BOARD MEETING AGENDA
October 26, 2021
9:00am

I. CALL TO ORDER & ROLL CALL

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

III. COMMUNICATIONS
   a. Chief Compliance Officer Quarterly Report ................................................................. 3

IV. CONSENT AGENDA
   a. Proposed Meeting Minutes: September 28, 2021 ............................................................. 5
   b. Mayville Engineering: MBDP Amendment ...................................................................... 9
   c. CDBG: Program Year 2021 Action Plan & Funding Guide Excerpt .................................. 17
   d. 2022 MSF Board Meeting Dates .................................................................................. 37

V. MSF SUBCOMMITTEE APPOINTMENT
   a. Finance and Investment Subcommittee Appointment ..................................................... --

VI. ANNUAL FUNDING ALLOCATIONS
   a. FY22 MSF Annual Funding Allocations: Resolution to accept and allocate funds
      appropriated by the Legislature to programs and activities of the MSF for Fiscal Year 22 .... 42

VII. ADMINISTRATIVE
   a. Michigan Build Ready Site Guidelines: Resolution to amend the current Program
      Guidelines to includes agencies of the state of Michigan and state and local land banks as
      eligible applicants for Site Readiness Grants, to expand Eligible Activities, and to increase
      the delegated authority approval amount from $800,000 to $1,000,000 ................................. 56

VIII. COMMUNITY VITALITY
   a. 619, LLC: Resolution to approve an MCRP performance-based Other Economic
      Assistance-Loan Participation in the amount of $2,200,000 and a Brownfield Act 381
      Work Plan including state tax capture in the amount of $537,226. ................................. 71
      *Capital Investment: $13,236,421; Location: City of Kalamazoo*

   b. Homestretch Nonprofit Housing Corporation: Resolution to approve an MCRP
      performance-based grant in the amount of $459,434 and Property Qualification .................. 93
      *Capital Investment: $1,676,698; Location: Village of Honor*

   c. Detroit Food Commons LLC: Resolution to approve an MCRP Performance-Based Grant
      in the amount of $1,500,000 and a Brownfield Act 381 Work Plan including state tax
      capture in the amount of $509,634. ................................................................................. 106
      *Capital Investment: $18,440,894; Location: City of Detroit*
IX. CAPITAL ACCESS
   a. Michigan Freshwater Oceans, LLC: Inducement Resolution to approve private activity bond financing not to exceed $37,000,000 for a water treatment and aquaculture project. Location: City of St. Johns

X. BUSINESS INVESTMENT
   a. Request Foods: Resolution to approve an MBDP Grant in the amount of $2,000,000, a Community Development Block Grant in the amount of $6,930,000, establishment of an Agricultural Renaissance Zone and an Alternative SESA exemption. Capital Investment: $205,000,000; Job Creation: 198 jobs; Location: Holland Charter Township

XI. IMAGE BRANDING
   a. Pure Michigan Campaign

XII. INFORMATIONAL
   a. Delegation of Authority Report

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

October 12, 2021

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


The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures and with applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the fourth quarter of the 2021 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 the MSF with the creation of two subcommittees, a Finance and Investment Subcommittee and a Policy and Planning Subcommittee. The CCO assisted Board Members with Conflict of Interest and recusal questions. The CCO assisted the MSF and AG with question concerning the North Flint Reinvestment Corporation and North Flint Ventures project and the eligibility under the CRP Neighborhood and Commercial Corridor Food Initiative. The CCO assisted the AG and MEDC with the Michigan Manufacturing Technology Center contract extension. The Board had approved the previous extension and the parties had performed under it, however the extension had inadvertently not been executed. The AG gave division level advice that the MSF could treat the previous extension as having been executed and the current option to extend the contract could be presented to the Board for consideration. The CCO recommended a review of the current MEDC compensation policies and the BDP policies and process be preformed to determine if they could be unintentionally incentivizing the recommendation of projects that do not preform as well as initially presented to and approved by the Board. The CCO assisted the AG, MEDC, and DTMB with questions regarding various amendments to Retention and Disposal schedules affecting records of the MSF and MEDC. The CCO assisted the MEDC with questions about the anti-tax haven provision in the MSF Act,
MCL 125.2088c(4)(e), and its application to a potential project. The CCO found that the potential project would not be in violation of the tax haven provisions. 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 Meeting Minutes
September 28, 2021

Members present
Britany L. Affolter-Caine
Susan Corbin
Michael B. Kapp (on behalf of Director Ajegba)
Quentin L. Messer, Jr.

Members joined remotely
Rachael Eubanks, participating from Lansing, MI
Paul Gentilozzi, participating from Lansing, MI
September Hargrove, participating from Detroit, MI
Charles P. Rothstein, participating from Farmington Hills, MI
Susan Tellier, participating from Grand Rapids, MI
Cindy Warner, participating from Traverse City, MI

Member absent
Ronald W. Beebe

I. CALL TO ORDER & ROLL CALL
Mr. Messer called the meeting to order at 10:00 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with an option to participate virtually via Microsoft Teams.

Mr. Messer introduced Katelyn Wilcox Surmann, MSF Board Liaison, who asked members participating in the meeting virtually to identify their physical location by stating the county, city, township, or village and state from which the Board member is attending the meeting remotely. Ms. Wilcox Surmann then conducted the attendance roll call.

II. PUBLIC COMMENTS
Ms. Wilcox Surmann explained the process for members of the public to participate; there were no public comments.

III. COMMUNICATIONS
Ms. Wilcox Surmann noted no communications were received for Board members.

Mr. Messer thanked everyone who was able to participate in the Michigan Economic Development Foundation meeting on September 14 that brought together the state’s top economic development stakeholders, including Executive Committee members, Collaborative Development Council (CDC) members, MSF Board members, and local and regional partners for a conversation on the state’s current economic climate and future trends. The group had meaningful conversations about the opportunities, challenges, and strengths that Michigan faces in the years ahead as it strives to become the #1 four-season state in the nation.

Valerie Hoag, MSF Fund Manager, announced that Ronald W. Beebe was elected chair of the MSF Finance and Investment Subcommittee and a meeting schedule has been set up for next year. She also announced that Cindy Warner was elected chair of the MSF Policy and Planning Subcommittee. Ms. Warner commented on the goals of the subcommittee in the coming months.
IV. CONSENT AGENDA
Resolution 2021-125 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, September Hargrove motioned for the approval of the following:

a. Proposed August 24, 2021 Meeting Minutes
b. Ford Motor Company: SESA Exemption Amendment – 2021-126
c. Ratification of Federal Funding Applications – 2021-127

Cindy Warner seconded the motion. The motion carried: 10 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

V. COMMUNITY VITALITY
a. Resolution 2021-128 CDBG Water Related Infrastructure Projects: Funding Approval
Gregory West, CDBG Program Manager, provided the Board with information regarding this action item. The action involves approval of Community Development Block Grant (CDBG) funds in the amount of $14,937,512 for 11 units of general local government for infrastructure improvements in those communities and up to $550,000 in CDBG funds to provide administrative services to the designated communities. Following discussion, Susan Corbin motioned for the approval of Resolution 2021-128. Britany L. Affolter-Caine seconded the motion. The motion carried: 10 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VI. BUSINESS INVESTMENT
a. Resolution 2021-129 Sartorius BioAnalytical Instruments, Inc: Michigan Business Development Program Grant
Jeremy Webb, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a $1,200,000 Michigan Business Development Program performance-based grant to support a business expansion project. The project is expected to result in the creation of up to 160 jobs and $57,010,000 in total capital investment in Ann Arbor. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2021-129. Charles P. Rothstein seconded the motion. The motion carried: 10 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VII. IMAGE BRANDING
a. Resolution 2021-130 Business Marketing RFP: Award Approval
Doug Kuiper, Senior Vice President of Marketing and Communications, provided the Board with information regarding this action item. The action involves approval of a Business Marketing Request for Proposals (RFP) award to Lambert/9th Wonder for an initial three year term of November 1, 2021, through October 31, 2024, with a first-year allocation of up to $7,100,000 for
the period of November 1, 2021, to October 31, 2022, contingent upon an appropriation approved by the State Legislature and signed into law by the Governor. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2021-130. Susan Corbin seconded the motion. The motion carried: 10 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VIII. INFORMATIONAL
Mr. Messer noted the MSF delegated authority report for the period August 1 to August 31, 2021, was included in the meeting packet. He asked if there were any questions from Board members regarding the information. There was one question about a Michigan Business Development Program amendment for Wacker Chemical, which was answered by staff.

Mr. Messer adjourned the meeting at 10:46 a.m.
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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
MEMORANDUM

Date: October 26, 2021

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

From: Matt Chasnis, Business Development Project Manager

Subject: Amendment and Reauthorization of Performance-based Grant Request
Michigan Business Development Program (“MBDP”)
Mayville Engineering Company, Inc. (“Company” or “Applicant”)

Request
This is a request from the Company to amend the previous MBDP approval to include the Company’s wholly owned subsidiaries, Center Manufacturing Corporation and Center Manufacturing Holdings, Inc. for job creation purposes and reauthorize the approval. The applicant will continue to be Mayville Engineering Company, Inc., however, the jobs being created will fall under the wholly owned subsidiaries.

Background
On April 27, 2021, the MSF approved a MBDP performance-based grant in the amount of $2,500,000 for the Company’s project. The performance-based grant, valued at $6,459.49 per job, is for the creation of a minimum of 245 new jobs and up to 387 new jobs. The project will require approximately $51,500,000 of private investment. Additionally, on August 5, 2021 the MSF fund manager approved a request to change the project location from Wayne County and Kent County to Oakland County and Kent County as the facility that was expected to house the project was sold to a new owner who intended on using the building. The incentive assistance was to secure a flagship manufacturing facility that would provide production capacity while also showcasing the Company’s ability to deliver high-value and high-profile products. The project involved leasing approximately 300,000 square feet of manufacturing space in Romulus, Michigan and was in competition with Indiana and Wisconsin.

Current Status of Project
The MBDP approval required that an Agreement be entered into within 120 days of the date of the approval, and may be extended for an additional 60 days with approval from the MSF Fund Manager. Due to administrative limitations, all parties have been unable to enter into the Agreement within the allowable 180 days. The Company worked to finalize its lease in Romulus immediately following the MSF approval in April. Before the lease could be finalized, the building was sold to a new owner who intended on using the space and the Company’s lease discussions were terminated. The Company began the search for a new building and identified a space in Hazel Park that would serve its needs. The Company has now signed a 10-year triple net lease for 450,000 square feet within the Tri-County Commerce Center located at 1430 E. 10 Mile Road in Hazel Park. Due to the location change, the Company had been unable to execute the MBDP agreement as the new building is now in Oakland County rather than Wayne County. While the overall project has remained consistent, project costs have increased by approximately $9,000,000 as a result of a longer lease and a much larger space in the new location.
Additionally, the original approval included the Applicant’s wholly owned subsidiaries, Center Manufacturing Corporation and Center Manufacturing Holdings, Inc., for purposes of base employment but inadvertently omitted the entities for job creation purposes. The scope of the project remains the same as previously approved and the applicant will continue to be Mayville Engineering Company, Inc., however, the jobs being created will fall under the wholly owned subsidiaries. The amendment will allow the jobs to be counted towards the milestones.

**Request**
The Company has executed a lease on the new location and continues to be confident in reaching production and hiring goals. The Company has dealt with the delay caused by the location change but has been unable to execute an agreement as the location listed in the initial approval has changed and the employees will fall under the Applicant’s subsidiaries. The Company has requested the previous approval reflect the additional entities for job creation purposes and to reauthorize the project. It is anticipated the Company will be in a position to execute the agreement within the allotted reauthorization timeline.

**Recommendation**
MEDC Staff recommends approval of the MBDP Reauthorization and Amendment Request, as outlined in the attached resolution.
MICHIGAN STRATEGIC FUND

RESOLUTION
2021-132

REAUTHORIZATION OF AND AMENDMENT TO A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT FOR MAYVILLE ENGINEERING COMPANY, INC.

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

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

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

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

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

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

WHEREAS, the MSF Board approved a $2,500,000 MBDP performance-based grant on April 27, 2021, via MSF Resolution 2021-066 for the flagship manufacturing facility that would provide production capacity while also showcasing the Company’s ability to deliver high-value and high-profile products (the “MBDP Grant Award”);

WHEREAS, the Transaction Documents memorializing the MBDP Grant Award were not executed within the allotted Time Period or the allowable 60-day extension, as outlined in MSF Resolution 2021-066;

WHEREAS, the Company requests that the MSF Board approve a reauthorization of the MBDP Grant Award in accordance with the attached Term Sheet and amended to modify the project location, change the Qualified New Jobs from 387 to 245, and include the Company’s wholly owned subsidiaries Center Manufacturing Corporation and Center Manufacturing Holdings, Inc. for job creation purposes, 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 (“Reauthorization Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Reauthorization Time Period may be extended for up to an additional 60 days (the “MBDP Reauthorization and Amendment Request”);

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

WHEREAS, the MSF Board wishes to approve the MBDP Reauthorization and Amendment Request.
NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MBDP Reauthorization and Amendment Request; and

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

Ayes: Brittany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
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 26, 2021

Company Name: Mayville Engineering Company, Inc. and/or its affiliates and subsidiaries.

Project Location: Oakland County and Kent County

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to $2,500,000

Base Employment Level: At least 398 at the time of first disbursement of funds and thereafter

Qualified New Jobs: At least 387 Full-Time Jobs in Michigan

Municipality Supporting Project: The City of Hazel 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: March 31, 2021 (Date of Initial Term Sheet)

Term of the Agreement: May 30, 2025

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:

- $6,459.94 for the creation of a minimum of 105 jobs up to a maximum of 150 jobs.
- $6,459.94 for the creation of a minimum of 221 jobs up to a maximum of 315 jobs.
- $6,459.94 for the creation of a minimum of 245 jobs up to a maximum of 350 jobs.
- $6,459.94 for the creation of a minimum of 271 jobs up to a maximum of 387 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee  

Dear Ms. Wilcox:  

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

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

Sincerely,  

Susan R. Corbin  
Acting 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,

[Signature]

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
    Executive File
January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
    Andrew Lockwood
MEMORANDUM

Date: October 26, 2021

To: Michigan Strategic Fund Board

From: Christine Whitz, Director, Community Development Block Grant Program
      Greg West, Community Development Block Grant Program, Manager

Subject: Community Development Block Grant Program
         Program Year 2021 Action Plan & Funding Guide Excerpt

Request
Michigan Economic Development Corporation (“MEDC”) Staff recommends the Michigan Strategic Fund (“MSF”) approval of the 2021 Program Year Action Plan (Attachment A) and attached 2021 Program Year Funding Guide Excerpt for the Community Development Block Grant (“CDBG”) Program (Attachment B).

Background
The U.S. Department of Housing and Urban Development (“HUD”) allocates CDBG funding to the State of Michigan, through the MSF, for further distribution to eligible Units of General Local Government to carry out State approved activities.

The State of Michigan's Consolidated Plan is submitted pursuant to a HUD rule (24 CFR Part 91, 1/5/95) as a single submission covering the planning and application of HUD's CDBG, Emergency Shelter Grant (ESG), HOME Investment Partnership (HOME) and Housing Opportunities for Persons with AIDS (HOPWA) formula programs. While the MSHDA submits the Consolidated Plan on the State’s behalf, the MSF has authority over the attached Action Plan (Attachment A) related to CDBG funds.

The State’s responsibilities include ensuring the State’s and its Grantee’s compliance with the statute, HUD regulations, and the Consolidated Plan. The details on the selection criteria for each initiative are general in the Action Plan, but are further defined in the CDBG Funding Guide. The Attachment B is an excerpt from the CDBG Funding Guide for potential applicants based on the requirements within the Consolidated Plan, Federal regulations and policies developed by staff to ensure consistency with grantees.

This excerpt outlines the selection criteria for the various initiatives funded with the CDBG allocation, which is being updated to ensure that the State is responding to the changing needs of the communities that are eligible, and in alignment with the goals of the MEDC. These updates are based on citizen participation, consultation with other State departments, targeted outreach and feedback from grantees.

Recommendation
The MEDC Staff recommends the MSF approve:

- The 2021 CDBG Program Action Plan and
- The 2021 CDBG Program Funding Guide Excerpt.
Below are the Former 2020 Excerpts from the existing CDBG Funding Guide.

- The **Building Rehabilitation** and **Rental Rehab** has been updated and revised in the New 2021 Funding Guide Excerpt
- The **Public Facilities** has now been replaced with NEW “**PUBLIC GATHERING SPACES**”
- The **Public Improvements (Infrastructure)** has been updated to only reflect the Infrastructure funding rounds in the New 2021 Funding Guide Excerpt

### BUILDING REHABILITATION

<table>
<thead>
<tr>
<th>Overview</th>
<th>Projects to eliminate conditions of blight that are detrimental to public health and safety or necessary for historic preservation through rehabilitations of individual buildings. Projects must include interior building rehabilitation activities only, or both interior and exterior renovations. Funding is also available for projects that will rehabilitate buildings that currently contribute to the deterioration of the downtown. These areas are established by a Community through a local ordinance and projects are limited to addressing the conditions contributing to local deterioration.</th>
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</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td><strong>National Objective</strong></td>
</tr>
</tbody>
</table>
|           | Spot Blight | • Historic Preservation  
|           |             | • Acquisition  
|           |             | • Rehabilitation |
| Minimum Grant Amount | $50,000 |
| Maximum Grant Amount | $2 million |
| Match Requirement | 50% |
| Priority | Funding priority will be given to:  
|           | • the rehabilitation of vacant, deteriorated and abandoned buildings which are blighted and detrimental to public health and safety.  
|           | • Projects that leverage the greatest amount of private and public funding |
| Funding Window | Open Application |
# PUBLIC FACILITIES

## Overview

**Public Facilities** are buildings or structures that are publicly owned or owned by a non-profit (501(c)3), and open to the general public for access to public services at the facility. These buildings may not be used in whole or in part for the general conduct of government.

**Limited Clientele Facilities** are buildings that are publicly owned or owned by a Non-Profit and is used to support a limited clientele, through providing necessary services, excluding permanent housing.

In addition:
- Communities will have identified potential funding sources
- Community has a maintenance and sustainability plan related to the new project and has identified sources for related funding.

_Retail activity is not a public service and is ineligible in qualifying a public facility._

## Eligibility

<table>
<thead>
<tr>
<th>National Objective</th>
<th>Eligible Activities</th>
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<tbody>
<tr>
<td><strong>Public Facilities:</strong></td>
<td>Acquisition, Rehabilitation of;</td>
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<tr>
<td>- <strong>Neighborhood Facilities</strong> - facilities that are principally designed to serve a neighborhood and that will be used for social services. Such facilities may include libraries and community centers.</td>
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<tr>
<td>- <strong>Parks, Recreational Facilities</strong> - Development of open space areas or facilities intended primarily for recreational use (ex: playgrounds)</td>
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<table>
<thead>
<tr>
<th>Limited Clientele</th>
<th>Limited Clientele Facilities:</th>
<th>Acquisition, Rehabilitation of;</th>
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<tbody>
<tr>
<td>- <strong>Senior Centers</strong> - facilities (except permanent housing) for seniors.</td>
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<tr>
<td>- <strong>Facilities for Persons with Disabilities</strong> – Centers, group homes, and other facilities for persons with disabilities.</td>
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<tr>
<td>- <strong>Youth Centers</strong> - facilities intended primarily for young people age 13-19, including playground and recreational facilities that are part of a youth center.</td>
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<tr>
<td>- <strong>Child Care Centers</strong> - facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers.</td>
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<tr>
<td>- <strong>Facilities for Abused and Neglected Children</strong> - daycare centers, treatment facilities, or temporary housing for abused and neglected children.</td>
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<tr>
<th>COVID-19 Response</th>
<th>Acquisition, Rehabilitation or Construction of Facilities for;</th>
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<tbody>
<tr>
<td>- Accommodating Isolation or Quarantine.</td>
<td></td>
</tr>
<tr>
<td>- Testing, diagnosis, or treatment of patients.</td>
<td></td>
</tr>
<tr>
<td>- Facilities that are necessary to respond to COVID-19</td>
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</tbody>
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| Associated Eligible Activities | Limited **Public Improvements** that are necessary for the completion of a **Public Faculty** Project may be included such as; Sidewalks, Solid Waste Disposal, Street Improvements, and Water/Sewer Improvements. |

<table>
<thead>
<tr>
<th>Minimum Grant Amount</th>
<th>Maximum Grant Amount</th>
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<tbody>
<tr>
<td>$50,000</td>
<td>$2 million</td>
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<tr>
<th>Match Requirement</th>
<th>10% up to $1 million</th>
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<tr>
<td></td>
<td>25% over $1 million</td>
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<tr>
<th>Priority</th>
<th>Funding priority will be given to:</th>
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<tr>
<td>- Projects that provide access to a new type of facility not currently available.</td>
<td></td>
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<tr>
<td>- Projects that will reactivate underutilized property.</td>
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<th>Funding Window</th>
<th>Open Application</th>
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</thead>
</table>
**RENTAL REHABILITATION**

**Overview**

Reactivation of residential space in mixed-used buildings to encourage density in downtowns. CDBG Funded activities and associated match are limited to the costs of converting non-residential space into residential units or rehabilitating existing, substandard* residential units to code-compliant standard units.

All interior rehabilitation must be in accordance with all locally adopted building and housing codes, standards and ordinances. If locally adopted and enforced building and housing codes do not exist, refer to the Housing Quality Standards (HQS) as set forth in 24 CFR 982.401.

For exterior rehabilitation projects, see Building Rehabilitation Initiative.

New leases require a minimum duration of 1 year and household income verification requirements met for 5 years.

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>National Objective</th>
<th>Eligible Activities</th>
</tr>
</thead>
</table>
|             | Housing            | ▪ Conversion of nonresidential space to residential  
|              |                    | ▪ Rehabilitation of residential units  
|              |                    | ▪ Fire Suppression  
|              |                    | ▪ Abatement of lead paint |

| Minimum Grant Amount | $50,000 |
| Maximum Grant Amount | N/A | Maximum CDBG Assistance per Unit | $60,000 |

**Match Requirement**

25% of total unit cost. CDBG will fund 75% of unit rehabilitation up to $60,000 per unit.

**Priority**

Funding priority will be given to:
- Projects that leverage the greatest amount of private and public funding.

**Funding Window**

Open Applications
### PUBLIC IMPROVEMENTS (Public Infrastructure)

**Overview**

As identified in Section 105(a)(2) of Title I of the HCDA, Public Improvements are infrastructure elements located at street level or below grade (horizontal construction), which benefit the residents of a defined service area.

The State CDBG Program limits the acceptance of applications for public improvement projects to funding rounds, however, will allow public improvement elements to be an eligible activity if it is deemed necessary to complete a **Public Facility** or **Direct Assistance to Business** project.

<table>
<thead>
<tr>
<th>National Objectives</th>
<th>LMA Community: Area Benefit</th>
<th>Non-LMA Community: N/A</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Open Applications</th>
<th>Eligible Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Street Improvements</strong>: Installation or repair of streets, street drains, storm drains, curbs and gutters, and traffic lights/signs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sidewalks</strong>: Installation or repair of sidewalks or sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Grant Amount</th>
<th>Maximum Grant Amount</th>
<th>Match Requirement</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td></td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

Funding priority will be given to:
- Projects that provide access to a new type of facility not currently available.
- Projects that will reactivate underutilized property.

<table>
<thead>
<tr>
<th>Funding Rounds</th>
<th>Eligible Activities</th>
<th>Minimum Grant Amount</th>
<th>Maximum Grant Amount</th>
<th>Match Requirement</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Water/Sewer Improvements</strong>: Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants.</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
</tr>
<tr>
<td></td>
<td><strong>Flood Drainage Improvements</strong>: Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins.</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
</tr>
<tr>
<td></td>
<td><strong>Solid Waste Disposal Improvements</strong>: Acquisition, construction, or rehabilitation of solid waste disposal facilities.</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
<td>Identified at time of funding round posting</td>
</tr>
</tbody>
</table>
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 (“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, the CDBG program staff reviewed the 2021 Program Year Funding Guide Excerpt and concluded that the policies meet the enabling legislation, federal regulations and the requirements of the Consolidated Plan;

WHEREAS, the CDBG program staff recommends that the MSF adopt the attached 2021 Funding Guide Excerpt to update the selection criteria in the current Funding Guide for the CDBG program.

WHEREAS, the CDBG program staff recommends that the MSF approve the 2021 Action Plan.

