



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

April 26, 2022

10:00AM

I. CALL TO ORDER & ROLL CALL

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

III. COMMUNICATIONS

- a. Chief Compliance Officer Quarterly Report..... 3

IV. CONSENT AGENDA

- a. Proposed Meeting Minutes: March 22, 2022..... 5
- b. Bedrock: RenZone Transfer..... 17
- c. Appointment of MSF Vice Chair..... 22

V. COMMUNITY VITALITY

- a. 1108 Water Street: A resolution to approve an MCRP performance-based grant in the amount of \$1,499,301. 29
Location: City of Bay City
- b. 619, LLC: A resolution to increase the existing Other Economic Assistance Loan Participation Award amount by \$1,200,000 from \$2,200,000 to \$3,400,000 and to modify the repayment structure..... 41
Location: City of Kalamazoo
- c. Trident Checker Investment, LLC: A resolution to amend the existing MCRP Agreement to waive all returns due to the MSF and replace them with a contingent liability in the amount of \$1,863,000..... 50
Location: City of Detroit
- d. City Club Apartments: A resolution to deny a Brownfield Act 381 Work Plan including state tax capture in the amount of \$6,936,818. 56
Location: City of Detroit

VI. CAPITAL ACCESS

- a. BerQ US Investments, LLC: A resolution to adopt an Inducement Resolution in the amount of \$165,000,000..... 66
Locations: Village of Freeport, City of Fennville, Village of Hopkins, Village of Elsie

VII. BUSINESS INVESTMENT

- a. Hydro Aluminum Metals USA: A resolution to approve a CDBG Machinery and Equipment grant agreement in the amount of \$1,500,000 for Project Davy and a 100% SESA exemption for up to 15 years with an estimated value of \$1,733,192. 73
Location: Village of Cassopolis
- b. Warren Transmission Redevelopment Project: A resolution to approve a Brownfield Act 381 Work Plan including state tax capture in the amount of \$7,271,381. 90
Location: City of Warren

c. Industry 4.0 Implementation Award Recommendations: 101

VIII. INFORMATIONAL

Delegation of Authority Report..... 110



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

KEVIN FRANCCART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

April 7, 2022

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

Quentin L. Messer Jr.
President
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2022 Q2 Report of the Chief Compliance Officer. (January 1, 2022 – March 31, 2022)

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures as well as applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the second quarter of the 2022 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law.

The Chief Compliance Officer (CCO) assisted MSF Board Members with question regarding conflicts of interest. The CCO, along with the AG and MEDC Legal, assisted with the Finance and Investment Subcommittee and the Policy and Planning Subcommittee. The CCO assisted in the review and formation of CRP Guidelines; Critical Industry Program and Strategic Site Readiness Program Guidelines; and Build MI Guidelines. The CCO advised staff to remove language in the Industry Detroit QOZB, LLC project presentation to avoid potential legal issues. The CCO assisted in the review of the Industry 4.0 Regional Grant RFP. The CCO assisted the Department of Technology, Management, and Budget; Department of Treasury; and the MSF Fund Manager in coordinating with the workgroup to implement the requirements of the Economic Development Incentive Evaluation Act, MCL 18.1751 *et seq.* The CCO, along with the AG assisted staff with language informing the Board of its options in determining the entities to included as the Qualified Businesses under the MSF Act when setting the number of base jobs for a BD Project when an applicant or applicants have jobs in Michigan at other locations. The CCO assisted the Fund Manager with the MSF Vice Chair requirements. As reported previously, because of the staffing changes the site visit guidelines were changed by the MEDC compliance

section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines.

The Chief Compliance Officer provided informal advice regarding various issues arising this quarter concerning such topics as the conflict of interest determination, breadth of delegated Board authority, authorized use of 21st century job fund funds, and compliance with established Board policy and limitations.

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
March 22, 2022**

Member Present

Quentin L. Messer, Jr.

Members joined remotely

Britany L. Affolter-Caine

Ronald W. Beebe

Susan Corbin

Rachael Eubanks

Paul Gentilozzi

Michael B. Kapp (on behalf of Director Ajegba)

Charles P. Rothstein

Cindy Warner

Member Absent

Susan Tellier

I. CALL TO ORDER & ROLL CALL

Jennifer Nelson, on behalf of Quentin L. Messer, Jr., MSF Board Chair (designation attached), called the meeting to order at 9:02 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with an option to participate virtually via Microsoft Teams.

Ms. Nelson introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENTS

Ms. Wilcox Surmann explained the process for members of the public to participate. The following individuals offered comments.

- Luke Forrest, Executive Director of CEDAM, a statewide trade association for community economic development, expressed support for the Build MI Community Grant Initiative, which he said aligns with their mission to support emerging developers.
- Randy Thelen, President & CEO of The Right Place Inc., expressed support for the Spectrum Health – Center for Transformation and Innovation project in Grand Rapids and noted it will be a catalyst for redevelopment in the downtown core.
- Several individuals expressed support for the Sawmills Lofts, LLC project in Grayling, which is seeking an amendment to its Michigan Community Revitalization Program Equity Investment Award to increase the award amount. They stressed the need for housing in the area for employers, employees, college faculty, and college students, which this project will provide, and encouraged Board members to support the amendment.
 - Heather Forbes, Mayor of the City of Grayling
 - Doug Baum, City Manager of the City of Grayling
 - Dr. Thomas Quinn, President of Kirtland Community College, located in Grayling
 - Matt LaFontaine, President of Matt LaFontaine Automotive, Inc. in Grayling
 - Chad Swander, owner of Paddle Hard Brewing in Grayling

Quentin L. Messer, Jr. joined the meeting at 9:09 a.m. and assumed chairmanship of the meeting.

III. COMMUNICATIONS

Ms. Wilcox Surmann informed members that letters were received from State Senator Lana Theis in support of the Cooke Capital, LLC project in Fowlerville and State Senator Winnie Brinks in support of the Spectrum Health Center Development project in Grand Rapids; the letters are attached to the minutes.

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported the subcommittee has met, but has no new recommendations to report. Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported the subcommittee has been working on the broadband initiative, but has no updates at this time.

Paul Gentilozzi joined the meeting at 9:12 a.m.

Britany L. Affolter-Caine, recused from the next item, disconnected from the meeting; a recusal letter is attached to the minutes.

IV. CONSENT AGENDA

Resolution 2022-039 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, Ronald W. Beebe motioned for the approval of the following:

- a. Proposed Meeting Minutes: February 22, 2022
- b. University of Michigan Life Science MTRAC Innovation Hub: Allocation of Funds – **2022-040**
- c. Acceptance of Federal Grant Award from Economic Development Administration – **2022-041**
- d. Calhoun County – CDBG Grant Amendment – **2022-042**

Susan Corbin seconded the motion. **The motion carried: 8 ayes; 0 nays; 1 recused.**

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

Britany L. Affolter-Caine rejoined the meeting.

V. COMMUNITY VITALITY

a. Resolution 2022-043 Cooke Capital, LLC: Michigan Community Revitalization Program Direct Loan (The Ville Project)

*Paula Holtz, Senior Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of a \$1,450,000 Michigan Community Revitalization Program performance-based direct loan to support a community development project in the Village of Fowlerville. The project is expected to result in total capital investment of \$3,715,413. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-043. Cindy Warner seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.***

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

b. **Resolutions 2022-044 & 2022-045 16530 East Warren, LLC / City of Detroit Brownfield Redevelopment Authority: Michigan Community Revitalization Program Direct Loan and Brownfield Act 381 Work Plan (The Ribbon Redevelopment Project)**

Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. The actions involve approval of a \$1,309,337 Michigan Community Revitalization Program performance-based direct loan and state tax capture for Act 381 eligible activities capped at \$552,426 to support a community development project in the City of Detroit. The project is expected to result in total capital investment of \$6,189,337. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-044. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Paul Gentilozzi then motioned for the approval of Resolution 2022-045. Britany L. Affolter-Caine seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

c. **Resolutions 2022-046 & 2022-047 Industry Detroit OOZB, LLC / City of Detroit Brownfield Redevelopment Authority: Michigan Community Revitalization Program Direct Loan and Brownfield Act 381 Work Plan (Selden Innovation Center Project)**

Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. The actions involve approval of a \$4,000,000 Michigan Community Revitalization Program performance-based direct loan and state tax capture for Act 381 eligible activities capped at \$1,091,594 to support a community development project in the City of Detroit. The project is expected to result in total capital investment of \$36,492,780. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-046. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Ronald W. Beebe then motioned for the approval of Resolution 2022-047. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

d. **Resolution 2022-048 City of Grand Rapids Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Spectrum Health – Center for Transformation and Innovation)**

Rob Garza, Manager of Statutory Analysis, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$14,020,029 to support a community development project in the City of Grand Rapids. The project is expected to result in total capital investment of \$97,800,000. Following discussion,

Britany L. Affolter-Caine motioned for the approval of Resolution 2022-048. Charles P. Rothstein seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

e. **Resolution 2022-049 Develop Michigan, Inc. (DMI): Loan Amendment**

Chris Cook, Managing Director of Capital Access, provided the Board with information regarding this action item. The action involves approval of an amendment to an existing loan agreement with DMI to extend the maturity date of the initial \$500,000 loan from the MSF from May 4, 2022, to May 4, 2025, and forgive \$250,000 in principal and all accrued, unpaid and future interest associated with the initial \$500,000 loan contingent upon repayment of principal of \$250,000 for that initial \$500,000 loan and repayment of the \$19,500,000 loan as defined under the \$19,500,000 loan agreement. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-049. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

VI. BUSINESS INVESTMENT

a. **Resolutions 2022-050, 2022-051, 2022-052 & 2022-053 LG Energy Solution Michigan, Inc. City of Holland / Allegan County: Michigan Business Development Program Grant, Jobs Ready Michigan Program Grant, Renaissance Zone Designation and Community Development Block Grant Program Funding**

Julia Veale, Senior Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of a \$10,000,000 Michigan Business Development Program performance-based grant, \$10,000,000 Jobs Ready Michigan Program performance-based grant, 20-year Renewable Energy Renaissance Zone or an MSF Designated Renaissance Zone in the event the State Administrative Board does not approve the Renewable Energy Renaissance Zone, and up to \$36,500,000 in Community Development Block Grant Program funding for machinery and equipment, with up to an additional \$50,000 for grant administration, to support a business development project in the City of Holland. The project is expected to result in total capital investment of up to \$1,700,000,000 and the creation of up to 1,200 jobs. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-050. Ronald W. Beebe seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Paul Gentilozzi motioned for the approval of Resolution 2022-051. Ronald W. Beebe seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Paul Gentilozzi then motioned for the approval of Resolution 2022-052. Ronald W. Beebe and Cindy Warner seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Finally, Paul Gentilozzi motioned for the approval of Resolution 2022-053. Ronald W. Beebe and Cindy Warner seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Ronald W. Beebe temporarily disconnected from the meeting.

b. Resolution 2022-054 International Trade Program: Small Business Services Request for Proposals

*Natalie Chmiko, Vice President of Pure Michigan Business Connect and International Trade, provided the Board with information regarding this action item. The action involves approval of a scope of work for a Request for Proposals (RFP) for the International Trade Program Small Business Services to solicit proposals from eligible organizations to increase Michigan's export development, appoint a Joint Evaluation Committee (JEC) to review proposals received in response to the RFP, and adopt scoring and evaluation criteria to be used by the JEC in its review of responses to the RFP. Following discussion, Cindy Warner motioned for the approval of Resolution 2022-054. Susan Corbin seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.***

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

Ronald W. Beebe rejoined the meeting.

VII. ADMINISTRATIVE

a. Resolution 2022-055 Transformational Brownfield Plan Program: Approval of Amended Guidelines

*Rob Garza, Manager of Statutory Analysis, provided the Board with information regarding this action item. The action involves approval of amended Transformational Brownfield Plan Guidelines to include changes that conform with enacted legislation that became effective December 29, 2021, and staff recommendations that add clarification and detail to existing and new legislative requirements. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2022-055. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.***

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

b. Resolutions 2022-056 & 2022-057 Brownfield Act 381 MSF Site Investment Program: Program Authorization, Approval of Guidelines and Delegation of Authority Actions

Rob Garza, Manager of Statutory Analysis, provided the Board with information regarding these action items. The actions involve authorization of the Brownfield Site Investment Program, approval of guidelines, and delegation of authority for the MSF President or the MSF Fund

Manager to develop, finalize, and revise the program application; the MSF President, the MSF Fund Manager, and the State Treasurer, with any two required to act, to make all decisions with respect to award amounts of \$1,000,000 or less; and the MSF President or the MSF Fund Manager to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under program.

Ronald W. Beebe motioned to amend the program resolution to add a three-year sunset to the program authorization and amend the delegation of authority resolution to include a requirement for the Board to receive monthly updates on any delegated actions under the program. Cindy Warner seconded the motion. **The motion failed: 5 ayes; 4 nays; 0 recused.**

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

Following discussion, Rachael Eubanks motioned for the approval of Resolution 2022-056. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Rachael Eubanks then motioned for the approval of Resolution 2022-057. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

c. **Resolutions 2022-058 & 2022-059 Build MI Community Grant Initiative: Initiative Authorization, Approval of Guidelines, Funding Transfer, and Delegation of Authority Actions**

Julius Edwards, Senior Commercial Real Estate Investment Manager, provided the Board with information regarding these action items. The actions involve authorization of the Build MI Community Grant Initiative, approval of guidelines, transfer of \$5,000,000 from the Michigan Community Revitalization Program, as permitted under MCL 125.2088b(2)(c), to fund the initiative, and delegation of authority for the MSF President or the MSF Fund Manager to make all decisions to develop, finalize, and revise an application and overall process to operate the initiative; the MSF President or the MSF Fund Manager, with only one required to act, to make all decisions with respect to award amounts of \$275,000 or less; and the MSF President or the MSF Fund Manager to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the initiative. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-058. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Ronald W. Beebe then motioned for the approval of Resolution 2022-059. Britany L. Affolter-Caine seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

VIII. INFORMATIONAL

Mr. Messer noted the MSF delegated authority report for the period February 1 to February 28, 2022, was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Messer adjourned the meeting at 11:30 a.m.



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson 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.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



March 21, 2022

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 on Tuesday, March 22, 2022.

- University of Michigan Life Science MTRAC Innovation Hub: Allocation of Funds

The reason for my recusal is that I have a potential conflict of interest with respect to the grantees associated with my employment – Michigan State University, the University of Michigan and Wayne State University.

Sincerely,

A handwritten signature in cursive script that reads 'Britany Affolter-Caine'.

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



201 TOWNSEND STREET, SUITE 7400
 P.O. BOX 30036
 LANSING, MI 48909-7536
 PHONE: (517) 373-2420
 TOLL-FREE: (866) DIST-022
 FAX: (517) 373-2764
 SenLTheis@senate.michigan.gov

MICHIGAN STATE SENATOR
LANA THEIS
 22ND DISTRICT

COMMITTEES:
 INSURANCE AND BANKING, CHAIR
 EDUCATION AND CAREER READINESS, CHAIR
 ADVICE AND CONSENT, VICE CHAIR
 REGULATORY REFORM, VICE CHAIR
 HEALTH POLICY AND HUMAN SERVICES
 OVERSIGHT
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
 APPROPRIATIONS SUBCOMMITTEE ON K-12 AND
 MICHIGAN DEPARTMENT OF EDUCATION

Monday, March 21, 2022

Michigan Strategic Fund Board
 Attn: Quentine L. Messer, Jr.
 300 N. Washington Square
 Lansing, MI 48913

Dear Mr. Messer,

I am writing to express support of Cooke Capital, LLC's application for the Michigan Community Revitalization Program. Cooke Capital, LLC will use this loan to complete the Ville Project in the Village of Fowlerville.

