to MMTC for the term of October 1, 2022, through September 30, 2023, with the option to extend the agreement for up to four additional years.

MEDC Budget (10/01/2022 to 09/30/2023)

Revenue	Annualized MMTC Budget	Qtrly MMTC Budget, Total	Qtrly Budget, MEDC Portion	MEDC Budget (10/01/22 - 09/30/23)	MMTC Total Revenue (10/01/22 - 09/30/23)
Federal Grants	5,440,100	1,360,025			5,440,100
MEDC Base Grant	1,700,000	425,000	425,000	1,700,000	1,700,000
MEDC Industry 4.0	1,350,000	337,500	337,500	1,350,000	1,350,000
Project Fees	4,100,000				4,100,000
Regional Office Project Fees	2,000,000	500,000			2,000,000
Total Revenue	14,590,100	3,647,525	762,500	3,050,000	14,590,100
Expenses				MEDC Expenses (10/01/22 - 09/30/23)	MMTC Total Expenses (10/01/22 - 09/30/23)
Salaries	5,700,000	1,425,000	297,890	1,191,561	5,700,000
Fringes	1,550,000	387,500	81,005	324,021	1,550,000
Travel	200,000	50,000	10,452	41,809	200,000
Occupancy	500,000	125,000	26,131	104,523	500,000
Regional Offices	3,600,000	900,000	188,141	752,565	3,600,000
Subcontractors	950,000	237,500	49,648	198,594	950,000
Other *	2,090,100	522,525	109,232	436,927	2,090,100
Total Expenses	14,590,100	3,647,525	762,500	3,050,000	14,590,100

In order to support the MEDC and its statewide initiatives surrounding the acceptance and adoption of Industry 4.0 technology, The Michigan Manufacturing Technology Center (MMTC) will provide the following services:

- Marketing and promotion to the manufacturing base
- Development and incorporation into current delivered courses
- Development of new courses to meet the demand of the market
- Maintain and develop Industry 4.0 partnerships with associations and technology suppliers
- Refine Technology Assessments statewide with regional offices
- Train-the-trainer to conduct by using the statewide regional office network
- Participate in roundtable discussions as the manufacturing Subject Matter Expert
- Advanced technology lab demonstrations in supporting SMMs growth and profitability

Attachment A
 Deliverables - Base Grant Award

Metric		Target: 10/01/22 - 09/30/23	10/01/22 - 12/31/22	01/01/23 - 03/31/23	04/01/23 - 06/30/23	07/01/23 - 09/31/23	YTD Totals
1	Distinct Mfrs Doing Projects	318					
2	Distinct 2nd stage Mfrs Doing Projects (10-99 emp)	157					
3	Mfrs Reporting Impact	207					
4	New/Retained Sales Attributed to Center Service	\$275M					
5	Retained/New Jobs Attributed to Center Service	3,300					
A	New Investments	N/A					
6	PMBC/Partner Requests Processed	125					

- Item 1 & 2 references distinct companies engaged in an active project, per quarter, with item 2 highlighting 2nd stage companies subsets of item #1. Year-end total will be a distinct count for the year, and not a sum of the quarterly data.
- Items 3-5 refer to the client survey required by NIST MEP. This survey, conducted quarterly by an independent third party, reflects impacts reported by The Center project clients 6-12 months after project completion.
- Metric A, also from the NIST survey, is not contractually required. We include it for the roll-up into the MEDC scorecard metrics.
- Item 6 references supplier match requests made and processed during the quarter.

Attachment B		
Industry 4.0 Signature Initiative 2022/2023 Budget		
Year	(Oct. 1, 2022 - Sept. 30, 2023)	2
Budget		\$ 1,350,000
<i>Email Marketing (Awareness)</i>		
Email Cost per Each Campaign		\$ 2,400
Number of Email Campaigns		12
Email Total Cost		\$ 28,800
<i>Marketing Outreach (Awareness)</i>		
Blogs		12
Partner Outreach		6
Webinars and/or Explorer Series		10
Social Media - LinkedIn Promotions		12
Web Analytics - I4.0 page hits (annually)		350
Total Marketing Outreach		\$ 45,000
Total Email and Marketing Outreach		\$ 73,800
<i>Technology RoadShows (Awareness)</i>		
Companies served		400
RoadShow Cost Each		\$ 30,000
RoadShow Number		10
Technology RoadShow Total Cost		\$ 300,000
<i>Technology Assessments</i>		
Assessment cost Each		\$ 2,400
Assessment Number		150
Technology Assessment Cost		\$ 360,000
<i>Course Training (Awareness)</i>		
Individuals served		40
Course Training Cost Each		\$ 4,000
Course Number		16
Course Training Total Cost		\$ 64,000
Course Development (four courses)		
Improving - expanded I4.0 technology with current training		
Certification programs in partnership with Community College		
Webinar Development		
'Use-Case' repository		
Project Management		\$ 127,200
Sub Total		\$ 925,000