WHEREAS, the MSF desires to authorize the Fund Manager, in coordination with the Michigan State Housing Development Authority, to submit the final 2021 Action Plan as part of the Consolidated Plan to HUD;

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

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board authorizes the Fund Manager, in coordination with the Michigan State Housing Development Authority, to submit the final CDBG 2021 Action Plan, pursuant to the Consolidated Plan, to HUD. The MSF President or Fund Manager is authorized to modify the Action Plan prior to submission to HUD on the MSF’s behalf so long as the final terms and conditions are consistent with this resolution of the MSF Board and not otherwise materially adverse to the interests of the MSF.

BE IT FURTHER RESOLVED, that the MSF Board adopts the attached Funding Guide Excerpt as the policies, criteria, and parameters for projects being considered and funded with 2021 program Year funds;

BE IT FURTHER RESOLVED, consistent with SFCR 10.1-1(3), the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the terms of this Resolution.

Ayes: Brittany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
INTRODUCTION

The State of Michigan's Housing and Community Development Consolidated Plan is submitted pursuant to a U.S. Department of Housing and Urban Development (HUD) rule (24 CFR Part 91, 1/5/95) as a single submission covering the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF) formula programs.

The purpose of the 2020-2024 Consolidated Plan is to describe programs and activities that will be undertaken in conjunction with HUD programs by the State of Michigan over 5 years. Funding from these programs is awarded to the State by HUD and administered by the Michigan State Housing Development Authority, the Michigan Economic Development Corporation on behalf of the Michigan Strategic Fund, and the Michigan Department of Health and Human Services.

The programs and initiatives to be provided by the state Community Development Block Grant Program, in year two of the five-year plan (July 1, 2021 - June 30, 2022) addresses the housing and community development needs and goals identified within the State of Michigan's Consolidated Plan.

The State Community Development Block Grant Program's goals are to:

- Improve community infrastructure and facilities that benefit low and moderate income (LMI) people.
- Rehabilitate rental housing in downtowns primarily for LMI households.
- Provide incentive for the creation of jobs and training opportunities for LMI people.
- Eliminate blight in the State that is harmful to human health and safety, as well as restore historic character.
- Respond and make funds available for grantees during declared emergencies.
- Provide funding for planning and technical assistance to grantees.
- Provide funds for CDBG program administrative expenses.
CDBG Allocations
The CDBG Award for Program 2021 was $35,396,098. These funds, in addition to prior year balances are budgeted to support the following business units and strategic priorities.

<table>
<thead>
<tr>
<th>Division/Use</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Community Development</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>CDBG Funding Round</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>COVID-19 Response</td>
<td>$27,500,000</td>
</tr>
<tr>
<td>Administration &amp; Technical Assistance</td>
<td>$1,161,883</td>
</tr>
</tbody>
</table>

Method of Distribution
To achieve the CDBG program goals, funds are disbursed through four separate channels with different criteria and eligibility.

CDBG Open Applications
The CDGB program is comprised of initiatives which aim to address community need on an ongoing basis. Initiatives include: Direct Assistance to Business, Historic Preservation, and Rental Rehabilitation. Further specifics on these initiatives are in the CDBG funding Guide.

CDBG Competitive Applications
The Competitive Application method is focused on funding Public Gathering Spaces and Public Improvement projects during timed application periods as described in the CDBG Funding Guide.

CDBG Direct Administration
To react to the dynamic conditions of the coronavirus pandemic, HUD provided waivers to States to directly administer projects through State departments rather than through a grantee.

CDBG Loan Fund Program
Provides loan funds to Communities in order to assist eligible small businesses to assist with a CDBG eligible project. The repayments from those loans are reused for further loan activities.

CDBG Local Program Income
Prior housing projects that generated income, which is retained by local governments to be reused for LMI housing projects which are still subject to compliance with all applicable CDBG rules and regulations.
CDBG Program Income

In instances where income is generated from CDBG funded projects, the funding is reused for regular programming, local emergency repair programs, and small business loans. These funds are separate from the annual allocation but are still accounted for as a part of the annual plan.

<table>
<thead>
<tr>
<th>Division/Use</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Program Income – Returned to fund new projects</td>
<td>$500,000</td>
</tr>
<tr>
<td>Locally Held Program Income – Emergency Repair Program</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>CDBG Loan Program (CLP fka RLF) Income – Held Regionally to Support Small Business Loans</td>
<td>$350,000</td>
</tr>
</tbody>
</table>
FUNDING PLATFORM OVERVIEW

The MEDC has identified the following CDBG-funded projects consistent with Section 105(a) of Title I of the HCDA (Housing and Community Development Act) and to provide guidance and assistance for CDBG Program Year 2021.

<table>
<thead>
<tr>
<th>BUILDING REHABILITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG LOAN PROGRAM</td>
</tr>
<tr>
<td>DIRECT ASSISTANCE TO BUSINESS</td>
</tr>
<tr>
<td>PUBLIC GATHERING SPACES</td>
</tr>
<tr>
<td>RENTAL REHABILITATION</td>
</tr>
<tr>
<td>PUBLIC IMPROVEMENTS (PUBLIC INFRASTRUCTURE)</td>
</tr>
<tr>
<td>UNIQUE/INNOVATIVE</td>
</tr>
</tbody>
</table>

All projects will be evaluated on the following in addition to all other criteria set forth in this Funding Guide:

**Economic Impact**: Proposed projects are evaluated on their economic impact, including the diversification of the economic base of the local and state economies.

**Financial Viability**: All projects must be financially viable. Please refer to the Economic Development Underwriting (Financial Viability) section for guidance on that evaluation process.

**Local Participation**: Proposed projects are expected to demonstrate local government support.
BUILDING REHABILITATION

**Overview**

The Building Rehabilitation initiative funds the exterior and/or interior rehabilitation of existing buildings. The tool is in place to promote traditionally dense mixed-use areas, increased economic and pedestrian activity, and to facilitate the reinvigoration of city centers attracting talent to Michigan communities.

The Building Rehabilitation platform is for projects that eliminate conditions of blight, detrimental to public health and safety through rehabilitations of individual buildings. Communities can qualify buildings as blighted through a letter/report summarizing conditions and how the project will eliminate those conditions and/or identifying those elements required to be added to the building in order for the project to receive a certificate of occupancy.

The letter/report must come from a registered licensed building inspector, licensed or certified local building official/code enforcement officer or licensed third-party building contractor.

Additionally, in some cases, restoration of historic elements may be eligible for funding if a building meets historic standards.

Projects must include interior building rehabilitation activities or include both interior and exterior renovations. At a minimum, housing quality standards established in 24 CFR SEC. 982.401 or locally adopted building and housing code must be followed.

Davis Bacon will apply to all projects under this initiative.

<table>
<thead>
<tr>
<th>National Objective</th>
<th>Elimination of Blight. See National Objective section of this guide for details on achieving this qualifier.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG Eligible Activities</td>
<td>CDBG funds are intended to cover costs associated with eliminating conditions of blight and, in some cases, historic preservation activities.</td>
</tr>
<tr>
<td>Grant Amount</td>
<td>$100,000 – $2,000,000 in CDBG funds requested</td>
</tr>
<tr>
<td>Match Requirement</td>
<td>50% of total project costs</td>
</tr>
<tr>
<td>Funding Window</td>
<td>Open Application</td>
</tr>
</tbody>
</table>
### CDBG LOAN PROGRAM

**Overview**

The intended purpose of the CDBG Loan Program (CLP)* is to provide loans to eligible small businesses, or UGLGs, to meet a National Objective.

Regionalized and Local fund managers administer the loan programs for select communities throughout the state.

CDBG Loan funds can be used in conjunction with CDBG grant funds in an eligible project.

<table>
<thead>
<tr>
<th>National Objective</th>
<th>LMA Community: Area Benefit, Blight, Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-LMA Community: Blight, Job Creation</td>
</tr>
</tbody>
</table>

#### Eligible Activities

- Acquisition
- Administration
- Architecture / Engineering
- Building Improvements
- Demolition
- Infrastructure Improvements
- Machinery / Equipment
- Planning
- Working Capital

#### Minimum Loan Amount

$20,000

#### Maximum Loan Amount

N/A

#### Match Requirement

N/A

#### Funding Window

Open Application
## DIRECT ASSISTANCE TO BUSINESS

### Overview
Direct Assistance to Business is designed to provide grant funding for proposed projects that will result in job creation. Projects are expected to:
- Result in the creation of FTEs of which at least 51% of the created positions will be held by LMI persons.
- Create and/or retain the largest number of positions with the least amount of CDBG investment.
- Leverage private investment funds.
- **Not to exceed $35,000 of CDBG funds per FTE Created.**

### Eligibility

<table>
<thead>
<tr>
<th>National Objective</th>
<th>Eligible Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>Acquisition, Clearance, Construction, Expansion, Rehabilitation, Machinery &amp; Equipment, Working Capital, Streets for Commercial/Industrial Sites, Water/Sewer for Commercial/Industrial Sites, Parking for Commercial/Industrial Sites, Rail for Commercial/Industrial Sites</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Grant Amount</th>
<th>$50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Grant Amount</td>
<td><strong>Not to exceed $35,000 of CDBG funds per FTE Created.</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Match Requirement</th>
<th>At least 50% of eligible project costs based on financial need defined by financial underwriting.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority</td>
<td>Funding priority will be given to:</td>
</tr>
<tr>
<td></td>
<td>- Projects creating 10 or more permanent full-time positions</td>
</tr>
<tr>
<td></td>
<td>- Projects that pay an average hourly rate of at least the current State of Michigan minimum wage or 75% of the average hourly wage rate for the applicable county.</td>
</tr>
<tr>
<td></td>
<td>- Projects that leverage the greatest amount of private and public funding.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding Window</th>
<th>Open Application</th>
</tr>
</thead>
</table>
## PUBLIC GATHERING SPACES

### Overview

The Public Gathering Spaces Initiative funds improvements intended to increase usability, accessibility, and seasonality within new or existing community spaces on publicly owned property.

By supporting the creation or expansion of public gathering spaces in low-and-moderate income (LMI) communities throughout Michigan, the Public Gathering Spaces Initiative will create and enhance recreational places that will allow residents to gather, relax, celebrate, and commemorate.

The Public Gathering Spaces Initiative funds projects including, but not limited to - parks, town squares, playgrounds, amphitheaters, and farmers markets.

In an effort to create an equitable and transparent program, the Public Gathering Spaces Initiative will award funding to eligible applicants based on a competitive application round(s).

### National Objective

Low-and-Moderate Area Benefit. See National Objective section of this guide for details on achieving this qualifier.

### Eligible Activities

Permanent public improvements that are necessary for the successful creation or enhancement of a public gathering space, such as, but not limited to, permanent infrastructure, recreational amenities, lighting, universal accessibility design elements, and/or other activities deemed eligible by HUD.

Limited Public Improvements that are necessary for the completion of a Public Gathering Space Project may be included such as: Sidewalks, Solid Waste Disposal, Street Improvements, and Water/Sewer Improvements.

<table>
<thead>
<tr>
<th>Minimum Grant Amount</th>
<th>Maximum Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200,000</td>
<td>$1 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Match Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified at time of funding round posting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding Window</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified at time of funding round posting</td>
</tr>
</tbody>
</table>

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CDBG FUNDING GUIDE, 10/2021 5
# RENTAL REHABILITATION

| Overview | The Rental Rehabilitation initiative funds the rehabilitation of vacant/substandard rental units or the conversion of vacant unoccupied space to affordable and market rate residential units. By supporting traditional downtowns, dense mixed-use areas, and the reinvigoration of city centers, the program aims to attract talent to Michigan communities through creation of mixed income housing resulting in increased economic and pedestrian activity. Project activities may include rehabilitation and/or construction of housing units within existing building, or activities that are necessary for housing units and that do not have an ancillary benefit to commercial uses in the building. There is no minimum or maximum unit size requirement; however, there must be fair and equitable distribution of units, so affordable and market-rate units should be comparable in size, quality and finishes throughout the building. At a minimum, housing quality standards established in 24 CFR SEC. 982.401 or locally adopted building and housing code standards and ordinances must be followed, whichever is higher. Davis-Bacon wages apply to all housing projects with eight or more units. For projects that impact ancillary commercial space, speak with your CATeam Specialist. |
| National Objective | Low-moderate income housing (LMI Housing). See National Objective section of this guide for details on achieving this qualifier. |
| CDBG Eligible Activities | CDBG funds are intended to cover costs associated with rehabilitation and/or construction of housing units within existing buildings. |
| Minimum Project Size | 2 units |
| Match Requirement | 25% of total project costs |
| Maximum Grant Amount | $1,000,000. Total CDBG project support shall not average over $100,000 per unit included in project. |
| Funding Window | Open Applications |
**PUBLIC IMPROVEMENTS (Public Infrastructure)**

<table>
<thead>
<tr>
<th>Overview</th>
<th>As identified in Section 105(a)(2) of Title I of the HCDA, Public Improvements are infrastructure elements located at street level or below grade (horizontal construction), which benefit the residents of a defined service area. The State CDBG Program limits the acceptance of applications for public improvement projects to funding rounds, however, will allow public improvement elements to be an eligible activity if it is deemed necessary to complete a Public Gathering Space or Direct Assistance to Business Initiative project.</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Objectives</td>
<td>LMA Community: Area Benefit Non-LMA Community: N/A</td>
</tr>
<tr>
<td>Funding Rounds</td>
<td>Eligible Activities</td>
</tr>
<tr>
<td></td>
<td>• <strong>Water/Sewer Improvements</strong>: Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants.</td>
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<td></td>
<td>• <strong>Flood Drainage Improvements</strong>: Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Solid Waste Disposal Improvements</strong>: Acquisition, construction, or rehabilitation of solid waste disposal facilities.</td>
</tr>
<tr>
<td>Minimum Grant Amount</td>
<td>Identified at time of funding round posting</td>
</tr>
<tr>
<td>Match Requirement</td>
<td>Identified at time of funding round posting</td>
</tr>
<tr>
<td>Priority</td>
<td>Identified at time of funding round posting</td>
</tr>
</tbody>
</table>
### UNIQUE / INNOVATIVE

<table>
<thead>
<tr>
<th>Overview</th>
<th>Funding requests may be considered by the MEDC, based on special and/or unique needs, or situations requiring innovative program approaches not specifically provided for in identified funding initiatives.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>National Objective</td>
</tr>
<tr>
<td>▪ Area Benefit</td>
<td>▪ Area Blight</td>
</tr>
<tr>
<td>Minimum Grant Amount</td>
<td>$50,000</td>
</tr>
<tr>
<td>Maximum Grant Amount</td>
<td>$2 million</td>
</tr>
<tr>
<td>Match Requirement</td>
<td>25 - 50% of eligible project costs based on financial need defined by financial underwriting.</td>
</tr>
<tr>
<td>Priority</td>
<td>Funding priority will be given to: ▪ Innovative solutions to activate public space. ▪ Projects with a high percentage of local matching funds. ▪ Projects that leverage the most private funding.</td>
</tr>
<tr>
<td>Funding Window</td>
<td>Open Application</td>
</tr>
</tbody>
</table>
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Thank you.

Sincerely,

Susan R. Corbin
Acting 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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

[Signature]

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
2022 Meeting Dates

Tuesday, January 25, 2022  
10:00am

Tuesday, February 22, 2022  
10:00am

Tuesday, March 22, 2022  
10:00am

Tuesday, April 26, 2022  
10:00am

Tuesday, May 24, 2022  
10:00am

Tuesday, June 28, 2022  
10:00am

Tuesday, July 26, 2022  
10:00am

Tuesday, August 23, 2022  
10:00am

Tuesday, September 27, 2022  
10:00am

Tuesday, October 25, 2022  
10:00am

Tuesday, December 13, 2022*  
10:00am

*Combined November/December Meeting
MICHIGAN STRATEGIC FUND
RESOLUTION
2021-131

APPROVAL OF THE OCTOBER 26, 2021 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:

- Proposed Meeting Minutes: September 28, 2021
- Mayville Engineering: MBDP Amendment
- CDBG: Program Year 2021 Action Plan & Funding Guide Excerpt
- 2022 MSF Board Meeting Dates

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Thank you.

Sincerely,

Susan R. Corbin  
Acting 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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date:   October 26, 2021

To:  Michigan Strategic Fund Board

From:  Jill Trepkoski, Chief Financial Officer

Subject:  MSF Annual Allocation of Funding

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

Background
Each year MEDC Staff requests that the MSF Board accept and allocate funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. For FY2022, the gross allocation is approximately $150 million and consists of tobacco settlement funds from 21st Century Jobs Trust Fund, funds from the general fund that transfer to the 21st Century Jobs Trust Fund, and federal Community Development Block Grant Funds. These funds are for business attraction and community development programs and activities, and the entrepreneurship ecosystem. The Request includes allocation of funds for administrative costs, business development and marketing, allocations for business attraction, community development and entrepreneurship programs and activities, as well as specific funding allocations to entities that have executed multi-year agreements with the MSF.

Administration Allocation – 4% of Appropriated Funds
The MEDC provides administrative services to the MSF. The MSF may allocate up to 4% of the annual appropriation from the 21st Century Jobs Fund to reimburse the MEDC for expenses related to its administration of the programs on behalf of the MSF. On August 24, 2021, the MSF authorized an extension to the Administrative Services Memorandum of Understanding.

Business Development and Marketing Allocation – 5% of Appropriated Funds
These funds are used for business marketing campaigns, media, and public relations activities to attract, retain, and grow target industries that deliver economic benefit to the people of the state. Under section 88b(4) of the MSF Act, the MSF may allocate up to 5% of the annual appropriation from the 21st Century Jobs Fund for these activities. Specific agreements are funded from this allocation upon approval of the MSF board or its delegates.

Business and Community Development Programs and Activities - $66,890,000
These funds are used to support programs such as the Michigan Business Development Program (“MBDP”), the Michigan Community Revitalization Program (“MCRP”), and Jobs Ready Michigan Programs for high impact Business and Community Development projects. Support is offered as a grant, loan, or other economic assistance primarily to projects that meet strategic focus
areas to attract, retain, and support businesses, foster high-wage skills growth, and develop attractive places. As of June 2021, the MBDP had an effectiveness rate of 77% creating 46,177 verified jobs. The MCRP had an effectiveness rate of 94% with 158 projects completed by March of 2021. This funding has also been used to support other business and community development programs and activities to achieve the strategic goals of the MSF. Specific projects or programs are funded from this allocation upon approval of the MSF board or its delegates.

**Community Revitalization Program - $20,000,000**

These funds represent the boilerplate requirement in Public Act 87 of 2021 section 1024 that not less than 20% of the $100 million FY2022 Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program. Specific projects are funded from this allocation upon approval of the MSF board or its delegates.

**International Trade Small Business Services Contracts - $270,000**

On September 26, 2017, the MSF awarded Small Business Services contracts (the “SBS Contracts”) totaling $270,000 to Foster Swift Collins & Smith, P.C. (“Foster Swift”), IBT Online, Michigan State University – International Business Center (“MSU-IBC”), and the Michigan Small Business Development Center (“MI-SBDC”) following a formal request for proposals, for an additional term of October 1, 2017 to September 30, 2018, with the option to extend each contract up to four additional years and allocate additional funding at the sole discretion of the MSF.

On August 28, 2018, the MSF exercised its first option to extend the term to September 30, 2019 and allocated $270,000 in aggregate to the SBS Contracts. On September 24, 2019, the MSF exercised its second option to extend the term to September 30, 2020. On October 22, 2019, the MSF allocated $270,000 in aggregate to the SBS Contracts to support the small business services for the period of October 1, 2019, and September 30, 2020. On August 25, 2020, the MSF exercised its third option to extend the SBS Contracts to September 30, 2021. On August 24, 2021, the MSF exercised its fourth option to extend the SBS Contracts to September 30, 2022. The MEDC recommends that the MSF allocate $270,000 in the amounts listed below to the SBS Contracts to support a continuation of services through September 30, 2022:

- **Foster Swift** - $50,600 to support legal assistance and trainings including workshops and one-on-one training on topics such as intellectual property protection, foreign agent/distributor contract terms checklist, export controls overview, and U.S. Foreign Corrupt Practices Act.
- **IBT Online** - $54,000 to support localization of company websites to increase online visibility and grow export sales in two targeted international markets
- **MSU- IBC** - $59,175 to support Michigan Export Growth Program custom research reports providing multi-country and industry-specific market research reports
- **MI-SBDC** - $106,225 to support projects including (1) International Search Engine Optimization (SEO) to define strengths and weaknesses of a company’s website and social media presence to advance international sales, and (2) Early Stage Export Assistance to assess export readiness and provide export planning, financial assessment and marketing recommendations
In FY2021, SBS providers supported 100 total company projects supporting Michigan exporters expansion and entry into new foreign markets.

**International Trade Project Exception Program - $100,000**

On July 28, 2015, the MSF Board approved an amendment to the International Trade Program’s State Trade Expansion Program (“MI-STEP”) guidelines to create the Pilot Exception Program to assist businesses that do not meet the Small Business Administration eligibility guidelines, using state funds previously allocated to the MI-STEP program budget. On December 20, 2016, the MSF Board approved a renewal of the Pilot Program and authorized the use of uncommitted state funds approved for the previous fiscal year for MI-STEP to be carried over for use for the Pilot Program. On August 22, 2017, the MSF Board converted the Pilot Program into a permanent program named the “Project Exception Program” (“PEP”) and approved the continuation of the funding mechanism for future years.

These services have proven to be in high demand by Michigan businesses. In FY2021, PEP supported 11 total company projects supporting Michigan exporters expansion and entry into new foreign markets. The MEDC recommends that the MSF allocate $100,000 to PEP to support a continuation of critical services to Michigan exporters through September 30, 2022.

**Michigan Build Ready Sites Program - $1,800,000**

On April 27, 2021, the MSF Board approved funding, in the amount of $1,800,000 to establish the Michigan Build Ready Sites Program (“MBRSP”). This program is intended to increase Michigan’s inventory of industrial properties that are ready for projects so the Michigan can be competitive with other states. Since its inception, the program has assisted 60 different properties located across the state and utilized the vetted sites criteria to ensure the sites were build ready. Currently, due to the high demand of sites over 1,000 acres, the program is supporting the advancement in readiness for two sites of this size. The MEDC recommends that the MSF allocate $1,800,000 to support an additional year of funding for this critical program.

**Michigan Small Business Development Center Core Services Grant - $1,940,000**

On October 22, 2019, the MSF authorized a grant of up to $3,855,000 to the MI-SBDC to support its Core Services Program and its Technology Consulting Services Program for a term of January 1, 2020 to December 31, 2022, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. The MSF Fund Manager, on behalf of the MSF negotiated and executed a grant agreement in the amount of $1,945,000 for the Core Services Program (the “Core Services Grant Agreement”) and negotiated and executed a grant agreement in the amount of $1,910,000 for the Technology Consulting Services Program (the “Tech Services Grant Agreement”). On October 27, 2020, the MSF Board allocated an additional $1,940,000 for the Core Services Grant Agreement to support grant activities for the period of January 1, 2021 through December 31, 2021.

The Core Services program supports small businesses in non-high-tech industries, including main street businesses by providing expert assistance at no cost to entrepreneurs looking to start or grow a business. Due to the pandemic, in 2021 demand for support services was two times the typical levels and through CARES Act funding received from the Small Business Administration, MI-
SBDC was able to hire additional contractual staff. Through their eleven Regional Offices mostly housed in educational institutions throughout the State, MI-SBDC business consultants provide one-on-one assistance to small business owners on topics such as writing a business plan, preparing financial statements, cash flow projections, lease negotiations and many others relevant small business topics. In addition to one-on-one business counseling, the MI-SBDC offers robust online and in person trainings. These trainings provide accessible education and best practices to non-tech businesses, many of whom are located on Main Street and contribute to the overall vibrancy of our core downtown and neighborhood commercial districts.

Since January 1, 2021, the MI-SBDC is outpacing their metrics as they meet the increased demand for services and in on track to achieve over 25,000 hours of business counseling and preparation to non-tech businesses, serve over 10,000 small business clients, facilitate over 335 new business starts, and support creation of over 1,250 new jobs by client companies. The MEDC recommends that the MSF allocate $1,940,000 in additional funding to support the Core Services program for the period of January 1, 2022 through December 31, 2022.

**Michigan Small Business Development Center Technology Services Grant - $1,800,000**

On October 22, 2019, the MSF authorized a grant of up to $3,855,000 to the MI-SBDC to support its Core Services Program and its Technology Consulting Services Program for a term of January 1, 2020 to December 31, 2022, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. The MSF Fund Manager, on behalf of the MSF negotiated and executed a grant agreement in the amount of $1,945,000 for the Core Services Program (the “Core Services Grant Agreement”) and negotiated and executed a grant agreement in the amount of $1,910,000 for the Technology Consulting Services Program (the “Tech Services Grant Agreement”). On October 27, 2020, the MSF Board allocated an additional $1,720,000 to the Tech Services Grant Agreement to support grant activities for the period of January 1, 2021 through December 31, 2021.

