



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

March 25, 2025

9:00am

I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT

III. COMMUNICATIONS

IV. CONSENT AGENDA

- a. Proposed February 25, 2025, Meeting Minutes.....2
- b. The Keefer House Hotel, LLC: MCRP Amendment.....12
- c. CDBG Water-Related Infrastructure Funding Round17
- d. FY24 Business Incubator Grants Amendment25
- e. SSBCI 2.0 MBGF Small Business Venture Capital Program: Side Door
Michigan I, LP Amendment34
- f. Williams International Co., LLC: MSF-Designated Renaissance Zone Partial
Revocation42
- g. SSBCI Small Business Opportunity Program (SBOP) Award Acceptance ... 50

V. ADMINISTRATIVE

- a. Ultium Cells, LLC, Lansing Economic Area Partnership, and General Motors, LLC: 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.; a resolution to approve an amendment to the CIP Grant to General Motors, LLC; a resolution to approve an amendment to reduce the size of and assign the Renewable Energy Renaissance Zone from Ultium Cells LLC to LG Energy Solution Michigan, Inc.; and a resolution to approve an amendment to the Strategic Site Readiness Program Grant to Lansing Economic Area Partnership.58
Location: City of Lansing and Orion Township
- b. Michigan Innovate Capital Fund (MICF) Program Request: A resolution to approve 1) an allocation in the amount of \$5,000,000 from the Jobs for Michigan Investment Fund to the MICF Program, 2) 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 3) 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 \$7,000,000.70

VI. INFORMATIONAL

- a. Delegation of Authority Report.....93

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

MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
February 25, 2025

Member Present

Christin Armstrong (on behalf of Chairman Messer)

Members Joined Remotely

Eric Bussis (on behalf of Treasurer Eubanks)

Britany L. Affolter-Caine

Wesley Eklund

John Groen (on behalf of Director Corbin)

Dimitrius Hutcherson

Michael B. Kapp (on behalf of Director Wieferich)

Leon Richardson

Susan Tellier

Randy Thelen

Cindy Warner

Absent

Dan Meyering

Charles P. Rothstein

I. CALL TO ORDER & ROLL CALL

Ms. Armstrong called the meeting to order at 9:00 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

Randy Thelen joined the meeting remotely at 9:02 a.m.

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

III. COMMUNICATIONS

Ms. Davenport stated that communications were shared with the MSF Board via email on Monday, February 26th.

Dimitrius Hutcherson, Chair of the MSF Finance and Investment Subcommittee, and

Cindy Warner, Chair of the MSF Policy and Planning Subcommittee, provided updates on subcommittee activity in February.

Randy Thelen, recused, left the meeting at 9:10 a.m.

IV. CONSENT AGENDA

Resolution 2025-015, 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. Britany L. Affolter-Caine motioned for the approval of the following:

- a. Proposed January 28, 2025, Meeting Minutes
- b. SSBCI 2.0 MBGF Small Business Venture Capital Program: eLab Capital Partners III, Michigan Innovation Fund LP Amendment **2025-016**
- c. SSBCI 2.0 MBGF Small Business Venture Capital Program: The Future Heritage Fund, LP Amendment **2025-017**
- d. Business Incubator Program: Gateway Representative Grant Amendments **2025-018; 2025-019; 2025-020; 2025-021; 2025-022**
- e. 3820 West End, LLC: Michigan Community Revitalization Program Loan Amendment **2025-023**
- f. City of Lansing Brownfield Redevelopment Authority: 501 S. Capitol Ave Act 381 Amendment **2025-024**
- g. City of Lansing Brownfield Redevelopment Authority: 520 S. Washington Ave/110 W. Hillsdale St. Act 381 Amendment **2025-025**
- h. Bedrock Management Services, LLC: Transformational Brownfield Plan Amendment **2025-026**

Dr. Britany L. Affolter-Caine motioned for the approval of Resolution 2025-015 to approve the Consent Agenda. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Christin Armstrong (on behalf of Chairman Messer, designation attached), Eric Bussis (on behalf of Treasurer Eubanks, designation attached), Dr. Britany 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), Leon Richardson, Susan Tellier, Cindy Warner; Nays: None; Recused: Randy Thelen.

Randy Thelen rejoined the meeting remotely at 9:12 a.m.

V. ATTRACT, RETAIN, AND GROW BUSINESS

- a. **Resolution 2025-027 Peterson Brands, LLC: State Essential Services Assessment Exemption**
Darryl Todd, Business Development Manager, supported by Erik Wilford, Managing

Director of Business Development Projects, and Richard Raffaelli of Peterson Farms, provided the Board with information regarding this action. The request involves the consideration of a resolution to approve a 15-year, 100% State Essential Services Assessment Exemption with an estimated value of up to \$576,970 for its \$26,200,000 eligible investment in Eligible Personal Property to Peterson Brands, LLC.

Leon Richardson motioned for the approval of Resolution 2025-027 for the State Essential Services Assessment Exemption. Wesley Eklund seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Christin Armstrong (on behalf of Chairman Messer, designation attached), Eric Bussis (on behalf of Treasurer Eubanks, designation attached), Dr. Britany 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), Leon Richardson, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

a. **Resolution 2025-028 150NMAINCLAWSON, LLC: Michigan Community Revitalization Program Performance-Based Loan**

Dominic Romano, Senior Community Development Manager, supported by Michael Khalil of Capital CSC and Nikalas Stepnitz of the City of Clawson provided the Board with information regarding the requested action. The request involves the consideration of a resolution to approve a Michigan Community Revitalization Program performance-based loan in the amount of up to \$3,550,547 to 150NMAINCLAWSON, LLC.

Dimitrius Hutcherson motioned for the approval of Resolution 2025-028 to approve the Michigan Community Revitalization Program Loan. John Groen seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Christin Armstrong (on behalf of Chairman Messer, designation attached), Eric Bussis (on behalf of Treasurer Eubanks, designation attached), Dr. Britany 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), Leon Richardson, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

VIII. INFORMATIONAL

Ms. Armstrong noted that the Michigan Strategic Fund Delegation of Authority Report from January 1, 2025, to January 31, 2025 was included in the meeting packet. There were no questions regarding the report.

Ms. Armstrong adjourned the meeting at 9:29 a.m.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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



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

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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

December 5, 2024

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

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

Dear Ms. Davenport:

I hereby designate Jeff Guilfoyle, Eric Bussis, and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that I am unable to attend in 2025.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood



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

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

Natalie Davenport (MEDC)

From: Maureen Kearns <maureen@roaringmouse.net>
Sent: Saturday, February 8, 2025 10:18 AM
To: MEDC MSF Comments
Subject: Affordable housing and Related Cos.

Hello,

I find it despicable that this board has allowed The Related Cos. to drop the affordable housing in 2205 Cass.

Have they and the Illitches not shown their bad faith in getting this neighborhood built? While it is said the affordable units will get spread to other buildings, who can ensure those buildings will ever get built? What will you do when they come back to this body and ask to drop the requirement for the next building? And the next?

The people, whose money you are playing with, are getting tired of this corruption of justice.

No matter. Karma is something that can't be escaped by you or anyone else. When you start life again, this time as toads, you may be priveleged to remember why. Or not.

Work for the People!

Maureen

Sent from my T-Mobile 5G Device

Natalie Davenport (MEDC)

From: whkestila@everyactioncustom.com on behalf of Willard Kestila-Josephson
<whkestila@everyactioncustom.com>
Sent: Friday, December 20, 2024 12:25 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%7C2425f36e85db4018d23208dd211b3768%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638703122950154074%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljoITWVpbGlzdUljoyfQ%3D%3D%7C60000%7C%7C%7C&sdata=jvNTGrIEMJNkQnXe3vgB2A%2F%2ByLrmwP7JHn4pGmYDrkU%3D&reserved=0>

Thank you for the opportunity to comment.

For the Great Lakes,
None Willard Kestila-Josephson
315 S Main St Ishpeming, MI 49849-2053
whkestila@gmail.com



MEMORANDUM

Date: March 25, 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 Other Economic Assistance – Equity Award Agreement Amendment #1
The Keefer House Hotel, LLC or a Related Entity – Keefer House Hotel Project

Request

The Keefer House Hotel, LLC or a Related Entity (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Equity Agreement and any related ancillary agreements (the “Agreement”). The Company is requesting to extend Milestone Three (3) “Project Completion Requirements” by thirty-six (36) months from June 30, 2023, to June 30, 2026. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund on January 26, 2021, approved a \$2,000,000 Michigan Community Revitalization Program (MCRP) Other Economic Assistance – Equity award to the Company for the purpose of historically renovating the blighted Keefer House Hotel into a new 34 key hotel with approximately 6,550 square feet of ground level commercial space.

The project has experienced multiple issues during construction that have led to delays and increased costs to complete. Two of the largest issues were the loss of the project’s original excavating subcontractor and a water invasion problem in the basement that was uncovered during construction. The development team has been able to overcome these setbacks and remains committed to the project. Extension of the Milestone is anticipated to allow adequate time to complete the project.

The proposed amendment will assist with bringing the Company back into compliance with the requirements of its Agreement.

Recommendation

The MEDC staff recommends approval of an amendment to the Agreement to extend Milestone Three (3) by thirty-six (36) months from June 30, 2023, to June 30, 2026.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-030

APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE EQUITY AWARD FOR THE KEEFER HOUSE HOTEL, LLC OR A RELATED ENTITY

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 2021-014 on January 26, 2021, the MSF Board awarded a MCRP Other Economic Assistance Equity award to The Keefer House Hotel, LLC or a Related Entity (the “Company”), in furtherance of the project of up to \$2,000,000 (the “Award”);

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to extend Milestone Three (3) by thirty-six (36) months from June 30, 2023, to June 30, 2026, 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: Dr. Britany 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

Lansing, Michigan
March 25, 2025



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

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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, cursive script.

Randy Thelen

MEMORANDUM

Date: March 25, 2025

To: Michigan Strategic Fund Board

From: Greg West, Director, Federal Programs
Amy Schlusler-Schmitt, Program Manager, Federal Programs

CC: Christine Whitz, Managing Director, Federal Programs

Subject: Community Development Block Grant Program
Water Related Infrastructure (WRI) Funding Round

Request

Michigan Economic Development Corporation (MEDC) staff requests approval to set aside up to \$22,000,000 in Community Development Block Grant (CDBG) funds for eligible projects in the proposed Water Related Infrastructure (WRI) funding round,

Background

On April 26, 2016, the Michigan Strategic Fund (MSF) approved a set aside of CDBG funds for a competitive funding round targeting infrastructure improvements and upgrades in low-moderate income communities. Subsequently, additional CDBG infrastructure funding rounds were approved in 2017, 2020, 2021 and 2022.

The purpose of the current WRI funding round is to also assist low to moderate income communities with making necessary improvements to their existing public infrastructure systems. Activities eligible for funding include upgrades or improvements related to water, sewer, and wastewater systems. The activities are identified as public improvements pursuant to the CDBG Program Year 2022 Action Plan, approved by Resolution 2022-143 on September 27, 2022.

Proposed scope of work may include water lines and related facilities; sanitary and storm sewer lines and related infrastructure; wastewater treatment plants and related activities, and engineering and road replacement related to these activities.

To qualify for CDBG funding, communities must be at least 51 percent low and moderate income as determined by census data provided by the U.S. Department of Housing and Urban Development (HUD).

Priority will be given to projects located within high percentage of low to moderate income communities that are experiencing health emergencies as documented by State of Michigan departments.

Screening Guidelines

All eligible projects must meet the following criteria:

- Project applicant must be a Unit of General Local Government (UGLG) on the HUD Low-Moderate Income (LMI) list
- Project shall be for an existing public system replacement or upgrade that benefits the entire UGLG, not system maintenance or speculative development
- Project shall include only eligible CDBG activities
- UGLG must own or can acquire easement to the property encompassing the project
- UGLG shall demonstrate a management/maintenance plan for the proposed project for its useful life
- Project must be completed by December 31, 2027
- Grant request must be between \$500,000 and \$2,500,000 (One grant request per UGLG)
- UGLG shall provide a preliminary set of project plans and specifications

Scoring Guidelines

MEDC staff will review and score project applications. A scoresheet is attached as Exhibit A.

