



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA
September 30, 2025
9:00am

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT**
- III. COMMUNICATIONS**
- IV. CONSENT AGENDA**
 - a. Proposed August 26, 2025, Meeting Minutes 3
 - b. SCO Bay Valley Resort, LLC: Act 381 Work Plan 11
 - c. MEDC/MSF Memorandum of Understanding for Administrative Services 23
- V. DEVELOP ATTRACTIVE PLACES**
 - a. Riverview Apartments Bay City, LLC: A resolution to approve a Michigan Community Revitalization Program Other Economic Assistance Loan Participation in the amount of up to \$4,364,753 for Riverview Apartments Bay City, LLC..... 31
Location: City of Bay City
 - b. 2025 CDBG Water Related Infrastructure Grants: A resolution to approve Community Development Block Grant (CDBG) funding in the amount of \$21,516,651 for twelve Michigan communities and approval of up to \$480,000 in CDBG funds to provide administrative services to assist these communities with compliance and administrative requirements of the awards. 48
 - c. Selden Partners, LLC: A resolution to approve an amendment to the Michigan Community Revitalization Program Other Economic Assistance to remove a guarantor requirement from the Loan Participation Agreement with Capital Impact Partners, Inc. 55
Location: City of Detroit
- VI. ATTRACT, RETAIN, AND GROW BUSINESS**
 - a. Astemo Americas, Inc.: A resolution to approve a Michigan Business Development Program Grant in the amount of up to \$2,000,000 to Astemo Americas, Inc..... 61
Location: City of Wixom
 - b. American Rheinmetall Vehicles, LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of \$7,520,000 to American Rheinmetall Vehicles, LLC..... 70
Location: City of Auburn Hills
 - c. J.R. Automation Technologies, LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of \$1,600,000 to J.R. Automation Technologies, LLC..... 80
Location: City of Zeeland



MICHIGAN STRATEGIC FUND

VII. CAPITAL ACCESS

- a. NextEra Energy Capital Holdings, Inc.: A resolution to approve a Private Activity Bond Inducement in an amount not to exceed \$175,000,000. 89
Location: County of Wayne
- b. SSBCI 2.0 MBGF Small Business Venture Capital Program: A resolution to approve an amendment to the MSF-approved SSBCI 2.0 Venture Capital Commitment to Side Door Michigan I, LP. 94

VIII. INFORMATIONAL

- a. Delegation of Authority Report..... 102

MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
August 26, 2025

Member Present

Quentin L. Messer, Jr.

Members Joined Remotely

Britany L. Affolter-Caine

Susan Corbin

Wesley Eklund

Rachael Eubanks

Dimitrius Hutcherson

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

Dan Meyering

Leon Richardson

Lynda Rossi

Susan Tellier

Randy Thelen

Cindy Warner

I. CALL TO ORDER & ROLL CALL

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

Mr. Messer introduced Ms. Davenport, MSF Administrator, who conducted the attendance roll call.

II. PUBLIC COMMENT

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

III. COMMUNICATIONS

Lynda Rossi, recused, left the meeting at 9:15 a.m.

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 August.

Dimitrius Hutcherson motioned to appoint MSF Board Member Lynda Rossi to the MSF Finance and Investment Subcommittee. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: Lynda Rossi.

Lynda Rossi rejoined the meeting at 9:17 a.m.

Randy Thelen, recused, left the meeting at 9:17 a.m.

IV. CONSENT AGENDA

Resolution 2025-080, Approval of Consent Agenda Items

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

- a. Proposed July 29, 2025, Meeting Minutes
- b. 3131 Biddle, LLC: MCRP Loan Participation Amendment #1 **2025-081**
- c. Centrepolis Accelerator at Lawrence Technological University: No-Cost Extension Request Amendment #1 **2025-082**
- d. FY2024 Match on Main No-Cost Extensions; Match on Main Program Guideline Amendment; Delegation of Authority for the Match on Main Program **2025-083; 2025-084**
- e. MSF Delegation for No-Cost Extensions of MSF Contracts **2025-085**

Dr. Britany Affolter-Caine motioned for the approval of Resolution 2025-080 to approve the Consent Agenda. Susan Corbin seconded the motion. **The motion carried: 12 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Cindy Warner; Nays: None; Recused: Randy Thelen.

Randy Thelen rejoined the meeting at 9:20 a.m.

V. DEVELOP ATTRACTIVE PLACES

a. Resolution 2025-086 301 Leonard, LLC Michigan Community Revitalization Program Other Economic Assistance Loan Participation

Rachel Elsinga, Community Development Manager, supported by James Lewis of Pinnacle Construction Group and Mackenzie Miller of the City of Grand Rapids, 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 Other Economic Assistance Loan Participation in the amount of up to \$4,000,000 for 301 Leonard LLC.

Quentin L. Messer, Jr. motioned for the approval of Resolution 2025-086 to approve the Michigan Community Revitalization Program Loan. Cindy Warner seconded the motion. **The motion carried: 13 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Lynda Rossi,

Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

VI. ADMINISTRATIVE

a. Resolutions 2025-087 & 2025-088 Enterprise Data Center Sales & Use Tax Exemption Guidelines

Michelle Grinnell, Chief Communications & Attraction Officer, provided the Board with information on the requested action. The request involves consideration of a resolution to approve the creation of the Enterprise Data Center Sales & Use Tax Exemption Guidelines and the approval of a Delegation of Authority for administering the exemption certifications.

Following discussion, Cindy Warner motioned for the approval of Resolution 2025-087 to approve the Enterprise Data Center Sales & Use Tax Exemption Guidelines. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 13 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

Leon Richardson motioned for the approval of Resolution 2025-088 to approve the Delegation of Authority for the administration of the program. Dimitrius Hutcherson seconded the motion. **The motion carried: 13 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

Dr. Britany Affolter-Caine, recused, left the meeting at 9:39 a.m.

VII. ENTREPRENEURSHIP & INNOVATION

a. Resolution 2025-089 Michigan Innovation Fund Statewide Startup Investment Competition

Alison Todak, Vice President of Entrepreneurship & Innovation, provided the Board with information regarding the requested action. The request involves the consideration of a resolution to approve a Michigan Innovation Fund grant award to the Michigan State University Research Foundation for the implementation of the Statewide Startup Investment Competitions initiative.

Quentin L. Messer motioned for the approval of Resolution 2025-089 to approve the request. Susan Tellier seconded the motion. **The motion carried: 12 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: Dr. Britany L. Affolter-Caine.

Dr. Britany Affolter-Caine rejoined the meeting at 9:48 a.m.

VIII. CAPITAL ACCESS

a. Resolution 2025-090 The Henry Ford Private Activity Bond Inducement

Amber Westendorp, Capital Project and Portfolio Manager, supported by Stephanie Trotter with The Henry Ford, provided the Board with information regarding the requested action. The request involves the consideration of a resolution to approve Private Activity Bond Authorization in the amount of up to \$9,000,000 to The Edison Institute, doing business as The Henry Ford.

Leon Richardson motioned for the approval of Resolution 2025-090 to approve the Private Activity Bond Authorization. Susan Corbin seconded the motion. **The motion carried: 13 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

Cindy Warner, recused, left the meeting at 9:49 a.m.

b. Resolution 2025-091 SSBCI 2.0 Venture Capital Program The Funding Future Heritage Fund, LP Amendment

Chris Cook, Managing Director of Capital Access, provided the Board with information regarding the requested action. The request involves the consideration of a resolution to approve an amendment to the first closing deadline of the MSF-approved SSBCI 2.0 Venture Capital award to The Future Heritage Fund, LP.

Randy Thelen motioned for the approval of Resolution 2025-091 to approve the request. Dimitrius Hutcherson seconded the motion. **The motion carried: 12 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Dr. Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen; Nays: None; Recused: Cindy Warner.

VIII. INFORMATIONAL

- a. Mr. Messer noted that the Michigan Strategic Fund Delegation of Authority Report from July 1, 2025, to July 31, 2025, was included in the meeting packet. There were no questions regarding the report.

Mr. Messer adjourned the meeting at 9:55 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

August 19, 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 items on the Michigan Strategic Fund Board Meeting Agenda of August 26, 2025.

- MSF Delegation for No-Cost Extensions of MSF Contracts

The reason for my recusal is to avoid the appearance of a conflict with these items.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Thelen". The signature is written in a cursive, flowing style.

Randy Thelen



August 5, 2025

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

Dear Fund Manager,

This is to advise you that I am recusing myself from voting and excuse myself during the discussion of the **Statewide Startup Investment Competition: A resolution to approve a Michigan Innovation Fund Program grant** during the Michigan Strategic Fund Board Meeting on Tuesday, August 26, 2025, due to conflicts of interest with the applicant – MSU Research Foundation – being a close partner and associate. The Research Universities for Michigan (RU4M) is also an applicant for a related grant of the Michigan Innovation Fund, seeking support for a statewide innovation advocacy campaign.

Many thanks –

Britany Affolter-Caine
Executive Director
Research Universities for Michigan (RU4M)

August 24, 2025

MSF Fund Manager
MEDC
300 N. Washington Square
Lansing, Michigan 48864

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following items on the Michigan Strategic Fund Board Meeting Agenda of August 26, 2025.

SSBCI 2.0 VC Program: A resolution to approve an amendment to first closing deadline of the MSF-approved Venture Capital award to The Future Heritage Fund, LP.

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

All the best,

Cindy

Cindy L. Warner



MEMORANDUM

Date: September 30, 2025

To: Michigan Strategic Fund Board

From: Rachel Young, Senior Program Specialist
Simon Verghese, Incentive Structuring and Underwriting Analyst
Chris Marco, Program Specialist

Subject: Request for Approval of a Request for Approval of an Act 381 Work Plan
Bay County Brownfield Redevelopment Authority (BRA) – Bay Valley Resort

Recommendation

MEDC staff recommends approval of state tax capture for Act 381 eligible activities capped at \$1,384,375, utilizing the current state to local capture ratio.