The Technology Services Program provides specialized assistance to early-stage tech companies, the vast majority of which are very early-stage companies, primarily pre-revenue and often pre-proof of concept. These services include business plan review, marketing strategies, management team development and providing connection to other statewide resources, including early-stage capital. Since January 1, 2020, the MI-SBDC Technology Services program has supported the creation of 109 companies, attracted over $62,000,000 in investments, and facilitated creation of 441 new full-time jobs. The MEDC recommends that the MSF allocate $1,800,000 in additional funding to support continuation of the Technology Services for the period of January 1, 2022 to December 31, 2022.

**Entrepreneurial Programs and Grants - $5,161,500**

These funds are used for university technology programs, entrepreneurial services grants and early-stage funding programs that support Michigan’s statewide technology ecosystem. Except as to those funding allocations set forth in this memo, program and project funding requests, requests to allocate these funds are presented to the MSF Board throughout the fiscal year for approval.
Michigan Translational Research and Commercialization Program Allocation - $2,600,000
The Michigan Translational Research and Commercialization Statewide Program (the “MTRAC Program”) was created 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 institutional 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. Since April 2016, the MSF has designated five Innovation Hubs under the MTRAC Program: Advanced Computing, Life Sciences, Advanced Transportation, Advanced Materials, and Agriculture-Biology. The Innovation Hubs support translation of competitive edge research into commercial applications at Michigan-based institutions of higher education, hospital systems, and non-profit research organizations. Innovation Hub designations last for up to six years and on June, 22, 2021 the MSF Board approved amended program guidelines to permit grant terms that coincide with the terms of the Innovation Hub designations and to ensure a competitive application process for future Innovation Hubs designations. Specific funding requests under the MTRAC Program are listed below.

Wayne State University – Advanced Computing Innovation Hub - $425,000
On February 26, 2019, the MSF designated Wayne State University (“WSU”) as the Innovation Hub for Advanced Computing activities. Since its designation in 2019, the Advanced Computing Innovation Hub at WSU has funded six projects and leveraged $930,389 in follow on funding. On June 22, 2021, the MSF Board approved the extension of the term of the grant to February 28, 2025, to coincide with the term of the Innovation Hub designation. The MEDC recommends that the MSF allocate $425,000 in additional funding to support continuation of the Advanced Computing Innovation Hub activities for an additional year.

University of Michigan - Life Sciences Innovation Hub - $1,000,000
On July 26, 2016, the MSF designated the University of Michigan Medical School (“UM Medical School”) as the Innovation Hub for Life Science activities. Since its designation in 2016, the Life Sciences Innovation Hub at UM has funded 106 projects, led to 15 startups, facilitated creation of 18 full-time jobs, and leveraged over $23,268,369 in follow on funding. The MEDC recommends that the MSF allocate $1,000,000 in additional funding to support continuation of the Life Sciences Innovation Hub through July 26, 2022.

University of Michigan – Advanced Transportation Innovation Hub - $500,000
On February 27, 2017, the MSF designated the University of Michigan College of Engineering (“UM College of Engineering”) as the Innovation Hub for Advanced Transportation activities. Since its designation in 2017, the Advanced Transportation Innovation Hub at UM has funded 35 projects, led to 14 startups, facilitated creation of 47 full-time jobs, and leveraged over $36,497,120 in follow on funding. On June 22, 2021, the MSF Board approved the extension of the term of the grant to February 28, 2023, to coincide with the term of the Innovation Hub designation. The
MEDC recommends that the MSF allocate $500,000 in additional funding to support continuation of the Advanced Transportation Innovation Hub activities for an additional year.

**Michigan Technological University – Advanced Materials Innovation Hub - $325,000**

On February 27, 2017, the MSF designated Michigan Technological University (“Michigan Tech”) as the Innovation Hub for Advanced Materials activities. Since its designation in 2017, the Advanced Materials Innovation Hub at Michigan Tech has funded 14 projects, led to six startups, facilitated creation of 21 full-time jobs, and leveraged over $21,303,052 in follow on funding. On June 22, 2021, the MSF Board approved the extension of the term of the grant to February 28, 2023, to coincide with the term of the Innovation Hub designation. The MEDC recommends that the MSF allocate $325,000 in additional funding to support continuation of the Advanced Materials Innovation Hub activities for an additional year.

**Michigan State University – Agriculture-Biology Innovation Hub - $350,000**

On June 28, 2016, the MSF designated Michigan State University (“MSU”) as the Innovation Hub for Agriculture-Biology activities. On May 19, 2020, the MSF authorized a grant of up to $350,000 to MSU, for an initial term of September 1, 2020 to August 31, 2021, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF. Since its designation in 2016, the Agriculture-Biology Innovation Hub at MSU has funded 67 projects, led to four startups, facilitated creation of five full-time jobs, and leveraged over $89,772,494 in follow on funding. The MEDC recommends that the MSF allocate $350,000 in additional funding to support continuation of the Agriculture-Biology Innovation Hub through June 28, 2022.

**Michigan Small Business Development Center Emerging Technology Fund Grant - $1,700,000**

On October 27, 2020, the MSF authorized a grant of up to $1,155,000 to the MI-SBDC to support its Emerging Technologies Fund (“ETF”) for an initial term of one year, with the option to extend for an additional five years and to allocate additional funding at the sole discretion of the MSF (the “ETF Grant”).

The ETF program makes Michigan more competitive in attracting federal dollars into the State in the form of Small Business Innovation Research (“SBIR”) and Small Business Technology Transfer Research (“STTR”) awards, which can be worth up to several million dollars each. The ETF provides matching funds of up to $25,000 for Phase I and $125,000 for Phase II clinical studies associated with these awards. Since January 1, 2020, the program served 29 companies, leveraged over $105 million in funding, led to the creation of three new companies, and generated 95 new jobs. The MEDC recommends that the MSF exercise its first option to extend the term of the ETF Grant to December 31, 2022 and allocate $1,700,000 in additional funding.

**Michigan Small Business Development Center Business Accelerator Fund Grant - $1,430,000**

On October 27, 2020, the MSF authorized a grant of up to $1,430,000 to the MI-SBDC to support its Business Accelerator Fund (“BAF”) for an initial term of one year, with the option to extend for an additional five years and to allocate additional funding at the sole discretion of the MSF (the “BAF Grant”).
The BAF provides a series of small grants (up to a maximum of $50,000 per company) for high tech businesses to access the required specialized services they need to grow and compete. These funds are used toward the delivery of specialized commercialization services that are not otherwise available from these business accelerators, to assist advanced technology companies regardless of the company’s geography. A participating business accelerator will engage a third-party specialist to help advance the client’s path to commercialization, company success, and economic impact for the state of Michigan. BAF requests are reviewed and awarded through a competitive process. For the period of January 1, 2020, the program served 113 companies, leveraged over $70,000,000 in funding, led to the creation of 25 new companies and generated 204 new jobs. The MEDC recommends that the MSF exercise its first option to extend the BAF Grant to December 31, 2022 and allocate $1,430,000 in additional funding.

**BBCetc Small Business Innovation Research/Small Business Technology Research Program Grant - $500,000**

On December 17, 2019, the MSF Board authorized a grant of $480,000 to BBCetc for an initial term of January 1, 2020 to December 31, 2020, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF (the “BBCetc Grant”). On October 27, 2020, the MSF exercised its first option to extend the term to December 31, 2021 and allocated $500,000 in additional funding to the BBCetc Grant. BBCetc provides consulting services to individual companies and entrepreneurs seeking federal Small Business Innovation Research (“SBIR”) and Small Business Technology Transfer (“STTR”) awards. Since January 1, 2020, BBCetc has supported 151 companies in securing over $260,000,000 in federal SBIR/STTR funding. The MEDC recommends that the MSF exercise its second option to extend the term of the BBCetc Grant to December 31, 2022 and allocate $500,000 in additional funding.

**University of Michigan Tech Transfer Talent Network Grant - $750,000**

On October 24, 2017, the MSF authorized a grant of up to $1,400,000 to the University of Michigan (“UM”) for an initial term of January 1, 2018 to December 31, 2018, with the option to extend the term for an additional four years and allocate additional funding at the sole discretion of the MSF (the “T3N Grant”). On October 23, 2018, the MSF exercised its first option to extend the term to December 31, 2019 and allocated $1,175,000. On December 17, 2019, the MSF exercised its second option to extend the term to December 31, 2020 and allocated $500,000 in additional funding. On October 27, 2020, the MSF Board exercised its third option to extend the term to December 31, 2021 and allocated $500,000 in additional funding.

The Technology Transfer Talent Network (“T3N”) program is a statewide university network designed to support the commercialization of university technologies, licenses to industry and startup creation through key talent and business expertise programs; mentors-in-residence, postdocs, fellows, and shared services. Supporting the commercialization of university projects into licenses with industry or startup companies, T3N provides key matching funds for the hiring of mentors in residence, post-docs, and fellows. 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. In 2020, the T3N program supported the creation of 28 new companies, follow on funding of $476,170,000 (includes IPO and acquisitions), and the
issuance of 954 patents. The MEDC recommends that the MSF exercise its final option to extend the term to December 31, 2022 and allocate $750,000 in additional funding to the T3N Grant.

**Michigan State University - University Early-Stage Proof of Concept ADVANCE Fund - $300,000**

The ADVANCE program is a statewide program designed to support the early work in the commercialization of technology from universities. The University Early-Stage Proof of Concept -ADVANCE Fund has been supporting very early-stage work within the universities, with grant matching funds using a competitive process, since the spring of 2016. The program is filling a gap in the pipeline of moving university projects with the commercial potential of a discovery into the commercial market. Such technology is usually at an early stage of development and requires additional studies or a working prototype before it can be shown to have commercial potential. This program will provide matching funds, resources, and specialized services, by way of the university technology transfer offices at all institutions of higher education. This will assist university projects in the transition from scientific research to applied research to translational research through analyzing the market application, proving out the concept validation, demonstrating technical feasibility and developing a prototype in the preparation for implementation and testing.

On March 23, 2021, the MSF approved a grant to Michigan State University (“MSU”) with an initial one-year term and an initial allocation of $250,000, with the option to extend for up to an additional four years and allocate additional funding at the sole discretion of the MSF (the “ADVANCE Fund Grant”). The MSF Fund Manager, on behalf of the MSF, negotiated and executed a grant agreement for a term ending March 31, 2026 and with the initial $250,000 allocation for the period of April 1, 2021 to March 31, 2022. The MEDC recommends that the MSF allocate $300,000 in additional funding to support the ADVANCE Grant Fund activities for the period of April 1, 2022 through March 31, 2023.

**Community Development Block Grant Program (CDBG) Allocation - $20,396,098**

CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development. Funds are used to provide grants to eligible counties, cities, villages, and townships, usually with populations under 50,000 for economic and community development projects, including funding rounds. Project proposals are considered and evaluated based upon the MSF’s approved Funding Guide. Specific projects or funding rounds are funded from this allocation upon approval of the MSF board or its delegates.

**CDBG-Infrastructure Round - $15,000,000**

The CDBG infrastructure funding round is designed to assist Units of General Local Government in making necessary improvements to their existing public infrastructure systems. Projects will be located in CDBG defined low and moderate income communities and projects must benefit the entire community. Specific projects are funded from this allocation upon approval of the MSF board or its delegates.

**Recommendation**

MEDC staff recommends the MSF Board approve the Request
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, 2021 PA 87 appropriated $75,000,000 from the 21st Century Jobs Trust Fund and $40,650,000 from the State General Fund for business attraction and community development, and the entrepreneurship ecosystem for the 2021-2022 fiscal year;

WHEREAS, 2011 PA 252 places general funds appropriated for business attraction and community development in the 21st Century Jobs Trust Fund;

WHEREAS, MCL 12.258 provides that the state treasurer shall transfer to the MSF appropriated funds from the 21st Century Jobs Trust Fund upon the request of the MSF Board in the amounts designated by the MSF Board to fund disbursements or reserves for programs or activities under Chapter 8A and Chapter 8C of the MSF Act, MCL 125.2088 et. seq.;

WHEREAS, the MSF received $35,396,098 from the U.S Department of Housing and Urban Development (“HUD”) for the federal Community Development Block Grant (“CDBG”) Program for fiscal year 2022;

WHEREAS, the MEDC recommends that the MSF allocate funding from the 21st Century Jobs Trust Fund and the CDBG Program to the programs and activities for fiscal year 2022 as described in Exhibit A to this Resolution (the “FY2022 Funding Allocations”);

WHEREAS, the MEDC also recommends that the MSF exercise its options to extend the terms of the agreements between the MSF and the entities listed on Exhibit A by one year from their current expiration dates to allow a continuation of services and activities (the “FY2022 Agreement Extensions”);

WHEREAS, after consideration of that recommendation, the MSF Board desires to approve the FY2022 Funding Allocations and the FY2022 Agreement Extensions.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the FY2022 Funding Allocations and requests the State Treasurer to transfer $115,650,000 from the 21st Century Jobs Trust Fund to the MSF, provided that no more than 60 percent of the funds used for business attraction and community revitalization are transferred before April 1, 2022;
BE IT FURTHER RESOLVED, the MSF Board approves the FY2022 Funding Allocations and the FY2021 Agreement Extensions; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the FY2022 Funding Allocations and the FY2021 Agreement Extensions.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
### Michigan Strategic Fund
#### FY2022 Spending Allocations

<table>
<thead>
<tr>
<th>Allocations for Approval</th>
<th>Trust Fund Allocation</th>
<th>Other Funding Sources</th>
<th>Total Allocations</th>
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<tr>
<td>Administration Allocation - 4% of Appropriated Funds</td>
<td>$4,626,000</td>
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<td>Business Development and Marketing Allocation - 5% of Appropriated Funds</td>
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<td>Business and Community Development Programs and Activities</td>
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<td>Allocation to Foster Swift Collins &amp; Smith P.C. from the International Trade Small Business Services Program</td>
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<td>Allocation to IBT Online from the International Trade Small Business Services Program</td>
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<td>Allocation to Michigan State University-International Business Center from the International Trade Small Business Services Program</td>
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<td>Allocation to the Michigan Small Business Development Center (SBDC) from the International Trade Small Business Services Program</td>
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<td>Allocation for the International Trade Project Exception Program (PEP)</td>
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<td>Allocation for Michigan Build Ready Site Program</td>
<td>$1,800,000</td>
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<td>Allocation to SBDC for Core Services</td>
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<td>Remaining Business and Community Development Programs and Activities Funding</td>
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<td>Community Revitalization Program (1)</td>
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<td>Entrepreneurial Programs and Grants</td>
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<td>Allocation to the Wayne State University Advanced Computing Innovation Hub for the Michigan Translational Research and Commercialization (MTRAC) Program</td>
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<td>Allocation to the University of Michigan Life Science Innovation Hub for the MTRAC Program</td>
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<td>Allocation to the University of Michigan Advanced Transportation Innovation Hub for the MTRAC Program</td>
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<td>Allocation to the Michigan Tech University Advanced Materials Innovation Hub for the MTRAC Program</td>
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<td>Allocation to the Michigan State University Agriculture-Biology Innovation Hub for the MTRAC Program</td>
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<td>Allocation to SBDC for Emerging Technology Fund</td>
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<td>Allocation to SBDC for Business Accelerator Fund</td>
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<td>$1,430,000</td>
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<tr>
<td>Allocation to SBDC for Technology Consulting Services</td>
<td>$1,800,000</td>
<td>$1,800,000</td>
<td></td>
</tr>
<tr>
<td>Allocation to BBCetc for the Small Business Innovation Research (SBIR) and Small Business Technology Research (STTR) Michigan Assistance Program (MAP)</td>
<td>$500,000</td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>Allocation to Michigan State University for the University Early-Stage Proof of Concept ADVANCE Fund</td>
<td>$300,000</td>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td>Allocation to the University of Michigan Tech Transfer Talent Network</td>
<td>$750,000</td>
<td>$750,000</td>
<td></td>
</tr>
<tr>
<td>Remaining Entrepreneurial Programs and Grants Funding</td>
<td>$5,161,500</td>
<td>$5,161,500</td>
<td></td>
</tr>
<tr>
<td>Federal-Community Development Block Grant (2)</td>
<td>$35,396,098</td>
<td>$35,396,098</td>
<td></td>
</tr>
<tr>
<td>Allocation for Infrastructure Funding Round</td>
<td>$15,000,000</td>
<td>$15,000,000</td>
<td></td>
</tr>
<tr>
<td>Remaining Community Development Block Grant Funding</td>
<td>$20,396,098</td>
<td>$20,396,098</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ALLOCATIONS BY FUNDING SOURCE</strong></td>
<td><strong>$115,650,000</strong></td>
<td><strong>$35,396,098</strong></td>
<td><strong>$151,046,098</strong></td>
</tr>
</tbody>
</table>

* Allocations do not include any prior year funding.

(1) Boilerplate requirement in Public Act 87 of 2021 section 1024 that not less than 20% of the $100 million Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program.

(2) Based on the July 2021 CDBG Grant Award Notification
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Thank you.

Sincerely,

Susan R. Corbin
Acting 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,

[Signature]

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File
January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood
MEMORANDUM

Date: October 26, 2021
To: Michigan Strategic Fund Board
From: Beth Colosimo, Senior Project Manager, Business Development
       Nicole Whitehead, Business Operations Director, Business Development

Subject: Michigan Build Ready Sites Program ("MBRS Program") Guideline Amendment

Request
Michigan Economic Development Corporation ("MEDC") staff recommends that the MSF Board approve the following actions: 1) amend the current MBRS Program Guidelines to include agencies of the State of Michigan and state and local land banks as eligible applicants for Site Readiness Grants as set forth in the proposed Resolution; 2) expand Eligible Activities to include land assembly activities and land acquisition and quieting title and quiet title actions; and 3) increase the delegated authority approval amount from $800,000 to $1,000,000 (collectively, the "Request").

Background
On April 27, 2021, the MSF Board approved the creation of the MBRS Program and its guidelines. The purpose of the MBRS Program is to assist communities in their efforts to attract and retain businesses by increasing the inventory of project ready industrial sites. The MBRS Program provides financial or technical support through applications from communities, non-profits, or local economic development organizations or support catalyst projects as determined by the MEDC, to fund activities that will increase Michigan’s inventory of vacant parcels of land that are zoned industrial. Eligible Activities may include, but are not limited to the following: site master plans, surveys and boundaries of site, broadband installation, environmental evaluations, cultural resources, wetland mitigation, traffic impact studies; utility infrastructure/capacity; etc.

As the State pursues business attraction and expansion opportunities there continues to be a need for large, project ready sites. As identified in the MBRS Program Guidelines Vetted Sites Criteria, prospective companies and consultants will typically view the strongest form of availability as a site being owned by the local community, economic development organization or other development partner that is promoting the site for development. To stay competitive with the new developments and the nature of the current requests and future requests, land assembly activities and land acquisition will need to be an Eligible Activity under the MBRS Program.

Recommendation
The MEDC Staff recommends the MSF Board approve the Request.
MICHIGAN BUILD READY SITES PROGRAM
PROGRAM GUIDELINES

PROGRAM OVERVIEW
For Michigan to gain a competitive advantage when it comes to business attraction and expansion projects, it must assist with the development and/or enhancement of industrial sites to make them build ready and competitive for site selection projects. The Michigan Build Ready Sites Program (the “MBRSP” or “Program”) is a two-pronged program with 1) site readiness grants aimed at boosting Michigan’s inventory of available properties (“Site Readiness Grants”) and 2) technical assistance to prepare sites and communities to compete for business attraction projects through engagement of consultants, engineering firms, and other similar entities (“Technical Assistance Contracts”).

<table>
<thead>
<tr>
<th>Eligibility Requirements/Eligible Applicants</th>
<th>Site Readiness Grants</th>
<th>Technical Assistance Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Applicants</td>
<td>Michigan municipalities, economic development organizations, agencies of the State of Michigan, state and local land banks, Michigan non-profit organizations, and for-profit organizations</td>
<td>Companies that provide site consulting or professional services related to site evaluation, improvement, development and marketing.</td>
</tr>
<tr>
<td>Eligible Activities</td>
<td>Development activities may include planning; zoning; site surveys; title work, quieting title, and quiet title actions; land assembly activities, land acquisition, environmental reviews; infrastructure analysis; preliminary engineering; site planning studies; community/talent profile information; or other similar activities.</td>
<td>Services that may include site evaluations, site surveys, wetland determinations, environmental reviews, wetland determinations, traffic impact studies, video production of sites, marketing of key properties that are in the inventory of available industrial sites, or other similar activities.</td>
</tr>
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</table>

Additional Requirements:

- Requests for funding under both the Site Readiness Grants and Technical Assistance Contracts will be evaluated under the Vetted Site Criteria.
- Eligible Activities under both the Site Readiness Grants and the Technical Assistance Contracts must be completed within 24 months of the effective date of the agreement.
- Award recipients must provide a financial, economic, or staff commitment to the project.
- Award recipients must demonstrate in their application that the grant or technical assistance is likely to lead to new investment and/or job creation at the site.

VETTED SITES CRITERIA

Vetted Sites Criteria Definition: Site is confirmed as available for sale and development, has appropriate planning/zoning, boundary survey, clear title, environmental conditions, soil conditions, and infrastructure in place or engineer-planned (cost & timeline). Site is listed on the MEDC’s real estate database. A site profile or spec sheet is available, including a site map/diagram containing (at a minimum): site name & address, site boundaries, surrounding road names, north arrow, and a distance scale.

Vetted Sites Criteria may include, but is not limited to the following:

- **Site Available for Sale**: Site is confirmed by Applicant or the local economic development organization as available for sale and development. Prospective companies and consultants will typically view the strongest form of availability as a site being owned by the local community, economic development organization or other development partner that is promoting the site for development. Local assistance may be provided for land acquisition and/or assembly. When this is not possible, a land option secured by the community or economic development partner would be viewed favorably. A letter of intent to sell for economic development purposes from the landowner is acceptable; however, may be viewed with a lower level of certainty by companies and consultants.

- **Planning/Zoning**: Site must be zoned to accommodate the development use for which it is being marketed. For example, if a site is being marketed for industrial projects, the zoning must be light, general or heavy industrial, or another designation that permits at least light industrial uses.

- **Boundary Survey**: Boundary survey or other reliable diagram showing site boundaries (including any easements if known) and dimensions must be available for preliminary planning purposes.

- **Clear Title**: Owner or local economic development partner must be able to reasonably demonstrate that property is clear of liens or other items that would be impediments to a timely sale of the property.

- **Environmental Conditions**: While a current or past environmental assessment is helpful, it is not required. In the absence of an environmental assessment, the owner and local economic development partner must be able to provide information on historical uses on the property to allow a company or consultant to preliminarily weigh the probability of environmental risks.
• **Soil Conditions**: A geotechnical report on the site’s soil conditions is helpful but is not required for the purposes of marketing a site. In the absence of a geotechnical report, the owner and local economic developer must be able to articulate the types of surface and subsurface soils that are predominant on the site or surrounding area.

• **Infrastructure**: Water, sewer, electric, natural gas, telecommunications/fiber, and all-season roads (and rail if site is being marketed as rail served) must be available at the boundaries of the sites to be promoted as shovel ready. If a site does not have all infrastructure to the boundaries, it must have a mitigation plan that includes a description of the required improvement, cost estimate and timeline to extend the infrastructure to the site.

• **Site Listing on MEDC’s Real Estate Database**: MEDC utilizes a real estate database to promote sites and search for available sites during company or consultant site searches. Sites must be loaded and maintained on said database by the owner or local economic development organization.

• **Site Information**: A site profile or spec sheet must be completed and must include a site map/diagram containing (at a minimum): site name & address, site boundaries, surrounding road names, north arrow and a distance scale. Inclusion of topographical contour lines and location and size of utilities on the map is preferred but not required to promote the site. **It is also highly recommended that the profile includes 5-digit NAICS codes for up to five industry targets for the site.**

• **Talent Profile**: A regional talent profile (less than one year old) should be completed and available in the site database.

• **Community Readiness**: Communities must demonstrate readiness for development projects by responding to Requests for Information for site searches in the required timeline and by providing complete and accurate information. Local economic development and community representatives must be familiar with the site and site information prior to conducting site visits. Local governmental units are encouraged to participate in MEDC’s Redevelopment Ready Communities (RRC) program to improve readiness for future project success.