Recommendation

MEDC Staff recommends the following:

- The MSF authorizes no more than \$22,000,000 to be used for the Water Related Infrastructure (WRI) improvements, with no more 10% to be used in administrative services to assist selected communities with the compliance requirements of the awards;
- Approves the Screening Guidelines listed above and the Scoring Guidelines listed in Exhibit A; and
- Authorizes MEDC Staff to score WRI applications based on the screening guidelines and scoresheets.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-031**

**APPROVAL OF CDBG FUNDING AND SCORING CRITERIA FOR THE 2025 WATER
RELATED INFRASTRUCTURE FUNDING ROUND**

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

WHEREAS, MEDC staff is recommending the allocation of up to \$22,000,000 in CDBG funding for the Water Related Infrastructure funding round (the "WRI Funding Round").

WHEREAS, MEDC staff is recommending approval of the proposed WRI Funding Round screening guidelines in the preceding memorandum (the "Screening Guidelines") and the scoring sheet (the "Scoring Guidelines") attached to this Resolution as Exhibit A; and

WHEREAS, MEDC staff recommends the MSF Board authorize the MEDC staff to review and score any presented WRI Funding Round applications and proposed projects in accordance with the (1) Criteria and HUD regulations to ensure each application and proposed project is eligible for funding, is not speculative in nature, is economically sound, and is ready to proceed, (2) the Screening Guidelines and (3) the Scoring Guidelines (collectively, the "Scoring Recommendation").

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board hereby approves the allocation of up to \$22,000,000 in CDBG funding for the WRI Funding Round;

BE IT FURTHER RESOLVED, that MSF Board hereby approves the Scoring Recommendation, provided that MEDC staff shall not recommend a WRI Funding Round application which requests more than 10% to be used for administrative services to assist the applicant with project compliance requirements; and

BE IT FURTHER RESOLVED, that the MSF Board shall approve the final awards from the WRI Funding Round.

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

Lansing, Michigan
March 25, 2025

2025 CDBG WATER-RELATED INFRASTRUCTURE (WRI) ROUND SCORE SHEET

UGLG Name	Scorer Name
Project Name	Date

APPLICATION MUST BE COMPLETE. An application is considered complete if:				
	Yes	No		Notes
1	<input type="checkbox"/>	<input type="checkbox"/>	All questions have been answered	
2	<input type="checkbox"/>	<input type="checkbox"/>	All applicable attachments have been included	
3	<input type="checkbox"/>	<input type="checkbox"/>	The application has been signed	

ELIGIBILITY CRITERIA (Section 5 of the Application)				
	Yes	No		Notes
1	<input type="checkbox"/>	<input type="checkbox"/>	The UGLG is a community where 51% of the individuals reside in low to moderate income households	
2	<input type="checkbox"/>	<input type="checkbox"/>	The UGLG does not have an open CDBG Grant or MSF CDBG Award	
3	<input type="checkbox"/>	<input type="checkbox"/>	The project will be completed by December 31, 2027	
4	<input type="checkbox"/>	<input type="checkbox"/>	The grant request for traditional infrastructure is between \$500,000 and \$2,500,000	
5	<input type="checkbox"/>	<input type="checkbox"/>	The UGLG has clearly demonstrated that the proposed project benefits the entire Low- and Moderate-Income Community	
6	<input type="checkbox"/>	<input type="checkbox"/>	The UGLG must own or can acquire easement to the property encompassing the project	
7	<input type="checkbox"/>	<input type="checkbox"/>	The UGLG has a maintenance plan for the proposed project	
8	<input type="checkbox"/>	<input type="checkbox"/>	The UGLG has a set of preliminary project plans and specifications	

PRIORITIES/SCORING (Section 6 of Application)				
	POINTS AVAILABLE		COMMENTS	SCORE
1	Up to 35	Community is a Low to Moderate income 51-55% = 5 points 56-60% = 10 points 61-65% = 20 points 66-70% = 30 points 71% and above = 35 points		
2	Up to 15	The community has leveraged local matching funds 11-24% = 10 points 25% and above = 15 points		

3		Item 3 consists of 3a through 3d and has the potential to score up to 50 points total depending upon the project specifics and applicability.		
3a	Up to 50	Imminent threat/System failures <ul style="list-style-type: none"> ▪ Immediate health concerns ▪ Had experienced break, leaks, repairs ▪ Leaks resulting in bacteria, raw sewage, waste sewage ▪ Project was to address the above circumstances 		
3b	Up to 35	Critical Improvements needed as soon as possible <ul style="list-style-type: none"> ▪ Not an immediate health concern ▪ Had experienced breaks, leaks but infrastructure had been secured. Used repairs as possible occurrence on existing infrastructure. Project was to address possible infrastructure repairs. 		
3c	Up to 15	Infrastructure improvements needed in short term <ul style="list-style-type: none"> ▪ Not an immediate health concern ▪ Did not speak to breaks, leaks or repairs and impact on community 		
3d	Up to 5	Infrastructure improvements needed in next few years <ul style="list-style-type: none"> ▪ Not an immediate health and/or safety concern ▪ Project is proactive in nature and addresses anticipated problems that may occur in the future 		
TOTAL SCORE				

Additional Comments



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®

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



MEMORANDUM

Date: March 25, 2025

To: Michigan Strategic Fund Board

From: Margaret McCammon, Senior Entrepreneurial Technology Program Manager

Subject: Business Incubator Program (Gateway Representative) Amendments

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board: 1) exercise options to extend and allocate additional funding for Gateway Representative (“GWR”) awards totaling \$500,000 for the five existing nonprofit/university SmartZone (“SZ”) administrating organizations set forth in the Amendments to Existing Awards table, below (the “Request”).

Amendments to Existing Awards:

SmartZone Location	Grantee (SmartZone Administrator)	Amount of Increase	New End Date	Status
Ann Arbor/ Ypsilanti	Ann Arbor SPARK	\$100,000	3/31/26	Contract Extension
Troy	Automation Alley	\$100,000	3/31/26	Contract Extension
Detroit	TechTown Detroit	\$100,000	3/31/26	Contract Extension
Grand Rapids	The City of Grand Rapids SmartZone LDFA	\$100,000	3/31/26	Contract Extension
Jackson	Lean Rocket Lab	\$100,000	3/31/26	Contract Extension
	Total	\$500,000		

Background

As clarification, the Request was included in the briefing memo for the February 25, 2025 MSF Board meeting. However, the accompanying Resolution for the Request was inadvertently left out of the MSF Board packet for the February 25, 2025 meeting, hence this repeated request.

Since 2009 the MSF has provided funding to business incubators to stimulate the creation and continued growth of technology-based businesses and jobs by capitalizing on the State of Michigan's growing base of high technology industry, its skilled labor force, its nationally recognized university system, and MEDC-designated SmartZones, and business incubators.

In 2015, the GWR (formerly Gatekeeper) Business Incubator grant program (“Business Incubator Grant”) was established. The Business Incubator Grant is designed to support the SmartZones spread across Michigan. Only SmartZones or those organizations associated with a SmartZone or SmartZone satellite are eligible to receive the Business Incubator Grant. The program was developed in response to the need for a key point of contact at the SmartZones experienced in working with high tech start-ups and with an understanding of the statewide high-tech entrepreneurial ecosystem. The goal of the Business Incubator Grant is to support a GWR at each SmartZone. The Business Incubator Grant pays a portion of the salary, expenses and travel of the GWR for one or two support staff and requires a 1:1 match.

Gateway Representative Responsibilities

The GWR is responsible for all local SmartZone client services, including: welcoming and introducing the tech company to the local ecosystem, providing an overview of the MSF-funded Michigan statewide tech ecosystem, recruitment and development of other tech companies in the local SmartZone, local SmartZone business development activities, vetting of local tech companies, providing strategic business guidance, helping companies with fundraising efforts, and connecting local tech companies to the various MSF-funded entrepreneurial resources available to innovative companies across the State of Michigan. Examples of MSF-funded resources are the Small Business Development Center (SBDC Tech team) and BBCEtc for SBIR/STTR federal grant application support. The GWR is also responsible for supporting the companies’ applications to other MSF-funded tech entrepreneurial programs such as the Business Accelerator Fund (BAF), and the Michigan Innovate Capital Fund. Lastly, the GWR is responsible for the semi-annual performance metric reports due to the MEDC. This performance metric data is then used in the annual Legislative report. The geographic distribution of the SmartZones across both peninsulas of the state allows for easier access to MSF-funded programs by all tech and innovative entrepreneurs regardless of company location.

These five Business Incubator Grants ending March 31, 2025, are eligible to have their current Business Incubator Grants extended. The MEDC would like to renew its support of their efforts by offering a new grant award as outlined below.

The funding requested will support services in five regions spread across Michigan through March 31, 2026.

Detailed below are the individual results for each of the five Business Incubator Grants. Civil and criminal background checks for all five GWRs for which funding is being requested have been completed in accordance with the MSF Background Review Policy.

FY24 Business Incubator Gateway Representative Grants

On January 23, 2024 the MSF Board approved new award agreements for the following GWRs whose original contracts had run full term: Ann Arbor SPARK (SPARK), Automation Alley, Techtown Detroit, the City of Grand Rapids SmartZone LDFA and The Lean Rocket Lab for a one-year GWR award with the option to extend for an additional four years and to allocate additional funding.

Ann Arbor SPARK (SPARK), Ann Arbor/Ypsilanti SmartZone (\$100,000 over 12 months): SPARK was initially awarded \$100,000 from April 1, 2024 through March 31, 2025.

From October 1, 2023 through September 30, 2024, SPARK has achieved the following metrics:

- New companies formed: 40
- New jobs created: 146
- Traditional companies served: 0
- Tech companies served: 327
- Follow on funding: \$238,746,954 with an additional \$75,340,616 in new sales

They also reported the following diversity data for FY 2024:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	10%
Assistance to diverse businesses	50%

Below is a testimonial from one of their clients:

"(SPARK) helps me navigate and get connected to critical resources, tools, and networks and has introduced me to several local opportunities (e.g., the Michigan Life Science Entrepreneurs pitch competition, Biotech Commercialization Program, SPARK's boot camp), all of which will help me gain visibility, increase funding prospects, build connections, and establish product-market-fit."
Siew-Ging Gong, Founder of SaliBiotics.

- **Automation Alley, Troy SmartZone (\$100,000 over 12 months):** Automation Alley was initially awarded \$100,000 from April 1, 2024 through March 31, 2025.

From October 1, 2023 through September 30, 2024, Automation Alley has achieved the following metrics:

- New companies formed: 7
- New jobs created: 41
- Traditional companies served: 118
- Tech companies served: 61
- Follow on funding: \$6,700,000 with an additional \$10,659,821 in new sales

They also reported the following diversity data for FY 2024:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	14%
Assistance to diverse businesses	49%

Below is a testimonial from one of their clients:

"As the CEO and Founder of Livsee, I've experienced firsthand the immense value of the support from Automation Alley SmartZone and the Michigan Small Business Development Center (MI SBDC) Tech Team. After founding Livsee in mid-2024, I quickly engaged with these two organizations, and they played a pivotal role in our growth. Their guidance helped us develop a successful application for the Business Accelerator Fund (BAF) program, which provided crucial support for our business. The BAF program allowed us to work with Sandpaper Creative in Grayling, where we developed a compelling brand identity that has been instrumental in our marketing efforts. Additionally, the grant funded essential legal work with Bodman Law Offices, helping us build the legal framework necessary for growth and partnerships. These resources have been critical as we aim to become the premier platform for the rental market in 2025, generating

strong interest from property managers, consumers, and industry professionals. Launching a startup is never easy, but Automation Alley and the MI SBDC provided more than just funding—they offered expertise, mentorship, and connections that helped refine our message and secure investor backing. Thanks to their support, we've achieved meaningful progress in a short period of time.”
Andrea Taylor, CEO & Founder of Livsee

- **Techtown Detroit, Detroit SmartZone (\$100,000 over 12 months):** TechTown Detroit was initially awarded \$100,000 from April 1, 2024 through March 31, 2025.