Support	\$ 425,000
PMBC/Partner Requests, <i>Supply Chain- CONNEX</i> , NIST Survey, and Industry 4.0 Support	
Grand Total	\$ 1,350,000

The Michigan Manufacturing Technology Center (The Center) in collaboration with Automation Alley (AA) plans to support the Michigan Economic Development Corporation (MEDC) initiatives to advance various technologies and Industry 4.0. The initiatives are comprised of six (6) development areas, Marketing Outreach, Technology Roadshow, Technology Assessments, Course Training, and Project Management. There are 3 major initiatives (Market Outreach, Roadshows and Course Training) that create Industry 4.0 'Awareness' within the manufacturing industry.

Marketing Outreach (Awareness)

These outreaches will include email marketing campaigns. These campaigns will include educational content with invitations to the technology roadshows, course training, and invitations to receive technology assessments. The format will include events, partner outreach, social media, webinars, and blogs.

Technology Roadshow (Awareness)

These roadshows will include presenters and support staff from The Center, location rentals, and transportation of I4.0 equipment to events. The roadshow will include a hands-on approach to technology and interactive demos representing manufacturing applications.

Technology Assessments

The center will plan on performing 150 assessments per year. The Center’s technology assessments include a ROI narrative.

Course Training (Awareness)

I4.0 training will be conducted in two ways: primary and secondary approaches. The primary approach will include four (4) class offerings that will focus on a track of technology (e.g. connectivity, additive, robotics/robotics, etc.). The secondary approach is the addition of I4.0 technology content to the current training offerings. The courses will identify / lead an individual to a career path in a Community College Technology Certification Program.

Project Management

The management of the project will include the deployment of resources, project management and reporting on the progress of the program. All funds are allowed to be transferred among categories as market demands.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-185**

MICHIGAN MANUFACTURING TECHNOLOGY CENTER GRANT AWARD

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

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

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

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

WHEREAS, the Michigan Manufacturing Technology Center (“MMTC”) offers a variety of programs and support services to promote the growth and success of small and medium-sized businesses in Michigan, including, but not limited to, promoting Industry 4.0 awareness and readiness, developing effective business leadership, driving product and process innovation, and assisting companies to understand and implement governmental and industry regulations (the “MMTC Activities”);

WHEREAS, the MEDC recommends that the MSF Board approve a grant to MMTC to support the MMTC Activities with an initial allocation of \$3,050,000 and with an initial term of one year with the option to extend the grant for up to four additional one year terms and allocate additional funding at the sole discretion of the MSF Board (the “MMTC Grant”); and

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

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

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

Ayes: Britany L. Affolter-Caine, Susan Corbin, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
October 25, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

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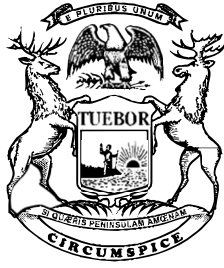
If you need anything additional, please contact Kara Kabia at (517) 241-2624.

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: October 25, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from September 1, 2022, to September 30, 2022, as well as information about the impact that those projects have had on communities across the state.

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

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

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from September 1, 2022 to September 30, 2022.

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

MONTHLY IMPACTS

We are pleased to share the September delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout September 2022, 25% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all September approved projects through delegated authority have committed to create just over 300 jobs and over \$72 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during September 2022, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