**PROJECT EVALUATION, PROCESS AND MSF SUPPORT**
The MBRSP requested MSF support is based on, but not limited to, a selection process outlined below. For a more detailed process, please refer to [www.michiganbusiness.org/featured-sites/build-ready-sites](http://www.michiganbusiness.org/featured-sites/build-ready-sites).

1) Applicant provides initial intake documentation.
2) MEDC reviews request under the eligibility requirements and Vetted Site Criteria.
3) MEDC prepares a recommendation as appropriate to the MSF Board or its authorized delegates for project approval.
4) MEDC drafts the appropriate legal agreement for execution.
5) Award recipient completes funded activities as set forth in grant agreement and provides final product or report.
6) The MEDC’s real estate database profile on the applicable site is updated.

All MSF support shall be memorialized by final written agreement with terms and conditions in accordance with the MSF Act, these guidelines, MSF approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MSF, and shall include, without limitation, performance-based milestones governing disbursements; repayment provisions and periodic reporting to facilitate the MSF’s report to the Michigan legislature. These agreements shall include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.
WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

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

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

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

WHEREAS, on April 27, 2021, the MSF Board created the Michigan Build Ready Sites Program to support business attraction and expansion projects through the development or enhancement of industrial sites in Michigan (the “Build Ready Program”) and adopted guidelines for administration of the Build Ready Sites Program (the “Build Ready Program Guidelines”);

WHEREAS, the MEDC recommends the MSF approve revisions to the Build Ready Program Guidelines to allow grant funds to be used for the purchase of real property by eligible grantees. A copy of the revised Build Ready Program Guidelines is attached as Exhibit A (the “Amended Build Ready Program Guidelines”);

WHEREAS, the MSF wishes to approve the Amended Build Ready Program Guidelines.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Amended Build Ready Program Guidelines.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Cindy Warner

Nays: Susan Tellier

Recused: None

Lansing, Michigan
October 26, 2021
MICHIGAN BUILD READY SITES PROGRAM
PROGRAM GUIDELINES

PROGRAM OVERVIEW
For Michigan to gain a competitive advantage when it comes to business attraction and expansion projects, it must assist with the development and/or enhancement of industrial sites to make them build ready and competitive for site selection projects. The Michigan Build Ready Sites Program (the “MBRSP” or “Program”) is a two-pronged program with 1) site readiness grants aimed at boosting Michigan’s inventory of available properties (“Site Readiness Grants”) and 2) technical assistance to prepare sites and communities to compete for business attraction projects through engagement of consultants, engineering firms, and other similar entities (“Technical Assistance Contracts”).

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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Award Type</th>
<th>Site Readiness Grants</th>
<th>Technical Assistance Contracts</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Performance-based grant</td>
<td>Professional services agreement</td>
</tr>
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**PROJECT EVALUATION, PROCESS AND MSF SUPPORT**

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1) Applicant provides initial intake documentation.
2) MEDC reviews request under the eligibility requirements and Vetted Site Criteria.
3) MEDC prepares a recommendation as appropriate to the MSF Board or its authorized delegates for project approval.
4) MEDC drafts the appropriate legal agreement for execution.
5) Award recipient completes funded activities as set forth in grant agreement and provides final product or report.
6) The MEDC’s real estate database profile on the applicable site is updated.

All MSF support shall be memorialized by final written agreement with terms and conditions in accordance with the MSF Act, these guidelines, MSF approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MSF, and shall include, without limitation, performance-based milestones governing disbursements; repayment provisions and periodic reporting to facilitate the MSF’s report to the Michigan legislature. These agreements shall include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin
Acting 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
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
WHEREAS, in order to mitigate the spread of COVID-19, various executive orders and Michigan Department of Health and Human Service epidemic orders have temporarily closed or reduced service availability for many businesses throughout Michigan (the “COVID-19 Emergency”);

WHEREAS, under Section 1 of Michigan Strategic Fund Act (“MSF Act”), MCL.125.2001, the Michigan legislature declared, among other things, it is necessary to alleviate and prevent conditions of unemployment and to preserve existing jobs and create new jobs. and to make available public and private development finance opportunities to businesses and communities within Michigan;

WHEREAS, under Section 2 of the MSF Act, MCL 125.2002, the purposes of the MSF Act and the Michigan Strategic Fund (“MSF”), among other things, is to assist businesses in obtaining additional sources of financing to aid Michigan in achieving the goal of long-term economic growth and full employment, to preserve existing jobs, to create new jobs, to reduce the cost of business and production, to alleviate and prevent unemployment through the retention, promotion, and development of facilities, activities, and industry, and otherwise assist in the achievement of foregoing findings and declarations of the Michigan legislature under the MSF Act;

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

WHEREAS, under Section 5 of the MSF Act, MCL 125.2005(2), the purposes, powers and duties of the MSF are vested in and shall be exercised by the MSF Board;

WHEREAS, on April 27, 2021, the MSF Board created the Michigan Build Ready Sites Program (the “MBRS Program”), adopted guidelines for implementation of the MBRS Program, and adopted a Delegation of Authority for the MBRS Program;

WHEREAS, the MSF Board wishes to increase the delegated authority amount under the MBRS Program from $800,000 to $1,000,000, as set forth in this Resolution;

WHEREAS, under Section 5 of the MSF Act, MCL 125.2005(7), and consistent therewith, under Article II, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on April 22, 2014 (“Bylaws”), the MSF Board may delegate to its president, vice-president, staff, the MEDC, or others those functions and authority the MSF Board deems necessary or appropriate, unless otherwise prohibited by law;

WHEREAS, under Article III, Section 1 of the Bylaws, the MSF President will provide for compilations of all general delegated authority; standard processes; and standard policies, in force (the "Strategic Fund Compiled Resolutions" or "SFCR");

WHEREAS, the MEDC recommends the MSF Board approve revisions to the SFCR in accordance with the terms and conditions of this Resolution;
WHEREAS, the MSF Board desires to approve revisions to the SFCR in accordance with the terms and conditions of this Resolution;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the MSF Board delegates the following authority effective October 26, 2021:

125.2088b-7 Michigan Build Ready Sites Program

(1) The MSF President or the MSF Fund Manager may make all decisions to develop, finalize, and revise a Michigan Build Ready Sites Program application and overall process to operate the Michigan Build Ready Sites Program, each in accordance with the Michigan Build Ready Sites Program guidelines adopted by the MSF Board.

(2) The MSF President, the MSF Fund Manager, and the State Treasurer, with any two required to act, may approve grants of up to $1,000,000 in accordance with the Michigan Build Ready Sites Program.

(3) The MSF President or the MSF Fund Manager may negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the Michigan Build Ready Sites Program.

BE IT FURTHER RESOLVED, the MSF President shall compile and publish the above delegated authority as required under Article III of the Bylaws.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Cindy Warner

Nays: Susan Tellier

Recused: None

Lansing, Michigan
October 26, 2021
MEMORANDUM

Date: October 26, 2021

To: Michigan Strategic Fund Board

From: Michelle Audette-Bauman, Community Assistance Team Specialist
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Program Specialist, MCRP and Brownfield

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP)
Other Economic Assistance - Loan Participation Award and a Request for Approval
of an Act 381 Work Plan
619, LLC and City of Kalamazoo Brownfield Redevelopment Authority (BRA)
619 Porter Project

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**Project Summary**

The request will support a community development project located in the City of Kalamazoo that will construct a new five-story mixed-use building, representing $13,236,421 in total capital investment. The development will include 52 apartments and approximately 11,049 square feet of commercial space over 1.4 acres. Housing units in the project are intended to be offered at a range of affordable and attainable rates, including approximately 10% of units that will be designated for households earning 60% of Kalamazoo County area median income. The remaining units in the project are intended to be market-rate with rents attainable to households earning between 80%-120% of County median income. The project is a very high priority for the City of Kalamazoo, as it redevelops a former industrial site with brownfield conditions and collapsing buildings into a vibrant mixed-use development that will meet workforce housing needs and add new commercial space on the north-side of downtown. The city’s Master Plan identifies mixed-income housing as a priority in the downtown district and this project helps to implement that community vision for downtown development.

The building is expected to total 65,645 square feet which includes 38,226 square feet for residential uses, 11,049 square feet of commercial space, and 16,370 square feet of common area and amenity space including an approximately 2,715 square foot roof-top deck. Construction costs for the building are projected to be $168 per square foot; this is comparable to similar new construction projects in the region. As part of the project scope, 4,605 square feet of public space will be improved, including sidewalks, curbs, and gutters. Monthly rents for market rate residential units in the project range from $1,290 ($1.87 per square foot) for one-bedrooms up to $1,875 ($1.90 per square foot) for two-bedrooms. Apartments targeted to households at 80% of City area median income are priced with monthly rents of $862 ($1.26 per square foot) for one-bedroom units.

The project has a financial gap due to costs associated with the redevelopment of a brownfield site with appropriate infill combined with the inclusion of workforce housing which limits the traditional debt the project can support. The development team is contributing 14% equity and deferring a 3.5% developer fee. Additionally, the team has leveraged over $8,750,000 in senior financing. The debt service coverage ratio is projected to drop slightly below 1.20 to 1:00 in years 6 through 8 due to refinance assumptions; staff is
comfortable with this due to the experience of the development team and the average project debt service coverage ratio of 1.26 to 1.00. With Michigan Community Revitalization Program loan support, as well as local and state brownfield tax increment financing reimbursement, the project is projected to generate a 7.2% equity IRR over 20-years. The revitalization of this underutilized brownfield property into a mixed-use development with appropriate urban density that enhances walkability and creates mixed-income housing units within the traditional downtown district would not be feasible without this support.

**Request**

619, LLC (“Applicant”) is requesting a MCRP performance-based Other Economic Assistance-Loan Participation with First National Bank (Lender) in the amount of $2,200,000 and the City of Kalamazoo Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of $537,226 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of $13,236,421.

**Program Summary**

The request for MCRP and Brownfield support is consistent with program requirements as the project will leverage private investment to transform underutilized property into a vibrant development that contributes to a traditional downtown district. The project qualifies for the MCRP and Brownfield Act 381 programs because the site is a facility. The project is consistent with the MEDC strategic plan because it contributes to the development of vibrant places that attract and retain talent and because it supports investment in a Geographically Disadvantaged Business Location. Additionally, the revitalization of an underutilized brownfield property and creation of appropriate urban density that enhances walkability and creates mixed-income housing units within a traditional downtown district is well aligned with the goals of Community Development programs at MEDC.

This project is a very high priority for the City of Kalamazoo because it will add a significant number of new housing units in the downtown area which is identified as a community need in the city’s Master Plan. The city has also prioritized this project because the addition of new housing and commercial space adjacent to the Northside neighborhood, which is an area of the community that has not seen the type of reinvestment as other areas in or near downtown. Additionally, the project is seeking third-party Green Globes certification and will incorporate significant green elements on the site. Staff recommends this project for support because of its alignment with programmatic requirements, local priorities, MEDC Community Development goals and alignment with MEDC’s strategic plan.

**Local Support**

Local support for the project includes the local portion of the brownfield plan, which is anticipated to total $785,014. The City of Kalamazoo is certified with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

**Financing Opportunity – Other Economic Assistance - Loan Participation**

The senior lender, First National Bank of Michigan, along with the Applicant has requested the MSF participate in up to $2,200,000 of a total $10,950,000 in construction to permanent loan financing. The MCRP Other Economic Assistance – Loan Participation Award will be used to help offset the significant costs related to the redevelopment of a brownfield site as well as support the inclusion of workforce housing. The development team has maximized available traditional debt, which is approximately 66% of total development cost, and are contributing over $1,829,000 in equity or 14%. In addition, they are deferring 100% of developer fees. The project is also leveraging Brownfield TIF. It is anticipated that loan disbursements to the project will be made on a pro-rata basis. Below outlines a summary of the development
sources and the proposed structure of the loan participation. With the financing structure described below, it is anticipated that the investors will be able to achieve a return of just over 7.2%.

### Loan Terms

<table>
<thead>
<tr>
<th><strong>MSF Facility</strong></th>
<th>MCRP Other Economic Assistance Loan Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Borrower</strong></td>
<td>619, LLC</td>
</tr>
<tr>
<td><strong>Senior Lender</strong></td>
<td>First National Bank of Michigan or other federally insured lending institution acceptable to the MSF Fund Manager</td>
</tr>
<tr>
<td><strong>Total Amount of Loans:</strong></td>
<td>Currently estimated at $10,950,000</td>
</tr>
<tr>
<td><strong>Senior Lender Share:</strong></td>
<td>Currently estimated at $8,750,000</td>
</tr>
<tr>
<td><strong>Total Capital Investment:</strong></td>
<td>Currently estimated at $13,236,421</td>
</tr>
<tr>
<td><strong>MSF Eligible Investment:</strong></td>
<td>Currently estimated at $10,419,975</td>
</tr>
<tr>
<td><strong>Minimum Eligible Investment:</strong></td>
<td>Currently estimated at $8,800,000</td>
</tr>
<tr>
<td><strong>MSF Share:</strong></td>
<td>Up to the lesser of 25% of “Eligible Investment” or $2,200,000.</td>
</tr>
<tr>
<td><strong>Term:</strong></td>
<td>Shall match that of the Senior Lender, anticipated to be 84 months</td>
</tr>
<tr>
<td><strong>Amortization:</strong></td>
<td>Shall match that of the Senior Lender, anticipated to be 360 months</td>
</tr>
<tr>
<td><strong>Interest Rate:</strong></td>
<td>1.0% per annum</td>
</tr>
<tr>
<td><strong>Repayment Terms:</strong></td>
<td>Monthly interest only payments for up to 36 months, followed by monthly principal and interest payments with principal due at maturity. During the amortization period, payments on the MSF Share may be set periodically at a level to assist the project in maintaining a minimum debt service coverage ratio of 1.20 to 1.00, only in the event Lender requires for covenant compliance.</td>
</tr>
<tr>
<td><strong>Collateral:</strong></td>
<td>To reasonably match that of the Lender, currently anticipated to be a 1st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, all assets and all construction documents and agreements. MSF Share of collateral will be subordinated to that of the Senior Lender.</td>
</tr>
<tr>
<td><strong>Guarantee:</strong></td>
<td>To reasonably match that of the Lender, currently anticipated to be the personal guaranty of Jeff Nicholson and Trust, if applicable, the personal guaranty of Dave Scott and Trust, if applicable, and the personal guaranty of Craig Bush and Trust, if applicable.</td>
</tr>
<tr>
<td><strong>MSF Fees:</strong></td>
<td>The MSF shall be paid a one-time fee equal to 1.0% of the MSF’s share of the loan. The Lender may charge the borrower for this fee.</td>
</tr>
</tbody>
</table>
Reserves: Currently anticipated to be $787,000 in construction interest, lease up, and construction contingencies and reserves.

Deferred Developer Fees: $456,600 or 3.45%

Funding: The MSF will fund up to $2,200,000 to be disbursed following closing of the financing and other performance criteria.

Other Conditions: The MSF’s investment will be contingent upon the following:
- Copies of final construction documents.
- Final development budget.
- Minimum owner equity investment of $1,829,820.
- Other legal due diligence documentation as may be required for review.

Summary of Development Sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Share</td>
<td>$8,750,000</td>
<td>66.11%</td>
</tr>
<tr>
<td>MSF Share</td>
<td>$2,200,000</td>
<td>16.62%</td>
</tr>
<tr>
<td>Deferred Developer Fees</td>
<td>$456,600</td>
<td>3.45%</td>
</tr>
<tr>
<td>Developer Equity</td>
<td>$1,829,821</td>
<td>13.82%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$13,236,421</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Summary of Development Uses:

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$113,438</td>
</tr>
<tr>
<td>Hard Construction Costs</td>
<td>$11,038,888</td>
</tr>
<tr>
<td>Eligible Soft Costs</td>
<td>$907,846</td>
</tr>
<tr>
<td>Other</td>
<td>$1,176,249</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$13,236,421</strong></td>
</tr>
</tbody>
</table>

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Kalamazoo, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on June 7, 2021. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on September 14, 2021.

There are 58.6935 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.8489 mills (40.63%) and local millage equaling 34.8446 mills (59.37%). Tax increment capture will begin in 2022 and is estimated to continue for 14 years. The state tax capture is recommended to be capped at $537,226, which is the amount of tax increment revenue anticipated to be generated in 14 years. Total MSF eligible activities are estimated at $1,322,240. MSF eligible activities breaks down as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State tax capture</td>
<td>(40.63%)</td>
<td>$537,226</td>
</tr>
<tr>
<td>Local tax capture</td>
<td>(59.37%)</td>
<td>$785,014</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$1,322,240</strong></td>
</tr>
</tbody>
</table>
Cost of MSF Eligible Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition</td>
<td>$298,000</td>
</tr>
<tr>
<td>Lead, Asbestos, or Mold Abatement</td>
<td>$60,000</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>$538,400</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>+ $225,113</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$1,121,513</strong></td>
</tr>
<tr>
<td>Contingency (15%)</td>
<td>+ $168,227</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$1,289,740</strong></td>
</tr>
<tr>
<td>Brownfield/Work Plan Preparation</td>
<td>+ $2,500</td>
</tr>
<tr>
<td>Brownfield/Work Plan Implementation</td>
<td>+ $30,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,322,240</strong></td>
</tr>
</tbody>
</table>

In addition, the project is requesting $187,246 in TIF from EGLE to assist with environmental eligible activities.

**Applicant History**

619, LLC is a single-purpose entity formed by Jeff Nicholson, Craig R. Bush, and David Michal Scott to develop the property at 619 Porter Street in Kalamazoo, Michigan. Jeff Nicholson and related entities founded PlazaCorp in 1988 and since that time has built or redeveloped several dozen properties in multiple states. Previous PlazaCorp redevelopment ventures that have been incentivized by MEDC in Kalamazoo include Portage Center Plaza, Neil's Automotive Building, the United Building, the Spearflex Block, the Globe Building, GTW Depot, 216-220 W. Michigan Avenue, the Exchange building, and Kzoo Hotel project, which recently completed construction. Craig Bush is an experienced private equity investor. He has been involved in structuring successful transactions for both clients and himself for twenty-three years. Currently, Craig has investments in Quantum Plastics, a leading full-service manufacturer of highly-engineered custom plastic injected molded components; Core Technology, which stores data and provides computer software specifically designed for law enforcement applications; Pre-Cast Specialties, the leading pre-cast and pre-stressed concrete producer in Florida; and Biogenic Reagents, a developer and producer of versatile high performance activated carbon products made from reusable resources. David M. Scott is currently CEO and President of KZ Asset Management, a holding company of 3 million square feet of commercial space and owner of four companies located in Kalamazoo, Michigan. Dave also functions as the CFO of PlazaCorp and has more than 30 years of accounting experience that spans all phases of auditing and consulting for medium-sized public and private businesses, including manufacturing, service, retail, and nonprofit industries, as well as with employee benefit plans and various service organizations.

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

**Appendix A** includes a project map and renderings, **Appendix B** addresses the programmatic requirements and **Appendix C** contains the Organizational Chart.

**Recommendation**

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

a) State tax capture for the Act 381 eligible activities capped at $537,226, utilizing the current state to local capture ratio.

b) A MCRP performance-based Other Economic Assistance Loan Participation in the amount of up to $2,200,000 for 619, LLC on terms and conditions outlined in Exhibit A found in the resolution.
APPENDIX A – Project Map and Renderings
APPENDIX B – Programmatic Requirements

MCRP Program and Guidelines
On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on October 27, 2020, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF’s investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines, and a financial review has been completed.

As required under the MCRP, the following statutory criteria is being considered by the MSF:

A. The importance of the project to the community in which it is located:
   The project is a very high priority for the City of Kalamazoo, as it redevelops a former industrial site with brownfield conditions and collapsing buildings into a vibrant mixed-use development that will meet workforce housing needs and add new commercial space on the north-side of downtown. Additionally, the project adds significant density to an underutilized site, increasing the taxable value of the property and improving walkability in and around downtown. The project also supports the city’s Master Plan which identifies mixed-income housing and dense, walkable development as a priority for the downtown area.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:
   This project will act as a catalyst for additional revitalization in the community as new residents of the development spend dollars on goods and services in the surrounding area. Successful completion of the project is also anticipated to encourage investment in nearby properties that are underutilized or in need of revitalization.

C. The amount of local community and financial support for the project:
   Local support for the project includes the local portion of the brownfield plan, which is anticipated to total $785,014. The City of Kalamazoo is certified with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

D. The applicant's financial need for a community revitalization incentive:
   The MCRP Other Economic Assistance – Loan Participation Award will be used to help offset the significant costs related to the redevelopment of a brownfield site as well as support the inclusion of workforce housing. The development team has maximized available traditional debt, which is approximately 66% of the total development cost, and are contributing over $1,829,000 in equity or 14%. In addition, they are deferring 100% of developer fees. The project is also leveraging Brownfield TIF. It is anticipated that the investors will be able to achieve a return of just over 7.2%. The revitalization of this underutilized brownfield property into a mixed-use development with appropriate urban density that enhances walkability and creates mixed-income housing units within the traditional downtown district would not be feasible without this support.
E. The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:
The project does not reuse vacant, historic, or blighted buildings.

F. Creation of jobs:
The project is anticipated to create 30 new full-time equivalent jobs with an estimated average hourly wage of $13.

G. The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:
The total private sector investment is expected to be approximately $11,036,421 which includes $8,750,000 in project financing from First National Bank, $1,829,821 in developer equity and $456,600 in deferred developer fees.

H. Whether the project is financially and economically sound:
The debt service coverage ratio is projected to drop slightly below 1.20 to 1.0 in years 6 through 8 due to refinance assumptions; staff is comfortable with this due to the experience of the development team and the average project debt service coverage ratio of 1.26 to 1.0. The development team is contributing over $1,829,000 inequity or 14%, has maximized traditional financing, and is projected to earn a return of just over 7.2%.

I. Whether the project increases the density of the area:
The project increases density of the area by adding 52 apartment units and over 11,000 square feet of commercial space to currently underutilized property, which will add new residents and space for new business to a currently unused property on the northside of downtown Kalamazoo.

J. Whether the project promotes mixed-use development and walkable communities:
The project promotes mixed-use development and walkability by adding residential and commercial space within walking distance to local businesses, downtown employers, public spaces, and other community amenities.

K. Whether the project converts abandoned public buildings to private use:
The project does not include abandoned public buildings.

L. Whether the project promotes sustainable development:
The project will seek third-party Green Globes certification for sustainable development practices, including energy efficiency, water conservation, native planting/rain gardens and diversion of construction materials from landfills. The project will also incorporate on-site stormwater management.

M. Whether the project involves the rehabilitation of a historic resource:
The project does not involve the rehabilitation of a historic resource.

N. Whether the project addresses area-wide redevelopment:
The project will address area-wide redevelopment by creating new housing units that can help to meet demand for workforce housing in the City of Kalamazoo. Bringing more housing units to the downtown area will also help support existing small businesses and drive demand for new commercial enterprises in the area. Adding new housing will also support area employers seeking
to attract and retain talent that is looking for high quality housing within walking distance of vibrant, walkable and places.

O. Whether the project addresses underserved markets of commerce:
The project addresses underserved markets of commerce by providing high quality apartments near the commercial core of downtown Kalamazoo. The city’s Master Plan identified demand for 1,400 housing units over a 5-year period based on a 2016 housing study; since that time approximately 800 units have been added. A number of recent developments that included residential units are reporting occupancy rates over 90% which provides additional indication of demand for quality downtown apartment units.

P. The level and extent of environmental contamination:
The property is environmentally contaminated with a range of contaminants and baseline environmental assessments (BEA) exist on all properties. Cleanup will include capping of soil contamination in the parking and landscape areas (potentially with some removal of contaminated urban fill to approved waste sites and addition of engineered soil to support improvements). The building will also include a vapor mitigation system to address environmental contamination.

Q. If the rehabilitation of the historic resource will meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67):
The project does not involve the rehabilitation of a historic resource.

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

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

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:
The City of Kalamazoo unadjusted jobless rate was 6.4% in July 2021. This compares to the statewide seasonally adjusted average of 4.8% in July 2021.

B. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:
The property is not qualifying as functionally obsolete or blighted.