Financial Highlights

The proposed project by SCO Bay Valley Resort, LLC will redevelop Bay Valley Resort, an underutilized mixed-use hospitality property in Frankenlust Township, into a vibrant hotel, conference center, and resort. The hotel portion of the property will have 147 rooms and be a Wyndham-flagged hotel. The development team has maximized their capital stack with \$11 million in senior lending, and \$3.1 million in owner equity.

Despite the robust capital stack, the project has several environmental conditions including asbestos and mold abatement which is the impetus for a brownfield workplan request.

Local support for this project is strong. The Bay County Brownfield Redevelopment Authority supports this project and has approved the local brownfield plan with the local TIF portion valued at \$1,051,712. Frankenlust Township has also approved a Commercial Rehabilitation Act abatement valued at \$600,000 over a ten-year period. In addition to local financial support, the residents and local elected officials wholeheartedly support the revitalization of this property which will improve public health through the remediation of asbestos and mold, ensuring safe and healthy spaces for staff, guests, and the public. Furthermore, this project is located between Bay City and Saginaw, in proximity to Delta College, and Saginaw Valley State University and will serve as a destination in Region 5. The revitalized resort will increase visitor activity, support local small business, and expand regional spending through hospitality, dining, and retail. Importantly, the addition of modern conference facilities will fill a critical gap in local business infrastructure, supporting corporate meetings, regional events, and talent attraction efforts.

- Hard cost/sf: \$139.56
- Debt financing as a percentage of total development cost: 77.67%
- Average debt service coverage ratio: 1.34
- Developer equity investment and anticipated returns: \$3,163,000 in cash equity, and 7.4% anticipated return

- Developer fee: \$510,000
- Average commercial rent/sf: \$115 average daily room rate, factoring in a projected 35% vacancy rate.

Project Summary & Request

SCO Bay Valley Resort, LLC is seeking MSF support for a Brownfield TIF capture in the amount of \$1,384,375 to redevelop the Bay Valley Resort property in Frankenlust Township in Bay County. The development is an approximately \$14.1 million revitalization of the Bay Valley Resort. This project seeks to reactivate a functionally obsolete and nearly vacant hotel and restaurant.

Throughout its 50-year history, the resort has hosted countless social, corporate, community and private events with high quality golf and tennis facilities. The resort over the last several decades has fallen into disrepair due to significant lack of investment. In 2012, the property was sold at auction to Dan Eschturth and his colleagues with the International School of Development Foundation. Their aim was to create a prep academy for international students and sought partnerships with nearby Saginaw Valley State University and Delta College. They planned to continue to run the golf course and renovate about 50 of the aged hotel rooms into dorm rooms for international students. This project never came to fruition and left nearly 100 hotel rooms unusable. The property has significant environmental concerns including asbestos, mold, and obsolete mechanical systems. Without Storie Co, the parent company of SCO Bay Valley Resort, LLC, taking the lead on this project, and investing significant capital this property would pose a potential public health risk.

This proposed project by SCO Bay Valley Resort, LLC will revitalize the property with the intent to once again making it a world-class destination and regional and state asset. The project will overhaul the existing facility, including 147 guest rooms, an approximately 3,612 square foot restaurant, 14,000 square feet of meeting and banquet space, lobby and common spaces.

PROJECT SUMMARY	
Project Eligibility	Functionally Obsolete
Total Approximate Square Feet Revitalized	192,085
Total Approximate Acres Activated	172.83
Estimated # of Hotel Units	147
Estimated Commercial Square Footage	192,085
Current Taxable Value	\$1,252,287
Projected Taxable Value at Completion	\$3,251,287
Total Anticipated Capital Investment	\$14,163,000
MSF Eligible Activities State Tax Capture Request	\$1,384,375

Act 381 of 1996 (the “Act”), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing

MSF Program Guidelines (“Guidelines”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF Guidelines and programmatic requirements and a financial review has been completed.

Applicant Background / Qualifications

SCO Bay Valley Resort, LLC is an entity of Storie Co. Based in Indianapolis, Indiana, Storie Co. brings extensive and successful expertise in hospitality investment, development, and ownership, with a focus on drive-to recreational resorts featuring prominent amenities such as golf, ski, spa, significant meeting space, and high-quality food & beverage experiences. Storie Co. has proven track record in transforming underutilized properties across the mid-west. Storie Co. has successfully executed similar projects in Michigan, including the redevelopment of Pine Mountain Resort, demonstrating their ability to revitalize historic properties while delivering economic growth and tourism expansion.

Nathan Nichols is co-founder and CEO of Storie Co. He has led asset management, finance, and market-specific strategy of \$1.5 billion of urban and destination hotel and resort properties throughout the United States. Nathan’s career began in operations where he held various senior leadership positions including general manager at Hutton Hotel in Nashville, a Forbes Four-Star hotel, and L’Horizon Resort and Spa rated the best resort in the world. More recently, Nathan worked for Brookfield Properties. At Storie Co., Nathan leads operations, asset management, and strategic positioning.

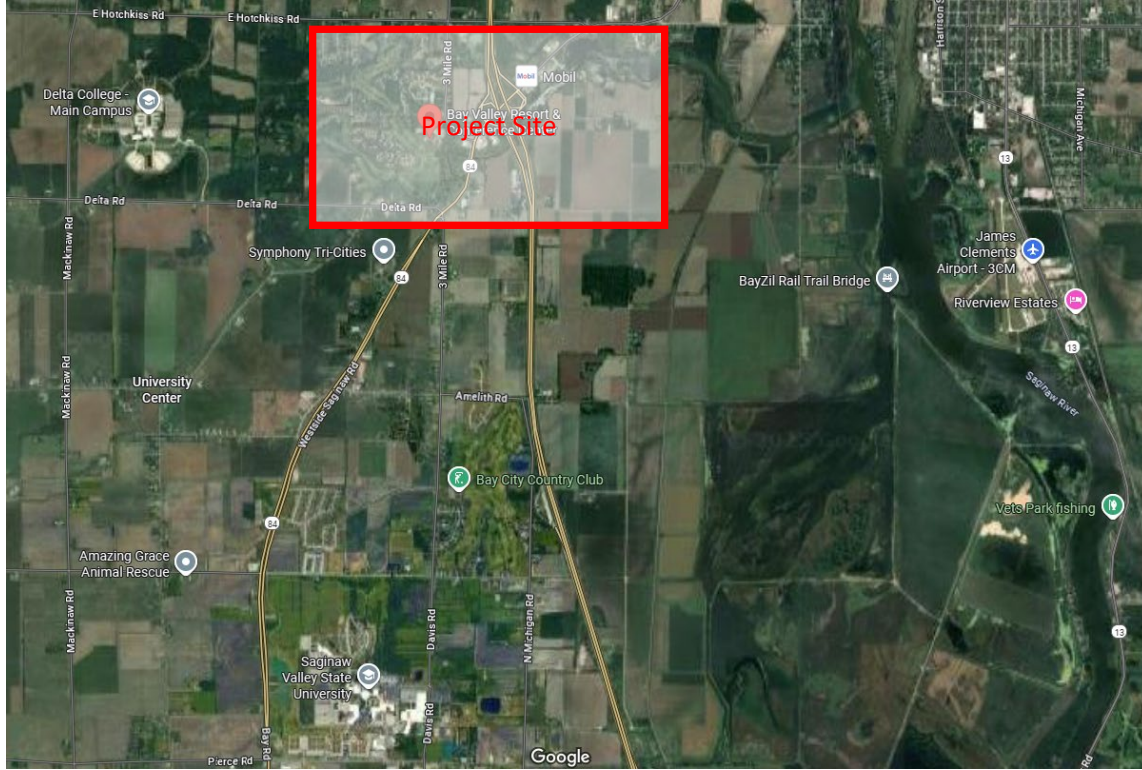
Chris Wall is co-founder and Chief Investment Officer of Storie Co. With varied experience founded in banking, Chris launched a \$700 million hotel lending platform for an international financial institution. In acquisitions, Chris has overseen over \$1 billion of hotel transactions and \$4 billion of new debt and refinances in addition to strategic M&A executions. Chris earned his degrees from the University of Iowa in Business Administration, Finance, and Management; and most recently worked for Watermark Lodging Trust. He is responsible for leading Storie Co.’s investment strategy, capital markets, and acquisitions.

An Organizational Chart for SCO Bay Valley Resort, LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on July 30th, 2025.

APPENDIX A – Organizational Chart

Organizational Structure				Ownership Interest	EINs -No Soc Sec	State of
Company Name: SCO Bay Valley Resort, LLC				Totals	numbers	Organization
Employer Identification Number: 99-4785115						
MANAGER: SCO Bay Valley JV, LLC						
Member						
SCO Bay Valley JV, LLC / Manager: Storie Co. Holdings, LLC				56.00%	99-4785115	Delaware
AQP JV M1, LLC		79.00%				
SCO Bay Valley Property, LLC		21.00%				
Bay Valley Resort Realty, LLC / Manager: Lawrence L. Balli				44.00%	45-3818450	Michigan
Lawrence L. Balli		100.00%				

APPENDIX B – Project Map and Renderings





APPENDIX C – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, Bay County has duly approved a brownfield plan for this property on February 27, 2025. The property has been deemed functionally obsolete as verified by a Michigan Advanced Assessing Officer (MAAO) on March 25th, 2025.

There are 47.6237 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (50.40%) and local millage equaling 23.6237 mills (49.60%). Tax increment capture will begin in 2025 and is estimated to continue for 23 years. The state tax capture is recommended to be capped at \$1,384,375, which is the amount of tax increment revenue anticipated to be generated in 23 years. The tax ratio is impacted by a PA 210 abatement, and the blended ratio is shown below. Total MSF eligible activities are estimated at \$2,436,087. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(56.83%)	\$	1,384,375
Local tax capture	(43.17%)	\$	1,051,712
TOTAL		\$	2,436,087

Cost of MSF Eligible Activities

Demolition		\$	780,000
Lead, Asbestos, or Mold Abatement			520,000
Sub-Total		\$	1,300,000
Contingency (15%)		+	195,000
Sub-Total		\$	1,495,000
Interest (5%)		+	881,087
Sub-Total		\$	2,376,087
Brownfield/Work Plan Preparation		+	30,000
Brownfield/Work Plan Implementation		+	30,000
TOTAL		\$	2,436,087

In addition, the project is requesting \$28,000 in TIF from EGLE to assist with environmental eligible activities.