From October 1, 2023 through September 30, 2024, TechTown has achieved the following metrics:

- New companies formed: 14
- New jobs created: 16
- Traditional companies served: 32
- Tech companies served: 71
- Follow on funding: \$564,803 with an additional \$979,635 in new sales

They also reported the following diversity data for FY 2024:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	49%
Assistance to diverse businesses	87%

Below is a testimonial from one of their clients:

“The ongoing support of TechTown has been invaluable along my journey as an entrepreneur. Most recently, and more quantifiable, though, the team at TT provided me and JustAir strategic advice and support as we prepared and executed our fundraise, which has now exceeded \$1M in investment. ... I’m incredibly proud of my entire team who have worked tirelessly to give JustAir the chance to truly progress enough to achieve this stage of growth. Still, given our raise timing that investment would likely not have happened without the guidance and connectivity from TechTown” **Darren Riley CEO JustAir**

- **The City of Grand Rapids SmartZone LDFA, Grand Rapids SmartZone (\$100,000 over 12 months):** The City of Grand Rapids was initially awarded \$100,000 from April 1, 2024 through March 31, 2025, with MSU as the service provider and the GWR based at MSU Innovations.

From October 1, 2023 through September 30, 2024, GR has achieved the following metrics:

- New companies formed: 12
- New jobs created: 65
- Traditional companies served: 2
- Tech companies served: 83
- Follow on funding: \$3,816,748 with an additional \$6,606,956 in new sales

They also reported the following diversity data for FY 2024:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	50%
Assistance to diverse businesses	50%

Below is a testimonial from one of their clients:

“Through the BAF, Reel Free has received patent assistance and regulatory services. These engagements have been critical to our growth and will help us reach our milestone of fulfilling first sales of Reelmate Remote, our motorized, remote-controlled Class I medical device, to durable medical equipment suppliers. Without the support of Spartan Innovations, the Grand Rapids SmartZone, and the BAF, our team would not have been able to bridge the gap between an early prototype to a seed fundraising round.” **Austin Pollock, Co-Founder of Reel Free, LLC**

- **Lean Rocket Lab (LRL) Jackson SmartZone (\$100,000 over 12 months):** Lean Rocket Lab was initially awarded \$100,000 from April 1, 2024 through March 31 2025.

From October 1, 2023 through September 30, 2024, LRL has achieved the following metrics:

- New companies formed: 4
- New jobs created: 60
- Traditional companies served: 52
- Tech companies served: 66
- Follow on funding: \$16,674,720 with an additional \$10,649,824 in new sales

They also reported the following diversity data for FY 2024:

Assistance to businesses located in an SBA designated HubZone /Opportunity Zone	64%
Assistance to diverse businesses	33%

Below is a testimonial from one of their clients:

“Lean Rocket Lab has been an invaluable partner in CrossBraining’s journey as a startup in Michigan. Their unwavering support and resources have played a significant role in our growth and success. From assisting with grant writing to introducing us to the Michigan Manufacturing Association, Lean Rocket Lab has consistently provided critical connections and opportunities. Their support helped us secure funding that allowed me to refine my leadership and team management skills.

Lean Rocket Lab has also been instrumental in keeping me informed about pitch events and providing CrossBraining the chance to showcase our work across Michigan. Their Sales and Marketing Accelerator not only equipped us with effective strategies but also introduced us to a community of founders with whom I’ve built lasting relationships and collaborated on impactful projects.” **Josh Nichols, CEO CrossBraining**

Recommendation

MEDC Staff recommends that the MSF Board approve the Request.

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2025-032

2024 BUSINESS INCUBATOR GRANT AMENDMENTS

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

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

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

WHEREAS, on January 23, 2024, the MSF Board authorized grants to the following entities for the initial terms and in the initial amounts listed, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF:

Grantee	Initial Term	Initial Award Amount
Ann Arbor SPARK	4/1/24-3/31/25	\$100,000
Automation Alley	4/1/24-3/31/25	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/24-3/31/25	\$100,000
Lean Rocket Lab	4/1/24-3/31/25	\$100,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/24-3/31/25	\$100,000

(the aforementioned, collectively, the “2024 Business Incubator Grants”); and

WHEREAS, the MEDC recommends that the MSF Board exercise its first option to extend and allocate additional funds to the 2024 Business Incubator Grants for the terms and amounts listed below:

Grantee	Extension	Amount of Increase
Ann Arbor SPARK	4/1/25-3/31/26	\$100,000
Automation Alley	4/1/24-3/31/26	\$100,000
The City of Grand Rapids SmartZone Local Development Finance Authority	4/1/24-3/31/26	\$100,000
Lean Rocket Lab	4/1/24-3/31/26	\$100,000
The Wayne State University Research and Technology Park in City of Detroit dba TechTown Detroit	4/1/24-3/31/26	\$100,000

(the aforementioned, collectively, the “2024 Business Incubator Grants Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the 2024 Business Incubator Grants Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 2024 Business Incubator Grants Amendment Request; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the 2024 Business Incubator Grants Amendment Request.

Ayes: Dr. Britany 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

Lansing, Michigan
March 25, 2025



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®

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



MEMORANDUM

To: Michigan Strategic Fund Board

From: Chris Cook, Managing Director – Capital Access

Date: March 25, 2025

Subject: SSBCI 2.0 – MBGF Small Business Venture Capital Program – Side Door Michigan I, LP – Amendment

Request

To amend the first closing deadline of the MSF approved SSBCI 2.0 VC commitment to Side Door Michigan I, LP (“Side Door Michigan” or “Fund”).

Background

On July 9, 2024 the MSF Board approved an SSBCI 2.0 SBVCP award of up to \$9.8 million in the form of a limited partnership commitment to the Fund. Side Door Michigan is being launched as a venture capital investment fund with a goal of supporting technology companies. The Fund has a target size of \$20 million and will operate exclusively within the State of Michigan. The MSF investment will constitute no more than 49% of the Fund.

Rationale

The MSF approved terms require that the fund completes a first closing no later than March 31, 2025. Based on the time necessary to complete the Fund documents and secure matching private LP commitments, staff is seeking to amend the deadline for a first closing to no later than 6/30/25.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-033

AMENDMENT #1 TO STATE SMALL BUSINESS CREDIT INITIATIVE 2.0 VENTURE CAPITAL PROGRAM INVESTMENT IN SIDE DOOR MICHIGAN I, LP

WHEREAS, under the State Small Business Credit Initiative Act of 2010 (title III of the Small Business Jobs Act of 2010, Public Law 111-240, 124 Stat. 2568, 2582 (the “SSBCI”), the United States Congress appropriated funds to the United States Department of Treasury (“US Treasury”) to be allocated and disbursed to states that have applied for and created programs in accordance with the SSBCI to increase the amount of capital made available by private lenders to small businesses;

WHEREAS, on March 11, 2021, the American Rescue Plan Act reauthorized and expanded SSBCI to provide \$10 billion to state, the District of Columbia, territories, and Tribal governments to expand access to capital for small businesses, to support opportunity and entrepreneurship, and to create high-quality jobs (the “SSBCI 2.0”);

WHEREAS, under the SSBCI 2.0, authorized SSBCI 2.0 Programs include the operation of a state small business capital access program, and other state credit support programs, including state collateral support programs, state loan participation programs, state loan guarantee programs and state venture capital fund programs, in accordance with SSBCI 2.0 requirements;

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

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

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

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

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

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

WHEREAS, on July 9, 2024, the MSF Board approved an SSBCI 2.0-MBGF-Venture Capital Program commitment to Side Door Michigan I, LP (“Fund”) in the amount of the lesser of: (i) \$9.8 million or (ii) an MSF investment of not more than 49% of the Fund’s total investible assets, toward further investments in Michigan by the Fund (collectively, the “VC Award”); and

WHEREAS, the Fund has requested an amendment to VC Award to change the initial closing date from March 31, 2025, to June 30, 2025, as set forth in the term sheet attached as Exhibit A (the “Amendment”) and;

WHEREAS, the MEDC recommends that the MSF Board approve the Amendment;

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

BE IT FURTHER RESOLVED other than as to the Amendment, Resolution 2024-111 remains in full force and effect.

Ayes: Dr. Britany 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

Lansing, Michigan
March 25, 2025

EXHIBIT A
TERM SHEET
Side Door Michigan I, LP

Summary of Terms and Conditions

The following is a summary of the general terms and conditions of Side Door Michigan I, LP

Limited Partnership:	Side Door Michigan I, LP (“Fund”)
General Partner:	SDV-MI GP, LLC
Manager of the Fund:	SDV Management LLC
General Partner Commitment:	Cash contribution of at least 2% of Fund
Management Fee:	2.0% annually of committed capital during the Investment Period, followed by 2.0% annually of invested capital during the remaining term of the Fund following the Investment Period.
MSF Investment Source:	SSBCI 2.0-MBGF-Venture Capital Program (“SSBCI 2.0 MBGF-VCP”)
Purpose:	The Fund’s investments will generally focus on pre-seed and seed equity and/or convertible debt investments in Michigan based companies.
Michigan Investments:	The Fund will invest only in Michigan-based companies.
Eligible Investments:	The Fund will invest only in operating companies deriving or projecting to derive at least 50% of gross revenue from operations related to the following industries: AI, industry x.0, space, next gen computing, mobility, and advanced manufacturing, or such other industries approved by the partners of the Fund in accordance with the Fund documents, which must include the affirmative written approval of the MSF Fund Manager.
MSF Commitment:	The Michigan Strategic Fund will provide the lesser of (i) \$9.8 million or (ii) 49% of the Fund’s total investible assets in capital support to the Fund from the MSF Investment Source, in the form of a limited partner (“LP”) investment.

The MSF will make eligible for call of its committed investment from the MSF Investment Source based on a schedule of other LP commitments to the Fund:

- \$2.45 million upon the first \$2.55 million commitment of other LP investment
- An additional \$2.45 million (aggregate of \$4.9 million) upon the aggregate commitment of \$5.1 million of other LP investment
- An additional \$2.45 million (aggregate of \$7.35 million) upon the aggregate commitment of \$7.65 million of other LP investment
- An additional \$2.45 million (aggregate of \$9.8 million) upon the aggregate commitment of \$10.2 million of other LP investment

MSF capital shall be called and contributed in installments and pro rata based on the other LP's respective commitments and calls.

Initial Closing:

The initial closing shall occur as soon as reasonably possible, provided however, the Fund shall raise the aggregate of LP commitments (other than the MSF commitment) in the amount of at least \$2.55 million no later than ~~June 30~~[March 31](#), 2025.

Investment Period:

The investment period will be for a term of three years from initial closing.

Term of the Fund:

Not more than 10 years from the initial closing, which may be extended for up to two additional periods of one year each. The first extension may be approved at the sole discretion of the GP. The second extension shall require majority consent of all LPs of the Fund, so long as such majority includes the MSF.

SSBCI 2.0 MBGF-VCP Requirements: The Fund and GP will comply with all federal, state, and MSF guidelines and requirements of the SSBCI 2.0 MBGF-VCP, including but not limited to, execution and provision of all SSBCI 2.0 MBGF-VCP assurances and disclosures, the conflict-of-interest rules and disclosures, and reporting requirements, and including State of Michigan required terms.

Distributions:

Fund distributions to partners shall first be in proportion to their respective capital commitments until each has received a return of its contributed capital and shall thereafter be made 80% to the LPs and 20% to the General Partner (in respect of its carried interest). Distributions paid to the MSF may not be recalled.

MSF Funding Claw Back:

MSF reserves the right to require a return of capital back to the MSF on the pro rata share of any investment which is determined does not comply with SSBCI 2.0 MBGF-VCP statutory requirements, rules, regulations and guidelines, or there is an event which otherwise does not comply with the Fund documents.

Other:

The Fund documents will include the partnership agreement, private placement memorandum, subscription agreements, and may include a management agreement and other documents and agreements customary to a Fund of this nature. The partnership agreement shall include representations, covenants, and other transaction provisions required by the MSF and SSBCI 2.0-MBGF-VCP rules and regulations, including without limitation, indemnification in favor of the MSF, non-discrimination and unfair labor practices, termination of funding, annual reporting, and access to records requirements. The Fund documents will include other terms and conditions deemed necessary or appropriate by the MSF Fund Manager or MSF President, such as key person provisions, side letter provisions, limitations on capital calls for expenses, and investment and/or advisory or other management committee provisions, and other terms and conditions customary to a fund of this nature.



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.

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

February 18, 2025

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MEDC
300 N. Washington Square
Lansing, Michigan

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Randy Thelen



MEMORANDUM

Date: March 25, 2025

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

From: Amanda Baker, Senior Business Development Manager
Brittney Mizer, Senior Business Development Project Manager

Subject: MSF Designated Renaissance Zone
Partial Revocation
Williams International Co., L.L.C. (“Company”)

Request Summary

This is a request from the Company to partially revoke an additional portion of the geographic area of the Company’s MSF-Designated Renaissance Zone and correspondingly amend the associated Renaissance Zone Development Agreement to reflect the removal of the portion of the Renaissance Zone. The Agreement requires consent of the MSF Board for the sale of property included in the Renaissance Zone and this partial revocation is necessary for the Company to maintain its compliance with the Agreement (the foregoing, the “Ren Zone Amendment Request”).

Applicant History

Founded in 1955, the Company is a world leader in the development and manufacturing of small gas turbine engines. The Company has expanded its development, testing, production, and product support capabilities to create a large, versatile organization with the capacity to meet growth objectives in aviation, industrial, and military markets. The Company established their headquarters in Pontiac where it also supports high-tech manufacturing and testing of new product lines in development. The Company has a second US facility, located in Ogden, Utah, which is used to support gas turbine design-to-production.

Project Background

On June 27, 2017, the MSF approved a 15-year MSF Designated Renaissance Zone valued at \$39,500,000. The Company proposed to relocate its headquarters to the former Motown Motion Picture Studio, located at 1999 Centerpoint Parkway, Pontiac, as well as purchase two additional parcels totaling 120 acres of vacant land adjacent to the former studio. The project is expected to result in the creation of 400 new jobs and require \$344,500,000 in capital investment. In addition to supporting the approval of the MSF Designated Renaissance Zone, the City of Pontiac committed to provide a property tax abatement in support of the project. The abatement reduced the applicable special assessment mills and debt mills that are not exempted by the Renaissance Zone.

The zone originally encompassed 150.47 acres across four parcels. In March 2021, the MSF Board approved a Partial Revocation as the Company sold a vacant portion of the property to 2100 S Opdyke LLC. The sale consisted of 44.54 acres, identified as 2100 S Opdyke and is located at that address in Pontiac, MI 48341. The sale included parcel identification number 64-19-03-200-023 and 11 acres from parcel 64-19-03-200-022. After the sale, the remaining property within the zone consisted of three parcels, described as one continuous distinct geographic area of approximately 105.93 acres, comprising of the following property parcel numbers: 64-19-03-201-002, 64-19-03-202-001, and 64-19-03-200-024

(previously part of 19-03-200-022). Of the 105.93 acres that remained within the zone, the Company had developed 40 acres.

The Company has experienced great success with executing the project and has met all requirements of the Renaissance Zone thus far. The Company has moved their Headquarters to the City of Pontiac and reported a cumulative investment to date of \$466,558,296.06 the project, which is approximately \$122,158,296 more than the Company estimated for this project. In addition, the Company is ahead of schedule for job creation, with a reported employment of 1,265 as of December 31, 2024, compared to the project total employment of 1,109.

Project Request

The Company is now requesting a second Partial Revocation of properties included within the geographic area identified in the Agreement. 4GW Real Estate Investments, LLC (“4GW”) an affiliate of Williams and the fee owner of the Property, desires to sell the portion of the Property legally described on Schedule 1 containing approximately 5.161 acres of land (the “DTE Parcel”) to DTE Electric Company (“DTE”) and the portion of the Property legally described in Schedule 2 containing approximately 10.639 acres of land (the “ITC Parcel”) to International Transmission Company (“ITC”).

Due to revitalization occurring around the Centerpoint Parkway area in Pontiac, Michigan the existing power distribution from the Wheeler Substation was having issues supporting growth. As a result, DTE requested to purchase the land on which the Wheeler Substation is situated to rebuild the substation. DTE and ITC, working collaboratively with Williams, defined the acreage required for this goal. Because the modern substation design requires that the transmission infrastructure maintained by ITC be separated from the distribution infrastructure maintained by DTE, Williams has agreed to sell and is requesting your approval for the following transfers, (i) the DTE Parcel to DTE and (ii) the ITC Parcel to ITC.

The lot split separating the DTE Parcel and the ITC Parcel from the Property has already been approved by the City of Pontiac assessor and the assessed parcel numbers for these parcels are 19-03-200-026 (DTE Parcel), 19-03-200-028 (ITC Parcel), and 19-03-200-027 (remainder parcel). These tax parcels were created from 19-03-200-024, which was previously part of 19-03-200-022.

In addition to requesting approval for the above transactions, contingent upon the closings of the transactions, the Company also desires to remove the DTE Parcel and the ITC parcel from the Renaissance Zone Development Agreement and to amend the Agreement to memorialize such removal.

Recommendation

MEDC Staff recommends approval of the Ren Zone Amendment Request, as outlined in the attached resolution, subject to the following conditions:

1. The consummation of the above-described transactions by the Company on or before June 1, 2025; and
2. The execution of an amendment to the Renaissance Zone Development Agreement consistent with the attached resolution, on or before June 30, 2025.

SCHEDULE 1

DTE PARCEL

LAND IN THE CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN, BEING PART OF LOTS 5, 6 AND 10, AND PART OF BELT LINE RAIL ROAD AS PLATTED, A PART OF "ASSESSOR'S PLAT NO. 110", A PART OF SECTION 3, T. 2 N., R. 10 E., AS RECORDED IN LIBER 52 OF PLATS, PAGE 26 OF OAKLAND COUNTY RECORDS, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NORTHEAST PROPERTY CONTROLLING CORNER OF SECTION 3 (AS PREVIOUSLY SURVEYED), T. 2 N., R. 10 E., CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN; THENCE S 00°36'21" W ALONG THE EAST LINE OF SAID SECTION 3, 1215.50 FEET; THENCE N 89°23'39" W 60.00 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF CAMPUS DRIVE (WIDTH VARIES) WITH THE WEST LINE OF OPDYKE ROAD (120 FEET WIDE); THENCE S 00°36'21" W ALONG THE WEST LINE OF OPDYKE ROAD, 1331.66 FEET; THENCE N 89°00'24" W 1791.00 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING; THENCE N 89°00'24" W 159.90 FEET TO A POINT ON THE EASTERLY LINE OF CENTERPOINT PARKWAY (WIDTH VARIES); THENCE THE FOLLOWING THREE (3) COURSES ALONG SAID EASTERLY LINE OF CENTERPOINT PARKWAY: (1) N 01°24'09" E 208.39 FEET, AND (2) 410.89 FEET ALONG A CURVE TO THE LEFT (RADIUS 750.00 FEET, CENTRAL ANGLE 31°23'22", LONG CHORD BEARS N 14°17'32" W 405.77 FEET), AND (3) N 29°59'13" W 24.18 FEET TO THE MOST SOUTHERLY CORNER OF UNIT 10 OF CENTERPOINT BUSINESS CAMPUS CONDOMINIUM, A CONDOMINIUM ACCORDING TO THE MASTER DEED THEREOF RECORDED IN LIBER 16667, PAGE 11, OAKLAND COUNTY RECORDS, AND DESIGNATED AS OAKLAND COUNTY CONDOMINIUM PLAN NO. 1004, AND ANY AMENDMENTS THERETO; THENCE THE FOLLOWING THREE (3) COURSES ALONG THE EASTERLY AND NORTHERLY LINE OF SAID UNIT 10: (1) N 01°32'01" E 299.48 FEET, AND (2) N 87°51'44" W 61.57 FEET, AND (3) N 02°32'55" E 124.59 FEET TO A POINT, SAID POINT BEING AN INTERIOR LOT CORNER ON THE SOUTH LINE OF UNIT 11 OF SAID CENTERPOINT BUSINESS CAMPUS CONDOMINIUM; THENCE S 87°25'59" E 287.26 FEET TO THE SOUTHEAST CORNER OF SAID UNIT 11; THENCE S 00°11'13" W 118.87; THENCE S 87°35'56" E 28.45 FEET; THENCE S 00°00'00" E 918.46 FEET TO THE POINT OF BEGINNING.

CONTAINING 224,811 SQUARE FEET OR 5.161 ACRES OF LAND.

Part of Tax Parcel No. 19-03-200-024 (Effective 2025: 19-03-200-026)

SCHEDULE 2

ITC PARCEL

LAND IN THE CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN, BEING PART OF LOTS 6 AND 10 AS PLATTED, A PART OF "ASSESSOR'S PLAT NO. 110", A PART OF SECTION 3, T. 2 N., R. 10 E., AS RECORDED IN LIBER 52 OF PLATS, PAGE 26 OF OAKLAND COUNTY RECORDS, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NORTHEAST PROPERTY CONTROLLING CORNER OF SECTION 3 (AS PREVIOUSLY SURVEYED), T. 2 N., R. 10 E., CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN; THENCE S 00°36'21" W ALONG THE EAST LINE OF SAID SECTION 3, 1215.50 FEET; THENCE N 89°23'39" W 60.00 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF CAMPUS DRIVE (WIDTH VARIES) WITH THE WEST LINE OF OPDYKE ROAD (120 FEET WIDE); THENCE S 00°36'21" W ALONG THE WEST LINE OF OPDYKE ROAD, 1331.66 FEET; THENCE N 89°00'24" W 1276.00 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING; THENCE N. 89°00'24" W 515.00 FEET; THENCE N. 00°00'00" W 900.00 FEET; THENCE S 89°00'24" E 515.00 FEET; THENCE S 00°00'00" E 900.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 463,431 SQUARE FEET OR 10.639 ACRES OF LAND.

Part of Tax Parcel No. 19-03-200-024 (Effective 2025: 19-03-200-028)

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-034

PARTIAL REVOCATION OF AN MSF-DESIGNATED RENAISSANCE ZONE WILLIAMS INTERNATIONAL CO., L.L.C.

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) Board to designate up to twenty-seven (27) renaissance zones (a “Renaissance Zone”) in one or more city, village, or township if consented to by the local unit of government in which the proposed renaissance zone will be located;

WHEREAS, on June 27, 2017, via MSF Resolution 2017-091, the MSF Board approved a fifteen (15) year Renaissance Zone for Williams International Co., LLC’s (the “Company”) project on a site in the City of Pontiac encompassing four (4) property parcels (the “Williams Renaissance Zone”);

WHEREAS, on March 23, 2021, via Resolution 2021-041, the MSF Board approved the partial revocation of property parcel 64-19-03-200-023 and the portion of property parcel 64-19-03-200-022 the Company no longer owned from the Williams Renaissance Zone effective as of February 25, 2021;

WHEREAS, the Company intends to sell another portion of real property encompassing the Williams Renaissance Zone and has requested it be removed;

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

WHEREAS, parcel 19-03-200-024 has been split into three new parcels: 19-03-200-026 (DTE Parcel), 19-03-200-028 (ITC Parcel) and 19-03-200-027 (parcel to remain under the zone), as the Company intends to sell part of the property;

WHEREAS, the MEDC recommends the MSF Board approve the partial revocation of parcels 19-03-200-026 and 19-03-200-028 (previously part of parcel 19-03-200-024), from the Williams Renaissance Zone, subject to the following conditions:

1. The consummation of the above-described transactions by the Company on or before June 1, 2025; and
2. The execution of an amendment to the Renaissance Zone Development Agreement consistent with this resolution, on or before June 30, 2025;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the partial revocation of parcels 19-03-200-026 and 19-03-200-028 (previously part of parcel 19-03-200-024), from the Williams Renaissance Zone, subject to the following conditions:

1. The consummation of the above-described transactions by the Company on or before June 1, 2025; and
2. The execution of an amendment to the Renaissance Zone Development Agreement consistent with this resolution, on or before June 30, 2025; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of and to execute an amendment to the development agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

Ayes: Dr. Britany 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

Lansing, Michigan
March 25, 2025



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®

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



MEMORANDUM

Date: March 25, 2025

To: Michigan Strategic Fund Board

From: Rodney Parkkonen, Director, Second-Stage Growth

Subject: Acceptance of U.S. Treasury (UST) SSBCI Investing in America Small Business Opportunity Program (SBOP) funds and Delegation of Authority to Effectuate Acceptance

Request

MEDC Staff requests the Michigan Strategic Fund (“MSF”) Board accept the \$9,092,364 State Small Business Credit Initiative Investing in America Small Business Opportunity Program (“SSBCI SBOP”) award from U.S. Treasury (“UST”) and delegate authority to the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate acceptance of the UST SSBCI SBOP Award.

