



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA September 27, 2022 10:00AM

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES**
- III. COMMUNICATIONS**
 - a. Letter from Mr. Dominic Cochran, Director of Lansing Public Media Center, Mayor’s Office of Community Media 3
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- IV. CONSENT AGENDA**
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 - d. MSF Administrative Services MOU Extension 46
- V. ATTRACT, RETAIN AND GROW BUSINESS**
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 - b. Michigan Potash Company: A resolution to approve an Inducement Resolution in the amount of \$225,000,000..... 85
Location: Ewart Township, Osceola County
 - c. L. Perrigo Company: A resolution to reauthorize and amend the previous MBDP approval in the amount of \$2,000,000 by reducing the base employment from 4,170 to 4,124 and to amend the milestones by extending the due dates by one year. 92
Location: City of Grand Rapids
- VI. SUPPORT SMALL BUSINESS**
 - a. Ginosko Development Company/Optimum Modular, LLC: A resolution to approve an SSBCI Michigan Business Growth Fund Loan Participation Program funds in the amount of up to \$4,990,000. 101
Location: City of Romulus
- VII. DEVELOP ATTRACTIVE PLACES**
 - a. 411 Piquette, LLC: A resolution to approve an MCRP Other Economic Assistance Loan Participation Award in the amount of up to \$5,000,000 and a Brownfield Act 381 Work Plan including state tax capture capped at \$882,821..... 113
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Written version of public comment for 9-7-22 Strategic Fun Meeting

Good morning everyone, my name is Dominic Cochran. I am the Director of the Lansing Public Media Center, the Mayor's Office of Community Media, and Co-Founder and Co-Director of the Capital City Film Festival. More importantly, and possibly more germane to today's proceedings, I was born and raised right here in Lansing Michigan.

Firstly, I'd like to thank the hardworking staff of the MEDC for a task that has surely been simultaneously exciting *and* exhausting. To diligently study over five hundred million dollars of excellent projects from communities across Michigan must have been a daunting endeavor.

I'm here to comment about just one of those projects, The Ovation Center for Music & Arts right here in Downtown Lansing. In a way, this project has been in the works for nearly 25 years. Some of you may remember the Lansing Civic Center. This was a vibrant multi-use facility that could accommodate many types of events, but the most vivid memories that live on for us lifelong Lanstronauts are the *concerts*. Duke Ellington, Johnny Cash, Joan Baez, Louis Armstrong, The Beach Boys, James Brown, Rush, Ella Fitzgerald, Frankie Valli, ZZ Top, Alice Cooper, Ozzy Osbourne, the Geto Boys, and yes, even Ted Nugent all graced the stage of the Civic Center ALL before it was demolished in order to build Constitution Hall for the State of Michigan.

NOW on that site, we have the Department of Environment, Great Lakes, and Energy gracing the stage. Put that way, in such a stark contrast, I admit it does sound like a bit of a letdown. But the ORIGINAL plan was actually a good one for Lansing. The original plan was to build TWO facilities to replace the Civic Center. The *Lansing Center* was always meant to accommodate ONLY the convention and event business that the Civic Center provided, and then-Mayor David Hollister was *always* planning on a separate cultural facility to house the music and arts component. In fact, it was planned to be built where



the Stadium District apartments are now, right across from where the Lugnuts play.

In my office right now, I have two overstuffed bankers boxes that contain the results of the feasibility study commissioned back in 1998 of whether Downtown Lansing needed and could support a standalone concert venue. The answer then was an emphatic yes, and the brand new study commissioned over the last few years has demonstrated an even broader and more urgent need, even and *especially* given the impacts of COVID.

In my *heart*, this is a personal issue. For close to 30 years me and all of my friends have been driving to Detroit, Grand Rapids, and Chicago to see the bands we want to see. I wish I could say to all of the businesses of Lansing that directly after those shows we would floor it back here in order to have dinner and hang out, but we all know that's not the case. Every time someone leaves to another city OR STATE to see their favorite band, they take *all* of those ancillary dining and entertainment dollars with them.

In my *head*, this is quite simply a talent retention issue. I'm in a creative industry. When I ask the question to my interns and young hires whether they're considering staying in Lansing to buy a home and start a family, many of them laugh and don't even take the question seriously. Who can blame them? It's a tough pill to swallow, but when these folks look back and they've spent many of the most memorable nights of their entire college experience in other cities, why would they even consider staying here?

In conclusion, I strongly object to the characterization of this project as falling outside the Treasury Department's final rule which *suggests* excluding stadiums and convention centers from COVID relief funds.

This project is emphatically neither a stadium OR a convention center, and our application clearly addressed that.

This decision to disqualify seems to have been made out of hand early on and therefore this essential project may have never received full consideration from the beginning.



We have here a *once in a generation* opportunity to create a financially viable *year-round* cultural anchor in Michigan's Capital City. The City of Lansing has pledged to be the largest funder in this project, and the RAP grant can get our shovels in the ground right away. Due to the sudden and massive loss of state office workers, no other downtown in this entire state was impacted by COVID to the extent that Lansing was, and this project WILL turn that tide. The audience demand is absolutely there, the rest of the funding is there, now we only need this one last piece to make this extremely impactful project happen. I am *not* asking you to take away from any of the other great projects before you, I am specifically asking any one of you to make a motion at this meeting. *Please* make this project happen with just a small portion of the \$17M that is being held back out of the full allocated \$100 million. Thank you.

Dear Mr. Robbie Nguyen and Mr. Tim Conder,

Thank you for your response to the concerns that have been expressed by residents around the AMC project. We are appreciative of the information provided in both your letter and the environmental study completed by ERG. However, we do not feel that this information adequately addresses the concerns expressed by residents thus far for two primary reasons:

1. **State of Michigan laws do not predicate best practice for national air quality emissions standards; and**
2. **The ERG Environmental Quality Report is insufficient - lacking important health and air quality impact data.**

1. **State of Michigan laws do not predicate best practice for national air quality emissions standards;**

a. *While we understand Northpoint's positing to state of Michigan's laws regarding the allowable levels of emissions resulting from activities at the AMC site, we would like to remind you of the inadequacy of Michigan's emissions laws¹, and the resulting disproportionate health impacts in cities like Detroit because of weak regulations for diesel pollution.² As the most industrialized city in Michigan, the air quality in Detroit continues to rank below the rest of the state because of Michigan's regulatory deficiencies. For these reasons, please note that **resident concerns are not whether the emissions at this site fall within the state's allotment. Rather, do diesel emissions resulting from construction at AMC fall within national best practices for air quality standards where our state laws do not?***

a. *To underscore our concerns, we want to again offer data, which further illustrates the widely reported deficiencies of Michigan's weak diesel emissions and testing laws and resulting disproportionate impact on public health, especially in Detroit.*

1. *Widespread emissions cheating because of Michigan's weak laws:*

1. *As reported by the Detroit News this summer, emissions cheating is widespread in Michigan.¹*
2. *In September 2022, Two Michigan companies were fined \$10M for selling diesel 'defeat devices'³*
3. *In August 2022, FCA US LLC was Sentenced in Connection with Conspiracy to Cheat U.S. Emissions Tests⁴*

¹ Emissions cheating widespread in Michigan, state has no laws to stop it, Dec. 2020: <https://www.detroitnews.com/restricted/?return=https%3A%2F%2Fwww.detroitnews.com%2Fstory%2Fbusiness%2Fautos%2F2020%2F12%2F08%2Femissions-cheating-widespread-michigan-has-no-laws-catch%2F3801488001%2F>

² New Report: Detroit's Air Failing. F grade for ozone, worsened for particle pollution, April 2021 <https://www.lung.org/media/press-releases/mi-sota-2021>

³ Michigan companies fined \$10M for selling diesel 'defeat devices'. September 2022. <https://www.mlive.com/public-interest/2022/09/michigan-companies-fined-10m-for-selling-diesel-defeat-devices.html>

⁴ [Michigan] FCA US LLC Sentenced in Connection with Conspiracy to Cheat U.S. Emissions Tests Automaker to Pay Approximately \$300 Million in Criminal Penalties. August 2022 <https://www.justice.gov/usao-edmi/pr/fca-us-llc-sentenced-connection-conspiracy-cheat-us-emissions-tests>

4. *In 2019, [A grand jury in Michigan indicted four German Audi executives on federal charges related to the Volkswagen-owned company's emissions cheating scandal, including conspiracy and Clean Air Act violations.](#)*⁵
2. *Public health implications of Michigan's weak emissions laws*
 1. *[According to the American Lung Association, Detroit is among the nation's dirtiest cities for ozone pollutants,](#) where the unhealthy air quality worsened between 2021 and 2022.*⁶
 2. *In Detroit, particle pollution [that comes from diesel trucks and other industrial sources] placed the health of 981,706 residents at risk, including those who are more vulnerable to the effects of air pollution, such as older adults, children, and people with a lung disease.*²
 3. *[According to the Community Action to Promote Healthy Environments \(CAPHE\).](#) In Detroit, "off-road" construction trucks and equipment (like those to be used during construction at AMC) account for more than one-fifth of all diesel emissions in the city.*⁷
 4. *An estimated 280 deaths and 380 heart attacks occur each year in Detroit from exposure to diesel exhaust emissions.*
2. **The ERG Environmental Quality Report is insufficient - lacking important health and air quality impact data**
 - a. *The potential emissions levels provided in the ERG report are done so without any context to air quality, pollution concentrations, or health impact. As such, residents are unable to extract an understanding of how current pollution levels in the neighborhood will be altered because of AMC activities or the consequences of increased concentrations for our health. Residents have repeatedly requested a comprehensive assessment of the impact of AMC construction activities on public health.*

Where the state's laws may be inadequate, impacted residents have provided an expansive amount of data to Northpoint, the City of Detroit, the DEGC, and the MSF Board to support our ongoing concerns regarding the impact on our health. It matters of environmental justice that corporations like Northpoint are bound to go beyond the letter of the law to protect the vulnerable people who will be impacted by the activities at AMC. Your receiving of public money, especially for a project that comes with health depreciating activity in a vulnerable community, implies a corporate responsibility and obligation to the public and public good.

With all the above considered, we have come away from the provided material with the following questions:

⁵ US District Court, Eastern District of Michigan, Southern Division, January 2019 Indictment of German Audi Executives, <https://www.courthousenews.com/wp-content/uploads/2019/01/AudiIndictment.pdf>

⁶New Report: Detroit's Air Quality Gets Worse, Residents Exposed to More Unhealthy Air Pollution. April 2022 <https://www.lung.org/media/press-releases/sota-mi-fy22>

⁷ Community Action to Promote Healthy Environments (CAPHE) <http://caphedetroit.sph.umich.edu/project/diesel/>

1. Based on concerns expressed above regarding the deficiencies in the ERG report - Will Northpoint provide a comprehensive environmental impact assessment as previously requested by residents to include:
 - a. Best practice air quality standards
 - b. An assessment of current air quality in the neighborhood
 - c. An analysis of the impact of introducing the following pollutants into the neighborhood at various concentrations around the site and the truck routes?
 1. NOx
 2. PM2.5
 3. HC
 4. VOC's
 5. CO
 6. CO2
2. Based on our concerns expressed above regarding diesel emissions cheating in Michigan and the implications of emissions cheating in Detroit, we hope that Northpoint is willing to ensure that all trucks servicing this site have been properly tested for tampering and equipped with adequate filtration systems to ensure that the impact of emissions does not exceed the potential concentrations specified by ERG. To this end:
 - a. Will the ~868 trucks traversing the neighborhood daily will be equipped with (EPA certified, passive, or active) particulate filter systems that cleans the Diesel Particulate Filter (DPF) automatically?
 1. Will these units undergo quarterly inspections for excessive smoke, tampering, and verification of placement of Emission Control Labels where records of inspections are made public?
 2. Will these DP filters will have a warranty with the manufacturer?
 3. What is the engine maintenance plan for all vehicles with PM filters?
 4. What training will be provided to drivers on understanding and observing the PM filter monitoring system and indicator lights on a regular basis? How are drivers trained to respond accordingly to issues with PM filters?
 5. What is the proposed PM filter cleaning schedule to get rid of accumulated noncombustible ash from the filter on a regular basis?
 6. Will these units have emission control labels affixed to engines, legible as proof the engine model year (EMY), and at minimum, meets U.S. federal emissions standards for the engine model year?
 7. Will these units currently or will undergo annual smoke opacity tests where there are at least two years of public records saved and provided for each vehicle?

Until these questions are answered and adequate information is provided about how this project will alter the current air quality and pollution concentrations alongside appropriate mitigation plans executed by Northpoint, we will continue to make demands for air filters and window treatments for vulnerable residents in the previously noted "High Exposure Zones."

Thank you,

Wendy Caldwell-Liddell and Maurita Pointezs

District 7, AMC Impact Residents

**MICHIGAN STRATEGIC FUND
APPROVED SPECIAL SESSION MINUTES
SEPTEMBER 7, 2022**

Member Present

Quentin L. Messer, Jr.