Key Statutory Criteria

Per section 15 of Act 381, the Michigan Strategic Fund shall consider the following criteria to the extent reasonably applicable to the type of activities proposed as part of that work plan when approving or denying a work plan:

a) Overall Benefit to the Public:

This project will revitalize a landmark property in Bay County, thus stimulating economic growth and boosting the hospitality industry in the region. This will support jobs and stimulate increased tourism and spending in the local economy. The golf course is projected to host approximately 50,000 golfers each year, who are predicted to spend more than \$10 million annually in the area on food and beverage, entertainment, lodging, and other local goods and services in the surrounding

community. The ripple effect of this redevelopment will be felt throughout the local economy. Job creation during construction and sustained employment opportunities in hospitality and tourism will strengthen our workforce. In addition, increased tourism and leisure spending will grow the County's tax base and support future public investment in infrastructure and community development. This redevelopment project will also improve public health through the remediation of asbestos and mold.

b) Jobs Created (Excluding Construction and other Indirect Jobs):

This project is expected to support approximately 30, full-time equivalent jobs in the hospitality industry with an average hourly wage of \$21 per hour.

c) Area of High Unemployment:

The Bay County seasonally adjusted jobless rate was 7.0% in June 2025.

d) Level and Extent of Contamination Alleviated:

The project is not qualifying as a facility and the presence, or lack of, contamination has not been determined.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:

This project qualifies as functionally obsolete as the property was determined to meet the standard by local assessors due to the following criteria: 1) portions of the interior, façade, and balconies were previously demolished but never restored, 2) mechanical systems throughout the facility are at or near the end of their intended useful lives, 3) water intrusion is apparent in the facilities and the golf shop has structural problems that have not been resolved, and 4) the presence of asbestos is likely due to the age of the building.

f) Whether Project will Create a New Brownfield Property in the State:

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

From the materials received, the MEDC infers that the project is financially and economically sound.

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-093

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
BAY COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
BAY VALLEY RESORT**

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

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

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

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

WHEREAS, the Bay County Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated July 29, 2025 for property located at 2470 Old Bridge Road within Frankenlust Township, known as Bay Valley Resort (the “Project”);

WHEREAS, Frankenlust Township is not a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) brownfield and work plan preparation; d) brownfield and work plan implementation and e) interest as provided under 2007 PA 204.

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 56.83% to 43.17% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of

MSF eligible activities with a maximum of \$1,495,000 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$881,087 in interest, a maximum of \$30,000 for brownfield and work plan preparation, and a maximum of \$30,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$1,384,375.

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

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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 *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025

To: Michigan Strategic Fund Board

From: Matthew Casby, Michigan Strategic Fund Manager

Subject: Request to Extend Administrative Services Memorandum of Understanding

REQUEST

The Michigan Economic Development Corporation (“MEDC”) and the Michigan Strategic Fund Manager request that the Michigan Strategic Fund Board (“MSF”) approve an extension to the term of the Memorandum of Understanding (“MOU”) for administrative services to September 30, 2026. Additionally, the MEDC requests approval to seek reimbursement or payment for the administrative expenses, provided that such administrative expenses are allowable under the applicable program and made in accordance with any time-keeping and reporting requirements of the applicable federal program, it incurs in connection with the administration of various federal programs. These programs include, but are not limited to, the State Small Business Credit Initiative 2.0 (“SSBCI 2.0”), the SSBCI Technical Assistance Program, the Michigan State Trade Expansion Program (“MI-STEP”), the Community Development Block Grant (“CDBG”) Program, the Revitalization and Placemaking Program (“RAP”), and other programs and activities that may be authorized under the American Rescue Plan Act (“ARPA”) (collectively, the “Request”).

BACKGROUND

On January 25, 2006, the MSF and the MEDC entered into an MOU for the purpose of specifying responsibilities between the MSF and the MEDC in administering the 21st Century Jobs Trust Fund initiative and other programs operated and/or created by the MSF. The MOU was amended each successive year to our current fiscal year.

Typically, at the end of the fiscal year, in addition to extending the MOU, the MSF Board is asked to accept funds appropriated by the Legislature and allocate them to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. A request for this allocation is anticipated at a future date.

At this time, the MSF Board is only being asked to approve an extension of the MOU, and authorize the MEDC to seek reimbursement of allowable administrative expenses for federal programs.

RECOMMENDATION

MEDC staff and the Fund Manager recommend approval of the Request.

MICHIGAN STRATEGIC FUND BOARD

RESOLUTION 2025-094

EXTENSION OF MEMORANDUM OF UNDERSTANDING BETWEEN THE MICHIGAN STRATEGIC FUND AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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

WHEREAS, at its January 25, 2006 meeting, the Michigan Strategic Fund (the “MSF”) Board approved the Memorandum of Understanding (subsequently amended at its July 13, 2006, September 26, 2007, September 24, 2008, September 30, 2009, September 22, 2010, September 21, 2011, September 27, 2012, October 23, 2013, September 17, 2014, September 22, 2015, September 27, 2016, September 26, 2017, August 28, 2018, September 24, 2019, September 22, 2020, August 24, 2021, September 27, 2022, September 26, 2023, and September 24, 2024 meetings), between the MSF and the Michigan Economic Development Corporation (the “MEDC”) describing the administrative services associated with the 21st Century Jobs Trust Fund programs and other authorized state and federal programs and activities to be provided by the MEDC to the MSF (the “MOU”);

WHEREAS, consistent with the terms of the MOU, the MEDC and MSF desire to extend the effective date of the MOU through September 30, 2026; and

WHEREAS, the MSF Board also believes it is reasonable to allow the MEDC to seek reimbursement or payment for administrative expenses it incurs in connection with administration of various federal programs, including the State Small Business Credit Initiative 2.0 (“SSBCI 2.0”), The State Small Business Services Technical Assistance Program, the Michigan State Trade Expansion Program (“MI-STEP”), the Community Development Block Grant (“CDBG”) Program, the Revitalization and Placemaking Program (“RAP”), and other programs and activities that may be authorized under the American Rescue Plan Act (“ARPA”) from time to time, provided that such administrative expenses are allowable under the applicable program and made in accordance with any time-keeping and reporting requirements of the applicable federal program (collectively, the “Federal Program Administration Allocation”).

NOW, THEREFORE, BE IT RESOLVED, subject to the control and direction of the MSF Board, the MEDC shall provide administrative services through September 30, 2026 for all 21st Century Jobs Trust Fund programs, SSBCI 2.0, MI-STEP, the CDBG Program, RAP, and other programs and activities administered by the MSF, and programs and activities additionally included and described in the Michigan Strategic Fund Act;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to sign an amendment to the MOU extending the term of the MOU to September 30, 2026;

BE IT FURTHER RESOLVED, the MSF Board authorizes the Federal Program Administration Allocation.

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

February 3, 2025

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

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Chief Executive Officer, Michigan Economic Development Corporation

PURE *M*ICHIGAN®

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2025-092

**APPROVAL OF THE SEPTEMBER 30, 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 August 26, 2025, Meeting Minutes
- b. SCO Bay Valley Resort, LLC: Act 381 Work Plan
- c. MEDC/MSF Memorandum of Understanding for Administrative Services

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
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BRADLEY C. WIEFERICH, P.E.
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January 3, 2023

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cc: M. Kapp
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MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

February 3, 2025

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Sincerely,

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025

To: Michigan Strategic Fund Board

From: Chuck Donaldson, Managing Director
Simon Verghese, Incentive Structuring and Underwriting Analyst
Rachel Young, Senior Program Specialist
Chris Marco, Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP)
Other Economic Assistance Loan Participation Award
Riverview Apartments Bay City, LLC - Water Street Lofts

Recommendation

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

- a) A MCRP performance-based Other Economic Assistance Loan Participation award in the amount of up to \$4,364,753 for Riverview Apartments Bay City, LLC on terms and conditions outlined in Exhibit A found in the resolution.

Financial Highlights

The proposed Water Street Lofts project by Riverview Apartments Bay City, LLC will transform the north end of downtown Bay City. The development team has maximized their capital stack with just over \$10 million in senior lending from Horizon Bank, \$7.3 million in developer equity, a local BRA loan for \$500,000, and an EGLE grant for \$400,000. Despite these robust sources, the project faces a financing gap that cannot be closed through traditional financing. Without incentive assistance, particularly the low-interest MCRP loan, the redevelopment of this vacant, contaminated property into a mixed-use development that promotes density and walkability is not feasible.

The City of Bay City is supporting this project in several ways including a Bay City Brownfield Redevelopment Authority low-interest revolving fund loan in the amount of \$500,000. The City of Bay City has also approved \$221,766 in Local-Only Tax Increment Financing (TIF) Reimbursement for local-only eligible activities. The City has collaborated with the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for a \$400,000 grant to cover a significant portion of the eligible environmental due care activities, including soil removal, groundwater treatment, and installation of vapor intrusion barriers.

- Construction cost/sf: \$233.56
- Senior Debt financing as a percentage of total development cost: 44.23%
- Average debt service coverage ratio: 1.33
- Developer equity investment and anticipated returns: \$7,344,984; 0.0% 20-Year IRR
- Developer fee amount and whether a portion is being deferred: \$62,000, entirely deferred

- Average residential rent/sf: \$1.80, with studio units anticipated to lease at \$927 per month; 1-bedroom units anticipated to lease at \$1,425 per month; and 2-bedroom units anticipated to lease at \$2,125 per month. All unit types are priced at or below 120% AMI.
- Average commercial rent/sf: \$16.00
- Other grants or equity being contributed to the project: Local BRA Loan for \$500,000, and EGLE Grant for \$400,000. MSHDA Housing TIF valued at approximately \$10.5 million over 30 years.