The Ville Project is vital to the revitalization of the Village of Fowlerville. The project will include constructing a new two-store mixed-use building on a vacant downtown lot. This new construction will bring in much-needed residential housing with eight apartments and will also offer much-needed commercial space.

The opportunities that this project presents the Village of Fowlerville are immeasurable. The project will result in over \$3 million worth of capital investments, create six jobs, and bring in additional economic stability and opportunities for the Fowlerville community. I am pleased to offer my wholehearted support of Cooke Capital, LLC's application.

If you have any questions about this letter of support, please contact me at 517-373-2402 or via email at SenLTheis@senate.michigan.gov.

Sincerely,

Lana Theis
 State Senator
 22nd District



**THE SENATE
STATE OF MICHIGAN**

WINNIE BRINKS

29TH DISTRICT

P.O. BOX 30036

LANSING, MI 48909-7536

PHONE: (517) 373-1801

FAX: (517) 373-5801

senwbrinks@senate.michigan.gov

March 22, 2022

Dear Quentin L. Messer, Jr.:

I am writing in support of a request from the City of Grand Rapids Brownfield Redevelopment Authority for approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$14,020,029 to reimburse for MSF eligible activities to support a community development project in Grand Rapids.

The Spectrum Health System Redevelopment Project will include the construction of an eight-story building and two associated parking structures. Once completed, the building will house Spectrum Health's Center for Transformation and Innovation (CTI) campus in the Monroe North District near the Medical Mile. The project also will include the construction of two, seven-story parking structures that will contain a total of 730 spaces. The project is being funded primarily by bonds issued by the Kent Hospital Finance Authority.

The project is expected to result in \$97,800,000 in total capital investment. The CTI will consolidate approximately 1,200 employees presently spread across 13 regional locations that are leased or owned by Spectrum Health. Approximately 350 of these employees are currently outside of the city limits. Additionally, Spectrum anticipates growth of an additional 600 employees in the professional medical office field for a total of approximately 1,800 employees at this location.

I strongly endorse this effort and encourage you to financially support this project. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Winnie Brinks".

Winnie Brinks
State Senator



MEMORANDUM

Date: April 26, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jeremy Webb, Sr. Business Development Project Manager
Subject: Transfer Request
MSF Designated Renaissance Zone
Bedrock Management Services LLC (“Company” or “Applicant”)

Request

This is a request from the Applicant to transfer the MSF Designated Renaissance Zone (the “Zone”) from Sakthi America Corporation, Sakthi Automotive Group USA, Inc. and North American Commerce Center, LLC (collectively, “Sakthi”) to the Company as outlined in the attached resolution (the “RenZone Transfer Request”).

Background

On December 15, 2015, the MSF approved the Zone for a period of 15 years for Sakthi in the city of Detroit, Wayne County. The Zone has been in effect since January 1, 2016 and is set to expire December 31, 2030.

The Company is a full service commercial real estate firm based in downtown Detroit specializing in the strategic development of urban cores. With a portfolio of more than 100 properties totaling over 18 million square feet, the Company is the largest real estate partner in downtown Detroit and also has a strong presence in Cleveland, Ohio. The Company’s experienced real estate experts provide a full range of services, with in-house teams for each area of expertise, including Leasing, Acquisition, Finance, Construction, Architecture, Historic Rehab, and Property Management.

According to progress reports submitted by Sakthi, the site saw over \$47,000,000 of investment. Since acquisition of the property, the Company has invested \$1,500,000 in basic immediate improvements to the site including retaining world class planning consultants to identify future additional enhancements. The Company is committed to making enhancements required to fully occupy the existing buildings by leasing them out to tenants, as well as future investments that maximize the economic output and employment potential of the site. One of these such tenants is LM Manufacturing, LLC, a company that received a \$2,000,000 MBDP performance-based grant from the MSF in February of 2022.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-061**

**PARTIAL REVOCATION AND TRANSFER OF
AN EXISTING MSF DESIGNATED RENAISSANCE ZONE
Bedrock Management Services LLC**

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) to designate up to 27 renaissance zones (a “Renaissance Zone”) in one or more cities, villages, or townships if consented by the local unit of government in which the zone is located;

WHEREAS, on December 15, 2015, via MSF Resolution 2015-195, the MSF Board approved a Renaissance Zone designation for Sakthi America Corporation, Sakthi Automotive Group USA, Inc and North American Commerce Center, LLC (“Sakthi”) for a term of 15 years in the City of Detroit (the “City”) for parcels 18000403-10, 18000388-402, 18000326-35, 18007810-22, 18000415-6, 18000387, 18008745-64 and 18000411-4 (subsequently split into 18000413-4 and 18000411-2) (the “Sakthi Zone”);

WHEREAS, the term of the Renaissance Zone designation for the Sakthi Zone began on January 1, 2016 (December 31, 2015, for property tax purposes) and expires on December 31, 2030 (December 30, 2030, for property tax purposes) (collectively, the “Term”);

WHEREAS, in 2019, Sakthi vacated the facilities and land associated with the Sakthi Zone;

WHEREAS, Bedrock Management Services LLC and/or its affiliates (the “Company”) purchased the land in the Sakthi Zone, except for parcel 18000387, and plan to lease it out to tenants to attract more businesses to this area of the City (the “Bedrock Project”);

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

WHEREAS, The MEDC received an application from the Company for a transfer of the Renaissance Zone designation from Sakthi to the Company for the parcels of the Sakthi Zone purchased by the Company to support the Bedrock Project (the “Application”); and

WHEREAS, the MEDC recommends that the MSF: (i) revoke the Renaissance Zone designation for parcel 18000387, and (ii) approve the Application for the transfer of the Renaissance Zone designation from Sakthi to the Company for the remainder of the Term, effective January 1, 2022 (and December 31, 2021 for property tax purposes), for parcels 18000403-10, 18000388-402, 18000326-35, 18007810-22, 18000415-6, 18000387, 18008745-64 18000413-4 and 18000411-2 (the “Bedrock Property”), provided that no later than October 31, 2022, a development agreement is entered into between the MSF and Bedrock Management Services LLC.

NOW, THEREFORE, BE IT RESOLVED, the MSF: (i) revokes the Renaissance Zone designation for parcel 18000387, and (ii) approves the Application for the transfer of the Renaissance Zone designation from Sakthi to the Company for the Bedrock Property for the remainder of the Term, effective January 1, 2022 (December 31, 2021, for property tax purposes), provided that no later than October 31, 2022, a development agreement is entered into between the MSF and Bedrock Management Services LLC; and

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: April 26, 2022
To: Michigan Strategic Fund Board
From: Valerie Hoag, MSF Fund Manager
Subject: Election of the MSF Board Vice-Chairperson

BACKGROUND:

While it is a very rare event that both the MSF President and Designee are unable to preside at a Board meeting it does happen occasionally. Historically the State Treasurer or their designee has been asked, on an ad hoc basis, to preside at the meeting. The last Executive Order reconstituting the MSF Board included a requirement that the Board elect from among its members a vice-chairperson. The Vice-Chairperson will preside at the Board Meeting in the event the Chairperson or, when applicable the Chairperson's Designee, is unable to preside due to absence, conflict, or any other reason.

REQUEST:

Elect Treasurer Eubanks as the MSF Board Vice-Chairperson and, because the State Treasurer is represented from time to time by a designee, authorize the Treasurer's designee to act as the vice-chairperson when necessary.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-062**

ELECTION OF THE VICE-CHAIRPERSON

WHEREAS, Executive Order 2019-13, Section 2, (b), (10) provides for the election of a vice-chairperson from among the members of the MSF Board of directors;

WHEREAS, the MSF Board wishes to elect Treasurer Rachael Eubanks, the State Treasurer, as the vice-chairperson;

WHEREAS, Treasurer Eubanks has consented to serve as the vice-chairperson;

WHEREAS, Executive Order 2019-13, Section 2, (b), (2), (B) provides that the State Treasurer may appoint a person from within the Department of Treasury as their designee to the MSF Board;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board elects Treasurer Rachael Eubanks as the MSF Board Vice-Chairperson;

BE IT FURTHER RESOLVED, that in the event that Treasurer Eubanks is being represented by a Designee at an MSF Board meeting, the Designee shall serve as the Vice-Chairperson in her stead.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-060**

**APPROVAL OF THE APRIL 26, 2022 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, on February 25, 2014, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines;

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently revised by the MSF Board on December 19, 2017 (the “Consent Agenda Guidelines”)

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

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

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

Consent Agenda Items:

- a. Proposed Meeting Minutes: March 22, 2022
- b. Bedrock: RenZone Transfer
- c. Appointment of MSF Vice Chair

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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Sincerely,

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Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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February 3, 2020

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

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Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: April 26, 2022

To: Michigan Strategic Fund Board

From: Joe Frost, Community Assistance Team Specialist
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant
1108 Water Street, LLC – North Peak KK

Project Summary

The request will support a community development project located in the City of Bay City that will redevelop two adjacent historic buildings; 1100 Water Street, a single-story building, and 1108 Water Street, a two-story building. Since 2016, the first floors of both buildings have been vacant. The 2nd floor has been vacant and underutilized for nearly 40 years. The two buildings, while separate, are interconnected and after renovation will function as one complete first floor. The reactivated building totals 14,337 square feet and will contain 13,841 square feet of rentable space and 496 square feet of common area space. The project will create a restaurant/bar space on the first floor that will be leased to North Peak Brewing Company and Kilkenny Irish Pub and will occupy 11,448 square feet. The second floor will be renovated to include three residential loft style apartments with a total of 2,393 square feet. This project represents \$4,809,181 in total capital investment. Construction costs for the redevelopment of this property are estimated at \$217 per square foot, which is consistent with similar developments in the region involving historic renovation.

A financing gap exists for this project due primarily to the significant costs of a historic restoration combined with the amount of debt the project can leverage based on anticipated revenue. The market rents, which range from \$1,014 to \$1,476 per unit and average \$1.54 per square foot for the residential units, do not generate enough revenue to adequately support the high cost of development associated with the extensive restoration of this functionally obsolete and historic building. The development team has diligently exhausted all other financing options, including \$2,275,000 in senior financing, an Obsolete Property Rehabilitation Act (OPRA) tax abatement and Federal Historic Tax Credits. The Applicant is contributing \$659,880 in equity, or nearly 14% of total project costs and is deferring \$100,000 in developer fees. An MCRP grant of \$1,499,301 and an EGLE grant of \$275,000 will fill the financing gap and allow the project to remain financially feasible while redeveloping a vacant, functionally obsolete, and historic property. With a MCRP grant, the project is anticipated to generate a 5.4% return over 20 years.

Request

1108 Water Street, LLC (“Applicant”) is requesting a MCRP performance-based grant in the amount of \$1,499,301. The Applicant anticipates that the project will result in a total capital investment in the amount of \$4,809,181.

Program Summary

The request for MCRP is consistent with program requirements because the project involves transforming an underutilized and vacant property into a vibrant, mixed-use development with multi-family residential and restaurant use that contributes to the walkability, vibrancy, and density of downtown Bay City. The project qualifies for the MCRP program because the properties, 1100 and 1108 Water Street are Historic Resources. The project also qualifies for an award of up to 50% of eligible investment, as MCRP legislation allows that annually the MSF may consider support for up to three single projects that shall not exceed 50% of the eligible investment for the specific purpose of historic preservation. This request for up to 40% of the project's eligible investment is the first historic preservation project being considered under this provision in fiscal year 2022.

The project is consistent with the MEDC Strategic Plan and Community Development priorities because it is developing attractive places, contributing to the density of the community, supporting new business development, as well as providing needed market-rate housing in downtown Bay City. The project also meets local objectives by providing an increased taxable value of land within the city and helping to support an active and vibrant environment in the most visible areas of the community. This project supports the city's goals of promoting and supporting the redevelopment of vacant properties and opportunity sites within the downtown area, developing a strong sense of place, and by supporting job creation.

Local Support

Local support for the project includes an Obsolete Property Rehabilitation Act Tax Abatement worth approximately \$871,787 over a period of 12 years. The City of Bay City is engaged with the MEDC's Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

Financing Opportunity – MCRP Grant

The Applicant is requesting a \$1,499,301 MCRP Performance-Based Grant Award. A financing gap exists due to the extensive added cost of redeveloping historic buildings, existing market rental rates, and the resulting gap between the value and construction costs. This combination creates the need for subsidy as traditional financing sources are limited by both cash flow and appraised values. The development team is contributing over 13% equity and has leveraged \$2,275,000 in bank financing, an OPRA tax abatement, a \$275,000 EGLE grant and federal historic tax credits, which the investors will be utilizing personally due to the size of the credits. Even with Michigan Community Revitalization Program grant support, the projected return is anticipated to be a modest 5.4% over the first 20 years.

Grant Terms

MSF Facility:	MCRP Performance Based Grant
Grantee:	1108 Water Street, LLC
Total Capital Investment:	Currently estimated at \$4,809,181
MSF Eligible Investment:	Currently estimated at \$3,764,723
Minimum Eligible Investment:	Currently estimated at \$3,011,780
MSF Grant Amount:	Up to the lesser of 40% of "Eligible Investment" or \$1,499,301.