Background

In October 2023, UST released a Notice of Funding Opportunity (“NOFO”) under the newly created SSBCI SBOP. SSBCI SBOP proposes innovative and high-impact models for delivering Technical Assistance (“TA”) in the areas of legal, accounting, and financial advisory services to very small businesses (“VSBs”) and businesses owned and controlled by socially and economically disadvantaged individuals (“SEDI-owned businesses”).

On June 3, 2024, in response to the NOFO and pursuant to Resolution 2014-122, the MSF via the MSF Fund Manager submitted an application to the SSBCI SBOP. Within the application, creating the Michigan Auto Supplier Transition Program (“MASTP”) was proposed. MASTP will seek to support suppliers in Michigan’s automotive manufacturing sector, with a focus on those impacted by the electric vehicle (EV) transition. Leveraging MEDC’s broader technical assistance efforts, innovations in Industry 4.0, and strategic partnerships, the program aims to address evolving needs of the automotive manufacturing sector by creating an innovative and high-impact model to deliver targeted TA to SEDI-owned suppliers in Michigan. MEDC Staff will present a formal recommendation to create the program and its associated guidelines at a future MSF Board meeting.

On March 14, 2025, MEDC staff received notification that the MSF has been awarded \$9,092,364 under the SSBCI SBOP. A required match of \$500,000 will be from the Make it in Michigan Competitiveness Fund. UST has requested the award agreement between MSF and UST be fully executed by April 8, 2025. Due to this expedited timeline, this request is solely for the acceptance of the UST SSBCI SBOP award and

the delegation of authority to MSF Fund Manager execute all final documents necessary to effectuate acceptance of the UST SSBCI SBOP award, as listed below in the Recommendation.

Recommendation

MEDC staff recommends the MSF Board approve the following: 1) Accept the UST SSBCI SBOP award in the amount of \$9,092,364; and 2) Delegate to the MSF Fund Manager the ability to negotiate and execute all final documents necessary to effectuate acceptance of the SSBCI SBOP award.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-035

ACCEPTANCE OF AWARD FROM THE STATE SMALL BUSINESS CREDIT INITIATIVE INVESTING IN AMERICA SMALL BUSINESS OPPORTUNITY PROGRAM (FEDERAL FUNDING)

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, on June 3, 2024, the MSF submitted an application with the U.S. Department of Treasury (“U.S. Treasury”) under the State Small Business Credit Initiative Investing in America Small Business Opportunity program which provides for legal, accounting, and financial technical assistance to very small businesses and business owned and controlled by socially and economically disadvantaged individuals (“SSBCI SBOP”);

WHEREAS, on March 14, 2025, the MSF received a notice of award and anticipates receiving \$9,092,364 from the U.S. Treasury under the SSBCI SBOP (“U.S. Treasury Award”);

WHEREAS, in order to accept the U.S. Treasury Award, U.S. Treasury requires the MSF to execute an award agreement;

WHEREAS, the MEDC recommends that the MSF Board approve the acceptance of the U.S. Treasury Award;

WHEREAS, the MSF Board desires to accept the U.S. Treasury Award;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves acceptance of the U.S. Treasury Award; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate acceptance of the U.S. Treasury Award.

Ayes: Dr. Britany 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

Lansing, Michigan
March 25, 2025



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®

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,

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Randy Thelen

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2025-029

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

Ayes: Dr. Britany 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

Lansing, Michigan
March 25, 2025



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

February 3, 2025

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

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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®

February 18, 2025

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

Dear Fund Manager,

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- 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



MEMORANDUM

Date: March 25, 2025

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

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

Subject: **Incentives Amendment Request:**
Project #1: Ultium Cells LLC (“Ultium”) and Lansing Economic Area Partnership Amendment Request

- Critical Industry Program (“CIP”) Grant Reassignment and Amendment
- Renewable Energy Renaissance Zone (RERZ) Reassignment and Amendment
- Strategic Site Readiness Program (“SSRP”) Grant Amendment

Project #2: General Motors LLC (“GM”) Amendment Request

- CIP Grant Amendment

Request Summary

The above-mentioned entities are requesting an amendment to the current MSF incentives, which were authorized to support the following projects: 1) 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 (“Project #1”); and 2) an expansion at GM’s Orion Township facility for conversion to electric vehicle production that was expected to create at least 1,840 qualified jobs, and a projected investment of up to \$4 billion (“Project #2”). See Appendix A for additional background information.

On January 25, 2022, the MSF Board authorized the following incentives, which played a key role in Michigan securing its first transformational investment as result of the creation of the Critical Industry and Strategic Site Readiness Programs:

- **CIP:** A \$600 million performance-based grant for the creation of a minimum of 3,200 jobs with the potential for up to 4,000 new jobs related to Project #1 and Project #2 (the “CIP award”). Following MSF Board approval, the CIP award was split between GM and Ultium Cells LLC (a 50-50 joint venture between GM and LG Energy Solution) and the MSF entered into agreements with both parties, which included the following terms:
 - o **Ultium:** A \$120 million performance-based CIP grant that required Ultium to demonstrate it had created at least 1,360 Qualified Jobs at the City of Lansing (Delta Charter Township) facility on December 31, 2030.
 - o **GM:** A \$480 million performance-based CIP grant that required GM to demonstrate it had created at least 1,840 Qualified Jobs in excess of its 1,000 base jobs (the “Base Employment Level”) at its Orion Township facility on December 31, 2030.
 - o In the event either party fell short of their Qualified Job commitment and the other party exceeded its Qualified Job commitment both parties were permitted to count the excess Qualified Jobs toward the Qualified Job commitment outlined its respective agreement. Additionally, both parties could request termination of their respective grant agreement for early performance if they collectively demonstrated the following: 1) the creation of at least 3,200 Qualified Jobs collectively between Ultium and GM; 2) GM had maintained its

Base Employment Level; and 3) Ultium and GM collectively invested at least \$3 billion in eligible expenses.

- **RERZ:** An 18-year RERZ for Ultium to support Project #1, which required a minimum investment of \$1.5 billion by December 31, 2027, and;
- **SSRP:** A \$66.1 million SSRP performance-based grant awarded to LEAP for public infrastructure and utility upgrades

Project #1:

- **Ultium Request**
 - o CIP performance-based grant amendment, as outlined in the attached resolution, to:
 - Reassign the grant from Ultium Cells LLC to LG Energy Solution Michigan, Inc., the later of which represented the battery-making and electrochemical expertise within the Ultium Cells joint venture.
 - Remove reference to General Motors and GM Group, except for eligible expenses that occurred on or before the date of the amended agreement.
 - Remove references to the Orion Township Project.
 - Update the Base Employment Level to remove existing employees associated with the Orion Township Project.
 - Remove the provision that allows excess Qualified Jobs created by GM to count toward the Qualified Job commitment.
 - Remove the early performance provision.
 - Add a 6-month job maintenance requirement to the Qualified Job commitment.
 - o RERZ amendment:
 - Reassign the agreement 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 reference to General Motors and GM Group, except for eligible expenses that occurred on or before the date of the amended agreement.
- **LEAP Request**
 - o SSRP grant amendment, as outlined in the attached resolution, to:
 - Reflect the updated ownership, from Ultium to LG Energy Solution Michigan.

Project #2:

- **GM Request**
 - o CIP Performance-based grant amendment, as outlined in the attached resolution, to:
 - Remove the provision that allows excess Qualified Jobs created by Ultium to count toward the Qualified Job commitment.
 - Remove the early performance provision.
 - Add a 6-month job maintenance requirement to the Qualified Job commitment.

The amendments discussed above will (i) appropriately and necessarily reassign the incentives to the new owner of the Lansing facility and ensure the facility becomes a catalyst for continued investment in the region and across the state, and (ii) continue to require that both Projects fulfill the existing terms outlined in their respective agreements. In sum, the requested amendments do not impact or revise the timing, the job commitments, or minimum investment requirements at either Project.

Recommendation

MEDC Staff recommends that the MSF Board approve the amendments as outlined in the attached Resolutions.

Background

Project #1 Summary

Beginning the first quarter of 2022, Ultium, a joint venture between GM and LG Energy Solution, began constructing a new high-volume 2.5 million square foot battery cell manufacturing facility in the City of Lansing (Delta Charter Township). In December 2024, GM and LG Energy Solution announced that Ultium was selling its stake in the Lansing facility to LG Energy Solution.

The Lansing battery cell plant, which is nearing completion, will have an annual manufacturing capacity of 41 gigawatt-hours (GWh) of batteries intended for use in advanced automotive applications and for other key industries. LG Energy Solution expects to meet the job creation and investment commitments outlined above, consistent with the previously approved incentives. To date, the project has generated over \$2 billion in private investment, exceeding the RERZ investment requirement. LGES expects to commence battery cell production at the facility in the spring/summer of 2025.

LG Energy Solution produces high-voltage battery cells for electric vehicles, energy storage systems and mobility and IT applications. The company plays a critical role in onshoring this strategic technology, which, up to now, has primarily been produced in Asia. LG Energy Solution has invested more than \$3 billion in its Holland, Michigan cell plant since 2010 and, jointly with GM, has invested \$2 billion at the Lansing battery facility. LG Energy Solution's growing presence in the U.S. will significantly and positively impact Michigan, with the Lansing facility serving as a key part of its production network in North America.

The Ultium amendment will appropriately and necessarily reassign the incentives to the new owner of the Lansing facility, ensuring the facility becomes a catalyst for continued investment in the region and across the state, while making certain that both parties fulfill the terms outlined in their respective agreements. The transfer of ownership to LG Energy Solution from Ultium Cells LLC will also help to strengthen Michigan's economy by diversifying into new markets beyond the auto industry. Battery cell-making is creating jobs across the entire economic spectrum, from GEDs to PhDs. Many of these are high-tech, high-paying jobs. Furthermore, the battery industry requires new transport, handling and production processes along with cultivation and training of a new workforce.

There are many additional opportunities for the battery industry to grow in the state of Michigan, from processing valuable precursor materials to recycling, in conjunction with LG Energy Solution assuming full ownership of the Lansing cell-making facility.

Project #2 Summary

GM is investing \$4 billion to convert Orion Assembly to manufacture electric vehicles, joining GM's growing portfolio of EV assembly plants across the U.S. A significant portion of the capital expenditure is required to expand the existing site, including several additions totaling approximately 4 million square feet, renovations to the facility, site improvements, machinery, equipment, and special tooling. When production begins, Orion will be one of GM's most advanced facilities, with several new technologies being implemented for the first time.

Since MSF Board approval, GM has made significant construction and equipment installation progress in the new body and paint shops, as well as general assembly. Limited production has also begun in battery assembly, developing battery packs for GM's Factory ZERO in Detroit-Hamtramck.