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

Project Summary & Request

The applicant, Riverview Apartments Bay City, LLC is seeking approval for an MCRP loan participation request in the amount of \$4,364,753 for the Water Street Lofts project in Bay City. This project will transform several vacant and underutilized parcels into a vibrant mixed-used redevelopment containing 90 residential housing units, and two storefronts. Upon completion, the proposed redevelopment will add 87,446 square feet of new construction, designed as a three-story, mixed-use building. This project also activates the streetscape, supports new housing options, and promotes walkable urbanism into downtown Bay City’s north end. This redevelopment will revitalize an area which has historically lost investment and experienced significant economic decline and deliver multi-family housing units for households earning up to 120% of the Area Median Income (AMI). By transforming underutilized parcels into new housing at this key infill site, the project supports broader goals of downtown reinvestment, economic vitality, and neighborhood stabilization, and will serve as a catalyst for additional private development in the surrounding area.

PROJECT SUMMARY	
Project Eligibility	Facility
Total Approximate Square Feet Revitalized	150,246
Total Approximate Acres Activated	2.05
Estimated # of Residential Units	90
Estimated Commercial Square Footage	3,683
Current Taxable Value	\$162,750
Projected Taxable Value at Completion	\$6,500,000
Total Anticipated Capital Investment	\$22,721,982
MCRP Loan	\$4,364,753

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

Applicant Background / Qualifications

Riverview Apartments Bay City, LLC, an affiliate of The Times Properties, is the project developer (“Developer”) and was founded by Rodney Hildebrant. Mr. Hildebrant grew up in Bay City and is an experienced developer. Mr. Hildebrant has successfully redeveloped over 6 properties providing more than 100 residential units and over 200,000 square feet of commercial/retail space. Additionally, he owns approximately 40 single family rental units in Bay City. His success in Bay City includes urban renewal projects such as The Davidson Building, the Times Properties, the Times Lofts, and the Legacy projects. These projects have brought over \$30 million in private investment into Bay City and have created approximately 200 jobs.

An Organizational Chart for Riverview Apartments Bay City, LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on July 15, 2025.

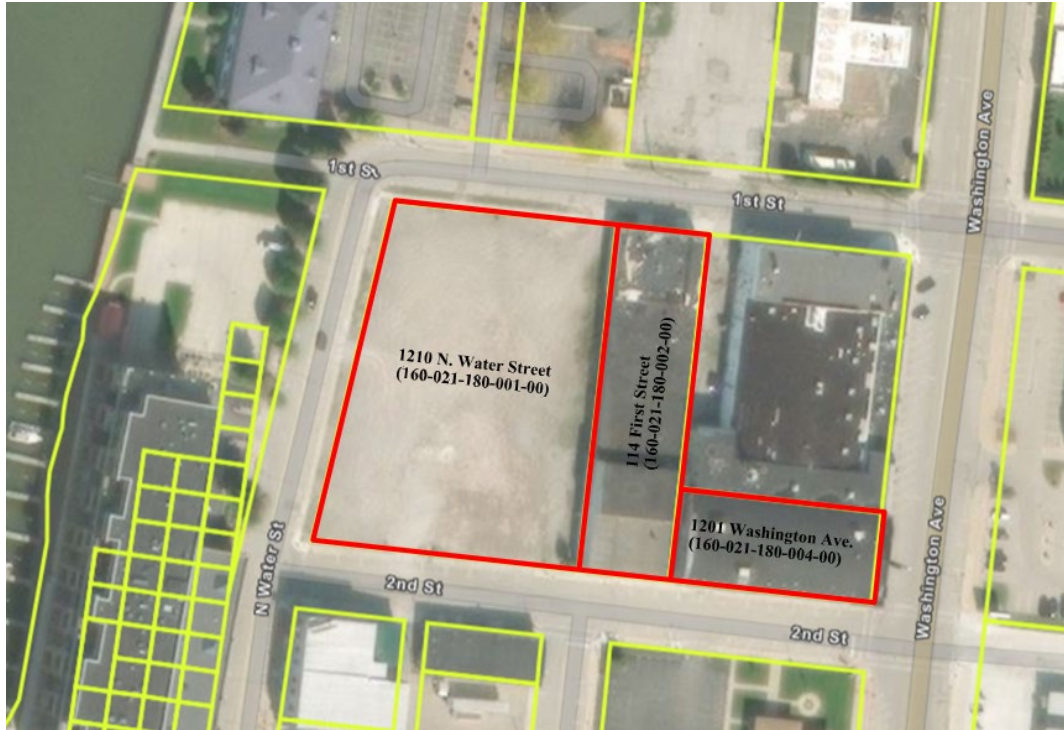
APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Riverview Apartments Bay City LLC
 Employer Identification Number: 99-1203463
 MANAGER: Rod Hildebrant

Member/Company name and manager	Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Riverview Apartments Bay City LLC		100.00%	99-1203463	Michigan
Rodney Allen Hildebrant		50%		
Matthew Thomas Meehan		50%		

APPENDIX B – Project Map and Renderings





APPENDIX C – Financial Terms

Summary of Development Sources:

Bank Share	\$	10,050,245	44.23%
MSF Share	\$	4,364,753	19.21%
Other Loans	\$	500,000	2.20%
Other Grants	\$	400,000	1.76%
Developer Equity	\$	7,344,984	32.33%
Deferred Dev Fee	\$	62,000	0.27%
TOTAL	\$	\$22,721,982	100.00%

Summary of Development Uses:

Acquisition	\$	635,000
Hard Construction Costs	\$	20,424,096
Eligible Soft Costs	\$	1,399,672
Other	\$	263,214
TOTAL	\$	22,721,982

Loan Terms

MSF Incentive:	MCRP Other Economic Assistance Loan Participation
Borrower:	Riverview Apartments Bay City, LLC
Senior Lender:	Currently anticipated to be Horizon Bank or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$14,914,998
Lender Share:	Currently estimated at \$10,550,245
Total Capital Investment:	Currently estimated at \$22,721,982
MSF Eligible Investment:	Currently estimated at \$21,823,768
Minimum Eligible Investment:	Currently estimated at \$17,459,014.40
Incentive Amount:	Up to the lesser of 25% of “Eligible Investment” or \$4,364,753.
Term:	Shall match that of the Lender, not to exceed 84 months. Includes an interest only period of up to 24 months.
Amortization:	Shall match that of the Lender, not to exceed 300 months, following the interest only period.
Interest Rate:	1.00% per annum
Repayment Terms:	Currently anticipated to be monthly interest only payments for up to 24 months, followed by monthly principal and interest payments, with principal due at maturity.

Collateral:	To match that of the Lender, currently anticipated 1st Mortgage and Assignment of Rents and Leases on subject property. MSF Share of collateral will be subordinated to that of the Lender.
Guarantee:	To match that of the Lender, currently anticipated to be the unlimited unsecured guarantees and associated trusts of owners greater than 20%. MSF Share of the guarantee will be subordinated to that of the Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF's share of the loan. The Lender may charge the borrower for this fee.
Deferred Developer Fees:	The developer fees equal to \$62,000 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
Funding:	The MSF will fund up to \$4,364,753 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none">- Receipt of final construction documents- Final Development Budget- Anticipated minimum owner equity investment of \$7,344,984- Other legal due diligence, as required

MCRP Programmatic Requirements

MCRP Program and Guidelines

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

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

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

Water Street Lofts transforms two long-vacant, underutilized commercial buildings into a vibrant, mixed-use development with 90 attainable housing units and ground-floor retail space. Located just two blocks from downtown Bay City, the project directly addresses the city's housing shortage, promotes walkable urban living, and revitalizes a prominent gateway corridor identified as a priority redevelopment area in local plans. It aligns with the community's economic, housing, and placemaking goals.

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

Yes. This project will anchor a key corridor with high-quality construction, activate a vacant site, and attract new residents and businesses. Its proximity to downtown and the County Metro bus station makes it a natural catalyst for further private reinvestment, setting a precedent for future mixed-use, infill redevelopment along Washington Avenue and Water Street.

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

The project has secured a \$500,000 low-interest loan from the local revolving loan fund and has been awarded \$400,000 in EGLE grant funding. City planning documents identify this site as a priority for investment. The project has garnered support due to its alignment with master plan objectives and its contribution to housing and economic development.

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

Due to the high construction costs associated with new development and challenging market conditions, including the current interest rate and construction cost environment, a financial need exists. The development team is contributing over \$7.3 million in equity and has maximized traditional financing of \$10,050,245. The remaining gap would be filled by the proposed MCRP incentive, allowing the owners to achieve an anticipated IRR of 0.0% from operations over a 20-year time horizon. Without the MCRP award the project would not be feasible.

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

The project entails demolition and redevelopment of two physically and economically obsolete commercial buildings that have remained vacant for decades. Though not formally designated as blighted or historic, both buildings exhibit blight-like characteristics and are environmentally compromised. The project redevelops these parcels into productive, vibrant uses.

F. Creation of jobs:

The project includes 3,683 SF of commercial space anticipated to support 6–12 permanent jobs depending on tenant mix. Construction activity will generate dozens of short-term jobs. The average hourly wage is estimated to be \$18 per hour.

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

The financing package includes a commercial loan from Horizon Bank, developer equity, a \$500,000 local revolving loan, and MSHDA TIF support. The developer is pursuing an EGLE grant of up to \$400,000. Federal tax credits are not currently included in the financial stack.

H. Whether the project is financially and economically sound:

It is anticipated that over a 20-year time horizon the project will be able to achieve an average debt service coverage ratio of over 1.33:1.00. Per a market study conducted by Newmark Valuation & Advisory, market-rate multi-family units in the Bay City Market are experiencing a low vacancy rate of 4.1% for over 2,887 comparable units. Additionally, there is an estimated 7,138 qualified rental households in the target area, leading to a capture rate of only 1.3% needed for the project to achieve stabilization. As a result, MEDC staff considers the MCRP loan to be adequately secured and the project to be financially and economically sound.