Members joined remotely

Britany L. Affolter-Caine

Ronald W. Beebe

Susan Corbin

Rachael Eubanks

Dimitrius Hutcherson

Michael B. Kapp (on behalf of Director Ajegba)

Charles P. Rothstein

Cindy Warner

Members Absent

Paul Gentilozzi

Susan Tellier

I. CALL TO ORDER & ROLL CALL

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

Mr. Messer introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

Britany L. Affolter-Caine joined the meeting at 9:06 a.m.

II. PUBLIC COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. State Representative Christine Morse offered comments in support of the Tall Timbers Portage, LLC project in Portage.

Dominic Cochran, Director of the Lansing Public Media Center, the Mayor's Office of Community Media, and Co-Founder and Co-Director of the Capital City Film Festival expressed concern about a Revitalization and Placemaking (RAP) program subgrant application submitted by the City of Lansing. There were several projects included as part of the application that were not recommended for funding, including the Ovation Center for Music and Arts. He encouraged MSF Board members and the MEDC to find a way to fund this project.

III. COMMUNICATIONS

The MSF Board received an email communication and supporting documentation from Robbie Nguyen, Development Manager of NorthPoint Development, related to concerns expressed by Wendy Caldwell-Liddell of Detroit regarding redevelopment of the former AMC headquarters project in Detroit. The material was included in the MSF Board meeting packet.

The MSF Board also received letters from State Senator Sean McCann, State Representative Matt Hall, State Representative Christine Morse, and Jonas Peterson, CEO of Southwest Michigan First, in support of the Tall Timbers Portage, LLC project in Portage. The letters are attached to the minutes.

MSF Subcommittee Report

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, said the subcommittee has not met since the last MSF Board meeting and had nothing new to report. Cindy Warner, chair of the MSF Policy and Planning Subcommittee, said the subcommittee recently held an informative meeting on programs for educational purposes, but had no updates to report.

IV. CONSENT AGENDA

Resolution 2022-134 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, Michael B. Kapp motioned for the approval of the following:

- a. Proposed Meeting Minutes: August 23, 2022
- b. City of Houghton: CDBG Water Related Infrastructure Project Amendment – **2022-135**
- c. Village of Fowlerville: CDBG Water Related Infrastructure Project Amendment – **2022-136**
- d. City of Bangor: CDBG Water Related Infrastructure Project Amendment – **2022-137**

Dimitrius Hutcherson 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, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

V. ATTRACT, RETAIN AND GROW BUSINESS

a. Resolution 2022-138 Thomas Township: Strategic Site Readiness Program Grant (Hemlock Semiconductor Operations, LLC Expansion Project)

Jeremy Webb, Interim Managing Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of a \$27,000,000 Strategic Site Readiness Program performance-based grant to support public infrastructure and utility upgrades for a business development project in the semiconductor industry in Thomas Township, Saginaw County. The project is expected to result in up to \$375,000,000 in total capital investment and the creation of up to 170 jobs. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-138. 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, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

VI. DEVELOP ATTRACTIVE PLACES

a. Resolutions 2022-139 & 2022-140 Revitalization and Placemaking Program: Approval of Grant Awards, Waiver for Administrative Allocation, and Delegation of Authority Actions

Michele Wildman, Executive Vice President of Economic Development Incentives, and Jake Winder, Manager of Community Development Incentives, provided the Board with information regarding these action items. The actions involve approval of twenty-two statewide Revitalization and Placemaking (RAP) grant awards totaling \$83,805,739, waiver of the amended RAP guidelines to allow up to ten percent of the award amount to be considered eligible costs to be used by the grantee for administrative and project management expenses in connection with administration of the grant, and delegation of authority to the MSF President or MSF Fund Manager to approve certain actions related to the RAP grant awards. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-139. 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, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

Dimitrius Hutcherson then motioned for the approval of Resolution 2022-140. 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, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

- b. **Resolution 2022-141 City of Portage Brownfield Redevelopment Authority / Tall Timbers Portage, LLC: Brownfield Act 381 Work Plan (Tall Timbers Project)**
Michelle Audette-Bauman, Senior Community Development Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$4,749,348 to support a community development project in the City of Portage, Kalamazoo County. The project is expected to result in total capital investment of \$48,564,252. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-141. 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, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: None; Recused: None

Mr. Messer adjourned the meeting at 9:49 a.m.



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



THE SENATE
STATE OF MICHIGAN

SEAN McCANN

20TH DISTRICT

P.O. BOX 30036

LANSING, MI 48909-7536

PHONE: (517) 373-5100

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sensmccann@senate.michigan.gov

September 2, 2022

Quentin L. Messer
Chair, Michigan Strategic Fund
300 N. Washington Square
Lansing, Michigan 48913

RE: Support for Tall Timbers Project, Portage, Michigan

Dear Mr. Messer:

I write in support of Brownfield Redevelopment tax increment financing for the Tall Timbers Project in Portage, Michigan. I hear often from constituents about the need for more housing capacity and the prospect of 180 new units in a desirable, walkable residential area is appealing. The developers have indicated to me that this project includes new workforce housing, a need I have heard from local leaders in Portage. This is particularly attractive to our companies, families and individuals that are looking to locate here now and in the future.

The developers indicate that Tall Timbers has characteristics that will be good for Kalamazoo County and the City of Portage. Those project characteristics include but are not limited to the following.

- An urban feel project, with a high degree of walkability to services, while being just a few hundred yards away from outdoor activities.
- A high-quality project which is also the first LEED Gold multi-family residential project in Portage.
- The project size, at 180 units of apartments on a dense site is helpful from an immediate impact standpoint.
- 10% of the units have been reserved for workforce housing, something that is beneficial to the community.
- The Mayor of Portage has indicated that housing is a key focus for the City of Portage.

The developers in this case have a long track record in Kalamazoo County and an interest in building a thriving local community. I am encouraged that these quality, Portage-based developers are prioritizing projects that would address our community's housing needs.

The Tall Timbers residential construction project would positively impact the quality of life of Portage and Kalamazoo County residents. Thank you for your consideration of support.

Sincerely,

A handwritten signature in black ink, appearing to read 'SMC', with a long horizontal flourish extending to the right.

Sean McCann
State Senator – 20th District



63RD DISTRICT
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MICHIGAN HOUSE OF REPRESENTATIVES

MATT HALL
STATE REPRESENTATIVE

COMMITTEES:
OVERSIGHT, CHAIR
EDUCATION
REGULATORY REFORM
TAX POLICY

September 1, 2022

Quentin L. Messer, Jr.
Chair, Michigan Strategic Fund Board
300 N. Washington Square
Lansing, Michigan 48913

RE: Support for Tall Timbers Project, Portage, Michigan

Dear Mr. Messer,

It is my pleasure to provide my strong support for the Tall Timbers multi-family project proposed in Portage. Tall Timbers will assist in mitigating critical housing shortages in the City of Portage and Southwest Michigan needed to support existing residents and the talent attraction and retention efforts of critical global employers like Pfizer and Stryker. Our region is working together with the State to attract significant new jobs to the region and the execution of the Tall Timbers development assists in demonstrating that our region has the will and the path to ensure additional housing is created and available to keep pace with new job attraction at a variety of important and mega-sites in the region.

This project has also been supported by:

- The City of Portage
- Southwest Michigan First
- The WE Upjohn Institute
- Battle Creek Unlimited
- Senator Sean McCann

Without the State's support of the Brownfield TIF, Tall Timbers will not be feasible. Furthermore, the State needs experienced developers like Roger Hinman of the Hinman Company and Joe Gesmundo of AVB to move impactful projects like this forward.

I am hopeful that the Michigan Strategic Fund Board will see this important project as a priority and provide its support in the form of approval of the Act 381 Plan and the related TIF capture.

Sincerely,

Matt Hall, State Representative



Anderson House Office Building
124 N Capitol Ave
Lansing MI 48933
995
(517)373-1774
christinemorse@house.mi.gov

Christine Morse
Michigan House of Representatives
61

Committees
Energy Policy
Health Policy

Quentin L. Messer, Jr.
Chairperson of the Michigan Strategic Fund Board
Co: Gloria Carnicom (MEDC)

Dear Chairperson,

I write today to express my support for the Tall Timbers project brought forward by the City of Portage. This project would have an outsized positive effect on the City of Portage, which is a growing community in need of significant investment, especially in housing. The Tall Timbers project has been approved by the Portage City Council and is considered a priority as it will address increased housing needs, in part spurred by the expansion of some of our community's largest employers, such as Stryker, Pfizer, and more.

Not only is this project supported by local leaders, but it has financial support as well. Tall Timbers is supported by the local portion of the brownfield plan, with a value of over \$6 million. This project is well positioned to be successfully completed and provide an important investment into the growth of the City of Portage. Included in the benefits of this project is its commitment to meeting goals of workforce and mixed-income housing. Tall timbers will reserve 10% of units for those making between 80-120% of the median income of the area, meaning this housing will directly support our workforce. Not only is the project workforce-friendly, but Tall Timbers has also been working to collaborate with EGLE on environmental eligible activities.

Tall Timbers is a timely and necessary investment into the City of Portage, and into the State of Michigan. I gladly share my support without reservation for the project and their request for the over \$4 million in state tax capture. I look forward to seeing the decision of the Michigan Strategic Fund and hope to see Tall Timbers on its way to completion in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read "Christine Morse", written in a cursive style.

Christine Morse
State Representative- HD 61

September 2, 2022

Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, Michigan 48913

Chairperson Messer,

RE: Support for Tall Timbers Project, Portage, Michigan

It is my pleasure to provide Southwest Michigan First's support for the Tall Timbers Project in Portage, Michigan. As we continue our economic development retention and attraction work in Southwest Michigan, housing plays an important role. In particular, housing that provides both new opportunities and also helps to free up other existing workforce housing. When our customers are evaluating where to locate a project they are not only looking for what the community has to offer today but also what is planned in the next 3-5 years for their future employees. In addition to new companies coming into the area, a project like Tall Timbers is also beneficial to local companies like Pfizer and Stryker who have been actively hiring new employees in Portage.

In addition to providing housing for Portage and Southwest Michigan, Tall Timbers has many unique characteristics that interest companies that are looking to join, grow and expand in our region. Those project characteristics include but are not limited to the following.

- The project size, at 180 units of apartments on a dense site is helpful from an immediate impact standpoint.
- 10% of the units have been reserved for workforce housing, something that is beneficial to the community.
- An urban feel project, with a high degree of walkability to services, while being just a few hundred yards away from outdoor activities.
- A high-quality project which is also the first LEED Gold multi-family residential project in Portage.
- The regions that Portage and Southwest Michigan recruit against have this type of highly desirable housing in suburban settings.
- Both the MEDC and Southwest Michigan First need housing like this to support growth and attraction projects.

Further, the developers, Joe Gesmundo of AVB and Roger Hinman of the Hinman Company have a long history of successful residential, office, commercial and mix-used projects in Southwest Michigan. We know that you can expect a quality project with these Portage based developers.

Please feel free to reach out with any question or concerns.



Jonas Peterson
CEO



MEMORANDUM

Date: September 27, 2022

To: Michigan Strategic Fund Board

From: Christine Whitz, Managing Director, Community Development Block Grant Program
Greg West, Manager, Community Development Block Grant Program

Subject: *Community Development Block Grant Program
Program Year 2022 Action Plan & Funding Guide Excerpt*

Request

Michigan Economic Development Corporation (“MEDC”) Staff recommends the Michigan Strategic Fund (“MSF”) approval of the 2022 Program Year Action Plan (Attachment A) and attached 2022 Program Year Funding Guide Excerpt for the Community Development Block Grant (“CDBG”) Program. (Attachment B)

Background

The U.S. Department of Housing and Urban Development (“HUD”) allocates CDBG funding to the State of Michigan, through the MSF, for further distribution to eligible Units of General Local Government to carry out State approved activities.

The State of Michigan's Consolidated Plan is submitted pursuant to a HUD rule (24 C.F.R. Part 91, 1/5/95) as a single submission covering the planning and application of HUD's CDBG, Emergency Shelter Grant (ESG), HOME Investment Partnership (HOME) and Housing Opportunities for Persons with AIDS (HOPWA) formula programs. While the MSHDA submits the Consolidated Plan on the State’s behalf, the MSF has authority over the attached Action Plan (**Attachment A**) related to CDBG funds.

The State’s responsibilities include ensuring the State’s and their Grantee’s compliance with the statute, HUD regulations, and the Consolidated Plan. The details on the selection criteria for each initiative are general in the Action Plan, put are further defined in the CDBG Funding Guide. The **Attachment B** is an excerpt from the CDBG Funding Guide for potential applicants based on the requirements within the Consolidated Plan, Federal regulations and policies developed by staff to ensure consistency with grantees.

This excerpt outlines the selection criteria for the various initiatives funded with the CDBG allocation, which is being updated to ensure that the State is responding to the changing needs of the communities that are eligible, and in alignment with the goals of the MEDC. These updates are based on citizen participation, consultation with other State departments, targeted outreach and feedback from grantees.

Recommendation

The MEDC Staff recommends the MSF approve:

- The 2022 CDBG Program Action Plan and
- The 2022 CDBG Program Funding Guide Excerpt.

FUNDING PLATFORM OVERVIEW

The MEDC has identified the following CDBG-funded projects consistent with Section 105(a) of Title I of the HCDA (Housing and Community Development Act) and to provide guidance and assistance for CDBG Program Year 2021 (July 1, 2021 – June 30, 2022).

BUILDING REHABILITATION
CDBG LOAN PROGRAM
DIRECT ASSISTANCE TO BUSINESS
PUBLIC GATHERING SPACES
RENTAL REHABILITATION
PUBLIC IMPROVEMENTS (PUBLIC INFRASTRUCTURE)
UNIQUE/INNOVATIVE

All projects will be evaluated on the following in addition to all other criteria set forth in this Funding Guide:

Economic Impact: Proposed projects are evaluated on their economic impact, including the diversification of the economic base of the local and state economies.

Financial Viability: All projects must be financially viable. Please refer to the Economic Development Underwriting (Financial Viability) section for guidance on that evaluation process.

Local Participation: Proposed projects are expected to demonstrate local government support.

BUILDING REHABILITATION	
Overview	<p>The Building Rehabilitation initiative funds the exterior and/or interior rehabilitation of existing buildings. The tool is in place to promote traditionally dense mixed-use areas, increased economic and pedestrian activity, and to facilitate the reinvigoration of city centers attracting talent to Michigan communities.</p> <p>The Building Rehabilitation platform is for projects that eliminate conditions of blight, detrimental to public health and safety through rehabilitations of individual buildings. Communities can qualify buildings as blighted through a letter/report summarizing conditions and how the project will eliminate those conditions and/or identifying those elements required to be added to the building in order for the project to receive a certificate of occupancy.</p> <p>The letter/report must come from a registered licensed building inspector, licensed or certified local building official/code enforcement officer or licensed third-party building contractor.</p> <p>Additionally, in some cases, restoration of historic elements may be eligible for funding if a building meets historic standards.</p> <p>Projects must include interior building rehabilitation activities or include <u>both</u> interior and exterior renovations. At a minimum, housing quality standards established in 24 CFR 982.401 or locally adopted building and housing codes must be followed.</p> <p>Davis Bacon will apply to all projects under this initiative.</p>
National Objective	Elimination of Blight. See National Objective section of this guide for details on achieving this qualifier.
Eligible Activities	CDBG funds are intended to cover costs associated with eliminating conditions of blight and, in some cases, historic preservation activities.
Grant Amount	\$100,000 – \$2,000,000 in CDBG funds requested
Match Requirement	50% of total project costs
Funding Window	Open Application

CDBG LOAN PROGRAM	
Overview	<p>The intended purpose of the CDBG Loan Program (CLP)* is to provide loans to eligible small businesses, or UGLGs, to meet a National Objective.</p> <p>Regionalized and Local fund managers administer the loan programs for select communities throughout the state.</p> <p>CDBG Loan funds can be used in conjunction with CDBG grant funds in an eligible project.</p>
National Objective	<p>LMA Community: Area Benefit, Blight, Job Creation Non-LMA Community: Blight, Job Creation</p>
Eligible Activities	<ul style="list-style-type: none"> ▪ Acquisition ▪ Administration ▪ Architecture / Engineering ▪ Building Improvements ▪ Demolition ▪ Infrastructure Improvements ▪ Machinery / Equipment ▪ Planning ▪ Working Capital
Minimum Loan Amount	\$20,000
Maximum Loan Amount	N/A
Match Requirement	N/A
Funding Window	Open Application

DIRECT ASSISTANCE TO BUSINESS	
Overview	<p>Direct Assistance to Business is designed to provide grant funding for proposed projects that will result in job creation. Projects are expected to:</p> <ul style="list-style-type: none"> ▪ Result in the creation of FTEs* of which at least 51% of the created positions will be held by LMI persons. ▪ Create and/or retain the largest number of positions with the least amount of CDBG investment ▪ Leverage private investment funds ▪ Not to exceed \$35,000 of CDBG funds per FTE* Created.
National Objective	Job Creation
Eligible Activities	<ul style="list-style-type: none"> ▪ Acquisition ▪ Clearance ▪ Construction ▪ Expansion ▪ Rehabilitation ▪ Machinery & Equipment ▪ Working Capital ▪ Streets for Commercial/Industrial Sites ▪ Water/Sewer for Commercial/Industrial Sites ▪ Parking for Commercial/Industrial Sites ▪ Rail for Commercial/Industrial Sites
Minimum Grant Amount	\$50,000
Maximum Grant Amount	Not to exceed \$35,000 of CDBG funds per FTE* Created.
Match Requirement	At least 50% of eligible project costs based on financial need defined by financial underwriting.
Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ Projects creating 10 or more permanent full-time positions ▪ Projects that pay an average hourly rate of at least the current State of Michigan minimum wage or 75% of the average hourly wage rate for the applicable county. ▪ Projects that leverage the greatest amount of private and public funding.
Funding Window	Open Application

PUBLIC GATHERING SPACES	
Overview	<p>The Public Gathering Spaces Initiative funds improvements intended to increase usability, accessibility, and seasonality within new or existing community spaces on publicly owned property.</p> <p>By supporting the creation or expansion of public gathering spaces in low-and-moderate income (LMI) communities throughout Michigan, the Public Gathering Spaces Initiative will create and enhance recreational places that will allow residents to gather, relax, celebrate, and commemorate.</p> <p>The Public Gathering Spaces Initiative funds projects including, but not limited to - parks, town squares, playgrounds, amphitheaters, and farmers markets.</p> <p>In an effort to create an equitable and transparent program, the Public Gathering Spaces Initiative will award funding to eligible applicants based on a competitive application round(s).</p>
National Objective	Low-and-Moderate Area Benefit. See National Objective section of this guide for details on achieving this qualifier.
Eligible Activities	<p>Permanent public improvements that are necessary for the successful creation or enhancement of a public gathering space, such as, but not limited to, permanent infrastructure, recreational amenities, lighting, universal accessibility design elements, and/or other activities deemed eligible by HUD.</p> <p>Limited Public Improvements that are necessary for the completion of a Public Gathering Space Project may be included such as: Sidewalks, Solid Waste Disposal, Street Improvements, and Water/Sewer Improvements.</p>
Minimum Grant Amount	\$200,000
Maximum Grant Amount	\$1 million
Match Requirement	Identified at time of funding round posting
Funding Window	Identified at time of funding round posting

PUBLIC IMPROVEMENTS (Public Infrastructure)	
Overview	<p>As identified in Section 105(a)(2) of Title I of the HCDA, Public Improvements are infrastructure elements located at street level or below grade (horizontal construction), which benefit the residents of a defined service area.</p> <p>The State CDBG Program limits the acceptance of applications for public improvement projects to funding rounds, however, will allow public improvement elements to be an eligible activity if it is deemed necessary to complete a Public Gathering Space or Direct Assistance to Business Initiative project.</p>
National Objectives	<p>LMA Community: Area Benefit Non-LMA Community: N/A</p>
Eligible Activities	<ul style="list-style-type: none"> ▪ Water/Sewer Improvements: Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. ▪ Flood Drainage Improvements: Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins. ▪ Solid Waste Disposal Improvements: Acquisition, construction, or rehabilitation of solid waste disposal facilities.
Minimum Grant Amount	Identified at time of funding round posting
Maximum Grant Amount	Identified at time of funding round posting
Match Requirement	Identified at time of funding round posting
Priority	Identified at time of funding round posting
Funding Window	Funding Rounds

RENTAL REHABILITATION	
Overview	<p>The Rental Rehabilitation initiative funds the rehabilitation of vacant/substandard rental units or the conversion of vacant unoccupied space to affordable and market rate residential units. By supporting traditional downtowns, dense mixed-use areas, and the reinvigoration of city centers, the program aims to attract talent to Michigan communities through creation of mixed income housing resulting in increased economic and pedestrian activity.</p> <p>Project activities may include rehabilitation and/or construction of housing units within existing building, or activities that are necessary for housing units and that do not have an ancillary benefit to commercial uses in the building.</p> <p>There is no minimum or maximum unit size requirement; however, there must be fair and equitable distribution of units, so affordable and market-rate units should be comparable in size, quality and finishes throughout the building. At a minimum, housing quality standards established in 24 CFR 982.401 or locally adopted building and housing code standards and ordinances must be followed, whichever is higher.</p> <p>Davis-Bacon wages apply to all housing projects with eight or more units. For projects that impact ancillary commercial space, speak with your CATeam Specialist.</p>
National Objective	Low-moderate income housing (LMI Housing). See National Objective section of this guide for details on achieving this qualifier.
Eligible Activities	CDBG funds are intended to cover costs associated with rehabilitation and/or construction of housing units within existing buildings.
Minimum Project Size	2 units
Maximum Grant Amount	\$1,000,000. Total CDBG project support shall not average over \$100,000 per unit included in project.
Match Requirement	25% of total project costs
Funding Window	Open Applications

UNIQUE / INNOVATIVE	
Overview	Funding requests may be considered by the MEDC, based on special and/or unique needs, or situations requiring innovative program approaches not specifically provided for in identified funding initiatives.
National Objective	<ul style="list-style-type: none"> ▪ Area Benefit ▪ Area Blight ▪ Spot Blight ▪ Job Creation ▪ Limited Clientele ▪ Housing
Eligible Activities	<p>This may include, but is not limited to:</p> <ul style="list-style-type: none"> ▪ Brownfield site redevelopment ▪ Broadband ▪ Demolition of Blight ▪ Farm-to-food grants ▪ Job Training ▪ Targeted industry development ▪ Conversion of School buildings ▪ Planning ▪ Activities and services listed in the above categories which do not meet identified screening or selection criteria and/or projects associated with other State or Federally funded initiatives.
Minimum Grant Amount	\$50,000
Maximum Grant Amount	\$2 million
Match Requirement	25 - 50% of eligible project costs based on financial need defined by financial underwriting.
Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ Innovative solutions to activate public space. ▪ Projects with a high percentage of local matching funds. ▪ Projects that leverage the most private funding.
Funding Window	Open Application

MICHIGAN STRATEGIC FUND

RESOLUTION

2022-143

APPROVAL OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM 2022 ACTION PLAN AND 2022 PROGRAM YEAR FUNDING GUIDE SELECTION CRITERIA

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of State of Michigan, consolidated the State's economic development functions and programs and their accompanying powers of 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 staff reviewed the 2022 Program Year Funding Guide Excerpt (the "2022 Funding Guide") attached here to as Attachment B and concluded that the policies meet the enabling legislation, federal regulations and the requirements of the Consolidated Plan;

WHEREAS, the CDBG program staff reviewed the final 2022 Action Plan (the "2022 Action Plan") attached hereto as Attachment A and concluded that it meets the enabling legislation, federal regulations, and the requirements of the Consolidated Plan;

WHEREAS, the CDBG program staff recommends that the MSF adopt the attached 2022 Funding Guide for the CDBG program;

WHEREAS, the MSF desires to authorize the MSF Fund Manager, in coordination with the Michigan State Housing Development Authority, to submit the 2022 Action Plan as part of the Consolidated Plan to HUD;

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 Board authorizes the MSF Fund Manager, in coordination with the Michigan State Housing Development Authority, to submit the 2022 Action Plan, pursuant to the Consolidated Plan, to HUD. The MSF President or MSF Fund Manager is authorized to modify the 2022 Action Plan prior to submission to HUD on the MSF's behalf so long as the final terms and conditions are consistent with this resolution of the MSF Board and not otherwise materially adverse to the interests of the MSF.

BE IT FURTHER RESOLVED, that the MSF Board adopts the 2022 Funding Guide as the policies, criteria, and parameters for projects being considered and funded with 2022 Program Year funds;

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 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), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 27, 2022

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM YEAR 2022 ACTION PLAN SUMMARY

Introduction

The State of Michigan's Housing and Community Development Consolidated Plan is submitted pursuant to a U.S. Department of Housing and Urban Development (HUD) rule (24 CFR Part 91, 1/5/95) as a single submission covering the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF) formula programs.

The purpose of the 2020-2024 Consolidated Plan is to describe programs and activities that will be undertaken in conjunction with HUD programs by the state of Michigan over 5 years. Funding from these programs is awarded to the State by HUD and administered by the Michigan State Housing Development Authority, the Michigan Strategic Fund, and the Michigan Department of Health and Human Services.

The programs and initiatives to be provided by the state Community Development Block Grant Program, in year three of the five-year plan (July 1, 2022 - June 30, 2023) addresses the housing and community development needs and goals identified within the State of Michigan's Consolidated Plan.

The State Community Development Block Grant Program's goals are to:

- Improve community infrastructure and facilities that benefit low and moderate income (LMI) people.
- Rehabilitate rental housing in downtowns primarily for LMI households.
- Provide incentive for the creation of jobs and training opportunities for LMI people.
- Eliminate blight in the State that is harmful to human health and safety, as well as restore historic character.
- Respond and make funds available for grantees during declared emergencies.
- Provide funding for planning and technical assistance to grantees.
- Provide funds for CDBG program administrative expenses.

CDBG Allocations

The CDBG Award for Program 2022 was \$34,110,057. These funds, in addition to prior year balances are budgeted to support the following business units and strategic priorities.

CDBG Allocation - Program Year 2022	
Division/Use	Budgeted Amount
Business Development	\$25,000,000
Community Development Funding Round	\$20,000,000
Administration & Technical Assistance	\$1,023,302

Method of Distribution

To achieve the CDBG program goals, funds are disbursed through three separate channels with different criteria and eligibility.

CDBG Open Applications

The Direct Assistance to Business addresses business and community needs for business support on an ongoing basis. Further specifics on this initiative can be found in the CDBG Funding Guide.

CDBG Competitive Applications

The Competitive Application method is focused on funding “Developing Attractive Places” Initiative which may include building rehabilitation, historic preservation, multifamily housing, and public gathering spaces, during timed application periods as described in the CDBG Funding Guide.

CDBG Loan Fund Program

Provides loan funds to Communities in order to assist eligible small businesses to assist with a CDBG eligible project. The repayments from those loans are reused for further loan activities.

CDBG Program Income

In instances where income is generated from CDBG funded projects, the funding is reused for regular programming, local emergency repair programs, and small business loans. These funds are separate from the annual allocation but are still accounted for as a part of the annual plan.

CDBG Program Income – Program Year 2022	
Division/Use	Budgeted Amount
Standard Program Income – Returned to fund new projects	\$500,000
CDBG Loan Program (CLP fka RLF) Income – Held Regionally to Support Small Business Loans	\$150,000

FUNDING PLATFORM OVERVIEW

The MEDC has identified the following CDBG-funded projects consistent with Section 105(a) of Title I of the HCDA (Housing and Community Development Act) and to provide guidance and assistance for CDBG Program Year 2022.

CDBG LOAN PROGRAM
DIRECT ASSISTANCE TO BUSINESS
DEVELOPING ATTRACTIVE PLACES
UNIQUE/INNOVATIVE

All projects will be evaluated on the following in addition to all other criteria set forth in this Funding Guide:

Economic Impact: Proposed projects are evaluated on their economic impact, including the diversification of the economic base of the local and state economies.

Financial Viability: All projects must be financially viable. Please refer to the Economic Development Underwriting (Financial Viability) section for guidance on that evaluation process.

Local Participation: Proposed projects are expected to demonstrate local government support.

CDBG LOAN PROGRAM	
Overview	<p>The intended purpose of the CDBG Loan Program (CLP)* is to provide loans to eligible small businesses, or UGLGs, to meet a National Objective.</p> <p>Regionalized and Local fund managers administer the loan programs for select communities throughout the state.</p> <p>CDBG Loan funds can be used in conjunction with CDBG grant funds in an eligible project.</p>
National Objective	<p>LMA Community: Area Benefit, Blight, Job Creation</p> <p>Non-LMA Community: Blight, Job Creation</p>
Eligible Activities	<ul style="list-style-type: none"> ▪ Acquisition ▪ Administration ▪ Architecture / Engineering ▪ Building Improvements ▪ Demolition ▪ Infrastructure Improvements ▪ Machinery / Equipment ▪ Planning ▪ Working Capital
Minimum Loan Amount	\$20,000
Maximum Loan Amount	N/A
Match Requirement	N/A
Funding Window	Open Application

DIRECT ASSISTANCE TO BUSINESS		
Overview	Direct Assistance to Business is designed to provide grant funding for proposed projects that will result in job creation. Projects are expected to: <ul style="list-style-type: none"> ▪ Result in the creation of FTEs of which at least 51% of the created positions will be held by LMI persons. ▪ Create and/or retain the largest number of positions with the least amount of CDBG investment ▪ Leverage private investment funds ▪ Not to exceed \$35,000 of CDBG funds per FTE Created. 	
Eligibility	National Objective	Eligible Activities
	Job Creation	<ul style="list-style-type: none"> ▪ Acquisition ▪ Clearance ▪ Construction ▪ Expansion ▪ Rehabilitation ▪ Machinery & Equipment ▪ Working Capital ▪ Streets for Commercial/Industrial Sites ▪ Water/Sewer for Commercial/Industrial Sites ▪ Parking for Commercial/Industrial Sites ▪ Rail for Commercial/Industrial Sites
Minimum Grant Amount	\$50,000	
Maximum Grant Amount	Not to exceed \$35,000 of CDBG funds per FTE Created.	
Match Requirement	At least 50% of eligible project costs based on financial need defined by financial underwriting.	
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Projects creating 10 or more permanent full-time positions ▪ Projects that pay an average hourly rate of at least the current State of Michigan minimum wage or 75% of the average hourly wage rate for the applicable county. ▪ Projects that leverage the greatest amount of private and public funding. 	
Funding Window	Open Application	

DEVELOPING ATTRACTIVE PLACES			
Overview	<p>The Developing Attractive Places initiative can fund exterior and/or interior rehabilitation of existing buildings. Project activities may include the rehabilitation of substandard housing units within existing building.</p> <p>The rehabilitation of existing buildings is intended to promote traditionally dense mixed-use areas, increased economic and pedestrian activity, and to facilitate the reinvigoration of city centers attracting talent to Michigan communities.</p> <p>The Developing Attractive Places Initiative may also fund permanent improvements intended to increase usability, accessibility, and seasonality within new or existing community spaces on publicly owned property.</p> <p>By supporting the creation or expansion of public gathering spaces in low-and-moderate income (LMI) communities throughout Michigan, it will create and enhance recreational places that will allow residents to gather, relax, celebrate, and commemorate.</p> <p>In an effort to create an equitable and transparent program, the Developing Attractive Places Initiative projects will be awarded funding to eligible applicants based on a competitive application round(s).</p>		
National Objective(s)	<p>Low-and-Moderate Income (LMI) Area Benefit, Elimination of Spot Blight, LMI Housing. See National Objective section of this guide for details on achieving this qualifier.</p>		
Eligible Activities	<ul style="list-style-type: none"> • CDBG funds are intended to cover costs associated with eliminating conditions of blight and, in some cases, historic preservation activities. • CDBG funds are intended to cover costs associated with rehabilitation of substandard housing units within existing buildings • CDBG funds are intended for permanent public improvements that are necessary for the successful creation or enhancement of a public gathering space, such as, but not limited to, permanent infrastructure, recreational amenities, lighting, universal accessibility design elements, and/or other activities deemed eligible by HUD. Limited Public Improvements that are necessary for the completion of a Public Gathering Space Project may be included such as: Sidewalks, Solid Waste Disposal, Street Improvements, and Water/Sewer Improvements. 		
Minimum Grant Amount	\$750,000	Maximum Grant Amount	\$2 million
Match Requirement	Identified at time of funding round posting		
Funding Window	Identified at time of funding round posting		

UNIQUE / INNOVATIVE		
Overview	In support of a rural community’s amenity needs, funding requests may be considered by the MEDC and approved by the MSF Board, based on special and/or unique needs, or situations requiring innovative program approaches not specifically provided for in identified funding initiatives.	
Eligibility	National Objective	Eligible Activities
	<ul style="list-style-type: none"> ▪ Area Benefit ▪ Area Blight ▪ Spot Blight ▪ Job Creation ▪ Limited Clientele ▪ Housing 	This may include, but is not limited to: <ul style="list-style-type: none"> ▪ Brownfield site redevelopment ▪ Broadband ▪ Demolition of Blight ▪ Farm-to-food grants ▪ Job Training ▪ Targeted industry development ▪ Conversion of School buildings ▪ Planning ▪ Activities and services listed in the above categories which do not meet identified screening or selection criteria and/or projects associated with other State or Federally funded initiatives.
Minimum Grant Amount	\$750,000	
Maximum Grant Amount	\$2 million	
Match Requirement	25 - 50% of eligible project costs based on financial need defined by financial underwriting.	
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Innovative solutions to activate public space. ▪ Projects that are located within high percentage LMI communities. ▪ Projects with a high percentage of local matching funds. ▪ Projects that leverage the most private funding. 	
Funding Window	Open Application	



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,

A handwritten signature in black ink, appearing to read "Quentin L. Messer, Jr.", written in a cursive style.

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: September 27, 2022

To: Michigan Strategic Fund Board

From: Fredrick Molnar, Senior Vice President Entrepreneurship and Innovation

Subject: Business Incubator Program (Gateway Representative) New Grant

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) authorize a grant in the amount of \$50,000 to 20Fathoms, with an initial term of six months, with the option to extend the term for up to an additional four years and allocate additional funding at the sole discretion of the Michigan Strategic Fund (“MSF”) Board for the purpose of performing regional business incubator Gateway Representative (“GWR”) activities (the “Request”)

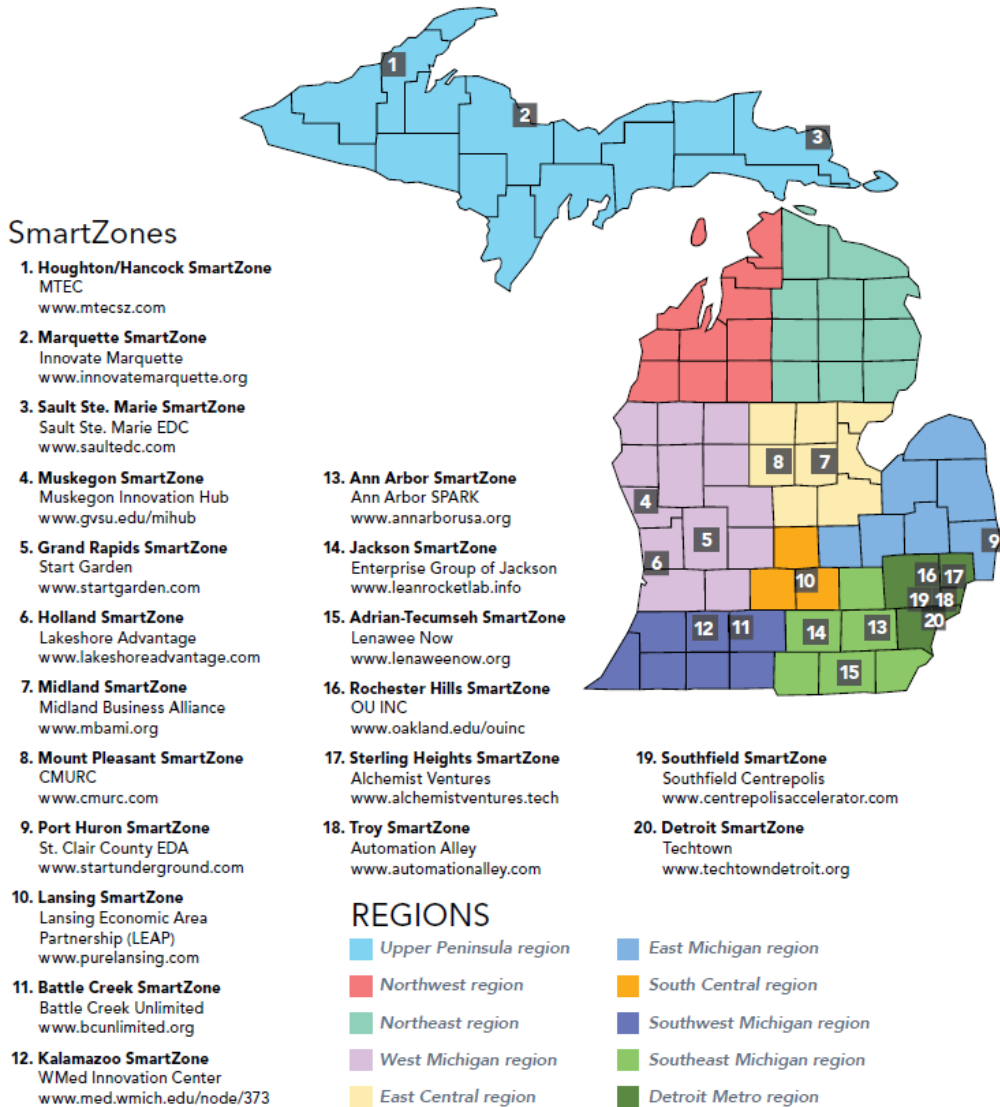
Background

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

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

20Fathoms in Traverse City is the only tech startup incubator, workspace, and tech career hub in the northern lower peninsula. 20Fathoms services include business incubation, pitch competitions, access to capital, tech talent, a network of accomplished business leaders, and other business resources. 20Fathoms, though not technically a true SmartZone, fulfills the only SmartZone like role in northern lower Michigan. It has access to all the MSF funded programs such as the SBDC Tech Team, the Business Accelerator Fund, the Emerging Technologies Fund, the Pre-Seed III fund and BBCEtc SBIR/STTR support. There are no true SmartZones north of Mt. Pleasant and Midland all the way to Sault Ste Marie. This a huge problem for tech startups in this region as the distance to a traditional SmartZone is approximately 125 miles and a two-hour drive. Compare this to southeastern Michigan where there are five (5) SmartZones to access

within 25 miles. 20Fathoms is the only organization in the northern lower that can fulfill this support roll for technology-based startups. Notice the lack of any SmartZone in the red and green northern lower peninsula area in the SmartZone map.