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

### 619, LLC Organizational Structure

**619, LLC EIN: 82-2881273**

**619, LLC Manager: Jeffrey Allan Nicholson**

<table>
<thead>
<tr>
<th>Member</th>
<th>Ownership Interest</th>
<th>EIN</th>
<th>State of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>JN 619 Porter, LLC - Jeffrey A. Nicholson, Manager</td>
<td>50.00%</td>
<td></td>
<td>Michigan</td>
</tr>
<tr>
<td>Jeffrey A. Nicholson Trust u/a/d July 12, 2002</td>
<td>100.00%</td>
<td></td>
<td>Michigan</td>
</tr>
<tr>
<td>Craig R. Bush</td>
<td>40.00%</td>
<td></td>
<td>Michigan</td>
</tr>
<tr>
<td>David Michael Scott Revocable Trust u/a/d October 26, 2001</td>
<td>10.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key Principals/Guarantors:**
- Jeffrey Nicholson and Trust, if applicable
- Craig Bush and Trust, if applicable
- David Michael Scott and Trust, if applicable
- Andrew C. Wenzel, Plazacorp Ex. VP of Development
WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund ("MSF") to create and operate the Michigan Community Revitalization Program ("MCRP") to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

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

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

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

WHEREAS, 619, LLC ("Company") has requested a performance based Other Economic Assistance Loan Participation of up to $2,200,000 ("Award Request"), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A ("Term Sheet");

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 150 days of the date of this Resolution ("Time Period"), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 120 days ("MCRP Award Recommendation"); and

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

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate the above approved MCRP Award Recommendation.

Ayes:  Brittany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays:  None

Recused:  None

Lansing, Michigan
October 26, 2021
EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Facility: MCRP Other Economic Assistance Loan Participation
Borrower: 619, LLC
Senior Lender: First National Bank of Michigan or other federally insured lending institution acceptable to the MSF Fund Manager
Total Amount of Loans: Currently estimated at $10,950,000
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MSF Eligible Investment: Currently estimated at $10,419,975
Minimum Eligible Investment: Currently estimated at $8,800,000
MSF Share: Up to the lesser of 25% of “Eligible Investment” or $2,200,000.
Term: Shall match that of the Senior Lender, anticipated to be 84 months
Amortization: Shall match that of the Senior Lender, anticipated to be 360 months
Interest Rate: 1.0% per annum
Repayment Terms: Monthly interest only payments for up to 36 months, followed by monthly principal and interest payments with principal due at maturity. During the amortization period, payments on the MSF Share may be set periodically at a level to assist the project in maintaining a minimum debt service coverage ratio of 1.20 to 1.00, only in the event Lender requires for covenant compliance.
Collateral: To reasonably match that of the Lender, currently anticipated to be a 1st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, all assets and all construction documents and agreements. MSF Share of collateral will be subordinated to that of the Senior Lender.
Guarantee: To reasonably match that of the Lender, currently anticipated to be the personal guaranty of Jeff Nicholson and Trust, if applicable, the personal guaranty of Dave Scott and Trust, if applicable, and the personal guaranty of Craig Bush and Trust, if applicable.
MSF Fees: The MSF shall be paid a one-time fee equal to 1.0% of the MSF’s share of the loan. The Lender may charge the borrower for this fee.
Reserves: Currently anticipated to be $787,000 in construction interest, lease up, and construction contingencies and reserves.
Deferred Developer Fees: $456,600 or 3.45%
**Funding:**

The MSF will fund up to $2,200,000 to be disbursed following closing of the financing and other performance criteria.

**Other Conditions:**

The MSF’s investment will be contingent upon the following:
- Copies of final construction documents.
- Final development budget.
- Minimum owner equity investment of $1,829,820.
- Other legal due diligence documentation as may be required for review.
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin  
Acting 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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

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

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

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

WHEREAS, the City of Kalamazoo Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) for property located at 619 Porter Street, 314 E. North Street, 710 N. Pitcher Street and 405 E. North Street within the City of Kalamazoo, known as 619 Porter (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 40.63% to 59.37% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the Work Plan dated September 17, 2021. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the
Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of $1,289,740 for the principal activity costs of non-environmental activities and a contingency, a maximum of $2,500 for Brownfield/Work Plan preparation, and a maximum of $30,000 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of $537,226.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin  
Acting 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,

[Signature]

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date: October 26, 2021

To: Michigan Strategic Fund Board

From: Daniel Leonard, Senior Community Assistance Specialist
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Program Specialist, MCRP and Brownfield

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant
Homestretch Nonprofit Housing Corporation – 10889 Main Street Project

Project Summary
The request will support a community development project located in the Village of Honor that will redevelop a vacant property with a new eight (8) unit residential building, representing a total of $1,676,698 in capital investment. This roughly quarter-acre site required a zoning change and until 2018 hosted a blighted / dilapidated single-family home known locally as "the question mark building." Through cooperation with the Village of Honor, a Planned Unit Development (PUD) was approved allowing the first new multi-family housing in the village's downtown. Honor Village Apartments will serve the local workforce population with all units being offered at rental rates below 80% of the Area Median Income (AMI) including two of the units at or below 50% AMI and two units at or below 30% AMI. The building will be approximately 7,680 square feet and each townhouse style unit will measure roughly 960 square feet and consist of 2-stories, 2-bedrooms, and 1.5 baths. The project will include 12,744 square feet of public space improvements to the sidewalks and streetscape within the right-of-way. The property will be managed by Homestretch Housing in conjunction with other rental properties within its portfolio.

This project will support surrounding industrial employees of both Benzie and Grand Traverse Counties by creating restricted income levels with two units at rent of $626 per month, two units at rent of $800 per month, and four units at rent of $925 per month with an average rent per square foot of $0.85. Construction costs for this project are modest at roughly $185 per square foot. Even with the contribution of the land from the Village of Honor and the Benzie County Land Bank, this project is not financially viable without additional support from the MSF. Homestretch has successfully managed all its properties for the past 24 years and continues to be in good standing with MSHDA for all other self-managed projects.

A financing gap exists due to the income restricted nature of this project and the resulting limitation on the amount of traditional debt the project can secure and service. The development team has considered and maximized all other possible funding mechanisms to support this project including a $400,000 Affordable Housing Program grant through the Federal Home Loan Bank of Indianapolis, an $80,000 grant from Rotary Charities, and a $140,000 equity investment from Northwest Michigan Community Action Agency (NMCAA), all to support heavily subsidized housing. The project did seek Low Income Housing Tax Credits from MSHDA but did not qualify. Locally, the Village of Honor passed a 15-year PILOT, with an estimated total value of $76,000, and sold a roughly 12,000 square foot lot at a discounted price for purposes...
of supporting the development with onsite parking. Even with the proposed grant support, the project’s return is near zero over 20 years.

**Request**

Homestretch Nonprofit Housing Corporation (“Applicant”) is requesting a MCRP performance-based grant in the amount of $459,434. The Applicant anticipates the project will result in a total capital investment in the amount of $1,676,698.

**Program Summary**

The request for MCRP support is consistent with program requirements as this project improves a once blighted, formerly land bank owned property with a housing solution desperately needed across the region. The project aligns with the MEDC’s strategic plan by creating a new vibrant place for residents to live as well as supports the existing business community to help attract and retain talent. The project qualifies for the MCRP as “any other property” as determined by the fund board because development of the property will promote community revitalization consistent with the findings and declarations in Section 90 of the Act.

Sec. 90. The legislature finds and declares that any activity under this chapter to promote community revitalization will accelerate private investment in areas of historical disinvestment, contribute to Michigan's reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete properties, reduce blight, support the rehabilitation of historic resources, and protect the natural resources of this state and is a public purpose and of paramount concern in the interest of the health, safety, and general welfare of the citizens of this state.

This project is consistent with Section 90 of the Act because it is accelerating private investment in an area of historical disinvestment by providing infill development to an existing vacant site. The project also meets local objectives by increasing taxable value, adding vibrancy for businesses within downtown Honor via added residential density and is supporting the surrounding industrial community by providing housing for their workforce.

**Local Support**

Local support for the project includes the below market value sale of an an existing approximately 12,000 square foot lot for on-site parking and stormwater retention purposes as well as the creation of the Village’s first PILOT exemption with a value of roughly $76,000 over 15 years. The Village of Honor is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

**Financing Opportunity – MCRP Grant**

The Applicant has requested a MCRP Performance Based Grant. A financing gap exists due to the income restricted nature of this project and the resulting limitation on the amount of traditional debt the project can secure and service. The development team has considered and maximized all other possible funding mechanisms to support this project. This project's capital stack includes a $400,000 Affordable Housing Program grant through the Federal Home Loan Bank of Indianapolis, an $80,000 grant from Rotary Charities, and a $140,000 equity investment from the Northwest Michigan Community Action Agency (NMCAA), all to support heavily subsidized housing. The developer is contributing $136,250 plus deferring $60,500 in developer fees. Locally, the Village of Honor passed a 15-year PILOT, with an estimated total value of $76,000 and a below market value sale of a roughly 12,000 square foot lot for purposes of supporting the development with onsite parking. The land for the project was donated by the
Benzie County Land Bank. Even with the proposed grant support, the project’s return is projected to be near zero.

**Grant Terms**

**MSF Facility:** MCRP Performance Based Grant

**Grantee:** Homestretch Nonprofit Housing Corporation

**Senior Lender:** Honor Bank

**Total Amount of Loans:** Currently estimated at $400,514

**Total Capital Investment:** Currently estimated at $1,676,698

**MSF Eligible Investment:** Currently estimated at $1,474,041

**Minimum Eligible Investment:** Currently estimated at $1,179,235

**MSF Share:** Up to the lesser of 32% of “Eligible Investment” or $459,434. The project is eligible for an award of up to 50% of eligible investment because the population of the Village of Honor is less than 15,000.

**Other:** Pre-authorization of a transfer of the property at completion from the Applicant to Honor Limited Dividend Housing Association. This is for accounting and legal purposes as recommended by both the Applicant’s attorneys and legal staff at MSHDA, as it is necessary to obtain the PILOT ordinance for the project.

**Summary of Development Sources:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
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<tr>
<td>Bank Share</td>
<td>$400,514</td>
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<td>MSF Share</td>
<td>$459,434</td>
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<tr>
<td>FHLB Grant</td>
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<td>NMCAA Equity</td>
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<tr>
<td>Developer Equity</td>
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<tr>
<td>Deferred Developer Fee</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$1,676,698</strong></td>
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**Summary of Development Uses:**

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<th>Use</th>
<th>Amount</th>
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<tr>
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<td>Eligible Soft Costs</td>
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<tr>
<td>Other</td>
<td>$112,909</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,676,698</strong></td>
</tr>
</tbody>
</table>
**Applicant History**
Homestretch Nonprofit Housing Corporation has a portfolio of income restricted housing products across northern Michigan and has partnered with the Michigan State Housing Development Authority (MSHDA) to renovate many units and provide income monitoring services as well. This investment serves as their first in the Village of Honor and to date they have not received previous incentives from the Michigan Strategic Fund (MSF). A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Appendix A includes a project map and renderings, Appendix B addresses the programmatic requirements and Appendix C contains the Organizational Chart.

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

a) Property qualification as “any other property” because development of the property will promote community revitalization consistent with the findings and declarations in Section 90 of the Act; and

b) A MCRP performance-based grant in the amount of up to $459,434 for Homestretch Nonprofit Housing Corporation.
APPENDIX A – Project Map and Renderings
APPENDIX B – Programmatic Requirements

MCRP Program and Guidelines
On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on October 27, 2020, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF’s investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines, and a financial review has been completed.

As required under the MCRP, the following statutory criteria is being considered by the MSF:

A. The importance of the project to the community in which it is located:
   This project will create new residential capacity for the Village of Honor, new taxable value, and support surrounding businesses by addressing housing needs throughout the region.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:
   The creation of new housing in the Village of Honor will act as a catalyst for additional infill development in rural communities throughout Benzie County and the region.

C. The amount of local community and financial support for the project:
   Local support for the project includes a below market value sale of an existing roughly 12,000 square foot lot for onsite parking and stormwater retention purposes as well as the creation of the Village’s first PILOT exemption with a value of roughly $76,000 over 15 years.

D. The applicant’s financial need for a community revitalization incentive:
   A financing gap exists due to the severely income restricted nature of this project and the resulting limitation on the amount of traditional debt the project can secure and service. The development team has considered and maximized all other possible funding mechanisms to support this project including MSHDA's LIHTC program. This project's capital stack includes a $400,000 Affordable Housing Program grant through the Federal Home Loan Bank of Indianapolis, an $80,000 grant from Rotary Charities, and a $140,000 equity investment from the Northwest Michigan Community Action Agency (NMCAA), all to support heavily subsidized housing. The developer is contributing $136,250 plus deferring $60,500 in developer fees. Locally, the Village of Honor passed a 15-year PILOT, with an estimated total value of $76,000 and donated a roughly 12,000 square foot lot for purposes of supporting the development with onsite parking. The land for the project was donated by the Benzie County Land Bank. Even with the proposed grant support, the project’s return is projected to be near zero.

E. The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:
   This project will provide infill development upon property that was once blighted and underutilized since the land’s foreclosure status took place in the early 2000’s. The Benzie County Land Bank cleaned up this environmentally contaminated site in 2018 and since has been on the search for a qualified development opportunity.
F. **Creation of jobs:**
   This project is anticipated to create 2 new full-time equivalent positions with an average hourly wage of $32.

G. **The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:**
   This project is leveraging bank financing of $400,514, a $400,000 Affordable Housing Program grant through the Federal Home Loan Bank of Indianapolis, an $80,000 grant from Rotary Charities, and a $140,000 equity investment from Northwest Michigan Community Action Agency (NMCAA), all to support this greatly needed housing product in a rural community.

H. **Whether the project is financially and economically sound:**
   Upon achieving stabilized occupancy, the projected debt service coverage ratio is 1.20 to 1.00 with a projected 30-year average of 1.30 to 1.00. Over $756,000 in equity via cash and grants or over 45% of the total development cost is being contributed, the developer fee of $60,500 or 3.6% is being deferred, and traditional financing has been maximized.

I. **Whether the project increases the density of the area:**
   This project will bring new density to an existing vacant site through eight new residential two-story rental units.

J. **Whether the project promotes mixed-use development and walkable communities:**
   Although this project is not considered mixed-use, it will contribute to the walkability of downtown Honor and support the surrounding business community providing housing solutions to attract and retain talent.

K. **Whether the project converts abandoned public buildings to private use:**
   This project will convert a once owned Benzie County Land Bank Authority vacant property into a privately owned and operated asset contributing taxable value to the Village of Honor.

L. **Whether the project promotes sustainable development:**
   For a small rural community, this project is a great example of how to incorporate green elements into a new building envelope. As an example, the physical building envelop is scheduled to receive a lower air exchange rate beyond minimum code standards. The exterior sidewall will achieve an R-rating of 26.6 and the upper attic space at R-45. The attic deck above the second-floor ceiling will have a "flash-spray" of closed cell foam to seal all penetrations and partitions thus making an airtight seal at the upper building envelop. The foundation and lower floor will be insulated with R-10 rigid foam. Onsite parking will not be asphalt but will utilize hard packed gravel as an impervious surface. Green parking lots incorporate permeable or semi-permeable paving and porous design techniques to reduce stormwater runoff volume while also improving water quality by filtering and removing pollutants from stormwater.

M. **Whether the project involves the rehabilitation of a historic resource:**
   This project does not include the rehabilitation of a historic resource.
N. **Whether the project addresses area-wide redevelopment:**
   The proposed project will implement new housing solutions for the region and provide a rental product that the business community and downtown Honor need.

O. **Whether the project addresses underserved markets of commerce:**
   This project sets a standard for new investment in downtown Honor and will contribute to the region’s efforts to bring new housing products to market.

P. **The level and extent of environmental contamination:**
   The subject project will address any onset contamination, but at this time the subject property had been cleaned up in compliance with EGLE in 2018 when the initial demolition project took place to level a blighted single-family structure onsite.

Q. **If the rehabilitation of the historic resource will meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67):**
   This standard is not applicable as the property is currently vacant.

R. **Whether the project will compete with or affect existing Michigan businesses within the same industry:**
   This project will not compete with or affect existing businesses as the project will be residential in nature.

S. **Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter:**
   No other additional criteria need to be considered.
APPENDIX C - Organizational Chart

Homestretch Organizational Structure
Homestretch EIN: 38-3337549
Homestretch Manager: Jonathan Cass Stimson

<table>
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<tr>
<th>Member</th>
<th>Ownership Interest</th>
<th>EIN</th>
<th>State of Organization</th>
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<tr>
<td>Homestretch Nonprofit Housing Corporation</td>
<td>100%</td>
<td>38-3337549</td>
<td>Michigan</td>
</tr>
</tbody>
</table>
APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
GRANT AWARD TO HOMESTRETCH NONPROFIT HOUSING CORPORATION

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

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

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

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

WHEREAS, the property qualifies for MCRP support as “any other property” because development of the property will promote community revitalization consistent with the finding and declarations in Section 90 of the Act (“Property Qualification”);

WHEREAS, Homestretch Nonprofit Housing Corporation (“Company”) has requested a performance-based Grant of up to $459,434 (“Award Request”), along with other general terms and conditions;

WHEREAS, the MEDC has recommended that the MSF approve the Company’s 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 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (“MCRP Award Recommendation”); and

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Property Qualification and MCRP Award Recommendation; and

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate the above approved MCRP Award Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin
Acting 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,

[Signature]

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
    Andrew Lockwood
MEMORANDUM

Date:   October 26, 2021

To:   Michigan Strategic Fund Board

From:   Brittney Hoszkiw, Community Assistance Team Senior Specialist
        Julius Edwards, Senior Commercial Investment Manager
        Rob Garza, Manager, Statutory Analysis

Subject:   Request for Approval of a Michigan Community Revitalization Program (MCRP)
            Grant and a Request for Approval of an Act 381 Work Plan
            Detroit Food Commons, LLC and City of Detroit Brownfield Redevelopment Authority (BRA)
            Detroit Food Commons Redevelopment Project

Project Summary
The request will support a community development project located in the City of Detroit that will demolish a vacant single-family home and construct a new two-story, mixed-use building, representing $18,440,894 in total capital investment. The proposed project will include the Detroit Food Commons on the first floor, a 14,549 square foot community owned store selling healthy, locally sourced food with a 50-seat neighborhood café. The second floor will be a 3,783 square foot fully licensed kitchen with four stations to incubate local food enterprises and 3,897 square feet of community event and banquet space, 5,751 square feet of common area space and 3,160 square feet of office space for area nonprofit Detroit Black Community Food Security Network. The development will total 31,140 square feet and sit on a 1.42-acre site with onsite parking and space for outdoor food vendors. The project currently anticipates $330 per square foot in construction costs which is consistent with the market. The project will include 11,448 square feet of public improvements including new sidewalks and alleys adjacent to the grocery store.

The financing approach for the project has been developed to ensure long-term economic and operational sustainability of the building and its tenants based on third party market studies, reports and business plans. A financing gap exists due to the high cost of construction in the Detroit market and the low rents tenants of this kind can afford, limiting the development team’s ability to leverage traditional debt. The unique nature of the project requires a series of deviations from underwriting considerations including an equity contribution from the development team below 10% and the debt service coverage ratio falls below 1.2 to 1.0 following the conclusion of the TIF reimbursements. Staff is comfortable with these deviations given the development team’s ability to leverage nearly $5 million in philanthropic support, $5 million in New Market Tax Credit (NMTC) Equity, and over 1,100 members of the food cooperative. Additionally, the development team plans to escrow excess cash flow from operations in order to help offset any potential lean years of operations.

This endeavor has taken approximately 10 years to come together with the development team exhausting all available resources to bring this deal to fruition. The project does not include debt from a traditional lender. National Cooperative Bank (NCB), Kresge Foundation, and Fisher Foundation make up the debt load on the project. NCB is a bank focused on making a social impact through providing financing to
cooperatives and various other businesses located in low-income communities. The City of Detroit is offering Community Development Block Grant (CDBG) funds which will be paired with an additional $5 million in grant funding raised through various philanthropic organizations. The development team has deferred all developer fees and is contributing $1 million or 5.6% of the total capital stack and leveraging another $4.9 million in New Market Tax Credit (NMTC) equity. In total, approximately $12.6 million or 68.7% of the total development costs is being contributed to the project in the form of either grants or equity. Staff recommends the remaining $1.5 million gap be filled with a MCRP grant in order to limit the project’s debt, which together with the state portion of the Brownfield TIF will contribute to positive cash flow and long-term viability of the project.

Request
Detroit Food Commons, LLC (“Applicant”) is requesting a MCRP Performance-Based Grant in the amount of $1,500,000 and the City of Detroit Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of $509,634 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of $18,440,894.

Program Summary
The request for MCRP and Brownfield support is consistent with program requirements of creating attractive places and redeveloping contaminated and blighted properties. The project qualifies for the MCRP and Brownfield Act 381 program because the site is a facility and blighted. The project is consistent with MEDC Strategic Plan’s Guiding Principal of Equitable Economic Growth and Strategic Focus Area of Developing Attractive Places and Catalyzing Entrepreneurship. The project also meets local objectives outlined in the City of Detroit’s Targeted Multifamily Housing District for greater downtown Detroit by providing continuing density along the City’s main artery, Woodward Avenue and continue investment into the North End Neighborhood. The proposed uses will provide critical access to food security and urban agriculture in the city and have a positive economic impact on the city.

Local Support
Local support for the project includes $2,000,000 in Community Development Block Grant funding, the local portion of the Brownfield TIF valued at $246,854 and an anticipated Commercial Rehabilitation Act tax abatement valued at $1,754,752. The City of Detroit is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

Financing Opportunity – MCRP Performance-Based Grant
The Applicant has requested a MCRP Performance-Based Grant to assist with the construction of a new two-story mixed-used development. The development team has secured $3,850,000 in non-traditional debt financing with special interest only financing terms in support of the NMTC structure. Additionally, they have secured approximately $6,665,000 in grant funding from a number of philanthropic and local sources. Lastly, they have secured NMTC’s that are expected to generate approximately $4,900,000 in proceeds for the project. The proposed MCRP grant of $1,500,000 will be used to fill the remaining financing gap to help ensure the successful performance of the project.

Grant Terms
MSF Facility: MCRP Performance Based Grant
Grantee: Detroit Food Commons, LLC
Total Capital Investment: Currently estimated at $18,440,894

MSF Eligible Investment: Currently estimated at $13,303,636

Minimum Eligible Investment: Currently estimated at $10,642,909

MSF Grant Amount: Up to the lesser of 15% of “Eligible Investment” or $1,500,000.

Other Conditions: The MSF’s investment will be contingent upon the following:
- Receipt of a Financial Project Budget
- Receipt of Construction Documents, including “Guaranteed Maximum Price” Construction Contract
- Final Projections
- Final Executed Purchase Agreement

Summary of Development Sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCB</td>
<td>$1,100,000</td>
<td>5.97%</td>
</tr>
<tr>
<td>Kresge Foundation</td>
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</tr>
<tr>
<td>Fisher Foundation</td>
<td>$750,000</td>
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<tr>
<td>City of Detroit CDBG</td>
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<td>Other Grants</td>
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<td>NMTC Equity</td>
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<tr>
<td>MCRP Grant</td>
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<tr>
<td>Deferred Developer Fees</td>
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<tr>
<td>Developer Equity</td>
<td>$1,043,631</td>
<td>5.66%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$18,440,894</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Summary of Development Uses:

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$368,200</td>
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<tr>
<td>Hard Construction Costs</td>
<td>$10,286,835</td>
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<tr>
<td>Eligible Soft Costs</td>
<td>$3,016,802</td>
</tr>
<tr>
<td>Other</td>
<td>$4,769,057</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$18,440,894</strong></td>
</tr>
</tbody>
</table>

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on July 13, 2021. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on September 24, 2021, and qualifies as blighted due to specific parcels being owned by the Detroit Land Bank Authority.

There are 65.3202 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (36.74%) and local millage equaling 41.3202 mills (63.26%). Tax increment capture will begin in 2023 and is estimated to continue for 15 years. The state tax capture is recommended to be capped at $509,634, which is the amount of tax increment revenue anticipated to be generated in 15 years. Total MSF eligible activities are estimated at $756,488. Tax capture is impacted by a Commercial Rehabilitation Abatement (CRA) and the blended ratio can be found below. MSF eligible activities breaks down as follows:
Detroit Food Commons, LLC
October 26, 2021
Page 4 of 9

State tax capture (67.37%) $ 509,634
Local tax capture (32.63%) $ 246,854
TOTAL $ 756,488

Cost of MSF Eligible Activities
Demolition $ 32,500
Infrastructure Improvements 220,500
Site Preparation + 344,675
Sub-Total $ 597,675
Contingency (15%) + 86,651
Sub-Total $ 684,326
Interest (5%) + 43,162
Sub-Total $ 727,488
Brownfield/Work Plan Preparation + 14,000
Brownfield/Work Plan Implementation + 15,000
TOTAL $ 756,488

In addition, the project is requesting $422,331 in TIF from EGLE to assist with environmental eligible activities.