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

The project increases the density of the area by bringing 90 residential units and street-level commercial space to currently underutilized properties. It significantly increases density near Bay City's downtown and within walking distance of transit, commercial, and civic amenities.

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

The project is a model of mixed-use development with residential, retail, public greenspace, and amenities that support walking and transit use. Located across from the County Metro bus station and within a 5-minute walk of downtown, it promotes car-free living and activates the public realm.

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

The buildings being redeveloped were privately owned, underutilized commercial structures.

L. Whether the project promotes sustainable development:

Water Street Lofts promotes sustainability through environmental remediation, energy-efficient building systems, smart growth land use, transit-oriented design, and on-site stormwater management. It will comply with Michigan Energy Rebate Program standards and exceed energy code requirements.

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

While the buildings are aged, they are not designated historic resources. The structures are not viable for reuse and require demolition due to safety and environmental concerns.

N. Whether the project addresses area-wide redevelopment:

The project aligns with the city's Master Plan, Downtown Strategic Plan, and Brownfield Redevelopment Strategy. It improves connectivity to downtown and leverages existing infrastructure, mitigates environmental concerns, and positions the area for ongoing investment.

O. Whether the project addresses underserved markets of commerce:

The project directly reinvests in a historically underserved district that was redlined in the 1930s and has suffered from disinvestment. The project introduces attainable housing and commercial space to support local entrepreneurship and reverse the legacy of exclusionary policies.

P. The level and extent of environmental contamination:

The site contains known environmental issues, including contaminated soils and vapor intrusion risks. The project will implement due care response activities, including soil removal and a vapor mitigation system, to eliminate public health hazards and support safe redevelopment. EGLE is a partner to support environmental concerns.

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

Not applicable. The buildings are not historic resources and have been demolished due to their severely deteriorated condition.

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

No negative impact is anticipated. The project supports local business growth by creating new commercial storefronts and a built-in customer base through new housing. The project compliments existing downtown businesses.

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

Water Street Lofts is a transformational, high-impact project that delivers equitable redevelopment, environmental justice, and smart growth. It reinvests in a marginalized area, enhances the city's tax base, and aligns with regional and statewide housing and economic development priorities.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-095

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER
ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD TO RIVERVIEW
APARTMENTS BAY CITY, LLC**

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

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

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

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

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

WHEREAS, Riverview Apartments Bay City, LLC (“Company”) has requested a performance based Other Economic Assistance Loan Participation award of up to \$4,364,753 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) and;

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

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

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Other Economic Assistance Loan Participation
Borrower:	Riverview Apartments Bay City, LLC
Senior Lender:	Currently anticipated to be Horizon Bank or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$14,914,998
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Amortization:	Shall match that of the Lender, not to exceed 300 months, following the interest only period.
Interest Rate:	1.00% per annum
Repayment Terms:	Currently anticipated to be monthly interest only payments for up to 24 months, followed by monthly principal and interest payments, with principal due at maturity.
Collateral:	To match that of the Lender, currently anticipated 1st Mortgage and Assignment of Rents and Leases on subject property. MSF Share of collateral will be subordinated to that of the Lender.
Guarantee:	To match that of the Lender, currently anticipated to be the unlimited unsecured guarantees and associated trusts of owners greater than 20%. MSF Share of the guarantee will be subordinated to that of the Lender.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. The Lender may charge the borrower for this fee.
Deferred Developer Fees:	The developer fees equal to \$62,000 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.

Funding:

The MSF will fund up to \$4,364,753 to be disbursed following closing of the financing and other performance criteria.

Other Conditions:

MSF's investment will be contingent upon the following:

- Receipt of final construction documents
- Final Development Budget
- Anticipated minimum owner equity investment of \$7,344,984
- Other legal due diligence, as required



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

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,

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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

PURE *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025

To: Michigan Strategic Fund Board

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

Subject: Community Development Block Grant Program
2025 Water Related Infrastructure Grants

Request

MEDC staff is requesting \$21,516,651 in Community Development Block Grant (CDBG) funds for twelve Michigan communities as a part of the 2025 CDBG Water Related Infrastructure (WRI) funding round previously authorized by the Michigan Strategic Fund (MSF). In addition, MEDC staff is requesting up to \$480,000 in CDBG funds to provide administrative services to assist these communities with the compliance and administrative requirements of the awards.

Background

On March 25, 2025, the MSF approved up to \$22,000,000 in Community Development Grant funds for the 2025 Water Related Infrastructure funding round. The funding round was competitive and focused on improvements and upgrades in low-moderate income communities for existing infrastructure systems.

Eligible activities included: water lines and related facilities; sanitary and storm sewer lines and related facilities; as well as wastewater treatment plants and related activities, including road replacement necessary for the completion of the projects. Thirty-eight (38) infrastructure applications were submitted with communities requesting a total of \$66,179,047 in grant funding.

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

A list of the twelve (12) recommended projects is attached as **Appendix B**. The list includes the CDBG applicants, percentage of low- and moderate-income people living in the community, grant amount requested and local match commitment.

Recommendation

MEDC Staff recommends the MSF to authorize;

- A total of \$21,516,651 in infrastructure construction to the recommended projects; and
- Up to \$480,000 for administrative services

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

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

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

Screening Guidelines

All recommended projects have met the following criteria:

- Located in a Community listed on the HUD Low-Moderate Income-ACS 2020 List
- Shall be for an existing system capital replacement or upgrade, not system maintenance.
- Includes only eligible CDBG activities that the Community owns or can acquire easement to the property encompassing the project.
- Communities demonstrated a management/maintenance plan for the proposed project for its useful life.
- Timeline of project to be completed by December 31, 2027.
- Grant request between \$500,000 and \$2,500,000. (One grant request per community)
- Community had a set of preliminary project plans and specifications.

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

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

Appendix B - Recommended Projects

Applicant/Communities	Percent Low/Mod	CDBG Request	Total Local Match	Administration- Up to \$40,000 per community
City of Big Rapids	66.70%	\$2,500,000	\$3,100,000	\$40,000
Benton Charter Township	65.40%	\$675,000	\$225,000	\$40,000
City of Ironwood	62.40%	\$672,540	\$236,298	\$40,000
City of Allegan	63.10%	\$2,500,000	\$7,091,901	\$40,000
Village of Hillman	63.00%	\$890,000	\$110,000	\$40,000
City of Albion	63.50%	\$2,500,000	\$309,000	\$40,000
City of Grayling	62.70%	\$1,802,681	\$222,804	\$40,000
City of Olivet	59.80%	\$2,500,000	\$309,000	\$40,000
City of Houghton	61.40%	\$1,500,000	\$500,000	\$40,000
City of Hartford	62.40%	\$2,491,110	\$307,890	\$40,000
City of Ewart	60.30%	\$2,125,320	\$262,680	\$40,000
Village of Baraga	54.30%	\$1,360,000	\$453,333	\$40,000
		\$21,516,651	\$13,127,906	\$480,000

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-096**

**APPROVAL OF 2025 WATER RELATED INFRASTRUCTURE PROJECTS AND
ADMINISTRATIVE COSTS**

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

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

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

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

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

WHEREAS, on March 25, 2025, by Resolution 2025-031, the MSF Board approved the following: (1) An allocation of up to \$22,000,000 in Community Development Block Grant Funds for the 2025 Water Related Infrastructure funding round, (2) Scoring recommendations, and (3) An authorization for MEDC staff to score applications

WHEREAS, MEDC staff reviewed the 2025 Water Related Infrastructure Projects (“Project”) in light of the Criteria and HUD regulations and concluded the activities are eligible.

WHEREAS, staff recommends the MSF Board approve awards to the recommended projects detailed in Exhibit A attached hereto (the Recommendation)

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

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recusal: None

Lansing, Michigan
September 30, 2025



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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:

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Sincerely,

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025

To: Michigan Strategic Fund Board

From: Julius L. Edwards

Subject: Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreement Amendment #4
Selden Partners, LLC

Request

MEDC staff is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreement and any related ancillary agreements (the “Agreement”). The Company is requesting consent for to remove a guarantor requirement. All other terms of the current Agreement will remain the same (the “Request”).

Background

The Michigan Strategic Fund Board approved a \$1,000,000 Michigan Community Revitalization Program (MCRP) Economic Assistance Loan Participation on March 28, 2017, to the Company for the purpose of redeveloping a .23-acre parcel of property located at 644 Selden in the City of Detroit, commonly known as the Casket Company building. The Casket Company building would be rehabilitated and a two-floor addition of residential space was added over a portion of the building, creating a mixed-use development with a destination restaurant, creative innovation work space and approximately eight residential units.

An amendment to the project was approved on July 24, 2018, to extend the Construction Loan Maturity Date, the Conversion Date, the interest only period expiration date, the start of principal and interest repayments to the MSF, the Milestone Two Project Completion deadline, and the Certification of the Construction Loan deadline due to construction delays.

An amendment to the project was approved on May 21, 2019, to replace WCIF as the permanent lender with the original construction loan lender, Capital Impact Partners (the “Lender”), and ratification of Lender’s conversion.

An amendment to the project was approved on March 26, 2024, to transfer a 50% interest in the project from an entity controlled by Midtown Inc. to an entity controlled by Invest Detroit, along with replacement of a guarantee from Midtown Inc with Invest Detroit.

The Company is requesting to drop the guarantor requirement requested in the previously approved amendment #3 for the project. The request is necessitated by a miscommunication between MEDC staff and the participant lender Capital Impact Partners. The change will allow requirements to properly align the for both lending parties.

The Company is current with reporting and payment requirements.

Recommendation

The MEDC staff recommends approval of the Request to amend the MCRP Other Economic Assistance Loan Participation Agreement as presented above.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-097

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE
LOAN PARTICIPATION AWARD FOR
SELDEN PARTNERS, LLC**

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

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

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

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

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

WHEREAS, by Resolution 2017-044 on March 28, 2017, the MSF Board awarded an MCRP Other Economic Assistance Loan Participation Award to Selden Partners, LLC (the “Company”) in furtherance of the Project of up to \$1,000,000 (“MCRP Award”);

WHEREAS, by Resolution 2018-106 on July 24, 2018, the MSF Board approved an amendment to the MCRP Award to extend the Construction Loan Maturity Date, the Conversion Date, the interest only period expiration date, the start of principal and interest repayments to the MSF, the Milestone Two Project Completion deadline, and the Certification of the Construction Loan deadline;

WHEREAS, by Resolution 2019-073 on May 21, 2019 the MSF Board approved an amendment to the MCRP Award allow for an extension of several dates in the Loan Participation Agreement, changes in several dates in the Construction Loan Agreement, replacement of WCIF with Capital Impact Partners, Inc. as the permanent lender by the original construction loan lender, and changes to the Loan Participation Agreement language to ratify the Lenders conversion;

WHEREAS, by Resolution 2024-048 on March 26, 2024, the MSF Board approved an amendment to the MCRP Award to allow for the transfer 50% interest in the Company to an entity controlled by Invest Detroit and replace an existing guarantor with Invest Detroit;

WHEREAS, the Company is requesting approval of an amendment to the MCRP Award to remove Invest Detroit as a guarantor and eliminate any guarantor requirement under the MCRP Award (the “Amendment Request”);

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

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Board Relations Liaison
Michigan Strategic Fund Office
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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

February 3, 2025

Michigan Strategic Fund
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Lansing, MI 48913

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025
To: Michigan Strategic Fund (“MSF”) Board Members
From: Amanda Eisbrenner, Business Development Advisor
Dan Neebes, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
Astemo Americas, Inc. (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$2,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of at least 200 Qualified New Jobs and a capital investment of up to \$95,000,000 in the City of Wixom, Oakland County.

Applicant History

The Company was founded in 1985 (then Hitachi Automotive Products (USA)) and is currently headquartered in Kentucky with its Regional Technical Center located in Farmington Hills. It is a global mega-supplier of automotive components and systems with a specialization in advanced mobility solutions like electric powertrains, chassis systems, and autonomous driving technologies. The Company currently employs 320 employees in Michigan and about 6,000 nationwide.

The background review process was completed in accordance with the MSF Background Review Policy on August 7, 2025, and the project may proceed for MSF consideration.

Project Description

The Company aims to further strengthen its global R&D capabilities in anticipation of potential sales growth. To achieve these goals, the Company is looking to merge its Regional Headquarters functions which are currently in Kentucky and Regional Technical Center Functions which are currently in Farmington Hills to create a premier regional Headquarters/Technical Center in the City of Wixom. This project involves constructing a newer, larger facility to accommodate new R&D activities and testing equipment and provide the physical space needed to showcase the Company’s cutting-edge capabilities to attract talent and increase collaboration with business units and customers. This new facility is the first step in the Company’s long-term strategy of securing additional business with its primary customers and consolidating operations to become a center of excellence in the automotive manufacturing industry.

The Company is considering the City of Wixom for the project and anticipates the project will result in a capital investment of up to \$95,000,000. The project will also result in the creation of at least 200 new jobs with entry level positions having a competitive salary which is well above the regional median wage for Oakland County. Further, Astemo has an employee retention rate of up to 97%, as well as opportunities for training and upskilling through a tuition reimbursement program.

Demonstrated Need

The Company considered heavy competition from Ohio to win this project. Honda Motor Company has a significant presence in Ohio and holds a 40% stake in Astemo America, Inc. in addition to being the Company's largest supplier. The final two sites in consideration were Columbus, Ohio and Wixom, Michigan. Ultimately, it was Michigan's competitive incentive proposal, strong automotive history, and supply chain network that persuaded the Company to select the project site in Wixom. The Company also has long-term, dedicated employees that will prove to be an asset for training new staff. Even though the Company would like to expand in Michigan, incentive assistance is necessary to demonstrate the States commitment to the Company and provide a compelling argument to ensure the project moves forward in Michigan. The Company has also stated that this project is the first phase in planning and will likely lead to more investment and jobs.

In addition to MSF support, the City of Wixom anticipates approval of a real property tax abatement in support of the project. The MEDC also authorized a State Education Tax abatement to be used in conjunction with the locally approved abatement.

Request

To ensure the project moves forward in Michigan; the Applicant is requesting a \$2,000,000 MBDP performance-based grant. The MBDP request will keep Michigan competitive when compared to out of state incentive offers and emphasize its commitment to the automotive industry, allowing the Company to establish its regional headquarters in the City of Wixom.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of engineering, design and development and builds on the state's impressive nationwide ranking in the automobile industry. The proposed project will also have a positive impact on the local region with the addition of a large and expanding automotive supplier regional headquarters being established in a geographically disadvantaged area. The project will also create immediate jobs that have a starting wage that is well above the regional median wage for the area. This facility will result in the creation of at least 200 new jobs and up to \$95,000,000 in capital investment in the City of Wixom, Oakland County.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-098

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
ASTEMO AMERICAS, INC.**

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

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

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

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

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

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

WHEREAS, Astemo Americas, Inc. (the “Company”) has requested a performance based MBDP grant of up to \$2,000,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to establish a regional headquarters in the City of Wixom (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business, and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs. The project also falls within the target industry of engineering, design and development and is located in a geographically disadvantaged opportunity zone;

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

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

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

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025

Exhibit A

Michigan Business Development Program (“MBDP”) Grant Term Sheet

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

PROJECT SUMMARY

Scope of the Project: The Company intends to establish a regional headquarters in the City of Wixom (the “Project Site”). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 200 new jobs at the Project Site and a projected investment of \$95,000,000 by June 30, 2030, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$2,000,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through September 30, 2030 (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 200 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 320 employees (the “Overall Base”), on June 30, 2030 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after April 7, 2025 (date of signed offer letter) and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

“Eligible Expenses” means the actual expenditure by the Company on or after April 7, 2025 (date of signed offer letter), for the Project at the Project Site of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment

expenses, development of customized training development plans, and instructor and training material costs. Provided, however, in no event shall any of the Eligible Expenses include: (i) costs, fees, or expenses for salaries, wages, benefits, meals and entertainment expenses, on-the-job training costs, debt payments, or administrative services for any of the Company or its employees, board members, officers, directors, or other administrative contractors, or (ii) any other expenses reimbursed or paid for under another grant or other public economic assistance.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than March 31, 2030, together with a certification of the Company's compliance with the grant agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

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

MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.

- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

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



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025
To: Michigan Strategic Fund (“MSF”) Board Members
From: Joseph McCulloch, Business Development Manager; Sean Kammer, Business Development Project Manager
Subject: Grant Request Michigan Business Development Program (“MBDP”) American Rheinmetall Vehicles, LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$7,520,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of at least 450 Qualified New Jobs and a capital investment of at least \$31,750,000 in the City of Auburn Hills, Oakland County; the City of Lapeer, Lapeer County; the City of Plymouth, Wayne County; and the City of Lansing, Ingham County.

Applicant History

Established in 2019, American Rheinmetall – headquartered in Sterling Heights, Michigan – is a trusted leader in the design, development, and production of advanced tracked and wheeled military vehicles and components. The Company plays a pivotal role in U.S. military modernization, most notably through its participation as one of the prime contractors competing in the U.S. Army’s XM30 combat vehicle program, which aims to replace the aging M2 Bradley. As a diversified full-service vehicle Original Equipment Manufacturer (OEM) and Tier 1 Supplier, the Company delivers cutting-edge vehicle systems, mechanical systems, intelligent systems for ground vehicles and ISR platforms, Soldier lethality enhancements, short range air defense solutions, fabricated structures, armored products, rubber solutions, and track systems, serving both defense and commercial markets with innovation and precision.

The Company has experienced rapid growth in the last year through its acquisition of Michigan-based Loc Performance Products, and the merging of the Maine-based affiliate company, American Rheinmetall Systems. The company has gone from about 300 to over 1,400 employees in that time, with a majority of the team working in the Michigan facilities.

The Rheinmetall family of U.S. companies includes American Rheinmetall in Biddeford, ME, Lansing, MI, Lapeer, MI, Plymouth, MI, Sterling Heights, MI, St. Marys, OH, and Troy, MI, American Rheinmetall Munitions in Camden, AR, Vienna, VA, Windham, ME, and U.S. corporate parent American Rheinmetall Defense in Vienna, VA.

The Company was previously awarded a BDP grant. Several years ago, the company had intentions of expanding its Sterling Heights facility. At the July 2022 MSF Board Meeting, the MSF awarded the

applicant a \$1,500,000 BDP for the creation of 150 jobs and capital investment of \$3,000,000 at its Sterling Heights facility. The Company later changed course and instead pursued a consolidation of its facilities in Auburn Hills. The Company received a partial disbursement of \$980,000 for the creation of 100 jobs, a reduced number. The reduced scope of the project was completed early and the incentive terminated in good standing in July of 2025.

The background review process was completed in accordance with the MSF Background Review Policy on August 20, 2025, and the project may proceed for MSF consideration.

Project Description

The Company is expanding its engineering and manufacturing capabilities across the U.S., with Michigan—home to five facilities and the Company’s headquarters—well-positioned to support this growth. A key opportunity under evaluation is the Company’s relocation to a 168,056-square-foot facility at 2200 N Opdyke Road in Auburn Hills, which would consolidate current Troy and Sterling Heights operations and significantly expand engineering, prototyping, and technical capabilities to support new U.S. Department of Defense contracts.

The Company is considering the City of Auburn Hills for the project and anticipates the project will result in capital investment of at least \$31,750,000. The project will also result in the creation of at least 450 new jobs across four locations, including the cities of Lapeer, Lansing, and Plymouth. Starting wages are expected to begin at \$25.34 per hour plus benefits, which is above the Regional Median Wages of \$24.69 per hour for the cities of Auburn Hills and Plymouth, \$24.34 per hour for the City of Lansing, and \$21.58 per hour for the City of Lapeer.

The Company recognizes the importance of supporting the growth of employee skillsets, which also supports wage increases, offering a variety of training opportunities for its employees that include welding, machinist development, and forklift operating.

Demonstrated Need

Currently, Michigan is home to five of the Company’s key U.S. operations, including its headquarters, positioning the state as a strong contender in the Company’s broader expansion plans. The Company seeks to begin facility upgrades and modernization efforts in the third quarter of 2025, with the full relocation of employees from the Troy and Sterling Heights sites to be completed by year-end 2025.

The Company evaluated alternative locations to support its long-term growth strategy in the U.S. market. Eight U.S. states were reviewed including the process of soliciting and reviewing incentive proposals from each, including Michigan. Site selection and workforce availability remain central to this evaluation, with each market undergoing a comprehensive review process. Michigan is uniquely positioned to secure the most valuable element of this project, the high-wage, technical and prototyping jobs tied to the selected location. However, financial support is essential to offset the real estate investment required at the proposed Auburn Hills site, as well as to address the higher labor costs in Michigan.

Request

To secure the project, the Applicant is requesting a \$7,520,000 MBDP performance-based grant. Without targeted support, the competitiveness of Michigan’s business case may be diminished compared to other markets, potentially resulting in a reduced scope of the expansion or a shift to another state. Incentive support is a critical enabler for obtaining formal project approval and accelerating the Company’s growth in Michigan.

The Company is enthusiastic about the potential that the world-class Auburn Hills facility offers as a hub for the consolidation and continued expansion of its engineering, technical, and prototyping

operations in Michigan. This opportunity aligns with Michigan's proud legacy as the "Arsenal of Democracy" and its global leadership in advanced manufacturing and transportation. This expansion underscores the Company's long-term commitment to Michigan and its vision to establish a best-in-class manufacturing and innovation hub in Southeast Michigan.

The proposed project will also benefit multiple communities across the state with immediate job growth at four of the Company's locations. This project will result in the creation of at least 450 new jobs and at least \$31,750,000 in capital investment in the City of Auburn Hills, Oakland County; the City of Lapeer, Lapeer County; the City of Plymouth, Wayne County; and the City of Lansing, Ingham County.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-099

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
AMERICAN RHEINMETALL VEHICLES, LLC**

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

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

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

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

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

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

WHEREAS, American Rheinmetall Vehicles, LLC (the “Company”) has requested a performance based MBDP grant of up to \$7,520,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to consolidate and expand its engineering, prototyping, and technical capabilities to support new U.S. Department of Defense contracts (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs and the Project falls within Military Armored Vehicle, Tank, and Tank Component Manufacturing, a strategic focus industry;

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

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

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

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025

Exhibit A

Michigan Business Development Program (“MBDP”) Grant Term Sheet

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

PROJECT SUMMARY

Scope of the Project: The Company intends to consolidate several operations in its new Headquarters facility in the City of Auburn Hills and create 450 Qualified New Jobs across four of its Michigan locations, including the City of Auburn Hills, the City of Lapeer, the City of Plymouth, and the City of Lansing (the “Project Sites”). The Company expects to ramp up over the course of the next three (3) years resulting in an expected creation of at least 450 new jobs at the Project Sites and a projected investment of at least \$31,750,000 by September 30, 2028, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$7,520,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through March 31, 2029 (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 450 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above the Company and/or its affiliates or subsidiaries, including LOC Performance Products, LLC, collectively, the “Company Group”) Statewide Base of 962 employees (the “Overall Base”), on September 30, 2028 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company Group for the Project at the Project Site on or after May 21, 2025 (Date of Signed Offer Letter), and maintained continuously for the previous six (6) months, and performed for the Company Group by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company Group, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company Group at the Project Site, provided that the Applicable Entity certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company Group are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

“Eligible Expenses” means the actual expenditure by the Company Group on or after May 21, 2025 (Date of Signed Offer Letter) for the Project at the Project Sites of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs

related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training material costs. Provided, however, in no event shall any of the Eligible Expenses include: (i) costs, fees, or expenses for salaries, wages, benefits, meals and entertainment expenses, on-the-job training costs, debt payments, or administrative services for any of the Company or its employees, board members, officers, directors, or other administrative contractors, or (ii) any other expenses reimbursed or paid for under another grant or other public economic assistance.

The Company may request disbursements on a reimbursement basis for 100 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than June 30, 2028, together with a certification of the Company's compliance with the grant agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

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

any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.

- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

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



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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 *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025

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

From: Amanda Eisbrenner, Business Development Advisor
Dan Neebes, Business Development Project Manager
Erica Gary, Business Development Project Manager

Subject: Grant Request
Michigan Business Development Program (“MBDP”)
J.R. Automation Technologies, LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$1,600,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of at least 150 Qualified New Jobs and a capital investment of at least \$72,800,000 in the City of Zeeland, Ottawa County.

Applicant History

The Company began operations in 1980 and is a full-service provider of intelligent automated manufacturing and distribution technology solutions. Since 2019, the Company has been a wholly owned subsidiary of Hitachi Ltd., a multinational and publicly traded company that is headquartered in Tokyo, Japan. The Company has a diverse portfolio of customers across various sectors including Automotive, Medical, and Defense & Aerospace. The Company and Applicant, J.R. Automation Technologies, LLC, has a long history of operating in Michigan and has some 860 employees statewide.

The background review process was completed in accordance with the MSF Background Review Policy on July 28, 2025, and the project may proceed for MSF consideration.

Project Description

The Company has plans to embark on a land acquisition to consolidate its existing operations in West Michigan into one single facility. This facility and campus would serve as the Company’s global headquarters and showcase them as a global leader in the automation industry. The expansion would comprise some 300,000 square feet of space that would house both manufacturing as well as office and administrative space. Furthermore, there is additional room for the Company to more than double its manufacturing space if market conditions keep a steady growth trajectory. The Company plans to use this new facility as a single campus for its manufacturing and production operations in Michigan, and to host national and international visitors and suppliers. This project will see investment in several Michigan Counties; including Ottawa, Allegan, Berrien and Oakland.

The Company is considering the City of Zeeland for the project and anticipates the project will result in capital investment of at least \$72,800,000. The project will also result in the creation of at least 150 new jobs with starting wages of \$25.00 per hour plus benefits, which is above the Regional Median Wage of \$21.97 per hour.

Demonstrated Need

The Company considered heavy competition from South Carolina. The Company has existing space in Greenville, South Carolina that could house the consolidation initiative and would require a lower capital investment than if it chose to build a new site in Michigan. The location for the alternative project site offers a strategic position for logistics, along the I-85 corridor and with easy access to downtown Greenville and would locate the project near a strong customer base. In addition to the existing space that could house the consolidation initiative, South Carolina has a similar incentive landscape and competitive programs that could also secure the project. The Company has ultimately selected Michigan for the project because of the existing workforce it has in the state as well as the opportunity for the Company's parent to connect and co-locate some of its employees in West Michigan as well. Even though the Company would like to locate this project in Michigan, incentive assistance is necessary due to the competitive nature of the project.

In addition to MSF support, the City of Zeeland anticipates approval of a real property tax abatement in support of the project. The MEDC also authorized a State Education Tax abatement to be used in conjunction with the locally approved abatement.

Request

In order to secure the project, the Applicant is requesting a \$1,600,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The MBDP funds will help offset the cost of constructing a new facility, allowing the Company to establish its global headquarters and become a strong employer in the region.

This project represents a strategic alliance with a global company and helps to strengthen the relationship between the Michigan and Japan. The proposed project will impact the local region with immediate job growth with a large and expanding automation solutions provider. This facility will result in the creation of at least 150 new jobs and at least \$72,800,000 in capital investment in the City of Zeeland, Ottawa County. Adding a global headquarters with 150 new jobs to West Michigan would solidify the Company's presence and future business in the state.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-100

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
J.R. AUTOMATION TECHNOLOGIES, LLC**

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

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

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

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

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

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

WHEREAS, J.R. Automation Technologies, LLC (the “Company”) has requested a performance based MBDP grant of up to \$1,600,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) to establish a new global headquarters in the City of Zeeland (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs and the Project falls within the Regional Impact industry of Other Manufacturing;

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

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

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

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025

Exhibit A

Michigan Business Development Program (“MBDP”) Grant Term Sheet

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

PROJECT SUMMARY

Scope of the Project: The Company intends to expand and consolidate its operations in the City of Zeeland, Ottawa County and locations in Allegan, Berrien, and Oakland Counties in Michigan (the “Project Site”). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 150 new jobs at the Project Site and a projected investment of at least \$72,800,000 by September 30, 2030, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$1,600,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through December 31, 2030 (the “Term”).

Overall Jobs Commitment: Creation of a minimum of 150 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 860 employees (the “Overall Base”), on September 30, 2030 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after April 17, 2025 (Date of Signed Offer Letter) and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company ,or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

“Eligible Expenses” means the actual expenditure by the Company on or after April 17, 2025 (Date of Signed Offer Letter) for the Project at the Project Site of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs

related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training material costs. Provided, however, in no event shall any of the Eligible Expenses include: (i) costs, fees, or expenses for salaries, wages, benefits, meals and entertainment expenses, on-the-job training costs, debt payments, or administrative services for any of the Company or its employees, board members, officers, directors, or other administrative contractors, or (ii) any other expenses reimbursed or paid for under another grant or other public economic assistance.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than March 30, 2030, together with a certification of the Company's compliance with the grant agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

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

- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

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



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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:

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Sincerely,

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: September 30, 2025

To: Michigan Strategic Fund Board

From: Amber Westendorp, Capital Project & Portfolio Manager – Capital Access

Subject: *Private Activity Bond – Inducement
NextEra Energy Capital Holdings, Inc.
Solid Waste - \$175,000,000*

Request

NextEra Energy Capital Holdings, Inc. (“NextEra Energy” or the “Company”) is seeking financing in connection with the development of the company’s renewable natural gas (“RNG”) facility to be located in New Boston, Michigan in an amount not to exceed \$175,000,000.