The Michigan Business Development Program is available from the MSF, in cooperation with MEDC. The program is designed to provide grants, loans, or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Midwest Acoust-A-Fiber, Inc.	9/16/2022	Shelby Township	\$375,000	Midwest Acoust-A-Fiber, Inc., an automotive tier 1 and 2 suppliers of exterior acoustic and thermal products is acquiring Shelby Township, Michigan based G&G Industries, Inc. and its assets and constructing a 67,000 square ft. expansion that will house manufacturing and warehousing space. The facility will accommodate new equipment that will manufacture components used in leading original equipment manufacturers (OEM's) vehicles. The project is expected to generate a total capital investment of \$12.1 million and create up to 75 jobs.
Tecnoform S.P.A.	9/13/2022	Grand Rapids	\$750,000	Tecnoform, an Italian manufacturer of high-end furnishings and fixtures for luxury recreational vehicles and boats, is establishing a manufacturing facility that will serve as its North American headquarters in Cascade Township. The project is expected to generate a total capital investment of \$7.3 million and create up to 130 jobs. Tecnoform chose Michigan for the project over competing sites in Indiana and Iowa.
Traverse City Whiskey Co.	9/23/2022	Traverse City	\$750,000	Traverse City Whiskey Co., a distillery and bottling plant producing straight bourbon and innovative cherry whiskey infused spirits, is purchasing, and repurposing the abandoned Cherry Growers Co-Op cherry processing facility in Traverse City, Leelanau County. The facility will enable the Company to execute all distilling and production processes within this manufacturing facility, bringing all out of state production to Michigan. The project is expected to generate a total capital investment of \$43.6 million and create up to 91 jobs.

Capital Access

The Capital Access team partners with lenders to assist in helping small businesses obtain financing that would otherwise not be available.

State Small Business Credit Initiative 2.0 – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Extrunet America	9/22/2022	Tecumseh	\$523,000	Comerica Bank is working with Extrunet America to provide a construction loan which will be used to construct 10M square ft. in additional building space at their current property. Due to collateral shortfall, the bank is requesting support from the SSBCI 2.0 CSP.
Legacy Ag Feeds, LLC	9/22/2022	Perrinton	\$249,500	Company is working with MSUFCU to obtain a working capital line of credit. Due to collateral shortfall the credit union is requesting support from the MGBF 2.0 CSP.

Michigan Community Revitalization Program (MCRP)

The Michigan Community Revitalization Program is available from the MSF, in cooperation with MEDC. The program is designed to accelerate private investment in Michigan's communities through the redevelopment of functionally obsolete properties, reduction of blight, and the reuse of brownfield and historic properties.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
120 Main LLC	9/8/2022	Zeeland	\$468,492	120 Main, LLC will rehabilitate a 2-story, functionally obsolete building into five new apartment units in downtown Zeeland. In addition to rehabilitating the building to provide new housing units, the project will also improve the first floor to provide white box commercial space, along with an ADA rear apartment. To support this community development project, the Applicant will receive a Michigan Community Revitalization Program performance-based grant for \$468,492 with a total capital investment of \$1,365,591. Housing of all types are in short supply in Zeeland and this project will add needed residential units and create improved commercial space for a local business along a key block in the downtown district.

Michigan State Trade Expansion Program (MI-STEP)

The MI-STEP program is designed to spur job creation by empowering Michigan small businesses that meet U.S. Small Business Administration guidelines and size standards to export their products.

Project Name	Approval Date	Location	Incentive Amount
Accurate Technologies Inc. Battery Show North America 2022	9/6/2022	Novi	\$5,025
Accurate Technologies Inc. COMVEC 2022	9/6/2022	Novi	\$7,587
AeroTrain Corp. follow up visit to South Korea	9/16/2022	Flint	\$3,818
AHB Tooling & Machinery LLC (dba AHB Tooling & Machinery) IMTS Chicago, IL	9/15/2022	Saginaw	\$2,460
Airflow Sciences Corporation POWER GEN India	9/6/2022	Livonia	\$7,500
ArborWind, LLC Discovery Global Market	9/15/2022	Ann Arbor	\$1,365
Atom Technology Automation Alley Tradeshow to Mexico	9/14/2022	Clarkston	\$4,800
Automatic Spring Products Corporation Automation Alley Mexico Tradeshow	9/15/2022	Grand Haven	\$2,906
Baker Industries, Inc. - Farnborough International Airshow	9/9/2022	Macomb	\$15,000
Banner-Day Engineering IBIE 2022 Las Vegas	9/21/2022	Saginaw	\$11,250
Beet, Inc. Tremec Queretaro Mexico Sales Trip	9/1/2022	Southfield	\$3,510
Beet, Inc. Munich Germany Sales Trip	9/1/2022	Southfield	\$5,228
BTM Company, LLC - FABTECH 22	9/16/2022	Marysville	\$15,000
Business-Connect GSGP Central America Trade Mission	9/13/2022	Grandville	\$4,112
Business-Connect Sample Product Shipping	9/15/2022	Grandville	\$6,000
DCL, Incorporated FICEM Technical Congress 22	9/19/2022	Charlevoix	\$6,719
DCL, Incorporated International Powder and Bulk Tradeshow	9/19/2022	Charlevoix	\$10,760
Diagnostic Instruments dba Spot Imaging Solutions Bloc Doc CE Testing	9/13/2022	Sterling Heights	\$10,604
Dynamic Conveyor Corporation PACK Expo Booth Space Prepayment	9/14/2022	Muskegon	\$9,656
Elite Abrasives International Hardware Show	9/22/2022	Grand Rapids	\$8,383
eVitamins Google Adwords Brazil 2022	9/13/2022	Utica	\$15,000
EZM LLC dba EZMETROLOGY Linkedin Campaign Online	9/16/2022	Commerce Charter Township	\$6,000
Fairrer Samani Group US Commercial Service China	9/19/2022	River Rouge	\$896
First Class Transport Sales Trip to the Middle East	9/15/2022	Roseville	\$6,874