Applicant History
The project is led by Detroit Food Commons, LLC, a single purpose LLC established by Develop Detroit, Inc. and Detroit Black Community Food Security Network. Develop Detroit, Inc. is a mission-based nonprofit development company that has extensive experience working with community-based projects throughout the City of Detroit including the nearly complete Sugar Hill development at 119 E. Garfield which received MCRP and TIF incentives in 2019 and a Brownfield MBT credit in 2011. Detroit Black Community Food Security Network is also a nonprofit organization which has been working toward the development of the Detroit People’s Food Commons over the past 10 years. Their board is composed of current and former grocery store advisors and employees and have commissioned national co-op consultants to advise on the business plan, lay out, and community outreach. Detroit Black Community Food Security Network has not received previous incentives from the MSF. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Appendix A includes a project map and renderings, Appendix B addresses the programmatic requirements and Appendix C contains the Organizational Chart.

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

a) State tax capture for the Act 381 eligible activities capped at $509,634, utilizing the current state to local capture ratio.

b) A MCRP Performance-Based Grant in the amount of up to $1,500,000 for Detroit Food Commons, LLC on terms and conditions outlined in Exhibit A found in the resolution.
APPENDIX A – Project Map and Renderings

![Project Map and Renderings Image]
APPENDIX B – Programmatic Requirements

MCRP Program and Guidelines
On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on October 27, 2020, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF’s investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines, and a financial review has been completed.

As required under the MCRP, the following statutory criteria is being considered by the MSF:

A. The importance of the project to the community in which it is located:
The proposed project will create a more vibrant experience for pedestrians by reactivating properties formerly owned by the City of Detroit Land Bank Authority and continuing the street wall north along the Woodward corridor. The proposed use will increase access to fresh foods and continue to support emerging food-based businesses in Southeast Michigan through kitchen incubators and community space.

B. If the project will act as a catalyst for additional revitalization of the community in which it is located:
The project is located in the North End neighborhood of Detroit, which is one of the city’s most historic neighborhoods. The district sits just north of a wave of development along the Woodward corridor and its proximity to the core business district is a desirable location for young professionals and empty nesters. The Detroit Food Commons will serve as one of the first transit-oriented development projects in the area, rebuild the density and tax base on a currently vacant site, and fill a market need of a walkable, affordable, and healthy grocery store and café. By meeting the market demand, the project will serve as a catalytic force for further density and commercial and residential development in the neighborhood.

C. The amount of local community and financial support for the project:
Local support for the project includes the local portion of the Brownfield TIF valued at $246,854 and an anticipated Commercial Rehabilitation Act tax abatement valued at $1,754,752.

D. The applicant's financial need for a community revitalization incentive:
The project does not include any debt from a traditional lender. National Cooperative Bank (NCB), Kresge Foundation, and Fisher Foundation make up the debt load on the project. NCB is a bank focused on making a social impact through providing financing to cooperatives and various other businesses located in lower income communities. The City of Detroit is offering Community Development Block Grant funds which will be paired with an additional $5 million in grant funding raised through various philanthropic organizations. The development team has deferred all developer fees and contributing $1 million or 5.6% of the total capital stack and leveraging another $4.9 million in New Market Tax Credit equity. In total, approximately $12.6 million or 68.7% of the total development costs is being contributed to the project in the form of either grants or equity. Staff recommends the remaining $1.5 million gap be filled with a MCRP grant in order to limit the
project’s debt, which together with the state portion of the Brownfield TIF will contribute to positive cash flow and long-term viability of the project.

E. **The extent of reuse of vacant buildings, reuse of historical buildings, and redevelopment of blighted property:**
   Several parcels are qualifying as blighted due to ownership by the City of Detroit Land Bank and will be redeveloped. One vacant building exists on the property and will be demolished.

F. **Creation of jobs:**
   The project is anticipated to create 49 full-time equivalent jobs. The average hourly wage is estimated to be $16.27.

G. **The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits:**
   The project has received significant local community and financial support. This includes $3.9 million in debt financing from NCB, the Kresge Foundation, and Fisher Foundation. The project is also receiving an allocation of NMTC’s of over $17 million that is anticipated to generate $4.9 million in cash proceeds. The project has also received significant financial contributions from many local partners such as the City of Detroit, Ford Foundation, W.K. Kellogg Foundation, Levy Foundation, and Knight Foundation, totaling over $6.9 million.

H. **Whether the project is financially and economically sound:**
   The project will carry a limited amount of debt. Additionally, the development team has raised significant amount of funding to support the operations of the grocery store and will be supported by Develop Detroit. Staff believes the project to be financially viable due to the limited debt and other funding raised to support operations.

I. **Whether the project increases the density of the area:**
   The project increases the density of the area in a number of ways. The project provides for multiple active uses on a currently vacant and blighted parcels in the city. The operation of the various proposed uses will result in the presence of thousands of individuals to the site on a weekly basis, increasing the density from current conditions.

J. **Whether the project promotes mixed-use development and walkable communities:**
   The project introduces several amenities necessary to walkable communities. At present, residents of the North End drive to obtain access to healthy foods and dining opportunities. The grocery store will allow residents and future employees within the neighborhood to walk or bike for these services or employment.

K. **Whether the project converts abandoned public buildings to private use:**
   The project does not involve rehabilitation of a public building and the only structure on the property will be demolished.

L. **Whether the project promotes sustainable development:**
   The project will have a construction waste management plan in place and soil erosion control measures through the construction process. The project plans to utilize energy efficient appliances, equipment, and water smart fixtures throughout. The project will have green stormwater management infrastructure in place to support the detention and retention of stormwater.
M. Whether the project involves the rehabilitation of a historic resource:
The project is not qualifying as a historic resource.

N. Whether the project addresses area-wide redevelopment:
The project is aligned with the city’s Target Multifamily Housing Area investment zone of greater
downtown Detroit. Since 2016, this area has been the focus of reinvestment for the city and its
partners which is complementary to the proposed development. The coop stands to serve a strong
residential area of the city in the North End and will allow for continued residential investment by
offering critical walkable access to fresh food for area residents.

O. Whether the project addresses underserved markets of commerce:
The development has been designed specifically to host the project’s anchor tenant, the Detroit
People’s Food Coop. The DPFC target market demographic profiles within a 1.5-mile radius show
that primary consumers will be from underserved markets of commerce. The Coop plans to best
serve those individuals with affordable rates and participation in programs like SNAP, WIC, etc.

P. The level and extent of environmental contamination:
AKT Peerless completed a Phase I ESA which recognized environmental conditions were
identified including arsenic, mercury, and selenium. Due care activities will be undertaken to
prepare the site for development.

Q. If the rehabilitation of the historic resource will meet the federal Secretary of the Interior's
standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67):
The project is not qualifying as a historic resource.

R. Whether the project will compete with or affect existing Michigan businesses within the same
industry:
Given the unique offerings and business structure of the proposed market that it does not directly
compete with any 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:
None.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:
The City of Detroit unadjusted jobless rate was 25% in July 2021. This compares to the statewide
seasonally adjusted average of 4.7% in August 2021.

B. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:
Several parcels are qualifying as blighted due to ownership by the City of Detroit Land Bank and
will be redeveloped.

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

Organizational Structure

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<tr>
<th>Member</th>
<th>Ownership Interest</th>
<th>EINs - No Soc Sec</th>
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<td>Detroit Black Community Food Security Network</td>
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<td>331140762</td>
<td>Michigan</td>
</tr>
<tr>
<td>Non-Profit Entity</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Guarantee section is not required for TIF-only requests.

Key Principals/Guarantors: Develop Detroit, Inc.
Amount of Guarantee: 100%
MICHIGAN STRATEGIC FUND

RESOLUTION
2021-140

APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
PERFORMANCE BASED GRANT AWARD TO DETROIT FOOD COMMONS, LLC

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

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

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

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

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

WHEREAS, Detroit Food Commons LLC (“Company”) has requested a performance-based grant of up to $1,500,000 (“Award Request”), along with other general terms and conditions;

WHEREAS, the MEDC has recommended that the MSF approve the Company’s 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 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (“MCRP Award Recommendation”); and

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

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate the above approved MCRP Award Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin
Acting 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,

[Signature]

Paul C. Ajegba, P.E.  
Director  

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

\[Signature\]

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MICHIGAN STRATEGIC FUND
RESOLUTION
2021-141

APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
DETROIT FOOD COMMONS REDEVELOPMENT PROJECT

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

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

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

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

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a Work Plan dated September 24, 2021 (the “Work Plan”) for property located at 8324 Woodward Avenue and 50, 60, 66 72, 78, 82, 90, 96, and 100 East Euclid Street within the City of Detroit, known as Detroit Food Commons Redevelopment Project (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 67.37% to 32.63% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, and infrastructure improvements as presented in the 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 $684,326 for the principal activity costs of non-environmental activities and a contingency, a maximum of $43,162 in interest, a maximum of $14,000 for Brownfield/Work Plan preparation, and a maximum of $15,000 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of $509,634.

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

BE IT FURTHER RESOLVED, that the MSF Board is authorizing the capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of $43,162 related to the eligible activities for the Project.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin
Acting Director
February 3, 2020

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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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date: October 26, 2021

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: Private Activity Bond – Bond Inducement

Michigan Freshwater Oceans LLC
New – Wastewater Treatment - $37,000,000

Request:
Michigan Freshwater Oceans LLC is requesting private activity bond financing for a water treatment and aquaculture project in St. Johns, Clinton County, Michigan.

The proceeds of the bond issue will be used to cover capital expenditures for all the wastewater treatment expenditures associated with the project described in sections B, C, & D below. The initial estimate for capital expenditures is approximately $20,000,000 of a total capital raise of $37,000,000. Capital raised separately from the bond issue will be used to fund aquaculture equipment, buildings and working capital.

Background:
Kit Munday founded Aqua Vida LLC in order to explore land based recirculating aquaculture as part of a solution to the overfishing and degradation of ocean fisheries. Mr. Munday had spent twenty years working globally in the financial services industry. He spent 4 years researching species, markets, technology and locations within the United States, deciding upon freshwater eel for its suitability for land-based aquaculture and Michigan due to its land, water, energy, labor and transport resources.

Michigan Freshwater Oceans LLC was formed in March 2018, registered in Michigan in order to invest and operate the water treatment and aquaculture project in St. Johns.

In 2019 a partnership was formed with iCell Aqua in order to strengthen the project by adding in the iCell water treatment technology. This will allow an increase in the scope of the project by adding alternate species and aquaculture projects and food processing.
The company is owned by a combination of early seed and series A investors through the investment platform iCell Aqua.

**Description of Project:**
Michigan Freshwater Oceans LLC indicates the project will initially encompass several products and services including:

A. Land Based Recirculating Aquaculture
High quality fish will be raised (initially Freshwater Eel) for human consumption in the US and Asia. Approximately 50% will be for export.

B. Single Cell Protein Production
Using an aerobic fermentation process the iCell facility recycles the water-based nutrients from the aquaculture project and local food processors. The dried Single Cell Protein Production is used as a nutrient for animal feed globally. Approximately 100% will be for domestic US market.

C. Recycling Water
The iCell unit will provide recycled water for the use of local food processors, located in the St. Johns Industrial Park.

D. Water Treatment Service
The iCell facility will provide water treatment service for local food processors and aquaculture projects located in the St. Johns Industrial Park.

E. Fish Processing
Approximately 50% of the fish will be minimally processed (filleted/frozen packaged) and/or roasted. Approximately 100% of processed fish will be for the domestic US Market.

The company has also indicated the project will provide both direct and indirect jobs to the county and state with approximately 48 direct jobs. The full benefit of the project will also include indirect jobs in aquaculture and food processing that are attracted to the location due to the water treatment infrastructure offered by the iCell unit. There will also be temporary construction jobs associated with the building of the facility.

**Plans of Finance:**
Peritus Capital LLC is a SEC registered and FINRA member investment bank that specializes in supporting the global growth of the aquaculture industry. Peritus expects to structure a private
placement of the bonds to a syndicate of institutional investors focused on Environmental, Social, Governance (ESG) and sustainable practices.

**Recommendation:**
After reviewing the Private Activity Bond application for the Borrower, staff recommends the adoption of an Inducement Resolution in the amount of $37,000,000.
WHEREAS, Michigan Freshwater Oceans LLC, a Delaware limited liability company, qualified to do business in Michigan (the "Borrower");

WHEREAS, the Borrower desires to finance the costs of the acquisition, construction, installation and equipping of wastewater treatment facilities for an aquaculture project in St. Johns, Clinton County, Michigan. The project will include single cell protein production, recycling water and water treatment service, equipment for Finfish aquaculture, single cell protein animal nutrition food process water service treatment and finfish processing;

WHEREAS, the Borrower has applied to the Michigan Strategic Fund (the “MSF”) for a loan (the "Loan") to finance the Project as defined in 1984 PA 270 (the "Act");

WHEREAS, the Borrower has advised the MSF that the cost of the Project will not exceed Thirty Seven Million Dollars ($37,000,000);

WHEREAS, the Act authorizes the MSF to loan moneys to business enterprises for the purpose of financing projects and to obtain the moneys for such loans by the issuance of bonds pursuant to the Act; and

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141 and 142(a)(6) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

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

1. The MSF intends to provide the Loan to the Borrower subject to the conditions of this Resolution.

2. The Loan shall be designated for the Project in accordance with the Borrower's Tax-Exempt Application Form dated August 23, 2021.

3. The maximum principal amount of the bonds (the "Bonds") expected to be issued to provide the Loan to finance the Project shall not exceed Thirty Seven Million Dollars ($37,000,000). The Borrower shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.

4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the bonds under applicable federal and state laws, and b) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.

5. The MSF’s obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.

6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the “Attorney General”) and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.
7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the “Bond Resolution”) for the purpose of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Borrower and a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.

8. The Bonds shall not be general obligations of the MSF but shall be payable as to principal and interest solely from the proceeds of the payments to be made by the Borrower to the MSF (or to a trustee appointed by the MSF pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely certain that under no circumstances will the Bonds or this Resolution be a debt or obligation of the State of Michigan or a general obligation of the Michigan Strategic Fund, nor will the State of Michigan be liable on the Bonds.

9. All costs and expenses involved in the authorization, issuance, sale, and delivery of the Bonds and in the making of the Loan shall be paid from the Bond proceeds or, if they are insufficient, by the Borrower.

10. The staff of the MSF is authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the MSF, with a bond purchaser for the sale of the Bonds. Any authorized signatory is authorized to prepare and file with the Michigan Department of Treasury a request for allocation as it relates to the State limitations on the issuance of private activity bonds.

11. Bond counsel to the MSF and the Attorney General are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the MSF to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any authorized signatory is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the bond proceeds or by the Borrower.

12. A preliminary official statement or other offering materials may be used in connection with the sale of the Bonds; provided, however, that no preliminary official statement or other offering materials shall be circulated unless any description of the MSF, the Bonds and documents to which the MSF is a party shall have been approved by bond counsel to the MSF and the Attorney General.

13. All resolutions and parts of resolutions insofar as they conflict with this Resolution are rescinded.

ADOPTED

Ayes: Britany L. Affolder-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Abstained: September Hargrove

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Thank you.

Sincerely,

Susan R. Corbin  
Acting 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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

[Signature]

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date: October 26, 2021

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

From: Julia Veale, Senior Business Development Project Manager
Julie Gardner, Program Specialist, Community Development Block Grant

Subject: Incentives Request

Michigan Business Development Program (“MBDP”)
Community Development Block Grant (“CDBG”)
Agricultural Processing Renaissance Zone (“APRZ”)
Alternative State Essential Services Assessment Exemption (“ASESA”)

Request Foods, Inc. (“Company” or “Applicant”)
Holland Charter Township (“Township”), County of Ottawa

Request

The Applicant is requesting the following (collectively, the “Incentive Request”), including a request from the Township in support of the Applicant:

- $2,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”). This project involves the creation of a minimum of 50 Qualified New Jobs up to a maximum of 198 Qualified New Jobs and a capital investment of up to $205,000,000 in the Holland Charter Township, Ottawa County;
- 15-year APRZ designation for its new Ready to Eat (“RTE”) facility (“APRZ Request”);
- 50% ASESA exemption for up to five years valued at up to $1,637,850 for its $98,750,000 in Eligible Personal Property (“ASESA Request”); and
- The Township is requesting up to $6,930,000 in CDBG funds for machinery and equipment needed for the expansion of the RTE facility and the Greenly Street Plant expansion (“CDBG Request”). The Township expects that this project would result in private investment of up to $162,250,000 and the creation of 163 jobs of which 51% will be low-to-moderate income.

Applicant History

The Company was incorporated in the State of Michigan November 1989 and constructed its 90,000 square feet facility at the current address on John F Donnelly drive in 1990. Since that time, the Company has experienced consistent growth in terms of revenue, employment and production capacity and has expanded its production facility to 385,000 square feet on John F Donnelly Drive (key expansions in 1995, 1999, 2002 and 2008) with another additional 300,000 square foot plant constructed in 2011 on 24 acres at its Greenly Street location. The Company continues to invest in the expansion and upgrades of its plants, equipment, and infrastructure on its 58 acres of land holdings in Holland, Michigan. The Company is consistently ranked as a Tier-1 frozen food processor in volume, capabilities and breadth of products and employs 900 full time employees.

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

In order to keep pace with increased production demands and growth in its customer base, along with strategic plans to support diversification to the existing operations, the Company needs to further expand its facilities. The Company has significant time constraints for this project as new and existing customers display a larger and more diverse product portfolio and related service needs. With competition high, time is of the essence to capture the business at hand to support future growth plans.

The Project is driven by four major expansion initiatives should it move forward in Michigan:

- **Greenly Street expansion**: The Company’s existing footprint on Greenly Street will be expanded to add further manufacturing capacity that will result in 110 new positions to support bulk and family-sized meal production; total investment is projected to be $81,000,000.

- **Cold storage warehouse**: Diversification was a key element that has enabled the Company to thrive in the pandemic environment thus far. As such, long term growth strategies are based on diversification and industry trends that enable the response to customer needs. To this end, the proposed project entails a 157,000 square feet cold storage warehouse (with expansion capabilities of another 100,000 square feet) that would provide storage for its finished products. This expansion will enable further production capacity at its current production plants where warehousing and storage is currently maintained as well as reduce costs associated to the use of external cold storage facilities, some outside of Michigan. Due to customer demand, it is the Company’s intention to complete this project by the third quarter of 2022. This portion of the Project has projected investment of $43,000,000 and will result in the creation of 35 new jobs.

- **RTE Plant**: The proposed $74,000,000 project entails building a Ready to Eat production facility to diversify its current frozen food production. Due diligence is underway to better define plant size and capacity needs. The Company would propose to lease a building for its RTE plant on the parcel created from the recent combination of three (3) parcels of property located at 13022 Quincy Street, 13044 Quincy Street, and 3845 John F Donnelly Drive in Holland, Michigan. Once it is operational, the RTE facility will be used to store raw materials and produce, package, and ship frozen ready-to-eat food. This portion of the project will result in the creation of 50 new jobs and result in community economic growth and additional indirect job creation. To create room for its production activities at the RTE Facility, the existing warehouse will be renovated and have a new industrial facility constructed on the property. The Company intends to purchase and install approximately $35,000,000 of machinery and equipment over the next three years to prepare the RTE Facility for its intended use, along with $39,000,000 of real property construction to support the manufacturing plant build.

- **Wastewater Treatment Plant Expansion and Upgrades**: To support the manufacturing expansion of food production, the Company will need to expand and upgrade its current Wastewater Treatment Plant. The current plant was constructed in 2011 with a CDBG. Based on detailed analysis performed by Williams and Works, initial investments to upgrade are approximately $7,000,000.

**Demonstrated Need**

Company leadership is currently evaluating expansion options in South Carolina due to proximity to its major customer distribution centers and the availability of incentives that lower the entry costs to business establishment/expansion. Sites being considered are in Greenville at the Greenville Enterprise Park and Piedmont Augusta Grove Business Park. Various incentives are available at the state and county level that make South Carolina an economically viable alternative for expansion. There is an incentive offer on the table from South Carolina; however, due to an NDA in place, specifics related to the offer are not available.
If the Project were to move forward in South Carolina, it would mean future disinvestment in the Michigan facilities and future investment and expansion would not be considered for Holland. Food processing manufacturing contributes more than $1,500,000,000 per year to the West Michigan economy and this project will allow the Region and the State to continue maintaining a distinct competitive advantage in the food production industry. Currently, the Company spends approximately $51,000,000 with Michigan based agricultural commodity and logistics providers to support the manufacturing of its finished goods. This expansion will not only increase Michigan based commodity and logistics spend, but will enhance spend in other Michigan businesses – construction, service industries etc. This is the largest expansion in Company history and not securing it in Michigan would result in adverse effects as future investment and new jobs will go where this new investment is secured.

The Company has a long history of support in the Holland Charter Township community, and of supporting the community in return. The Company has invested heavily in the community, both in terms of capital investment and job creation, and also regularly donates 10% of its income to support charitable organizations in the community.

This project benefits from the support of Holland Charter Township and Lakeshore Advantage. In addition to MSF support, Holland Charter Township is supporting the CDBG, APRZ, and anticipates approval of a real property tax abatement while the Holland Board of Public Works has offered an Economic Development Incentive Rider valued at $260,000 as well as a Job Training Assistance up to $632,650 by West MichiganWorks! to attract and retain new talent. The MEDC also authorized a State Education Tax abatement to be used in conjunction with the locally approved abatement.

**Request**

In order to secure the project, the Applicant is requesting the following:

- A $2,000,000 MBDP Grant that is designed to offset costs associated with attracting and retaining talent and training compared to South Carolina;
- A $6,930,000 CDBG that will offset machinery and equipment costs at the RTE facility, the Greenly Street Expansion, and the Wastewater Treatment Plant. The National Objective is Low-to-Moderate income;
- A recommendation to the State Administrative Board for the designation of a 15-year APRZ for the Company; and
- A request from the Applicant for a five year, 50%, ASES exemption valued at up to $1,637,850 for its $98,750,000 in Eligible Personal Property.

This project aligns with the MEDC’s strategic focus areas of attract, retain, and support businesses in the regional impact industry of agribusiness; fostering high-wage skills growth; marketing the state; and developing attractive places. These new facilities and facility upgrades will result in the creation of up to 198 new jobs and up to $205,000,000 in direct investment in Holland Charter Township, Ottawa County.

**Considerations for ASES**

a) The Company is an “Eligible Claimant,” as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e).

b) The Eligible Investments will be made after MSF approval and completed within three years of October 26, 2021 (“Commencement of the Project”).

c) The Company has agreed to pay a State Essential Services Assessment Exemption administrative fee of $10,000 payable to the MEDC upon completion of the first performance milestone.

d) The five-year ASES exemption is estimated to be worth $1,637,850.
CDBG Program specific requirements and screening guidelines are addressed in Appendix A.

CDBG Term Sheet for Project provided in Appendix B.

CDBG Project area map are provided in Appendix C.

**Recommendation**
MEDC Staff recommends approval of the Incentive Request, as outlined in the attached resolutions.
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 creation of 163 full time positions by June 30, 2024. The business has agreed that at least 51 of the positions will be held 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)(17) 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 Company will be able to add value to the local economy through additional opportunities to compete for larger contracts as well as create 163 jobs between October 2021 – June 2024, 51 percent of which will be low-to-moderate income individuals.

- **Minimum Local Participation:** Holland Charter Township is supportive of the Project through resolution and has committed to serve as the applicant for the CDBG grant.

- **Minimum Leverage Ratio:** The private contribution to be provided by Request Foods Inc equals $155,320,000 which results in a leverage ratio 22.4:1 of approximately of the CDBG grant

- **Financial Viability and Background Check:** The business receiving the benefit from this project has completed a civil and criminal background check in accordance with the MSF Background Review Policy with no concerns and has been determined to be financially viable.

The MEDC staff has concluded that the project meets the minimum program requirements and screening guidelines to be eligible under the CDBG program.
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Performance Based Grant - Term Sheet

The following is a summary of the highlights of the proposed project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Community Development Block Grant Program ("CDBG"). While the CDBG is operated and funded through the MSF, recommendation for approval of a CDBG incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: October 8, 2021

1. Community Name ("Grantee"): Holland Charter Township

2. Company Name ("Company"): Request Foods, Inc.

3. Company Address:
   - 13044 Quincy Street
     Holland, MI 49424
   - 13022 Quincy Street
     Holland, MI 49424
   - 3845 John F Donnelly Drive
     Holland, MI 49424
   - 12875 Greenly Street
     Holland, MI 49424

4. Project Description and Activities: The Company plans to expand its manufacturing operations through the rehabilitation of an existing warehouse and construction of a new facility to accommodate a new line of business - frozen Ready-to-Eat (RTE) food to keep pace with consumer demand and growth in its customer base. Request also plans to expand operations at its existing Greenly Street plant (the "GSP Expansion") and construct a wastewater pretreatment facility to handle increased output from these expansion projects. Request expects to invest approximately $162.25 million total in real and personal property for these projects: $74 million for the RTE Facility, $81.25 million for the GSP Expansion and $7 million for the wastewater facility. Request expects these projects will create around 163 new FTE jobs, 50 of which will be created at the RTE Facility and 113 of which will be created at the GSP Expansion. CDBG and UGLG funds will be utilized for a portion of the personal property (equipment and machinery) costs at the RTE Facility, which Request estimates will total $35 million.