**MICHIGAN STRATEGIC FUND
RESOLUTION
2025-036**

**AMENDMENT TO
CRITICAL INDUSTRY PROGRAM GRANT
GENERAL MOTORS LLC AND ULTIUM CELLS LLC**

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

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

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

WHEREAS, the Critical Industry Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

WHEREAS, on January 11, 2022, the MSF Board created the Critical Industry Program and approved the guidelines for the implementation and operation of the Critical Industry Program;

WHEREAS, on January 25, 2022, the MSF Board approved a \$600,000,000 Critical Industry Program grant (the “Grant”) for General Motors LLC (“GM”) and Ultium Cells LLC (“Ultium”), which was subsequently allocated as follows: (i) \$120,000,000 for Ultium for a new battery facility in the City of Lansing (the “Lansing Project”), and (ii) \$480,000,000 for GM for upgrades to its operations in Orion Township (the “Orion Township Project”);

WHEREAS, on March 9, 2022, the Michigan Legislature approved the transfer of the SOAR funds to the MSF for the Grant;

WHEREAS, the MSF entered a grant agreement with Ultium governing the Lansing Project (the “Lansing Project Agreement”) and with GM governing the Orion Township Project (the “Orion Project Agreement”);

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

WHEREAS, as a result, the MEDC recommends the MSF approve the assignment of the Lansing Project Agreement from Ultium to LGES, pursuant to Section 7.8 of the Lansing Project Agreement (the “Lansing Project Transfer”);

WHEREAS, the MEDC recommends the following amendments to the Lansing Project Agreement: (all of the following, the “Lansing Project Amendment Recommendation”)

1. Assignment of the Lansing Project Agreement from Ultium to LGES;
2. Assignment of the security interest from Ultium to LGES;
3. Remove references to GM and related entities, except for accounting for eligible expenses occurring before the date of the amendment to the Lansing Project Agreement;
4. Remove references to the Orion Township Project;
5. Update the Base Employment Level to remove existing GM employees associated with the Orion Township Project from the base employment definition;
6. Remove provision allowing excess Qualified Jobs created at the Orion Township Project to count toward the Qualified Job commitment at the Lansing Project;
7. Remove the early performance provision; and
8. Add a 6-month job maintenance requirement to the Qualified Job commitment.

WHEREAS, also as a result, the MEDC recommends the following amendment to the Orion Project Agreement: (all the following, the “Orion Project Amendment Recommendation”)

1. Remove provision allowing excess Qualified Jobs created at the Lansing Project to count toward the job requirements at the Orion Township Project;
2. Remove references to the Lansing Project;
3. Remove the early performance provision; and
4. Add a 6-month job maintenance requirement to the Qualified Job commitment.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Lansing Project Transfer, the Lansing Project Amendment Recommendation, and the Orion Project Amendment Recommendation;

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

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

Lansing, Michigan
March 25, 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



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

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**MICHIGAN STRATEGIC FUND
RESOLUTION
2025-037**

**APPROVAL OF AN AMENDMENT TO
MICHIGAN STRATEGIC SITE READINESS PROGRAM GRANT
LANSING ECONOMIC AREA PARTNERSHIP**

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

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

WHEREAS, pursuant to Section 88t of the MSF Act, MCL 125.2088t, the MSF shall create and operate the Michigan strategic site readiness program to provide grants, loans, and other economic assistance for eligible applicants to conduct eligible activities for the purpose of creating investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites (the “Strategic Site Readiness Program”);

WHEREAS, the Strategic Site Readiness Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

WHEREAS, on January 11, 2022, the MSF Board created the Strategic Site Readiness Program and approved the guidelines for the implementation and operation of the Strategic Site Readiness Program;

WHEREAS, on January 25, 2022, the MSF approved a \$66,100,000 Strategic Site Readiness Program grant (the “Grant”) to the Lansing Economic Area Partnership (“LEAP”) for public infrastructure and utility upgrades related to the Ultium Cells LLC (“Ultium”) and General Motors LLC (“GM”) battery plant project in the City of Lansing (the “Project”);

WHEREAS, on March 9, 2022, the Michigan Legislature approved the transfer of the SOAR funds to the MSF for the Grant;

WHEREAS, the MSF entered a grant agreement with LEAP governing the Grant (the “SSRP Grant Agreement”);

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

WHEREAS, as a result, the MEDC recommends the following amendment to the SSRP Grant Agreement: replace all references to Ultium and GM in the SSRP Grant Agreement with LGES (the “Amendment Recommendation”).

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

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

Ayes: Dr. Brittany 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

Lansing, Michigan
March 25, 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



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

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MEMORANDUM

Date: March 25, 2025

To: Michigan Strategic Fund Board

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

Subject: Michigan Innovate Capital Fund (MICF) Program Request to 1) Add FY25 Funding; 2) Amend Program Investment Criteria; 3) Amend Invest Detroit Foundation ID Ventures Award

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund Board (the “MSF”) approve: 1) an allocation of \$5,000,000 from the Jobs for Michigan Investment Fund (the “Investment Fund”) to the Michigan Innovate Capital Fund Program (the “MICF”) (the “Allocation”); 2) an amendment to the Investment Criteria of the MICF Program Guidelines to allow MICF Investment Fund Managers (IFMs) to increase the exposure limit per company to a total of \$500,000 (Attachment A); and 3) an amendment to the Agreement, as amended, between the MSF and the Invest Detroit Foundation ID Ventures, increasing the award amount from \$5,000,000 to \$7,000,000 in order to fund the continuation of investments in the form of loans and equity financing under the MICF (collectively, the “Request”).

Background

Section 88b(2)(c) of the MSF Act, MCL 125.2001 *et seq.* (the “Act”) provides that money transferred or appropriated to the Investment Fund may be expended for programs or activities under any chapter of the Act. According to Section 2 of the Act, the purpose of the MSF is to, among other things, help diversify the economy of the State of Michigan, assist business enterprises in obtaining additional sources of financing to aid the State in achieving the goal of long-term economic growth and full employment, to meet the growing competition for business enterprises, to preserve existing jobs, to create new jobs, to reduce the cost of business and production.

On June 27, 2023, the MSF Board approved the establishment of the Michigan Innovate Capital Fund (MICF) with an initial allocation of up to \$23,000,000 from the Investment Fund and adopted the program guidelines. On September 24, 2024, the MSF Board authorized an additional \$5,000,000 in funding for the MICF Program, bringing the total program allocation to \$28,000,000. This program awards incentives to non-profit organizations that operate fund programs to invest in pre-seed and start-up stage competitive edge technologies that require capital in the earliest stages of the commercialization process.

Recipients of an award under the MICF Program must use the funds in accordance with the following investment criteria and requirements:

- Statewide accessible program, investments not regionally limited.
- Awardee shall make investments in Eligible Companies (defined below).

- Awardee may invest a maximum of \$250,000 per Eligible Company.
- Investments may be in the form of equity and/or convertible securities (including Notes and SAFEs).
- A minimum of 75% of the available capital (determined on an annual basis) must be invested in Eligible Companies that have received less than \$2,500,000 in private sector investments and less than \$1,500,000 revenue in the immediately preceding 12-month period. These terms apply to the initial investment only.

On September 15, 2023, the MSF Fund Manager and the MSF President approved an investment to Invest Detroit Foundation with an initial term beginning October 1, 2023 through September 30, 2028, with the option to extend up to an additional five years and an initial allocation of \$5,000,000, with the option to allocate additional funding throughout the term at the sole discretion of the MSF and subject to available funds.

Progress to date:

As of February 1, 2025, the allocation of \$25,000,000 has been committed through six agreements each with an initial term of five years, with the option to extend up to an additional five years, and with the option to allocate additional funding throughout the term.

As of last reporting period through September 30, 2024, five funds have begun actively investing. Grantees reported the following metrics:

- Total number of investments - 39
- Total dollars invested & encumbered- \$9,500,000
- Follow-on funding attracted - \$24,916,069
- Total number of companies in the pipeline – 55 (through March 31, 2025)
- Total dollars in the pipeline - \$7,550,000 (through March 31, 2025)

ID Ventures has demonstrated the highest level of investment activity within the program, leading in both the volume and impact of investments. The following metrics highlight their significant contributions to date:

- Total number of investments - 23
- Total dollars invested & encumbered - \$4,120,000
- Follow-on funding attracted - \$11,659,458
- Total number of companies in the pipeline – 6 (through March 31, 2025)
- Total dollars in the pipeline - \$1,500,000 (through March 31, 2025)

While the launch and implementation of the program have been highly successful in delivering essential support to high-tech start-ups across the state, there is a clear and growing need to increase the investment cap to \$500,000 per investment. To align with the strategy of tranching investments and advancing the most promising portfolio companies, staff recommends raising the exposure limit per company from the current \$250,000 to a total of \$500,000. This increase will provide the IFMs with greater flexibility to make follow-on investments in top-performing companies, extend their financial runway, and enable these Funds to maintain their pro-rata position when appropriate, ultimately enhancing the program's impact and return potential.

Recommendation

In order to fund the continuing operation of the MCF program, the MEDC staff recommends that the MSF Board approve the following:

- 1) additional \$5,000,000 allocation from the Investment Fund to MICF
- 2) program guideline modification to allow the IFMs to increase the exposure limit per company to \$500,000 total (Attachment A)
- 3) increase the award amount from \$5,000,000 to \$7,000,000 to support the continued investment activities of the Invest Detroit Foundation's ID Ventures. This additional funding will enable the continuation of loans and equity financing, ensuring sustained support for high-potential startups and fostering economic growth within the state.

Attachment A

Michigan Innovate Capital Fund Program Guidelines

Purpose of the Program

The MSF desires to make awards through the Michigan Innovate Capital Fund (“MICF”) to non-profit organizations to operate early-stage funding programs that invest in pre-seed and start-up stage competitive edge technology companies that require capital in the earliest stages of the commercialization process. The primary objectives of the Program are to:

1. Increase the amount of capital being invested in Michigan-based competitive edge technology companies that are in the earliest stages of commercialization.
2. Create a capital climate that supports the development, retention, and attraction of venture-backed competitive edge technology companies in Michigan.
3. Build a pipeline of high-growth, competitive edge technology company deal flow for the subsequent stages of funding, attracting investments from inside and outside the State of Michigan.

Program Overview

The MSF created the MICF to provide awards to eligible non-profit organizations that will be used to make investments in pre-seed and early-stage companies in accordance with the Investment Criteria set forth below. The MSF intends to award multiple awards through two tracks under the MICF: 1) a track for Eligible Applicants (defined below) that have previously received financial support from the MSF or Michigan Economic Development Corporation (“MEDC”) for pre-seed fund activities (“Established Applicants”) and 2) a track for Eligible Applicants that have not previously received financial support from the MSF or MEDC for pre-seed fund activities (“Emerging Applicants”).

Both Established Funds and Emerging Funds are eligible to receive initial awards of up to \$5,000,000 with the option to increase the award amount during the term of the award, subject to available funding and approval of the MSF.

Eligibility Requirements

All applicants to the MICF must meet the following eligibility criteria:

- Be a Michigan nonprofit corporation, properly registered and in good standing with the State of Michigan.
- Maintain a physical presence in Michigan, which may include a facility that is either owned or leased by the applicant.
- Demonstrate an ability and willingness to invest in the earliest (pre-seed) stages of a company’s development, particularly in competitive edge technology-based companies with high growth potential in the very early phases of commercialization.

Additional Eligibility Requirements

Track 1: Established Applicants

In addition to the Eligibility Requirements listed above, Established Applicants MUST meet the following additional eligibility criteria:

- Be a nonprofit entity that has previously received financial support from the MSF or MEDC for pre-seed and/or first capital fund activities.
- Have a successful track record making and exiting from investments in Michigan-based entrepreneurial ventures.
- Actively deploy capital exclusively in the State of Michigan and provide mentorship support to portfolio companies.
- Align the objectives of the Fund with the MEDC's Strategic Plan.

Track2: Emerging Applicants

In addition to the Eligibility Requirements listed above, Emerging Applicants MUST meet the following additional eligibility criteria:

- Be established by a nonprofit entity that has not received previous MSF or MEDC funding in the pre-seed investment area.
- Focus on industries that have strategic benefits regionally and to the State of Michigan.
- Deploy capital exclusively in the State of Michigan.
- Be able to show how this Fund will create jobs and commercialize product(s) within one or more of the competitive edge technology sectors where Michigan has a distinct competitive advantage to drive sustained, long-term growth as well as tools and sustainment programs in sectors that drive regional impact.

Preference will be given to fund(s) based in underserved locations and that clearly address the funding gap in underrepresented industries.

Evaluation Criteria

Applications for funding under the MCF will be evaluated on the following criteria:

- Ability to originate, process, and monitor equity investments, loans, and other funding instruments to companies.
- Strategy and/or prior experience in providing portfolio or grant management to companies that receive a pre-seed investment.
- Prior record of statewide reach and collaboration with the existing MEDC SmartZone network and Michigan institutions of higher education.
- Articulated strategy for identification of opportunities for investment into early-stage, competitive edge technology.
- Ability to provide business acceleration services to companies.
- Knowledge and experience with Michigan's entrepreneurial ecosystem, strong relationships within the ecosystem, and a platform for collaboration that demonstrates an ability to market and promote Michigan entrepreneurial programs and services in order to expand the investment base in Michigan.