Other Conditions:

The MSF’s investment will be contingent upon the following:

- Receipt of Construction Documents, including “Guaranteed Maximum Price” Construction Contract

Summary of Development Sources:

Bank Share	\$	2,275,000	47.30%
MSF Grant	\$	1,499,301	31.18%
EGLI Grant	\$	275,000	5.72%
Developer Equity	\$	659,880	13.72%
Deferred Developer Fees	\$	100,000	2.08%
TOTAL	\$	4,809,181	100.00%

Summary of Development Uses:

Acquisition	\$	376,800
Hard Construction Costs	\$	3,112,623
Eligible Soft Costs	\$	869,360
Other	\$	450,398
TOTAL	\$	4,809,181

Applicant History

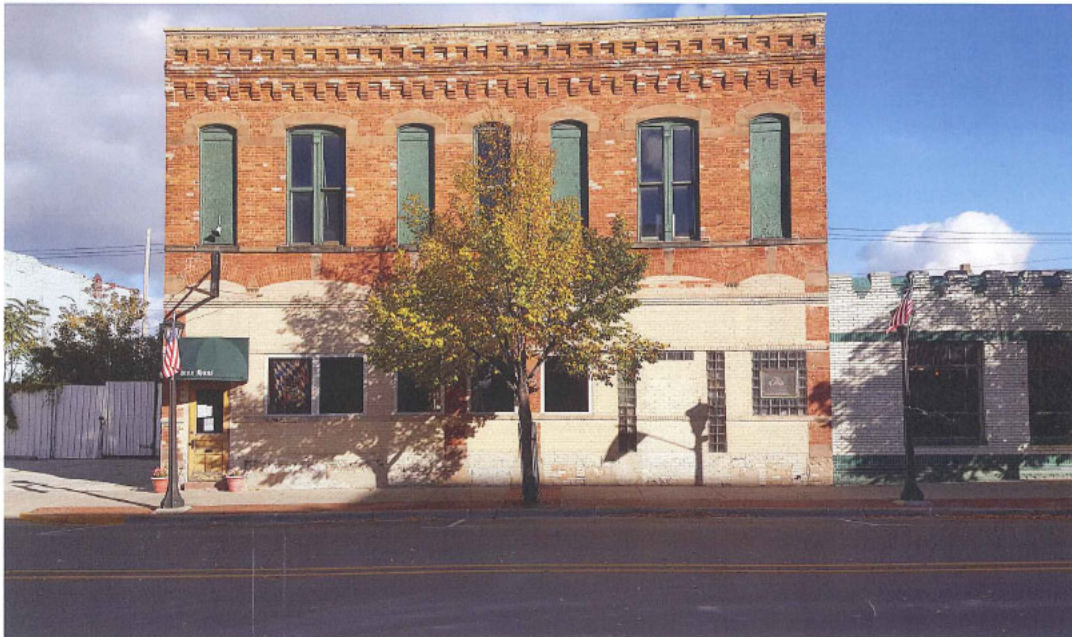
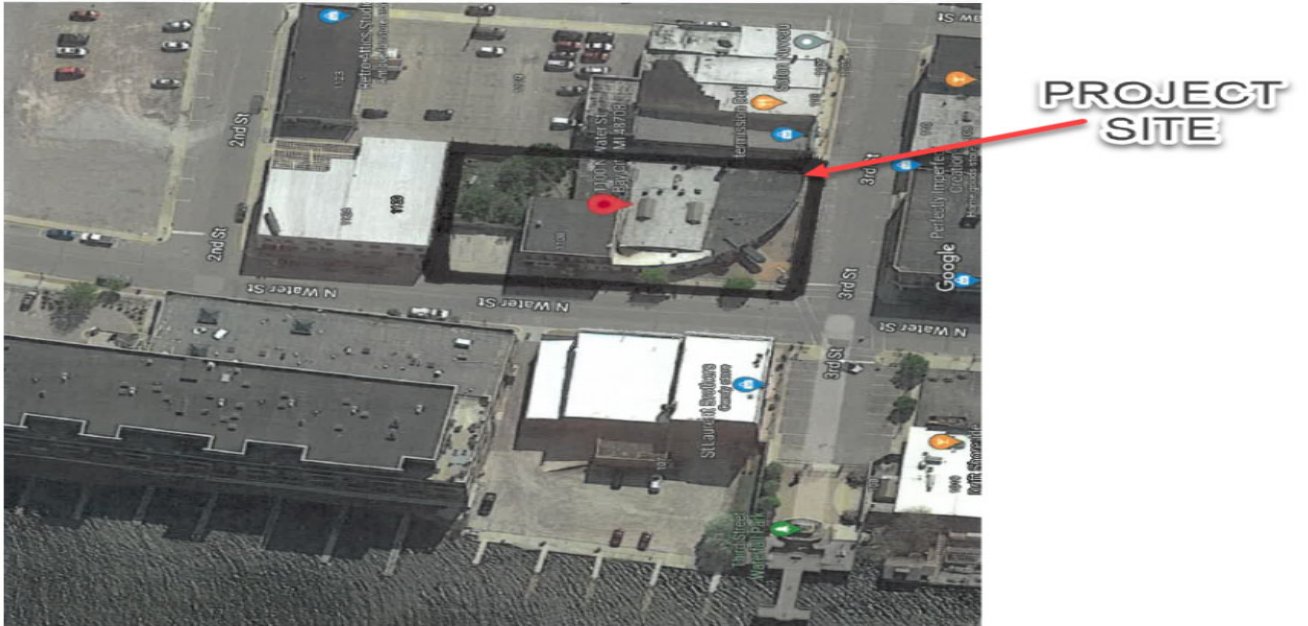
Jon Carlson and Greg Lobdell, Principals of 3Mission Design and Development, began their journey into real estate development in 1993 with the development of West Washington Street in Ann Arbor into a mixed-use property. This project included restaurant space on the first floor, and office and residential space on the upper levels. This 21,000 square foot project utilized state and federal Historic Tax Credits. Since the West Washington Street development, Jon and Greg have developed more than 200,000 square feet of mixed-use property and transacted more than \$70 million in real estate business through the State of Michigan. Recently, the development team has undertaken and completed the Thompson Block Redevelopment with MEDC support. The Thompson Block Redevelopment transformed a dilapidated 3 story 31,000 square foot historic structure into a vibrant mixed-use property containing 20 luxury loft residences and two commercial spaces leased to restaurant and retail venues. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

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

Recommendation

MEDC staff recommends approval of the following (the “Recommendation”): a MCRP performance-based grant in the amount of up to \$1,499,301 for 1108 Water Street, LLC.

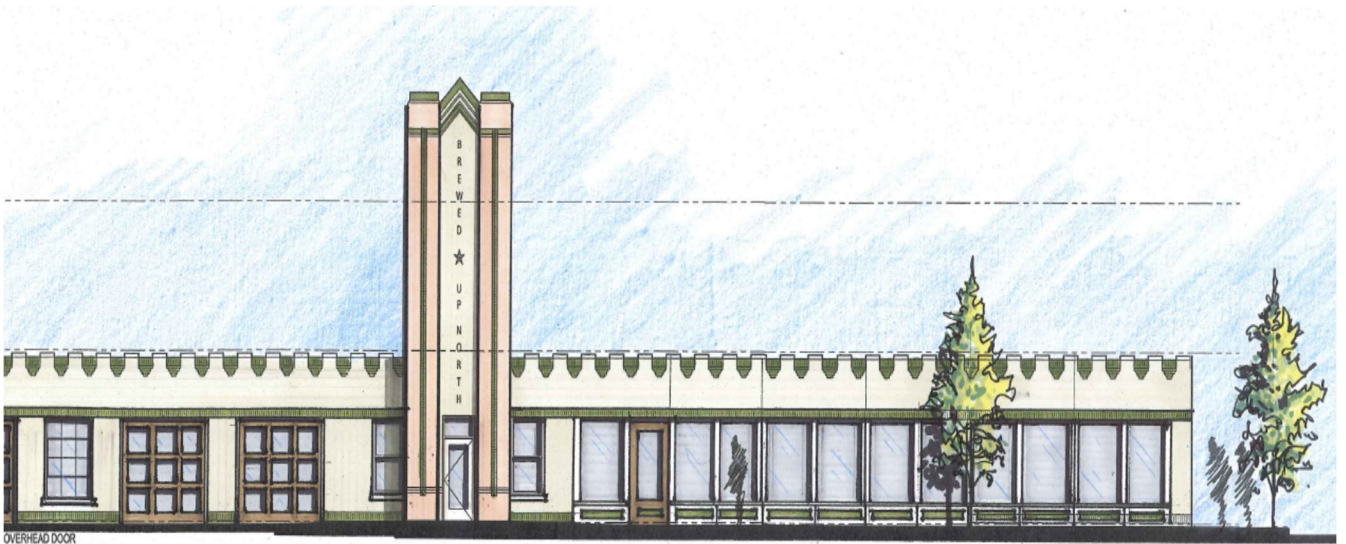
APPENDIX A – Project Map and Renderings



West Elevation Existing



West Elevation



South Elevation

APPENDIX B – 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 when making the recommendations in this memo. The project meets the MCRP Guidelines, and a financial review has been completed.

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

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

Once complete, 1108 Water Street will contribute to the vibrancy, density, and walkability of downtown Bay City through the creation of three market-rate downtown residential units, and a small business. This project is a priority for the City of Bay City because it is reactivating vacant historic property and creating much-needed downtown residential housing.

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

This project will act as a catalyst for additional revitalization for the community by creating residential density, enabling more residents to live directly within the downtown community, as well as reactivating a currently vacant former restaurant.

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

The City of Bay City is financially supporting this project through an Obsolete Property Rehabilitation Act (OPRA) property tax abatement valued at \$871,787 over a 12-year period.

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

A financing gap exists due to the extensive cost of redeveloping historic buildings combined with the amount of debt the project can leverage based on existing market rental rates and anticipated revenue. The resulting gap between the value and construction costs creates the need for subsidy as traditional financing sources are limited by both cash flow and appraised values. The development team is contributing over 14% equity and has leveraged \$2,275,000 in bank financing, an OPRA tax abatement, a \$275,000 EGLE grant and federal historic tax credits, which the investors will be utilizing personally due to the size of the credits. Even with Michigan Community Revitalization Program grant support, the projected return is anticipated to a modest 5.4% over the first 20 years.

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

The 1108 Water Street development project reuses and repurposes a large vacant former restaurant building in downtown Bay City. The project is in a historic district and is utilizing Federal Historic Tax Credits. This project fits into the MEDC's community development prioritized as it pertains to the revitalization of a community's historic downtown.

F. Creation of jobs:

This project will result in the creation of 30 full-time jobs at \$25/hour.

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

The total private sector investment is expected to be approximately \$3,034,880, which includes \$2,275,000 in project financing from Bank of Ann Arbor and \$759,880 in developer cash equity and deferred developer fees. The project has secured Federal Historic Tax Credits, but they will be utilized personally by the investors and not syndicated due to the project size.

H. Whether the project is financially and economically sound:

Upon achieving stabilized occupancy, it is anticipated the project's debt service coverage ratio will be approximately 1.26 to 1.0 with a projected 30-year average of 1.29 to 1.0. There is a signed lease for 100% of the commercial space with North Peak Kilkenny for a period of 12 years. The Applicant is contributing \$659,880 or approximately 14% equity to the project, is deferring \$100,000 in developer fees and has maximized traditional financing with a \$2,275,000 loan.

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

Within the existing building footprint, the project increases the density of the area by creating three (3) new market-rate apartments. The project will dramatically improve the visibility of the corner of Water and Third Streets, a significantly unutilized corner.

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

This project promotes a walkable community by renovating a two-story vacant historic building and by creating three new residential apartments. This project fosters and improves a walkable community by creating new enhanced residential living spaces in downtown Bay City and will increase foot traffic in the surrounding downtown area. Through the redevelopment and re-activation of the property, the project provides a vibrant active walkable connection and attracts new residential tenants.

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

This project does not convert an abandoned public building to private use.

L. Whether the project promotes sustainable development:

The project incorporates a number of energy saving features. A new EPDM R40 roof will be installed providing significant insulation to maintain heat loss, new double pane energy efficient windows, new energy efficient mechanical systems, electrical/lighting systems will include lighting control systems for energy consumption, LED lights and other energy efficient products. Given the desire to ensure indoor air quality is meeting the highest standards, the venting, exhausting and circulation systems will be part of the upgrades in the mechanical work. The project will include the installation of solar panels to reduce the burden of electrical consumption and its impact on the environment.

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

The project involves the rehabilitation of a historic resource. The project rehabilitates an existing 100-year-old set of buildings that are registered as contributing resources on the National Register of Historic Places. The property will be rehabilitated in compliance with the Secretary of the Interior Standards for the treatment of historic properties. The project has received a Part 1 Approval to certify the property as historic.

N. Whether the project addresses area-wide redevelopment:

The project is an important element to the area-wide redevelopment of downtown Bay City. The rehabilitation of this property will contribute to the growing density in the downtown area by creating much-needed downtown residential housing and reactivating a vacant historic property

O. Whether the project addresses underserved markets of commerce:

In Bay City there is a lack of quality food and restaurant retail opportunities aligning with the consumer's demand. This project will deliver a strong product to this underserved market component and assist in capturing consumers that may have otherwise left the area for service as well as attract consumers from the broader region.

P. The level and extent of environmental contamination:

Redevelopment of the site is hindered due to extensive brownfield conditions including, but not limited to, the outdated, functionally obsolete building structure, and the presence of soil and soil gas contamination from a former underground storage tank (UST) system requiring due care measures to allow for safe reuse and occupancy of the building. Activities necessary for reuse of the property include additional investigation activities to support the feasibility and design of a proposed gas vapor mitigation system, installation and testing of the proposed gas vapor mitigation system, asbestos abatement, lead abatement and interior demolition and selective exterior demolition of the building. Lead abatement could be limited to lead safe work practices to be employed during demolition and renovation activities to allow for safe demolition and future use of the building. Abatement is required to prevent creation of lead dust and debris that may impact contractors associated with the renovation project and future occupants of the buildings. Asbestos abatement is contemplated to be a full abatement of all known materials. Given the level of environmental issues, there is an increased cost to the redevelopment of the project. The added expense is estimated with hard and soft costs to be \$275,000. An EGLE grant will assist in covering these costs.

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

The project included the rehabilitation of a historic resource and will meet the Secretary of the Interior's standards.

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

The project will add new residential living space in downtown Bay City. In recent years, there is a growing number of restaurants in the downtown area. This project enhances the variety of eating establishments in the downtown.

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

There are no additional criteria pertinent to this project.

APPENDIX C - Organizational Chart

1108 Water Street, LLC

EIN: 81-3939768

Company Manager: Jon Carlson

<u>Member</u>	<u>Ownership Interest</u>	<u>EIN</u>	<u>State of Organization</u>
3Mission Michigan Real Estate Fund, LLC	100.00%	82-2491733	Michigan
3mission Design and Development, LLC	20.00%		
19 Limited Investors- each under 20%	80.00%		
Limited Partners in 3mission Michigan Real Estate Fund, LLC			
<i>Jatinder-Bir Sandhu</i>		12.21%	
<i>Sook Ja Kim</i>		6.11%	
<i>BBI Art Investments, LLC</i>		7.94%	
<i>Ronald Schmier Living Trust</i>		0.61%	
<i>Chris Newton</i>		1.83%	
<i>Robert H. McCurren</i>		3.66%	
<i>Papadopoulus Family Trust</i>		7.33%	
<i>Fedovest, LLC</i>		2.44%	
<i>Peter C. Grimes and Kimberly G. Grimes Revocable Trust</i>		2.44%	
<i>Stacy Weissman</i>		1.22%	
<i>Jeff Bocan</i>		4.89%	
<i>Mark J Bernstein and Rachel A. Bendit JTWROS</i>		1.22%	
<i>Harvey Eisman</i>		2.44%	
<i>Todd M. Gensheimer Living Trust</i>		12.21%	
<i>Robert H. McCurren</i>		4.89%	
<i>Marc Zimmerman</i>		0.61%	
<i>Thomas M. Bloom Revocable Living Trust</i>		4.89%	
<i>Walley M. Fikri Living Trust</i>		1.22%	
<i>Robert J. Schmier and Linda S. Schmier, TBE</i>		1.83%	

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-063**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
GRANT AWARD TO 1108 WATER STREET, LLC**

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

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

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

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

WHEREAS, 1108 Water Street, LLC (“Company”) has requested a performance-based Grant of up to \$1,499,301 (“Award Request”), along with other general terms and conditions;

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award Request subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 150 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (“MCRP Award Recommendation”); and

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: April 26, 2022

To: Michigan Strategic Fund Board

From: Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program
Other Economic Assistance Loan Participation Agreement Amendment #1
619, LLC

Request

619, LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Loan Participation Award approval. The Company is requesting to increase the MCRP Award (as defined below) by \$1,200,000 to \$3,400,000. Additionally, the Company is requesting a change in the repayment structure from principal and interest payments based on a 30-year amortization to debt service coverage dependent payments, with the potential for up to \$1,200,000 to be forgiven upon maturity based on the details described in Appendix A below.