5. Total Estimated Project Costs: $162,250,000

6. CDBG Grant Incentive Type: Machinery and Equipment

7. CDBG Grant Amount: $6,930,000

   In no event shall the amount of the grant assistance exceed more than four percent (4%) of the total actual costs. If the actual cost is less than shown in the Total Estimated Project Costs, the amount of the Grant shall be reduced on a proportional basis. Funds will be made available to the community on a reimbursement basis for eligible costs.

   The Company and Grantee shall be responsible for any cost overruns.

8. Minimum Company Investment: $155,320,000

(Holland Charter Township, Request Foods, Inc.) 1 CD Terms Sheet
9. **Type of Financing for Investment:**  
   - Loan  
   - Cash Contribution by **Request Foods, Inc.**

10. **Minimum Job Creation:** The Company must create a minimum of 163 new jobs over the employment base established at the time of application (new jobs must meet the requirements below); and The Company must pay at least **$16 per hour** for the newly created jobs.

   *New jobs must meet the following requirements to be included:*

   - Must be full-time equivalent employees (working 40 hours or more) of the company;
   - At least 51% of the newly created jobs must be filled by low or moderate income persons based on household income. If the project results in more new jobs than expected, then the 51 percent requirement shall apply to the higher job number.
   - Jobs must be created during the term of the Grant Agreement and must continue to be documented until the project is formally closed out; and
   - Located at the project site.

   CDBG funds are granted based on job creation. New Jobs must be hired after the effective date of the Grant Agreement and must meet the above referenced requirements of a New Job.

11. **Project Milestones:** The final terms and conditions of each of the Project Milestones shall be included in the final Agreement. Before any disbursement is made to the Company through the Community, the Company must demonstrate compliance with Project Milestones, as required, and otherwise be in full compliance with all terms and conditions of the final Agreement, and further shall include:

   a) **Grant Agreement Executed:** November 30, 2021  
   b) **Property Acquisition Completed:** n/a  
   c) **Construction Commencement:** November 21, 2021  
   d) **Construction Completed:** November 21, 2021  
   e) **Job Creation Commencement:** October 26, 2021 (Date of MSF Approval)  
   f) **Job Creation Completion:** June 30, 2024

12. **Term of Agreement:** The term of the Agreement is from execution of the Agreement for a period of three (3) years. This term includes completing all required project activities, including job creation and investment.

13. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs was an essential factor in persuading the Grantor that this project is economically viable, and further, in the absence of this commitment by the Company, this grant would not have been awarded and the Company has verified that the CDBG Funds are not substituted for non-federal funds.

   The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantee may require the repayment of the Grant up to the full amount from the Company. The MSF may require the Grantee and Company to execute a Development Agreement that will be acknowledged by the MSF outlining repayment provisions.
14. **Environmental Review:** The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; or performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.

15. **Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of $2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work.

16. **Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:
   a) Progress Reports beginning January 15 and every six (6) months thereafter.
   b) Final Progress Report 60 days after completion of the Term.
   c) Job Creation Summary Report, along with the corresponding Income Certification Forms, on a six month basis during the Term and at close out.

17. **Public Announcements:** The Company shall not make, or cause, any announcement of the proposed CDBG Incentive Award parameters outlined in this letter before the date of approval by the MSF of the CDBG Incentive Award, unless authorized and coordinated in advance with the MEDC.

This Term Sheet is an outline of the structure of the proposed CDBG Incentive Award and does not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the CDBG Incentive Award contemplated hereby.

It should not in any way be viewed as a commitment by or an obligation of the MEDC, the MSF or any other entity to extend financial accommodations to the Company and is subject to, among other things, the approval of the request under MEDC’s internal approval process and by the MSF Board. Any final CDBG Incentive Award is contingent upon several factors, including: (i) submission by the Community of a completed application and all other documentation required under the CDBG; (ii) satisfactory municipality support; (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, 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 Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

The Company cannot assign this Term Sheet without the prior written consent of the MEDC. If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible CDBG Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by October 15, 2021, the MEDC may not be able to proceed with any recommendation to the MSF.
Michigan Economic Development Corporation

By: Julia Veale

Its: Senior BD Project Manager

Signature: [Signature]

Dated: 10/8/2021

Acknowledged as received by:

Company name: Request Foods Inc

By: Menalca Ayler

Its: CEO

Signature: [Signature]

Dated: 10/8/2021

Acknowledged as received by:

Community name: Holland Charter Township

By: Steve Bulthuis

Its: Manager

Signature: [Signature]

Dated: 10-9-21

Cc: Christine Whitz, Director, CDBG Program

Name, CDBG Specialist

Name, CATeam Director
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 6, 2021
Company Name: Request Foods, Inc. and/or its affiliates and subsidiaries.
Project Location: Ottawa County
MBDP Incentive Type: Performance Based Grant
Maximum Amount of MBDP Incentive: Up to $2,000,000
Base Employment Level: At least 900, at the time of first disbursement of funds and thereafter
Qualified New Jobs ("QNJ"): At least 50 Full-Time Jobs in Michigan
Municipality Supporting Project: The Charter Township of Holland 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 30, 2025
Milestone Based Incentive: Disbursements will be made over a 3 year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
$(10,101.01) per QNJ for the creation of a minimum of 50 jobs up to a maximum of 75 jobs.
$(10,101.01) per QNJ for the creation of a minimum of 51 jobs up to a maximum of 178 jobs.
$(10,101.01) per QNJ for the creation of a minimum of 52 jobs up to a maximum of 198 jobs.

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

Acknowledged as received by:

Request Foods, Inc.
By: [Signature]
Printed Name: Menaka Abele
Its: CFO

Michigan Economic Development Corporation
By: [Signature]
Printed Name: Julia Veale
Its: Senior BDPM

October 4, 2021- Request Foods, Inc.
APPENDIX C – Map, Renderings and Site Photos
CDBG and UGLG funds will be utilized for the acquisition of personal property (equipment and machinery) at the RTE Facility. Three (3) parcels were recently combined to form the Property for the RTE Facility.

- 13044 Quincy Street (Parcel # 70-16-08-200-047)
- 13022 Quincy Street (Parcel # 70-16-08-200-018)
- 3845 John F Donnelly Drive (Parcel # 70-16-08-200-048)
Additionally, Request will be conducting project activities at the following property. No CDBG or UGLG funds will be utilized at this property.

**GSP Expansion:** 12875 Greenly Street (Parcel #: 70-16-08-200-055)
MICHIGAN STRATEGIC FUND

RESOLUTION
2021-143

APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO REQUEST FOODS, INC.

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

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

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

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

WHEREAS, on December 8, 2020, by Resolution 2020-146, the MSF adopted an amendment to the guidelines for the MBDP (“Guidelines”);

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

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

WHEREAS, 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, Request Foods, Inc. (“Company”) has requested a performance based MBDP Grant of up to $2,000,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

WHEREAS, the MEDC recommends that the MSF approve the Company’s Grant Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents, within 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 60 days (“MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
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 6, 2021

Company Name: Request Foods, Inc. and/or its affiliates and subsidiaries.

Project Location: Ottawa County

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to $2,000,000

Base Employment Level: At least 900, at the time of first disbursement of funds and thereafter

Qualified New Jobs ("QNJ"): At least 50 Full-Time Jobs in Michigan

Municipality Supporting Project: The Charter Township of Holland 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 30, 2025

Milestone Based Incentive: Disbursements will be made over a 3 year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:

$10,101.01 per QNJ for the creation of a minimum of 50 jobs up to a maximum of 75 jobs.

$10,101.01 per QNJ for the creation of a minimum of 51 jobs up to a maximum of 178 jobs.

$10,101.01 per QNJ for the creation of a minimum of 52 jobs up to a maximum of 198 jobs.

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

Acknowledged as received by:

Request Foods, Inc.
By: [Signature]
Printed Name: [Signature]
Its: CFO

Michigan Economic Development Corporation
By: [Signature]
Printed Name: Julia Veale
Its: Senior BDPM

October 4, 2021- Request Foods, Inc.
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin  
Acting 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,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
    Andrew Lockwood
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, the CDBG program has policies, criteria, and parameters that are enumerated in the 2020 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133 and 2020-093 authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants now known as the 2020 Program Year Funding Guide Excerpt.

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

WHEREAS, Holland Charter Township (the “Community”) has submitted a complete application for approval requesting funding to be used to fund the Request Foods, Inc. Project (the “Project”);

WHEREAS, the CDBG program staff reviewed the proposed Project in light of the Criteria and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, will create jobs and at least 51% of the newly created jobs will be held by persons of low and moderate income; and

WHEREAS, staff recommends that a grant agreement be authorized and entered into with the Community for funds from the CDBG program for the reasons set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed $6,930,000 for the payment or reimbursement of costs associated with the Project. The MSF allocates $6,930,000 from the Michigan CDBG program for the purpose of funding the Community’s proposed Project contingent upon the MSF’s continued receipt of CDBG funds and availability of adequate funds;

BE IT FURTHER RESOLVED, the MSF Fund Manager, in coordination with MEDC staff is directed to negotiate the terms of the grant agreement for the Project consistent with this Resolution.

Ayes: Brittany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
The following is a summary of the highlights of the proposed project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Community Development Block Grant Program ("CDBG"). While the CDBG is operated and funded through the MSF, recommendation for approval of a CDBG incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: October 8, 2021

1. **Community Name** ("Grantee"): Holland Charter Township
2. **Company Name** ("Company"): Request Foods, Inc.
3. **Company Address:**
   - 13044 Quincy Street
     Holland, MI 49424
   - 13022 Quincy Street
     Holland, MI 49424
   - 3845 John F Donnelly Drive
     Holland, MI 49424
   - 12875 Greenly Street
     Holland, MI 49424

4. **Project Description and Activities:** The Company plans to expand its manufacturing operations through the rehabilitation of an existing warehouse and construction of a new facility to accommodate a new line of business - frozen Ready-to-Eat (RTE) food to keep pace with consumer demand and growth in its customer base. Request also plans to expand operations at its existing Greenly Street plant (the “GSP Expansion”) and construct a wastewater pretreatment facility to handle increased output from these expansion projects. Request expects to invest approximately $162.25 million total in real and personal property for these projects: $74 million for the RTE Facility, $81.25 million for the GSP Expansion and $7 million for the wastewater facility. Request expects these projects will create around 163 new FTE jobs, 50 of which will be created at the RTE Facility and 113 of which will be created at the GSP Expansion. CDBG and UGLG funds will be utilized for a portion of the personal property (equipment and machinery) costs at the RTE Facility, which Request estimates will total $35 million.

5. **Total Estimated Project Costs:** $162,250,000
6. **CDBG Grant Incentive Type:** Machinery and Equipment
7. **CDBG Grant Amount:** $6,930,000

   In no event shall the amount of the grant assistance exceed more than four percent (4%) of the total actual costs. If the actual cost is less than shown in the Total Estimated Project Costs, the amount of the Grant shall be reduced on a proportional basis. Funds will be made available to the community on a reimbursement basis for eligible costs.

   **The Company and Grantee shall be responsible for any cost overruns.**

8. **Minimum Company Investment:** $155,320,000
9. **Type of Financing for Investment:** ☑ Loan ☓ Cash Contribution by **Request Foods, Inc.**

10. **Minimum Job Creation:** The Company must create a minimum of 163 new jobs over the employment base established at the time of application (new jobs must meet the requirements below); and The Company must pay at least $16 per hour for the newly created jobs.

    *New jobs must meet the following requirements to be included:*

    - Must be full-time equivalent employees (working 40 hours or more) of the company;
    - At least 51% of the newly created jobs must be filled by low or moderate income persons based on household income. If the project results in more new jobs than expected, then the 51 percent requirement shall apply to the higher job number.
    - Jobs must be created during the term of the Grant Agreement and must continue to be documented until the project is formally closed out; and
    - Located at the project site.

    CDBG funds are granted based on job creation. New Jobs must be hired after the effective date of the Grant Agreement and must meet the above referenced requirements of a New Job.

11. **Project Milestones:** The final terms and conditions of each of the Project Milestones shall be included in the final Agreement. Before any disbursement is made to the Company through the Community, the Company must demonstrate compliance with Project Milestones, as required, and otherwise be in full compliance with all terms and conditions of the final Agreement, and further shall include:

    a) **Grant Agreement Executed:** November 30, 2021
    
    b) **Property Acquisition Completed:** n/a
    
    c) **Construction Commencement:** November 21, 2021
    
    d) **Construction Completed:** November 21, 2021
    
    e) **Job Creation Commencement:** October 26, 2021 (Date of MSF Approval)
    
    f) **Job Creation Completion:** June 30, 2024

12. **Term of Agreement:** The term of the Agreement is from execution of the Agreement for a period of three (3) years. This term includes completing all required project activities, including job creation and investment.

13. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs was an essential factor in persuading the Grantor that this project is economically viable, and further, in the absence of this commitment by the Company, this grant would not have been awarded and the Company has verified that the CDBG Funds are not substituted for non-federal funds.

    The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantee may require the repayment of the Grant up to the full amount from the Company. The MSF may require the Grantee and Company to execute a Development Agreement that will be acknowledged by the MSF outlining repayment provisions.
14. **Environmental Review:** The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; or performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.

15. **Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of $2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work.

16. **Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:
   a) Progress Reports beginning January 15 and every six (6) months thereafter.
   b) Final Progress Report 60 days after completion of the Term.
   c) Job Creation Summary Report, along with the corresponding Income Certification Forms, on a six month basis during the Term and at close out.

17. **Public Announcements:** The Company shall not make, or cause, any announcement of the proposed CDBG Incentive Award parameters outlined in this letter before the date of approval by the MSF of the CDBG Incentive Award, unless authorized and coordinated in advance with the MEDC.

This Term Sheet is an outline of the structure of the proposed CDBG Incentive Award and does not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the CDBG Incentive Award contemplated hereby.

It should not in any way be viewed as a commitment by or an obligation of the MEDC, the MSF or any other entity to extend financial accommodations to the Company and is subject to, among other things, the approval of the request under MEDC’s internal approval process and by the MSF Board. Any final CDBG Incentive Award is contingent upon several factors, including: (i) submission by the Community of a completed application and all other documentation required under the CDBG; (ii) satisfactory municipality support; (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, 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 Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

The Company cannot assign this Term Sheet without the prior written consent of the MEDC. If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible CDBG Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by October 15, 2021, the MEDC may not be able to proceed with any recommendation to the MSF.
Michigan Economic Development Corporation

By: Julia Veale

Its: Senior BD Project Manager

Signature: ___________________________  Dated: 10/8/2021

Acknowledged as received by:

Company name: REQUEST FOODS 1NZ

By: ___________________________

Its: ___________________________

Signature: ___________________________  Dated: 10/8/2021

Acknowledged as received by:

Community name: Holland Charter Township

By: ___________________________

Its: ___________________________

Signature: ___________________________  Dated: 10-8-21

Cc: Christine Whitz, Director, CDBG Program
    Name, CDBG Specialist
    Name, CATeam Director
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Thank you.

Sincerely,

Susan R. Corbin
Acting 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,

[Signature]  
Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood
WHEREAS, Section 8c of the Michigan Renaissance Zone Act, 1996 PA 376, as amended (the “Act”), authorizes the State Administrative Board to designate up to 30 renaissance zones for agriculture processing facilities (an “Agricultural Processing Renaissance Zone”) upon the recommendations of the Michigan Strategic Fund (“MSF”) and the Michigan Commission of Agriculture and Rural Development (“MCARD”) and the consent of the local unit of government in which the proposed renaissance zone will be located;

WHEREAS, 29 of the 30 allotted Agricultural Processing Renaissance Zones have been designated by the State Administrative Board;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the renaissance zone program;

WHEREAS, the County of Ottawa (the “County”) submitted an application for an Agricultural Processing Renaissance Zone designation for Request Foods, Inc. (the “Company”) for the Company’s project in the Holland Charter Township within the County (the “Application”);

WHEREAS, the Company qualifies as an agricultural processing facility under the Act and the County and Holland Charter Township have consented to the designation of an Agricultural Processing Renaissance Zone in their jurisdiction for the Company;

WHEREAS, the MCARD plans to consider at a meeting in the future its recommendation of the Agricultural Processing Renaissance Zone designation for the Company to the State Administrative Board; and

WHEREAS, the MEDC recommends that the MSF Board approve the Application for recommendation to the State Administrative Board for designation of an Agricultural Processing Renaissance Zone for the Company for property parcels 70-16-08-200-047, 70-16-08-200-018 and 70-16-08-200-048 in Holland Charter Township for a period of fifteen (15) years, effective December 31, 2022, for property tax purposes and January 1, 2023, for all other purposes, subject to the following conditions:

1. Approval of a recommendation to the State Administrative Board by MCARD of an Agricultural Processing Renaissance Zone designation for the Company;

2. A development agreement consistent with the terms of this Resolution is executed between the Michigan Strategic Fund, the real property owner(s), and the Company on or before December 31, 2022; and

3. On or before the one year anniversary of the approval by the State Administrative Board of the Agricultural Renaissance Zone designation for the Company, the Company shall have commenced the project outlined in the Application by having started construction on the project.
NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves for recommendation to the State Administrative Board the designation of an Agricultural Processing Renaissance Zone for Request Foods, Inc. as described in the Application for property parcels 70-16-08-200-047, 70-16-08-200-018 and 70-16-08-200-048 in Holland Charter Township for a period of fifteen (15) years, effective December 31, 2022, for property tax purposes and January 1, 2023, subject to the following conditions:

1. Approval of a recommendation to the State Administrative Board by MCARD of an Agricultural Processing Renaissance Zone designation for the Company;

2. A development agreement consistent with the terms of this Resolution is executed between the Michigan Strategic Fund, the real property owner(s), and the Company on or before December 31, 2022; and

3. On or before the one year anniversary of the approval by the State Administrative Board of the Agricultural Renaissance Zone designation for the Company, the Company shall have commenced the project outlined in the Application by having started construction on the project.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the Fund Manager to negotiate the final terms and conditions of and to execute the development agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF; and

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF President or Fund Manager to transmit the MSF’s recommendation to the State Administrative Board.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Thank you.

Sincerely,

Susan R. Corbin
Acting Director
February 3, 2020

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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
January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
    Andrew Lockwood
MICHIGAN STRATEGIC FUND

RESOLUTION
2021-146

ALTERNATIVE STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION
REQUEST FOODS, 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 MSF pursuant to MCL 211.1059;

WHEREAS, on October 28, 2014, the MSF Board approved the SESA and Alternative SESA Exemption Program Guidelines ("SESA and Alternative SESA Guidelines");

WHEREAS, the Company has requested that the MSF Board approve an Alternative SESA exemption of up to five (5) years for up to $98,750,000 in Eligible Investment in Eligible Personal Property, as defined in the SESA and Alternative SESA Exemption Guidelines, in Holland Charter 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 $10,000, payable to the MEDC upon completion of the first performance milestone.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Alternative SESA Exemption Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

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

Thank you.

Sincerely,

Susan R. Corbin  
Acting Director
February 3, 2020

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

Dear Ms. Bishop:

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Sincerely,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
January 8, 2021

Katelyn Wilcox Surmann  
Assistant Chief of Protocol & MSF Board Liaison  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks  
State Treasurer

Cc: Eric Bussis  
Andrew Lockwood
MEMORANDUM

Date: October 26, 2021
To: MSF Board Members
From: Dave Lorenz, Vice President of Travel Michigan
Subject: Award of Travel Marketing & Advertising Contract

Request
The Michigan Economic Development Corporation ("MEDC") requests the Michigan Strategic Fund ("MSF") Board to approve awarding a contract to MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season destination utilizing state appropriated American Rescue Plan Act ("ARPA") federal funds. ARPA funding will be allocated toward the contract with MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season travel destination.

Background
The current contract for Travel Michigan Marketing and Advertising was awarded, with authorization of the Michigan Strategic Fund Board, beginning October 1, 2016. With this contract term ending on September 30, 2021, including all available extensions, MEDC requested approval to issue a Request for Proposals (RFPs) as well as related Joint Evaluation Committee and Scoring Criteria. The MSF board approved these items on March 23, 2021.

The JEC, including internal and external stakeholders undertook a rigorous process to review and consider the responses received through the RFP to determine its recommendations. The JEC reviewed scoring and technical proposals, oral proposals for those who received consensus scores greater than 80, and pricing proposals for those who participated in oral presentations. The Travel Marketing and Advertising JEC received seven Technical Proposals, of which three received the scores necessary to move to Oral Presentations. Following these presentations, the JEC held a final deliberation to consider the technical proposals and oral presentations in their totality to achieve a consensus recommendation awarding the RFP. The recommendation of that JEC was to award the contract to MMGY Global.

In September, the MSF Board approved the business marketing services contract with communications firm Lambert/9thWonder. At the time, the FY22 budget had not been signed and funding for travel marketing and advertising was undetermined. Since then, a $20 million appropriation of federal American Rescue Plan Act dollars, under the authority of the MSF, has been signed into law for tourism promotion efforts. Approving the JEC recommendation to award a contract to MMGY ensures these federal funds can be deployed to support marketing efforts and help grow Michigan’s tourism industry here in the state.
**Recommendation**
MMGY Global is a Michigan-owned company and the leading integrated marketing agency in the travel, tourism and hospitality industry for over four decades. The company showcases extensive travel industry knowledge; a critical understanding of the challenges facing the travel industry; deep expertise in thought-leadership, advertising execution and research related to diverse travelers and the specific challenges they face; a data-driven approach with industry-leading custom authored research white papers; and a high-level of creativity to elevate the Pure Michigan brand – while maintaining its authentic and original heart – that will positively impact Michigan tourism for years to come.

In addition to its deep industry expertise, MMGY Global understands Michigan well through its existing partnerships with Destination Ann Arbor and Traverse City Tourism. MMGY Global’s owner and enterprise organization is headquartered in Detroit via its ownership by Peninsula Capital Partners (PCP). Multiple PCP team members work with MMGY Global across finance, human capital and business strategy. The current primary advertising office for MMGY Global is in Kansas City. With this proposal, MMGY will expand their footprint in the Michigan market, specifically Detroit, by opening another Michigan office staffed with team members to support the Travel Michigan’s account needs.

**Conclusion**
The Travel Marketing and Advertising Joint Evaluation Committee recommends approval of the award of the Travel Marketing and Advertising RFP to MMGY Global for an initial three year term of November 1, 2021 through October 31, 2024, with two one-year extensions at the sole discretion of the MSF, with a first-year allocation of up to $20,000,000 in federal ARPA funding for the period of November 1, 2021 to October 31, 2022. Additional annual appropriations under the authority of the MSF will come before this Board in each subsequent contract year.
MICHIGAN STRATEGIC FUND

RESOLUTION

2021-147

TRAVEL MARKETING AND ADVERTISING CONTRACT AWARD


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

WHEREAS, under Section 88b(6) of the Act, the MSF may select all vendors for expenditures by issuing a request for proposals;

WHEREAS, on March 23, 2021, the MSF issued a Request for Proposals (“RFP”) to invite proposals from vendors to develop and implement the marketing and advertising efforts for tourism marketing and advertising campaigns (“Travel Marketing RFP”);

WHEREAS, a joint evaluation committee (“JEC”) appointed by the MSF Board evaluated all proposals and determined that the proposal from MMGY Global was the most qualified applicant based on the requirements of the Travel Marketing RFP;

WHEREAS, the MEDC recommends that the MSF adopt the recommendations of the JEC and select MMGY Global as the vendor for the development and implementation of the marketing and advertising efforts for tourism marketing and advertising campaigns; and

WHEREAS, the MSF desires to select MMGY Global as the vendor for the development and implementation of the marketing and advertising efforts for the travel marketing and advertising campaigns.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the selection of MMGY Global as the vendor for development and implementation of the marketing and advertising efforts for travel marketing and advertising campaigns for an initial three-year term of November 1, 2021, to October 31, 2024, with up to two, one-year extensions at the sole discretion of the MSF Board.