- Experience leveraging a qualified volunteer network to deliver a screening and due diligence process from the investment community with successful experience in venture financing or growing competitive edge technology companies.
- Applicant’s plan for supporting companies with activities that include, but are not limited to, prototype development and testing, customer and partnership sourcing, continued pre-clinical data compilation, achieving staffing requirements, and securing following on funding through a variety of sources.

MICF Award Terms and Conditions

All awards made under the MICF will include the following terms and conditions:

Award Term:	Initial term of five years, with the option to extend the term for an additional five years upon approval of the MSF.
Use of Funds:	Awardees shall use awards to make pre-seed investments in accordance with the Investment Criteria set forth below.
Disbursements:	An initial disbursement may be made within 30 days of execution of the award agreement. Subsequent disbursements for pre-seed investments may be requested by the awardee after it has demonstrated that it has expended at least 90% of funds previously disbursed for pre-seed investments. Administrative Expenses (defined below) will be paid on a reimbursement basis.
Administrative Expenses:	No more than 15% of the award (including any increases to the initial award amount that the MSF may approve from time to time) may be used for administrative costs incurred by the awardee. Administrative Expenses include expenses associated directly with program management, client relations, and fund management expenses, and overhead such as accounting for financial transactions, facility operations and other traditional overhead expenses.
Repayment:	Awardees to repay entire award amount plus a fee equal to one percent (1%) of the total award amount (including any increases to the initial award amount that the MSF may approve from time to time).
Reinvestment of Returns:	During the term of the award, the awardee must reinvest Annual Returns. “Annual Returns” means the sum of the earnings, royalties, return on investments, return of principal, payments made, or other money received under agreements related to investments made by the awardee, calculated on an annual 12-month basis for the immediately preceding annual 12-month period ending June 30.

Upon expiration of the term and until the earlier to occur of (1) repayment to the MSF of the award amount plus a fee equal to one percent (1%) of the total award amount (including any increases to the initial award amount that the MSF may approve from time to time) or (2) the tenth anniversary of the end of the term, the awardee shall use the Annual Returns as follows:

- (i) First, 25% of the Annual Returns shall be reinvested in eligible companies in accordance with the Investment Criteria.
- (ii) Second, after the 25% reinvestment requirement is met, up to an additional 15% of the Annual Returns may be used to cover the awardee's Administrative Expenses related to reinvestment of the Annual Returns.
- (iii) Third, payment to the MSF based on the following sliding scale:

Amount of Annual Returns	Percent to the MSF
\$0 - \$1,000,000	10%
\$1,000,000.01 - \$2,000,000	20%
\$2,000,000.01 - \$3,000,000	30%
\$3,000,000.01 - \$4,000,000	40%
\$4,000,000.01 - \$5,000,000	50%
Over \$5,000,000.01	60%

- (iv) Fourth, the remaining balance of the Annual Returns payable to the awardee.

The award shall be memorialized by a final written agreement that includes terms and conditions required under the MSF Act, the MICF Program Guidelines, MSF approval, and any other applicable laws. The agreements shall also include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.

Investment Criteria

Recipients of an award under the Program must use the funds in accordance with the following investment criteria and requirements:

- **Investment Requirements:**

- Statewide accessible program, investments not regionally limited.
- Awardee shall make investments in Eligible Companies (defined below).
- Awardee may invest a maximum of ~~\$500,000~~~~250,000~~ per Eligible Company.
- Investments may be in the form of equity and/or convertible securities (including Notes and SAFEs).
- A minimum of 75% of the available capital (determined on an annual basis) must be invested in Eligible Companies that have received less than \$2,500,000 in private sector investments and less than \$1,500,000 revenue in the immediately preceding 12-month period. These terms apply to the initial investment only.

Eligible Company Criteria

- Must be properly formed as a Michigan corporation or authorized to transact business in Michigan, and in good standing (see the [Corporations Online Filing System](#) maintained by the Department of Licensing and Regulatory Affairs to confirm proper registration and status).

- On a scalable path that has strong potential for job creation and diversifying the Michigan economy.
- Company is a for-profit LLC, C corporation, or S corporation that has been in business for seven years or less and with key founders and a majority of its full-time employees located in Michigan.
- Demonstrated execution against business model and is in the earliest stages of commercialization in one or more of 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

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-038**

**APPROVAL OF ADDITIONAL FUNDING ALLOCATION TO MICHIGAN
INNOVATE CAPITAL FUND**

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, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to Section 88h(1) of the MSF Act, MCL 125.2088h(1), the Jobs for Michigan investment fund was created as a permanent fund authorized by Section 19 of Article IX of the Michigan Constitution (the “Investment Fund”);

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

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

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, loans, and investments;

WHEREAS, on June 27, 2023, the MSF Board: (1) created the Michigan Innovate Capital Fund (the “MICF”) to increase capital being invested in Michigan-based technology companies in the earliest stages of commercialization; (2) adopted guidelines for the operation of the MICF; (3) allocated \$23,000,000 from the Investment Fund to the MICF; and (4) approved delegation of authority to the MSF delegates to approve MICF grants in the amount of up to \$5,000,000;

WHEREAS, on September 24, 2024, the MSF Board allocated \$5,000,000 in additional funding from the Investment Fund to the MICF to fund the continued operation of the MICF program; and

WHEREAS, the MEDC recommends that MSF Board allocate \$5,000,000 in additional funding from the Investment Fund to the MICF to fund the continued operation of the MICF program (the “Request”); and

WHEREAS, the MSF Board wishes to approve the Request.

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

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

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

Lansing, Michigan
March 25, 2025



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

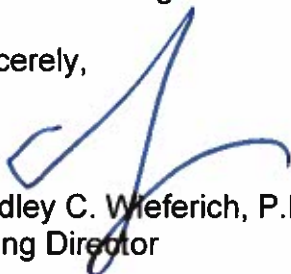
January 3, 2023

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,



Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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

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**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-039**

**APPROVAL OF AN AMENDMENT TO THE MICF AWARD TO INVEST
DETROIT FOUNDATION TO ALLOCATE ADDITIONAL FUNDING**

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, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to Section 88h(1) of the MSF Act, MCL 125.2088h(1), the Jobs for Michigan investment fund was created as a permanent fund authorized by Section 19 of Article IX of the Michigan Constitution (the “Investment Fund”);

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

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

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, loans, and investments;

WHEREAS, on June 27, 2023, the MSF Board: (1) created the Michigan Innovate Capital Fund (the “MICF”) to increase capital being invested in Michigan-based technology companies in the earliest stages of commercialization; (2) adopted guidelines for the operation of the MICF; (3) allocated \$23,000,000 from the Investment Fund to the MICF; and (4) approved delegation of authority to the MSF delegates to approve MICF grants in the amount of up to \$5,000,000;

WHEREAS, on September 15, 2023, the MSF Fund Manager and the MSF President approved an MICF investment (the “Award”) to Invest Detroit Foundation with an initial term

beginning October 1, 2023 through September 30, 2028, with the option to extend up to an additional five years and an initial allocation of \$5,000,000, with the option to allocate additional funding throughout the term at the sole discretion of the MSF and subject to available funds;

WHEREAS, the MEDC recommends that the MSF Board approve a \$2,000,000 increase from \$5,000,000 to \$7,000,000 in the Award to Invest Detroit Foundation to support the continued investment activities of its ID Ventures program (the “Request”); and

WHEREAS, the MSF Board wishes to approve the Request.

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

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

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

Lansing, Michigan
March 25, 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 read "B. Wieferich", written over the printed name.

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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



**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-040**

**APPROVAL OF AMENDMENT TO THE
MICHIGAN INNOVATE CAPITAL FUND 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, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to Section 88h(1) of the MSF Act, MCL 125.2088h(1), the Jobs for Michigan investment fund was created as a permanent fund authorized by Section 19 of Article IX of the Michigan Constitution (the “Investment Fund”);

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

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

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, loans, and investments;

WHEREAS, on June 27, 2023, the MSF Board: (1) created the Michigan Innovate Capital Fund (the “MICF”) to increase capital being invested in Michigan-based technology companies in the earliest stages of commercialization; (2) adopted guidelines for the operation of the MICF (the “MICF Guidelines”); (3) allocated \$23,000,000 from the Investment Fund to the MICF; and (4) approved delegation of authority to the MSF delegates to approve MICF grants in the amount of up to \$5,000,000;

WHEREAS, pursuant to the current MICF Guidelines, recipients of MICF awards may invest up to \$250,000 per Eligible Company (as defined in the MICF Guidelines); and

WHEREAS, the MEDC recommends that the MSF Board adopt the proposed MICF Guidelines attached to this Resolution to implement the MEDC staff recommendation permitting MICF awardees to invest up to \$500,000 per Eligible Company (the “Request”); and

WHEREAS, the MSF Board wishes to approve the Request.

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

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

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

Lansing, Michigan
March 25, 2025

Michigan Innovate Capital Fund Program Guidelines

Purpose of the Program

The MSF desires to make awards through the Michigan Innovate Capital Fund (“MICF”) to non-profit organizations to operate early-stage funding programs that invest in pre-seed and start-up stage competitive edge technology companies that require capital in the earliest stages of the commercialization process. The primary objectives of the Program are to:

1. Increase the amount of capital being invested in Michigan-based competitive edge technology companies that are in the earliest stages of commercialization.
2. Create a capital climate that supports the development, retention, and attraction of venture-backed competitive edge technology companies in Michigan.
3. Build a pipeline of high-growth, competitive edge technology company deal flow for the subsequent stages of funding, attracting investments from inside and outside the State of Michigan.

Program Overview

The MSF created the MICF to provide awards to eligible non-profit organizations that will be used to make investments in pre-seed and early-stage companies in accordance with the Investment Criteria set forth below. The MSF intends to award multiple awards through two tracks under the MICF: 1) a track for Eligible Applicants (defined below) that have previously received financial support from the MSF or Michigan Economic Development Corporation (“MEDC”) for pre-seed fund activities (“Established Applicants”) and 2) a track for Eligible Applicants that have not previously received financial support from the MSF or MEDC for pre-seed fund activities (“Emerging Applicants”).

Both Established Funds and Emerging Funds are eligible to receive initial awards of up to \$5,000,000 with the option to increase the award amount during the term of the award, subject to available funding and approval of the MSF.

Eligibility Requirements

All applicants to the MICF must meet the following eligibility criteria:

- Be a Michigan nonprofit corporation, properly registered and in good standing with the State of Michigan.
- Maintain a physical presence in Michigan, which may include a facility that is either owned or leased by the applicant.



- Demonstrate an ability and willingness to invest in the earliest (pre-seed) stages of a company's development, particularly in competitive edge technology-based companies with high growth potential in the very early phases of commercialization.

Additional Eligibility Requirements

Track 1: Established Applicants

In addition to the Eligibility Requirements listed above, Established Applicants **MUST** meet the following additional eligibility criteria:

- Be a nonprofit entity that has previously received financial support from the MSF or MEDC for pre-seed and/or first capital fund activities.
- Have a successful track record making and exiting from investments in Michigan-based entrepreneurial ventures.
- Actively deploy capital exclusively in the State of Michigan and provide mentorship support to portfolio companies.
- Align the objectives of the Fund with the MEDC's Strategic Plan.

Track2: Emerging Applicants

In addition to the Eligibility Requirements listed above, Emerging Applicants **MUST** meet the following additional eligibility criteria:

- Be established by a nonprofit entity that has not received previous MSF or MEDC funding in the pre-seed investment area.
- Focus on industries that have strategic benefits regionally and to the State of Michigan.
- Deploy capital exclusively in the State of Michigan.
- Be able to show how this Fund will create jobs and commercialize product(s) within one or more of the competitive edge technology sectors where Michigan has a distinct competitive advantage to drive sustained, long-term growth as well as tools and sustainment programs in sectors that drive regional impact.

Preference will be given to fund(s) based in underserved locations and that clearly address the funding gap in underrepresented industries.

Evaluation Criteria

Applications for funding under the MICE will be evaluated on the following criteria:

- Ability to originate, process, and monitor equity investments, loans, and other funding instruments to companies.
- Strategy and/or prior experience in providing portfolio or grant management to companies that receive a pre-seed investment.
- Prior record of statewide reach and collaboration with the existing MEDC SmartZone network and Michigan institutions of higher education.
- Articulated strategy for identification of opportunities for investment into early-stage, competitive edge technology.
- Ability to provide business acceleration services to companies.

- Knowledge and experience with Michigan’s entrepreneurial ecosystem, strong relationships within the ecosystem, and a platform for collaboration that demonstrates an ability to market and promote Michigan entrepreneurial programs and services in order to expand the investment base in Michigan.
- Experience leveraging a qualified volunteer network to deliver a screening and due diligence process from the investment community with successful experience in venture financing or growing competitive edge technology companies.
- Applicant’s plan for supporting companies with activities that include, but are not limited to, prototype development and testing, customer and partnership sourcing, continued pre-clinical data compilation, achieving staffing requirements, and securing following on funding through a variety of sources.

MICF Award Terms and Conditions

All awards made under the MICF will include the following terms and conditions:

Award Term:	Initial term of five years, with the option to extend the term for an additional five years upon approval of the MSF.
Use of Funds:	Awardees shall use awards to make pre-seed investments in accordance with the Investment Criteria set forth below.
Disbursements:	An initial disbursement may be made within 30 days of execution of the award agreement. Subsequent disbursements for pre-seed investments may be requested by the awardee after it has demonstrated that it has expended at least 90% of funds previously disbursed for pre-seed investments. Administrative Expenses (defined below) will be paid on a reimbursement basis.
Administrative Expenses:	No more than 15% of the award (including any increases to the initial award amount that the MSF may approve from time to time) may be used for administrative costs incurred by the awardee. Administrative Expenses include expenses associated directly with program management, client relations, and fund management expenses, and overhead such as accounting for financial transactions, facility operations and other traditional overhead expenses.
Repayment:	Awardees to repay entire award amount plus a fee equal to one percent (1%) of the total award amount (including any increases to the initial award amount that the MSF may approve from time to time).
Reinvestment of Returns:	During the term of the award, the awardee must reinvest Annual Returns. “Annual Returns” means the sum of the earnings, royalties, return on investments, return of principal, payments made, or other

money received under agreements related to investments made by the awardee, calculated on an annual 12-month basis for the immediately preceding annual 12-month period ending June 30.

Upon expiration of the term and until the earlier to occur of (1) repayment to the MSF of the award amount plus a fee equal to one percent (1%) of the total award amount (including any increases to the initial award amount that the MSF may approve from time to time) or (2) the tenth anniversary of the end of the term, the awardee shall use the Annual Returns as follows:

- (i) First, 25% of the Annual Returns shall be reinvested in eligible companies in accordance with the Investment Criteria.
- (ii) Second, after the 25% reinvestment requirement is met, up to an additional 15% of the Annual Returns may be used to cover the awardee's Administrative Expenses related to reinvestment of the Annual Returns.
- (iii) Third, payment to the MSF based on the following sliding scale:

Amount of Annual Returns	Percent to the MSF
\$0 - \$1,000,000	10%
\$1,000,000.01 - \$2,000,000	20%
\$2,000,000.01 - \$3,000,000	30%
\$3,000,000.01 - \$4,000,000	40%
\$4,000,000.01 - \$5,000,000	50%
Over \$5,000,000.01	60%

- (iv) Fourth, the remaining balance of the Annual Returns payable to the awardee.

The award shall be memorialized by a final written agreement that includes terms and conditions required under the MSF Act, the MICF Program Guidelines, MSF approval, and any other applicable laws. The agreements shall also include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.

Investment Criteria

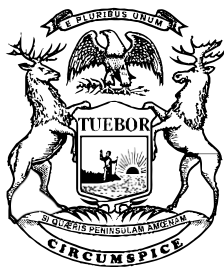
Recipients of an award under the Program must use the funds in accordance with the following investment criteria and requirements:

- **Investment Requirements:**

- Statewide accessible program, investments not regionally limited.
- Awardee shall make investments in Eligible Companies (defined below).
- Awardee may invest a maximum of ~~\$500,000~~^{\$250,000} per Eligible Company.
- Investments may be in the form of equity and/or convertible securities (including Notes and SAFEs).
- A minimum of 75% of the available capital (determined on an annual basis) must be invested in Eligible Companies that have received less than \$2,500,000 in private sector investments and less than \$1,500,000 revenue in the immediately preceding 12-month period. These terms apply to the initial investment only.

Eligible Company Criteria

- Must be properly formed as a Michigan corporation or authorized to transact business in Michigan, and in good standing (see the [Corporations Online Filing System](#) maintained by the Department of Licensing and Regulatory Affairs to confirm proper registration and status).
- On a scalable path that has strong potential for job creation and diversifying the Michigan economy.
- Company is a for-profit LLC, C corporation, or S corporation that has been in business for seven years or less and with key founders and a majority of its full-time employees located in Michigan.
- Demonstrated execution against business model and is in the earliest stages of commercialization in one or more of 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



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: March 25, 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 February 1, 2025, to February 28, 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 February 1, 2025, to February 28, 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 February delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout February 2025, 38% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all February approved projects through delegated authority have committed to creating just over 250 jobs and just over \$68.2 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during February 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
Bonner Advisory Group	2/4/2025	Clarkston	\$1,000,000	The Company is looking to lease and renovate a new 120,000 square foot facility that will function as a manufacturing facility as well as a corporate headquarters. This new site in Independence Township, Oakland County will be part of the Company's long-term strategy to produce aerospace invar bond tools, aluminum vacuum fixtures, carbon fiber bond tools, carbon fiber flight parts, aluminum flight parts, and carbo fiber structural parts for the space industry, the defense industry and the commercial airline industry.
Great Lakes Sound & Vibration, Inc.	2/10/2025	Calumet	\$400,000	The Company is looking to add approximately 26,000 square feet to their Airpark facility in Franklin Township in Houghton County. The additional space will be used to consolidate manufacturing operations under one roof and support additional growth on design and build projects for the United States Military. The Company is considering Franklin Township for the project and anticipates the project will result in capital investment of at least \$8,500,000. The project will also result in the creation of at least 42 new jobs with starting wages of \$28.33 per hour plus benefits, which is above the Regional Median Wage of \$20.88 per hour.
Special-Lite, Inc.	2/14/2025	Decatur	\$250,000	The Company was established in 1971 and has maintained a Michigan presence ever since. The primary goal of the project is to expand the Company's production capacity to support growth into the healthcare segment and other markets through new product launches and enable increased automation through new equipment purchases. The Company is considering Decatur for the project and anticipates the project will result in capital investment of at least \$15,652,000. The project will also result in the creation of at least 55 new jobs.

Capital Access

The Capital Access team partners with lenders to assist in helping small businesses obtain financing that would otherwise not be available.

State Small Business Credit Initiative (SSBCI) 2.0 – Collateral Support Program (CSP)

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
LumaSmart Technology International, Inc.	2/17/2025	Shelby Township	\$1,500,000	Pathward is working with LumaSmart Technology International, Inc. on a new working capital line of credit. Due to a shortfall in collateral, the lender is requesting SSBCI 2.0 collateral support.
Husky Precision Machining	2/27/2025	Roseville	\$1,028,938	Citizens Bank has proposed financing of two term loans and a working capital line of credit to Husky Precision and co-borrower RJSK to pay off existing notes with Huntington Bank and increase its availability. Due to collateral shortfall, the Bank is requesting collateral support 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
Ultreia	2/4/2025	Detroit	\$239,491	An Act 381 Work Plan with state tax capture valued at \$239,491 was awarded to the City of Detroit Brownfield Redevelopment Authority to construct a two-story mixed-use building containing three residential units and ground floor commercial space. The project is expected to generate \$3,199,524 in private investment and six full-time equivalent jobs.

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 Beaverton	2/24/2025	Beaverton	\$260,000	The proposed project includes six individual plans which are directly related to dam safety programs that are critical in preventing breaches and developing emergency planning to prevent flooding related casualties. Plans include: 1. Dam Safety surveillance and monitoring, 2. Updated inflow design flood probable maximum flood, 3. Updated dam breach and consequence estimate, 4. Supporting technical information document, 5. Potential failure mode analysis, and 6. Emergency Action plan update.

Community Development Block Grant Disaster Recovery Cont.

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
Iosco County	2/24/2025	Tawas City	\$87,750	Iosco County will complete a planning grant that will create a new comprehensive master plan with emphasis on land use, review of building requirements and development of new zoning ordinances.
Township of Tittabawassee	2/24/2025	Saginaw	\$270,250	Tittabawassee Township will create a plan that will study and make recommendations concerning infrastructure needs, especially pertaining to stormwater and flooding.

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
Bliss Munitions Equipment - IDEX	2/3/2025	Kentwood	\$10,071
Business-Connect Sales Trip Ghana, DOC, Kenya, South Africa	2/3/2025	Grandville	\$6,459
Cobra Aero - IDEX	2/3/2025	Hillsdale	\$2,600
CT Group, LLC - IWA Outdoor Classic	2/3/2025	Saint Joseph	\$15,000
Facet International Marketing Australia Gift & Housewares Expo & Sales Trip	2/3/2025	Novi	\$7,986
MCM Learning - IDEX	2/3/2025	Madison Heights	\$6,596
OASIS Advanced Engineering Incorporated - IDEX	2/3/2025	Lake Orion	\$5,398
VS Aviation LLC - IDEX	2/3/2025	Grand Rapids	\$5,968
Carlson-Dimond & Wright, Inc. dba CDWdrives - ExpoManufactura	2/4/2025	Chesterfield	\$8,285
Singh Automation - Aeromart Montreal	2/6/2025	Portage	\$1,620
4 Flutes Machining, LLC - Aeromart Montreal	2/11/2025	Vicksburg	\$2,217
Kall Morris Inc - SpaceCom Expo - Orlando, FL	2/11/2025	Marquette	\$1,745
Redi-Rock International, L.L.C. dba Aster Brands - Bauma Trade Show Germany	2/11/2025	Charlevoix	\$11,723
Boride Engineered Abrasives - Canadian Concrete Expo	2/12/2025	Traverse City	\$1,626
Challenger Communications, LLC - Satellite Washington DC	2/12/2025	Albion	\$1,247
Acromag, Incorporated - Embedded Trade Show Germany	2/13/2025	Wixom	\$7,660
8 Layer Inc. dba Workhorse Irons - Detroit International Tattoo Expo	2/19/2025	Grandville	\$904
NCOC, Inc. - Sales Trip - India	2/19/2025	Oak Park	\$4,118

Michigan State Trade Expansion Program (MI-STEP) Cont.

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
Ausco Products, Inc. - Sales Trip - South Africa	2/25/2025	Benton Harbor	\$2,622
PROLIM Global Corp. - Hannover Messe & Sales Trip to Czechia	2/25/2025	Farmington Hills	\$5,000
Duperon Corporation Smagua Spain	2/27/2025	Saginaw	\$1,250
Mission Design & Automation - Aeromart Montreal	2/27/2025	Holland	\$1,765
Nexthermal Corporation - Sino-Pack China	2/27/2025	Battle Creek	\$3,000

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 February 1, 2025, to February 28, 2025.

Michigan Community Revitalization Program (MCRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Commongrounds Cooperative, LLC	2/6/2025	Traverse City	Extend milestone three due date and Pre-Disbursement Due Diligence of Exhibit C from March 1, 2024, to March 1, 2026
The Beauton, LLC	2/19/2025	Detroit	Extending Milestone two date to September 30, 2025, Extending Milestone three date to December 31, 2025.

Financial Data Overview and Terminations



Michigan Business Development Program – Terminations

Project Name	Project Location	Incentive Type	Amount	Termination Date	Reason for Termination	Repayment
BorgWarner, Inc	Hazel Park	Grant	\$1,860,000	2/25/2025	Mutual termination	\$0.00
Axiom Group Inc.	Village of Capac	Grant	\$1,240,000	2/25/2025	Company unable to meet requirements	\$0.00