Background

The Michigan Strategic Fund Board approved a \$2,200,000 Michigan Community Revitalization Program (MCRP) Other Economic Assistance Loan Participation Award (“MCRP Award”) on October 26, 2021 to the Company for the purpose of supporting a community development project located in the City of Kalamazoo that will construct a new five-story mixed-use building. The development will include 52 apartments and approximately 11,049 square feet of commercial space over 1.4 acres (the “Project”). Housing units in the Project are intended to be offered at a range of affordable and attainable rates, including approximately 10% of units that will be designated for households earning 60% of Kalamazoo County’s area median income. The remaining units in the Project are intended to be targeted to households earning between 80%-120% of County median income.

The Project is experiencing challenges due to a significant escalation in construction costs which has led to an approximately \$3,050,000 increase in the project budget or over 27%. The development team has worked diligently to identify resources to fill this gap and position itself to commence construction on the Project. Additional funding is coming in the form of a \$1,800,000 equity contribution with the remaining gap to be filled by the proposed \$1,200,000 increase in the MCRP Award.

In addition to the MCRP Award increase, the repayment structure will be altered to include principal and interest payments subject to debt service coverage from principal and interest payments based on a 30-year amortization, with the potential for up to \$1,200,000 to be forgiven upon maturity. These changes are an effort to balance the senior lender requirements, manage cash flow and ensure the success and stability of the Project.

Staff is recommending approval of the proposed amendments to the MCRP Award along with other necessary changes to the award structure to help facilitate the requested changes. To date, none of the MSF funding has been disbursed to the Project. The Project remains a high priority for the City of Kalamazoo.

Recommendation

MEDC staff recommends approval of the following:

- 1) Increase the Other Economic Assistance Loan Participation Award amount by \$1,200,000 from \$2,200,000 to \$3,400,000.
- 2) Modification of the repayment structure from principal and interest payments based on a 30-year amortization to debt service coverage dependent payments, with the potential for up to \$1,200,000 to be forgiven upon maturity.

APPENDIX A

MSF Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	619, LLC
Senior Lender:	First National Bank of Michigan Fifth Third Bank or other federally insured lending institution acceptable to the MSF Fund Manager
Total Amount of Loans:	Currently estimated at \$10,950,000 \$12,150,000
Senior Lender Share:	Currently estimated at \$8,750,000
Total Capital Investment:	Currently estimated at \$13,236,421 \$16,269,917
MSF Eligible Investment:	Currently estimated at \$10,419,975 \$13,836,083
Minimum Eligible Investment:	Currently estimated at \$8,800,000 \$13,600,000
MSF Share:	Up to the lesser of 25% of “Eligible Investment” or \$2,200,000 \$3,400,000
Term:	Shall match that of the Senior Lender, anticipated to be 84 months
Amortization:	Shall match that of the Senior Lender, anticipated to be 360 months
Interest Rate:	1.0% per annum
Repayment Terms:	Monthly interest only payments for up to 36 months, followed by monthly principal and interest payments, with principal due at maturity. During the amortization period, payments on the MSF Share may be set periodically at a level to assist the project in maintaining a minimum debt service coverage ratio of 1.25 to 1.0. At maturity, an evaluation will be conducted to determine the financial health of the project. Repayment at maturity will occur up to the point where the projected Debt Service Coverage Ratio (DSCR) is 1.25 to 1.00 on all outstanding debt. Any portion of the MCRP Loan that would reduce the DSCR below that threshold would be forgiven, up to a maximum of \$1,200,000. This analysis would be performed using a 1.0% interest rate and 25-year amortization period. Any deferral or forgiveness would be approved by the MSF Fund Manager or MSF President.

- Collateral:** To match that of the Lender, currently anticipated to be a 1st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, all assets and all construction documents and agreements. MSF Share of collateral will be subordinated to that of the Senior Lender.
- Guarantee:** To match that of the Lender, currently anticipated to be the personal guaranty of Jeff Nicholson and Trust, if applicable, the personal guaranty of Dave Scott and Trust, if applicable, and the personal guaranty of Craig Bush and Trust, if applicable.
- MSF Fees:** The MSF shall be paid a one-time fee equal to 1.0% of the MSF's share of the loan. The Lender may charge the borrower for this fee.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-064**

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

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

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

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

WHEREAS, pursuant to SFCR 125.2090-1 (the “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;

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

WHEREAS, by Resolution 2021-137 on October 26, 2021, the MSF Board awarded a MCRP Other Economic Assistance Loan Participation award to 619, LLC (the “Company”), in furtherance of the project of up to \$2,200,000 (“Award”);

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to increase the Award amount by \$1,200,000, from \$2,200,000 to \$3,400,000, and alter the terms of the repayment structure as detailed in Exhibit A, with all other requirements remaining in place for the Award (“MCRP Amendment Recommendation”).

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022

EXHIBIT A

MSF Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	619, LLC
Senior Lender:	First National Bank of Michigan Fifth Third Bank or other federally insured lending institution acceptable to the MSF Fund Manager
Total Amount of Loans:	Currently estimated at \$10,950,000 \$12,150,000
Senior Lender Share:	Currently estimated at \$8,750,000
Total Capital Investment:	Currently estimated at \$13,236,421 \$16,269,917
MSF Eligible Investment:	Currently estimated at \$10,419,975 \$13,836,083
Minimum Eligible Investment:	Currently estimated at \$8,800,000 \$13,600,000
MSF Share:	Up to the lesser of 25% of "Eligible Investment" or \$2,200,000 \$3,400,000
Term:	Shall match that of the Senior Lender, anticipated to be 84 months
Amortization:	Shall match that of the Senior Lender, anticipated to be 360 months
Interest Rate:	1.0% per annum
Repayment Terms:	Monthly interest only payments for up to 36 months, followed by monthly principal and interest payments, with principal due at maturity. During the amortization period, payments on the MSF Share may be set periodically at a level to assist the project in maintaining a minimum debt service coverage ratio of 1.25 to 1.0. At maturity, an evaluation will be conducted to determine the financial health of the project. Repayment at maturity will occur up to the point where the projected Debt Service Coverage Ratio (DSCR) is 1.25 to 1.00 on all outstanding debt. Any portion of the MCRP Loan that would reduce the DSCR below that threshold would be forgiven, up to a maximum of \$1,200,000. This analysis would be performed using a 1.0% interest rate and 25-year amortization period. Any deferral or forgiveness would be approved by the MSF Fund Manager or MSF President.
Collateral:	To match that of the Lender, currently anticipated to be a 1st priority security interest in the real estate, assignment of rents and leases, and a security interest in the TIF reimbursements, all assets and all construction documents and agreements. MSF Share of collateral will be subordinated to that of the Senior Lender.

Guarantee: To match that of the Lender, currently anticipated to be the personal guaranty of Jeff Nicholson and Trust, if applicable, the personal guaranty of Dave Scott and Trust, if applicable, and the personal guaranty of Craig Bush and Trust, if applicable.

MSF Fees: The MSF shall be paid a one-time fee equal to 1.0% of the MSF's share of the loan. The Lender may charge the borrower for this fee.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: April 26, 2022

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Director, Commercial Real Estate Investment

Subject: Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance – Equity Award Agreement Amendment #2
Trident Corktown Investment, LLC and/or Related Entities

Request

Trident Corktown Investment, LLC and/or related entities (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (MCRP) Other Economic Assistance – Equity Award Agreement and any related ancillary agreements (“Agreement”). The amendment request dated February 4, 2022 includes a request to waive all accrued and other returns due to the MSF as a part of the MCRP equity investment. Staff is recommending waiving the returns due to the MSF, but create a contingent liability equal to the estimated returns due to the MSF in the amount of \$1,863,000 that would become due if the property is sold within 3 years of MSF approval. As a condition of the amendment, the MSF will receive full repayment of its original \$6,900,000 MCRP investment.

Background

The Michigan Strategic Fund Board approved a \$6,900,000 MCRP Other Economic Assistance – Equity Investment on September 27, 2016 for the Company for the purpose of the redevelopment of the three-story historic Checker Cab building into a mixed-use building containing approximately 52 residential units, first floor commercial space, and approximately 95 parking spaces; new construction of a four-story, mixed-use building containing approximately 45 residential units and first floor commercial space; new construction of a five-story mixed-use building with approximately 40 residential units and first floor commercial space; new construction of 2, three-story buildings on either side of the existing UFO Factory event center building containing approximately 10 residential units and first floor commercial space; and new construction of four three-story townhomes.

An amendment to the Agreement was approved on July 23, 2019 to extend the Milestone Three to March 31, 2020 to accommodate construction delays related to unexpected underground conditions that delayed site preparation, foundation redesigns, and subcontractor staffing issues among other things.

Construction on the project was completed in the last quarter of the calendar year of 2019. During construction the project experienced increase in project costs of approximately \$6 million of which \$4 million was supported by additional investment from the development team. Additionally, the project has experienced slower lease up on the commercial portion of the project along with lower than anticipated residential rental rate growth and higher operating expenses. All of the above has led to a significantly lower return potential for the project. The development team is looking to pay off the MSF investment in order to avoid accruing additional future obligations on an underperforming asset. As part of the payoff the Company is requesting to waive any accrued and other returns due to the MSF. Staff is proposing to waive the returns due to the MSF and create a contingent liability of \$1,863,000 due to the MSF if the property is sold within 3 years of the amendment approval. Following the 3-year contingent liability period and pay

off of the original \$6,900,000 MCRP principal investment the Company would be free of any obligation to the MSF. Principal repayment is anticipated prior to or in conjunction with execution of the amendment.

The company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Agreement to waive all returns due to the MSF and replace them with a contingent liability of \$1,863,000 that will become due if the project is sold within 3 years of following approval. Additionally, this all will be contingent upon repayment of the \$6,900,000 MCRP principal investment.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-065**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE EQUITY
INVESTMENT AWARD FOR
TRIDENT CHECKER INVESTMENT, LLC AND/OR A RELATED ENTITY
(TRIDENT CHECKER PROJECT)**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq., to add Chapter 8C (being MCL 125.2090 – MCL 125.2090(d)) 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 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;

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

WHEREAS, by Resolution 2016-200 on September 27, 2016, the MSF Board awarded a \$6,900,000 MCRP Other Economic Assistance Equity Investment award (the “Award”) to Trident Checker Investment, LLC and/or related entities (“Company”), in furtherance of the project (the “Trident Checker Project”);

WHEREAS, by Resolution 2019-108 on July 23, 2019, the MSF Board approved a MCRP amendment to extend the Milestone Three Project Completion due date to March 31, 2020;

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to waive any and all accrued returns due to the MSF and replace them with a contingent liability of \$1,863,000 which would become due if the Trident Checker Project is sold with three years following approval of the amendment request. The amendment will be contingent upon full repayment of the \$6,900,000 MCRP principal investment. (“MCRP Amendment Recommendation”)

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: April 26, 2022

To: Michigan Strategic Fund Board

From: Brittney Hoszkiw, Senior Community Assistance Team Specialist
Rob Garza, Statutory Analysis Manager

Subject: Recommendation of Denial of an Act 381 Work Plan
City of Detroit Brownfield Redevelopment Authority (BRA) – City Club Apartment
Redevelopment Project

Project Summary

The request would reimburse the development team for eligible activity expenses associated with the development of a mixed-use mixed income property in the City of Detroit representing \$111,802,742 in total capital investment. The project includes 288 residential units ranging from studio to three bedroom and 11,291 square feet of first floor retail to include restaurant and local retailers. The development also contains two underground valet-only parking levels with a capacity of 410 vehicles, with 100 spaces being made available to the public.

The property is the previous location of the Statler Hotel. Prior to the Developer’s acquisition, the property was owned by the City of Detroit’s Downtown Development Authority and sat vacant for many years. In between 2001 and 2006, in an effort to address blight and prepare the site for future development, the City of Detroit received support from the Michigan Department of Environmental Quality (“MDEQ”) for abatement, demolition and remediation of the site. In total, MDEQ spent more than \$13.4 million on abatement, demolition and remediation at the Former Statler Hotel. This funding addressed contamination up to 20 feet deep which was consistent with other Clean Michigan Funded projects across the state. In 2016, the development team acquired the property for \$1.8 million from the City of Detroit Downtown Development Authority with a contingency for up to a 100% offset on additional response costs associated for site preparation and remedial activity. At that time, it was agreed that in exchange for the below market value sale of the property, the City of Detroit would not be considering any further public subsidy on the project. Contemporaneous with the acquisition, the developer sought and obtained a \$750,000 Clean Michigan Initiative (“CMI”) grant, a \$250,000 CMI loan and a \$250,000 US EPA Revolving Loan Fund loan to assist with the remaining remediation.

On November 10, 2016 the developer received EPA approval for its PCB remediation work plan wherein the EPA identified that “[f]ormer hotel building foundations, floors and some walls are still intact and remain buried at the Site.”¹ Evidence of subsurface infrastructure was presented prior to or at the time of the commencement of construction which was further detailed in publicly available documentation in the possession of the Michigan Department of Environment, Great Lakes, and Energy. These records,

¹ United States Environmental Protection Agency; Guerriero, Margaret,” 40 C.F.R. § 761.61(c) Approval for Polychlorinated Biphenyl (PCB) Remediation Notification and Certification, Work Plan City Club Apartments, LLC, Former Statler Hotel Site Detroit, Michigan,” November 10, 2016.

associated with the building demolition identify that between five (5) and thirty-five (35) “very large (approximately 8 feet high by 4 feet wide by 40 to 50 feet long) concrete encased, steel ‘grade beams’ below the floor” and would “remain in place.”² Despite notice of the remaining infrastructure, the developer commenced construction in November 2016 and subsequently encountered over \$6.5 million in costs due to substantial underground obstructions, including the concrete encased steel I-beams contaminated by PCBs. The extent of offsets from the purchase is not clear, but prior to seeking local TIF, the developer had obtained up to \$2,550,000 in public dollars to respond to these underground obstructions and remaining PCB contamination.

In April of 2018, the development team approached MEDC seeking Brownfield TIF to reimburse for eligible expenses and MEDC staff requested materials for further consideration. In April 2019, nearly two and a half years after encountering the alleged unexpected construction costs, the developer provided only a portion of the requested materials for MEDC review. The limited information regarding the project was then reviewed and considered by all levels of MEDC leadership, and in April 2019, MEDC communicated to the development team that there was no support for the request at the time. The project was unable to demonstrate ‘but for’ need as the project was at this point completely vertical, and was beginning interior build out.

In January 2020, the local Brownfield Development Authority moved forward with local approval of Brownfield TIF eligible expenses. However, given that the project is located within the Downtown Development Authority which captures the majority of the increment otherwise available, the local reimbursement will only account for 10% of the total eligible expenses resulting in the bulk of any potential reimbursement consisting of state capture.

On October 21, 2021, MEDC formally received a work plan and transmittal letter from the City of Detroit Brownfield Redevelopment Authority on behalf of this project seeking \$6,996,533 in state tax capture for reimbursement of MSF eligible activities. The MSF denied the request for TIF funding at the January 11, 2022 board meeting. The January 11, 2022 meeting of the Michigan Strategic Fund Board is the first meeting of the Board after the 60 day period following the receipt of the request. This legislative requirement prompted board consideration in January of 2022 where the board voted down with the request. The developer resubmitted a revised work plan 10 weeks later on March 24, 2022. Under section 15(11) of Public Act 381 of 1996, the Michigan Strategic Fund is required to either approve, conditionally approve, or deny a Work Plan within 60 days of receipt of a request for approval, or within 7 days following the first meeting of the board after the 60-day period following the receipt of the request for approval.

Request

The Detroit Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$6,936,818 to reimburse for MSF eligible activities. The Work Plan states that the project has resulted in a total capital investment in the amount of \$111,802,742.

Program Summary

In addition to the more than \$13.4 million spent by the State of Michigan to prepare the site, in 2016, the developer acquired the property for below fair market value with up to a 100% offset of the \$1.8 million purchase price to complete soil and groundwater remediation. In 2017, the developer received \$750,000 in Clean Michigan Initiative grant funding to assist with addressing the remaining PCBs. Also in 2017, the developer sought and obtained \$10.6 million in tax abatements (\$2.1 million Commercial Redevelopment Act tax abatement and \$8.5 million Neighborhood Enterprise Zone tax abatement). In sum, the developer

² DLZ, Progress Summary Report, Statler Hilton, November 20 through December 24, 2005.

received between \$11,350,000 and \$13,150,000 in direct public support and tax abatements at the time of project commencement. Furthermore, despite a commitment not to seek TIF, the developer has also identified \$986,950 in local TIF as a part of the approved Brownfield Plan as well as this Work Plan, bringing the total public support to between \$12,336,950 to \$14,136,950. With this public support, the development team proceeded with construction and despite delays and cost overruns, the development received a certificate of occupancy in July of 2021. If approved, the current request of \$6,936,818 would bring the total incentives to between \$19,237,768 and \$21,073,768.

The request for Brownfield support is inconsistent with program requirements and program guidelines as it fails to demonstrate ‘but for’ financial need for the incentive since the project is complete. While the project offers increased tax base, housing options and increased density in a key corner of the City of Detroit, the community development impacts have been realized and would not be as a result of state tax dollars through MSF participation. The applicant is requesting reimbursement for eligible expenses that were incurred beginning nearly six years ago, and three years prior to local approval, which is well outside of our MSF approved lookback policy of one year from local approval. Deviation from our standard ‘but for’ analysis would set dangerous precedent suggesting that any project, at any stage of development or occupancy can seek tax reimbursement for eligible expenses incurred at any point, creating an undetermined liability for the state treasury.

Local Support

The City of Detroit has financially supported the project through a sale of the property at a below market value with up to a 100% offset of the \$1.8 million purchase price to complete soil and groundwater remediation, supporting an initial \$750,000 CMI grant for demolition and site preparation and local Brownfield TIF with an estimated value of \$986,950. The City has also approved Commercial Redevelopment Act and Neighborhood Enterprise Zone Act tax abatements valued at \$10,617,463. Detroit is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

Tax Capture Summary

The City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on January 28, 2020. MEDC staff confirmed with the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on December 14, 2021, that the property was a facility at the time the project began.

There are 64.1424 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 22.8579 mills (35.64%) and local millage equaling 41.2845 mills (64.36%). The property’s location in the DDA and the CRA and NEZ abatements impact the tax capture ratio. The blended ratio is identified below. Tax increment capture was identified to begin in 2020 and is estimated to continue for 26 years. The state tax capture is identified as \$6,936,818, which is the amount of tax increment revenue anticipated to be generated in 26 years. Total MSF eligible activities are estimated at \$7,923,768. MSF eligible activities breaks down as follows:

State tax capture	(87.54%)	\$	6,936,818
Local tax capture	(12.46%)	\$	986,950
TOTAL		\$	7,923,768

Cost of MSF Eligible Activities

Infrastructure Improvements	+	<u>6,452,156</u>
Sub-Total	\$	6,452,156
Interest (5%)	+	<u>1,441,612</u>
Sub-Total	\$	7,893,768
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	<u>15,000</u>
TOTAL	\$	<u>7,923,768</u>

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

Applicant History

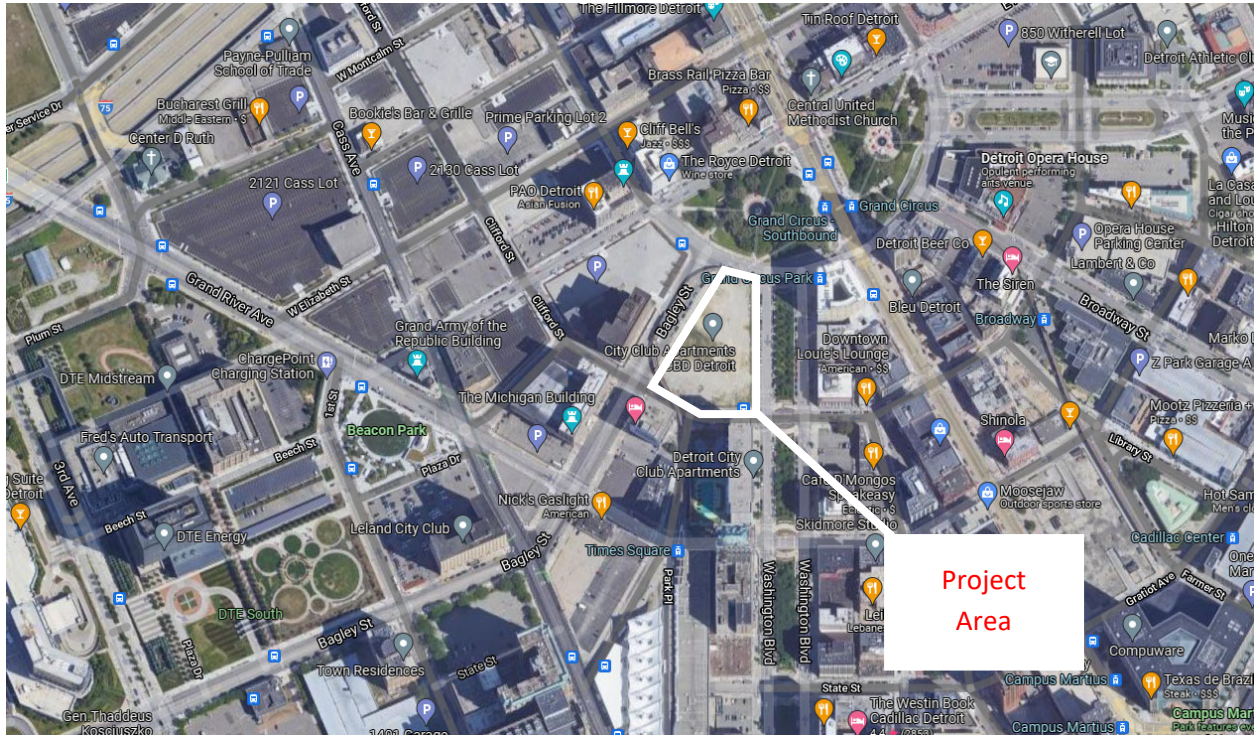
The project is being led by CCA CBD Detroit, reported to be a single purpose LLC and affiliate of City Club Apartments, LLC. City Club Apartments, LLC is an owner manager company formed in 2015 by Jonathan Holzman. It operates approximately 8,000 residential units and is involved in approximately \$1 billion in apartment communities at various stages of development and construction. Neither CCA CBD Detroit, LLC nor its principals have received previous incentives from the Michigan Strategic Fund (MSF). A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

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

Recommendation

Because the project Work Plan fails to demonstrate financial need and is inconsistent with program guidelines and requirements, MEDC staff recommends denial of the request for state tax capture for the Act 381 eligible activities valued at \$6,936,818, utilizing the current state to local capture ratio (the “Recommendation”).

APPENDIX A – Project Map



APPENDIX B – Programmatic Requirements

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:

The project provides downtown residential housing at a mix of incomes, is positioned to act as a catalyst for further economic growth in the area west of Woodward and north of Capitol Park. The project also allows for real and personal property taxes and city and state income taxes to increase on a site that was previously publicly owned. However, this public benefit is already realized and would not be a result of a Brownfield Work Plan approval.

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

The tenants of this project expected to create approximately 85 new, full-time equivalent jobs in Detroit with no hourly wage identified.

c) Area of High Unemployment:

The City of Detroit unadjusted jobless rate was 9.3% in December 2021. This compares to the statewide seasonally adjusted average of 5.6% in December 2021

d) Level and Extent of Contamination Alleviated:

Environmental investigations performed described the presence of PCBs and other hazardous materials including arsenic, lead, etc. Substantial abandoned structural conditions were later discovered. A PCB work plan was submitted to the US Environmental Protection Agency and work plan submitted and approved by EGLE. Expenses associated with the alleviation of these conditions are not part of the scope of this work plan.

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

The project is not qualifying as functionally obsolete or blighted.

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:

Insufficient information was provided to MEDC to determine that the project is financially and economically sound. However, the project is complete.

h) Other Factors Considered:

No additional factors need to be considered for this project.

APPENDIX C – Organizational Chart

Organizational Structure

Company Name: CCA CBD Detroit LLC
 Employer Identification Number: 81-4496521
 Manager: CCA #10 LLC

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Detroit CBD Holding LLC (manager: CCA #10 LLC)	100.00%	82-3290764	Michigan
CCA #10 LLC	10.00%		
JH Detroit Holding LLC	50%		
Minett Real Estate (USA) LLC	50%		
Various parties own remaining interest	90.00%		
Redwell Holdings Inc. (largest other interest)	22.53%		
No other owners with 10% or more interest			

NOTE THAT RESIDUAL INTERESTS DIFFER FROM INDICATED CURRENT OWNERSHIP INTERESTS 100.00%

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-066**

**DENIAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
CITY CLUB APARTMENT REDEVELOPMENT PROJECT**

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

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

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

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

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) for property located at 313 Park Avenue in Detroit, known as the City Club Apartment Redevelopment Project (the “Project”);

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

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application, considering the evaluation criteria under MCL 125.2665(12) and recommends denial of the Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board after considering the evaluation criteria under MCL 125.2665(12) denies the Brownfield Work Plan and does not authorize the Authority to capture taxes levied for school operating purposes related to the Project and directs the MSF Fund Manager to send the Authority a denial letter as required by statute.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: April 26, 2022

To: Michigan Strategic Fund Board

From: Christopher Cook, Director, Capital Access

Subject: *Bond Inducement*
BerQ US Investments, LLC
Solid Waste - \$165,000,000

Request:

BerQ US Investments, LLC, a Delaware limited liability company (“BerQ”) is requesting private activity bond financing for the purpose of financing the acquisition, construction, installation, equipping and furnishing of certain solid waste disposal facilities (the “Facilities”) relating to renewable natural gas projects to be constructed at four locations in Michigan (collectively, the “Project”):

- Brook View: 10560 Freeport Avenue, Freeport, MI 49325
- Scenic View: 1510 62nd Street, Fennville, MI 49408
- Monterey: 2730 130th Avenue, Hopkins, MI 49328
- Green Meadows: 9697 Rile Road, Elsie, MI 48831

Description of Project:

The Project will produce renewable natural gas (“RNG”) for transportation fuel sourced from biomethane from dairy farms. The Project will use anaerobic digesters at the farms to capture raw biogas and then clean, upgrade, and compress it. RNG from the Project will be used to power trucks, buses, and other vehicles operating on compressed natural gas. The RNG will be transported through local, state, and/or interstate pipelines. The Project will consist of the acquisition, construction, rehabilitation, installation, development and equipping of solid waste disposal facilities related to the production of renewable natural gas, including, but not limited to, handling and sorting systems, conveyance systems, anaerobic digesters, purification and refinement systems, collection systems, pumps, pipes, monitoring control systems, site improvements, digestate handling and treatment systems and all other assets (including land) necessary to support the foregoing improvements and to place them into service in the four locations in Michigan specified above.

The Project is expected to provide a significant economic benefit and job creation for the State of Michigan. BerQ expects to create directly and indirectly approximately 160 construction jobs and 30 operational jobs.

Plan of Finance:

Citigroup Global Markets, Inc. has indicated an interest in underwriting the bond issue through a public offering.

Background:

BerQ was incorporated in September of 2021 in the state of Delaware and is indirectly owned by Starwood Energy Group Global, LLC.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background review policy. No issues were identified.

Recommendation:

After reviewing the Private Activity Bond application for BerQ, staff recommends the adoption of an Inducement Resolution in the amount of \$165,000,000.

MICHIGAN STRATEGIC FUND

**INDUCEMENT RESOLUTION
2022-067**

BerQ US Investments, LLC

WHEREAS, BerQ US Investments, LLC, a Delaware limited liability company, qualified to do business in Michigan, (the “Borrower”):

WHEREAS, the Borrower desires to finance the costs of the acquisition, construction, installation, equipping, and furnishing of certain solid waste disposal facilities relating to renewable gas projects in the following four locations, in Michigan: Freeport, Barry County; Fennville, Allegan County; Hopkins, Allegan County; and Elsie, Clinton County (the “Project”);

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

WHEREAS, the Borrower has advised the MSF that the cost of the Project will not exceed One Hundred Sixty-Five Million Dollars (\$165,000,000);

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

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

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

1. The MSF intends to provide the Loan to the Borrower subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Borrower's Tax-Exempt Application Form dated March 8, 2022.
3. The maximum principal amount of the bonds (the "Bonds") expected to be issued to provide the Loan to finance the Project shall not exceed One Hundred Sixty-Five Million Dollars (\$165,000,000). The Borrower shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the bonds under applicable federal and state laws, and b) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.
5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.
6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the “Attorney General”) and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.

7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the “Bond Resolution”) for the purpose of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Borrower and a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.

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

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

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

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

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

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

ADOPTED

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson 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.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



MEMORANDUM

Date: April 26, 2022

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

From: Erik Wilford, Senior Business Development Project Manager
Julie Gardner, Senior Program Specialist, Community Development Block Grant
Christine Whitz, Director, Community Development Block Grant Program

Subject: Incentives Request
Community Development Block Grant Program (“CDBG”) Grant Request
State Essential Services Assessment (“SESA”) Exemption Request
Project Davy – Hydro Aluminum Metals USA, LLC (“Company” or “Applicant”)
Village of Cassopolis (“Village”)

Request

- This is a request from the Village and the Company for (collectively, the “Incentives Request”):
 - The Village is requesting \$1,500,000 in CDBG funds for acquisition of machinery and equipment needed for Project Davy (“Project”) located in Cass County, Michigan (“CDBG Request”); and
 - The Company requests a 100% SESA Exemption for up to 15 years valued at up to \$1,733,192 for its \$76,184,256 eligible investment in Eligible Personal Property (“SESA Request”).
- The Project involves the creation of up to 67 new jobs and a capital investment of up to \$149,500,000 in the Village of Cassopolis, Cass County.