BE IT FURTHER RESOLVED, that the MSF Board allocates up to $20,000,000, from part of the American Rescue Plan Act funds as appropriated in Public Act 87 of 2021.

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions and to execute an agreement with MMGY Global so long as the final terms and conditions are not materially adverse to the interests of the MSF.

Ayes: Brittany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, 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, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
October 26, 2021
June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

Susan R. Corbin  
Acting 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,

[Signature]
Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File
January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood
MEMORANDUM

Date: October 26, 2021
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin L. 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, 2021 to September 30, 2021, 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.
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, 2021 to September 30, 2021.

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 2021, 35% 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 800 jobs and over $120 million in private investment.
Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during September 2021, 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.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Approval Date</th>
<th>Location</th>
<th>Incentive Amount</th>
<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walbro, LLC</td>
<td>9/2/2021</td>
<td>Cass City</td>
<td>$400,000</td>
<td>Walbro, a global leader in engine management and fuel systems, is expanding in Cass City with support from the Michigan Strategic Fund. The project is expected to result in a total capital investment of $11.4 million and create up to 40 advanced manufacturing jobs with the support of a $400,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Indiana, Ohio and Mexico.</td>
</tr>
<tr>
<td>International Extrusions</td>
<td>9/14/2021</td>
<td>Livonia</td>
<td>$189,000</td>
<td>International Extrusions has acquired new equipment and plans to double the capacity of its extrusion facility in the city of Livonia, where it began operations at its new facility less than two years ago. International Extrusions will add a new aluminum extrusion press and fabrication machinery that will be a part of a state-of-the-art fully integrated manufacturing and packaging operation. The project is expected to generate a total capital investment of $12.5 million and create up to 63 jobs, resulting in a $189,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Maryland and the Carolinas.</td>
</tr>
<tr>
<td>Extruded Aluminum Corporation</td>
<td>9/15/2021</td>
<td>Belding</td>
<td>$250,000</td>
<td>Extruded Aluminum Corporation is an aluminum extrusion manufacturer that has been in business since 1987 in Otisco Township, MI. The Company currently extrudes 7&quot;, 9&quot;, 10&quot;, and 12&quot; diameter log/billets on four extrusion presses. The aluminum is pressed into a variety of shapes that are used in the commercial/utility scale solar energy, material handling, truck/trailer, and automotive industries. The Company ships 40 million pounds of aluminum extrusions on an annual basis. The project is expected to result in a total capital investment of $27.6 million investment and create up to 38 jobs, resulting in a $250,000 Michigan Business Development Program performance-based grant.</td>
</tr>
<tr>
<td>Project Name</td>
<td>Approval Date</td>
<td>Location</td>
<td>Incentive Amount</td>
<td>Project Highlights</td>
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</tr>
<tr>
<td>Security Packaging, Inc. dba NorthGate</td>
<td>9/22/2021</td>
<td>Burton</td>
<td>$1,000,000</td>
<td>Security Packaging, Inc., dba NorthGate was founded in 1984 in Flint and provides supply chain management and packaging solutions including inventory, logistic, order fulfillment, scheduling, and transportation management services. The company has been recently awarded a multi-year contract with a major OEM to provide packaging services and fulfillment of auto service parts. To accommodate the additional business, NorthGate plans to expand into an existing facility in the city of Burton. The project is expected to generate a total capital investment of more than $13 million and create up to 374 jobs, supported by a $1 million Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Ohio.</td>
</tr>
<tr>
<td>Arrow Automation and Engineering Inc.</td>
<td>9/30/2021</td>
<td>Auburn Hills</td>
<td>$250,000</td>
<td>Arrow Automation &amp; Engineering, Inc. is a newly formed United States based automation division of its parent, Expert Tooling and Automation, Limited. The parent Company was established in 1972 and is headquartered in the United Kingdom. The Company is the country’s largest builder of industrial automation systems and has over 500 global employees. The Company will serve as the parent organization’s entrance into the U.S. automation market. The Project involves leasing a 35,000-45,000 square foot facility in Auburn Hills that will serve as its U.S. headquarters and will house C-suite executives, sales, engineering, assembly, and back office support. The Company will initially offer its parent’s technology but will develop automation solutions when the Company reaches its necessary staff levels. The project is expected to generate a total capital investment of up to $2,759,100 and create up to 43 new jobs paying wages significantly higher than the Oakland County average target wage of $22.57, plus benefits. The project was approved for a $250,000 MBDP Grant to ensure the project moves forward in Michigan rather than in the competing state of South Carolina.</td>
</tr>
<tr>
<td>TUV SUD America, Inc.</td>
<td>9/30/2021</td>
<td>Auburn Hills</td>
<td>$240,000</td>
<td>TUV SUD was established in 1987 and is headquartered in Boston, Massachusetts. The Company is a U.S. subsidiary of TUV SUD AG, which is based in Munich, Germany. The parent company in Germany is over 150 years old and has over 25,000 employees across 1,000 locations. TUV SUD provides consulting, inspecting, testing, training, certification, and technical services to a wide variety of industries, including healthcare, energy, mobility and automotive, manufacturing, and infrastructure. The Company plans to construct a new state-of-the-art 80,000 square foot EV battery development testing facility in Auburn Hills. The project is expected to generate a total capital investment of up to $44,100,00 and will also create up to 40 new jobs paying an average wage that is significantly higher than the Oakland County average target wage of $22.57 per hour plus benefits. The project was approved for a $240,000 MBDP Grant to ensure the project moves forward in Michigan rather than in the competing state of Indiana.</td>
</tr>
</tbody>
</table>
**Jobs Ready Michigan Program**

The Jobs Ready Michigan Program is available from the MSF, in cooperation with MEDC. The program is designed to meet the talent needs of companies that are expanding or relocating to Michigan.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Approval Date</th>
<th>Location</th>
<th>Incentive Amount</th>
<th>Project Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>LHP Engineering Services</td>
<td>9/7/2021</td>
<td>Pontiac</td>
<td>$500,000</td>
<td>To accommodate its new growth, LHP plans to repurpose its existing engineering center in Pontiac into an electric vehicle, autonomous and advanced driver assistance system test lab that will include the development of advanced engineering training, autonomous vehicle training, and EV controls engineering training. The project is expected to generate a total capital investment of $3.8 million and create 100 high-wage jobs with the support of a $500,000 Jobs Ready Michigan performance-based grant. Michigan was chosen for the project over competing sites in California and Indiana.</td>
</tr>
<tr>
<td>MAC LTT Stainless, Inc.</td>
<td>9/13/2021</td>
<td>Mount Pleasant</td>
<td>$350,000</td>
<td>As part of MAC LTT’s growth in the stainless-steel market, the company will be moving to a larger building in the city of Mount Pleasant. The new location is in the Grover Parkway Industrial Park. The project is expected to generate a total capital investment of $8 million and create 100 high-wage jobs, supported by a $350,000 Jobs Ready Michigan performance-based grant. Michigan was chosen for the project over a competing site in Kent, Ohio.</td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Project Name</th>
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<th>Location</th>
<th>Incentive Amount</th>
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</tr>
</thead>
<tbody>
<tr>
<td>J &amp; C Development, LLC</td>
<td>9/17/2021</td>
<td>Sault Ste Marie</td>
<td>$194,625</td>
<td>The project is expected to bring new life to a vacant and historic building located in Downtown Sault Ste Marie. The Project will rehabilitate a total of 3,520 square feet to result in 1,760 square feet of retail space on the ground floor and three residential apartments on the second floor. The project received a MCRP performance-based grant in the amount of $194,625 and is anticipated to result in total capital investment of $476,219.</td>
</tr>
</tbody>
</table>
Community Development Block Grant CARES ACT (CDBG-CV)

The Community Development Block Grant CARES Act (CDBG-CV) provides grants to states, insular areas, and local governments to prevent, prepare for, and respond to the spread of COVID-19.

<table>
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<th>Incentive Amount</th>
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</tr>
</thead>
</table>
| Regional Broadband Navigator Request for Proposal and Regional Broadband Navigator Project | 9/10/2021 | TBD | $600,000 | Approval to publicly post a Request for Proposals for Regional Broadband Navigators and up to $600,000 in Community Development Block Grant (CDBG) Coronavirus Aid, Relief and Economic Security (“CARES”) funds for the Regional Broadband Navigator Project (“Project”).

The Regional Broadband Navigator Program is designed to install broadband support staff in ten regions across the state. Navigators will be tasked with providing technical assistance to local and regional stakeholders, gather and disseminate broadband information throughout the region, liaise with the Connecting Michigan Taskforce, and serve as the regional single point of contact for everything related to broadband in coordination with Connected Nation Michigan staff, MEDC, CDBG and the Michigan High Speed Internet Office.

The $600,000 in CDBG CARES grant funding will be to provide one or more qualified grant administrators to launch regional broadband navigators to work with local and regional stakeholders to assist in coordination, development, and execution of broadband planning in response to the ongoing need for broadband access adoption and use for one year. |
**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.

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<tbody>
<tr>
<td>Bennett Pump Company - ExporTech</td>
<td>9/1/2021</td>
<td>Spring Lake</td>
<td>$900</td>
</tr>
<tr>
<td>Crest Marine - Toronto Boat Show Booth Space Pre-Payment</td>
<td>9/1/2021</td>
<td>Owosso</td>
<td>$15,000</td>
</tr>
<tr>
<td>Flint Technical Geosolutions - Mexico Sales Trip</td>
<td>9/1/2021</td>
<td>Caledonia</td>
<td>$3,214</td>
</tr>
<tr>
<td>Professional Apparel Company - CVMA Canadian Marketing Campaign - Part 2</td>
<td>9/1/2021</td>
<td>Battle Creek</td>
<td>$5,700</td>
</tr>
<tr>
<td>The Bohning Company - US Commercial Services Market Survey, Partner Services &amp; Translation</td>
<td>9/1/2021</td>
<td>Lake City</td>
<td>$15,000</td>
</tr>
<tr>
<td>Becker Orthopedic Appliance Company - AOPA International Conference</td>
<td>9/2/2021</td>
<td>Troy</td>
<td>$15,000</td>
</tr>
<tr>
<td>Diagnostic Instruments dba Spot Imaging Solutions - CE Mark Compliance Testing (PathTracker)</td>
<td>9/2/2021</td>
<td>Sterling Heights</td>
<td>$11,250</td>
</tr>
<tr>
<td>Filler Specialties - PACK Expo 2021</td>
<td>9/2/2021</td>
<td>Zeeland</td>
<td>$15,000</td>
</tr>
<tr>
<td>Link Engineering Company - Mexico Aerospace Fair</td>
<td>9/2/2021</td>
<td>Plymouth</td>
<td>$3,537</td>
</tr>
<tr>
<td>LiveRoad Analytics, Inc. - Japanese Translation</td>
<td>9/2/2021</td>
<td>Ann Arbor</td>
<td>$158</td>
</tr>
<tr>
<td>Managed Programs, LLC - Sales Trip to Germany (McLaren Meetings)</td>
<td>9/2/2021</td>
<td>Auburn Hills</td>
<td>$2,861</td>
</tr>
<tr>
<td>NuStep - Neuro Convention UK</td>
<td>9/2/2021</td>
<td>Ann Arbor</td>
<td>$3,909</td>
</tr>
<tr>
<td>RCO Engineering &amp; Aerospace, Inc. - Battery Show Novi</td>
<td>9/2/2021</td>
<td>Roseville</td>
<td>$4,883</td>
</tr>
<tr>
<td>Workhorse Irons - Philadelphia Tattoo &amp; Arts Trade Show</td>
<td>9/2/2021</td>
<td>Grandville</td>
<td>$2,238</td>
</tr>
<tr>
<td>Piggy Polish - Marketing Campaign UK, Canada, Mexico - Part 2</td>
<td>9/7/2021</td>
<td>Grand Haven</td>
<td>$6,289</td>
</tr>
<tr>
<td>Brunswick Bowling Products - IAAPA Expo Europe</td>
<td>9/8/2021</td>
<td>Muskegon</td>
<td>$15,000</td>
</tr>
<tr>
<td>Business-Connect - Dominican Republic Sales Trip (September)</td>
<td>9/8/2021</td>
<td>Grandville</td>
<td>$3,225</td>
</tr>
<tr>
<td>Business-Connect - Sales Trip to S. Africa (September)</td>
<td>9/8/2021</td>
<td>Grandville</td>
<td>$3,023</td>
</tr>
<tr>
<td>Curriculum Crafter - Egypt Sales Trip September</td>
<td>9/8/2021</td>
<td>Grand Rapids</td>
<td>$3,150</td>
</tr>
<tr>
<td>Electro-Matic Products, Inc. - Sales Trip to South Africa</td>
<td>9/8/2021</td>
<td>Farmington Hills</td>
<td>$3,084</td>
</tr>
<tr>
<td>Hibbard Inshore LLC - Hydro International Conference &amp; Exhibition</td>
<td>9/8/2021</td>
<td>Auburn Hills</td>
<td>$3,816</td>
</tr>
<tr>
<td>Project Name</td>
<td>Approval Date</td>
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<td>Incentive Amount</td>
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<tr>
<td>Hibbard Inshore LLC - Renewables Latin American Congress</td>
<td>9/8/2021</td>
<td>Auburn Hills</td>
<td>$4,423</td>
</tr>
<tr>
<td>Kamps Hardwoods - FSC Certification</td>
<td>9/8/2021</td>
<td>Gaines Township</td>
<td>$7,001</td>
</tr>
<tr>
<td>Kode Labs, Inc. - Sales Trip to Switzerland</td>
<td>9/8/2021</td>
<td>Detroit</td>
<td>$8,925</td>
</tr>
<tr>
<td>International Strategic Management - Russian &amp; Canadian Marketing Campaign</td>
<td>9/9/2021</td>
<td>Troy</td>
<td>$7,500</td>
</tr>
<tr>
<td>Lifeline Firehose - FDIC International</td>
<td>9/9/2021</td>
<td>Lansing</td>
<td>$6,210</td>
</tr>
<tr>
<td>Self Lube - FabTech Chicago</td>
<td>9/9/2021</td>
<td>Coopersville</td>
<td>$6,661</td>
</tr>
<tr>
<td>Accurate Technologies Inc. - COMVEC 2021</td>
<td>9/10/2021</td>
<td>Novi</td>
<td>$4,541</td>
</tr>
<tr>
<td>Huron Industries, Inc. - International Web Design &amp; Marketing Campaign</td>
<td>9/10/2021</td>
<td>Port Huron</td>
<td>$15,000</td>
</tr>
<tr>
<td>Nautical Specialties - IBEX Tampa</td>
<td>9/10/2021</td>
<td>Manistee</td>
<td>$8,031</td>
</tr>
<tr>
<td>Schedel Sales &amp; Technology, Inc. - PharmaPack Airfare Pre-Payment</td>
<td>9/10/2021</td>
<td>Muskegon</td>
<td>$2,813</td>
</tr>
<tr>
<td>NCOC, Inc. - Sales Trip to India</td>
<td>9/14/2021</td>
<td>Oak Park</td>
<td>$3,252</td>
</tr>
<tr>
<td>OPS Solutions - ICHMS 2021 &amp; Sales Trip to Germany</td>
<td>9/14/2021</td>
<td>Wixom</td>
<td>$3,478</td>
</tr>
<tr>
<td>RCO Engineering &amp; Aerospace, Inc. - NBAA Booth Space and Airfare Pre-Payment</td>
<td>9/14/2021</td>
<td>Roseville</td>
<td>$11,129</td>
</tr>
<tr>
<td>Tygrus - Automation Alley Virtual Trade Mission to Mexico</td>
<td>9/14/2021</td>
<td>Troy</td>
<td>$5,100</td>
</tr>
<tr>
<td>Besser Company - Big 5 Dubai</td>
<td>9/15/2021</td>
<td>Alpena</td>
<td>$15,000</td>
</tr>
<tr>
<td>Challenger Communications, LLC - NAB Show Airfare &amp; Booth Space Pre-Payment</td>
<td>9/15/2021</td>
<td>Albion</td>
<td>$8,288</td>
</tr>
<tr>
<td>Endurance Carbide - International Web Design Canada &amp; Mexico</td>
<td>9/15/2021</td>
<td>Bridgeport</td>
<td>$6,908</td>
</tr>
<tr>
<td>Riveer Environmental - Sales Trip to Tunisia</td>
<td>9/15/2021</td>
<td>South Haven</td>
<td>$3,297</td>
</tr>
<tr>
<td>Fullerton Tool Company, Inc. - IBT Global Online Marketing Mexico &amp; Canada</td>
<td>9/16/2021</td>
<td>Saginaw</td>
<td>$7,500</td>
</tr>
<tr>
<td>Livernois Motorsports &amp; Engineering - SEMA Pre-Paid Booth Space &amp; Airfare</td>
<td>9/16/2021</td>
<td>Dearborn Heights</td>
<td>$6,750</td>
</tr>
<tr>
<td>Monark Equipment Technologies Company - SPE Thermoforming Conference</td>
<td>9/16/2021</td>
<td>Auburn</td>
<td>$7,194</td>
</tr>
<tr>
<td>Mopec Inc. - Arab Health Booth Space Pre-Payment</td>
<td>9/16/2021</td>
<td>Madison Heights</td>
<td>$12,000</td>
</tr>
<tr>
<td>Promethient, Inc. - IBEX Tampa</td>
<td>9/16/2021</td>
<td>Traverse City</td>
<td>$2,658</td>
</tr>
<tr>
<td>DCL, Incorporated - International Powder &amp; Bulk Solids Trade Show - Booth Space ONLY</td>
<td>9/17/2021</td>
<td>Charlevoix</td>
<td>$15,000</td>
</tr>
<tr>
<td>Project Name</td>
<td>Approval Date</td>
<td>Location</td>
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<tr>
<td>FlexPost Inc. - Canadian Parking Assoc Trade Show Booth &amp; Airfare Pre-Payment</td>
<td>9/17/2021</td>
<td>Holland</td>
<td>$4,500</td>
</tr>
<tr>
<td>FlexPost Inc. - ISA Expo Atlanta - Booth Space Pre-Payment</td>
<td>9/17/2021</td>
<td>Holland</td>
<td>$3,750</td>
</tr>
<tr>
<td>Black Swamp Percussion LLC - PASIC Trade Show</td>
<td>9/23/2021</td>
<td>Zeeland</td>
<td>$2,175</td>
</tr>
<tr>
<td>CT Group, LLC - International Web Development</td>
<td>9/23/2021</td>
<td>Stevensville</td>
<td>$4,500</td>
</tr>
<tr>
<td>Cube Acoustics LLC - Sample Product Shipping Germany, Austria, Denmark</td>
<td>9/23/2021</td>
<td>Berkley</td>
<td>$750</td>
</tr>
<tr>
<td>M Argueso &amp; Company Inc. - Sales Trip Mexico</td>
<td>9/23/2021</td>
<td>Muskegon</td>
<td>$3,545</td>
</tr>
<tr>
<td>Michigan Instruments - FIME Show Shipping</td>
<td>9/23/2021</td>
<td>Kentwood</td>
<td>$608</td>
</tr>
<tr>
<td>Accurate Technologies Inc. - Battery Show - Novi</td>
<td>9/24/2021</td>
<td>Novi</td>
<td>$6,000</td>
</tr>
<tr>
<td>Accurate Technologies Inc. - Testing Expo China Booth Space Pre-Payment</td>
<td>9/24/2021</td>
<td>Novi</td>
<td>$3,750</td>
</tr>
<tr>
<td>Becker Orthopedic Appliance Company - Italian, French, German, Swedish, Czech, Dutch Translation</td>
<td>9/24/2021</td>
<td>Troy</td>
<td>$11,250</td>
</tr>
<tr>
<td>Binsfeld Engineering Inc - CCS Certification China</td>
<td>9/24/2021</td>
<td>Maple City</td>
<td>$11,250</td>
</tr>
<tr>
<td>eAgile, Inc. - RFID Live</td>
<td>9/24/2021</td>
<td>Grand Rapids</td>
<td>$3,755</td>
</tr>
<tr>
<td>First Class Transport - UAE Sales Trip</td>
<td>9/24/2021</td>
<td>Roseville</td>
<td>$9,724</td>
</tr>
<tr>
<td>Garrison Dental Solutions - Expodental Italy</td>
<td>9/24/2021</td>
<td>Spring Lake</td>
<td>$6,000</td>
</tr>
<tr>
<td>Hurley Marine, Inc. - IBT Online Google AdWords Campaign</td>
<td>9/24/2021</td>
<td>Escanaba</td>
<td>$2,625</td>
</tr>
<tr>
<td>Livernois Motorsports &amp; Engineering - PRI Trade Show Booth Space Pre-Payment</td>
<td>9/24/2021</td>
<td>Dearborn Heights</td>
<td>$3,750</td>
</tr>
<tr>
<td>Portland Products - IAFT Certification/Renewal/Audit</td>
<td>9/24/2021</td>
<td>Portland</td>
<td>$7,500</td>
</tr>
<tr>
<td>Promethient, Inc. - ALSD Conference</td>
<td>9/24/2021</td>
<td>Traverse City</td>
<td>$9,324</td>
</tr>
<tr>
<td>Sakor Technologies, Inc. - International Certification, Compliance &amp; Training</td>
<td>9/24/2021</td>
<td>Owosso</td>
<td>$7,125</td>
</tr>
<tr>
<td>Snow Machines, Incorporated - SMI Multilingual Parts &amp; Manual Web &amp; Ecommerce Platform</td>
<td>9/24/2021</td>
<td>Midland</td>
<td>$7,500</td>
</tr>
<tr>
<td>The Armored Group, LLC - DSEI London</td>
<td>9/24/2021</td>
<td>Dearborn Heights</td>
<td>$5,774</td>
</tr>
<tr>
<td>Laser Marking Technologies - Mexico International Marketing through Distributor Development</td>
<td>9/25/2021</td>
<td>Caro</td>
<td>$15,000</td>
</tr>
<tr>
<td>Creative Techniques, Inc. - Assembly Show Booth Space Pre-Payment</td>
<td>9/27/2021</td>
<td>Charlevoix</td>
<td>$15,000</td>
</tr>
<tr>
<td>Project Name</td>
<td>Approval Date</td>
<td>Location</td>
<td>Incentive Amount</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>---------------</td>
<td>------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Creative Techniques, Inc. - Assembly Show Booth Space Pre-Payment</td>
<td>9/27/2021</td>
<td>Lake Orion</td>
<td>$3,475</td>
</tr>
<tr>
<td>Green Polymeric Materials Inc. - AA Virtual Trade Mission to Mexico</td>
<td>9/27/2021</td>
<td>Detroit</td>
<td>$1,125</td>
</tr>
<tr>
<td>CT Group, LLC - IWA 2022 Booth Space Pre-Payment</td>
<td>9/29/2021</td>
<td>Stevensville</td>
<td>$8,096</td>
</tr>
<tr>
<td>Portland Products - Automotive Interiors Expo Booth Space Pre-Payment</td>
<td>9/29/2021</td>
<td>Portland</td>
<td>$4,875</td>
</tr>
</tbody>
</table>
For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development 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 2021.

Community Development Block Grant (CDBG)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MSF Delegate Amended Date</th>
<th>Project Location</th>
<th>Type of Request</th>
</tr>
</thead>
</table>
### Michigan Business Development Program – Terminations

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Location</th>
<th>Incentive Type</th>
<th>Amount</th>
<th>Disbursed</th>
<th>Date</th>
<th>Reason for Termination</th>
<th>Repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valiant International, Inc.</td>
<td>Auburn Hills</td>
<td>New Development</td>
<td>$1,546,000</td>
<td>$1,546,000</td>
<td>9/15/2021</td>
<td>Unable to fulfill grant requirements</td>
<td>N/A</td>
</tr>
<tr>
<td>Covenant Eyes, Inc.</td>
<td>Owosso</td>
<td>Expansion</td>
<td>$187,500</td>
<td>N/A</td>
<td>9/23/2021</td>
<td>Unable to fulfill grant requirements</td>
<td>N/A</td>
</tr>
<tr>
<td>AGC Flat Glass North America, Inc</td>
<td>Farmington Hills</td>
<td>Relocation</td>
<td>$500,000</td>
<td>$500,000</td>
<td>9/24/2021</td>
<td>Unable to fulfill grant requirements</td>
<td>$110,169</td>
</tr>
</tbody>
</table>
From September 1, 2021 to September 30, 2021, there were no MSF Awardee Relief Grants and Loans awarded. The MSF Awardee Relief program demonstrates 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.
As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

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

**Approvals by Authorized Delegate**

During the period between September 1, 2021 and September 30, 2021, there were no confidentiality memos approved by the MSF Fund Manager: