



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: January 26, 2026

TO: The Honorable Gretchen Whitmer, Governor of Michigan
Members of the Michigan Legislature
Scott Starr, Clerk of the House of Representatives
Dan Oberlin, Secretary of the Senate
House Fiscal Agency
Senate Fiscal Agency

FROM: Quentin L. Messer, Jr., President
Michigan Strategic Fund

SUBJECT: Notification of Request for Modification of Strategic Site Readiness Program Grant – Detroit Regional Partnership

Section 88(t)(8) of Public Act 270 of 1984 (Act)(MCL 125.2088t), requires the Michigan Strategic Fund (MSF) to provide you with notice, and a copy of a request received by the MSF to modify an existing written Strategic Site Readiness Program (SSRP) grant agreement within five (5) business days of receiving the request. The Act also requires an explanation to you of the provisions of an SSRP grant to be modified and notice of the proposed SSRP grant amendments to be published on the MSF's website at least one (1) business day prior to the MSF public hearing on the proposed amendments. Finally, the Act requires that if the MSF approves and modifies an SSRP grant, the MSF is required to provide you with a copy of the amended SSRP grant agreement within one (1) business day of completion of the modification.

On September 26, 2023, the MSF Board approved a SSRP grant to the Detroit Regional Partnership (DRP) in the amount of \$9,723,650 for the purpose of creating investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites. On February 1, 2024, the MSF and the DRP executed a SSRP grant agreement memorializing the award.

On January 20, 2026, the DRP requested MSF consideration of modifications to the SSRP Grant. Attached is an explanation of the provisions of the SSRP Grant to be modified along with the rationale for consideration, and a copy of DRP's request.

DRP's requested modifications to the SSRP Grant will be published on the MSF website as required by the Act prior to presentation to the MSF Board for consideration. Additionally, as

required by the Act, if the modifications are approved by the MSF, the MSF will provide you with a copy of the amended SSRP Grant.

Please contact our Office of Legislative Affairs at medcgovrelations@michigan.org if you have any questions. In addition, please do not hesitate to contact me at messerq@michigan.org.

Attachment: Copy of DRP's Request for Amendments, which includes the summary of, and rationale, for specific Amendments

cc: Matthew Casby, MSF Fund Manager

Date: January 20, 2026
To: Quentin L. Messer, Jr., President, Michigan Strategic Fund
From: Maureen Krausss, President & CEO
Subject: Detroit Regional Partnership Request to Amend SSRP Agreement

Background

The Detroit Regional Partnership (DRP) received a \$9,723,650 Strategic Site Readiness Program (SSRP) Grant for the purpose of creating investment-ready sites to attract and promote investment in this State for Eligible Activities on, or related to, strategic sites and mega-strategic sites (the Project). On February 1, 2024, the MSF and the Detroit Regional Partnership signed an SSRP grant agreement memorializing the SSRP award (the DRP Grant) with the grant period running through January 2026 (24-months).

The DRP has made tremendous progress toward the project requirements, as detailed below. The DRP has encountered several key challenges to effectively expend the full grant dollars that were allocated for this important work, largely due to the time constraints of the many stakeholders involved to implement the volume and scale of VIP workplan. The DRP has determined that an amendment to the DRP SSRP Grant is necessary to successfully complete the Project and is requesting a 20-month extension, through September 2027. Therefore, the DRP requests the MSF amend the SSRP Grant in all places necessary to effectuate the following:

Project Status

The DRP has made tremendous progress towards successfully executing the goals of the grant agreement. The DRP began by establishing a strategy that guides the execution of the Verified Industrial Properties Program (VIP by DRP). This strategy was informed by the MEDC sites team, Burns McDonnell, Plante Moran Realpoint, PwC's national site selection team and a host of Detroit based civil and environmental engineering firms. Further the VIP program is guided by an advisory council that consists of leading industrial developers, brokers, utilities, EDOs, site selectors and Paul O'Connell with the MEDC.

The VIP strategy calls for 3 levels of site readiness support – 1) Desktop Diligence, 2) Physical Site Studies and 3) End User Support. Each stage has corresponding goal as to the number of Region 10 sites we will support – 78 sites through Desktop Diligence, 39 sites through Physical Site Study and 10 sites through End User Support. Each stage also has aligned budget, a defined set of site assessment activities, engineering firms contracted to execute, and defined success measures and reporting processes. VIP also works to balance the mix of brownfield to greenfield sites included in the program, with approximately 30% of admitted sites being brownfields to date.

The program has built a methodology for identifying and assessing vacant greenfield and brownfield land sites across the Detroit Region to determine which sites will receive support

through the VIP program. Through 2025, VIP has assessed more than 700 sites across the region, all of which are scored and ranked utilizing our methodology, with the highest scoring sites being invited to join the program. We continue to add and score new sites each quarter for program consideration.

The DRP has also built a VIP by DRP Sites Portal (VIPbyDRP.com) that houses all the sites we assess, including the corresponding Desktop and Physical Site Study findings, drone videos, maps, images, demographic and workforce data, and other relevant information. Our goal is to make it easy for global location decision makers to quickly identify, review and understand the strengths and potential challenges of VIP listed sites. We have also launched a targeted communication campaign to in-market and out-market industrial stakeholders about the program and its benefits.

In May 2025, VIP by DRP launched the development of an Industrial Development Toolkit intended to help educate local officials and department heads about the value of modern manufacturing and how their communities can create win-win-win scenarios through effective planning, community engagement and policy. DRP secured Progressive Companies as its consultant with vast experience in Michigan and across the nation. This effort has seen the engagement of more than 40 stakeholders across economic developers, local officials, utilities and real estate developers to inform the Guide's development. We anticipate completion of the toolkit in the 2nd Quarter of 2026. Work will continue to expand in this space as we scale resources for community education and engagement to address the pushback we are broadly observing around industrial development projects across the region and state.

VIP is partnering with national developers exploring the region for both speculative and build-to-suit industrial development, coinvesting in site diligence that is required before they can finalize the acquisition and the development of new industrial sites. VIP is also actively working to identify agricultural sites where both the owner and local community support rezoning to industrial, with the goal to increase the inventory of small, medium and large industrial sites for new manufacturing projects.

Lastly, VIP by DRP has established an ongoing cadence for information and best practice sharing with the MEDC real estate team. The coordination across our teams is supporting increased success and impact for both our program goals. VIP has helped bring high quality sites forward for inclusion in the state's programs, most notably, five VIP sites were awarded an additional \$31 million in SSRP funding by the MEDC to further their readiness in alignment with state priorities.

Through 2025, VIP has taken 58 sites across Region 10 through the Desktop Diligence stage of the program, 21 sites through Physical Site Study stage and 5 through End Users support – with more than \$4.23M invested from the SSRP award. This progress is being recognized by industry stakeholders, with the VIP Program receiving five state and national awards in furtherance of industrial site readiness.

Grant Extension Amendment

The DRP is requesting an extension of the grant term through September 2027 and proposing a corresponding budget modification.

Because of the funding formula, Region 10 received the largest regional SSRP award at \$9.72 million and 24 months to expend said funds. This is a tremendous opportunity to advance proactive industrial site readiness but also a challenge for a relatively small DRP team that wants to maximize the value of these dollars and ensure we are identifying and assessing the right sites based on market demand, while also fairly distributing the funds across Region 10.

It took the DRP the better part of 9 months to fully build the program strategy and align partners and contractors to execute the scope of the work. Now that the program is running at full speed, we are experiencing capacity constraints across the other critical site readiness assessment partners - our civil and environmental contractors, utility stakeholders, site owners, and county partners. It takes 3-4 months to take each site through the Desktop Diligence process and another 4-8 months to finalize Physical Site Studies, some of which are also weather dependent. At any given time, the program has almost a dozen sites going through desktop diligence and another dozen going through physical study. Even with five large and capable engineering firms under retainers to support the program, the workload of this undertaking requires additional time to complete properly.

Additionally, the DRP's work to educate and engage communities in support of industrial development only got off the ground in 2025. The nature of this work and the strategy we have adopted calls for intensive community engagement to ensure we are creating information and recommendations that are relevant to their specific needs. This is not a short-term task and will take considerable time to cocreate and then roll out across the region. The requested additional time will allow VIP to get through the development, deployment and measurement of the first phase of this work – which the DRP plans to sustain past September 2027.

Importantly, the VIP by DRP team has not been idle through 2024 and 2025. We have made tremendous progress in aligning the Region 10 partners, finalizing a comprehensive strategy for the expenditure, aligning staff and contractors to execute the work, and investing \$4.23 million in 58 industrial sites across Region 10. We have a clear plan for the spend through September 2027 and remain committed to successfully expending all funds through this period while achieving all commitments laid out in the agreement. With the program now built and operating at full capacity, we are confident we will hit our goal of 78 sites for Desktop Diligence and 39 sites for Physical Site Study.

Grant Budget Amendment

The DRP is requesting a budget amendment for two purposes:

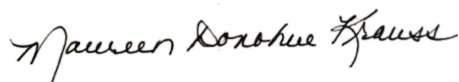
- Rebalance the budget from the original 24-month period to the requested 44-month period (20-month extension) running through September 2027.
- Update the VIP by DRP cost model and corresponding budget based on real-world data from the past 24-months of performance. The program is consistently spending less per

site in the Site Assessment category than originally envisioned. We have also seen greater need around community education and engagement as push back has grown against industrial and manufacturing broadly, sparked by opposition to solar and data center projects but now spreading to general manufacturing as well. We are proposing to allocate dollars to develop strategies, education materials, engagements and services to better address resident and community concerns and ensure we have appropriately located, zoned and community supported sites for advanced manufacturing jobs and projects.

Categories within Approved Budget	Budget	Expended Funds to Date
Site Identification	\$160,000	\$83,600
Site Assessment	\$7,294,304	\$3,078,473
Education, Community Support & Technology	\$1,360,000	\$499,293
Program Strategy	\$520,000	\$406,600
Program Operations (4% Admin Fee)	\$389,346	\$162,719
TOTALS	\$9,723,650	\$4,230,685
DRP Grant Amount Remaining	\$5,492,965	

Categories within Approved Budget	Amended Budget	Expended Funds to Date	Remaining
Site Identification	\$160,000	\$83,600	\$76,400
Site Assessment	\$6,476,473	\$3,078,473	\$3,398,000
Education, Community Support & Technology	\$1,991,231	\$499,293	\$1,491,938
Program Strategy	\$706,600	\$406,600	\$300,000
Program Operations (4% Admin Fee)	\$389,346	\$162,719	\$226,627
TOTALS	\$9,723,650	\$4,230,685	\$5,492,965

For additional questions please contact me at anytime.



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