



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

April 22, 2025

9:00am

I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT

III. COMMUNICATIONS

- a. Chief Compliance Officer Quarterly Report3

IV. CONSENT AGENDA

- a. Proposed March 25, 2025, Meeting Minutes.....5
- b. MTRAC Innovation Hub for Advanced Computing16
- c. Fisher 21 Lofts, LLC, and Related Entities: Michigan Community Revitalization Program Loan and Grant Award Amendment23
- d. Michigan State University: Michigander Scholars Program Grant Amendment.....32
- e. Ultium Cells, LLC: Renewable Energy Facility Renaissance Zone Amendment39
- f. CDBG Grant Program: Public Gathering Spaces Initiative Grant Amendments46

V. DEVELOP ATTRACTIVE PLACES

- a. The Shaw Walker Mixed-Use Transformational Brownfield Plan: A resolution to approve a Transformational Brownfield Plan incentive package in the aggregate amount of \$159,598,389 reimbursed over 30 years to Parkland Properties of Michigan – Shaw Walker Opportunity Zone Business 1, LLC; Shaw Walker Opportunity Zone Business 2, LLC; Shaw Walker Opportunity Zone Business 3, LLC; Shaw Walker Opportunity Zone Business 4, LLC and the City of Muskegon Brownfield Redevelopment Authority.58
Location: City of Muskegon
- b. Middlepoint Redevelopment Project Transformational Brownfield Plan: A resolution to approve a Transformational Brownfield Plan incentive package in the aggregate amount of \$131,822,436 reimbursed over 30 years to Middlepointe Investment Group, LLC, and the City of Southfield Brownfield Redevelopment Authority.....101
Location: City of Southfield
- c. VESTER PROPCO LLC: A resolution to approve a Michigan Community Revitalization Program (MCRP) Direct Loan in the amount of up to \$3,950,000 to VESTER PROPCO, LLC.....101
Location: City of Ferndale

VI. ATTRACT, RETAIN, AND GROW BUSINESS

- a. BAMF Health Management, LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of up to \$1,500,000 and a 15-year, 100% State Essential Services Assessment Exemption with an estimated value of up to \$982,000 for its \$45,000,000 eligible investment in Eligible Personal Property to BAMF Health Management, LLC.117
Location: City of Detroit

VII. ADMINISTRATIVE

- a. Michigan Innovation Fund Program Creation and Guideline Adoption: A resolution to approve the creation of the Michigan Innovation Fund Program, adopt the Michigan Innovation Fund Guidelines, and approve a Delegation of Authority for administration of the MIF Program.133
- b. Michigan Ready Sites Program Guidelines: A resolution to replace the Build Ready Sites Program Guidelines with the Michigan Ready Sites Guidelines, rename the Build Ready Sites Program to the Michigan Ready Sites Program, and allocate \$15,000,000 from the Business Attraction and Community Revitalization Programs and Activities budget line item to the Build Ready Sites Program.149

VIII. INFORMATIONAL

- a. Delegation of Authority Report.....171

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

KEVIN FRANCAERT, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

April 8, 2025

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

Quentin L. Messer Jr.
President
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2025 Q2 Report of the Chief Compliance Officer. January 1, 2025 – March 31, 2025

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures as well as applicable laws related to MSF programs. I am pleased to report that all compliance matters addressed during the second quarter of the 2025 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), along with the AG and MEDC Legal, assisted with the Finance and Investment Subcommittee and the Policy and Planning Subcommittee. The review of the relationship with and the economic incentives provided to Michigan Community Capital, as reported previously, continued. The CCO continued to assist the Department of Technology, Management, and Budget with the workgroup to implement the requirements of the Economic Development Incentive Evaluation Act, MCL 18.1751 *et seq.* The Match on Main program evaluation was completed, the final report was accepted by the DTMB on January 8, 2025 and is published at: <https://www.michigan.gov/dtmb/-/media/Project/Websites/dtmb/Law-and-Policies/Legislative-Reports/FY2025/Michigan-Strategic-Fund-Match-on-Main-Program-Evaluation---Final-Report.pdf>. As reported previously, the CCO was advised by the AG that an analysis of Board delegations and guidelines was being conducted. This office will assist with the drafting, monitoring, and enforcement of any policies adopted. Delegations are being updated and presented to the Board and adopted. The ethics complaint made to the State Board of Ethics referenced in the last quarterly report was dismissed by the State Board of Ethics after it concluded that the MSF Board Member did not violate the Ethics Act in the manner alleged. As reported previously, the CCO advised the MSF Fund Manager to implement the recommendation in the MSF E&I Program Evaluation to collect the tax identification number/employer identification numbers (TIN/EIN) for all of the participants in the program.

The CCO, Fund Manager, and the MEDC E&I Program leadership meet to discuss this recommendation and implementation plan. Further inquiry needs to be done to establish if the same results can be accomplished by collecting the identification number assigned to corporations by the Michigan Department of Licensing and Regulatory Affairs Corporations, Securities & Commercial Licensing Bureau. The CCO received notice from the IRS for an Examination of the tax-advantaged status of the \$100,000,000 Michigan Strategic Fund Variable Rate Limited Obligation Revenue Bonds (Graphic Packaging International, LLC Coated Recycled Paper Board Machine Project) Series 2021, Issued 09/29/2021, including CUSIP 594698SR4. This issue is not within the jurisdiction of the Office of the Chief Compliance Officer, however, in order to facilitate the IRS's request and avoid any penalties for the MSF this office informed the IRS that it had sent the request to the wrong agency and forwarded the request to the proper parties. For informational purpose, this office also received notice that the examination was closed with no change. The CCO assisted the AG and MSF in interpreting amendments to the MSF Act under 2024 PA 190. The AG must still determine how the new language in Section 88b(1)—'These programs shall be operated and administered by the authorized officers, employees, and agents of the fund, including the MEDC and its employees.'—affects Chapter 8A programs when read alongside MCL 125.2005(8) and MCL 125.2088u(1). The CCO is assisting the MSF and AG with the creation of the Michigan innovation fund program. The CCO assisted the MSF Fund Manager and the AG with a question regarding the Dow CIP agreement. The term sheet, as approved by the MSF Board, named only the "Company" in the Investment Commitment, but the Project Scope included both the "Company" and its "Subsidiaries" as entities making the investments. Factually, the investments will be made by both the Company and its Subsidiaries. The question was whether the final agreement could be executed with terms including both the Company and its Subsidiaries, or if the term sheet required resubmission to the MSF Board. Both the AG and this office concluded that, since the Project Scope defined and listed the Subsidiaries, the MSF Board would have understood their involvement in the investments. Thus, the absence of "Subsidiaries" in the Investment Commitment section of the term sheet was a scrivener's error, which the MSF Fund Manager may correct without resubmission. The question previously referred to the AG regarding MCL 423.321 *et sec.*, and *Wisconsin Dept of Indus, Labor & Human Relations v Gould Inc*, 475 US 282; 106 S Ct 1057; 89 L Ed 2d 223 (1986), remains outstanding. Additionally, a question from a Board member referred to the AG in November 2023 regarding "does the MEDC have a fiduciary responsibility to the MSF Board? If so, what is it and how is it enforced/monitored?" remains outstanding as well. As reported previously, the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits, thus, 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, authorized use of 21st century job fund funds, and compliance with established Board policy and limitations.

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
March 25, 2025**

Member Present

Christin Armstrong (on behalf of Chairman Messer, designation attached)

Members Joined Remotely

Britany L. Affolter-Caine

Susan Corbin

Wesley Eklund

Rachael Eubanks

Dimitrius Hutcherson

Michael B. Kapp (on behalf of Director Wieferich, designation attached)

Dan Meyering

Leon Richardson

Charles P. Rothstein

Susan Tellier

Randy Thelen

Absent

Cindy Warner

I. CALL TO ORDER & ROLL CALL

Ms. Armstrong called the meeting to order at 9:01 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing.

Ms. Armstrong introduced Ms. Davenport, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENT

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

III. COMMUNICATIONS

Ms. Armstrong stated that the Renewable Energy Renaissance Zone request from Ultium Cells LLC to LG Energy Solution Michigan, Inc. has been removed from the meeting agenda.

Ms. Davenport stated that communications were shared with the MSF Board via email on Friday, March 21st.

Dimitrius Hutcherson, Chair of the MSF Finance and Investment Subcommittee, provided updates on subcommittee activity in March.

Randy Thelen, recused, left the meeting at 9:07 a.m.

IV. CONSENT AGENDA

Resolution 2025-029, Approval of Consent Agenda Items

Ms. Armstrong asked if there were any questions from Board Members regarding items under the Consent Agenda. There being none, Dr. Brittany L. Affolter-Caine motioned for the approval of the following:

- a. Proposed February 25, 2025, Meeting Minutes
- b. The Keefer House Hotel, LLC: MCRP Amendment **2025-030**
- c. CDBG Water-Related Infrastructure Funding Round **2025-031**
- d. FY24 Business Incubator Grants Amendment **2025-032**
- e. SSBCI 2.0 MBGF Small Business Venture Capital Program: Side Door Michigan I, LP Amendment **2025-033**
- f. Williams International Co., LLC: MSF-Designated Renaissance Zone Partial Revocation **2025-034**
- g. SSBCI Small Business Opportunity Program (SBOP) Award Acceptance **2025-035**

Dimitrius Hutcherson motioned for the approval of Resolution 2025-029 to approve the Consent Agenda. Dr. Brittany L. Affolter-Caine seconded the motion. **The motion carried: 9 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Dr. Brittany L. Affolter-Caine, Christin Armstrong (on behalf of Chairman Messer, designation attached), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Dan Meyering, Leon Richardson, Charles P. Rothstein; Nays: None; Recused: Randy Thelen.

Michael B. Kapp, on behalf of Director Wiefierch (designation attached), joined the meeting remotely at 9:08 a.m.

Randy Thelen rejoined the meeting remotely at 9:11 a.m.

Susan Tellier joined the meeting remotely at 9:13 a.m.

V. ATTRACT, RETAIN, AND GROW BUSINESS

- a. **Resolution 2025-036 & 2025-037 Ultium Cells, LLC, Lansing Economic Area Partnership, and General Motors, LLC, Incentives Amendment Request.** Michelle Grinnell, Senior Vice-President of Market Growth and Business Attraction, supported by George Cook of General Motors, Lisa Niscoromni of LG Energy

Solution, and Thomas Gallagher of Ultium Cells LLC, provided the Board with information regarding the requested actions. The request involves the consideration of a resolution to approve an amendment and assignment of the Critical Industry Program (CIP) Grant from Ultium Cells LLC to LG Energy Solution Michigan, Inc., and an amendment to the CIP Grant to General Motors, LLC, and a resolution to approve an amendment to the Strategic Site Readiness Program Grant to Lansing Economic Area Partnership.

Following discussion, Christin Armstrong motioned for the approval of Resolution 2025-036 for the Critical Industry Program Grant Amendment. Dimitrius Hutcherson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Christin Armstrong (on behalf of Chairman Messer, designation attached), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

Leon Richardson motioned for the approval of Resolution 2025-037 for the Strategic Site Readiness Program Grant Amendment. Dr. Britany L. Affolter-Caine seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Christin Armstrong (on behalf of Chairman Messer, designation attached), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

a. **Resolutions 2025-038; 2025-039; 2025-040 Michigan Innovate Capital Fund (MICF) Program Request**

Nataliya Stasiw, Equity Capital Program Director of Capital Access, supported by Martin Dober of ID Ventures, provided the Board with information regarding the requested actions. The requests involves the consideration of a resolution to approve an allocation in the amount of \$5,000,000 from the Jobs for Michigan Investment Fund to the MICF Program, an amendment to the Investment Criteria of the MICF Program Guidelines to allow MICF Investment Fund Managers to increase the exposure limit per company to a total of \$500,000, and an amendment to the Agreement between the MSF and the Invest Detroit Foundation ID Ventures to increase the award amount from \$5,000,000 to \$7,000,000.

Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2025-038 to approve the funding allocation from the Jobs for Michigan Investment Fund to the Michigan Innovate Capital Fund Program. Dr. Britany L. Affolter-Caine seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Christin Armstrong (on behalf of Chairman Messer, designation attached), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

Dimitrius Hutcherson motioned for the approval of Resolution 2025-039 to amend the agreement between the MSF and the Invest Detroit Foundation ID Ventures. Charles P. Rothstein seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Christin Armstrong (on behalf of Chairman Messer, designation attached), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

Randy Thelen motioned for the approval of Resolution 2025-040 for the MICF Guideline amendment. Leon Richardson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Christin Armstrong (on behalf of Chairman Messer, designation attached), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen; Nays: None; Recused: None.

VIII. INFORMATIONAL

- a. Ms. Armstrong noted that the Michigan Strategic Fund Delegation of Authority Report from February 1, 2025, to February 28, 2025, was included in the meeting packet. There were no questions regarding the report.

Ms. Armstrong adjourned the meeting at 9:38 p.m.

February 18, 2025

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda of February 25, 2025.

- Business Incubator Program (amendment to an existing award for the City of Grand Rapids SmartZone LDFA)

The reason for my recusal is to avoid the appearance of a conflict with this item.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Thelen", with a stylized flourish at the end.

Randy Thelen



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

February 3, 2025

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

RE: Designation of Christin Armstrong

To Whom It May Concern:

I hereby confirm my designation of Christin Armstrong as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings I am unable to attend.

Sincerely,



Quentin L. Messer, Jr.
Chief Executive Officer, Michigan Economic Development Corporation

PURE  MICHIGAN®



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

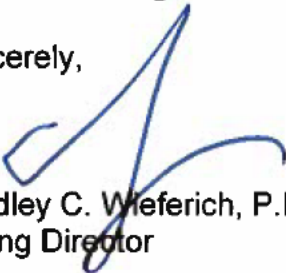
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

Natalie Davenport (MEDC)

From: jakektl2016@everyactioncustom.com on behalf of Jacob Kerckaert <jakektl2016@everyactioncustom.com>
Sent: Friday, February 28, 2025 6:27 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

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

1. Since Copperwood's ore grade is only 1.5%, nearly 99% of what comes out of the ground will NOT be copper. For only 30 pounds of extracted copper, 1,970 of mine waste will be produced. Applying the same ratio to the proposed grant, only \$750,000 would fund copper, while more than \$49M would fund sulfide-bearing, toxic waste, requiring on-site storage and maintenance, forever.
2. Copperwood poses a significant threat to Lake Superior, which contains 10% of the world's surface freshwater. The company's maps clearly show that the best copper is closest to the lakeshore. The proposed location of the tailings facility is dangerously close to Lake Superior and will store over 50 million tons of toxic mine waste and introduce the risk of acid mine drainage.
3. The mine's construction threatens an endangered species protected under Michigan law, the Redside Dace fish. The mine would be permitted to dump up to half a million gallons of wastewater per day into Namebinag Creek, the dwelling place of the Redside Dace.
4. Without adequate environmental protections the proposed mine puts at risk the community's outdoor recreation economy. Outdoor recreation contributes more than 10 times as much to Michigan's economy than mining does.
5. Despite its remote location, the project is opposed by many thousands of people. A petition opposing Copperwood has nearly 12,000 signatures:
<https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.change.org%2Fprotecttheporkies&data=05%7C02%7Cmsfcomments%40michigan.org%7Cb631794c69314c654fd708dd584f5cc3%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638763820064285720%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslIAiOiJXaW4zMilslkFOIjoiTWVpbiCldUljoyfQ%3D%3D%7C60000%7C%7C%7C&sdata=M6iOZ1TqZhMB4UHeLrQJ8qRDuUUD4eDSrCW5e%2Bcv5Ck%3D&reserved=0>

Thank you for the opportunity to comment.

For the Great Lakes,
Mr. Jacob Kerckaert
1421 E Kalamazoo St Lansing, MI 48912-2027 jakektl2016@gmail.com

Natalie Davenport (MEDC)

From: mylesd24@everyactioncustom.com on behalf of Myles Markey <mylesd24@everyactioncustom.com>
Sent: Friday, March 7, 2025 7:24 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

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

1. Since Copperwood's ore grade is only 1.5%, nearly 99% of what comes out of the ground will NOT be copper. For only 30 pounds of extracted copper, 1,970 of mine waste will be produced. Applying the same ratio to the proposed grant, only \$750,000 would fund copper, while more than \$49M would fund sulfide-bearing, toxic waste, requiring on-site storage and maintenance, forever.
2. Copperwood poses a significant threat to Lake Superior, which contains 10% of the world's surface freshwater. The company's maps clearly show that the best copper is closest to the lakeshore. The proposed location of the tailings facility is dangerously close to Lake Superior and will store over 50 million tons of toxic mine waste and introduce the risk of acid mine drainage.
3. The mine's construction threatens an endangered species protected under Michigan law, the Redside Dace fish. The mine would be permitted to dump up to half a million gallons of wastewater per day into Namebinag Creek, the dwelling place of the Redside Dace.
4. Without adequate environmental protections the proposed mine puts at risk the community's outdoor recreation economy. Outdoor recreation contributes more than 10 times as much to Michigan's economy than mining does.
5. Despite its remote location, the project is opposed by many thousands of people. A petition opposing Copperwood has nearly 12,000 signatures:
<https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.change.org%2Fprotecttheporkies&data=05%7C02%7Cmsfcomments%40michigan.org%7C242dad568cb44a1d291c08dd5dd7788b%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638769902211660983%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIiIlAiOiJXaW4zMilslkFOljoitWVpbCIsIlIdUljoyfQ%3D%3D%7C80000%7C%7C%7C&sdata=IGle%2BZSm2M0alaGSwWuU8oK%2FKg83hfATvWbmt3IMU20%3D&reserved=0>

Thank you for the opportunity to comment.

For the Great Lakes,
Mr. Myles Markey
4700 Erin Ct Ann Arbor, MI 48105-9790
mylesd24@gmail.com

Natalie Davenport (MEDC)

From: twildfong@everyactioncustom.com on behalf of Teresa Molano
<twildfong@everyactioncustom.com>
Sent: Saturday, March 8, 2025 6:38 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

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

1. Since Copperwood's ore grade is only 1.5%, nearly 99% of what comes out of the ground will NOT be copper. For only 30 pounds of extracted copper, 1,970 of mine waste will be produced. Applying the same ratio to the proposed grant, only \$750,000 would fund copper, while more than \$49M would fund sulfide-bearing, toxic waste, requiring on-site storage and maintenance, forever.
2. Copperwood poses a significant threat to Lake Superior, which contains 10% of the world's surface freshwater. The company's maps clearly show that the best copper is closest to the lakeshore. The proposed location of the tailings facility is dangerously close to Lake Superior and will store over 50 million tons of toxic mine waste and introduce the risk of acid mine drainage.
3. The mine's construction threatens an endangered species protected under Michigan law, the Redside Dace fish. The mine would be permitted to dump up to half a million gallons of wastewater per day into Namebinag Creek, the dwelling place of the Redside Dace.
4. Without adequate environmental protections the proposed mine puts at risk the community's outdoor recreation economy. Outdoor recreation contributes more than 10 times as much to Michigan's economy than mining does.
5. Despite its remote location, the project is opposed by many thousands of people. A petition opposing Copperwood has nearly 12,000 signatures:
<https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.change.org%2Fprotecttheporkies&data=05%7C02%7Cmsfcomments%40michigan.org%7C9e8be716b74146afcd7108dd5e9a4953%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638770738950612975%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjA uMDAwMCIslIAiOiJXaW4zMilslkFOljoiTWFpbCIsIldUIjoyfQ%3D%3D%7C80000%7C%7C%7C&sdata=IGhNIY6PG2ggCpl5e6K1wayN%2FL6N3RJINEIRHTA%2BI4Y%3D&reserved=0>

Thank you for the opportunity to comment.

For the Great Lakes,
Ms Teresa Molano
435 2nd St Traverse City, MI 49684-2217 twildfong@hotmail.com

Natalie Davenport (MEDC)

From: Eric East <ericeast71@gmail.com>
Sent: Friday, February 28, 2025 8:51 AM
To: MEDC MSF Comments

Subject: Copper mine in the Porkies

I am completely against the funding or support of the copper mine becoming operational in Michigan's beautiful upper peninsula. This investment is dangerous and will not significantly contribute to the economy of Michigan. The risk of contamination is real and of a permanent nature. Almost every dam or capture method for tailings from this type of mining creates contamination later. After the company walks away from this venture it will continue to be a burden and risk to the people of Michigan. Creating any risk to the freshwater of the Great Lakes and surrounding ecosystem is reckless and selfish. We do not need or want a toxic mine placed in the heart of this unblemished region and I am sure our children do not want the toxic fallout that is guaranteed to follow.

Kind regards,
Eric East



MEMORANDUM

Date: April 22, 2025

To: Michigan Strategic Fund Board

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

Subject: MTRAC Innovation Hub for Advanced Computing 2.0

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve Wayne State University (“WSU”) as the Michigan Translational Research and Commercialization (“MTRAC”) Innovation Hub for Advanced Computing 2.0 for a grant term of six years and appropriate \$425,000 for year one of the program (“Request”).

Background

The Michigan Translational Research and Commercialization (“MTRAC”) Statewide Program was created pursuant to Section 880 of the MSF Act, MCL 125.20880, to: 1) encourage 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 institutions of higher education technology transfer offices while increasing the number of start-up companies related to these institutions; 4) encourage institutions of higher education to provide their faculty with incentives for participating in technology transfer and commercialization activities; and 5) facilitate the use of applied research expertise within institutions of higher education by qualified businesses. Under Section 125.20880-1 of the MSF Compiled Delegation of Authority, the MSF President or the MSF Fund Manager may take all necessary and appropriate actions to administer grants approved under programs created and operated pursuant to MCL 125.20880.

At its April 26, 2016 meeting, the MSF Board authorized the establishment of the MTRAC Statewide Program and the accompanying program guidelines, which currently support five (5) Innovation Hubs across the state in key technological areas: Agriculture-Biology, Life Sciences, Advanced Materials, Advanced Transportation, and Advanced Computing. In October 2018, the Board approved the elimination of the Bio-Medical Innovation Hub, integrating its activities into the Life Science Innovation Hub, and simultaneously authorized the creation of the Advanced Computing Innovation Hub. In June 2021, the Board further amended the program guidelines to allow grant terms to align with hub designations.

The MTRAC Statewide Program Guidelines provide additional details, including that the designation of an Innovation Hub and its eligibility for MSF funding are valid for up to six (6) years from the effective date of the designation. To obtain this designation and receive MSF funding, an applicant must be a state research university with a technology transfer office and must meet specific forecasted metrics, such as creating jobs, start-ups, and licenses, while securing both public and private follow-on investment funding. The university must also demonstrate expertise in one of five key areas: Advanced Computing, Life Sciences, Advanced Transportation, Advanced Materials, or Agriculture-Biology. Additionally, it must meet financial match requirements based on research expenditures. The Innovation Hub must have a competitive process for proposals, a dedicated commercialization program director, an oversight committee, and a commitment to statewide collaboration. To obtain the designation, the MEDC staff will initiate a competitive application process to renew or assign future Innovation Hubs.

The MTRAC Advanced Computing Innovation Hub designation, previously held by WSU, expired on February 28, 2025. To initiate the subsequent six-year Innovation Hub designation, the following competitive application process was conducted:

- Application issued to the public via the MEDC website: December 16, 2024
- Deadline for public questions: January 6, 2025
- Answers posted on the MEDC website: January 20, 2025
- Application and grantee proposals submission deadline: January 27, 2025
- Initial screening for MTRAC eligibility requirements: February 3, 2025
- Written proposal reviewed by Joint Evaluation Committee (JEC): February 3–7, 2025
- JEC meeting: February 10, 2025
- JEC oral interviews with applicants: February 24 and 26, 2025
- MEDC staff provides notification and feedback to applicants: March 14, 2025
- JEC provides award recommendation: MSF Board meeting on April 22, 2025

The four-person JEC reviewed two proposals and had 45-minute video interviews with both proposers: 1) Michigan Technological University partnered with University of Michigan (Flint) and 2) Wayne State University. The JEC was confident that both proposers could successfully build and operate the MTRAC Advanced Computing program, however, the JEC felt the oral interview session placed WSU slightly above the other proposer. WSU is to move forward as the recommendation from the Joint Evaluation Committee's (JEC) assessment and allocate \$425,000 from the MSF Board's September 24, 2024 allocation of \$14,241,500 to support Entrepreneurial Programs and Grants.

Recommendation

MEDC Staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-042

APPROVAL OF MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION ADVANCED COMPUTING INNOVATION HUB AWARD

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

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

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

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

WHEREAS, on October 23, 2018, by Resolution 2018-178, the MSF Board amended the MTRAC Guidelines to add the Advanced Computing innovation hub;

WHEREAS, on February 26, 2019, by Resolution 2019-028, the MSF Board designated Wayne State University (“WSU”) as the advanced computing innovation hub;

WHEREAS, on June 22, 2021, by Resolution 2021-178, the MSF Board amended the MTRAC Guidelines to permit grants up to six (6) years;

WHEREAS, WSU has submitted a request to (1) to be designated as the Innovation Hub for Advanced Computing activities and (2) be allocated a grant in the amount of \$425,000 (the “Grant Request”);

WHEREAS, the MEDC has reviewed the Grant Request using scoring and evaluation criteria adopted by the MSF Board for the MTRAC Program and determined that WSU meets the criteria for approval as an Innovation Hub for Advanced Computing activities as described in the MTRAC Program Guidelines;

WHEREAS, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocations”);

WHEREAS, the MEDC recommends that the MSF Board (1) designate WSU as an Innovation Hub for Advanced Computing activities and (2) approve a grant award in the amount of \$425,000 with a term of six (6) years (the “Term”), with the option to allocate additional funding during the Term at the sole discretion of the MSF Board (the “Grant Award”), and (3) allocate \$425,000 from the FY2025 E&I Programs Funding Allocations to fund the Grant Award (collectively, the “Requests”); and

WHEREAS, the MSF Board wishes to approve the Requests.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Requests and authorizes the MSF Fund Manager to take all action necessary to effectuate the Grant Award, consistent with the terms and conditions of this resolution.