Background

The Company is primarily engaged in aluminum recycling which includes melting of scrap metal and ingots into finished product for a variety of consumer and industrial uses with current manufacturing facilities in Kentucky and Texas. The Company’s parent, Norsk Hydro ASA, is one of the largest aluminum companies worldwide with 140 locations in over 50 countries employing approximately 35,000 people.

The Company is considering construction of a new facility that will debut proprietary low-pressure casting (“LPC”) technology and bring production of CIRCAL to North America. CIRCAL is a series of low carbon aluminum products with more than 75% recycled content which minimizes the Company’s carbon footprint. The Company intends to use this facility for a new product line to support the electric vehicle market. The facility would be the first manufacturing operation located at the Southwest Michigan Advanced Research and Technology (SMART) Park in Cassopolis. Part of the build out will require a new rail spur which will benefit existing businesses by creating an option for inbound raw materials and outbound finished goods and agricultural products.

The incentive package directly supports the Company’s concerns of making Michigan more competitive to out of state competition which includes considerations of a new site in Indiana or existing locations in Kentucky and Texas. Project constraints for this site identified by the Company include cost of land, cost

to deliver electrical and gas infrastructure to the site, adequate rail service and significant tax disadvantages compared to other states. The project aligns with the state’s strategic focus area of attract, retain and support businesses in the regional impact industry of other manufacturing.

Considerations for CDBG

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

Terms Sheet for Project provided in **Appendix B**.

Project area map, including renderings and before photos are provided in **Appendix C**.

Considerations for SESA

- a) The Applicant is an “Eligible Claimant,” as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e).
- b) The eligible investments will be made after MSF approval and completed within three years of April 30, 2022 (“Commencement of the Project”).
- c) The Company has agreed to pay a SESA Exemption administrative fee of \$10,000 payable to the MEDC for the State Essential Services Assessment Exemption upon completion of the first performance milestone.
- d) The 15 year SESA Exemption is estimated to be worth \$1,733,192. The requested exemption breaks down as follows:

	Years 1 – 5 (2.4 mills)	Years 6 – 10 (1.25 mills)	Years 11-15 (0.9 mills)	Total
SESA Exemption Amount	\$914,210	\$476,150	\$342,830	\$1,733,192

Recommendation

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

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The Project was evaluated utilizing the CDBG requirements. It has been determined that the Project meets the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
This Project qualifies for CDBG funding as the project activities are expected to result in the creation of 67 full time positions over the next two years. The business has agreed that at least 35 of the 67 positions will be held by low to moderate income persons. The Project meets a national objective by providing benefit to at least 51 percent low and moderate income persons. The CDBG cost per job is \$22,388, with an average wage of \$29 per hour.
- **Eligible Activity:**
This Project involves eligible activities identified in Section 105(a) (17) of Title I of the Housing and Community Development Act of 1974, as amended.

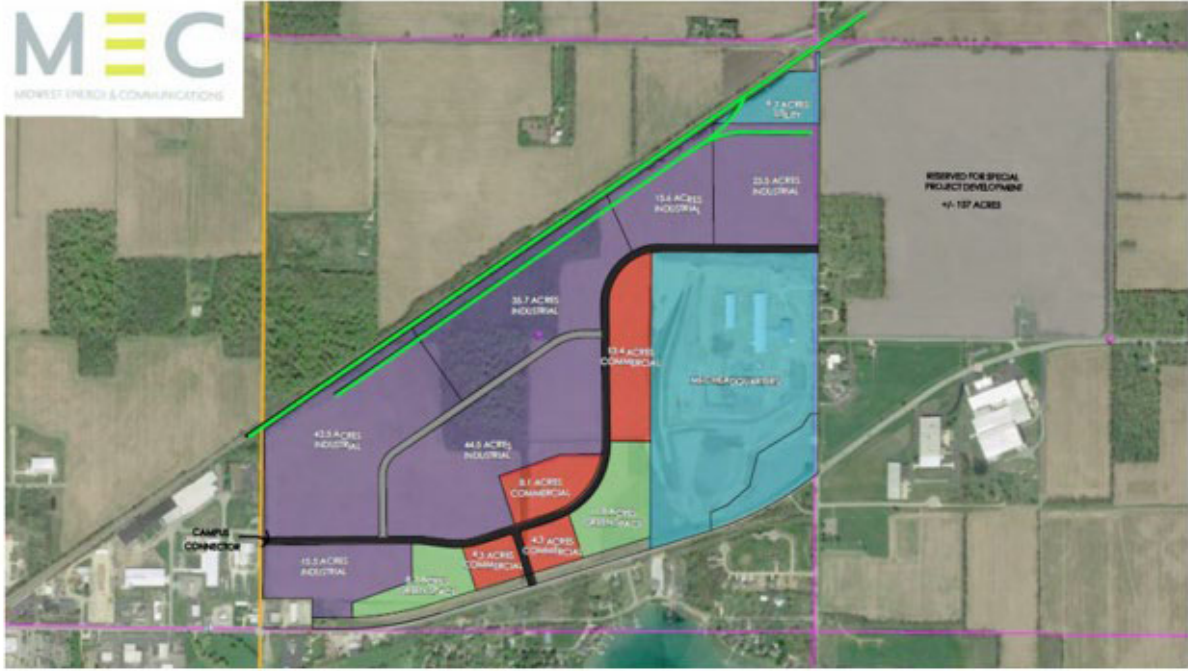
Screening Guidelines

The Project was evaluated utilizing the CDBG guidelines. It has been determined that the Project meets the following standards to qualify as an eligible project under the CDBG program:

- **Economic Impact:** The economic impact of this Project was evaluated. It was determined that the proposed facility is close to a large geographically disadvantaged area which is where the Company may draw some of its new talent. The average wage for the 67 new hires is above both the county and regional average wages. The project represents a diversification of the economic base of the local and state economy and provide benefit to current local businesses.
- **Minimum Local Participation:** The Village of Cassopolis will make an anticipated contribution in the form of a tax abatement in support of the project.
- **Minimum Leverage Ratio:** The private leverage contribution, to be provided by Hydro Aluminum Metals USA, LLC, equals \$138,300,000, which results in a leverage ratio of approximately 92.2:1 of the CDBG grant.
- **Financial Viability:** The business receiving the benefit from this project has been determined to be financially viable.
- **Background Check:** A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

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

APPENDIX C – Map, Renderings and Site Photos



MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-068**

APPROVAL OF VILLAGE OF CASSOPOLIS' HYDRO ALUMINUM METALS USA, LLC PROJECT

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the CDBG program staff reviewed the Hydro Aluminum Metal USA, LLC Project ("Project") in light of the Criteria and HUD regulations and concluded the activities are eligible;

WHEREAS, staff recommends approval of the Project; and

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

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Project subject to available CDBG funding; and

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Performance Based Grant – Business Development Term Sheet

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

Date: 4/4/2022

1. **Community Name (“Grantee”):** Village of Cassopolis
2. **Company Name (“Company”):** Hydro Aluminum Metals USA, LLC
3. **Company Address:** 1500 Whetstone Way, Suite 103
Baltimore, Maryland 21230
4. **Project Address (“Project”):** Southwest Michigan Advanced Research and Technology Park
if different than above Decatur Road
Cassopolis, Michigan 49031
5. **Project Description and Activities:** The Company plans to construct a new aluminum recycling and smelting facility to add a new product line to support the electric vehicle market. The Company expects to invest approximately \$138,300,000 total in real and personal property for the project. The Company expects the project will create 67 new FTE jobs. CDBG and UGLG funds will be utilized for a portion of the personal property (equipment and machinery) costs which is estimated to total \$69,248,594.
6. **Total Estimated Project Costs:** \$151,000,000
7. **CDBG Grant Incentive Type:** Machinery and Equipment performance-based grant
8. **Proposed CDBG Assistance to Grantee:** \$1,500,000

In no event shall the amount of the grant assistance exceed more than 3% (three percent) of the Total Estimated Project Costs. If the actual cost is less than shown in the Total Estimated Project Costs, the amount of the Grant shall be reduced on a proportional basis. ***The Company and Grantee shall be responsible for any cost overruns.*** Funds will be made available to the Grantee on a reimbursement basis for eligible costs. The final terms and conditions shall be included in the Disbursement Schedule in the final Agreement.

9. **Estimated Company Investment:** \$138,300,000
10. **Type of Financing for Investment:** Cash Contribution
CDBG

11. Base Employment Level: 11 The number of jobs currently maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company’s statewide employment level in Michigan prior to the proposed project. The Base Employment Level, including identification of the Company date used to establish this level, shall be included in the final CDBG Incentive Award agreement (“Agreement”).

12. Minimum Job Creation: 67 The minimum number of new jobs the Company must create at the Project (above the Base Employment Level), in addition to satisfying other milestones, if applicable, to be minimally eligible to receive the full amount of the CDBG Incentive Award.

New jobs must meet the following requirements to be included:

- *Must be full time (working 35 hours or more per week) or full-time equivalent employees (working 40 hours or more per week) of the company;*
- *At least 51% of the newly created jobs must be filled by low or moderate income persons based on household income. If the project results in more new jobs than expected, then the 51 percent requirement shall apply to the higher job number.*
- *Jobs must be created during the term of the Grant Agreements and must continue to be documented until the project is formally closed out; and*
- *Located at the project site.*

a. Minimum Hourly Wage: \$18.00 The new jobs must pay at least the Minimum Hourly Wage to be minimally eligible to receive the full amount of the CDBG Incentive Award.

b. Start Date for Measurement of New Jobs Upon MSF approval

13. Disbursement Schedule: The final terms and conditions of each of the disbursements for any portion of the CDBG Incentive Award shall be included in the final Agreement(s), including that before any disbursement is made to the Grantee the Company must have maintained the Base Employment Level (exclusive of the number of New Jobs then created) and any New Jobs created for which disbursement by the MSF have been made, and must otherwise be in compliance with all terms and conditions of the final Agreement and further shall include:

a. Disbursement Milestone 1: Up to \$670,000 Upon demonstrated creation of 30 New Jobs above the Base Employment Level and verification of the purchase of machinery and equipment. Job Creation, and the purchase of machinery and equipment for this milestone must be completed no later than September 30, 2023.

- b. **Disbursement Milestone 2: Up to \$830,000** Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 37 additional New Jobs and verification of the purchase of machinery and equipment. Job Creation, and the purchase of this milestone must be completed no later than September 30, 2024.

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

- a. **Grant Agreement(s) Executed:** May 6, 2022
- b. **Property Acquisition Completed:** n/a
- c. **Construction Commencement:** n/a
- d. **Construction Completed:** n/a
- e. **Job Creation Commencement:** Upon MSF approval
- f. **Job Training Completion:** n/a

15. Term of Agreement: The term of the Agreement(s) shall be 2.5 years. All required activities, including job creation and investment, must be completed within the Term.

16. Community Support for Project: A condition for execution of the final Agreement(s) is that the municipality is supportive of the Project through resolution and has committed to serve as the applicant for the CDBG grant.

17. Repayment Provisions: It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs were essential factors in persuading the Grantor that this project is economically viable, and further, in the absence of this commitment by the Company, this grant(s) would not have been awarded.

The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantee may require the repayment of the Grant(s) up to the full amount from the Company. The MSF may require the Grantee and Company to execute a Development Agreement that will be acknowledged by the MSF outlining repayment provisions.

18. Environmental Review: The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; or performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.

- 19. Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of \$2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work. For this project, Davis Bacon requirements apply to none of the project.
- 20. Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:
 - a. Progress Reports beginning October 15, 2022, and every six (6) months thereafter.
 - b. Final Progress Report 60 days after completion of the Term.
 - c. Job Creation Summary Report, along with the corresponding Income Certification Forms, beginning July 15, 2022, and every six months thereafter and with each CDBG Disbursement Request.
- 21. Public Announcements:** The Company shall not make, or cause, any announcement of the proposed CDBG Incentive Award parameters outlined in this letter before the date of approval by the MSF of the CDBG Incentive Award, unless authorized and coordinated in advance with the MEDC.

Michigan Economic Development Corporation

By: Erik Wilford

Its: Sr. Business Development Program Manager

Signature: Erik Wilford
31BCCB0697004B5...

Dated: 4/25/2022

Acknowledged as received by:

Village of Cassopolis

By: Emilie G. LaGrave

Its: Village Manager

Signature: Emilie G. LaGrave

Dated: 4/25/2022

Acknowledged as received by:

Hydro Aluminum Metals USA, LLC

By: J. Duncan Pitchford

Its: Head of Product Supply and Joint Venture Offtake

Signature: [Signature]

Dated: April 25, 2022

Cc: Julie Gardner, Program Specialist
Christine Whitz, Director CDBG



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson 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.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-069**

**STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION
HYDRO ALUMINUM METALS USA, LLC**

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

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

WHEREAS, SESA and Alternative SESA authorized the creation and operation of the SESA and the Alternative SESA Exemption Program by the MSF pursuant to MCL 211.1059;

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

WHEREAS, the Company has requested that the MSF Board approve a SESA exemption of up to fifteen (15) years valued up to \$1,733,192 for up to \$76,184,256 in eligible investment in Eligible Personal Property, as defined in the SESA and Alternative SESA Exemption Guidelines, in the Village of Cassopolis (“SESA Exemption Recommendation”); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation and require a one-time administrative fee in the amount of \$10,000, payable to the MEDC upon completion of the first performance milestone.

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

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Sincerely,

Quentin L. Messer, Jr.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



MEMORANDUM

Date: April 26, 2022

To: Michigan Strategic Fund Board

From: Matt Chasnis, Business Development Project Manager
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan
City of Warren Brownfield Redevelopment Authority (BRA)
Warren Transmission Redevelopment Project

Project Summary

The request will support a business development project located in the City of Warren that will consist of the demolition of an existing building and the construction of three new buildings containing 1,400,000 square feet of industrial space representing \$180,000,000 in total capital investment. The project will redevelop 117 acres that previously housed the former General Motors (GM) Warren Transmission Plant and is anticipated to support tenants in the light industrial, manufacturing, subassembly work, and distribution industries. The property hosted GM manufacturing operations until the facility was closed in 2019. The site was temporarily reopened to manufacture facemasks during the COVID-19 pandemic, but operations have since been shuttered. Construction is expected to begin in the winter of 2022 and is estimated to be completed within 36 months. The project will include approximately 5,000 square feet of public infrastructure improvements consisting of curb and gutter, street repair, and road improvements.

A financing gap exists due to the additional cost of addressing the residual contamination in the soil and groundwater from the site's history of manufacturing as well as demolition, site preparation and infrastructure improvements necessary to prepare the property for its new use. Due to these additional costs, the developer is unable to underwrite a return that is enough to attract investors to the project without financial assistance. Available industrial space in the area is in high demand and this project is expected to help meet that demand from manufacturing and light industrial clients

Request

The City of Warren Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$7,271,381 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$180,000,000.

Program Summary

The request for Brownfield support is consistent with program requirements to reactivate contaminated sites. The project qualifies for the Brownfield Act 381 program because the site is a facility. The project is consistent with the MEDC's strategic plan by developing attractive places and attracting, retaining, and growing business. The project will remove blighted buildings, increase the taxable value of the property, and create a new space that can be used to attract business expansion and job creation in a geographically

disadvantaged area in the region. Additionally, the project will create job opportunities for individuals within the surrounding area, also in disadvantaged areas.

Local Support

Local support for the project includes the local portion of the Brownfield TIF valued at \$10,802,094 and a 12-year Industrial Facilities Property (IFT) tax abatement valued at \$12,646,232. The project is located in a Michigan Geographically Disadvantaged Business Location.

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Warren, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on January 25, 2021. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on March 21, 2022.

There are 61.9973 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.0415 mills (37.17%) and local millage equaling 38.9558 mills (62.83%). Tax increment capture will begin in 2023 and is estimated to continue for 20 years. The state tax capture is recommended to be capped at \$7,271,381, which is the amount of tax increment revenue anticipated to be generated in 20 years. Total MSF eligible activities are estimated at \$18,073,475. The tax capture ratio is impacted by the IFT tax abatement, and the blended ratio is shown below. MSF eligible activities breaks down as follows:

State tax capture	(40.23%)	\$ 7,271,381
Local tax capture	(59.77%)	\$ 10,802,094
TOTAL		\$ 18,073,475

Cost of MSF Eligible Activities

Demolition	\$ 9,368,000
Lead and Asbestos Abatement	3,153,500
Infrastructure Improvements	1,860,000
Site Preparation	+ 1,315,000
Sub-Total	\$ 15,696,500
Contingency (15%)	+ 2,354,475
Sub-Total	\$ 18,050,975
Brownfield/Work Plan Preparation	15,000
Brownfield/Work Plan Implementation	+ 7,500
TOTAL	\$ 18,073,475

In addition, the project is requesting \$10,604,750 in TIF from EGLE to assist with environmental eligible activities.

Applicant History

NP Mound Road Industrial, LLC is a single purpose entity created by NorthPoint Development. NorthPoint Development, established in 2012, is a privately held real estate development firm that specializes in rehabilitation of industrial space. The developer has managed over 70 million square feet of industrial space across the U.S. and has undertaken multiple projects in Michigan with a similar scope. The MSF has approved Act 381 Work Plan support for Northpoint Development project such as the Former Cadillac Stamping Plant Redevelopment in Detroit and the Eastland Mall Redevelopment Project in Harper Woods.

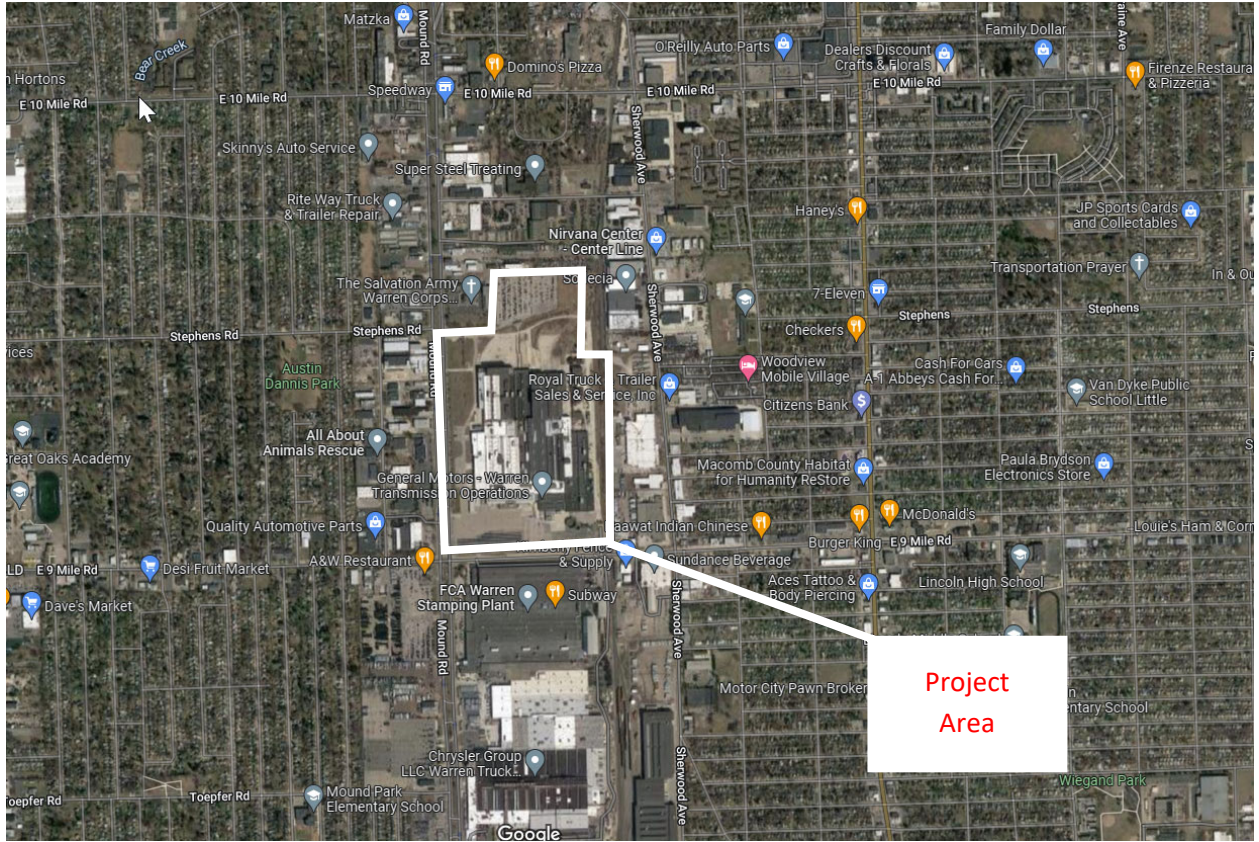
A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

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

Recommendation

MEDC staff recommends approval of State tax capture for the Act 381 eligible activities capped at \$7,271,381, utilizing the current state to local capture ratio.

APPENDIX A – Project Map and Renderings



APPENDIX B – Programmatic Requirements

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:**
The activation of 1.4 million square feet of industrial space is critical in addressing the shortage in the Detroit metro area as well as the state of Michigan.
- b) **Jobs Created (Excluding Construction and other Indirect Jobs):**
This project is expected to create approximately 600 new, full-time equivalent jobs in industrial/manufacturing with an average hourly wage of \$15.
- c) **Area of High Unemployment:**
The City of Warren unadjusted jobless rate was 5.0% in December 2021. This compares to the statewide seasonally adjusted average of 4.4% in December 2021.
- d) **Level and Extent of Contamination Alleviated:**
The developer will undertake environmental eligible activities to address soil contamination.
- e) **Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:**
The project is not qualifying as functionally obsolete or blighted.
- 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.

APPENDIX C - Organizational Chart

Organizational Structure

Company Name: NP Mound Road Industrial, LLC

Employer Identification Number: 86-3046707

Manager: Thomas John Davies

	Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Midwest QI Services, Inc.		100.00%	38-3857549	Kansas
	Thomas John Davies	100%		
		100%		

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-070**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF WARREN BROWNFIELD REDEVELOPMENT AUTHORITY
WARREN TRANSMISSION REDEVELOPMENT PROJECT**

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

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

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

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

WHEREAS, the City of Warren Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan dated March 10, 2022 (the “Work Plan”) for property located at 23500 Mound Road within the City of Warren, known as the Warren Transmission Redevelopment Project (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 40.23% to 59.77% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the Work Plan. 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 \$18,050,975 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$7,500 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$18,073,475.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
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PAUL AJEGBA
DIRECTOR

February 3, 2020

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Michigan Strategic Fund Office
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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson 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.
President & Chairman, MSF
Chief Executive Officer, MEDC

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MEMORANDUM

Date: April 26, 2022

To: Michigan Strategic Fund Board

From: Natalie Chmiko, Vice President PMBC & International Trade

Subject: Award Recommendations – Industry 4.0 Signature Initiative Implementation Grants

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board allocate \$3,000,000 in funding to support Industry 4.0 (“I4.0”) awareness and preparedness and increase technology adoption through implementation grants; authorize JEC awards recommendations for six nonprofit organizations for agreements for an initial two-year term, with the option to extend the term for up to an additional two years; approve the proposed I4.0 Technology Implementation Grant Eligibility Guidelines (collectively, the “Request”).

Background

On December 8, 2020, MSF approved \$5,550,000 in funding to support the statewide Industry 4.0 Initiative with the mission to ensure that 50% of Michigan small and medium-sized manufacturers (6,200 businesses) will be prepared to adopt I4.0 technologies by 2025. This included statewide services provided by MMTC and Automation Alley, 10 regional awardees and a statewide awareness campaign.

In the first year of the initiative, the initial goal of 1,200 businesses served was exceeded and the program ended the fiscal year with 1,471 individual businesses reached by the initiative. Additionally, I4.0 individual engagements totaled 3,682, including nearly 2000 participants in outreach events and webinars, 616 attendees in the Michigan Manufacturing Technology Center (MMTC) Technology Roadshows, 559 companies registered for an essential membership from Automation Alley and 150 companies received an in-depth assessment from MMTC.

As approved by MSF on December 7, 2021, MEDC will continue working to increase awareness of I4.0 and digitization in the manufacturing industry and will provide statewide resources via MMTC and Automation Alley for year two of the initiative.

Based on first year feedback from the statewide and regional service providers, cost remains one of the biggest barriers for small and medium-sized manufacturers to adopt I4.0 technologies. To support companies with this investment, it is the MEDC’s intent to identify and grant awards to one or more entities to administer implementation matching grants for companies looking to purchase a qualifying I4.0 technology. Additionally, the awardees will promote the statewide I4.0 Signature Initiative and Services and will drive activity to existing tools.

On January 25, 2022, MSF approved the issuance of a request for proposals (RFP), appointment of the joint evaluation committee (JEC) and approval of the scoring and evaluation criteria to support companies with I4.0 technology implementation.

The MEDC solicited proposals from Michigan-based non-profit entities and Michigan-based governmental entities that are currently engaged in and have prior experience with economic development activities, to include (but not limited to) cities, townships, counties, communities, chambers of commerce or other regional economic development entities, universities and incubators or accelerators to increase manufacturers awareness and readiness to adopt and implement I4.0 technologies.

RFP Results

The MEDC received 7 proposals in response to the RFP. The JEC reviewed the proposals and are recommending the proposals that received a consensus score of 80 or higher for funding.

Of the 7 proposals, 6 are being recommended for funding, totaling \$3,000,000. Collectively, the recommended awardees have statewide geographic coverage, having the ability to serve small manufacturers in every region of the state. Recommended award amounts were determined based on scoring as well as the number of small manufacturing establishments within the identified region of coverage. Based on the RFP guidelines, 85% of the Total Award Amount will be allocated directly to qualifying Michigan manufacturers through individual implementation grants.

Applicant	Proposed Regional Coverage	Consensus Score	Recommended Regional Coverage	Recommended Total Award Amount	Minimum # of Grants Awarded
City of Livonia	City of Livonia	42	N/A	N/A	N/A
Great Lakes Bay Manufacturers Association	Regions 5 & 6	85	Regions 5 & 6	\$294,118	10
Macomb County Department of Planning and Economic Development	Macomb County	95	Macomb County	\$382,353	13
Manufacturing Growth Alliance	Statewide	90	Regions 1, 3, 7, 9, Oakland & Wayne Counties	\$1,323,529	45
Networks Northwest	Region 2	80	Region 2	\$117,647	4
Southwest Michigan First	Region 8	80	Region 8	\$294,118	10
The Right Place	Region 4	91	Region 4	\$588,235	20
TOTAL			Statewide	\$3,000,000	102

The JEC is recommending Great Lakes Bay Manufacturer's Association, Macomb County Department of Planning and Economic Development, Manufacturing Growth Alliance, Networks Northwest, Southwest Michigan First and The Right Place to be selected as grant administrators for the I4.0 Technology Implementation Grants.

The selected vendors will have the following deliverables:

1. Increase I4.0 awareness and preparedness throughout Michigan via support of statewide programming and activities.
 - a. Promote existing statewide I4.0 resources including but not limited to Technology Roadshows, Course Trainings, MMTC Assessments, Automation Alley's Essential Membership, I4.0 events including Integr8, educational materials, I4.0 Leadership Evaluation, and other I4.0 programming supported by this initiative.
 - b. Execute one regional roundtable in partnership with Automation Alley for each region of proposed coverage. All 10 regions of the state should host one in-person, hybrid and/or virtual event. Awardee(s) are expected to promote the event, recruit companies from the region to participate and coordinate logistics.
2. Increase I4.0 technology adoption throughout Michigan via administration and execution of I4.0 implementation grants. Administer I4.0 implementation grants to small Michigan manufacturers. Awardees will be expected to identify and recruit qualified Michigan manufacturers to participate in the grant program and disburse funds to businesses.

I4.0 Technology Implementation Grants

The MEDC requests that the MSF Board approve the eligibility guidelines and program elements, outlined in Exhibit A. To be considered for a grant, the applicant and project must comply these requirements.

The MEDC intends to launch a centralized online application process for the I4.0 Technology Implementation Grants. Eligible applications will be sent to the review committees based on geographic territory of coverage. The review committees will include a representative from MEDC, MMTC, Automation Alley and the regional awardee. Applications will be scored by the review committees on the following criteria: defined problem statement, plan for implementation, timeline, project management capacity and anticipated impact. Selected projects will move forward with a financial assistance award from the regional contractor.

Recommendation

MEDC staff recommends that MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-071**

**INDUSTRY 4.0 INITIATIVE IMPLEMENTATION GRANTS
REQUEST FOR PROPOSALS – AWARD RECOMMENDATIONS**

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

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

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

WHEREAS, on January 25, 2022, the MSF reviewed a scope of work, timeline and eligibility requirements to solicit proposals from Michigan-based non-profit entities, Michigan institutions of higher education, and Michigan governmental entities that are currently engaged in and have prior experience with economic development activities to increase manufacturers awareness and readiness to adopt and implement I4.0 technologies (the “Industry 4.0 RFP”);

WHEREAS, on January 25, 2022, by Resolution 2022-015, the MSF approved issuance of the Industry 4.0 RFP, appointed a Joint Evaluation Committee (“JEC”) to review proposals received in response to the Industry 4.0 RFP, and adopted scoring and evaluation criteria for use by the JEC in reviewing proposals received in response to the Industry 4.0 RFP;

WHEREAS, seven proposals were received in response to the Industry 4.0 RFP;

WHEREAS, the JEC determined that six proposals earned sufficient scores to warrant funding under the Industry 4.0 RFP;

WHEREAS, the JEC and the MEDC recommend that the MSF Board authorize the following grants for an initial term of two years, with the option to extend the term for up to an additional two years and allocate additional funding at the sole discretion of the MSF Board:

Entity	Award Amount
Great Lakes Bay Manufacturers Association	\$294,118
Macomb County Department of Planning and Economic Development	\$382,353
Manufacturing Growth Alliance	\$1,323,529
Networks Northwest	\$117,647
Southwest Michigan First	\$294,118
The Right Place	\$588,235
Total:	\$3,000,000

(the aforementioned, collectively, the “Industry 4.0 RFP Awards”);

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Industry 4.0 RFP Awards;

BE IT FURTHER RESOLVED, the MSF approves the eligibility guidelines and program elements attached as Attachment A to this Resolution for administration of the Industry 4.0 RFP Awards; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the Industry 4.0 RFP Awards and to execute all documents necessary to effectuate the Industry 4.0 RFP Awards in accordance with this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
April 26, 2022

Exhibit A

Eligibility Guidelines

1. Companies must be a manufacturer, as defined by NAICS code.
2. Companies must be classified as a small business by the Small Business Administration - <https://www.sba.gov/federal-contracting/contracting-guide/size-standards>
3. Companies must complete an I4.0 Technology Assessment by the MMTC prior to award OR provide documentation of an executed strategy for determining which technology to implement.
4. Companies must be an Essential Member with Automation Alley (Free) - <https://www.essentialmembership.automationalley.com>

Program Elements

1. Technologies eligible for this grant program include hardware/software related to the following I4.0 categories, and preference will be given to transformative technologies (denoted with a * below):
 - a. Additive Manufacturing & Advanced Materials*
 - b. Artificial Intelligence*
 - c. Big Data
 - d. Cloud Computing
 - e. Cybersecurity
 - f. Industrial Internet of Things (IoT)
 - g. Modeling, Simulation, Visualization & Immersion
 - h. Robotics/Automation*
 - i. Connected Worker Platforms & Wearables
2. Grants will be reimbursement-based and will cover up to 50% of actual expenses incurred. Companies are required to cover the remaining cost of the technology project and cannot be combined with any other grant programs or external funding sources.
3. Financial awards may not exceed \$25,000 per company.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Acting Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson 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.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: April 26, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from March 1, 2022 to March 31, 2022, as well as information about the impact that those projects have had on communities across the state.