Gateway Representative Responsibilities

The GWR is responsible for all local SmartZone client services, including: welcoming and introducing the tech company to the local ecosystem, providing an overview of the MSF funded Michigan statewide tech ecosystem, recruitment and development of other tech companies in the local SmartZone, local SmartZone business development activities, vetting of local tech companies, providing strategic business guidance, helping companies with fundraising efforts and connecting local tech companies to the various MSF funded entrepreneurial resources available to innovative companies across the State of Michigan. Examples of MSF funded resources are the Small Business Development Center (SBDC Tech team) and BBCetc for SBIR/STTR federal grant application support. The GWR is also responsible for supporting the companies’

applications to other MSF funded tech entrepreneurial programs such as the Business Accelerator Fund, First Capital Fund and Pre-Seed III Fund. Lastly, the GWR is responsible for the semi-annual performance metric reports due to the MEDC. This performance metric data is then used in the annual Legislative report.

Results

- Traverse City based Boomerang Catapult has infused over \$10 million in venture capital investment into the local economy with businesses who have gone on to raise over \$120 million.
- Members of Northern Michigan Angels have invested over \$7 million in more than 30 entrepreneurial Michigan companies.
- 20Fathoms is the only MEDC Business Accelerator Fund administrator in the northern lower peninsula.
- Venture North Funding & Development has deployed more than \$8 million to more than 425 Northwest Michigan-based businesses, granted more than \$1.1 million to 326 small businesses during the pandemic, and leveraged more than \$26 million in local investment funds to support under-resourced start-up and existing small business.
- 10 startups graduated from the 20Fathoms HealthSpark Accelerator. These digital health and telehealth companies are building solutions for some of rural healthcare's biggest challenges. Program participants received nearly 200 hours of instruction, mentorship, and networking. The slate of speakers included more than 70 senior healthcare leaders, serial entrepreneurs, and investors who shared their time and expertise. Notably, keynote presentations were provided by leaders from Google, Anthem, Verizon, Cleveland Clinic, Texas A&M, American Telemedicine Association, Munson Healthcare, Boomerang Catapult, and HealthBridge
- 250 people have received tech education. Software developers and cybersecurity professionals at all stages of their careers gained skills training through *tccodes* and *tccyber*. The program was designed to not only provide high-quality tech education, but to be highly accessible, welcoming, and supportive for all learners.
- Four startups have graduated from the 20Fathoms startup incubator: ATLAS Space Operations, HealthBridge, SampleServe, and Birch Infrastructure.

Recommendation

MEDC Staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-144**

**BUSINESS INCUBATOR GATEWAY REPRESENTATIVE GRANT
TO 20FATHOMS**

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

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

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

WHEREAS, pursuant to Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF has the power to make grants;

WHEREAS, the MEDC recommends that the MSF Board approve in the amount of \$50,000 to 20Fathoms, with an initial term of six months, with the option to extend the term for up to an additional four years and allocate additional funding at the sole discretion of the MSF Board for the purpose of performing regional business incubator Gateway Representative (“GWR”) activities (the “20Fathoms Grant Request”); and

WHEREAS, the MSF Board wishes to approve the 20Fathoms Grant Request.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the 20Fathoms Grant Request; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the 20Fathoms Grant Request and to execute all documents necessary to effectuate the 20Fathoms Grant Request.

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

Nays: None

Recused: None

Lansing, Michigan
September 27, 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: September 27, 2022

To: Michigan Strategic Fund Board

From: Valerie Hoag, MSF Fund Manager

Subject: Request to Extend Administrative Services Memorandum of Understanding

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) extend the term of the Memorandum of Understanding (“MOU”) for administrative services to September 30, 2023 and allocate up to four percent (4%) of the Annual Appropriation from the 21st Century Jobs Trust Fund to the MEDC to provide administrative services to the MSF for fiscal year 2023. Additionally, the MEDC requests approval to seek reimbursement or payment for administrative expenses it incurs in connection with administration of various federal programs, including the State Small Business Credit Initiative 2.0 (“SSBCI 2.0”), the SSBCI Technical Assistance Program, the Michigan State Trade Expansion Program (“MI-STEP”), the Community Development Block Grant (“CDBG”) Program, the Revitalization and Placemaking Program (“RAP”), and other programs and activities that may be authorized under the American Rescue Plan Act (“ARPA”) (collectively, the “Request”).

Background

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

Every year, the MSF Board is asked to accept and allocate funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. These funds are to be used for business attraction and community development programs and activities, the entrepreneurship ecosystem, the Pure Michigan campaign, State Small Services Credit Initiative (SSBCI) 2.0 programs and activities, American Rescue Plan Act (ARPA) programs and activities as well as business marketing and administration.

Recommendation

MEDC staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND BOARD

RESOLUTION

2022-145

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

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

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

WHEREAS, consistent with the terms of the MOU, the MEDC and MSF desire to extend the effective date of the MOU through September 30, 2023;

WHEREAS, to appropriately and fully fund such administrative expenses, the MSF Board believes it is reasonable to exercise its discretion pursuant to MCL 125.2088b(3), and as otherwise may be provided under the MSF Act, MCL 125.2001 et. seq., as may be amended from time to time (the “MSF Act”) to authorize an expenditure of four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund for administrative expenses for fiscal year 2022-2023; and

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

NOW, THEREFORE, BE IT RESOLVED, subject to the control and direction of the MSF Board, the MEDC shall provide administrative services through September 30, 2023 for all 21st Century Jobs Trust Fund programs, SSBCI 2.0, MI-STEP, the CDBG Program, RAP, and other programs and activities administered by the MSF, and programs and activities additionally included and described in the Michigan Strategic Fund Act;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to sign an amendment to the MOU extending the term of the MOU to September 30, 2023;

BE IT FURTHER RESOLVED, that the MSF Board, acting pursuant to the MSF Act, authorizes four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund to be incurred for administrative costs related to the administration of programs and activities authorized under the MSF Act for fiscal year 2022-2023; and

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

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

Nays: None

Recused: None

Lansing, Michigan
September 27, 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

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MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-142**

**APPROVAL OF THE SEPTEMBER 27, 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: September 7, 2022
- b. CDBG Action Plan: Annual Funding
- c. 20 Fathoms: Business Incubator Gateway Grant
- d. MSF Administrative Services MOU Extension

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

Nays: None

Recused: None

Lansing, Michigan
September 27, 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: September 27, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jeremy Webb, Interim Managing Director, Business Development Projects
Subject: Incentives Request
Community Development Block Grant Program (“CDBG”) Grant
State Essential Services Assessment (“SESA”) Exemption

Nexteer Automotive Corporation (“Company” or “Applicant”)
Buena Vista Charter Township (“Township”), County of Saginaw

Request Summary

This is a request from the Applicant and the Township for the following State of Michigan incentive support (collectively, the “Incentives Request”):

- **CDBG-** The Township is requesting up to **\$25,500,000** in CDBG Coronavirus Aid, Relief and Economic Security (“CARES”) funds, with the potential addition of up to \$30,000 for CDBG administration if necessary (collectively, the “CDBG CARES Request”).
 - The Township expects that this project would result in private investment of up to \$51 million and the retention of 1,100 jobs over the next two (2) years.
- **SESA Exemption- estimated to be worth up to \$2,273,225**
 - The SESA Exemption will support investments over the next 10 years and will lead to an additional \$261 million investment, of which \$220 million is in Eligible Manufacturing Personal Property (“SESA Exemption Request”).
 - Additionally, due to the competitive nature of the Project and the desire to capture as much investment as possible, the Applicant is requesting a waiver of the SESA Program guidelines that require investment to be made within three years of commencement of the project and allow investments made within 10 years of commencement of the project (the “Waiver”).

In total, the project is expected to result in the retention of 1,100 jobs and capital and research and development investment of up to \$312 million.

Applicant History

The Company, headquartered in Auburn Hills, Michigan, is a global Tier 1 automotive supplier of electric and hydraulic power steering systems, steering columns, driveline systems, as well as advanced driver assistance systems and automated driving enabling technologies for original equipment manufacturers (OEMs). The Company operates 27 manufacturing sites globally; the Township site is the Company’s sole manufacturing site in the United States.

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

Project Description

The proposed project would focus on the purchase of equipment needed to support and retain manufacturing operations in the Township. The investment in equipment will allow the Company to continue to develop and manufacture innovative and technically complex automotive steering solutions to support the

increasing demand for electric vehicle components while also delivering high-quality components to its internal combustion engine customers. The Company is expected to retain a minimum of 1,100 jobs and invest \$51 million through June of 2024 with support from the CDBG CARES funding. The Company is also expected provide an additional \$261 million of capital and research and development investment over the next ten years with support from the SESA Exemption.

The Company is considering its existing facilities in Buena Vista Charter Township for the project. In addition to the significant capital investment, the retention of jobs is critical to the area. The current workforce comes from 166 cities and 34 counties within Michigan, so the loss would be far reaching. The Company will be retaining good paying UAW jobs and will provide pathway opportunities for Michiganders, including individuals from geographically disadvantaged areas. Per the 2021 UAW contract, Nexteer offers a starting wage for new employees of approximately \$15/hour through Skilled Trades Employees of \$33/hour through contract end in March of 2026. These employees could advance into team leader and other supervisory positions as well as into the skilled trades. In addition, these jobs provide excellent health care benefits with limited out-of-pocket costs to employees, 401K contribution, paid time off, funding for educational pursuits, as well as profit sharing.

Project Impact

As evidenced with the recent MSF Board action with General Motors and Ford, the automotive industry is rapidly transitioning from internal combustion engines to electric vehicles. Major automakers and their suppliers are making critical decisions around where to spend their capital resources across global footprints, focusing on the most cost competitive locations.

In addition to major light vehicle production sites, 96 of 100 top auto suppliers are active in the state with thousands of manufacturing, testing and R&D sites and commercial vehicle players. In 2019, the automotive industry created 20 percent of Michigan's total jobs. In order to maintain automotive manufacturing relevance, let alone leadership, it is imperative for the State of Michigan to capture as much investment in the research, development, and production of advanced battery technologies as possible from both the OEMs as well as their suppliers.

Demonstrated Need

As MSF Board Members are acutely aware, COVID-19 has caused significant economic harm, including substantial job losses in Michigan and impacts on businesses. Michigan has spent nearly \$240 million in small business relief to complement the more than \$19 billion in federal relief provided to Michigan businesses in 2020. The COVID-19 pandemic impacted the Company, located in Township, and the Saginaw County area dramatically. For the purposes of this grant, we are looking at the impact of COVID-19 on Saginaw County as well as the Township. Considering the operating, financial, and workforce disruptions and challenges driven by COVID-19, leadership is assessing its future investment and workforce strategy, with an objective of optimizing costs and competitiveness.

The company is evaluating several scenarios related to its global operating and investment plan which may include investment or outsourcing in more cost advantaged locations in North America. The CDBG funds will be a critical factor contributing to the competitiveness of the Township site. The funds will assist Nexteer to retain 1,100 manufacturing positions in Township and invest in critical production and engineering-related machinery, now and into the future. Township is the Company's sole manufacturing location in the United States.

Request

In order to secure the project in Michigan, the Applicant is requesting the following incentives:

- A **\$25,500,000**, with the potential addition of up to \$30,000 for CDBG administration if necessary, CDBG CARES Incentives Request (see **Appendix A** for programmatic considerations) to secure this investment in the Township and retain 1,100 manufacturing jobs. Due to the impact of COVID-19 on the Company, and taking into consideration the operating, financial, and workforce disruptions and challenges driven by the pandemic, Company leadership is forced to evaluate its future investment and workforce strategy, with the goal of optimizing costs while remaining competitive in the automotive and e-mobility space. The Company is evaluating several scenarios related to its global operating and investment plan which may include investment or outsourcing in more cost advantaged locations in North America. The CDBG funds will be a critical factor contributing to the competitiveness of the Township site as compared to competing sites. The funds will assist Nexteer to retain 1,100 manufacturing positions in Township and invest in critical production and machinery, now and into the future. Township is the Company's sole manufacturing location in the United States and is in a severely distressed census tract, which is also a designated Qualified Opportunity Zone.
- A **\$2,273,225** SESA Exemption (see **Appendix D** for programmatic considerations) along with a request to waive SESA Program guidelines that require investment to be made within three years of commencement of the project and allow investments to be made within 10 years of commencement of the project. The Company currently has a Public Act 328 ("PA 328") personal property abatement that remains in effect until December 30, 2029. The PA 328 abates 100 percent of the personal property taxes on any new personal property placed within the boundaries, which will include investments made as a result of this project. As a result, the Company will not receive benefit under the SESA until January 1, 2030.