Ayes: Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Dr. Britany L. Affolter-Caine

Lansing, Michigan
April 22, 2025



April 16, 2025

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, April 22, 2025.

- MTRAC Innovation Hub for Advanced Computing
- Michigan State University: Michigander Scholars Program Grant

Many thanks –

A handwritten signature in black ink, reading "Britany Affolter-Caine".

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

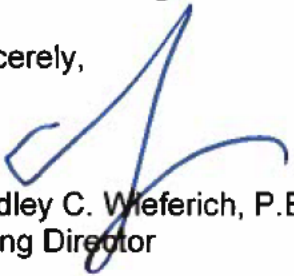
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



MEMORANDUM

Date: April 22, 2025

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Managing Director, Real Estate Investment and Underwriting

Subject: Request for Approval of a Michigan Community Revitalization Program Loan and Grant Award Amendment #1
Fisher 21 Lofts LLC and Related Entities

Request

Fisher 21 Lofts LLC and Related Entities (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (MCRP) Loan and grant approval. The amendment request includes a request to restructure the terms of the MCRP award to reflect the removal of the New Markets Tax Credit structure. For a detailed explanation of the changes see **Appendix A** with changes identified with **BOLDED CAPS** and Strikethrough font.

Background

The Michigan Strategic Fund approved MCRP awards of consisting of a \$8,500,000 Loan and a \$1,500,000 Grant to the Company for the purpose of transforming a 30-year vacant blighted industrial building into a state-of-the art, mixed-use facility, into 433 market rate and affordable housing units (with 63 units reserved at 50-80% of Area Median Income), 26,711 square feet of retail space, 17,685 square feet of co-working space and over 700 spaces of parking. The result will be nearly 500,000 square feet of renovated space in the City of Detroit.

The Company has elected not to use New Market Tax Credits (NMTC) due to timing issues and the cost of implementation. This election created an approximately \$2.5 million gap in the transaction. The loss of the NMTC equity is not anticipated to have a material negative impact on the project as the gap is being covered by a reduction in construction contingency related to work that has already been completed on the transaction.

Please see **Appendix A** for a detailed explanation of the changes with changes identified with **BOLDED CAPS** and strikethrough font.

The project is progressing through the closing process, with an anticipated closing in May or June of this year.

Recommendation

The MEDC staff recommends approval of amendments to the MCRP Loan and Grant awards as detailed in **Appendix A**.

APPENDIX A – AWARD TERMS

MCRP Award Terms

Awardee:	Fisher 21 Lofts LLC and/or a Related Entity
Total MCRP Award:	Up to the lesser of 20% of “Eligible Investment” or \$10,000,000.
Total Capital Investment:	Currently estimated at \$154,650,125
MCRP Eligible Investment:	Currently estimated at \$119,542,335
Minimum Eligible Investment:	Currently estimated at \$95,633,900
Reserves:	Anticipated reserves and contingencies totaling approximately \$40,869,000.
Deferred Developer Fees:	Developer and related-party fees equal to \$10,738,596 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
	<p>- Funding: The MSF will fund up to \$10,000,000 to be disbursed following closing of the financing and other performance criteria <u>subject to entering into a construction management agreement or at project completion</u></p> <p>CONTINGENT UPON NEGOTIATING A DISBURSEMENT ACCEPTABLE TO THE MSF FUND MANAGER.</p>
Other Conditions:	<p>The MSF’s investment will be contingent upon the following:</p> <ul style="list-style-type: none">- Receipt of final construction documents, including a fixed price construction contract- Receipt of final development budget- Receipt of final capital lease agreement- Minimum owner equity investment of \$13,360,000
MSF Loan Amount:	Up to \$8,500,000
Term:	Currently anticipated to be up to 120 months
Amortization:	N/A
Interest Rate:	1.0% per annum

Repayment Terms:	Currently anticipated to be interest only for 120 months. Principal due at maturity.
Collateral:	Currently anticipated to be assignment of a \$800,000 controlled disbursement reserve account, Act 381 Brownfield TIF proceeds, and the Managing Member's interest in the project, and other collateral allowable under the NMTC structure.
Guarantee:	Personal guarantees of the owners and associated trusts.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MCRP loan and any out-of-pocket costs incurred by the MEDC in closing the transaction.
MCRP Grant Amount:	Up to \$1,500,000

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-043

APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM LOAN AND GRANT AWARDS FOR FISHER 21 LOFTS LLC AND RELATED ENTITIES

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

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

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

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

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

WHEREAS, by Resolution 2024-161 on October 22, 2024, the MSF Board awarded a MCRP Grant in the amount of up to \$1,500,000 and a MCRP Loan in the amount of up to \$8,500,000 to Fisher 21 Lofts LLC and Related Entities (the “Company”), in furtherance of the project of up to \$10,000,000 (the “Award”);

WHEREAS, the Company is requesting and MEDC is recommending that the MSF Board amend the Award as detailed in Exhibit A (the “TERM SHEET”) with changes identified with **BOLDED CAPS** and strikethrough font, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Dr. Britany L. Affolter-Caine

Lansing, Michigan
April 22, 2025

EXHIBIT A

“TERM SHEET”

MCRP Award Terms

Awardee:	Fisher 21 Lofts LLC and/or a Related Entity
Total MCRP Award:	Up to the lesser of 20% of “Eligible Investment” or \$10,000,000.
Total Capital Investment:	Currently estimated at \$154,650,125
MCRP Eligible Investment:	Currently estimated at \$119,542,335
Minimum Eligible Investment:	Currently estimated at \$95,633,900
Funding:	The MSF will fund up to \$10,000,000 to be disbursed following closing of the financing and other performance criteria. CONTINGENT UPON NEGOTIATING A DISBURSEMENT ACCEPTABLE TO THE MSF FUND MANAGER.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Receipt of final construction documents, including a fixed price construction contract- Receipt of final development budget- Receipt of final capital lease agreement- Minimum owner equity investment of \$13,360,000
MSF Loan Amount:	Up to \$8,500,000
Term:	Currently anticipated to be up to 120 months
Amortization:	N/A
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be interest only for 120 months. Principal due at maturity.
Collateral:	Currently anticipated to be assignment of a \$800,000 controlled disbursement reserve account, Act 381 Brownfield TIF proceeds, and the Managing Member’s interest in the project, and other collateral allowable under the NMTC structure.
Guarantee:	Personal guarantees of the owners and associated trusts.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MCRP loan and any out-of-pocket costs incurred by the MEDC in closing the transaction.

MCRP Grant Amount: Up to \$1,500,000



April 16, 2025

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, April 22, 2025.

- MTRAC Innovation Hub for Advanced Computing
- Michigan State University: Michigander Scholars Program Grant

Many thanks –

A handwritten signature in black ink, reading "Britany Affolter-Caine".

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

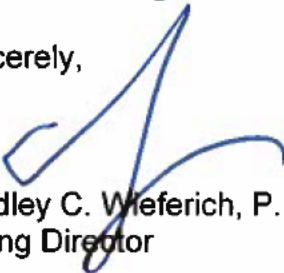
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director

MEMORANDUM

Date: April 22, 2025

To: Michigan Strategic Fund Board

From: Ava Attari, Director of Higher Education Partnerships, Talent Solutions

Subject: Michigander Scholars Program Grant Amendment Request

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve increasing the existing Michigander Scholars Program (“Program”) grant agreement award amount with Michigan State University (“MSU”) from \$500,000 to \$1,000,000 and exercise its second option to extend the agreement for one year until December 31, 2026 (the “Request”).

Background

Over the past two years, the MEDC has been focused on building responsive programming to a) attract and retain top talent for our strategic industries, b) increase educational/experiential opportunities to diversify the talent and c) forge deeper collaboration between higher education partners and employers to right-size pipelines.

On February 28, 2023, the MSF Board approved creation of the Michigander Scholars Program (fka EV Scholars Pilot Program). On February 28, 2023, the MSF Board also approved an initial \$500,000 grant award to MSU under the Program with the option to extend the term of the grant an additional four one-year terms and allocate funding at the sole discretion of the MSF Board.

The Program was created to curate job search and industry awareness experience for qualifying top tech and engineering talent – including for students who may otherwise not have explored the Advanced Manufacturing industry (e.g., EV/mobility, semiconductors, aerospace/defense) in Michigan, given today’s competitive marketplace. Participating students are also eligible for \$5,000 to \$10,000 in scholarships as incentives for qualifying positions (e.g., internships, post-graduation jobs) in high-demand roles identified by participating TAT employers. In addition, the Program aims to address both outdated conceptions of the industry as well as build critical relationships with students early in their college experiences and incentivize the graduates to choose Michigan opportunities.

The Program kicked off in Winter/Spring 2023, and by the end of Summer 2023, had approximately 230 Scholars at Michigan State University, Michigan Technological University, and University of Michigan (Ann Arbor, Dearborn, and Flint) and provided 28 scholarships for internships and full-time hires with a group of TAT employers in the EV and Mobility industries.

On December 12, 2023, the MSF Board approved amendments to the Program guidelines, formally renaming the program to the Michigander Scholars Program, and included Kettering University and Wayne State University as participating universities.

On September 24, 2024, the MSF Board exercised its first option to extend the MSU grant agreement.

Since its inception the Michigander Scholars Program has grown significantly; with a collective cohort of over 1,300 students, 480+ scholarships awarded since the program launched (8% of which received out-of-state job offers), and 33 participating companies. From FY 2023 to FY 2025, Michigan State University has grown from a 60-person cohort to 205. and 12 scholarships to 62 (as of 3/27/2025).

To support the growing number of Program scholarships being awarded at MSU, this request is to increase funding and extend the term of the grant award.

Recommendation

The MEDC Staff recommends approval of the Request.

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2025 - 044

**MICHIGANDER SCHOLARS PROGRAM
GRANT AMENDMENT TO MICHIGAN
STATE UNIVERSITY**

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 February 28, 2023, the MSF Board adopted the EV Scholars Pilot Program and related program Guidelines to support attracting and retaining top talent for the State’s strategic industries, including the electric vehicle and mobility industries; b) increasing educational and experiential opportunities to diversify the talent in Michigan; and c) forging deeper collaboration between higher education partners and employers to right size pipelines are critical measures toward ensuring well-paid job opportunities for Michigan residents;

WHEREAS, on February 28, 2023, the MSF Board approved the following grant awards under the EV Scholars Pilot Program, with the option to extend the term of the grant an additional four one-year terms and allocate additional funding at the sole discretion of the MSF Board for the purpose of administering the EV Scholars Program (the “Grant Awards”):

Entity	Initial Award Amount
Michigan State University	\$500,000
Michigan Technological University	\$500,000
University of Michigan	\$500,000

WHEREAS, on December 12, 2023, the MSF Board renamed the EV Scholars Program the Michigander Scholars Program, amended the program guidelines to expand eligibility for participation in the program, and approved the following grants awards, with the option to extend the term of the grant an additional four one-year terms and allocate additional funding at the sole discretion of the MSF Board for the purpose of administering the Michigander Scholars Program;

Entity	Initial Award Amount
Kettering University	\$400,000
Wayne State University	\$400,000

WHEREAS, on September 24, 2024, the MSF Board exercised its first option to extend the following Grant Awards by one year with no additional funds allocated for the following entities:

Entity
Michigan State University
Michigan Technological University
Wayne State University

WHEREAS, the MEDC recommends that the MSF Board increase the Grant Award amount for Michigan State University from \$500,000 to \$1,000,000 and exercise its second option to extend the Michigan State University Grant Award for one year until December 31, 2026 (“Amendment Request”).

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

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

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

Ayes: Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Dr. Brittany Affolter-Caine

Lansing, Michigan
April 22, 2025



April 16, 2025

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, April 22, 2025.

- MTRAC Innovation Hub for Advanced Computing
- Michigan State University: Michigander Scholars Program Grant

Many thanks –

A handwritten signature in black ink, reading "Britany Affolter-Caine".

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

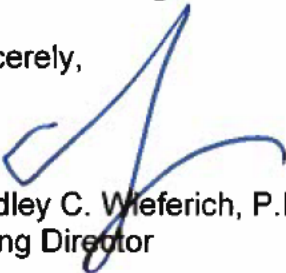
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



MEMORANDUM

Date: April 22, 2025

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

From: Michelle Grinnell, SVP, Market Growth & Business Attraction

Subject: **Incentive Amendment Request:**
Ultium Cells LLC (“Ultium”) Renewable Energy Renaissance Zone (RERZ)
Reassignment and Amendment

Request Summary

As a follow-up to the amendments approved on March 25, 2025, the above-mentioned entity is requesting a reassignment and amendment to the RERZ, which was authorized by the MSF on January 25, 2022, to support the construction of a new high-volume Ultium battery cell manufacturing facility in the City of Lansing that was expected to create at least 1,360 new jobs and a projected minimum investment of \$1.5 billion.

On March 25, 2025, the MSF Board approved amendments to the Critical Industry Program and Strategic Site Readiness Program grants to Ultium as originally approved by the MSF Board on January 25, 2022, for the construction of an Ultium battery cell manufacturing facility in Lansing, originally a joint venture between General Motors (GM) and LG Energy Solution (LGES). Through the sale of GM’s portion of the battery plant and 100% transfer of the state incentives already secured for the facility, LGES will wholly own the facility – ensuring the project stays on track and high-tech jobs and battery manufacturing remain in Michigan.

At that time, the RERZ reassignment and Amendment was removed from the agenda because the Lansing City Council had not yet taken action on the item. On April 7, 2025, the Lansing City Council approved the RERZ reassignment and amendment.

Now that all necessary local approvals have been obtained, the MEDC is recommending that the MSF Board approve the following:

- RERZ amendment:
 - Reassign the RERZ agreement from Ultium to LG Energy Solution Michigan as the new landowner and owner/operator of the facility.
 - Reduce the size of the RERZ boundary to reflect removal of the excess GM property.
 - Remove references to Ultium and General Motors and related entities, except for eligible expenses that occurred on or before the date of the amended RERZ agreement.

Recommendation

MEDC Staff recommends that the MSF Board approve the amendment as outlined in the attached Resolution.

**MICHIGAN STRATEGIC FUND
RESOLUTION
2025-045**

**AMENDMENT TO
RENEWABLE ENERGY FACILITY RENAISSANCE ZONE:
ULTIUM CELLS LLC**

WHEREAS, Section 8e of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the State Administrative Board to designate up to fifteen (15) renaissance zones for renewable energy facilities (a “Renewable Energy Renaissance Zone”), upon recommendation by the Michigan Strategic Fund (the “MSF”) and the consent of the local unit of government in which the proposed renaissance zone will be located;

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

WHEREAS, on January 25, 2022, by Resolution 2022-010, the MSF Board approved a Renewable Energy Renaissance Zone (“RERZ”) for Ultium Cells LLC (“Ultium”) for its battery manufacturing project in the City of Lansing (the “Lansing Project”) on property parcel 23-50-40-32-250-001 (the “Original Property”);

WHEREAS, on March 15, 2022, the State Administrative Board approved, at the recommendation of the MSF Board, a RERZ for Ultium;

WHEREAS, the MSF entered into a development agreement with Ultium and General Motors LLC (“GM”), as the landowner, to govern the terms and conditions of the RERZ designation for the Lansing Project at the Original Property (the “RERZ Agreement”);

WHEREAS, GM and Ultium are selling and transferring their interest in the Lansing Project to LG Energy Solution Michigan, Inc. (“LGES”);

WHEREAS, the City of Lansing has approved a split of the Original Property and GM is transferring a portion of the Original Property to LGES to continue the Lansing Project, as described in Exhibit A attached to this Resolution (the “Lansing Project Parcel”);

WHEREAS, the MEDC recommends that the MSF approves and recommends to the State Administrative Board, as necessary: (i) the transfer of the Lansing Project Parcel from GM to LGES pursuant to Section 3.13 and Section 6.8 of the RERZ Agreement, (ii) the assignment from Ultium to LGES of the Renewable Energy Renaissance Zone designation for the remaining duration, (iii) the assignment of the RERZ Agreement from Ultium and GM to LGES pursuant to Section 6.8 of the RERZ Agreement, and (iv) the revocation of the Renewable Energy Renaissance Zone designation for the portion of the Original Property outside of the Lansing Project Parcel (collectively, the “Assignment and Land Transaction Recommendations”);

WHEREAS, the MEDC further recommends the amendment of the RERZ Agreement as follows: (the of the following, the “Agreement Amendment Recommendation”)

1. Reassign the RERZ agreement from Ultium to LG Energy Solution Michigan as the new landowner and owner/operator of the facility;

2. Reduce the size of the Renewable Energy Renaissance Zone to that of the Lansing Project Parcel;
3. Remove reference to Ultium, GM and related entities, except for accounting for eligible expenses occurring before the date of the amendment to the RERZ agreement;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Assignment and Land Transaction Recommendations and the Agreement Amendment Recommendation, subject to the execution of an assignment and amendment to the RERZ Agreement consistent with the terms of this Resolution;

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate the final terms and conditions of and to execute an assignment and amendment to the RERZ Agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF;

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to transmit the Assignment and Land Transaction Recommendation, as necessary, to the State Administrative Board.

Ayes: Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Dr. Brittany Affolter-Caine

Lansing, Michigan
April 22, 2025

EXHIBIT A
LANSING PROJECT PARCEL
LEGAL DESCRIPTION

LAND SITUATED IN SECTION 32, TOWNSHIP 4 NORTH, RANGE 3 WEST IN THE CITY OF LANSING IN THE COUNTY OF EATON IN THE STATE OF MICHIGAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 32; THENCE NORTH 00°10'09" EAST, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION, 2637.76 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 00°29'19" EAST, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION, 141.48 FEET; THENCE SOUTH 89°56'14" EAST, PARALLEL WITH THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION, 33.00 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF NIXON ROAD (66' WIDE RIGHT-OF-WAY), THENCE CONTINUING SOUTH 89°56'14" EAST, PARALLEL WITH THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION, 3962.27 FEET; THENCE SOUTH 00°03'46" WEST, PERPENDICULAR TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION, 2102.77 FEET TO THE NORTH LINE OF THAT PARCEL CONVEYED TO DANIEL D. CREYTS ET UX. BY THAT QUIT CLAIM DEED, RECORDED IN LIBER 2101, AT PAGE 1165, RECORDS OF SAID COUNTY; THENCE NORTH 89°52'05" WEST, ALONG THE NORTH LINE OF SAID QUIT CLAIM DEED, 1361.77 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH 00°08'52" WEST, ALONG THE WEST LINE OF SAID QUIT CLAIM DEED, 676.50 FEET TO THE SOUTHWEST CORNER THEREOF AND THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE NORTH 89°58'19" WEST, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, 2638.45 FEET TO THE POINT OF BEGINNING.

CONTAINING APPROXIMATELY 233.9 ACRES.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

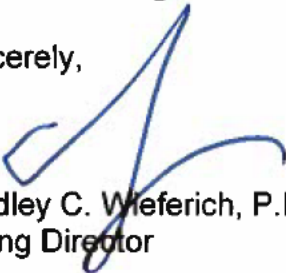
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



April 16, 2025

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, April 22, 2025.

- MTRAC Innovation Hub for Advanced Computing
- Michigan State University: Michigander Scholars Program Grant

Many thanks –

A handwritten signature in black ink, reading "Britany Affolter-Caine".

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



MEMORANDUM

Date: April 22, 2025

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

From: Greg West, Director, Federal Programs
Amy Schlusler-Schmitt, Program Manager, Federal Programs
Paula Holtz, Managing Director, Regional Development

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

Request

MEDC staff is requesting a total of \$1,210,389 in Community Development Block Grant (CDBG) funds for budget increases/grant amendments to four (4) Public Gathering Space projects. **(Exhibit A)**

Background

On September 26, 2023, Resolution 2023-164 authorized sixteen (16) units of general local government to receive a total of \$20,000,000 in Community Development Block Grant funds for the expansion and creation of public gathering spaces as well as up to \$800,000 in administrative services to assist the communities with the compliance requirements of the awards.

Eligible Activities for the funding initiative include:

- Permanent infrastructure required for the successful creation and/or operation of a public gathering space such as utility infrastructure, playground equipment, pavilions, public restrooms, drinking fountains, sidewalks, etc.
- Universal Accessibility design elements that enable public spaces to comply with the Americans with Disabilities Act (ADA) and create welcoming public spaces for residents of all abilities, such as, accessible playground equipment, modified restrooms, etc.
- Other permanent infrastructure or amenities, deemed eligible by HUD, necessary to support the accessibility and seasonality of a public gathering space

All four communities requesting additional grant funds bid their projects through the sealed bid process, but the project costs came in higher than estimated. As the Public Gathering Space grants

were secured by these communities through a competitive MEDC funding round, the communities were not permitted to reduce the scope of the grant projects. However, the projects were value engineered and realized cost savings since bidding. Each community has committed the required 10% in local funds towards project costs.

Recommendation

MEDC Staff recommends the MSF authorize:

- A total of \$1,210,389 in CDBG funds for the four (4) projects identified in **Exhibit A**.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-046**

**APPROVAL OF ADDITIONAL CDBG FUNDING FOR FOUR PUBLIC GATHERING SPACE
PROJECTS**

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

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

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

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

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

WHEREAS, on September 26, 2023, by Resolution 2023-164, the MSF Board approved CDBG awards for the 2023 Public Gathering Spaces Projects, in the amount of \$20,000,000 for sixteen (16) Public Gathering Space projects and an additional \$800,000 in CDBG funds for administrative services based on program specific requirements and screening guidelines (the “Screening Guidelines”);

WHEREAS, the Screening Guidelines included a requirement that grant awards be in amounts between \$750,000 and \$2,000,000 (the “Award Limit”);

WHEREAS, the City of Caspian, City of Litchfield, Briley Township, and City of Howell’s four (4) projects were approved by Resolution 2023-164, have requested additional CDBG funding to cover cost overruns for the projects in the amounts listed in **Exhibit A** attached hereto (the “Amendment Requests”);

WHEREAS, CDBG program staff is requesting a waiver of the Award Limit in order for the Amendment Request to comply with the Screening Guidelines (the “Waiver Request”); and

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

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

Ayes: Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Dr. Brittany Affolter-Caine

Lansing, Michigan
April 22, 2025

EXHIBIT A

Applicant/Communities	Original Construction Award	Additional Construction Request	Project Description and Additional Local Match Funds
City of Caspian	\$963,000	\$62,316	<p>The City of Caspian will construct a new playground area with universally accessible surfacing and a sheltered pavilion. The project will also include the reconstruction of basketball, tennis, and pickleball courts, a parking area, and fencing at Caspian Park.</p> <p>The City of Caspian will provide an additional \$6,924 in local match funds.</p>
City of Litchfield	\$919,535	\$152,301	<p>The City of Litchfield will make improvements to Children's Park. The proposed project includes the installation of a new splash pad, portable stage, renovated bathrooms, and all-inclusive play equipment for children ages 5-12.</p> <p>The City of Litchfield has met its required 10% local match requirement.</p>
Briley Township	\$753,300	\$495,772	<p>The Briley Township Park project will include the renovation of an enclosed pavilion, installation of pickleball courts, a green infrastructure bioswale, a rubberized playground surface, an open-air pavilion wind protection and other amenities.</p> <p>Briley Township will provide an additional \$55,086 in local match funds.</p>
City of Howell	\$2,000,000	\$500,000	<p>The City of Howell will create a public gathering space at the Howell Depot lot with the construction of a 12,800 sq. ft. pavilion that will seasonally house a public ice rink with restroom facilities and will create a splash pad, fountain, and year-round fire pit.</p> <p>The City of Howell will provide an additional \$1,062,817 in local match funds.</p>
TOTAL FUNDING REQUEST		\$1,210,389	



April 16, 2025

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, April 22, 2025.

- MTRAC Innovation Hub for Advanced Computing
- Michigan State University: Michigander Scholars Program Grant

Many thanks –

A handwritten signature in black ink, reading "Britany Affolter-Caine".

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

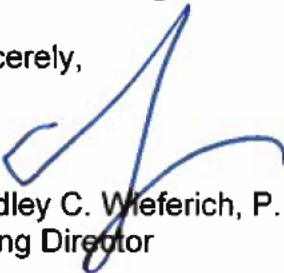
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2025-041

**APPROVAL OF THE APRIL 22, 2025, CONSENT
AGENDA FOR THE MICHIGAN STRATEGIC FUND
BOARD**

WHEREAS, on November 20, 2013, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines (the “Consent Agenda”);

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently amended and restated by the MSF Board on October 24, 2023,

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

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

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

Consent Agenda Items:

- a. Proposed March 25, 2025, Meeting Minutes
- b. MTRAC Innovation Hub for Advanced Computing
- c. Fisher 21 Lofts, LLC, and Related Entities: Michigan Community Revitalization Program Loan and Grant Award Amendment
- d. Michigan State University: Michigander Scholars Program Grant Amendment
- e. Ultium Cells, LLC: Renewable Energy Facility Renaissance Zone Amendment
- f. CDBG Grant Program: Public Gathering Spaces Initiative Grant Amendments

Ayes: Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Dr. Brittany L. Affolter-Caine

Lansing, Michigan
April 22, 2025



April 16, 2025

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, April 22, 2025.

- MTRAC Innovation Hub for Advanced Computing
- Michigan State University: Michigander Scholars Program Grant

Many thanks –

A handwritten signature in black ink, which appears to read "Britany Affolter-Caine".

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

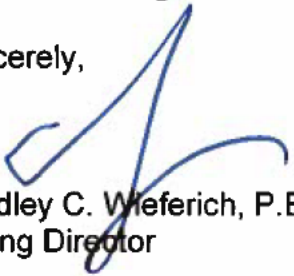
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: April 22, 2025

To: Michigan Strategic Fund Board

From: Sue DeVries, Community Development Manager
Julius L. Edwards, Managing Director, Real Estate Investment and Underwriting
Rob Garza, Director, Statutory Analysis

Subject: Request for Approval of a Transformational Brownfield Plan (TBP)
City of Muskegon Brownfield Redevelopment Authority (BRA)
Parkland Properties of Michigan – Shaw Walker LLC, Shaw Walker Opportunity
Zone Business 1, LLC; Shaw Walker Opportunity Zone Business 2, LLC; Shaw
Walker Opportunity Zone Business 3, LLC; Shaw Walker Opportunity Zone
Business 4, LLC
The Shaw Walker Mixed-Use Transformational Brownfield Plan

Project Summary & Request

Parkland Properties of Michigan – Shaw Walker, LLC; Shaw Walker Opportunity Zone Business 1, LLC; Shaw Walker Opportunity Zone Business 2, LLC; Shaw Walker Opportunity Zone Business 3, LLC; Shaw Walker Opportunity Zone Business 4, LLC (collectively the “Developer” or “Applicant”) and the City of Muskegon Brownfield Redevelopment Authority (“BRA”) are requesting the approval of a TBP incentive package in the aggregate amount of \$159,598,389 reimbursed over 30 years for all revenue streams, and divided by revenue type as follows:

- Local and school property tax capture in the amount of \$73,397,242, with state capture limited to \$26,681,365.
- A maximum of \$3,576,128 in construction period tax capture revenues.
- A maximum of \$4,846,386 in construction period sales and use tax exemptions.
- A maximum of \$77,778,633 in income tax capture revenues and withholding tax capture revenues and sales and use tax revenues (post-construction) to be reimbursed over 20 years.

The proposed Transformational Brownfield Plan (the “Plan”) consists of seven buildings within the core of the City of Muskegon and will activate a former furniture manufacturing site near the lakefront. The redevelopment consists of the scope detailed below:

- Rehabilitation of a five-story, 60,890 square foot building containing first floor retail and 33 residential units.
- Rehabilitation of a single-story, 13,970 square foot building containing 3 commercial spaces.
- Rehabilitation of a five-story, 270,785 square foot building containing 327 residential units.
- Rehabilitation of a four-story, 57,792 square foot building containing first floor commercial space and 16 residential units.
- Rehabilitation of a five-story, 71,787 square foot building containing 89 residential units.

- Rehabilitation of a five-story, 119,081 square foot building containing 69 residential units.
- Rehabilitation of a single-story, 54,491 square foot building into a covered parking facility and 37 for-sale townhomes occupying approximately 62,692 square feet.

A project map and project renderings are included in **Appendix C**.

PROJECT SUMMARY	
Project Eligibility	Blighted and Functionally Obsolete
Total Approximate Private Square Feet Revitalized	711,488
Total Approximate Public Square Feet Activated	19,330
Total Approximate Acres Activated	15.13
Estimated # of Residential Units	571
Estimated Full-Time Equivalent Jobs Created	200
Estimated Commercial Square Footage	74,549
Estimated Residential Square Footage	472,159
Current Taxable Value	\$2,202,882
Projected Taxable Value at Completion	\$48,207,466
Total Anticipated Capital Investment	\$221,335,800
Transformational Brownfield Revenue Request	\$159,598,389

The projects will convert a mostly vacant industrial space into a lively mixed-use district that will act as a catalyst for future redevelopment of similar properties in the area. As development continues to occur, it is anticipated that the city and region will experience both population growth and long-term prosperity. The project will deliver a mix of housing, commercial space and a parking structure on a former furniture manufacturing site in the city of Muskegon. Since the factory's closing in 1989, the property has experienced decades of significant deterioration and lack of upkeep that resulted in safety notices being issued against the former owner. Over the last two decades, the city has been actively working to reinvent itself into a vibrant lakeshore community and this property is a key component in realizing that vision. The site is prominently located on the south side of the city and is the main redevelopment priority for the city. The project will result in a lively mixed-use development and will include much needed housing units. When completed, the project will have a transformational impact on local economic development and community revitalization.

Through an Affordable Housing Agreement between the Developer and the City of Muskegon, the planned residential portion of the project includes the delivery of an annual average of 20 units for income qualified households earning 100% area median income or less for a period of 20 years.

Following construction completion and occupancy of the completed buildings, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down ("true up"). The incentive award will be decreased if the actual construction costs are less than 90 percent

of the amount estimated in the Act 381 Work Plan. The associated MSF Board resolution includes the authorization for this modification per Section 14a(8) of Act 381.

Statutory and Policy Considerations

Act 381 of 1996 (the “Act”), as amended, authorizes the MSF to approve Transformational Brownfield Plans that include state and local property tax capture in conjunction with the Local Unit of Government, sales and use tax exemptions, construction period tax capture revenues, income tax capture revenues, withholding tax capture revenues, and sales and use tax capture revenues for the purpose of supporting projects statewide. On July 25, 2017, the MSF Board approved the Transformational Brownfield Program Guidelines (“Guidelines”). The Guidelines have been amended by the MSF Board most recently on December 12, 2023. As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Guidelines and programmatic requirements, and an underwriting analysis has been completed by MEDC underwriting staff. A summary of the completed underwriting analysis is included in **Appendix A**. An MSF Eligible Activities Table, Transformational Brownfield Program (“TBP”) Revenue Summary, and key statutory criteria are included in **Appendix D**.

The project qualifies as a TBP as defined under Act 381 as it exceeds the threshold for capital investment based on the population of the city (which in this case is \$25 million) and will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan. The project is a mixed-use development with planned integration of retail, residential, and commercial uses.

The request includes the use of up to 100% of income tax capture revenues, which is allowed under statute and Guidelines, subject to a written affordable housing agreement between the local governmental unit and the developer. This agreement will be executed prior to MSF approval.

The request also includes a safe harbor calculation for income and withholding tax capture revenues, which may be elected for an individual project or the entire series of projects. The developer must elect whether to use the safe harbor calculation prior to the first disbursement of income tax capture revenues for a particular project. Once disbursement of income and withholding tax capture revenues commences, the Developer may not change the election for that individual project.

Financial Highlights

- Total Development Cost ranges from \$21 to \$378 per square foot.
- Residential rental rates are primarily ranging from 80-140% of area median income AMI with average rate of \$2.20 per square foot. Twenty percent of the units will be targeted at 100% of AMI or less and with affordability requirements remaining in place for a period of 20 years.
- Projected commercial rents average \$12 per square foot, with triple net lease terms.
- Anticipated equity contribution of 23.4%.
- Projected Levered Internal Rate of Return (IRR) of 3.09% and Unlevered Internal Rate of Return of 0.32%.

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

Demonstrated Need

The project will rehabilitate an existing building that has stood mainly vacant for decades along a prominent corner at the southern entryway to Downtown Muskegon and will serve as a catalyst for future investment in the area. Due to environmental conditions, existing building conditions, the high cost of construction, infrastructure needs, cost of debt, and area rents, this adaptive re-use and new construction development is challenging to finance or complete without incentive assistance, given projected returns even with the requested support. It is anticipated the successful construction of the Project will make a transformational impact on the area, creating broader residential, business, entrepreneurial, and retail uses in the area surrounding the project.

The underwriting and financial analysis was completed by MEDC staff to evaluate the reasonableness of project assumptions, the financial feasibility of the project, and structure of TBP assistance required to make the Project financially feasible under TBP guidelines. Specifically, staff evaluated the project against TBP underwriting criteria, summarized below, and evaluated the reasonableness of key pro forma assumptions by benchmarking the Applicant's assumed costs, revenues, expenses and financing assumptions against industry standards and similar projects in the City of Muskegon and Muskegon County and throughout the larger MSF portfolio. In addition, staff evaluated the Developer's TBP tax revenue projection assumptions with SB Friedman completing a review of Sales and Use Tax capture assumptions. Staff has determined that the full approximately \$159.6 million in TBP assistance is required after conducting this thorough analysis of the project.

Underwriting Criteria per TBP Guidelines:

1. Evaluation of specific underwriting criteria, including at a minimum the following:
 - a. Assessment of how much traditional debt the project should be able to support/attract.
 - b. Developer and consultant fees limited to 4% of the total development cost of the project.
 - c. Reasonableness assessment of any related-party costs and expenses.
 - d. Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees). Deferred fees will not be counted in the calculation.
 - e. Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
 - f. Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost will be evaluated if financing is preliminary. If financing term sheets are provided, leveraged IRR and cash on cash return will be evaluated. Average annual return metrics will be for the first three years following project stabilization.
2. Reasonableness assessment of the proposed rental structure and assumptions.
3. Reasonableness assessment of the proposed operating expenses.
4. Reasonableness assessment of the proposed development costs.
5. Process conducted to analyze and determine the project's economic viability.

TBP Program Guidelines state that unleveraged return metrics should be used for reviewing projects in which financing is preliminary. Therefore, the underwriting conclusions are based on unlevered return metrics, including unleveraged IRR. Staff considers an unlevered return of under 9% appropriate for a project of this complexity. Using the assumptions provided during the underwriting of the Project, it was determined that the Developer could achieve a projected unlevered Internal Rate of Return (IRR) of 0.32% with the requested financial support. These returns would be considered below the market appropriate rate of return identified for a project of this size and complexity. Any sensitivity analysis performed by staff did not provide an impact that would increase the unlevered return above a threshold considered acceptable. The underwriting summary is included in **Appendix A**.

Local Support

The City of Muskegon approved a 12-year Obsolete Property Rehabilitation Act (“OPRA”) tax abatement valued at approximately \$1,298,166 in December 2024; a 15-year Neighborhood Enterprise Zone (“NEZ”) tax abatement valued at \$27,406,997 in February 2025; and support through the local portion of the property tax capture component of the Brownfield TIF valued at \$46,715,877.

Applicant Background / Qualifications

Jon Rooks, principal, founded the Parkland family of companies in 1988. The company transformed a section of White Lake shoreline in the City of Montague, into Ellenwood landing, the largest taxpayer in the city, with 187 boat slips, 45 condominiums, two large boat storage warehouses, retail and a hotel. Over the next 30 years, the company’s portfolio expanded to dozens of new properties and businesses across West Michigan. This included Boardwalk Condominium, Union Square Condominium, Cityview Condominiums, and Monroe Terrace Condominium that collectively brought thousands of downtown residents to Grand Rapids in the early 2000’s. The company also developed the first market rate housing developments in downtown Muskegon in over 30-years with Highpoint Flats apartments and the Terrace Point Landing waterfront subdivision on Muskegon Lake. In addition to adaptive reuse projects, the company developed office buildings, numerous marinas, and hotels throughout West Michigan, and turned around two large failing hotels with 340 rooms by renovating and adding a new convention center, which is now the second largest and newest in West Michigan. Today, the company is one of the largest real estate development firms in West Michigan with over 2 million square feet of building space currently developed or under development.

Organizational Charts for Parkland Properties of Muskegon – Shaw Walker LLC; Shaw Walker Opportunity Zone Business 1, LLC; Shaw Walker Opportunity Zone Business 2, LLC; Shaw Walker Opportunity Zone Business 3, LLC; Shaw Walker Opportunity Zone Business 4, LLC are provided in **Appendix B**. The background review process was completed in accordance with the MSF Background Review Policy on January 13, 2025.

Recommendation

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

- a) Approval of a TBP in the aggregate amount of \$159,598,389 reimbursed over 30 years, which consists of the following revenue maximums:
 - a. Local and school property tax capture in the amount of \$73,397,242, to be reimbursed over 27 years.
 - b. A maximum of \$3,576,128 in construction period withholding tax capture revenues.
 - c. A maximum of \$4,846,386 in construction period sales and use tax exemptions.
 - d. A maximum of \$77,778,633 in income tax capture revenues and withholding tax capture revenues and sales and use tax revenues (post-construction) to be reimbursed over 20 years.
- a) Approval of the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture if elected by the developer. This election may be made on an individual project site or all project sites and must be made prior to the first distribution of income tax or withholding tax revenues. This information is included in **Appendix E**.

APPENDIX A – Underwriting Analysis Executive Summary

Underwriting Analysis

The underwriting and financial analysis was completed by MEDC staff to evaluate the reasonableness of project assumptions, the financial feasibility of the project, and structure of TBP assistance required to make the project financially feasible under TBP guidelines. Specifically, staff evaluated the project against TBP underwriting criteria, summarized below, and evaluated the reasonableness of key pro forma assumptions by benchmarking the Developer's assumed costs, revenues, expenses and financing assumptions against industry standards and similar projects in the City of Muskegon, Muskegon County, and throughout the larger MSF portfolio. In addition, staff evaluated the Applicant's TBP tax revenue projection assumptions with the exception of sales and tax capture which was completed by SB Friedman as required by statute. A variety of sources were used to conduct this evaluation, including data from the Developer, MEDC's in-house database with detailed underwriting metrics for similar projects reviewed, and various industry and market sources. Additional clarifying information was provided by the Developer through correspondence, conversations, and written materials.

The underwriting analysis was guided by the MSF approved TBP Guidelines which include the following assessment criteria:

- Assessment of how much traditional debt the project should be able to support/attract.
- Developer and consultant fees limited to 4% of the total development cost of the project.
- Reasonableness assessment of any related-party costs and expenses.
- Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees).
- Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
- Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost are to be evaluated if financing is preliminary.
- Reasonableness assessment of the proposed rental structure and assumptions.
- Reasonableness assessment of the proposed operating expenses.
- Reasonableness assessment of the proposed development costs.
- Process conducted to analyze and determine the project's economic viability.

Financial Justification and Need

The project is located in at the southern entryway to Downtown Muskegon and will serve as a catalyst for future investment in the area. Due to environmental conditions, existing building conditions, the high cost of construction, infrastructure needs, cost of debt, and area rents, this adaptive re-use and new construction development is challenging to finance or complete without incentive assistance, given projected returns even with the requested support are below what would be considered for a project of this nature. It is anticipated the successful construction of the project will make a transformational impact on the area, creating broader residential, business, entrepreneurial, and retail uses in the area surrounding the Project. Additionally, the project will create 20 units of workforce housing targeted at 100% or below of AMI.

Conclusions and Recommendations

The Developer's proposed project is likely to be transformative to the City of Muskegon, renovating a large deteriorating property and bringing additional density to Downtown Muskegon that is expected to attract new employees and residents to this area of the city. Although the projected operating revenues associated with the project are generally expected to meet or exceed rents currently achieved in existing downtown

area developments, the project rents appear to be insufficient to support the significant construction costs associated with the project's mix of uses, parking, affordable housing efforts, and infrastructure costs. MEDC staff has found Developer assumptions to be reasonable based on information provided to date and the level of TBP assistance requested appears reasonable and appropriate to ensure the financial feasibility of the proposed project.

Staff reviewed the reasonableness of assumptions within the Developer TBP model, which inform the projected revenues for the five TBP reimbursement mechanisms. Taxable value, employee wages, market-rate residential rents and associated household incomes, and hard costs are the key inputs that impact the potential TBP revenues across the various reimbursement streams. Overall, staff found that assumptions in the TBP model were reasonable and did not require adjustments. SB Friedman (SBF) was engaged to complete this third-party underwriting review. SBF evaluated key sales and use tax assumptions in the Developer's TBP model by reviewing the Developer's TBP model, backup information provided by the Developer, and various third-party data sources. Overall, SB Friedman estimated the total sales and use tax reimbursement to be approximately \$5.5 million over a 20-year period – a reduction of approximately 22% from the Developer's projections. The lower amount is attributable to sales per SF adjustments, including reductions to account for revenues not subject to sales and use tax, and an increased vacancy loss assumption. Due to the sales and use tax capture not being subject to "safe harbor" and considered to be a self-correcting reimbursement source staff elected not adjust down the recommended capture from the Developer's estimate.

Staff considers projected returns of 15% or less and 9% or less on a unlevered bases, to be acceptable for projects of this size, scope and complexity. Using the assumptions provided during the underwriting of the project, it was determined that the Developer could achieve a projected Levered Internal Rate of Return (IRR) of 3.09% and Unlevered Internal Rate of Return of 0.32% over a 20-year horizon with the requested financial support. These returns would be considered well below the market appropriate rate of return identified for projects of this size and complexity. Any sensitivity analysis performed by staff did not provide an impact that would increase the returns above the thresholds, identified above, considered acceptable. Staff determined the proposed level of assistance appears necessary to be able to attract the required investment and keep the project financially feasible.

At the time of review, the proposed project was in the preliminary stages of pre-development, with all project components in the development design phase. Given this, it is likely development costs will continue to evolve as the project moves through the development phases. Staff recommends that a single post construction re-evaluation be conducted per Section 14a(8) of Act 381 to adjust for the actual construction costs. Following construction completion, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down ("true up"). The incentive award will be decreased if the actual construction costs are less than 90% of the amount estimated in the Act 381 Work Plan.

APPENDIX B – Organizational Charts

Organizational Structure

Company Name: Shaw Walker Opportunity Zone Business 1, LLC
Employer Identification Number: 92-1414131
MANAGER: Jonathan Lee Rooks

Member/Company name and manager	Member		Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization	
Shaw Walker Opportunity Zone Fund 1, LLC		Jonathan Lee Rooks	99%	99.00%	92-1386507	Michigan
		Jonathan Lee Rooks	1.00%	1.00%	SS#	Michigan
		Jonathan Lee Rooks	0.00%			
			0.00%			
			0.00%			

Organizational Structure

Company Name: Shaw Walker Opportunity Zone Business 2, LLC
Employer Identification Number: 88-4424749
MANAGER: Jonathan Lee Rooks

Member/Company name and manager	Member		Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization
Shaw Walker Opportunity Zone Fund 2, LLC		1.8%	1.80%	92-1463542	Michigan
	Jonathan Lee Rooks	0.20%	0.20%	SS#	Michigan
	Jonathan Lee Rooks	0.00%			
		0.00%			
		0.00%			
Parkland Properties of Michigan - Shaw Walker, LLC		98.00%	98.00%	38-2903914	Michigan
	Jonathan Lee Rooks	0.00%			
		0.00%			
		0.00%			

Organizational Structure

Company Name: Shaw Walker Opportunity Zone Business 3, LLC
Employer Identification Number: 92-1402997
MANAGER: Jonathan Lee Rooks

Member/Company name and manager	Member		Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization
Shaw Walker Opportunity Zone Fund 3, LLC		99%	99.00%	88-4422458	Michigan
Jonathan Lee Rooks	Jonathan Lee Rooks	1.00%	1.00%	SS#	Michigan
	Jonathan Lee Rooks	0.00%			
		0.00%			
		0.00%			

Organizational Structure

Company Name: Shaw Walker Opportunity Zone Business 4, LLC
Employer Identification Number: 92-1544811
MANAGER: Jonathan Lee Rooks

Member/Company name and manager	Member		Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization
Shaw Walker Opportunity Zone Fund 4, LLC		99%	99.00%	92-1628829	Michigan
Jonathan Lee Rooks	Jonathan Lee Rooks	1.00%	1.00%	SS#	Michigan
		0.00%			
		0.00%			
		0.00%			

Organizational Structure

Company Name: Parkland Properties of Michigan - Shaw Walker, LLC
Employer Identification Number: 99-1591380
MANAGER: Jonathan Lee Rooks

Member/Company name and manager	Member	Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization
Jonathan L Rooks Trust Agreement dated December 5, 1999, as Amended and Restrained on January 28, 2022		100.00%	Entity uses SS#	Michigan
	Jonathan Lee Rooks	100%		

APPENDIX C – Project Maps and Renderings





APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Muskegon, has duly approved a brownfield plan for these properties on February 25, 2025. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on January 8, 2025.

There are 52.7778 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (45.47%) and local millage equaling 28.7778 mills (54.53%). Tax increment capture will begin in 2026 and is estimated to continue for 27 years. The state tax capture is recommended to be capped at \$26,681,365, which is the amount of tax increment revenue anticipated to be generated in 27 years. Total MSF eligible activities are estimated at \$159,598,389. The tax capture ratio is impacted by the OPRA and NEZ tax abatements, and the blended ratio is shown below. The property tax reimbursement only represents a portion of the award needed to fully reimburse the developer for eligible activity costs. MSF eligible activities break down as follows:

Tax Capture Summary:

State tax capture	(36.35%)	\$	26,681,365
Local tax capture	(63.65%)	\$	46,715,877
TOTAL		\$	73,397,242

Total TBP Revenue Breakdown

Property Tax Capture	\$	73,397,242
Construction Period Sales and Use Tax Exemption		4,846,386
Construction Period Tax Capture		3,576,128
Income Tax Capture (post-construction)		66,889,516
Withholding Tax Capture (post-construction)		3,774,697
Sales and Use Tax	+	7,114,720
ANTICIPATED TOTAL	\$	159,598,389

The project is requesting approximately \$225,000 in EGLE eligible activity reimbursement for this project to assist with environmental eligible activities.

Statutory Criteria

It is the role of the Project Management staff (MEDC Staff) to review the information provided by the applicant for eligibility, completeness, and adherence to program guidelines, and to manage the MSF's investment. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from materials submitted by the applicant, and, as applicable, from other relevant third-party sources utilized by staff.

As required under Act 381, 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 being pursued by the developer in accordance with and pursuant to the master development plan of the city and is a targeted area for transformational growth. The project will convert a mostly vacant industrial space into a lively mixed-use community in the heart of the City

and will result in much needed housing units at a time when there is a significant need. In addition to creating new housing options, the project will create jobs and service-oriented businesses to serve the community and enhance public health and safety.

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

The existing building has stood mainly vacant for decades and reactivation of the property at a prominent corner at the southern entryway to the downtown will serve as a catalyst for future investment in the area by drawing a wide range of interest in the region. The project will create new commercial, retail, and residential rental and for sale units that will contribute to the overall region, while also generating opportunities for people who live and work in the community.

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

The City of Muskegon is supporting the project with an OPRA tax abatement valued at \$1,298,166 over 12 years, an NEZ tax abatement valued at \$27,406,997 over 15 years, as well as the local portion of the property tax capture component of the Brownfield TIF valued at \$46,715,878.

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

The TBP proposes that the Developer will invest over \$221.3 million to develop the combined proposed TBP project. Based on the underwriting analysis, the full TBP request is required for the project to be financially feasible. Staff considers an unlevered return of under 9% appropriate for a project of this complexity. Using the assumptions provided during the underwriting of the project, it was determined that the Developer could achieve a projected unlevered Internal Rate of Return (IRR) of 0.32% with the requested financial support. These returns would be considered below the market appropriate rate of return identified for a project of this size and complexity. Any sensitivity analysis performed by staff did not provide an impact that would increase the unlevered return above a threshold considered acceptable.

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

The plan includes extensive rehabilitation of existing vacant structures.

F. Creation of jobs:

In total, the project is projected to generate 200 full-time equivalent jobs at an average hourly wage of \$24.84.

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

The Developer is providing equity that is required under the TBP Guidelines of 20%. It is anticipated that the developer's equity contribution will be over 20.3% of the projected total development cost.

H. Whether the project is financially and economically sound:

A comprehensive underwriting and financial analysis was completed by MEDC staff to evaluate the reasonableness of project assumptions, the financial feasibility of the project, and structure of TBP assistance required to make the Project financially feasible under TBP guidelines. Staff consider the project to be financially and economically sound.

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

All components of the project contemplated in this TBP are proposed to be constructed on vacant or underutilized Brownfield sites, shifting them to a higher-density mixture of uses. The resulting developments are expected to spark economic activity in the city.

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

The project will enhance the area by redeveloping a vacant site in the city of Muskegon into a thriving mixed-use residential and commercial retail facility that will play a vital role in building the city's population and economy. The project is located at the south end of Muskegon Lake along the southern four-lane entryway to downtown Muskegon and is across the street from the Hartshorn City Municipal Marina, the Muskegon Lakeshore Boys & Girls Club, and the Heritage Landing event area. The property is visible to downtown and currently creates a separation between the core downtown and the neighboring Nims and Lakeside neighborhoods. When completed, the project will bring activity and vibrancy to an area of the city that is significantly underutilized.

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

No public buildings will be converted to private use as a part of the TBP.

L. Whether the project promotes sustainable development:

The project includes several sustainable elements targeted at improving overall energy efficiency and sustainability, which include low flow plumbing fixtures, LED lighting, heat pumps where possible for heating and cooling, and an exterior envelop design to support a reduction in energy loss.

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

This project does not involve the rehabilitation of a historic resource.

N. Whether the project addresses area-wide redevelopment:

The project addresses area-wide redevelopment within the Nims Neighborhood and will fully reactivate the property. This site has long been a City priority for redevelopment, but multiple redevelopment efforts over the years have not been successful for a variety of reasons. The project will allow the community an opportunity for redevelopment of the property by placing it in its highest and best use. The project brings new housing and retail options to the city and will attract new residents and businesses to the community.

O. Whether the project addresses underserved markets of commerce:

The project is located in an area of focus for the City, as outlined in the City's master plan and will serve as a gateway to the western entryway to downtown Muskegon. The development will create opportunities for new local area businesses, including professional services (day care and dog care), health and wellness (hair salon, massage and fitness studio), and retail (market, coffee shop, bookstore and more). The existing surrounding area currently has limited retail or service businesses and the proposed commercial retail businesses are intentional with the planned increase in residential density that will drive additional demand for these services.

P. The level and extent of environmental contamination:

Soil and groundwater contamination in concentrations exceeding EGLE's NRDWC, GSIC, and DCC associated with historical manufacturing use are present throughout the Property. The Developer has and will continue to conduct site investigations and implement due care activities, including engineering controls and membranes to minimize water infiltration, to alleviate potential

future exposure to contamination in accordance with Michigan law.

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):

Not applicable

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

This project is not anticipated to compete with or adversely 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:

The project will result in the renovation and repurposing of an existing Property that is located in an area of focus for redevelopment, as outlined in the City's master plan. The project will revitalize this important area of the city, and contribute to the economic success of the community and residents.

T. Describe how does the TBP includes provisions for affordable housing:

Through an Affordable Housing Agreement between the Developer and the City of Muskegon , the planned residential portion of the project includes the delivery of an annual average of 20 units for income qualified households earning 100% area median income or less for a period of 20 years.

APPENDIX E – Income and Withholding Tax Capture Safe Harbor Revenue Tables

Table 2
Shaw Walker TBP
Muskegon, Michigan
Safe Harbor Project Capture
Summary

Year	Constr. Sales/Use Tax Exemption	Constr. PIT Capture	Residential Income Tax Capture - Safe Harbor*	Commercial Withholding Capture - Safe Harbor*	Incr. Property Tax Capture - SCHOOL	Incr. Property Tax Capture - LOCAL	Sales Tax Capture	Total TBP Benefit
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$1,615,462	\$1,192,043	\$0	\$0	\$0	\$0	\$0	\$2,807,505
2027	\$1,615,462	\$1,192,043	\$0	\$0	\$0	\$0	\$0	\$2,807,505
2028	\$1,615,462	\$1,192,043	\$1,694,284	\$67,997	\$0	\$0	\$220,320	\$4,790,106
2029	\$0	\$0	\$1,975,874	\$104,953	\$0	\$0	\$276,733	\$2,357,561
2030	\$0	\$0	\$2,272,371	\$129,596	\$33,691	\$82,256	\$302,504	\$2,820,419
2031	\$0	\$0	\$2,338,270	\$133,355	\$34,426	\$83,914	\$311,579	\$2,901,544
2032	\$0	\$0	\$2,406,080	\$137,222	\$61,285	\$85,307	\$320,926	\$3,010,820
2033	\$0	\$0	\$2,475,856	\$141,201	\$62,630	\$87,025	\$330,554	\$3,097,267
2034	\$0	\$0	\$2,547,656	\$145,296	\$64,003	\$88,777	\$340,470	\$3,186,203
2035	\$0	\$0	\$2,621,538	\$149,510	\$65,403	\$90,565	\$350,685	\$3,277,700
2036	\$0	\$0	\$2,697,563	\$153,846	\$66,830	\$92,388	\$361,205	\$3,371,832
2037	\$0	\$0	\$2,775,792	\$158,307	\$68,287	\$94,248	\$372,041	\$3,468,675
2038	\$0	\$0	\$2,856,290	\$162,898	\$69,772	\$176,941	\$383,202	\$3,649,104
2039	\$0	\$0	\$2,939,123	\$167,622	\$1,054,332	\$1,414,967	\$394,699	\$5,970,742
2040	\$0	\$0	\$3,024,357	\$172,483	\$1,106,318	\$1,783,639	\$406,539	\$6,493,337
2041	\$0	\$0	\$3,112,064	\$177,485	\$1,270,790	\$2,136,899	\$418,736	\$7,115,974
2042	\$0	\$0	\$3,202,313	\$182,632	\$1,298,332	\$2,329,763	\$431,298	\$7,444,339
2043	\$0	\$0	\$3,295,180	\$187,929	\$1,326,031	\$2,415,527	\$444,237	\$7,668,904
2044	\$0	\$0	\$3,390,741	\$193,379	\$1,353,874	\$2,482,235	\$457,564	\$7,877,792
2045	\$0	\$0	\$3,489,072	\$198,987	\$1,381,855	\$2,533,124	\$471,291	\$8,074,329
2046	\$0	\$0	\$3,590,255	\$204,757	\$1,410,396	\$2,585,032	\$485,429	\$8,275,869
2047	\$0	\$0	\$3,694,373	\$210,695	\$1,439,508	\$2,637,977	\$34,709	\$8,017,262
2048	\$0	\$0	\$3,801,509	\$216,805	\$1,469,202	\$2,691,981	\$0	\$8,179,498
2049	\$0	\$0	\$0	\$0	\$1,499,489	\$2,747,066	\$0	\$4,246,555
2050	\$0	\$0	\$0	\$0	\$1,530,383	\$2,803,252	\$0	\$4,333,635
2051	\$0	\$0	\$0	\$0	\$1,561,895	\$2,860,562	\$0	\$4,422,456
2052	\$0	\$0	\$0	\$0	\$1,594,036	\$2,919,018	\$0	\$4,513,054
2053	\$0	\$0	\$0	\$0	\$1,626,821	\$2,978,643	\$0	\$4,605,464
2054	\$0	\$0	\$0	\$0	\$1,660,261	\$3,039,461	\$0	\$4,699,722
2055	\$0	\$0	\$0	\$0	\$2,023,088	\$3,101,495	\$0	\$5,124,583
2056	\$0	\$0	\$0	\$0	\$1,548,427	\$2,373,815	\$0	\$3,922,242
TOTAL (30 Yrs)	\$4,846,386	\$3,576,128	\$60,200,564	\$3,396,957	\$26,681,365	\$46,715,878	\$7,114,720	\$152,531,998

*20yr Capture Safe Harbor Calculations above are shown above at 90% of the Total Capture figures in Table 1 (0.90 * Annual Total Capture Figures in Table 1)

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-047

**APPROVAL OF A BROWNFIELD ACT 381 COMBINED TRANSFORMATIONAL
BROWNFIELD PLAN
CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY
THE SHAW WALKER MIXED-USE TRANSFORMATIONAL BROWNFIELD PLAN**

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 (“Act 381”), 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, Public Act 46 of 2017 amended Act 381 to allow a governing body and the MSF to approve transformational brownfield plans (“TBP”) and was further amended by Public Act 135 of 2021 modifying criteria for transformational brownfield plans;

WHEREAS, on July 17, 2017, the MSF Board adopted the Transformational Brownfield Plan Guidelines (the “TBP Guidelines”) by Resolution 2017-109;

WHEREAS, the MSF Board amended the TBP Guidelines by Resolution 2017-152 on September 26, 2017, by Resolution 2019-062 on April 23, 2019, by Resolution 2022-055 on March 22, 2022, by Resolution 2023-132 on July 25, 2023, and by Resolution 2023-194 on December 12, 2023;

WHEREAS, captured school operating tax revenues, construction period tax capture revenues, sales and use tax exemption, income tax capture revenues, withholding tax capture revenues, sales and use tax capture revenues may be used under 1996 PA 381 as amended, for demolition, construction, restoration, alteration, renovation or improvement of buildings, or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, or for lead, asbestos, or mold abatement, and for demolition and that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the City of Muskegon Brownfield Redevelopment Authority (the “Authority”) has submitted a combined transformational brownfield plan (the “Plan”) for property located at 965 West Western Avenue, 920 Washington Avenue, 930 Washington Avenue, and 1330 Division Street within the City of Muskegon, known as The Shaw Walker Mixed-Use Transformational Brownfield Plan (the “Project”);

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

WHEREAS, the Authority and Parkland Properties of Michigan – Shaw Walker LLC, Shaw Walker Opportunity Zone Business 1, LLC; Shaw Walker Opportunity Zone Business 2, LLC; Shaw Walker Opportunity Zone Business 3, LLC; Shaw Walker Opportunity Zone Business 4, LLC (the “Developer”) are requesting MSF approval of the following actions:

- 1) capture of \$73,397,242 in local and school property tax capture revenues, with state tax capture limited to \$26,681,365;
- 2) a sales and use tax exemption of up to \$4,846,386 during the construction period of the Project;
- 3) capture up to \$3,576,128 in construction period tax capture revenues; and
- 4) capture up to \$77,778,633 in post-construction income tax capture revenues, post-construction withholding tax capture revenues, and post-construction sales and use tax capture.

(the aforementioned, collectively, the “Transformational Brownfield Plan Designation”);

WHEREAS, the safe harbor calculation for income and withholding tax capture revenues may be elected for an individual project site prior to the first distribution of income tax or withholding tax revenues, but once disbursement of income and withholding tax capture revenues commences, the Developer shall use the safe harbor calculation for that project site until disbursement is complete;

WHEREAS, the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture, if elected by the developer, are included in Appendix A;

WHEREAS, capture of up to 100% of income tax capture revenues may occur subject to a written binding affordable housing agreement between the local governmental unit and the Developer;

WHEREAS, following construction completion and occupancy of the completed buildings, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs are less than 90 percent of the amount estimated in the Act 381 Transformational Brownfield Plan; and

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Transformational Brownfield Plan Designation; and

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; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate all final terms and conditions and execute all documents necessary to effectuate the Transformational Brownfield Plan Designation in accordance with the terms set forth in this Resolution and consistent with the requirements of Act 381, as amended.

Ayes: Dr. Brittany L. Affolter-Caine, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 22, 2025

APPENDIX A - Income and Withholding Tax Capture Safe Harbor Revenue Tables

Table 2
Shaw Walker TBP
Muskegon, Michigan
Safe Harbor Project Capture
Summary

Year	Constr. Sales/Use Tax Exemption	Constr. PIT Capture	Residential Income Tax Capture - Safe Harbor*	Commercial Withholding Capture - Safe Harbor*	Incr. Property Tax Capture - SCHOOL	Incr. Property Tax Capture - LOCAL	Sales Tax Capture	Total TBP Benefit
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$1,615,462	\$1,192,043	\$0	\$0	\$0	\$0	\$0	\$2,807,505
2027	\$1,615,462	\$1,192,043	\$0	\$0	\$0	\$0	\$0	\$2,807,505
2028	\$1,615,462	\$1,192,043	\$1,694,284	\$67,997	\$0	\$0	\$220,320	\$4,790,106
2029	\$0	\$0	\$1,975,874	\$104,953	\$0	\$0	\$276,733	\$2,357,561
2030	\$0	\$0	\$2,272,371	\$129,596	\$33,691	\$82,256	\$302,504	\$2,820,419
2031	\$0	\$0	\$2,338,270	\$133,355	\$34,426	\$83,914	\$311,579	\$2,901,544
2032	\$0	\$0	\$2,406,080	\$137,222	\$61,285	\$85,307	\$320,926	\$3,010,820
2033	\$0	\$0	\$2,475,856	\$141,201	\$62,630	\$87,025	\$330,554	\$3,097,267
2034	\$0	\$0	\$2,547,656	\$145,296	\$64,003	\$88,777	\$340,470	\$3,186,203
2035	\$0	\$0	\$2,621,538	\$149,510	\$65,403	\$90,565	\$350,685	\$3,277,700
2036	\$0	\$0	\$2,697,563	\$153,846	\$66,830	\$92,388	\$361,205	\$3,371,832
2037	\$0	\$0	\$2,775,792	\$158,307	\$68,287	\$94,248	\$372,041	\$3,468,675
2038	\$0	\$0	\$2,856,290	\$162,898	\$69,772	\$176,941	\$383,202	\$3,649,104
2039	\$0	\$0	\$2,939,123	\$167,622	\$1,054,332	\$1,414,967	\$394,699	\$5,970,742
2040	\$0	\$0	\$3,024,357	\$172,483	\$1,106,318	\$1,783,639	\$406,539	\$6,493,337
2041	\$0	\$0	\$3,112,064	\$177,485	\$1,270,790	\$2,136,899	\$418,736	\$7,115,974
2042	\$0	\$0	\$3,202,313	\$182,632	\$1,298,332	\$2,329,763	\$431,298	\$7,444,339
2043	\$0	\$0	\$3,295,180	\$187,929	\$1,326,031	\$2,415,527	\$444,237	\$7,668,904
2044	\$0	\$0	\$3,390,741	\$193,379	\$1,353,874	\$2,482,235	\$457,564	\$7,877,792
2045	\$0	\$0	\$3,489,072	\$198,987	\$1,381,855	\$2,533,124	\$471,291	\$8,074,329
2046	\$0	\$0	\$3,590,255	\$204,757	\$1,410,396	\$2,585,032	\$485,429	\$8,275,869
2047	\$0	\$0	\$3,694,373	\$210,695	\$1,439,508	\$2,637,977	\$34,709	\$8,017,262
2048	\$0	\$0	\$3,801,509	\$216,805	\$1,469,202	\$2,691,981	\$0	\$8,179,498
2049	\$0	\$0	\$0	\$0	\$1,499,489	\$2,747,066	\$0	\$4,246,555
2050	\$0	\$0	\$0	\$0	\$1,530,383	\$2,803,252	\$0	\$4,333,635
2051	\$0	\$0	\$0	\$0	\$1,561,895	\$2,860,562	\$0	\$4,422,456
2052	\$0	\$0	\$0	\$0	\$1,594,036	\$2,919,018	\$0	\$4,513,054
2053	\$0	\$0	\$0	\$0	\$1,626,821	\$2,978,643	\$0	\$4,605,464
2054	\$0	\$0	\$0	\$0	\$1,660,261	\$3,039,461	\$0	\$4,699,722
2055	\$0	\$0	\$0	\$0	\$2,023,088	\$3,101,495	\$0	\$5,124,583
2056	\$0	\$0	\$0	\$0	\$1,548,427	\$2,373,815	\$0	\$3,922,242
TOTAL (30 Yrs)	\$4,846,386	\$3,576,128	\$60,200,564	\$3,396,957	\$26,681,365	\$46,715,878	\$7,114,720	\$152,531,998

*20Yr Capture Safe Harbor Calculations above are shown above at 90% of the Total Capture figures in Table 1 (0.90 * Annual Total Capture Figures in Table 1)



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

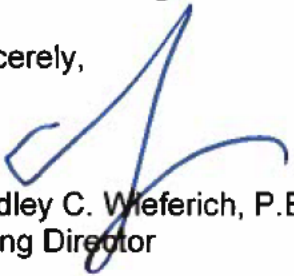
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



MEMORANDUM

Date: April 22, 2025

To: Michigan Strategic Fund Board

From: Dominic Romano, Senior Community Development Manager
Debbie Stehlik, Senior Commercial Real Estate Investment Manager
Rachel Young, Senior Program Specialist
Rob Garza, Director, Statutory Analysis

Subject: Request for Approval of a Transformational Brownfield Plan (TBP)
City of Southfield Brownfield Redevelopment Authority (BRA)
Middlepointe Investment Group, LLC
Middlepointe Redevelopment Project Transformational Brownfield Plan

Project Summary & Request

Middlepointe Investment Group LLC (the “Developer” or “Applicant”) and the City of Southfield Brownfield Redevelopment Authority (the “BRA”) are requesting approval of a TBP incentive package in the aggregate amount of \$131,822,436 reimbursed over 30 years, and divided by revenue type as follows:

- Local and school property tax capture in the amount of \$61,179,063, with state capture limited to \$22,820,131.
- A maximum of \$2,646,000 in construction period withholding tax capture revenues.
- A maximum of \$4,320,000 in construction period sales and use tax exemptions.
- A maximum of \$63,677,373 in income tax capture revenues, withholding tax capture revenues and sales and use tax revenues (post-construction) to be reimbursed over 20 years.

The proposed Transformational Brownfield Plan (the “Plan”) consists of five buildings in the core of the City of Southfield. The redevelopment consists of the scope detailed below:

- Building A will consist of a 2,250 square foot, single-story retail structure.
- Building B will consist of a 59,160 square foot, five-story mixed-use structure containing first floor commercial space and approximately 80 residential units on the upper floors.
- Building C will consist of a 229,231 square foot, five-story mixed-use building containing commercial space and approximately 243 residential units.
- Building D will consist of a 238,664 square foot, mixed-use building containing commercial space and approximately 254 residential units.
- A 288,740 square foot, six-story parking deck will serve as the primary structured parking facility for the development, offering approximately 826 spaces, and first floor commercial space.

A project map and project renderings are included in Appendix C.

PROJECT SUMMARY	
Project Eligibility	Functionally Obsolete
Total Approximate Private Square Feet Revitalized	660,745
Total Approximate Public Square Feet Activated	33,850
Total Approximate Acres Activated	8.15
Estimated # of Residential Units	577
Estimated Full-Time Equivalent Jobs Created	100
Estimated Commercial Square Footage	42,665
Estimated Residential Square Footage	527,055
Current Taxable Value	\$457,091
Projected Taxable Value at Completion	\$29,032,091
Total Anticipated Capital Investment	\$209,552,970
Transformational Brownfield Revenue Request	\$131,822,436

The overall transformational project will usher in a new era for the City of Southfield drawing in more employees and businesses, invigorating existing pandemic-affected locations, linking existing assets and employment centers and helping them to grow their population through important place-based investment. This series of projects seeks to deliver a dynamic mix of housing, office, commercial, amenities, outdoor space, and common space on blighted vacant land in the city’s center. The Plan consists of construction of a walkable, high-density mixed-use development including three multi-story, mixed-use buildings and one multi-story parking deck with ground-floor retail. In total, the project is planned to include 577 residential units, surface and structured parking spaces, and 42,665 square feet of retail and commercial space. The project also includes two pocket parks and a pedestrian greenway connecting Southfield’s central park with development to the west.

Today, the City of Southfield is considered a community of commerce and job creation, yet widespread market conditions have created universal economic challenges. The project intends to be a place-making development that will provide housing, commercial spaces, community greenspace, and other amenities that will help to catalyze additional development and investment in the city. When completed, the project will have a transformational impact on local economic development and community revitalization.

Through an Affordable Housing Agreement between the Developer and the City of Southfield, the planned residential portion of the Project includes reserving 15.6% of units as affordable at 80% of Area Median Income (“AMI”), totaling 90 units. The affordable units will be spread throughout the project’s three residential buildings and will be allocated across all unit types to ensure an equal distribution of affordability throughout the Project.

Following construction completion and occupancy of the completed buildings, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs are less than 90 percent of the amount estimated in the Act 381 Work Plan. The associated MSF Board resolution includes the authorization for this modification per Section 14a(8) of Act 381.

Statutory and Policy Considerations

Act 381 of 1996 (the “Act”), as amended, authorizes the MSF to approve Transformational Brownfield Plans that include state and local property tax capture in conjunction with the Local Unit of Government, sales and use tax exemptions, construction period tax capture revenues, income tax capture revenues, withholding tax capture revenues, and sales and use tax capture revenues for the purpose of supporting projects statewide. On July 25, 2017, the MSF Board approved the Transformational Brownfield Program Guidelines (“Guidelines”). The Guidelines have been amended by the MSF Board most recently on December 12, 2023. As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Guidelines and programmatic requirements, and a third-party underwriting analysis has been completed by Anderson Economic Group. A summary of the completed underwriting analysis is included in Appendix A. An MSF Eligible Activities Table, Transformational Brownfield Program (“TBP”) Revenue Summary, and key statutory criteria are included in Appendix D.

The project qualifies as a TBP as defined under Act 381 as it exceeds the threshold for capital investment based on the population of the city (which in this case is \$50 million) and will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan. The project is a mixed-use development with planned integration of retail, residential, and commercial uses.

The request includes the use of up to 100% of income tax capture revenues, which is allowed under statute and Guidelines, subject to a written affordable housing agreement between the local governmental unit and the developer. This agreement will be executed prior to MSF approval.

The request also includes a safe harbor calculation for income and withholding tax capture revenues. As a condition of recommended approval, the developer is electing Safe Harbor and cannot select using the traditional calculation for Income and Withholding Tax Capture revenues.

Financial Highlights

- Total Development Cost is \$256 per square foot, including parking. Without parking, per square foot cost is \$389.
- Residential rental rates range between \$1,340 for a studio unit to \$2,300 for a two-bedroom unit or \$2.13 to \$3.09 per square foot with an average of \$2.47. 90 units, or 15.6%, will be considered affordable to households earning 80% of Area Median Income (AMI).
- Projected commercial rents range between \$28.00 and \$49.00 per square foot. These are within range of comparable projects and reflect market trends and predicted use of space.
- Average debt service coverage ratio of 1.50 to 1.0.
- Anticipated equity contribution of approximately 21.7%.
- Projected levered Internal Rate of Return (IRR) on average of 7.6% and a Return on Equity (ROE) and Cash on Cash return of 11%, both over a 20-year horizon with the requested financial support.

Demonstrated Need

An independent underwriting analysis was completed by Anderson Economic Group, LLC (AEG). After conducting a thorough analysis of the project, guided by the MSF approved TBP Guidelines, it was determined the project is feasible and the full approximately \$131.8 million in TBP assistance is required. TBP Guidelines include the following assessment criteria:

- Assessment of how much traditional debt the project should be able to support/attract.

- Developer and consultant fees limited to 4% of the total development cost of the project.
- Reasonableness assessment of any related-party costs and expenses.
- Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees).
- Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
- Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost are to be evaluated if financing is preliminary.
- Reasonableness assessment of the proposed rental structure and assumptions.
- Reasonableness assessment of the proposed operating expenses.
- Reasonableness assessment of the proposed development costs.
- Process conducted to analyze and determine the project's economic viability.

Using the assumptions provided during the underwriting of the project and market analysis, it was determined that the Developer could achieve a projected leveraged average Internal Rate of Return (IRR) of 7.6% and Return on Equity (ROE) and Cash on Cash return of 11%, both over a 20-year horizon with the requested financial support. These returns would be considered below the market appropriate rate of return identified for a project of this size and complexity. The underwriting analysis executive summary is included in Appendix A.

Local Support

The City of Southfield is supporting the project with the local portion of the property tax capture component of the Brownfield TIF valued at an estimated \$38,358,932.

Applicant Background / Qualifications

The development team is led by Hassan Jawad, a seasoned real estate investor and developer with a longstanding track record of delivering transformative projects across Michigan. Under his leadership, the Middlepointe Development Team brings deep collective expertise across real estate acquisition, finance, construction, and asset management. The team has successfully developed and managed hundreds of residential units and significant commercial square footage, including office, retail, and mixed-use developments throughout Southeast Michigan.

Members of the team have broad-based experience in urban redevelopment, public-private partnerships, and community-focused investment strategies. Their portfolio includes walkable, high-density projects that have supported revitalization goals and economic development in both suburban and urban contexts. The team's operational and ownership experience spans across development, brokerage, and small business operations. This well-rounded expertise positions the team to execute on Middlepointe's transformative vision.

An Organizational Chart for Middlepointe Investment Group, LLC is provided in Appendix B. The background review process was completed in accordance with the MSF Background Review Policy on February 19, 2025.

Recommendation

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

- a) Approval of a TBP in the aggregate amount of \$131,822,436 reimbursed over 30 years, which consists of the following revenue maximums:

- 1) Local and school property tax capture in the amount of \$61,179,063, to be reimbursed over 30 years.
 - 2) A maximum of \$2,646,000 in construction period withholding tax capture revenues.
 - 3) A maximum of \$4,320,000 in construction period sales and use tax exemptions.
 - 4) A maximum of \$63,677,373 in income tax capture revenues, withholding tax capture revenues, and sales and use tax revenues (post-construction) to be reimbursed over 20 years.
- b) Approval of the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture. The factors will align with all parameters within the TBP Guidelines approved by the MSF on December 12, 2023. The developer is required to use the safe harbor amounts to determine that maximum allowed disbursement of income and withholding tax capture.

APPENDIX A – Underwriting Analysis Executive Summary

Underwriting Analysis

The Developer has requested assistance under the Transformational Brownfield Plan (TBP) amendment to the Michigan Brownfield Redevelopment Financing Act. Anderson Economic Group, LLC (AEG) was engaged by the Michigan Economic Development Corporation (MEDC), on behalf of the Michigan Strategic Fund (MSF), to conduct an independent third-party financial and underwriting review of the Project.

The underwriting analysis was guided by the MSF approved TBP Guidelines which include the following assessment criteria:

- Assessment of how much traditional debt the project should be able to support/attract.
- Developer and consultant fees limited to 4% of the total development cost of the project.
- Reasonableness assessment of any related-party costs and expenses.
- Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees).
- Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
- Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost are to be evaluated if financing is preliminary.
- Reasonableness assessment of the proposed rental structure and assumptions.
- Reasonableness assessment of the proposed operating expenses.
- Reasonableness assessment of the proposed development costs.
- Process conducted to analyze and determine the project's economic viability.

In addition to the above, AEG was charged with reviewing the reasonableness of the Developer projected TBP revenue streams. AEG determined that each of the projected TBP revenue streams were reasonable.

The Project Components are in the preliminary stages of development thus costs have not been finalized. The review by AEG determined the proposed costs and development budget to be reasonable but are likely to adjust as the Project moves to construction. The Developer's assumed costs appear to be within the range of comparable projects within the market identified by AEG. The Developer anticipates financing the Project with a combination of conventional debt, cash equity, and deferred developer fees, and it appears that the Development Team is maximizing available debt financing for the Project.

The Developer's proposed Project is likely to be transformative, bringing a density of new construction that is expected to attract new employees and residents to the City of Southfield. The level of TBP assistance requested appears reasonable and appropriate to ensure the financial feasibility of the proposed Project. Even with the requested financial support the projected leveraged Internal Rate of Return (IRR) is on average 7.6% and Return on Equity (ROE) and Cash on Cash return are 11%, both over a 20-year horizon with the requested financial support. These returns would be considered below the market appropriate rates of return identified for a project of this size and complexity.

Staff recommends that a single post construction re-evaluation be conducted per Section 14a(8) of Act 381 to adjust for the actual construction costs. Following construction completion, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down ("true up"). The incentive award will be decreased if the actual construction costs are less than 90% of the

amount estimated in the Act 381 Work Plan. The Reimbursement Agreement for this project will further detail the post construction cost certification and conditions that would require specific modifications.

APPENDIX B – Organizational Charts

Organizational Structure				
Company Name: Middlepointe Investment Group, LLC				
Employer Identification Number: 82-1194265				
MANAGER: Hassan Samir Jawad				
Member		Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Member/Company name and manager		100.00%	82-1194265	Michigan
Middlepointe Investment Group, LLC	100.00%			
Hassan Samir Jawad		100%		

APPENDIX C – Project Maps and Renderings







APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Southfield, a Qualified Local Governmental Unit, has duly approved a Transformational Brownfield Plan for these properties on March 24, 2025. The property has been determined to be deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on November 22, 2021.

There are 61.6815 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (38.9%) and local millage equaling 37.6815 mills (61.1%). Tax increment capture will begin in 2026 and is estimated to continue for 30 years. The state tax capture is recommended to be capped at \$22,820,131, which is the amount of tax increment revenue anticipated to be generated in 30 years. Total MSF eligible activities are estimated at \$136,791,928. The property tax reimbursement only represents a portion of the award needed to fully reimburse the developer for eligible activity costs. MSF eligible activities break down as follows:

Tax Capture Summary:

State tax capture	(38.9%)	\$ 22,820,131
Local tax capture	(61.1%)	\$ 38,358,932
TOTAL		\$ 61,179,063

Total TBP Revenue Breakdown

Property Tax Capture	\$	61,179,063
Construction Period Sales and Use Tax Exemption		4,320,000
Construction Period Tax Capture		2,646,000
Income Tax Capture (post-construction)		42,777,839
Withholding Tax Capture (post-construction)		1,947,586
Sales and Use Tax Capture (post-construction)	+	18,951,948
ANTICIPATED TOTAL	\$	131,822,436

The project is not requesting EGLE Work Plan support for this project to assist with environmental eligible activities.

Statutory Criteria

It is the role of the Project Management staff (MEDC Staff) to review the information provided by the applicant for eligibility, completeness, and adherence to program guidelines, and to manage the MSF's investment. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from materials submitted by the applicant, and, as applicable, from other relevant third-party sources utilized by staff.

As required under Act 381, 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 will revitalize a long-vacant site with a transformational infill development that integrates seamlessly into the surrounding area. As a key piece of the Southfield City Centre district, the project will create a vibrant, walkable environment where residents, tenants, and

community members can live, work, and play while supporting local businesses, employment growth, and economic expansion.

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

The development will bring activity to a currently underutilized area within City Centre Southfield. Integrating thoughtfully with the broader downtown area, the development will have a significant positive impact on the City's economy, tax base and population growth. The development will create immediate density and activity to support additional commercial uses and spur new residential development which will have a catalytic impact on the City.

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

The City of Southfield is supporting the project with the local portion of the property tax capture component of the Brownfield TIF valued at \$38,358,932.

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

The TBP proposes that the Developer will invest over \$209.5 million to develop the combined proposed TBP project. Based on the third-party underwriting analysis, the full \$131.8 million in TBP assistance is required for the project to be financially feasible. A projected levered cash on cash return (over a 20-year time horizon) of 15% or less is considered acceptable for projects of this size, scope and complexity. The estimated returns for Middlepointe are within the necessary threshold with a projected levered Internal Rate of Return (IRR) on average of 7.6% and an average return on equity (ROE) and Cash on Cash return of 11%, both over a 20-year time horizon, with the requested financial support.

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

Not applicable.

F. Creation of jobs:

In total, the three projects are planned to generate 100 full-time equivalent jobs at an average hourly wage of \$25.

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

It is anticipated that Middlepointe will be able to attract approximately \$200 million in private capital between equity and debt financing.

H. Whether the project is financially and economically sound:

A comprehensive third-party underwriting and financial analysis was completed by Anderson Economic Group to evaluate the reasonableness of project assumptions, the financial feasibility of the project, and structure of TBP assistance required to make the Project financially feasible under TBP guidelines. The project is considered financially and economically sound.

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

The project site is currently vacant and functionally obsolete. Upon completion, the site will consist of approximately 577 residential units, parking, and approximately 43,000 square feet of commercial space and is anticipated to bring 100 FTE jobs to the site.

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

The project is along an existing bus route, includes pedestrian friendly landscape and outdoor space, encourages public gatherings and is supported by other nearby resources including access to a public park and co-working spaces. The Southfield City Centre continues to be a major focus for redevelopment, transitioning from a car-dependent suburb into a walkable, mixed-use downtown. Current plans for the City Centre aim to create a vibrant area that combines retail, residential, and commercial spaces, making it appealing for both day and night-time activity.

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

No public buildings will be converted to private use as a part of the TBP.

L. Whether the project promotes sustainable development:

The project will incorporate greenspace, energy efficient thermal controls, LED lighting, low flow water sources, recycling programs, on-site bike parking, and on-site EV charging stations.

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

This project does not involve the rehabilitation of a historic resource.

N. Whether the project addresses area-wide redevelopment:

The City of Southfield has undertaken major investments to enhance walkability, connectivity, and urban redevelopment, particularly along the Evergreen Road Corridor. These improvements have been designed to create a cohesive, pedestrian-friendly environment, linking local businesses, universities, residences, and parks within the City Centre district. This development looks to build off of the exiting momentum.

O. Whether the project addresses underserved markets of commerce:

The City of Southfield has a large corporate footprint, and the current housing stock does not meet the needs of the city and/or provide modern design or amenities found in the surrounding communities. In addition to the housing stock, the development will also seek to enhance retail markets, provide additional dining and entertainment options, and include flexible office and service-oriented spaces.

P. The level and extent of environmental contamination:

Contamination is not suspected to be present in the subsurface of the Property.

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):
Not applicable

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

This TBP is not anticipated to compete with or adversely 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:

Not applicable.

T. Describe how does the TBP includes provisions for affordable housing:

Through an Affordable Housing Agreement between the Developer and the City of Southfield the planned residential portion of the Project includes 90 units reserved for households earning at or below 80% of Area Median Income (AMI).

APPENDIX E – Income and Withholding Tax Capture Safe Harbor Revenue Tables

Table 4
Consolidated Recapture Projections Breakout
Middlepointe Redevelopment Project

Consolidated Recapture Projections Breakout												
Year	Constr. Sales/Use Tax Exemption	Construction PIT Capture	Income Tax Capture	Income Tax Capture [Safe Harbor]*	Withholding Tax Capture	Withholding Tax Capture [Safe Harbor]*	Sales Tax Capture	Inc. Property Tax Capture - School	Inc. Property Tax Capture - Local	Total TBP Benefits	Total TBP Benefits [Safe Harbor]	Admin/ LIRF Capture
2026	\$ 1,440,000	\$ 882,000	1,956,217	1,760,595	89,063	80,156	780,000	152,418	246,143	2,720,561	2,720,561	27,349
2027	1,440,000	882,000	1,995,342	1,795,807	90,844	81,759	795,600	304,837	492,287	5,944,403	5,739,875	54,699
2028	1,440,000	882,000	2,035,248	1,831,724	92,661	83,395	811,512	457,255	738,432	6,399,472	6,190,854	82,048
2029			2,075,953	1,868,358	94,514	85,062	827,742	600,075	969,073	4,508,569	4,295,778	107,675
2030			2,117,472	1,905,725	96,404	86,764	844,297	612,269	988,767	4,599,245	4,382,199	109,863
2031			2,159,822	1,943,840	98,332	88,499	861,183	624,515	1,064,572	4,747,261	4,525,873	56,030
2032			2,203,018	1,982,716	100,299	90,269	878,407	637,005	1,085,864	4,842,206	4,616,391	57,151
2033			2,247,079	2,022,371	102,305	92,074	895,975	649,745	1,107,581	4,939,050	4,708,718	58,294
2034			2,292,020	2,062,818	104,351	93,916	913,894	662,739	1,129,729	5,034,626	4,802,888	59,459
2035			2,337,861	2,104,075	106,438	95,794	932,172	675,994	1,152,324	5,138,584	4,896,947	60,649
2036			2,384,618	2,146,156	108,567	97,710	950,816	689,514	1,175,373	5,241,358	4,996,928	61,862
2037			2,432,310	2,189,079	110,738	99,664	969,832	703,304	1,198,878	5,346,182	5,096,864	63,099
2038			2,480,956	2,232,861	112,953	101,658	989,229	717,371	1,222,857	5,453,108	5,198,803	64,361
2039			2,530,576	2,277,518	115,212	103,691	1,009,013	731,717	1,247,315	5,562,170	5,302,779	65,648
2040			2,581,187	2,323,068	117,516	105,764	1,029,193	746,352	1,272,260	5,673,413	5,408,834	66,961
2041			2,632,811	2,369,530	119,866	107,880	1,049,777	761,279	1,297,708	5,786,883	5,517,013	68,300
2042			2,685,467	2,416,920	122,264	110,037	1,070,773	776,504	1,323,662	5,902,620	5,627,352	69,666
2043			2,739,176	2,465,259	124,709	112,238	1,092,188	792,035	1,350,132	6,020,671	5,739,898	71,060
2044			2,793,960	2,514,564	127,203	114,483	1,114,032	807,876	1,377,134	6,141,084	5,854,695	72,481
2045			2,849,839	2,564,855	129,747	116,773	1,136,313	824,033	1,404,679	6,263,907	5,971,790	73,930
2046								840,514	1,508,180	6,464,593	6,166,634	-
2047								857,324	1,538,344	6,696,668	6,396,668	-
2048								874,471	1,568,112	6,934,583	6,632,583	-
2049								891,960	1,600,495	7,186,555	6,873,555	-
2050								909,800	1,632,505	7,449,560	7,135,560	-
2051								1,060,565	1,665,155	7,725,220	7,410,220	-
2052								1,081,777	1,698,458	7,994,235	7,678,235	-
2053								1,103,412	1,732,424	8,266,836	7,950,836	-
2054								1,125,480	1,767,074	8,533,554	8,217,554	-
2055								1,147,991	1,802,415	8,805,406	8,489,406	-
TOTAL (30 Yrs)	\$ 4,320,000	\$ 2,646,000	\$ 47,530,923	\$ 42,777,839	\$ 2,163,984	\$ 1,947,586	\$ 18,951,948	\$ 22,820,151	\$ 38,536,932	\$ 136,791,228	\$ 131,822,436	\$ 1,350,584

*Safe Harbor amounts are calculated based on 90% of the actual projected income and withholding tax values.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-048

**APPROVAL OF A BROWNFIELD ACT 381 COMBINED TRANSFORMATIONAL
BROWNFIELD PLAN
CITY OF SOUTHFIELD BROWNFIELD REDEVELOPMENT AUTHORITY
THE MIDDLEPOINTE REDEVELOPMENT PROJECT TRANSFORMATIONAL
BROWNFIELD PLAN**

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 (“Act 381”), 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, Public Act 46 of 2017 amended Act 381 to allow a governing body and the MSF to approve transformational brownfield plans (“TBP”) and was further amended by Public Act 135 of 2021 modifying criteria for transformational brownfield plans;

WHEREAS, on July 17, 2017, the MSF Board adopted the Transformational Brownfield Plan Guidelines (the “TBP Guidelines”) by Resolution 2017-109

WHEREAS, the MSF Board amended the TBP Guidelines by Resolution 2017-152 on September 26, 2017, by Resolution 2019-062 on April 23, 2019, by Resolution 2022-055 on March 22, 2022, by Resolution 2023-132 on July 25, 2023, and by Resolution 2023-194 on December 12, 2023;

WHEREAS, captured school operating tax revenues, construction period tax capture revenues, sales and use tax exemption, income tax capture revenues, withholding tax capture revenues, sales and use tax capture revenues may be used under 1996 PA 381 as amended, for demolition, construction, restoration, alteration, renovation or improvement of buildings, or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, or for lead, asbestos, or mold abatement, and for demolition and that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the City of Southfield Brownfield Redevelopment Authority (the “Authority”) has submitted a combined transformational brownfield plan (the “Plan”) for property located at 26111 Evergreen Road, 26011 Evergreen Road, and 20100 Civic Center Drive within the City of Southfield, known as The Middlepointe Redevelopment Transformational Brownfield Plan (the “Project”);

WHEREAS, the City of Southfield is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure

improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204;

WHEREAS, the Authority and Middlepointe Investment Group, LLC (the “Developer”) are requesting MSF approval of the following actions:

- 1) capture of \$61,179,063 in local and school property tax capture revenues, with state tax capture limited to \$22,820,131;
- 2) a sales and use tax exemption of up to \$4,320,000 during the construction period of the Project;
- 3) capture up to \$2,646,000 in construction period tax capture revenues; and
- 4) capture up to \$63,677,373 in post-construction income tax capture revenues, post-construction withholding tax capture revenues, and post-construction sales and use tax capture.

(the aforementioned, collectively, the “Transformational Brownfield Plan Designation”);

WHEREAS, the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture, if elected by the developer, are included in Appendix A;

WHEREAS, the Developer is required to elect safe harbor for income tax capture and withholding tax capture revenues as a condition of Plan approval;

WHEREAS, capture of up to 100% of income tax capture revenues may occur subject to a written binding affordable housing agreement between the local governmental unit and the Developer;

WHEREAS, following construction completion and occupancy of the completed buildings, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs are less than 90 percent of the amount estimated in the Act 381 Transformational Brownfield Plan; and

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Transformational Brownfield Plan Designation; and

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; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate all final terms and conditions and execute all documents necessary to effectuate the Transformational Brownfield Plan Designation in accordance with the terms set forth in this Resolution and consistent with the requirements of Act 381, as amended.

Ayes: Dr. Britany L. Affolter-Caine, Rachael Eubanks, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 22, 2025

APPENDIX A - Income and Withholding Tax Capture Safe Harbor Revenue Tables

Table 4
Consolidated Recapture Projections Breakout
Midtlenhite Redevelopment Project

Consolidated Recapture Projections Breakout												
Year	Constr. Sales/Use Tax Exemption	Construction PIT Capture	Income Tax Capture	Income Tax Capture (Safe Harbor)*	Withholding Tax Capture	Withholding Tax Capture (Safe Harbor)*	Sales Tax Capture	Incr. Property Tax Capture - School	Incr. Property Tax Capture - Local	Total TBP Benefits	Total TBP Benefits (Safe Harbor)	Admin/ LBRF Capture
2026	\$ 1,440,000	\$ 882,000						\$ 152,418	\$ 246,143	\$ 2,720,561	\$ 2,720,561	\$ 27,349
2027	1,440,000	882,000	1,956,217	1,760,595	89,063	80,156	780,000	304,837	492,287	\$ 5,944,403	\$ 5,739,875	\$ 54,699
2028	1,440,000	882,000	1,995,342	1,795,807	90,844	81,759	795,600	457,255	738,432	\$ 6,399,472	\$ 6,190,854	\$ 82,048
2029			2,035,248	1,831,724	92,661	83,395	811,512	600,075	969,073	\$ 4,508,569	\$ 4,295,778	\$ 107,675
2030			2,075,953	1,868,358	94,514	85,062	827,742	612,269	988,767	\$ 4,599,245	\$ 4,382,199	\$ 109,863
2031			2,117,472	1,905,725	96,404	86,764	844,297	624,515	1,064,572	\$ 4,747,261	\$ 4,525,873	\$ 56,030
2032			2,159,822	1,943,840	98,332	88,499	861,183	637,005	1,085,864	\$ 4,842,206	\$ 4,616,391	\$ 57,151
2033			2,203,018	1,982,716	100,299	90,269	878,407	649,745	1,107,581	\$ 4,939,050	\$ 4,708,718	\$ 58,294
2034			2,247,079	2,022,371	102,305	92,074	895,975	662,739	1,129,729	\$ 5,034,226	\$ 4,802,888	\$ 59,459
2035			2,292,020	2,062,818	104,351	93,916	913,894	675,994	1,152,324	\$ 5,130,584	\$ 4,898,947	\$ 60,649
2036			2,337,861	2,104,075	106,438	95,794	932,172	689,514	1,175,373	\$ 5,241,358	\$ 4,996,928	\$ 61,862
2037			2,384,618	2,146,156	108,567	97,710	950,816	703,304	1,198,878	\$ 5,346,182	\$ 5,096,864	\$ 63,099
2038			2,432,310	2,189,079	110,738	99,664	969,832	717,371	1,222,857	\$ 5,453,108	\$ 5,198,803	\$ 64,361
2039			2,480,956	2,232,861	112,953	101,658	989,229	731,717	1,247,315	\$ 5,562,170	\$ 5,302,779	\$ 65,648
2040			2,530,576	2,277,518	115,212	103,691	1,009,013	746,352	1,272,260	\$ 5,673,413	\$ 5,408,834	\$ 66,961
2041			2,581,187	2,323,068	117,516	105,764	1,029,193	761,279	1,297,708	\$ 5,786,883	\$ 5,517,013	\$ 68,300
2042			2,632,811	2,369,530	119,866	107,880	1,049,777	776,504	1,323,662	\$ 5,902,620	\$ 5,627,352	\$ 69,666
2043			2,685,467	2,416,920	122,264	110,037	1,070,773	792,035	1,350,132	\$ 6,020,671	\$ 5,739,898	\$ 71,060
2044			2,739,176	2,465,259	124,709	112,238	1,092,188	807,876	1,377,134	\$ 6,141,084	\$ 5,854,695	\$ 72,481
2045			2,793,960	2,514,564	127,203	114,483	1,114,032	824,033	1,404,679	\$ 6,263,907	\$ 5,971,790	\$ 73,830
2046			2,849,839	2,564,855	129,747	116,773	1,136,313	840,514	1,508,180	\$ 6,464,593	\$ 6,166,634	-
2047								857,324	1,538,344	\$ 2,395,668	\$ 2,395,668	-
2048								874,471	1,569,112	\$ 2,443,583	\$ 2,443,583	-
2049								891,960	1,600,495	\$ 2,492,455	\$ 2,492,455	-
2050								909,800	1,632,505	\$ 2,542,305	\$ 2,542,305	-
2051								1,060,565	1,665,155	\$ 2,725,720	\$ 2,725,720	-
2052								1,081,777	1,698,458	\$ 2,780,235	\$ 2,780,235	-
2053								1,103,412	1,732,424	\$ 2,835,836	\$ 2,835,836	-
2054								1,125,480	1,767,074	\$ 2,892,554	\$ 2,892,554	-
2055								1,147,991	1,802,415	\$ 2,950,406	\$ 2,950,406	-
TOTAL (30 Yrs)	\$ 4,320,000	\$ 2,646,000	\$ 47,530,933	\$ 42,777,839	\$ 2,163,984	\$ 1,947,586	\$ 18,951,948	\$ 22,820,131	\$ 38,358,932	\$ 136,791,928	\$ 131,822,436	\$ 1,350,584

*Safe Harbor amounts are calculated based on 90% of the actual projected income and withholding tax values.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Wieferich", written over the printed name.

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



fdgMEMORANDUM

Date: April 22, 2025

To: Michigan Strategic Fund Board

From: Dominic Romano, Senior Community Development Manager
Debbie Stehlik, Senior Commercial Real Estate Investment Manager
Tori LaDuke, Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP)
Direct Loan
VESTER PROPCO LLC– Vester Flats – City of Ferndale

Recommendation

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

- a) A MCRP performance-based Direct Loan in an amount up to \$3,950,000 for VESTER PROPCO LLC on terms and conditions outlined in Exhibit A found in the resolution.
- b) Approval of funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088h(3)(e) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.
- c) Authorize the MSF Fund Manager to enter into a subordination agreement, and other required loan documentation as necessary, with Permanent Lender, under the terms and conditions outlined in Exhibit A found in the resolution.

Financial Highlights

The Vester Flats project has been prioritized by the City of Ferndale as it will redevelop an underutilized, blighted surface parking lot in the community’s downtown in accordance with their master plan, zoning ordinance, and economic development strategy. Due to the condition of the property, the substantial cost of construction associated with redevelopment, and challenging market conditions, including the current interest rate and construction cost environment, a significant financial gap remains after maximizing traditional financing. In addition, the city and development team’s interest in providing residential affordability also limits the revenue that can be generated. This combination of the inclusion of attainable housing merged with the high cost of construction is driving the need for MCRP support. The development team is contributing over \$3.3 million in equity (15% of total development cost) and the city is supporting the project with an approved Workforce PILOT valued at approximately \$4.4 million over 15 years.

- Construction cost per square foot of \$306.36.
- Residential rents are projected to range from \$840 for a studio unit to \$2,592 for a two-bedroom unit, averaging \$3.08 per square foot.
- 100% of the residential units will be designated for households earning between 50% and 120% of Oakland County Area Median Income (AMI) for a period that is co-terminus with the approved Workforce PILOT. The anticipated breakdown is:
 - 5 units at 50% AMI
 - 7 units at 60% AMI

- 21 units at 80% AMI
- 33 units at 100% AMI
- 6 units at 120% AMI
- Ground floor commercial space is projected to rent at \$20 per square foot.
- Projected proforma debt service coverage ratio of 1.08:1.0 with an average of 1.35:1.0 over a 30-year period. This is below the benchmark 1.20:1.0, however, this assumes a set repayment for the County's Housing Trust Fund loan and does not account for the cash flow dependent repayment provision. In addition, the permanent financing provided by Freddie Mac has an extended interest only-period for the first five years of the permanent loan and also has a combined minimum debt service coverage requirement of 1.10:1.0, which the project is projected to meet or exceed in all years (lowest year is projected at 1.22:1.0).
- Maximized senior and county debt financing of approximately 67% of total development cost and owner equity investment of \$3,346,990 or approximately 15%.
- Developer return (IRR) from operations over a 20-year time horizon is projected at 7.1%.

From the materials received and reviewed, staff considers the project to be financially and economically sound. A financial summary including project sources and uses and financial terms for the MCRP Incentive is included in Appendix C.

Project Summary & Request

The applicant, VESTER PROPCO LLC, is proposing to redevelop property located at 141 Vester Street, a blighted surface parking lot. In total, the site is 0.67 of an acre. The proposed redevelopment is a 72-unit multi-family, mixed-use and mixed-income project, totaling 54,653 square feet over four stories. The residential component of the project will be comprised of a mix of 45 studio units, 21 one-bedroom units, and six two-bedroom units. In addition, the first floor includes approximately 1,585 square feet of commercial space. A total of 54 parking spaces are provided, integrated under and located behind the building. In accordance with the City's desire, public improvements for a more pedestrian-oriented environment will be made along the right-of-way on Vester Street as well as in the alleyway adjacent to the building to the west. Lastly, in addition to enhancing the pedestrian-oriented streetscape, the project will add public art and upgrades to the water and sewer service.

PROJECT SUMMARY	
Project Eligibility-Blighted	Blighted
Total Approximate Square Feet Revitalized	56,953
Total Approximate Acres Activated	0.67
Estimated # of Residential Units	72
Estimated Commercial Square Footage	1,585
Current Taxable Value	\$220,320
Projected Taxable Value at Completion	PILOT
Total Anticipated Capital Investment	\$22,252,990
MCRP Loan	\$3,950,000

The three-story project will create an increase in residential density with 72 mixed-income units. The property will also have 1,585 square feet of commercial space on the first floor to add to the mix of uses for the property and the downtown. The development team coordinated with the city and Downtown Development Authority (DDA) to program the property in accordance with local planning and zoning. The

City of Ferndale has also supported the project with a Workforce PILOT valued at approximately \$4.4 million over 15 years.

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

Applicant Background / Qualifications

The development team, led by Matthew Walters, is comprised of a seasoned group of developers who have worked in both the public and private sectors. Specifically, the partners have completed or are in progress of completing over \$1 billion worth of mixed-use development, historic renovations, and ground up development in Detroit, Metro-Detroit, Ann Arbor, and Grand Rapids.

The development team has not previously received any incentives from the Michigan Strategic Fund.

An Organizational Chart for VESTER PROPCO LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on January 7, 2025.

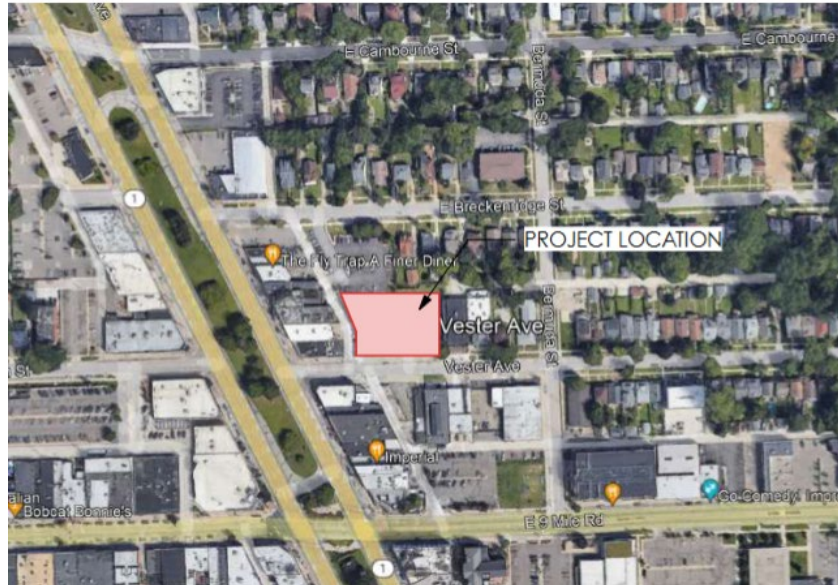
APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Vester Propco, LLC
Employer Identification Number: 80-2728485
MANAGER: Matthew Duvall Walters

Member				Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
SB GP Vester LLC				5.26%	92-2440381	Michigan
	Henry W, LLC	Eric Wolf Tuomey	10.00%			
	Vester Flats Holding Company, LLC	Matthew Duvall Walters	90.00%			
			100.00%			
Limited Partners (Various Entities)				94.74%		
				100.00%		

APPENDIX B – Project Map and Renderings



APPENDIX C – Financial Terms

Summary

The request is for a Direct Loan with a Construction Loan through The Community Preservation Corporation (CPC) for an initial term of 36 months. After this maturity, the development team will close on a Permanent Loan through the Federal Home Loan Mortgage Corporation’s (“Freddie Mac”) Non-LIHTC Unfunded Forward Commitment Loan Program. There will be a Construction Monitoring, Disbursement, and Servicing Agreement (CMDA) in place with CPC for the duration of the Construction Term where CPC will service the MSF Direct Loan through the construction period. The MSF will service the Direct Loan for the duration of the Permanent Term.

Summary of Development Sources:

Senior Loan	\$	11,956,000	53.73%
Oakland Co HTF Loan	\$	3,000,000	13.48%
MSF Loan	\$	3,950,000	17.75%
Developer Equity	\$	\$3,346,990	15.04%
TOTAL	\$	\$22,252,990	100.00%

Summary of Development Uses:

Acquisition	\$	\$1,500,000
Hard Construction Costs	\$	\$16,743,595
Eligible Soft Costs	\$	\$1,359,725
Other	\$	\$2,649,670
TOTAL	\$	22,252,990

Loan Terms

MSF Incentive:	MCRP Performance Based Direct Loan
Borrower:	VESTER PROPCO LLC
Senior Lenders:	Construction Lender currently anticipated to be The Community Preservation Corporation (CPC) and Permanent Lender currently anticipated to be the Federal Home Loan Mortgage Corporation (“Freddie Mac”) (or other lenders acceptable to the MSF)
Total Capital Investment:	Currently estimated at \$22,252,990
MSF Eligible Investment:	Currently estimated at \$18,103,320
Minimum Eligible Investment:	Currently estimated at \$15,800,000
MSF Share:	Up to the lesser of 25% of “Eligible Investment” or \$3,950,000
Term:	Construction Term currently anticipated to match Construction Lender up to 36 months. Includes an interest only period of up to 36 months. Permanent Term currently anticipated to match Permanent Lender, up to 180 months.
Amortization:	Currently anticipated to match Permanent Lender, not to exceed 420 months, following the interest only period.

Interest Rate:	1.00% per annum
Repayment Terms:	Interest only payments for up to 36 months, followed by monthly principal and interest payments, with principal due at maturity, subject to the requirements and limitations of subordination agreement and terms to be negotiated with the Federal Home Loan Mortgage Corporation's (Freddie Mac) Non-LIHTC Unfunded Forward Commitment Loan Program. MSF Fund manager authorization to enter into a subordination agreement, and other loan documentation as necessary, with Permanent Lender after initial construction loan maturity.
Collateral:	Currently anticipated to be a second priority security interest in the subject real estate, assignment of rents and leases, and assignment of other contracts and documents deemed necessary to the MSF or to match the Senior Lender, subject to the requirements and limitations of subordination agreement and terms to be negotiated with the Federal Home Loan Mortgage Corporation's (Freddie Mac) Non-LIHTC Unfunded Forward Commitment Loan Program. MSF Fund manager authorization to enter into a subordination agreement, and other loan documentation as necessary, with Permanent Lender after initial construction loan maturity.
Guarantee:	Anticipated to match Construction and Permanent Lenders, currently anticipated to be the personal guaranty of Matthew Walters, subject to the requirements and limitations of subordination agreement and terms to be negotiated with the Federal Home Loan Mortgage Corporation's (Freddie Mac) Non-LIHTC Unfunded Forward Commitment Loan Program. MSF Fund manager authorization to enter into a subordination agreement, and other loan documentation as necessary, with Permanent Lender after initial construction loan maturity.
MSF Fees:	One-time fee equal to 1.0% of the MCRP Incentive Award, plus any out-of-pocket costs incurred by the MEDC in closing the loan.
Funding:	The MSF will fund up to \$3,950,000 to be disbursed following closing of financing and other performance criteria (anticipated Construction Monitoring, Disbursement and Servicing Agreement with Construction Lender). The MSF will retain servicing of the loan after the construction phase is complete for the duration of the permanent term.
Other Conditions:	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none">- Receipt of final construction documents, including construction contract- Final Development Budget- Minimum owner equity investment of approximately \$3,346,990- Other legal due diligence, as required

MCRP Programmatic Requirements

MCRP Program and Guidelines

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

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

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

The project at 141 Vester Street is important to the City of Ferndale. The existing condition of the site includes an underutilized blighted surface parking lot. Given its location within the Ferndale DDA and proximity to a major arterial thoroughfare, Woodward Avenue, the site with its mixed-use components and ground floor commercial, is a true infill redevelopment that promotes growth within the DDA and walkability as it furthers the development of the district. In addition, the building is designed with art and public improvements, zero-lot line design, parking hidden from the street, and enables a larger transect of quality urban design in Downtown Ferndale.

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

The project will act as a catalyst in the City of Ferndale. The project investment and success will grow the market, furthering Ferndale as a destination for new mixed-use housing development. Several underutilized sites within a mile radius from the subject site will become new redevelopment investment opportunities for the City of Ferndale. This will in turn grow the City's tax base, attract new residents, and new businesses to Ferndale.

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

The City of Ferndale has demonstrated local support for the project. The city council has shown support for this project through the issuance of a Workforce PILOT valued at approximately \$4.4 million over 15 years. Also, city staff have spent their time helping the developers navigate through the local process as well as engage with the MEDC and Oakland County.

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

A financial need exists due to the condition of the property, the substantial cost of construction associated with redevelopment, and challenging market conditions, including the current interest rate and construction cost environment. In addition, the city and development team's interest in providing affordability limits the revenue that can be generated. This combination of the inclusion of attainable housing merged with the high cost of construction associated with redevelopment is driving the need for MCRP support. The development team has maximized available financing, is contributing over \$3.3 million in equity and the city is supporting the project with an approved Workforce PILOT valued at approximately \$4.4 million over 15 years. The remaining gap would be filled by the proposed MCRP incentive, allowing the owners to achieve an anticipated return of 7.1% from operations. Without the MCRP award the project would not be feasible.

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

The project is redeveloping a blighted surface parking lot into 72 apartment units with ground floor commercial space and integrated parking. In addition, the project is creating needed attainable housing within Ferndale's DDA and Central Business District.

F. Creation of jobs:

The project will create 6 on-site property management jobs. The average hourly wage is estimated to be \$32.00.

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

The project is leveraging over \$15 million in private financing and the City of Ferndale is contributing a Workforce PILOT valued at approximately \$4.4 million over a 15-year period.

H. Whether the project is financially and economically sound:

The project is anticipated to have a proforma debt service coverage ratio of 1.08:1.0 with an average of 1.35:1.0 over a 30-year period. This is below the benchmark 1.20:1.0, however, this assumes a set repayment for the County's Housing Trust Fund loan and does not account for the cash flow dependent repayment provision. In addition, the permanent financing provided by Freddie Mac has an extended interest only-period for the first five years of the permanent loan and also has a combined minimum debt service coverage requirement of 1.10:1.0, which the project is projected to meet in all years (lowest year is projected at 1.22:1.0). Per a market study conducted by Baker Tilly Advisory Group, the residential rental market within or near the primary market area is considered strong with a 5.8% vacancy rate or 2.5% when considering applications pending. Additionally, it is assumed the project will be able to pre-lease 25% of units with an estimated absorption rate of eight units per month thereafter. Staff considers the project to be financially and economically sound.

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

The project will increase residential and commercial density with the addition of 72 units of residential and first floor commercial space in the downtown.

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

The project will promote mixed-use development and walkability in the community's downtown with the addition of residential and commercial uses in a building accompanied by right-of-way improvements along Vester Street and in the adjacent alleyway to enhance and protect the pedestrian experience.

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

The project does not include public buildings.

L. Whether the project promotes sustainable development:

The project promotes sustainable development by incorporating many sustainable features, including low-flow and energy efficient appliances, improvement to the city's existing stormwater management system with an underground detention system to accommodate a 10-year flood, EV charging stations, bicycle parking and bicycle storage, and conduit for future EV charging stations within the site.

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

The project does not involve a historic resource.

N. Whether the project addresses area-wide redevelopment

The project addresses area-wide redevelopment efforts. Pursuant to the City of Ferndale's 2022 Master Plan, the redevelopment responds to many visionary aspects of the plan, including: livability, housing, economic vitality, arts and culture, and the built environment. Specifically, when addressing the priority of livability, the project fosters affordable and welcoming opportunities for all, and responds exactly to the housing needs of the community by providing infill housing within the DDA. For economic vitality, the project provides retail and additional residents to support existing businesses within the DDA. For arts and culture, the project is creating a mural to be commissioned by a local Ferndale artist, and the projects overall design enhances and builds upon the existing aesthetic of Ferndale. Addressing these components, the project will spur additional investment and foster higher property values of adjacent buildings and single-family homes.

O. Whether the project addresses underserved markets of commerce:

The project addresses underserved markets of commerce by adding commercial space within the plans in addition to attracting new residents in the 72 units who will facilitate more spending power within their downtown. This should thereby increase the success of the small business community and the restaurant community, while adding mixed-income housing options downtown.

P. The level and extent of environmental contamination:

There is no environmental concern with this project.

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):

Not applicable to this project which does not involve a historic resource.

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

This project does not compete with or affect existing Michigan businesses within the same industry.

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

There are no other additional criteria for the board to consider with this request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-049

APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM PERFORMANCE BASED DIRECT LOAN AWARD TO VESTER PROPCO LLC

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d), to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“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 21st Century Jobs Trust Fund programs and activities and for the MCRP;

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

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

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

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

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

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

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

WHEREAS, VESTER PROPCO LLC (the “Company”) has requested a MCRP Performance-based Direct Loan award of up to \$3,950,000 (the “Award Request”), along with other general terms and conditions, which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”);

WHEREAS, the MEDC recommends that the MSF Board approve the transfer of \$3,950,000 from the Investment Fund to fund the Award Request (the “Funding”); and

WHEREAS, the MEDC recommends that the MSF Board approve the Award Request and the Funding, and authorize the MSF Fund Manager to enter in a subordination agreement, and other required loan documentation as necessary, with Permanent Lender, in accordance with the Term Sheet, subject to: (i) available funding; (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 180 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 180 days (collectively, the “MCRP Award Recommendation”).

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

Ayes: Dr. Brittany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 22, 2025

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Performance Based Direct Loan
Borrower:	VESTER PROPCO LLC
Senior Lenders:	Construction Lender currently anticipated to be The Community Preservation Corporation (CPC) and Permanent Lender currently anticipated to be the Federal Home Loan Mortgage Corporation (“Freddie Mac”) (or other lenders acceptable to the MSF)
Total Capital Investment:	Currently estimated at \$22,252,990
MSF Eligible Investment:	Currently estimated at \$18,103,320
Minimum Eligible Investment:	Currently estimated at \$15,800,000
MSF Share:	Up to the lesser of 25% of “Eligible Investment” or \$3,950,000
Term:	Construction Term currently anticipated to match Construction Lender up to 36 months. Includes an interest only period of up to 36 months. Permanent Term currently anticipated to match Permanent Lender, up to 180 months.
Amortization:	Currently anticipated to match Permanent Lender, not to exceed 420 months, following the interest only period.
Interest Rate:	1.00% per annum
Repayment Terms:	Interest only payments for up to 36 months, followed by monthly principal and interest payments, with principal due at maturity, subject to the requirements and limitations of subordination agreement and terms to be negotiated with the Federal Home Loan Mortgage Corporation’s (Freddie Mac) Non-LIHTC Unfunded Forward Commitment Loan Program. MSF Fund manager authorization to enter into a subordination agreement, and other loan documentation as necessary, with Permanent Lender after initial construction loan maturity.
Collateral:	Currently anticipated to be a second priority security interest in the subject real estate, assignment of rents and leases, and assignment of other contracts and documents deemed necessary to the MSF or to match the Senior Lender, subject to the requirements and limitations of subordination agreement and terms to be negotiated with the Federal Home Loan Mortgage Corporation’s (Freddie Mac) Non-LIHTC Unfunded Forward Commitment Loan Program. MSF Fund manager authorization to enter into a subordination agreement, and other loan documentation as necessary, with Permanent Lender after initial construction loan maturity.
Guarantee:	Anticipated to match Construction and Permanent Lenders, currently anticipated to be the personal guaranty of Matthew Walters, subject to the requirements and limitations of subordination agreement and terms to be

negotiated with the Federal Home Loan Mortgage Corporation's (Freddie Mac) Non-LIHTC Unfunded Forward Commitment Loan Program. MSF Fund manager authorization to enter into a subordination agreement, and other loan documentation as necessary, with Permanent Lender after initial construction loan maturity.

MSF Fees: One-time fee equal to 1.0% of the MCRP Incentive Award, plus any out-of-pocket costs incurred by the MEDC in closing the loan.

Funding: The MSF will fund up to \$3,950,000 to be disbursed following closing of financing and other performance criteria (anticipated Construction Monitoring, Disbursement and Servicing Agreement with Construction Lender). The MSF will retain servicing of the loan after the construction phase is complete for the duration of the permanent term.

Other Conditions: The MSF's investment will be contingent upon the following:

- Receipt of final construction documents, including construction contract
- Final Development Budget
- Minimum owner equity investment of approximately \$3,346,990
- Other legal due diligence, as required



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



MEMORANDUM

Date: April 22, 2025
To: Michigan Strategic Fund (“MSF”) Board Members
From: Samuel Sedlecky, Business Development Advisor
Sean Kammer, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
State Essential Services Assessment (“SESA”) Exemption Request
BAMF Health Management, LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$1,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- Approval of a 15-year 100% SESA Exemption with an estimated value of up to \$982,000 for its \$45,000,000 eligible investment in Eligible Personal Property (“SESA Request”).
 - In accordance with the SESA and Alternative SESA Program Guidelines (“Program Guidelines”), SESA Exemptions can be considered for those projects locating in an Eligible Distressed Area (“EDA Requirement”). The Program Guidelines also require investment to be made within three years of the commencement of the project (“Commencement Requirement”). As part of the SESA Request, staff is recommending the MSF waive the EDA Requirement, the Commencement Requirement, and the Minimum Investment Requirement to allow investments made within five years of the commencement of the project (collectively, the “Waiver Request”).
- This project involves the creation of at least 90 Qualified New Jobs and a capital investment of at least \$93,756,533 in the City of Detroit, Wayne County.

Applicant History

The Company specializes in theranostics, which employs the use of radiopharmaceuticals to diagnose and treat various diseases, including certain types of cancers and Alzheimer’s. The Company was founded in 2018 by Anthony Chang in Grand Rapids, Michigan.

In 2019, the Company was awarded its license to produce radioisotopes by the Nuclear Regulatory Commission. In 2022, the Company celebrated its official grand opening at its headquarters located in the Doug Meijer Medical Innovation Building, where it employs 117 people. The Company continues to grow and expand while it accomplishes its life-saving mission.

The background review process was completed in accordance with the MSF Background Review Policy on February 18, 2025, and the project may proceed for MSF consideration.

Project Description

The Company seeks to create a new comprehensive Theranostics Center and Radiopharmacy in Downtown Detroit, which would provide direct personal medical services to patients receiving treatment for diseases such as cancer. The project is expected to create 90 jobs and invest \$93,756,533.

The project includes the establishment of a molecular imaging clinic, a molecular therapy clinic, and a commercial manufacturing radiopharmacy. The facility will be equipped with unique medical and

pharmaceutical production machinery including MRI's, PET/CT scanners, Hot Cells and Cyclotrons. The site for the new facility is Bedrock's 14-acre Gratiot Site campus, where the company seeks to establish a global hub for precision medicine and radiopharmaceutical development. The Theranostics Center and Radiopharmacy are expected to reside within the Gratiot Site's Life Science Innovation Building and occupy 45,000 square feet on the first floor. The site is currently home to the now vacant juvenile detention facility. Demolition of that facility has already begun.

A Detroit site enables the Company to advance cutting edge medicine with academic partners, create care access to SE Michigan residents and distribute our radiopharmaceuticals into the neighboring states of Ohio and Indiana.

The Company is considering the City of Detroit, Wayne County for the project and anticipates the project will result in a capital investment of at least \$93,756,533. The project will also result in the creation of at least 90 new jobs. Starting wages include \$35 per hour for Business Operations Specialists, \$42 per hour for Nuclear Medicine Technologists, \$55 per hour for Electronics Engineers, and upwards for Physicians and Surgeons. All the positions pay at or above the Regional Median Wage of \$23.73 per hour, except for five (5) entry-level positions that pay between \$20 and \$21 per hour. The Company supports its employees by offering health insurance, vacation time, parental leave time, paid holidays, and a 401k retirement plan with a generous employer match.

Demonstrated Need

The Company is being offered incentives by other midwestern states, such as Indiana and Ohio, to attract the project. These select locations are estimated to have a lower cost of construction, which reduces the overall project cost, compared to Detroit. While the Company would prefer to locate the project in its home State of Michigan, without incentives, the program will be scaled back and the timeline will be delayed, thus lessening the ability to position Michigan as a global leader in theranostics and radiopharmaceutical development and manufacturing.

In addition to the MBDP request, the Company is seeking MSF approval of a 15-year, 100% SESA Exemption estimated to be valued at \$982,000.

Request

To secure the project in Michigan, the Applicant is requesting a \$1,500,000 MBDP performance-based grant and a 15-year 100% SESA Exemption valued at \$982,000. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The MBDP funds will help offset the cost of constructing a new comprehensive Theranostics Center and Radiopharmacy facility allowing the Company to grow its second location in the City of Detroit and become a strong employer in the region. This project aligns with the MEDC's strategic focus area of Physical Engineering and Life Sciences and builds on the state's work to position itself as the global leader in the future of diagnosis and treatment of diseases such as cancer.

This project will result in the creation of at least 90 new jobs and at least \$93,756,533 in capital investment in the City of Detroit, Wayne County. The Company, as an entrepreneurial anchor, will serve as a catalyst for community uplift, stimulating growth, attracting investment, and driving commerce to Michigan. In addition, the Company will actively promote research and development, bolstering the knowledge economy and supporting a sustainable innovation ecosystem.

Recommendation

MEDC Staff recommends approval of the following, as outlined in the attached resolutions.

1. The MBDP Request
2. The SESA Request
3. The Waiver Request

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-050

APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO BAMF HEALTH MANAGEMENT LLC

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

WHEREAS, the MSF Act, MCL 125.2001 et seq. and the Delegation require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, BAMF Health Management LLC (the “Company”) has requested a performance based MBDP grant of up to \$1,500,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to construct a comprehensive Theranostics Center and Radiopharmacy (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 90 Qualified New Jobs and the Project falls within physical engineering and life sciences, a strategic focus industry;

WHEREAS, the MEDC has completed the background check in accordance with the MSF policy, and the Project may proceed for MSF consideration; and

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

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

Ayes: Dr. Brittany L. Affolter-Caine, Rachael Eubanks, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Dan Meyering

Lansing, Michigan
April 22, 2025

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

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

PROJECT SUMMARY

Scope of the Project: The Company intends to construct a comprehensive Theranostics Center and Radiopharmacy in the City of Detroit (the "Project Site"). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 90 new jobs at the Project Site and a projected investment of \$93,756,533 by March 31, 2030 at the Project Site (collectively, the "Project").

Award Amount: A maximum grant of \$1,500,000 (the "Award"), all or a portion of which is also referred to as the "Grant").

Term of the Agreement: Effective Date of the Grant Agreement through June 30, 2030 (the "Term").

Overall Jobs Commitment: Creation of a minimum of 90 Qualified New Jobs (the "Overall Jobs Minimum") at the Project Site, above a Statewide Base of 117 employees (the "Overall Base"), on March 31, 2030 (the "Jobs Performance Deadline") (collectively, the "Overall Jobs Commitment").

- A "Qualified New Job" or "QNJ" is defined as a new, full-time job created by the Company for the Project at the Project Site on or after November 21, 2024 (Date of Signed Offer Letter), and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

"Eligible Expenses" means the actual expenditure by the Company on or after November 21, 2024 (Date of Signed Offer Letter) for the Project at the Project Site of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training material costs. Provided, however, in no event shall any of the Eligible Expenses include: (i) costs, fees, or expenses for salaries, wages, benefits, meals and entertainment expenses, on-the-job training costs, debt payments, or administrative services for any of the Company or its employees, board members, officers,

directors, or other administrative contractors, or (ii) any other expenses reimbursed or paid for under another grant or other public economic assistance.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than December 31, 2029 together with a certification of the Company's compliance with the grant agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

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

ADDITIONAL STATE REQUIRED TERMS

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

Natalie Davenport (MEDC)

From: Dan Meyering [REDACTED]
Sent: Tuesday, April 22, 2025 8:33 AM
To: Natalie Davenport (MEDC); Matthew Casby (MEDC)
Subject: Re: For Review: April MSF Board Communications

I need to recuse myself from the BAMF Health vote.

Thanks,
--Dan



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

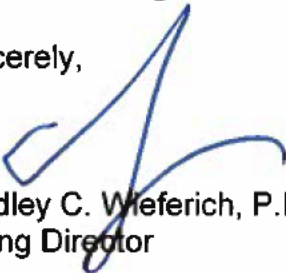
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-051

APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO BAMF HEALTH MANAGEMENT, LLC

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

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

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

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

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

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

WHEREAS, BAMF Health Management, LLC (the “Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

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

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

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

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

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year SESA exemption estimated to be worth \$982,000 for up to \$45,000,000 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the City of Detroit (“SESA Exemption Recommendation”); and

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

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

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

Nays: None

Recused: Dan Meyering

Lansing, Michigan
April 22, 2025

Natalie Davenport (MEDC)

From: Dan Meyering [REDACTED]
Sent: Tuesday, April 22, 2025 8:33 AM
To: Natalie Davenport (MEDC); Matthew Casby (MEDC)
Subject: Re: For Review: April MSF Board Communications

I need to recuse myself from the BAMF Health vote.

Thanks,
--Dan



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

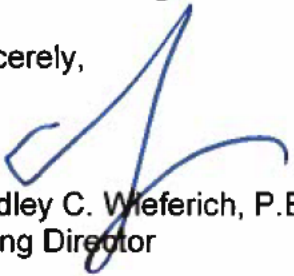
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



MEMORANDUM

To: Michigan Strategic Fund Board

From: Ben Marchionna, Chief Innovation Ecosystem Officer

Date: April 22, 2025

Subject: Creation of the Michigan Innovation Fund Program (the “MIF Program”).

REQUEST

The Michigan Economic Development Corporation (the “MEDC”) recommends that the Michigan Strategic Fund (the “MSF”) Board (i) create the MIF Program, (ii) approve the MIF Program guidelines (the “MIF Program Guidelines”) attached to the resolution as Exhibit A, and (iii) approve a Delegation of Authority for administration of the MIF Program as set forth in the delegation resolution.

BACKGROUND and PROGRAM DESCRIPTION

In January of 2025, the Governor signed a package of three bipartisan bills to establish the MIF Program and related funding. The MIF Program is a state-funded initiative established by Section 88u of Public Act 190 of 2024, MCL 125.2088u (“Section 2088u”), with the purpose of advancing economic development by supporting evergreen venture funds, emerging funds, and nonprofit organizations that assist in developing and scaling early-stage companies. The MIF Program’s investment priorities focus on key industries, equitable access to capital, and the expansion of Michigan’s innovation infrastructure.

Funding for the MIF Program comes from money deposited in the 21st Century Jobs Trust Fund under Section 7(1)(c) of the Michigan Trust Fund Act, 2000 PA 489, 26 MCL 12.257. Public Act 189 of 2024 requires the transfer of \$60.0 million from the Michigan Early Stage Venture Investment Fund to the MIF Program. The remaining dollars in the Michigan Early Stage Venture Investment Fund will be deposited into the State of Michigan’s General Fund until all funds are exhausted. Currently there is approximately \$125.0 million of realized earned returns in the Michigan Early Stage Venture Investment Fund, meaning a deposit of approximately \$65.0 million into the State of Michigan’s General Fund.

Because of changes made to the law in 2015, the Michigan Early Stage Venture Investment Corporation cannot enter into any new agreements with investors, and the Michigan Early Stage Venture Investment Fund is set to expire on January 1, 2030. The creation of the MIF Program allows the realized investment returns in investment funds of the Michigan Early Stage Venture Investment program to be utilized earlier than they otherwise would have been under the previous law. Previously, the funds were not released until January 1, 2030.

The initial funding totals \$60 million and Section 2088u directs the funds to be allocated within the MIF Program for grants to be made as follows across four categories, with any additional funding allocated in the same percentages:

- 1) Grants to **Qualified Evergreen Venture Funds** – \$48,000,000 (80%)
- 2) Grants to **Qualified Emerging Evergreen Funds** – \$4,800,000 (8%)
- 3) Grants to **Qualified Nonprofits for providing Qualified Start-up Support Services** – \$4,200,000 (7%)
- 4) Deposits into the Investment Fund and designated for **investment to a) retain or create jobs; b) encourage the development and commercialization of competitive edge technologies; or c) revitalize Michigan communities** - \$3,000,000 (5%)

Section 2088u also provides that awards to Qualified Evergreen Venture Funds and Qualified Emerging Evergreen Funds must be made within 182 days after the transfer of funds into the 21st Century Jobs Trust Fund. In addition, the MIF Program must award grants to all eligible applicants that qualify as Evergreen Venture Funds or Emerging Evergreen Funds.

All Qualified Evergreen Fund and Qualified Emerging Evergreen Fund award recipients must adhere to transparency, reporting, and reinvestment requirements as outlined in the MIF Program Guidelines, including:

- Annual reports detailing investments and administrative costs.
- Reinvestment of at least 85% of returns into eligible companies.
- At least 5% of investments directed to geographically disadvantaged business enterprises.

The MIF Program will be operated by the MEDC, but the MSF will retain all discretionary functions of the program, including (1) approval of awards to Qualified Nonprofits for providing Qualified Start-up Support Services and (2) investments to a) retain or create jobs; b) encourage the development and commercialization of competitive edge technologies; or c) revitalize Michigan communities, made under Section 88u(2)(a) and (d), respectively. The Fund shall also maintain oversight of the program by conducting a legally mandated formal review of the MIF Program on the program's performance and effectiveness to be submitted to the Senate and House appropriations subcommittees on general government, the Senate and House fiscal agencies, the Senate and House policy offices, and the State Budget Office by January 1, 2030.

RECOMMENDATION

MEDC staff recommends MSF Board approval of the following:

- (i) Creation of the MIF Program;
- (ii) The MIF Program Guidelines attached to the resolution as Exhibit A; and
- (iii) Delegation of Authority for administration of the MIF Program as set forth in the delegation resolution.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-052**

**APPROVAL OF THE
MICHIGAN INNOVATION FUND
PROGRAM AND GUIDELINES**

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 88u of the MSF Act, MCL 125.2088u, the MSF shall create the Michigan Innovation Fund (the “Innovation Fund”) with the purpose of advancing economic development by supporting evergreen venture funds, emerging evergreen funds, and nonprofit organizations that assist in developing and scaling early-stage companies;

WHEREAS, pursuant to Section 88u(1) of the MSF Act, MCL 125.2088u(1), the Innovation Fund shall be operated and administered by the authorized officers, employees, and agents of the MSF, including the MEDC and its employees;

WHEREAS, pursuant to Section 88u(2) of the MSF Act, MCL 125.2088u(2), funds appropriated to the Innovation Fund are to be allocated as follows: (i) 80% for grants to Qualified Evergreen Venture Funds, (ii) 8% for grants to Qualified Emerging Evergreen Funds, (iii) 7% for grants to Qualified Non-Profits for Qualified Start-Up Support Services, and (iv) 5% for deposit in the Jobs for Michigan Investment Fund to be used to retain or create jobs, encourage the development and commercialization of competitive edge technologies, and revitalize Michigan communities;

WHEREAS, under Section 1026 of PA 121 of 2024, an initial appropriation of \$60 million dollars was allocated to the Innovation Fund;

WHEREAS, the MEDC recommends the MSF create the Innovation Fund and approve the guidelines for the implementation and operation of the Innovation Fund, as set forth in the attached Exhibit A (the “Innovation Fund Guidelines”); and

WHEREAS, the MSF wishes to create the Innovation Fund and approve the Innovation Fund Guidelines.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Innovation Fund and approves the Innovation Fund Guidelines.

Ayes: Dr. Britany L. Affolter-Caine, Rachael Eubanks, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 22, 2025

Michigan Innovation Fund (MIF) Program Guidelines

Program Purpose

The Michigan Innovation Fund Program (the “MIF Program”) is designed to foster venture development, early-stage investment, and economic growth in Michigan. It provides funding to Qualified Evergreen Venture Funds, Emerging Evergreen Venture Funds, and nonprofit organizations that support start-up development.

Program Operation and Funding

Pursuant to the enabling legislation, Section 88u of Public Act 190 of 2024 (which amends the Michigan Strategic Fund Act, MCL 125.2001 et seq. (the “MSF Act”)), and MSF Board resolution 2025-052, the MIF Program is created by the Michigan Strategic Fund (the “MSF”) Board.

The MIF Program funding shall be as provided by law and shall initially consist of money deposited in the 21st Century Jobs Trust Fund under Section 7(1)(c) of the Michigan Trust Fund Act, 2000 PA 489, MCL 12.257. The “21st Century Jobs Trust Fund” means the 21st Century Jobs Trust Fund established in Section 7 of the Michigan Trust Fund Act, 2000 PA 489, MCL 12.257. Money deposited in the 21st Century Jobs Trust Fund under section 7(1)(c) of the Michigan Trust Fund Act, 2000 PA 489, MCL 12.257, must be expended by the MSF to support the MIF Program as provided in these Guidelines.

Definitions

“Eligible Activity” means all of the following:

- (i) An investment through an investment instrument in an early-stage start-up company that is located in this state and engaged in 1 or more competitive edge technologies. As used in this subparagraph, “investment instrument” includes, but is not limited to, convertible notes, simple agreements for future equity (SAFEs), and an equity investment as that term is defined in 12 CFR 1805.104.
- (ii) Technical assistance related to an investment described in subparagraph (i).
- (iii) Grants related to the activities described in subparagraphs (i) and (ii).

“Evergreen Fund” means an investment plan or program of a Michigan nonprofit corporation that is exempt from taxation under Section 501(c)(6) of the Internal Revenue Code of 1986, 26 USC 501, or an investment fund that meets all of the following requirements:

- (i) Is organized for the purpose of investing in private debt or equity with limited restrictions on or no provision for investor withdrawal and redemption rights.
- (ii) Operates on an open-end basis without a definitive closing date or fixed end date.
- (iii) Permits capital to be raised on an ongoing basis and the reinvestment of investment returns.

“Geographically Disadvantaged Business Enterprise” means a Person that meets 1 **or** more of the following requirements:

- (i) Is certified as a HUBZone small business concern by the United States Small Business Administration.
- (ii) Has a principal place of business located within a qualified opportunity zone within this state.
- (iii) More than half of its employees have a principal residence located within a qualified opportunity zone within this state.

“Industry Sector” means the following competitive edge technologies as defined in Section 88a of the Act, MCL 125.2088a:

- Advanced Automotive, including mobility;
- Advanced Manufacturing;
- Advanced Materials;
- Information Technology;
- Agricultural Processing Technology;
- Alternative Energy;
- Homeland Security and Defense Technology;
- Life Sciences, including medical device technology; or
- Other Innovative Technologies

“Investment Fund” means the Jobs for Michigan Investment Fund created within the MSF as a permanent fund authorized by Section 19 of Article IX of the Michigan Constitution of 1963.

“Person” means, as defined in Section 4(i) of the MSF Act, MCL 125.2004(i), an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, profit or nonprofit corporation including a public or private college or university, public utility, municipality, local industrial development corporation, economic development corporation, other association of persons organized for agricultural, commercial, or industrial purposes, a lender, or any other entity approved by the board.

“Qualified Emerging Evergreen Fund” means any of the following:

- (i) A public institution of higher education or a Michigan nonprofit corporation that is exempt from taxation under Section 501(c)(3) or (6) of the Internal Revenue Code of 1986, 26 USC 501, that administers, manages, or operates 1 or more Evergreen Funds if at least 1 of those Evergreen Funds meets both of the following requirements:
 - a. Is organized to provide early-stage venture capital funding to entities within this state, and
 - b. Has a principal office located in a county with a population of more than 600,000 and less than 700,000.
- (ii) A Michigan nonprofit corporation that meets both of the following requirements:
 - a. Is organized for the purpose of enhancing the vitality of the communities affected by this state’s Upper Peninsula by leveraging local resources with capital and expertise and fostering economic opportunity throughout the area, and
 - b. Administers, manages, or operates 1 or more Evergreen Funds.
- (iii) A Michigan nonprofit corporation that meets all of the following requirements:
 - a. Is organized to provide early-stage venture capital funding to entities within this state, and
 - b. Has a principal office located in a county with a population of more than 90,000 and less than 99,000, and
 - c. Administers, manages, or operates 1 or more Evergreen Funds and grants.

“Qualified Evergreen Venture Fund” means a Qualified Higher Education Institution or a Michigan nonprofit corporation that is exempt from taxation under section 501(c)(3) or (6) of the Internal Revenue Code of 1986, 26 USC 501, that administers, manages, or operates 1 or more Evergreen Funds if at least 1 of those Evergreen Funds meets all of the following requirements:

- (i) Provides early-stage venture capital funding to entities within this state, and
- (ii) Has been actively operating in this state for not less than 3 years, and
- (iii) Has 4 years or more experience in making early-stage venture capital investments and in mentoring startup companies, and

- (iv) Before January 1, 2024, has not less than \$15,000,000.00 in deployable capital or invested not less than \$15,000,000.00.

“Qualified Higher Education Institution” means an institution of higher education specified in Section 4 of Article VIII of the Michigan Constitution of 1963. Qualified Higher Education Institution also includes both of the following:

- (i) A Michigan nonprofit corporation that is incorporated under the Nonprofit Corporation Act, 1982 PA 162, MCL 450.2101 to 450.3192, and meets all of the following requirements:
 - a. The corporation is incorporated for the purpose of providing support for the objects and purposes of an institution of higher education specified in Section 5 of Article VIII of the Michigan Constitution of 1963, and
 - b. The corporation is incorporated for the purpose of assisting in an exclusively educational and charitable manner in the accomplishment of the educational purposes of an institution of higher education specified in Section 5 of Article VIII of the Michigan Constitution of 1963, and
 - c. The name of the corporation or an assumed name of the corporation under Section 212(3) of the Nonprofit Corporation Act, 1982 PA 162, MCL 450.2212, includes the word “foundation”.
- (ii) A Michigan corporation that is incorporated under the Business Corporation Act, 1972 PA 284, MCL 450.1101 to 450.2098, and meets all of the following requirements:
 - a. An institution of higher education specified in Section 4 of Article VIII of the Michigan Constitution of 1963 is the only shareholder of the corporation and owns all of the shares of the corporation, and
 - b. The name of the corporation or an assumed name of the corporation under Section 217 of the Business Corporation Act, 1972 PA 284, MCL 450.1217, includes the words “biosciences” and “research”.

“Qualified Nonprofit” means a nonprofit corporation that provides programming, technical assistance, or other support that promotes the growth and development of start-up companies and their founders in this state, and entities in this state that administer, manage, or operate funds that invest in start-up companies in this state.

“Qualified Start-Up Support Services” means 1 or more of the following:

- (i) Activity that supports the growth of the venture capital talent pool in this state and the development of the next generation of venture capital fund leadership in this state, including, but not limited to, a venture capital fellows program.
- (ii) Activity that supports the creation and growth of start-up companies in this state.
- (iii) Activity that supports the professional development and growth of the founders of start-up companies in this state, including, but not limited to, mentoring and coaching.

Program Award Eligibility

Funding Allocations

The initial MIF Program funding shall total \$60 million. All MIF Program funding, including any future funding deposits from any source, shall be allocated and awarded as follows:

- (i) 5% for transfer to and deposit in the Investment Fund for investments to retain or create jobs, encourage the development and commercialization of competitive edge technologies, or revitalize Michigan communities. As provided under Section 88h(3)(a), (d), or (e) of the MSF Act, MCL 125.2088h(3)(a), (d), or (e).
- (ii) 80% for grants to Qualified Evergreen Venture Funds for Eligible Activities.
- (iii) 8% for grants to 1 or more Qualified Emerging Evergreen Funds for Eligible Activities.
- (iv) 7% for grants to Qualified Nonprofits for Qualified Start-Up Support Services.

Eligible Applicants and Award Amounts

Applicants meeting the definition of a Qualified Evergreen Venture Fund or Qualified Emerging Evergreen Funds shall be awarded grants under Funding Allocations subsections (ii) or (iii) above. Grants under Funding Allocations subsections (ii) or (iii) above shall be awarded not later than 182 days after the deposit of money in the 21st Century Jobs Trust Fund for the MIF Program. The total amount of grants provided in a fiscal year to Qualified Evergreen Venture Funds that invest in two (2) or more Industry Sectors must be 200% of the total amount of grants provided to Qualified Evergreen Venture Funds that invest in only one (1) Industry Sector.

Evaluation, Process, and MSF Approval

The MEDC shall create an application for grant awards to Qualified Evergreen Venture Funds or Qualified Emerging Evergreen Funds under Funding Allocations subsections (ii) or (iii) above. Applicants must provide supporting documentation demonstrating that they meet the definition of either a Qualified Evergreen Venture Fund or Qualified Emerging Evergreen Fund. The MEDC shall review applications to determine if an applicant is eligible. If an applicant is eligible, an award shall be made and memorialized in an agreement with terms and conditions in accordance with the MSF Act, these MIF Program Guidelines, and any other applicable laws. If the MEDC determines an applicant is not eligible, it shall notify the applicant and provide an additional five (5) days for the applicant to provide additional supporting documentation demonstrating its eligibility.

For awards made under Funding Allocations subsection (ii), the MSF shall determine awards as follows:

1. First, total the number of Eligible Applicants that invest in two or more Industry Sectors and times that number by two (2) (the “Multi Sector Applicants”).
2. Second, total the number of remaining Eligible Applicants that invest in only one Industry Sector (the “Single Sector Applicants”).
3. Third, add the Single Sector Applicants to the Multi Sector Applicants (the “Total Sectors”).
4. Fourth, divide the Total Funding Allocation for Funding Allocations subsection (ii) by the Total Sectors (the “Sector Allocation”).
5. Each Multi Sector Applicant shall receive an award amount equal to the Sector Allocation times two (2); while each Single Sector Applicant shall receive an award amount equal to the Sector Allocation.

For awards made under Funding Allocations subsection (iii), the MEDC shall determine awards as follows:

1. First, total the number of Funding Allocations subsection (iii) Eligible Applicants.
2. Second, divide the total Funding Allocation for Funding Allocations subsection (iii) by the total number of Eligible Applicants (the “Award Allocation”).
3. Third, each Eligible Applicant shall receive an award amount equal to the Award Allocation.

For awards under Funding Allocations subsections (i) and (iv) above, the MEDC will conduct due diligence to determine the eligibility of potential awardees, and prepare a recommendation to the MSF Board for its approval. The MEDC recommendation will include a term sheet specifying the terms of conditions of any potential award. Upon MSF Board approval, the MEDC shall draft the appropriate grant agreement for execution which is consistent with these MIF Program Guidelines.

Required Terms and Conditions

Grant agreements under Funding Allocations subsection (i) and (iv) above must contain all terms and conditions in accordance with the MSF Act, MSF Board approval, and any other applicable laws. For awards under Funding Allocations subsection (i), the grant agreement must provide for an expectation of return on the investment from the Investment Fund.

Grant agreements under Funding Allocations subsections (ii) and (iii) above, must contain the following required terms and conditions:

- (i) Grant Commitment: Awards must be committed within five years of receipt of the grant by the recipient.
- (ii) Administrative Costs: No recipient may use more than 15% of a grant award for administration of the grant award and technical assistance related to the investments made by the Qualified Evergreen Venture Fund or Qualified Emerging Evergreen Fund, including, but not limited to, coaching, mentoring, and programming to support business founders.
- (iii) Leadership Changes: The recipient shall notify the MEDC within 90 days after there is a change in the recipient's senior leadership.
- (iv) Investment Structure: Investment instrument includes, but is not limited to, convertible notes, simple agreements for future equity (SAFEs), and an equity Investment as that term is defined in 12 CFR 1805.104.
- (v) At least 5% of investments must be directed to Geographically Disadvantaged Business Enterprises.
- (vi) Return on Investment Requirements: Recipients of the grant award shall use any investment returns as follows:
 - a. At least 85% of returns must be reinvested in Eligible Activities.
 - b. Up to 15% of returns may be used for Administrative Costs, as outlined in (ii) above.
 - c. If the recipient of a grant realizes an earned return on an investment that exceeds \$8 million within 15 years after the initial investment, then the recipient shall, not later than one year after the return realized exceeds this amount, distribute an amount equal to 10% of that return to the State Treasurer for deposit into the State of Michigan's General Fund.
- (vii) Reporting: The recipient must submit an annual report (due by April 15 each year) to the MSF. The MEDC, on behalf of the MSF, shall publish a copy of the annual report on the MSF website. The recipient shall also publish a copy of the annual report on the recipient's website. The annual report shall include the following information:
 - a. A list of investments made with grant award proceeds during the immediately preceding calendar year that includes all of the following:
 - i. The name of the recipient of each investment.
 - ii. The date of each investment.
 - iii. The amount of each investment.
 - iv. The physical address of the recipient of each investment.
 - v. A description of the type of investment.
 - vi. A description of the industry or economic sector in which the recipient operates.
 - vii. An indication of whether the investment is a new investment in the recipient or a follow-on investment.

- viii. An indication of the number of jobs created or jobs retained, or both, as a result of the investment.
 - b. A summary of expenditures for administration and operations that includes a summary of administrative and operational costs incurred, including, but not limited to, any professional fees and expenses incurred.
 - c. The amount, the date, and a description of any returns received from each investment made with grant proceeds.
- (viii) Transparency: A grant recipient is not required to provide information in an annual report if the information is exempt from disclosure under the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246.

MIF Program Review and Sunset

Not later than 90 days after receipt of notification from a grant recipient of a change in the recipient's senior leadership team, the MEDC, on behalf of the MSF, must conduct a performance review of all investments made by that recipient and submit a report to the Senate and House appropriations subcommittees on general government, the Senate and House fiscal agencies, the Senate and House policy offices, and the State Budget Office on those investments and include any considerations the MSF deems relevant regarding the change in leadership.

Not later than January 1, 2030, the MEDC, on behalf of the MSF shall conduct a formal review of the MIF Program and submit a report to the Senate and House appropriations subcommittees on general government, the Senate and House fiscal agencies, the Senate and House policy offices, and the State Budget Office on the performance and effectiveness of the MIF Program.

The MSF shall not enter into any new grant agreements or make new commitments to recipients under the MIF Program after December 31, 2054.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Wieferich", written over the printed name.

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-053

STRATEGIC FUND DELEGATION OF AUTHORITY

WHEREAS, the Michigan Strategic Fund (the “MSF” or the “Fund”) is a public body corporate and politic and an autonomous entity within the department of labor and economic opportunity created under the Michigan Strategic Fund Act MCL 125.2001 et seq. (the “Act”) as provided for in MCL 125.2005(1);

WHEREAS, under MCL 125.2005(2) the purposes, powers, and duties of the MSF are vested in and exercised by a board of directors;

WHEREAS, under MCL 125.2005(8), the MSF Board may delegate to its president, vice-president, staff or others those functions and authority the MSF Board deems necessary or appropriate; or others, unless otherwise prohibited by law;

WHEREAS, under Article III, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on September 26, 2023 (the “Bylaws”), the MSF Board “may delegate by resolution those functions and authority it deems necessary or appropriate to one or more Board Members, one or more MSF employees, one or more MEDC employees, the MEDC, or others, unless otherwise prohibited by law”;

WHEREAS, under Article IV, 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”);

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

WHEREAS, the MEDC recommends that the MSF Board amend the Strategic Fund Compiled Resolutions to delegate authority to the MSF President and the MSF Fund Manager in accordance with the terms and conditions of this Resolution (the “New Delegations”); and

WHEREAS, the MSF Board wishes to amend the Strategic Fund Compiled Resolutions to incorporate the New Delegations.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that effective April 22, 2025, the MSF Board hereby delegates the following authority:

125.2088u-1 Michigan Innovation Fund

(1) The MSF President or the MSF Fund Manager may approve grant awards to Qualified Evergreen Venture Funds and Qualified Emerging Evergreen Funds consistent with the MIF Program Guidelines; and

(2) The MSF President or the MSF Fund Manager may negotiate the final terms and conditions of grant agreements in accordance with the MIF Program Guidelines and execute all final documents necessary to effectuate awards under the MIF Program.

BE IT FURTHER RESOLVED, the MSF President shall compile and publish the amended Strategic Fund Compiled Resolutions to incorporate the New Delegations as required under Article IV of the Bylaws.

Ayes: Dr. Brittany L. Affolter-Caine, Rachael Eubanks, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 22, 2025



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink, appearing to be "B. Wieferich", written over the printed name.

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



MEMORANDUM

Date: April 22, 2025
To: Michigan Strategic Fund Board
From: Paul O’Connell, Vice President Real Estate Development
Subject: Michigan Ready Sites Program

REQUEST

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve the following actions: 1) replace the Michigan Build Ready Sites Program (the “BRS Program”) guidelines with the attached “Michigan Ready Sites Program Guidelines” and rename the program the “Michigan Ready Sites Program” (the MRS Program), and 2) allocate \$15,000,000 from the FY25 Business and Community Development Programs and Activities budget line item to the MRS Program (collectively, the “Request”).

BACKGROUND

In 2019, the BRS Program was launched as a site certification program administered by the MEDC which reviewed the level of readiness of a site, including completed due diligence, level of control and demonstrated community support for development. Each site that was certified through the program was marketed as a “Build Ready Site”.

MEDC staff identified a need for funds to invest in these certified sites in order to improve the readiness of the site to allow the state to better compete for projects.

On April 27, 2021, by Resolution 2021-064, the MSF Board created the BRS Program to support business attraction and expansion projects through the development or enhancement of industrial sites in Michigan and adopted guidelines for administration of the BRS Program. On October 26, 2021, by Resolution 2021-135, the MSF Board approved amendments to the BRS Guidelines.

To date, the BRS Program has been successfully used to provide grants for a wide variety of projects of varying sizes across the state. The transparent, appropriated funds have allowed the MSF to develop sites that lead to projects that bring jobs and investment to Michigan communities. However, this overlapping use of the phrase “Build Ready Site” has led to confusion in the marketplace about what qualifies as a Build Ready Site.

The proposed MRS Program Guidelines amend the BRS Guidelines to incorporate the robust standards of the MI Sites Program, the MEDC's site readiness program launched in 2024, as well as enhance the MRS Program with best practices that will allow the MSF to invest in sites in ways that optimize the value to potential users, maximizing the marketability of each site.

MICHIGAN READY SITES PROGRAM

The MRS Program will provide funding to further develop an inventory of investment-ready sites which will attract significant jobs and investment throughout the state. Funding through the MRS Program will be available in the form of a grant for site specific projects or technical assistance contracts for the engagement of experts or consultants to work on state-wide, regional or site-specific projects to enhance readiness or marketability of the portfolio of sites within the state. Sites receiving MRS Program funding will have to meet initial minimum criteria that optimize marketability for a site within its region and will have to be listed in the state's real estate database.

Each MRS Program grant agreement will include a defined budget, disbursement schedule, defined eligible activities that can be performed with the grant funds and provide for the repayment of grant funds in the event of a breach of the agreement or the failure to meet measurable outcomes including project deadlines.

Each project seeking funding under the MRS Program will be evaluated on its potential to improve the overall readiness and marketability of sites within the state's portfolio of investment ready sites, with higher impact projects receiving greater consideration.

AUTHORITY

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.