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
FlexPost Inc. ISA Tradeshow Booth Tradeshow	9/16/2022	\$3,750	Holland
Fortress Stabilization Systems Prepayment for World of Concrete Tradeshow	9/14/2022	\$13,725	Holland
Garrison Dental Solutions ADAVB Melbourne Tradeshow	9/13/2022	\$5,625	Spring Lake
General Formulations FESPA Mexico	9/6/2022	\$15,000	Sparta
Grip Studios Inc. UK Marketing	9/6/2022	\$7,125	Livonia
IMPCO Microfinishing Torreon, Monterrey Mexico Sales Trip	9/6/2022	\$3,350	Lansing
Intraco Corporation Glasstec Trade Fair Germany	9/16/2022	\$5,880	Troy
LACROIX - Electronics North America - FY22 MI-PEP Trade Booth and Marketing South Korea	9/22/2022	\$15,000	Grand Rapids
Maelstrom Chemical Technologies, LLC Fastener and Fixing Print Ad UK September	9/13/2022	\$1,088	Shelby Twp
Messersmith Manufacturing, Inc. National Hardwood Lumber Assoc	9/13/2022	\$6,683	Bark River
Metal Craft Technologies Automation Alley Trade Mission	9/15/2022	\$6,065	Novi
MIC Customs Solutions Automation Alley Trade Mission Mexico	9/16/2022	\$6,713	Southfield
Michigan Instruments Foreign Website SEO German and Latin	9/1/2022	\$2,250	Kentwood
Nautical Specialties IBEX	9/15/2022	\$5,922	Manistee
Nova Shipping Breakbulk Americas 2022	9/20/2022	\$1,967	West Bloomfield
Oliver Carbide Products International Amazon Ecommerce	9/16/2022	\$6,000	Cottrellville
Orion Measurement Solutions Automation Alley's Trade Mission Mexico	9/6/2022	\$3,994	Auburn Hills
RnD Engineering US Commercial Service Cameroon	9/16/2022	\$4,082	Chelsea
Ryan Industries, Inc. Central America Trade Mission	9/1/2022	\$3,556	Wixom
SNA Sports Group LLC Digital Advertising	9/6/2022	\$1,500	Grand Rapids
Surplus Coatings Mexico Recycled Powder Coat Market Research	9/13/2022	\$7,500	Kent City
Totally Automated Systems Automation Alley Mexico	9/16/2022	\$6,225	Rochester Hills
Totally Automated Systems IMTS Chicago 22	9/16/2022	\$1,329	Rochester Hills
Vision Solutions Rx Inc. Vision Expo Las Vegas	9/20/2022	\$968	Sterling Heights
Xoran Technologies American Academy of Otolaryngology	9/15/2022	\$15,000	Ann Arbor
Xoran Technologies IVECCS	9/6/2022	\$4,815	Ann Arbor

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in September 2022.

Community Development Revitalization Program (CRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
D-Town Grand, LLC	9/22/2022	Detroit	The agreement will be amended to allow for eligible expenses that were not previously identified in other grant agreements.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from September 1, 2022, to September 30, 2022, for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

CDBG Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
Village of Shelby	CDBG Grants Rural and Infrastructure	Shelby	9/28/2022	The infrastructure project construction start date and grant term end date need to change because of supply change issues for lift station pumps, generator, and control panel. The contractor cannot start construction until all the materials are received.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

From September 1, 2022, to September 30, 2022, the Business Development Program had no terminations.