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

CDBG Term Sheet for the Project is provided in **Appendix B**.

CDBG Project area map is provided in **Appendix C**.

SESA Programmatic Considerations in **Appendix D**

Recommendation

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

APPENDIX A – Programmatic Requirements & Screening Guidelines

COVID CARES Funding Justification:

The Company, and the automotive industry, is experiencing a period of unprecedented disruption and volatility generated by both the COVID-19 pandemic and the increased demand for electric vehicles in the marketplace. There are significant business costs associated with this disruption. While these costs are necessary, it is critical for the Company to remain competitive in the current environment to continue to invest in new equipment and technology and retain its workforce. The CDBG CARES will assist the Township and Company with the retention of key automotive manufacturing positions and with continued investment at the Company's Buena Vista site. Considering the operating, financial, and workforce disruptions and challenges driven by the pandemic, Company leadership is assessing its future investment and workforce strategy, with an objective of optimizing costs and competitiveness. The company is evaluating several scenarios related to its global operating and investment plan which may include investment or outsourcing in more cost advantaged locations in North America. The CDBG CARES funds will be a critical factor contributing to the competitiveness of the Township site and allowing the Company to maintain and upskill its workforce and invest in critical production and engineering-related machinery in the Township, now and into the future.

Over the course of the COVID-19 pandemic, the Company's suppliers and its OEM customers have been subject to a significant amount of government orders, which have limited and, for a period, completely shut down manufacturing operations and production capacity. Because Michigan had such high infection rates, Michigan's restrictions were some of the strictest and long-lasting in the country. And this area of Michigan experienced a much higher percentage of COVID-19 cases than the state. For example, 31.5% of Township residents tested positive for COVID-19, while the state's rate was 26.1%, or 20.7% higher. Because of the long duration of the restrictions and higher than average COVID-19 cases, the impact to the Company's operations was higher than many other companies in the state and nation.

In addition, these closures and the modified operating procedures required after re-opening (including social distancing, capacity limitations, and the like) have resulted in an overall decline in production volume and decreased predictability in customer demand. This has also been driven by a COVID-19 pandemic-induced shortage of supplies from the Company and its customer's suppliers, which includes semiconductor chips, steel, resin, aluminum, and mechanical parts producers, among others. The costs of this disruption and volatility have been experienced in multiple ways.

The Company's products are delivered to its customers' automotive assembly plants. Because of the shortage of key supplies, customers' assembly plant production schedules and resultant demand for the Company's products have been significantly less predictable than prior to the COVID-19 pandemic. The unpredictability in customer production schedules and demand has resulted in increases in labor costs, including significant costs associated with overtime and non-productive hours. In addition to increased labor costs, commodity and shipping costs have significantly increased. For example, inbound shipping costs of some key supplies have increased by over 3,000%.

The reduced production volume as well as the increased operating costs associated with the COVID-19 pandemic has resulted in significantly reduced operating margins. From 2019 to 2021, the Company's gross margins declined by nearly 30%. This has put significant pressure on the business' ability to recover from the impacts of COVID-19 and to invest in capital, technology, and retain its workforce.

These industry impacts are further illustrated by IHS Markit data, which highlights that light vehicle sales declined by approximately 18% at the peak of the COVID-19 pandemic and are not forecasted to recover

to pre-pandemic levels until at least 2024. This decline in sales is not due to a lack of consumer demand, rather, it is due to the supply chain pressures and scarcity of materials caused by the COVID-19 pandemic as described herein.

The pandemic has also resulted in significant disruption to the Company's workforce as many employees have chosen to voluntarily leave the workforce or relocate out of the area. The available workforce in Saginaw County has decreased by approximately 5% as compared to pre-pandemic according to the Michigan Bureau of Labor Market Information and Strategic Initiatives. While the Company has a rich history in the Township and the Saginaw region, the available automotive manufacturing talent base and workforce needed to replenish and retain the Company's presence is now diminished as compared to other regions in the state. As a result, significant training expenses are required to support the retention of positions and operations in the community. Nexteer is the largest taxpayer, manufacturer and employer in Township, and its role as an employer and corporate citizen in the community is critical to the Township. Nexteer is also the largest manufacturer in Saginaw County and the broader Great Lakes Bay Region. Given Nexteer's role as a taxpayer and employer in the community, retention of its operations and workforce in the Township is a strategic imperative for the community as it navigates through the ongoing disruption caused by COVID-19. Township is an Eligible Distressed Area as defined by the Michigan State Housing Development Authority. The Company is in a severely distressed census tract, which is also a designated Qualified Opportunity Zone.

Loss of 1,100 workers would cripple both the local community as well as this region of Michigan. In 2021, the Company paid nearly \$950,000 in local property taxes and is one of the top taxpayers in Saginaw County. While the Company's history dates to 1906, the Buena Vista facility was originally constructed to be a General Motors "mega site" in 1953 and has been a Company site since 2010. Due to the size of the site, there are significant overhead costs required to operate and maintain the site.

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 CBDG CARES funding as the project activities are expected to result in the retention of 1,100 full time positions over the next year. The business has agreed that at least 561 of the 1,100 positions will be held by low to moderate income persons utilizing CDBG CARES flexibilities related to income documentation. The project meets a national objective by providing benefit to at least 51 percent low- and moderate-income persons. The CDBG maximum allowable per job is \$23,182 plus up to an additional \$30,000 for CDBG administration if necessary.
- **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 Company will be able to add value to the local economy through additional opportunities to

compete for larger contracts as well as retain 1,100 over two years, 561 of which will be low-to-moderate income individuals.

- **Minimum Local Participation:** The Charter Township of Buena Vista is supportive of the Project through resolution and has committed to serve as the applicant for the CDBG CARES grant.
- **Minimum Leverage Ratio:** The private leverage contribution, to be provided by Nexteer Automotive Corporation, equals \$51,000,000 which results in a leverage ratio of approximately 1:1 of the CDBG CARES grant.

In total, the project is expected to result in the retention of 1,100 jobs and capital and research and development investment of up to \$312 million.

- **Financial Viability and Background Check:** The business receiving the benefit from this project has completed a civil and criminal background check in accordance with the MSF Background Review Policy with no concerns and has been determined to be financially viable.

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

APPENDIX B – Terms Sheet

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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" or "Grantor") 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 ("Grant") is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: 8/30/2022

1. Community Name ("Grantee"): Charter Township of Buena Vista
2. Company Name ("Company"): Nexteer Automotive Corporation
3. Company Address: 3900 E. Holland Ave.
Saginaw, MI 48601
4. Project Description and Activities: CDBG and Company Eligible Activities include the purchase and installation of machinery and equipment and associated costs.
5. Total Estimated Project Costs: \$51,000,000
6. CDBG Grant Incentive Type: LMI Job Retention
7. Proposed CDBG Assistance to Grantee (the "Grant"): \$25,500,000

In no event shall the amount of the grant assistance exceed more than 50% of total project cost. 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.

8. Estimated Company Investment: \$25,500,000. Company Investment cannot include CDBG funded expenditures.
9. Type of Financing for Investment: Loan
 Cash Contribution

10. Base Employment Level: 3,000 The number of positions to be maintained in Michigan by the Company.. The Base Employment Level shall be included in the final CDBG Incentive Award agreement(s) ("Agreement") and are required to be maintained throughout the Term of the Agreement.

11. Minimum Job Retention: 1,100 The minimum number of jobs the Company must retain at the Project, in addition to satisfying other milestones, if applicable, to be minimally eligible to receive the full amount of the CDBG Incentive Award.

Retained 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 1,100 jobs must be held by low- or moderate-income persons based on individual income, which has been defined by HUD as \$40,050 for Saginaw, Michigan. Income verification of the individual will be required one time only at the beginning of the Project*
- *Jobs must be retained during the term of the Grant Agreement per clauses 13 d. and e. below and must be documented via Progress Reports as described in Section 19. ; and*
- *Located at the project site.*

a. Minimum Hourly Wage: \$15 The retained 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 Retained Jobs Date of MSF Approval

12. 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 and must otherwise be in compliance with all terms and conditions of the final Agreement(s), and further shall include:

a. Disbursement Milestone 1: Up to \$12,750,000 Upon demonstrated retention of 1,100 jobs and verification of the installation of \$12,750,000 of machinery and equipment and verification of at least \$12,750,000 by June 1, 2023. In the event that machinery and equipment investment is less than \$12,750,000 by June 1, 2023, Grantor will allow those investments to combine with Disbursement Milestone 2.

- b. **Disbursement Milestone 2:** Up to \$12,750,000 Upon demonstrated retention of 1,100 jobs and verification of the installation of \$12,750,000 of machinery and equipment and verification of at least \$12,750,000 in Company Investment by June 1, 2024.
13. **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 Grantee, 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:** November 30, 2022
 - b. **Machinery and Equipment Purchase and Purchase Order Commencement:** May 1, 2022
 - c. **Machinery and Equipment Purchase and Purchase Order Completion:** June 1, 2024
 - d. **Job Retention Commencement:** September 27, 2022
 - e. **Job Retention Completion:** June 1, 2024
14. **Term of Agreement:** The term of the Agreement(s) shall be effective as of May 1, 2022, and end on June 30, 2024. All required activities, including job retention and investment, must be completed within the Term.
15. **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.
16. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment and retention 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 retention 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.

17. **Environmental Review:** The CDBG environmental review process must be completed with assistance with MEDC staff prior to disbursement of CDBG funds. The environmental review process usually takes the community a minimum of 60 days to complete. It is expected that the Project will be categorically excluded from environmental review and not subject to §58.5.
18. **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 does not currently apply.

19. **Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:

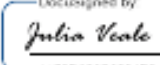
a. Job Retention Summary Report, including a wage verification report provided by the Company

20. **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: Julia Veale

Its: Sr. Business Development Program Manager

Signature: 
1173D62860234E3...


Dated: 9/6/2022

Acknowledged as received by:

Charter Township of Buena Vista

By: Torrie Lee

Its: DDA Chair

Signature: 
8F9A01466970484...

Dated: 9/2/2022

Acknowledged as received by:

Nexteer Automotive Corporation

By: Jill Dralle

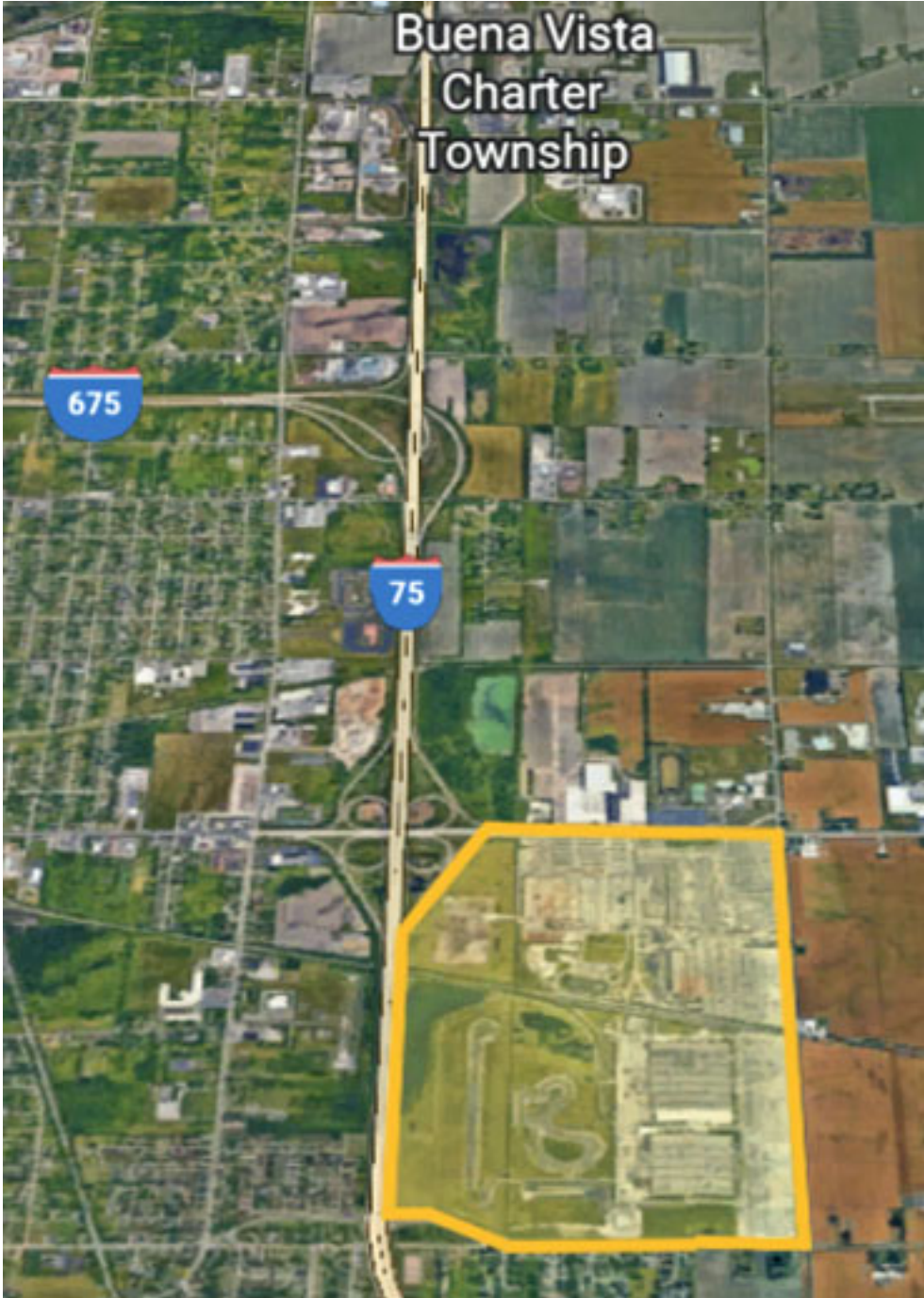
Its: VP and COO US Division

Signature: 
FC3309A802234D0...