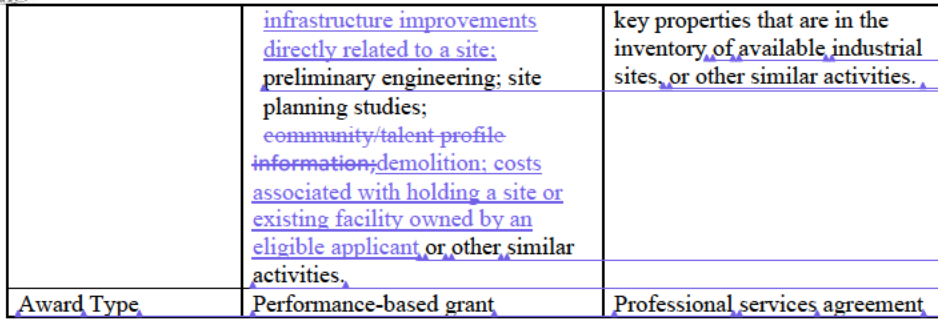
Pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants.

Pursuant to Section 7(i) of the MSF Act, MCL 125.2007(i), the MSF has the power to engage the services of private consultants, managers, counsel, auditors, engineers, and scientists for rendering professional management and technical assistance and advice.

RECOMMENDATION

The MEDC recommends that the MSF Board approve the replacement of the Build Ready Sites Program guidelines with the attached Michigan Ready Sites Guidelines and the renaming of the Build Ready Sites Program to the Michigan Ready Sites Program.

The MEDC further recommends the MSF Board authorize the transfer of \$15,000,000 from the FY 2025 allocation of the Business and Community Development account to the Michigan Ready Sites Program.



Requests SITE READINESS GRANT

- In order for funding a site to be supported 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.

153



Award recipients must demonstrate in their application that the grant or technical assistance Michigan Ready Sites Program, it should be a highly marketable site that 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, attract a user which will have a positive economic impact to the surrounding road names, north arrow, and a distance scale.

Vetted Sites Criteria may include, but is not limited to community. As such, the following Minimum Standards must be met in order to be considered for a Site Readiness Grant;

- Size: Property is at least 25 contiguous acres.
- Site Available/Control/Availability for Sale, or Lease: Site ~~is~~must be 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. This can be demonstrated in any of the following ways:
 - A recorded deed showing the property is owned by the local community, a unit of government or economic development organization or other development partner that is promoting with a stated goal of developing 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:
 - An option agreement giving a unit of government or economic development agency the right to purchase the property at a pre-determined price for at least the next three years
 - A listing agreement, with an owner or option-holder as a party, showing the fixed price the property will be marketed at for sale or lease for a period of at least two years
 - A letter from the property owner including a description of the property and the price they would be willing to sell it to the applicant for at for a minimum of three years

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Normal, Indent: Left: 0"

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: 12 pt, Character scale: 105%

Formatted: Font: 12 pt

Formatted: Normal, Justified, Space Before: 0 pt

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt, Bold, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Justified, Right: 0", Line spacing: single, Bulleted + Level: 2 + Aligned at: 0.75" + Indent at: 1", Tab stops: Not at 0.58" + 0.58"

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt



- **Boundary Survey:** Boundary survey, [parcel map](#) 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.

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Justified, Right: 0", Line spacing: single, Bulleted + Level: 1 + Aligned at: 0.25" + Indent at: 0.5", Tab stops: Not at 0.58" + 0.58"

Formatted: Font: Times New Roman, 12 pt, Bold



MICHIGAN STRATEGIC FUND

- **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.
- **Zoning:** Property is currently appropriately zoned for industrial use or designated to be zoned for future industrial use by jurisdiction in which the property is located.
- **Infrastructure:** Property is located within five miles of a highway that is designated by MDOT as an All-Season Route.
- **Site Listing on MEDC's Real Estate Database:** MEDC utilizes a database of sites receiving funding under this Program must complete and maintain a listing of the site in the 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 by the Michigan Economic Development Corporation ("MEDC").
- **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

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%, Not Expanded by / Condensed by

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted

Formatted

Formatted

Formatted

Formatted

Formatted

Formatted

Formatted

Formatted

Formatted: Font: Times New Roman, 12 pt, Bold

Formatted: Font: 12 pt, Bold

Formatted: Normal, Justified, Space Before: 0 pt



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 Considerations

The MSF shall consider and document the following Project Considerations for a Site Readiness Program Grant:

- Site is of a size that would represent meaningful development in the community and is in demand in the marketplace
- Applicant's level of control of the site (permanent vs. temporary)
- The availability and proximity of utility capacity and infrastructure consistent with market demands of a site of this size and location and the cost and timing needed to bring utilities to the site
- The proximity of transportation infrastructure of the type, size and design consistent with market demands of a site of this size and location and the likelihood of investment for needed upgrades
- The status of necessary due diligence studies as well as a review of the findings of completed studies
- Whether the site is identified as a Brownfield site.
- The feasibility and market demand for any preferred conceptual plans
- The level of community support for development of the site in general and for the uses demanded by the market
- Other site-specific criteria that may affect the marketability of a site

The MSF will consider the proposed project scope, the Minimum Standards and the Project Considerations in determining the level of support for a project. This consideration will include the level of risk associated with proposed site studies and their potential impacts on marketability.

Site Readiness Grant Terms and Conditions

Grant Term & Payment

- Grant Term: The initial term of the grant agreement may not exceed five (5) years. The initial term may be extended upon the approval of the Michigan Strategic Fund ("MSF").
- Disbursement Schedule: Grants will be performance-based and disbursed in at least two disbursements. Disbursement requests must include supporting documentation, including invoices, bills, and evidence of payment, demonstrating that the grantee used the funds for Eligible Activities.

Project Reporting & Evaluation

- Progress reports: Beginning the first October 10 after the grant agreement is fully executed and each calendar year during the Term thereafter, the grantee shall submit to the Grant Manager an annual Progress Report relative to the Project.



- Financial reporting: Reporting on how disbursed funds have been used must be included in the annual Progress Report and in any disbursement requests after the initial disbursement of funds.
- Administrative Fee: Grants will be eligible for an Administrative Fee of up to 5% of the total grant amount.

Acquisition of Property and Land Options

Property Acquisition:

- Grantees who plan to use funds for land acquisition grant the MSF with an interest in the acquired land and any transfer of the land is subject to the approval of the MSF.

Land Options:

- All land options shall be for a term of no less than three years
- All land options shall include the following provisions:
 - an assignment provision allowing the Grantee to assign the option to any entity
 - a provision for the termination right of any existing leases on the property



TECHNICAL ASSISTANCE CONTRACT



Underwriting Criteria

In order to qualify for Technical Assistance funding, an opportunity will be reviewed based on the following criteria:

- an analysis of the potential benefit that the work product will have on state, regional or local readiness
- a review of the expertise and qualifications of the proposed vendor

Technical Assistance Agreement Terms and Conditions

- Technical assistance contracts shall have a defined scope of work and a contract term of no more than three years
- Task orders under a master services agreement shall qualify under this program and shall follow the terms of the master services agreement
- Vendors shall submit to a background check and register as a vendor in SIGMA
- Work product shall not be shared without the express written consent of the Contract Manager

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.

The Michigan Ready Sites selection process is defined below.

- 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.

Formatted: Font: 12 pt, Bold

Formatted: Normal, Justified, Space Before: 0 pt

Formatted: Font: Times New Roman, 12 pt, Bold

Formatted

Formatted: Normal, Justified, Indent: Left: 0"

Formatted: Font: Times New Roman, 12 pt

Formatted

Formatted: Justified, Space Before: 0 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5", Tab stops: Not at 0.58"

Formatted

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted

Formatted: Justified, Right: 0", Line spacing: single, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5", Tab stops: Not at 0.58" + 0.58"

Formatted

Formatted

Formatted

Formatted: Font: Times New Roman, 12 pt, Character scale: 100%

Formatted: List Paragraph, Indent: Left: 0", Right: 0", Space Before: 0 pt, Line spacing: single

Formatted

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-054**

**APPROVAL OF NAME CHANGE, GUIDELINE AMENDMENTS,
UPDATED DELEGATION AND FUNDING ALLOCATION TO THE
MICHIGAN BUILD READY SITES PROGRAM**

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

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

WHEREAS, pursuant to Section 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, by Resolution 2021-064, the MSF Board (i) 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 “BRS Program”), and (ii) adopted guidelines for operation and administration of the BRS Program, as later amended on October 26, 2021, by Resolution 2021-135 (the “BRS Program Guidelines”);

WHEREAS, on April 27, 2021, by Resolution 2021-065, the MSF Board approved a delegation of authority for the BRS Program, as later amended by Resolution 2021-136 (the “Delegation”);

WHEREAS, starting in 2019, “*Michigan Build Ready Sites*” was also used for a separate site certification program administered by the MEDC pursuant to which the level of readiness was evaluated at sites throughout Michigan;

WHEREAS, having two separate but tangentially related programs with the same name has led to confusion within the marketplace;

WHEREAS, the MEDC recommends that the MSF Board change the name of the BRS Program to the Michigan Ready Sites Program (the “MRS Program”) (such name change, the “Renaming”);

WHEREAS, the MEDC recommends that the MSF Board approve (1) amendments to the Program Guidelines, as set forth in the attached Exhibit A (the “MRS Program Guidelines”) and (2) an update the Delegation to reflect the Renaming (the “Delegation Update”);

WHEREAS, the MEDC recommends that the MSF Board allocate \$15 million from the FY25 allocation for Business and Community Development Programs and Activities to the MRS Program (the “Funding Allocation”); and

WHEREAS, the MSF Board wishes to approve the (1) Renaming, (2) MRS Program Guidelines, (3) Delegation Update and (4) Funding Allocation (collectively, the “Program Requests”).

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Program Requests.

Ayes: Dr. Brittany L. Affolter-Caine, Rachael Eubanks, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 22, 2025



MICHIGAN STRATEGIC FUND

MICHIGAN READY SITES PROGRAM PROGRAM GUIDELINES

PROGRAM OBJECTIVES

The State of Michigan is focused on developing a diverse portfolio of investment-ready sites that will be attractive to economic development opportunities that make sense for the community they are located in and also strengthen and diversify the economy.

ELIGIBILITY REQUIREMENTS

The Michigan Ready Sites Program is a dual-tracked program with site readiness awards aimed at boosting Michigan's inventory of investment-ready sites ("Site Readiness Grants") and technical assistance grants to identify and prepare sites to compete for projects through engagement of consultants, engineering firms, and other similar entities ("Technical Assistance Contracts").

	Site Readiness Grants	Technical Assistance Contracts
Eligible Applicants	Political subdivisions or instrumentalities of the state, local or regional economic development organizations, departments and agencies of the State of Michigan, Michigan non-profit organizations, and Michigan utility providers.	Companies or non-profit entities that provide consulting or professional services in site evaluation, site due diligence, site planning, project management, engineering, or other critical expertise required to improve state-wide site readiness or site marketability.
Eligible Activities	Funds to be used on site evaluation and development activities which may include planning and zoning assistance; site surveys; title work; quiet title actions; land assembly activities, land options, and/or land acquisitions; site due diligence studies, infrastructure analysis; infrastructure improvements directly related to a site; preliminary engineering; site planning studies; demolition; costs associated with holding a site or existing facility owned by an eligible applicant or other similar activities.	Technical assistance funds shall be used for state-wide, regional, or site-specific services that may include evaluations of infrastructure or sites, site surveys, wetland determinations, environmental reviews, traffic impact studies, utility routing studies, video production of sites for marketing or diligence purposes, creation of maps, marketing of key properties that are in the inventory of available industrial sites, or other similar activities.
Award Type	Performance-based grant	Professional services agreement



SITE READINESS GRANT

In order for a site to be supported under the Michigan Ready Sites Program, it should be a highly marketable site that is likely to attract a user which will have a positive economic impact to the surrounding community. As such, the following Minimum Standards must be met in order to be considered for a Site Readiness Grant:

- **Size:** Property is at least 25 contiguous acres.
- **Site Control/Availability for Sale or Lease:** Site must be confirmed by Applicant or the local economic development organization as available for sale and development. This can be demonstrated in any of the following ways:
 - A recorded deed showing the property is owned by a unit of government or economic development organization with a stated goal of developing the site for economic development purposes
 - An option agreement giving a unit of government or economic development agency the right to purchase the property at a pre-determined price for at least the next three years
 - A listing agreement, with an owner or option-holder as a party, showing the fixed price the property will be marketed at for sale or lease for a period of at least two years
 - A letter from the property owner including a description of the property and the price they would be willing to sell it to the applicant for at for a minimum of three years
- **Boundary Survey:** Boundary survey, parcel map or other reliable diagram showing site boundaries (including any easements if known) and dimensions must be available for preliminary planning purposes.
- **Zoning:** Property is currently appropriately zoned for industrial use or designated to be zoned for future industrial use by jurisdiction in which the property is located.
- **Infrastructure:** Property is located within five miles of a highway that is designated by MDOT as an All-Season Route
- **Site Listing on MEDC's Real Estate Database:** Applicants receiving funding under this Program must complete and maintain a listing of the site in the real estate database maintained by the Michigan Economic Development Corporation ("MEDC").



Project Considerations

The MSF shall consider and document the following Project Considerations for a Site Readiness Program Grant:

- Site is of a size that would represent meaningful development in the community and is in demand in the marketplace
- Applicant's level of control of the site (permanent vs. temporary)
- The availability and proximity of utility capacity and infrastructure consistent with market demands of a site of this size and location and the cost and timing needed to bring utilities to the site
- The proximity of transportation infrastructure of the type, size and design consistent with market demands of a site of this size and location and the likelihood of investment for needed upgrades
- The status of necessary due diligence studies as well as a review of the findings of completed studies
- Whether the site is identified as a Brownfield site.
- The feasibility and market demand for any preferred conceptual plans
- The level of community support for development of the site in general and for the uses demanded by the market
- Other site-specific criteria that may affect the marketability of a site

The MSF will consider the proposed project scope, the Minimum Standards and the Project Considerations in determining the level of support for a project. This consideration will include the level of risk associated with proposed site studies and their potential impacts on marketability.

Site Readiness Grant Terms and Conditions

Grant Term & Payment

- **Grant Term:** The initial term of the grant agreement may not exceed five (5) years. The initial term may be extended upon the approval of the Michigan Strategic Fund ("MSF").
- **Disbursement Schedule:** Grants will be performance-based and disbursed in at least two disbursements. Disbursement requests must include supporting documentation, including invoices, bills, and evidence of payment, demonstrating that the grantee used the funds for Eligible Activities.

Project Reporting & Evaluation

- **Progress reports:** Beginning the first October 10 after the grant agreement is fully executed and each calendar year during the Term thereafter, the grantee shall submit to the Grant Manager an annual Progress Report relative to the Project.



- Financial reporting: Reporting on how disbursed funds have been used must be included in the annual Progress Report and in any disbursement requests after the initial disbursement of funds.
- Administrative Fee: Grants will be eligible for an Administrative Fee of up to 5% of the total grant amount.

Acquisition of Property and Land Options

Property Acquisition:

- Grantees who plan to use funds for land acquisition grant the MSF with an interest in the acquired land and any transfer of the land is subject to the approval of the MSF.

Land Options:

- All land options shall be for a term of no less than three years
- All land options shall include the following provisions:
 - an assignment provision allowing the Grantee to assign the option to any entity
 - a provision for the termination right of any existing leases on the property



TECHNICAL ASSISTANCE CONTRACT

Underwriting Criteria

In order to qualify for Technical Assistance funding, an opportunity will be reviewed based on the following criteria:

- an analysis of the potential benefit that the work product will have on state, regional or local readiness
- a review of the expertise and qualifications of the proposed vendor

Technical Assistance Agreement Terms and Conditions

- Technical assistance contracts shall have a defined scope of work and a contract term of no more than three years
- Task orders under a master services agreement shall qualify under this program and shall follow the terms of the master services agreement
- Vendors shall submit to a background check and register as a vendor in SIGMA
- Work product shall not be shared without the express written consent of the Contract Manager

PROJECT EVALUATION, PROCESS AND MSF SUPPORT

The Michigan Ready Sites selection process is defined below.

- 1) Applicant provides initial intake documentation.
- 2) MEDC reviews request under the eligibility requirements.
- 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.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

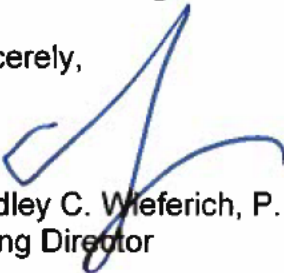
January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

March 14, 2025

Ms. Natalie Davenport
Michigan Strategic Fund Administrator
300 North Washington Square
Lansing, Michigan 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Davenport,

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings or portions thereof that I am unable to attend.

If you need anything additional, please contact Amaya Durkee at 616-522-7772 or DurkeeA4@michigan.gov.

If you need

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Director



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: April 22, 2025
To: Michigan Strategic Fund ("MSF") Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Monthly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from March 1, 2025, to March 31, 2025, as well as information about the impact that those projects have had on communities across the state.

We remain committed to maintaining transparency in our efforts to communicate with you all about our work to create equitable opportunities throughout the state. Over time, we will continue identifying ways to evolve and grow this report based on the feedback and requests we receive from Board members.

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Matt Casby know if you have any questions or comments about the content of these reports.

Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from March 1, 2025, to March 31, 2025.

Throughout the Fiscal Year, MSF delegates – with authority granted by the MSF Board – approve various projects within MSF programs in accordance with each program’s guidelines, as approved by the MSF Board. Under no circumstances will MSF delegates approve of a project that does not meet the Board- approved guidelines for the program. Furthermore, each project approved through delegated authority must undergo the same rigorous vetting and verification process as do projects that come before the MSF Board for approval. By ensuring consistent safeguards are in place for both delegate-approved and Board-approved projects, we are ensuring fairness and uniformity in our process, as we work to enable long-term economic prosperity for the people of our state.

MONTHLY IMPACTS

We are pleased to share the March delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout March 2025, 44% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all March approved projects through delegated authority have committed to creating just over 400 jobs and just over \$33.7 million in private investment.

MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during March 2025, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

The Michigan Business Development Program is available from the MSF, in cooperation with MEDC. The program is designed to provide grants, loans, or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
OVD	3/7/2025	Grand Rapids	\$1,000,000	Olivier-Van Dyk Insurance Agency, Inc. was founded in 1962 with a mission to create a boutique insurance business built on service and personal care. The Company is currently headquartered in Wyoming, Michigan where 106 of the Company's 120 employees are based. To realize its growth aspirations, the Company is exploring the purchase of a 99,000 sq. ft., 7-story office building in Grand Rapids. The Company would initially occupy the third and fourth floors of the building, approximately 30,000 square feet, and lease out the remaining space. This project involves the creation of up to 131 Qualified New Jobs and a capital investment of up to \$12,040,000, in the City of Grand Rapids, Kent County with the support of a \$1,000,000 Michigan Business Development Program performance-based grant. Michigan was chosen over sites in Nashville and Dallas due to the Company's long history in the State.
Cherry Republic	3/31/2025	Empire	\$175,000	The Company is considering Empire for the project and anticipates the project will result in capital investment of at least \$3,755,841. The project will also result in the creation of at least 20 new jobs with starting wages of \$21.01 per hour plus benefits, which is above the Regional Median Wage of \$20.88 per hour. This wage is expected to rise to \$22 per hour by 2025.

The Capital Access team partners with lenders to assist in helping small businesses obtain financing that would otherwise not be available.

State Small Business Credit Initiative (SSBCI) 2.0 – Collateral Support Program (CSP)

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Pesch LLC	3/1/2025	Laingsburg	\$66,000	MSUFCU is working with the daycare to refinance outstanding debt held with Capital National Bank. Due to collateral shortfall, the credit union is requesting assistance from the SSBCI 2.0 CSP.
Clean Logix	3/3/2025	Kentwood	\$686,125	Mercantile Bank is working with Clean Logix to provide them with a working capital line of credit to help prepare the company for future growth. Due to collateral shortfall, the bank is requesting assistance from the SSBCI 2.0 CSP.
Premier Melon Company Inc	3/3/2025	Muskegon	\$748,500	Horizon Bank is working with the Premier Melon Company, Inc. on a new working capital line of credit. Due to a shortfall in collateral, the lender is requesting SSBCI 2.0 collateral support on the line.
2 Fulton Street W LLC	3/5/2025	Royal Oak	\$2,395,699	Bamboo Grand Rapids is working with Bank Michigan to expand into the Grand Rapids market. Due to a collateral shortfall on renovations and FF&E, the bank is asking for support through the SSBCI 2.0 CSP.
Saber Properties, LLC	3/21/2025	Nunica	\$126,880	Saber Properties owns two car washes, one in Freemont and one in White Cloud. The company is working with West Shore Bank to refinance outstanding real estate debt, purchase new equipment, and renovate the White Cloud location. Due to collateral shortfall on the equipment and improvements loan, the bank is seeking assistance from the SSBCI 2.0 CSP.

Brownfield Tax Increment Financing (TIF)

Through the Brownfield Redevelopment Financing Act, Brownfield TIF allows applicable taxing jurisdictions to receive property taxes on the property at the current level and capture the incremental increase in tax revenue resulting from a redevelopment project.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Hayes Block, L.L.C.	3/14/2025	Albion	\$310,283	This project will revitalize a vacant, historic Hayes Block Building in downtown Albion. The 11,337 square foot property will be transformed into a mixed-use building with nine apartments and two revitalized storefronts. The project is expected to generate a total investment of approximately \$3,614,068, which is supported by a Revitalization and Placemaking grant award of \$1,325,000 and State Brownfield Tax Increment Financing capture of approximately \$310,283. Local Tax Increment Financing capture and an Obsolete Properties Rehabilitation Act abatement also support this project.
Emily Ree LLC	3/26/2025	Rogers City	\$116,399	This project will redevelop a two-story, functionally obsolete property totaling 6,312 square feet located in downtown Rogers City. The vacant building will be completely renovated to include 2,785 square feet of commercial space and four residential units.

Community Development Block Grant Disaster Recovery

The Community Development Block Grant (CDBG) Disaster Recovery Grant Funds are to rebuild disaster-impacted areas and provide crucial seed money to start the long-term recovery process.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
City of Frankenmuth	3/13/2025	Frankenmuth	\$199,890	The City of Frankenmuth seeks to develop a plan that addresses riverbank stabilization strategies for an approximately 1,000-foot length of the Cass River near a developed portion of the city, inclusive of a major industrial site and adjacent neighborhoods. The plan would describe the steps the city would pursue to stabilize the bank along this portion of the river. The area is industrially zoned and Star of the West's (a milling company) corporate headquarters and one of its processing facilities are located less than 140-feet from the Cass River, with East Tuscola Street bisecting the area, thus placing the road and any underground public infrastructure at potential future risk of failure.

Michigan State Trade Expansion Program (MI-STEP)

The MI-STEP program is designed to spur job creation by empowering Michigan small businesses that meet U.S. Small Business Administration guidelines and size standards to export their products.

Project Name	Approval Date	Location	Incentive Amount
Drive Direct Express LLC - Aeromart Montreal	3/6/2025	Mecosta	\$2,520
Beaver's Lures LLC - Toronto Sportsmen's Show	3/7/2025	Escanaba	\$5,778
Carter Aerospace Bearings, Inc. - Aeromart Montreal	3/10/2025	Spring Lake	\$817
Composite Builders LLC - Aeromart Montreal	3/11/2025	Holland	\$2,020
Oliver Carbide Products - Makers Central UK	3/18/2025	Cottrellville	\$5,024
THI Inc. - GSGP Trade Mission Japan & South Korea	3/18/2025	Grand Rapids	\$7,315
Duperon Corporation - AquaTech Mexico	3/19/2025	Saginaw	\$7,025
General Broach - Aeromart Montreal	3/19/2025	Morenci	\$1,073
ThinkDigits - Aeromart Montreal	3/19/2025	Farmington Hills	\$1,218
Business-Connect - Sales Trip - Panama	3/20/2025	Grandville	\$1,492
SNA Sports Group, LLC - FSP Riyadh	3/20/2025	Grand Rapids	\$2,332
P.J. Wallbank Springs Incorporated - Hannover Messe	3/21/2025	Port Huron	\$1,326
Metalloid Corporation - Aeromart Montreal	3/23/2025	Sturgis	\$510
Pisces Fish Machinery, Inc. - Seafood Processing Global	3/25/2025	Gladstone	\$15,000
General Formulations - Sales Trip Australia & New Zealand	3/27/2025	Sparta	\$5,856

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval from March 1, 2025, to March 31, 2025.

Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Midwest Acoust-A-Fiber, Inc.	3/25/2025	Shelby Township	Amend to extend M2 due date from 11/30/2024 to 3/31/2026 and grant term from 4/30/2025 to 9/30/2026.

Michigan Community Revitalization Program (MCRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
3424 Chicago Drive, LLC	3/17/2025	Hudsonville	Update Milestone One: Increase Financing to \$5,950,000 due to unexpected costs. Decrease Ottawa County Brownfield Authority amount to \$6,800. Extend Milestone One from September 30, 2024, to June 30, 2025.

Financial Data Overview and Terminations



Michigan Business Development Program – Terminations

Project Name	Project Location	Incentive Type	Amount Awarded	Amount Disbursed	Termination Date	Reason for Termination	Repayment
Plastic Omnium	Grand Blanc Township	Grant	\$5,000,000	\$0	3/20/2025	Mutual termination	\$0.00
Millbrook Revolutionary Engineering Inc	Redford Township	Grant	\$850,000	\$350,000	3/25/2025	Company unable to meet requirements	\$150,000