Background

NextEra Energy Capital Holdings, Inc. owns and provides funding for operating subsidiaries of NextEra Energy, Inc. The Company was incorporated in 1985 as a Florida corporation. NextEra has entered into a gas rights contract with Republic Services of Michigan to purchase the landfill gas fuel supplied from the landfill. The Company then has entered into a power purchase agreement with Detroit Edison Company who purchases the net electricity generation.

NextEra Energy will be constructing an RNG facility that will utilize the landfill gas and convert it into clean natural gas which will be injected into a gas pipeline. The building is expected to be approximately 15,000 square feet. The projected start up is expected to be June 2026 and commercial operation of the project is expected to occur in June 2027.

The background review policy has been completed in accordance with the MSF Background Review Policy on August 20, 2025.

Plan of Finance

The bonds will be marketed through a public offering with KeyBanc Capital Markets acting as the lead underwriter.

Recommendation

After reviewing the private activity bond application for the Company, staff finds this project meets the requirements and recommends the adoption of an Inducement Resolution in the amount of \$175,000,000.

MICHIGAN STRATEGIC FUND

**INDUCEMENT RESOLUTION
2025-101**

NEXTERA ENERGY CAPITAL HOLDINGS, INC.

WHEREAS, NextEra Energy Capital Holdings, Inc. (the “Company”), a Florida Corporation, is presently located in Florida at 700 Universe Blvd, Juno Beach, Florida, 33408;

WHEREAS, the Company desires to build a renewable natural gas (“RNG”) facility in New Boston, Michigan, to process landfill gases into RNG (the “Project”);

WHEREAS, the Project will include the construction, installation, development and equipping of the solid waste disposal facility;

WHEREAS, the Company has applied to the Michigan Strategic Fund (the “MSF”) for a loan (the “Loan”) to finance all or a portion of the costs the Project as defined in 1984 PA 270 (the “Act”);

WHEREAS, the Company has advised the MSF that the cost of the Project will be approximately One Hundred Seventy-Five Million Dollars (\$175,000,000);

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

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141, 142(a)(5), 142(a)(6) and 150 of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

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

1. The MSF intends to provide the Loan to the Company subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Company's Tax-Exempt Application Form dated July 29, 2025.
3. The maximum principal amount of the bonds (the “Bonds”) expected to be issued to provide the Loan to finance all or a portion of the costs of the Project shall not exceed One Hundred Seventy-Five Million Dollars (\$175,000,000). The Company shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the Bonds under applicable federal and state laws, b) receipt of an allocation from the State Treasurer pursuant to 1988 PA 496 as it relates to limitations on the issuance by states of private activity bonds under the Code, and c) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.
5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.
6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the “Attorney General”) and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.
7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the “Bond Resolution”) for the purpose of making the Loan and funding the reserves and costs associated with

the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Company and a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.

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

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

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

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

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

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

ADOPTED

Ayes: Dr. Britany Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 2025



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

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Sincerely,

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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

PURE *M*ICHIGAN®



MEMORANDUM

To: Michigan Strategic Fund Board

From: Chris Cook, Managing Director – Capital Access

Date: September 30, 2025

Subject: SSBCI 2.0 – MBGF Small Business Venture Capital Program – Side Door Michigan I, LP – Amendment #3

Request

To amend the general partner entity name and 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 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.

On March 25, 2025 the MSF approved an amendment to extend the deadline for the initial closing to June 30, 2025.

On June 24, 2025 the MSF approved an amendment to extend the deadline for the initial closing to September 30, 2025.

Rationale

The MSF approved terms require that the fund completes a first closing no later than September 30, 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 12/31/25.

The entity name of the general partner is being corrected from SDV-MI GP, LLC to SDV Michigan GP, LLC.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2025-102**

**AMENDMENT #3 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, by Resolution 2024-111, 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 in accordance with the terms and conditions outlined in the Term Sheet attached as Exhibit A (“Term Sheet”) (collectively, the “VC Award”); and

WHEREAS, on March 25, 2025, by Resolution 2025-033, the MSF Board approved an amendment to extend the initial closing date to no later than June 30, 2025;

WHEREAS, on June 24, 2025, by Resolution 2025-065, the MSF Board approved an amendment to extend the initial closing date to no later than September 30, 2025;

WHEREAS, the Fund has requested an amendment to VC Award with the terms set forth on the attached Exhibit A (the “Amendment”) and;

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

NOW, THEREFORE, BE IT RESOLVED, the MSF 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 Affolter-Caine, Christin Armstrong (on behalf of Quentin L. Messer, Jr.), Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich), Dan Meyering, Leon Richardson, Lynda Rossi, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 30, 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 SDV Michigan 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 **December 31, September 30, 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.



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cc: M. Kapp
Executive File



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

PURE *M*ICHIGAN®



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: September 30, 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 August 1, 2025, to August 31, 2025, as well as information about the impact that those projects have had on communities across the state.

We remain committed to maintaining transparency in our efforts to communicate with you all about our work to create equitable opportunities throughout the state. Over time, we will continue identifying ways to evolve and grow this report based on the feedback and requests we receive from Board members.

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Matt Casby know if you have any questions or comments about the content of these reports.

Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from August 1, 2025, to August 31, 2025.

Throughout the Fiscal Year, MSF delegates – with authority granted by the MSF Board – approve various projects within MSF programs in accordance with each program’s guidelines, as approved by the MSF Board. Under no circumstances will MSF delegates approve of a project that does not meet the Board- approved guidelines for the program. Furthermore, each project approved through delegated authority must undergo the same rigorous vetting and verification process as do projects that come before the MSF Board for approval. By ensuring consistent safeguards are in place for both delegate-approved and Board-approved projects, we are ensuring fairness and uniformity in our process, as we work to enable long-term economic prosperity for the people of our state.

MONTHLY IMPACTS

We are pleased to share the August delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout August 2025, 36% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all August approved projects through delegated authority have committed to creating nearly 10 jobs and just over \$5 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during August 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.

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
Dave's Collision Collision, LLC	8/4/2025	Clinton Township	\$249,500	Independent Bank is working with the business on a new term loan. Due to a shortfall in collateral, the lender is requesting SSBCI 2.0 collateral support.
LM Forest Products LLC	8/23/2025	Calumet	\$105,000	Superior National Bank is working with LM Forest Products for the purchase of logging equipment needed to start up the business. However, due to a lack in collateral, the Bank is requesting SSBCI 2.0 collateral support on the loan. The Bank would not be able to provide this loan to the borrower without the assistance of the collateral support program.
NuCore Health, PLLC	8/23/2025	West Bloomfield	\$249,500	NuCore Health PLLC is a startup tele-med / tele-health practice. The Company is working with Capitol National Bank to establish a working capital line of credit. Due to collateral shortfall, the Bank is requesting assistance from the SSBCI 2.0 CSP.
Dynamic Metalworks, LLC	8/28/2025	Atlantic Mine	\$184,076	Dynamic Metalworks is working with Superior National Bank to purchase new equipment. Due to a collateral shortfall on the equipment loan, the bank is requesting support from 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
The Rienks Group, LLC	8/19/2025	Dowagiac	\$139,977	The proposed project will rehabilitate a functionally obsolete, primarily vacant mixed-use property to create 10 new residential units and reconfigure the main floor commercial space to accommodate upper-floor activation. Project is anticipated to be supported by a Revitalization and Placemaking (RAP) grant award of \$1,431,574 and an estimated total \$587,600 in combined State and Local Tax Increment Financing (TIF) capture.

Michigan Community Revitalization Program (MCRP)

The Michigan Community Revitalization Program is available from the MSF, in cooperation with MEDC. The program is designed to accelerate private investment in Michigan's communities through the redevelopment of functionally obsolete properties, reduction of blight, and the reuse of brownfield and historic properties.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Rohde Rentals, LLC	8/18/2025	Manistique	\$995,000	The project at 312 Arbutus in downtown Manistique received a \$995,000 RAP grant to redevelop a 5,773 square foot vacant building, converting the vacant space into five new residential rental units with a capital investment of \$2,211,997.

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
APEC USA - LATCAM Brazil	8/15/2025	Lake Odessa	\$3,832
Logic Solutions Inc - Secutech Vietnam	8/15/2025	Plymouth	\$3,530
RoboBuoy, Inc. dba MarkSetBot - SailGP Germany	8/15/2025	Detroit	\$1,360
Accurate Technologies Inc. - SAE COMVEC	8/28/2025	Novi	\$6,392
Geo Holdings, LLC dba Flint Technical Geosolutions - Sales Trip - Tanzania	8/28/2025	Caledonia	\$1,458

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 August 1, 2025, to August 31, 2025.

Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Amendment Description
3E Nano, Inc.	8/20/2025	Canton	Reassignment of Grant from 3E Nano Inc as the Grantee to NxLite Corporation as the Grantee and amend to adjust 3E Nano Inc. as an Affiliated Entity for purposes of qualified job creation and investment at the project.

Community Development Block Grant Disaster Recovery

Project Name	MSF Delegate Amended Date	Project Location	Amendment Description
Charter Township of Saginaw	8/14/2025	Saginaw	Amendment to increase budget.

Michigan Community Revitalization Program (MCRP)

Project Name	MSF Delegate Amended Date	Project Location	Amendment Description
S&S Development Group, LLC	8/25/2025	Detroit	Amendment to extend milestone.

Financial Data Overview and Terminations



Michigan Business Development Program – Terminations

Project Name	Project Location	Incentive Type	Amount Awarded	Amount Disbursed	Termination Date	Reason for Termination	Repayment
Traverse City Whiskey Co.	Traverse City	Grant	\$750,000	\$0.00	8/11/2025	Mutual termination of grant.	\$0.00
AddÉnergie	Auburn Hills	Grant	\$800,000	\$0.00	8/21/2025	Mutual termination of grant.	\$0.00

Michigan Community Revitalization Program – Terminations

Project Name	Project Location	Incentive Type	Amount Awarded	Amount Disbursed	Termination Date	Reason for Termination	Repayment
T & J Properties of Chassell, Inc.	Chassell	Grant	\$1,500,000	\$0.00	8/11/2025	The Developer decided to cancel project.	\$0.00