Dated: 9/2/2022

Cc: Louis Vinson, Program Specialist
Christine Whitz, Managing Director CDBG

APPENDIX C – Project Area Map



APPENDIX D – State ESA Programmatic Considerations

Considerations for State ESA

- 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 made after MSF approval and completed within three years of Commencement of the Project qualify as eligible investments per program guidelines. However, legislation does not require companies’ complete investment within three years. Due to the industry-wide volatility resulting from the semiconductor shortage, equipment deliver timelines and automotive OEM schedules may be delayed, which may delay the expenditure and purchase order timing. Therefore, staff is seeking a waiver of the Program Guidelines to allow investment within **10 years** of execution of the agreement (“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 SESA upon completion of the first performance milestone.
- d) The Company will invest at least \$100 million with a total maximum investment of up to \$220 million in Qualified Investments in Eligible Manufacturing Personal Property.
- e) The 15-year State ESA Exemption is estimated to be worth **\$2,273,225**. 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
State ESA Exemption Amount	\$0	\$1,039,140	\$1,234,085	\$2,273,225

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-146**

**APPROVAL OF BUENA VISTA CHARTER TOWNSHIP'S NEXTEER AUTOMOTIVE
CORPORATION 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 MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus Aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, Buena Vista Charter Township (the "Township") has requested CDBG grant funds in the amount of \$25,500,000 for machinery and equipment and an additional \$30,000 for grant administration, (the "Request");

WHEREAS, the CDBG program staff reviewed the Township's-Nexteer Automotive Corporation-Machinery and Equipment Project ("Project") in light of the Criteria and HUD regulations and concluded the activities are eligible;

WHEREAS, staff recommends approval of the Request in accordance with the Term Sheet attached as Exhibit A and execution of the grant agreement, within 120 days of the date of this Resolution or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the time period may be extended for up to an additional 60 days, (the "Time Period") (collectively, the "CDBG Request"); 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 CDBG Request subject to available CDBG funding.

Ayes: Britany L. Affolter-Caine, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: Ronald W. Beebe



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” or “Grantor”) 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 (“Grant”) is presented by the Michigan Economic Development Corporation (“MEDC”) to the MSF.

Date: 8/30/2022

1. **Community Name (“Grantee”):** Charter Township of Buena Vista
2. **Company Name (“Company”):** Nexteer Automotive Corporation
3. **Company Address:** 3900 E. Holland Ave.
Saginaw, MI 48601
4. **Project Description and Activities:** CDBG and Company Eligible Activities include the purchase and installation of machinery and equipment and associated costs.
5. **Total Estimated Project Costs:** \$51,000,000
6. **CDBG Grant Incentive Type:** LMI Job Retention
7. **Proposed CDBG Assistance to Grantee (the “Grant”):** \$25,500,000

In no event shall the amount of the grant assistance exceed more than 50% of total project cost. 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.

8. **Estimated Company Investment:** \$25,500,000. Company Investment cannot include CDBG funded expenditures.
9. **Type of Financing for Investment:**
 - Loan
 - Cash Contribution

- 10. Base Employment Level:** 3,000 The number of positions to be maintained in Michigan by the Company.. The Base Employment Level shall be included in the final CDBG Incentive Award agreement(s) (“Agreement”) and are required to be maintained throughout the Term of the Agreement.
- 11. Minimum Job Retention:** 1,100 The minimum number of jobs the Company must retain at the Project, in addition to satisfying other milestones, if applicable, to be minimally eligible to receive the full amount of the CDBG Incentive Award.

Retained 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 1,100 jobs must be held by low- or moderate-income persons based on individual income, which has been defined by HUD as \$40,050 for Saginaw, Michigan. Income verification of the individual will be required one time only at the beginning of the Project*
- *Jobs must be retained during the term of the Grant Agreement per clauses 13 d. and e. below and must be documented via Progress Reports as described in Section 19. ; and*
- *Located at the project site.*

- a. Minimum Hourly Wage:** \$15 The retained 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 Retained Jobs** Date of MSF Approval

12. 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 and must otherwise be in compliance with all terms and conditions of the final Agreement(s), and further shall include:

- a. Disbursement Milestone 1:** Up to \$12,750,000 Upon demonstrated retention of 1,100 jobs and verification of the installation of \$12,750,000 of machinery and equipment and verification of at least \$12,750,000 by June 1, 2023. In the event that machinery and equipment investment is less than \$12,750,000 by June 1, 2023, Grantor will allow those investments to combine with Disbursement Milestone 2.

b. Disbursement Milestone 2: Up to \$12,750,000 Upon demonstrated retention of 1,100 jobs and verification of the installation of \$12,750,000 of machinery and equipment and verification of at least \$12,750,000 in Company Investment by June 1, 2024.

13. 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 Grantee, 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:** November 30, 2022
- b. Machinery and Equipment Purchase and Purchase Order Commencement:** May 1, 2022
- c. Machinery and Equipment Purchase and Purchase Order Completion:** June 1, 2024
- d. Job Retention Commencement:** September 27, 2022
- e. Job Retention Completion:** June 1, 2024

14. Term of Agreement: The term of the Agreement(s) shall be effective as of May 1, 2022, and end on June 30, 2024. All required activities, including job retention and investment, must be completed within the Term.

15. 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.

16. Repayment Provisions: It is understood and acknowledged by all parties, including the Company, that the investment and retention 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 retention 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.

17. Environmental Review: The CDBG environmental review process must be completed with assistance with MEDC staff prior to disbursement of CDBG funds. The environmental review process usually takes the community a minimum of 60 days to complete. It is expected that the Project will be categorically excluded from environmental review and not subject to §58.5.

18. 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 does not currently apply.

19. 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. Job Retention Summary Report, including a wage verification report provided by the Company

20. 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: Julia Veale

Its: Sr. Business Development Program Manager

Signature:  _____
DocuSigned by:
1173D828B6234E3...


Dated: 9/6/2022 _____

Acknowledged as received by:

Charter Township of Buena Vista

By: Torrie Lee _____

Its: DDA Chair _____

Signature:  _____
DocuSigned by:
8F9A01498970484...


Dated: 9/2/2022 _____

Acknowledged as received by:

Nexteer Automotive Corporation

By: Jill Dralle _____

Its: VP and COO US Division _____

Signature:  _____
DocuSigned by:
FC3309A8D2234D0...

Dated: 9/2/2022 _____

Cc: Louis Vinson, Program Specialist
Christine Whitz, Managing 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®

From: Francart, Kevin (OCCO) <FrancartK@michigan.gov>
Sent: Monday, September 26, 2022 7:36 AM
To: Katelyn Wilcox (MEDC) <wilcoxk5@michigan.org>
Cc: Valerie Hoag (MEDC) <hoagv@michigan.org>; Ronald W. Beebe <ron@euclidindustries.com>
Subject: Nexteer MSF 9/27/22 meeting - Beebe Conflict

Katelyn, Mr. Beebe's company, Euclid, does business with Nexteer, which has a project being discussed at the September 27, 2022, MSF Board Meeting. In an abundance of caution, Mr. Beebe is going to recuse himself to avoid any appearance of a conflict. There has not been an actual conflict established.

The below email can serve as his notice to the board for your records.

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov
Cell: 517-899-6043

From: Francart, Kevin (OCCO)
Sent: Monday, September 26, 2022 7:27 AM
To: Ron Beebe <ron@euclidindustries.com>; Valerie Hoag (MEDC) <hoagv@michigan.org>
Subject: RE: Question for you

Thanks Ron. Since you are going to recuse yourself from the discussion we can skip any further analysis for a conflict check. I'll let Katelyn know so she can make the appropriate arrangements during the meeting.

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov
Cell: 517-899-6043

From: Ron Beebe <ron@euclidindustries.com>
Sent: Friday, September 23, 2022 5:34 PM
To: Francart, Kevin (OCCO) <FrancartK@michigan.gov>; Valerie Hoag (MEDC) <hoagv@michigan.org>
Subject: Re: Question for you

Answers

1. No
2. Yes
3. No
4. I don't think so, but will not speak or vote on this item.

From: Francart, Kevin (OCCO) <FrancartK@michigan.gov>

Sent: Friday, September 23, 2022 1:35:37 PM

To: Valerie Hoag (MEDC) <hoagv@michigan.org>; Ron Beebe <ron@euclidindustries.com>

Subject: RE: Question for you

Ron, a couple of questions to do the conflict check:

1. Is Euclid receiving any of the funds directly from the Nexteer incentive?
2. Does the business between Euclid and Nexteer amount to more than 2% of Euclid's annual revenue?
3. Does the relationship between Euclid and Nexteer influence your judgment in the performance of your duties or responsibilities to the MSF?
4. Would your interest in Euclid and the relationship between Euclid and Nexteer lead a reasonable person, to conclude that it may influence your judgment in the performance of your duties or responsibilities to the MSF, thus giving the appearance of improper influence?

Questions 1 and 2 are just objective facts.

Question 3 is subjective and based on your opinion and if you feel the deal would influence your judgment.

Question 4 is a reasonable person analysis that is normally done by me and the AG if there is sufficient entanglement to warrant the analysis.

Thank You

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov

Cell: 517-899-6043

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-147**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
NEXTEER AUTOMOTIVE CORPORATION**

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

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

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

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

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

WHEREAS, the Program Guidelines require that qualified investments be made within three (3) years of commencement of the project in order to be eligible for the SESA Exemption (the “Qualified Investment Requirement”);

WHEREAS, Nexteer Automotive Corporation (the “Company”) has requested that the MSF Board approve a fifteen-year SESA Exemption estimated to be worth \$2,273,225 for up to \$220,000,000 in qualified investment in Eligible Personal Property in Buena Vista Township (the “Township”), Saginaw County (the “SESA Exemption Request”);

WHEREAS, the Township is located in an Eligible Distressed Area;

WHEREAS, the Company has requested a waiver to the Qualified Investment Requirement to allow qualified investments to be made up to 10 years from commencement of the Project (the “Waiver Request”); and

WHEREAS, the MEDC recommends that the MSF Board approve (1) the Waiver Request; and (2) approve the SESA Exemption Request and require a one-time administrative fee of \$10,000 payable to the MSF upon completion of the first performance milestone (collectively, the “Recommendation”).

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

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

Ayes: Britany L. Affolter-Caine, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: Ronald W. Beebe

Lansing, Michigan
September 27, 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®

From: Francart, Kevin (OCCO) <FrancartK@michigan.gov>
Sent: Monday, September 26, 2022 7:36 AM
To: Katelyn Wilcox (MEDC) <wilcoxk5@michigan.org>
Cc: Valerie Hoag (MEDC) <hoagv@michigan.org>; Ronald W. Beebe <ron@euclidindustries.com>
Subject: Nexteer MSF 9/27/22 meeting - Beebe Conflict

Katelyn, Mr. Beebe's company, Euclid, does business with Nexteer, which has a project being discussed at the September 27, 2022, MSF Board Meeting. In an abundance of caution, Mr. Beebe is going to recuse himself to avoid any appearance of a conflict. There has not been an actual conflict established.

The below email can serve as his notice to the board for your records.

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov
Cell: 517-899-6043

From: Francart, Kevin (OCCO)
Sent: Monday, September 26, 2022 7:27 AM
To: Ron Beebe <ron@euclidindustries.com>; Valerie Hoag (MEDC) <hoagv@michigan.org>
Subject: RE: Question for you

Thanks Ron. Since you are going to recuse yourself from the discussion we can skip any further analysis for a conflict check. I'll let Katelyn know so she can make the appropriate arrangements during the meeting.