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

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Val Hoag know if you have any questions or comments about this new reporting layout or with the contents of these reports.

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from March 1, 2022 to March 31, 2022.

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

MONTHLY IMPACTS

We are pleased to share the March delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout March 2022, 33% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all March approved projects through delegated authority have committed to create just over 331 jobs and over \$55 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during March 2022, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

The Michigan Business Development Program is available from the MSF, in cooperation with MEDC. The program is designed to provide grants, loans or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
BOS Automotive Products Inc.	3/3/2022	Rochester Hills	\$225,000	BOS is expanding production of its first-to-market, fully retractable electric protective cargo cover intended specifically for Rivian R1T electric truck beds. The company plans to expand at its Rochester Hills facility, including adding production square footage, additional dock access, a lab, and warehouse space. The project is expected to generate a total capital investment of \$1.1 million and create 50 jobs, supported by a \$225,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Illinois and Mexico.
Twistthink	3/21/2022	Grand Rapids	\$300,000	Twistthink, L.L.C. is a global professional services firm that specializes in digital business strategy and connected product transformations. The Company is experiencing a significant growth trajectory and is considering space in the Doug Meijer Medical Innovation Building and becoming a part of the Grand Rapids / MSU Innovation Park. The Company is targeting 10,800 square feet of collaborative workspace for their team and global clients. The project is expected to generate a total capital investment of \$2.3 million and create 37 jobs, supported by a \$300,000 Michigan Business Development Program performance-based grant.
West Michigan Tool & Die Co.	3/22/2022	Benton Harbor Township	\$88,000	Ag Innovations LLC, dba West Michigan Tool & Die (WMTD), is a contract tool and die shop in Benton Harbor Township. The company is primarily engaged in manufacturing special tools and fixtures for use with machine tools, die-casting machines and presses. Due to increased demand, WMTD is expanding its existing footprint in Benton Harbor Township, including adding a bay and reconfiguring its machining building. The project is expected to generate a total capital investment of \$3.4 million and create 22 jobs, supported by a \$88,000 Micro Michigan Business Development Program performance-based grant. Michigan was chosen for the project over a competing site in Chicago.

Michigan Business Development Program (MBDP) Cont.

The Michigan Business Development Program is available from the MSF, in cooperation with MEDC. The program is designed to provide grants, loans or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Duncan Aviation	3/30/2022	Battle Creek	\$488,000	Duncan Aviation, founded in 1956, is the largest family-owned aircraft maintenance and repair company in the world. The company provides aircraft services for a wide variety of business aircraft at its 39 facilities across the United States. Duncan Aviation currently employs 638 people at its location in Battle Creek. The company must expand in order to maintain its market share and plans on expanding at its Battle Creek facility, where it will add one hangar, three support buildings and a new vehicle maintenance building. The project is expected to generate a total capital investment of more than \$30 million and create at least 61 high-wage jobs, supported by a \$488,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Nebraska and Utah.
Daejin Advanced Materials	3/31/2022	Adrian	\$500,000	Daejin Advanced Materials USA, Inc., a subsidiary of South Korean firm Daejin Advanced Materials, was established in 2019 for researching and manufacturing special polymers for batteries. The Company is heavily involved with the growing Electric Vehicle (EV) market and will be supporting research and development (R&D) for multiple customers in the North American market. The Company will be renovating a facility in Adrian, Michigan where it plans to establish operations in North America that will allow it to further develop and produce special polymer sheets used to create process trays that support EV battery cells. The project is expected to generate a total capital investment of \$12.4 million and create 111 qualified new jobs. The Company was provided a \$500,000 MBDP performance-based grant to locate this project in Michigan versus competing locations in other Midwest states.

Brownfield 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
112 Edmund Place Associates, LLC	3/10/2022	Detroit	\$86,352	An Act 381 Work Plan with state tax capture valued at \$86,352 was awarded to the City of Detroit Brownfield Redevelopment Authority to construct 16 condominiums totaling approximately 23,860 square feet. The project is expected to generate \$8,271,531 in private investment.

Regional Talent Innovation Program

The Regional Talent Innovation Program provides funding via the Community Development Block Grant-CARES Act to local economic development organizations and workforce development partners for competitive training programs that target growth in region-specific occupations.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Schoolcraft College	3/3/2022	Livonia	\$522,524	Schoolcraft College was awarded a Regional Talent Innovation Grant for competitive training programs that target growth in region-specific occupations.
InvestUP	3/28/2022	Marquette	\$950,000	InvestUP was awarded a Regional Talent Innovation Grant for competitive training programs that target growth in region-specific occupations. InvestUP will help train 350 individuals in the advanced manufacturing and information technology fields.

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
Ryan AeroDef Services - Attend Israel Defense EX ISDEF in support of the Michigan Israel Business Accelerator	3/8/2022	Plymouth	\$5,550
Binsfeld Engineering Inc - Europe Agent Onboarding and Identification	3/1/2022	Maple City	\$5,272
EigenValue Emission Solutions Inc. - EU Sales Trip Austria, Germany, Finland, France	3/1/2022	Whitmore Lake	\$6,075
Workhorse Irons - 26th Annual Motor City Tattoo Expo	3/1/2022	Grandville	\$1,524
APEC - March 2022 Trip to Customer in Merida Mexico	3/2/2022	Lake Odessa	\$2,276
Kamps Hardwoods - Germany sales calls and FIMMA Maderalia trade show	3/2/2022	Gaines Township	\$7,724
SoundOff Signal - Website for Latin America	3/2/2022	Hudsonville	\$2,925
Fairrer Samani Group - Trade Winds WELLTI Global Tech Innovation Summit	3/3/2022	River Rouge	\$3,720
Zero Gravity Filters - IMTS 2022	3/3/2022	Brighton	\$12,039
AeroTrain Corp. - AS9100 Training Gap Analysis	3/7/2022	Flint	\$5,850
Zero Gravity Filters - UK, France, Spain Sales Trip	3/7/2022	Brighton	\$4,493
Black Lake Research and Development - 2022 SEMA Middle East Bus Dev Program	3/8/2022	Flint	\$12,278
DornerWorks, Ltd - 2022 Michigan Israel Defense Delegation	3/8/2022	Grand Rapids	\$6,375
E & E Manufacturing Company, Inc. - Michigan Israel Defense Del	3/8/2022	Plymouth	\$5,663
Garrison Dental Solutions - Australia 2022 Mailer	3/8/2022	Spring Lake	\$7,500
Hibbard Inshore LLC - CIGB ICOLD 2022 France	3/8/2022	Auburn Hills	\$7,490
Hibbard Inshore LLC - Hydro 2022 International Conf & Exhibition France	3/8/2022	Auburn Hills	\$1,908
Laser Access - Israel Trade Mission & ISDEF Show	3/8/2022	Walker	\$8,306
Soothsayer Analytics - Automation Alley Trade Mission to Hannover Messe Dubai World	3/8/2022	Livonia	\$15,000
Humphrey Products - MD&M West Show	3/10/2022	Kalamazoo	\$14,463
Messersmith Manufacturing, Inc. - BBI International Conf and Expo	3/10/2022	Bark River	\$8,079

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Michigan Instruments - German, Spanish Translation Services Intl Website	3/10/2022	Kentwood	\$638
Danlaw, Inc. - Oakland County VTM Trade Mission	3/11/2022	Novi	\$4,211
Dataspeed Inc. - Oakland County VTM Torino Trade Mission to Turin Italy	3/11/2022	Rochester Hills	\$4,517
Maelstrom Chemical Technologies, LLC - Fastfix Technology Web Ad Publication	3/11/2022	Shelby Township	\$375
Trans-Matic - EXIM Credit Insurance Cost	3/11/2022	Holland	\$15,000
Business-Connect - Sales Trip Guatemala and Honduras	3/14/2022	Grandville	\$8,795
Underground Computers, Inc - Ecommerce Customer Purchasing Bot Hosting Services	3/14/2022	Jenison	\$1,125
Workhorse Irons - 12th Annual Chicago Arts Tattoo Trade Show	3/14/2022	Grandville	\$1,265
OG Technologies - Europe Marketing and Sales Trip	3/15/2022	Ann Arbor	\$6,837
Strike Group, LLC - 2022 Michigan Israel Defense Delegation	3/15/2022	Detroit	\$5,744
Detroit Manufacturing Systems, LLC - Israel Defense Del Trade Mission Tel Aviv Israel	3/17/2022	Detroit	\$6,375
OG Technologies - Marketing Trip to Poland and Czech Republic	3/17/2022	Ann Arbor	\$3,491
West Michigan Tool & Die Co - Automotive Meetings Queretaro	3/18/2022	Benton Harbor	\$6,660
ACME Manufacturing Company - International Manufacturing Tech Show 2022	3/24/2022	Auburn Hills	\$15,000
Humphrey Products - Prepayment for 2022 Medica Compamed Booth Rental Expense	3/24/2022	Kalamazoo	\$8,250
Saint Clair Systems - Website Development India	3/24/2022	Washington Township	\$6,275
Barron Industries, Inc. - Aerospace and Defense Supplier Summit Seattle	3/25/2022	Oxford	\$7,766
Dornerworks, Ltd - AS9100 Certification	3/25/2022	Grand Rapids	\$7,500
Oxus America, Inc - EMMA GAP Analysis	3/25/2022	Auburn Hills	\$5,400
R.A. Miller Industries, Inc. - dba RAMI - AERO Friedrichshafen 2022 Global Aviation Show	3/25/2022	Grand Haven	\$8,402
R.A. Miller Industries, Inc. - dba RAMI - Sales Trip Customer Visits Switzerland	3/25/2022	Grand Haven	\$5,799
RoboVent Solutions Group - Fabtech Mexico Monterrey Mexico	3/25/2022	Sterling Heights	\$10,125

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Adaptive Energy - MIBA Defense Trade Delegation to Israel	3/28/2022	Ann Arbor	\$11,325
La Salonniere, LLC - Art fair and Sales Meetings	3/28/2022	Detroit	\$6,441
SkyBlade Fan Company - Canada, Mexico Digital Marketing Campaign	3/28/2022	Warren	\$15,000
Videka - Pet Food Forum Kansas City	3/28/2022	Kalamazoo	\$15,000
Detroit Engineered Products, Inc. - Turin Italy Automotive Inn Trade Show	3/31/2022	Troy	\$4,030
Mopec Inc. - Arab Health Dubai UAE	3/31/2022	Madison Heights	\$11,197

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in March 2022.

Community Revitalization Program (CRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Cadillac House, LLC	3/7/2022	Lexington	Amended to add Cadillac House Tavern, LLC and Cadillac House Investment Fund, LLC as co-applicants.

Community Development Block Grant (CDBG)

The U.S. Department of Housing and Urban Development (HUD) allocates Community Development Block Grant (CDBG) funding to the State of Michigan, through the Michigan Strategic Fund with assistance from the MEDC, for further distribution to eligible units of general local government (UGLGs) to carry out MSF- approved activities. CDBG program funds are used to provide grants and loans to UGLGs, usually with populations under 50,000 (referred to as non-entitlement jurisdictions), in support of economic or community development projects.

Rental Rehabilitation & Housing Partnerships

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
City of Marshall – Schuler’s 2nd and 3rd Floor Rental Rehabilitation	3/7/2022	Marshall	Amended to add an identified \$600 increase in the cost of the lead and asbestos inspection which are eligible costs of the CDBG program.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from March 1, 2022 to March 31, 2022 for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

BD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
Coyote Logistics	Business Development Program	Detroit	3/9/2022	Extend Milestone two due date from 3/31/2022 to 3/31/2023, extend Milestone three due date from 3/31/2023 to 3/31/2024, and extend grant term from 9/30/2023 to 9/30/2024.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

Project Name	Project Location	Incentive Type	Amount	Disbursed	Date	Reason for Termination	Repayment
Superior Industries International, Inc.	Southfield	Relocation	\$900,000	\$900,000	3/3/2022	Unable to fulfill grant requirements	\$26,066.63

MSF Confidentiality Memos



As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

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

Approvals by Authorized Delegate

During the period between March 1, 2022 and March 31, 2022, the following confidentiality memos were approved by the MSF Fund Manager:

Company Name and Location	Overview of Confidential Information
Kelley Dewatering and Construction Company, Inc. 5175 Clay Ave Grand Rapids, Michigan 49548	Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.
4200 Spring Arbor Road, LLC 2641 Shirley Drive Jackson, Michigan 49201	Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.

Approvals by Authorized Delegate Cont.

Company Name and Location	Overview of Confidential Information
<p>B&T Group Enterprises, LLC 1012 Enterprise Dr Hastings, Michigan 49058</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.</p>
<p>900 East Michigan, LLC 900 East Michigan Ave Jackson, Michigan 49201</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.</p>
<p>18th Street Deli, Inc. 8800 Conant Hamtramck, Michigan 48211</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.</p>
<p>Hudsonville Creamery & Ice Cream Company, LLC 345 E. 48th Street Holland, Michigan 49423</p>	<p>Operating Agreement; Financial Statements; Identities of members (including members' addresses and other contact information) and their ownership stakes in the Company.</p>
<p>Calumet Electronics Corporation 25830 Depot St Calumet, MI 49913</p>	<p>Financial Statements; bylaws; identities, shares, and capital contributions of the Company's shareholders</p>
<p>DSA International, LLC 680 Case Karsten Drive Zeeland, Michigan 49464</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.</p>

Approvals by Authorized Delegate Cont.

Company Name and Location	Overview of Confidential Information
Prime Solution, Inc. 610 S. Platt Street Otsego, Michigan 49078	Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.