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov
Cell: 517-899-6043

From: Ron Beebe <ron@euclidindustries.com>
Sent: Friday, September 23, 2022 5:34 PM
To: Francart, Kevin (OCCO) <FrancartK@michigan.gov>; Valerie Hoag (MEDC) <hoagv@michigan.org>
Subject: Re: Question for you

Answers

1. No
2. Yes
3. No
4. I don't think so, but will not speak or vote on this item.

From: Francart, Kevin (OCCO) <FrancartK@michigan.gov>

Sent: Friday, September 23, 2022 1:35:37 PM

To: Valerie Hoag (MEDC) <hoagv@michigan.org>; Ron Beebe <ron@euclidindustries.com>

Subject: RE: Question for you

Ron, a couple of questions to do the conflict check:

1. Is Euclid receiving any of the funds directly from the Nexteer incentive?
2. Does the business between Euclid and Nexteer amount to more than 2% of Euclid's annual revenue?
3. Does the relationship between Euclid and Nexteer influence your judgment in the performance of your duties or responsibilities to the MSF?
4. Would your interest in Euclid and the relationship between Euclid and Nexteer lead a reasonable person, to conclude that it may influence your judgment in the performance of your duties or responsibilities to the MSF, thus giving the appearance of improper influence?

Questions 1 and 2 are just objective facts.

Question 3 is subjective and based on your opinion and if you feel the deal would influence your judgment.

Question 4 is a reasonable person analysis that is normally done by me and the AG if there is sufficient entanglement to warrant the analysis.

Thank You

Kevin

Kevin L. Francart, J.D., CFE, CCEP.
Chief Compliance Officer
Office of the Chief Compliance Officer
State of Michigan

e-mail: francartk@michigan.gov

Cell: 517-899-6043



MEMORANDUM

Date: September 27, 2022

To: Michigan Strategic Fund Board

From: Chris Cook, Managing Director - Capital Access

Subject: Private Activity Bond – Inducement
Michigan Potash Company, LLC
Sewage/Solid Waste - \$225,000,000

Request

Michigan Potash Company, LLC (the “Company”), is seeking financing in connection with the Company’s construction of a potash and salt production plant and processing facility and corresponding infrastructure in Evert Township, with reserves and operations in Osceola and Mecosta counties. This facility will be used for the extraction of the reserve of potash (potassium chloride) and salt (sodium chloride) co-product by solution extraction from approximately 8,000 feet below surface in a water cycling process. The potash will then be sold mostly for fertilizer and then for industrial purposes while the salt will be sold for road deicing, water softening, and food grade needs.

Potash is potassium, and is one of three critical fertilizer minerals that all crops must have. The Company has indicated that it is anticipated they will be able to supply most of Michigan’s potassium fertilizer needs, along with surrounding states. The U.S. imports approximately 96% of its 10-12 million tons per year of potash for domestic needs. Michigan consumes between 250,000-350,000 tons per year, all of which is imported. This project has the potential to replace potash imports into Michigan.

Salt is a beneficial co-product that will be used for food preservation, water treatment, animal feeds, chemical process inputs and deicing. Total salt production from Michigan is approximately 3 million tons per year. Michigan demand approximates to 2.2 to 2.8 million tons per year. This project has the ability to introduce an additional 1 million tons per year, of which the Company expect half of which to be exported to surrounding states.

The project will consist of a wellfield for the potash solution mining, brine water disposal and source water gathering, a production plant that will extract high quality sodium chloride and potassium chloride salts, and a processing facility that will convert the sodium and potassium salts into market ready product. The facilities to be financed with private activity bonds will include facilities for the collection, storage, conveyance, and disposal of industrial wastewater (sewage) and solid waste realized as part of the solution mining and product manufacturing processes.

Background

The Company was founded in 2011 under the laws of the State of Colorado and is registered as a foreign limited liability company in the State of Michigan as of 2011. The company is a family owned, minority owned company responsible for controlling one of three domestic reserves of potash.

The Company does not currently have any official employees. Over the course of the next three years the company plans to hire 129 employees in Michigan at an average wage of \$29/hr. Additionally, the company plans to employ approximately 300 union construction jobs over the three year construction period.

Plan of Finance:

Citigroup Global Markets Inc. has indicated an interest in supporting this bond issue.

Recommendation

After reviewing the private activity bond application for the Company, staff finds this project meets the requirements for an Inducement Resolution in the amount of \$225,000,000.

MICHIGAN STRATEGIC FUND

**INDUCEMENT RESOLUTION
2022-148**

Michigan Potash Company, LLC

WHEREAS, Michigan Potash Company, LLC (the "Company") a foreign limited liability company registered in Michigan, presently located at 9622 US-10 Hwy East, Ewart, Michigan;

WHEREAS, the Company desires to construct a potash and salt production plant and processing facility and corresponding infrastructure in Ewart Township, to allow for the extraction of the reserve of potash and salt co-product to be sold for fertilizer and industrial purposes (potash) and road deicing, water softening and food grade needs (salt) (the "Project");

WHEREAS, the Project will include facilities for the collection, storage, conveyance, and disposal of industrial wastewater (sewage) and solid waste realized as part of the solution mining and product manufacturing processes;

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

WHEREAS, the Company has advised the MSF that the cost of the Project will not exceed Two Hundred and Twenty Five Million Dollars (\$225,000,000);

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 144 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

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

1. The MSF intends to provide the Loan to the Company subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Company's Tax-Exempt Application Form dated August 12, 2022.
3. The maximum principal amount of the bonds expected to be issued to provide the Loan to finance the Project shall not exceed Two Hundred and Twenty Five Million Dollars (\$225,000,000) (the "Bonds"). The Company shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the bonds under applicable federal and state laws, b) receipt of an allocation from the State Treasurer pursuant to 1988 PA 496 as it relates to limitations on the issuance by states of private activity bonds under the Code, and c) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.
5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.

6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the “Attorney General”) and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.

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

8. The Bonds shall not be general obligations of the MSF but shall be payable as to principal and interest solely from the proceeds of the payments to be made by the Company to the MSF (or to a trustee appointed by the MSF pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely certain that under no circumstances will the Bonds or this Resolution be a debt or obligation of the State of Michigan or a general obligation of the 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 Company.

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

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

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

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

ADOPTED

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

Nays: None

Recused: None

Lansing, Michigan
September 27, 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

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MEMORANDUM

Date: September 27, 2022

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

From: Sara Bishop, Business Development Project Manager

Subject: Grant Reauthorization Request
Michigan Business Development Program (“MBDP”)
L. Perrigo Company (“Company”)

Request

This is a request from the Company to reauthorize their previous \$2,000,000 MBDP approval with the following amendment (collectively, the “MBDP Reauthorization Request”):

- Reduce the base employment from 4,170 to 4,124 due to a divestiture within its Rx Pharmaceutical business; and
- Amend the milestones by extending the due dates by one year more specifically outlined in the attached Term Sheet.

Background

On October 27, 2020, the MSF approved a \$2,000,000 award for the Company under the MBDP. The Company established its corporate North American headquarters in Grand Rapids to house the US-based executive leadership team (C-Suite), some of the senior corporate functional leaders in HR, Finance, IT and Legal as well as being the base for Consumer Self Care Americas commercial organization (Marketing, Sales, e-Commerce/Digital, etc.). The Company entered into a 15-year lease at a facility located at 430 Monroe Ave NW; the facility would be renovated and upgraded to offer 60,000 square feet of office space and 170 parking spaces. The Company proposed to create 170 Qualified New Jobs and \$44.7 million in capital investment. The city of Grand Rapids committed to provide a property tax abatement in support of the project.

The Company has successfully completed construction of its new facility and is actively working to recruit, hire, and train new employees. The Company has shifted its focus to primarily self-care products and is steering away from pharmaceutical operations. Because of this, the Company has divested from its pharmaceutical sectors in Michigan and as a result, the base employment has decreased to 4,124 from 4,170, which was the base employment number at the time of the approval.

In addition, the Company is requesting a one-year extension on all three milestones within the approval. The Company continues to suffer from high turnover and difficulty matching its needs with the talent pipeline. The Company has 318 open positions and is working with neighboring agencies to assist with the hiring process. The Company feels that with more time, and as the job market begins to return to normal, that it will be able to fulfill its commitment of creating 400 well-paying jobs in Region 4.

Finally, the Company is requesting reauthorization of the October 27, 2020, approval. Unfortunately, due to the market and administrative limitations, the Agreement has not yet been entered into. The Company is confident that it will respond and execute the agreement as soon as they receive it.

The Company invests heavily in its employees to maintain a highly skilled workforce. The jobs being created are well-paying jobs and the Company offers a clear pathway to upward mobility for its employees. The Company encourages personal and professional development and offers full tuition reimbursement, incentives for longevity, and merit pay. The project is located in a geographically disadvantaged area and will provide entry level and professional level opportunities to the residents in the surrounding area. This headquarter project is important to the continued expansion of the Medical Mile in downtown Grand Rapids and its work will solidify West Michigan as a medical industry hub.

Company Background

The Company is a subsidiary of Perrigo Company plc, a publicly traded manufacturer of over-the-counter private label pharmaceutical and branded self-care products with \$4.8 billion in annual sales. The Company is a leading provider of over-the-counter health and wellness solutions provided at an affordable price. The Company employs over 11,000 people globally, and about 4,000 employees in Allegan and Ottawa Counties in Michigan.

The Company is a staple in the West Michigan community, recently donating \$500,000 in hand sanitizer to local hospitals to help meet increased demand caused by the COVID-19 pandemic and \$600,000 to community partners essential to the COVID-19 effort. The Company also supports many charitable organizations in the area and donated a building to the Safe Harbor program in Allegan as well as being hands on in inspiring the youth of West Michigan to pursue STEM related careers.

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

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-149**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
L. PERRIGO COMPANY**

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

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

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

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

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

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

WHEREAS, the MSF Board approved a \$2,000,000 MBDP performance-based grant on October 27, 2020 (the “Grant”) to L. Perrigo Company (the “Company”) to establish a headquarters in downtown Grand Rapids that will result in the creation of 170 Qualified New Jobs and an expected capital investment of up to \$44,682,094 (the “Prior Approval”)

WHEREAS, the Company has requested that the MSF Board reauthorize the Prior Approval (the “Reauthorization Request”);

WHEREAS, the Company has requested the Prior Approval be amended to (1) reduce the base employment level to 4,124 and (2) modify the Grant milestones (the “Amendment Request”) which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”);

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

WHEREAS, the MEDC recommends that the MSF Board approve (1) the Reauthorization Request and (2) the Amendment Request in accordance with the Term Sheet, subject to: (i) available funding; (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents, within 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 60 days (collectively, the “MBDP Award Recommendation”).

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

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

Nays: None

Recused: None

Lansing, Michigan
September 27, 2022



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

MICHIGAN BUSINESS DEVELOPMENT PROGRAM Performance Based Grant Amendment - Term Sheet

The following is a summary of the highlights of the amendment and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Michigan Business Development Program (“MBDP”). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP Incentive Amendment is presented by the Michigan Economic Development Corporation (“MEDC”) to the MSF.

Date: September 15, 2022

Company Name: L. Perrigo Company (“Company”)

Company Address (“Project”): Region 4

MBDP Incentive Type: Performance Based Grant

Current Status of the MBDP Incentive, as set forth in the final MBDP Incentive Award Agreement (“Agreement”):

Maximum Amount of MBDP Incentive: Up to \$2,000,000 (“MBDP Incentive Award”)

Base Employment Level 4,170

Total Qualified New Job Creation: 170
(above Base Employment Level)

Company Investment: \$44,682,094 for new construction and lease costs or any combination thereof, for the Project.

Municipality supporting the Project: The City of Grand Rapids

Disbursement Milestones: The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award are outlined in Exhibit B of the Agreement, and include:

- **Disbursement Milestone 1:** Up to \$1,000,000 Upon demonstrated creation of 90 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than June 30, 2022.
- **Disbursement Milestone 2:** Up to \$500,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 54 additional Qualified New Jobs (for a total of 144 Qualified New Jobs) above the Base Employment Level, by no later than June 30, 2023.
- **Disbursement Milestone 3:** Up to \$500,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 26 additional Qualified New Jobs (for a total of 170 Qualified New Jobs) above the Base Employment Level, by no later than June 30, 2024.

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Term of Agreement: Execution of Agreement to December 30, 2024.

Proposed MBDP Incentive Amendment

Base Employment Level 4,124 The Company experienced a divestiture in its Rx Pharmaceutical business

Disbursement Milestones: The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award will be amended as follows:

- **Disbursement Milestone 1:** On **June 30, 2023**, the Company has created a minimum of at least **50** up to **90** Qualified New Jobs above the Base Employment Level; and
- **Disbursement Milestone 2:** On **June 30, 2024**, the Company has created a minimum of at least **91** up to **143** Qualified New Jobs above the Base Employment Level; and
- **Disbursement Milestone 3:** On **June 30, 2025**, the Company has created a minimum of at least **144** up to **170** Qualified New Jobs above the Base Employment Level.

Term of Agreement: Execution of Agreement to December 31, 2025

Any final MBDP Incentive Amendment is contingent upon several factors, including: (i) submission by the Company of a completed amendment application and all other documentation required under the MBDP (ii) satisfactory municipality support, if applicable (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory to the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Amendment containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award Amendment for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by August 2, 2022, the MEDC may not be able to proceed with any recommendation to the MSF.

Acknowledged as received by:

L. Perrigo Company

By:



Printed Name: Ronald Janish

Its: EVP - Global Operations

Dated: September 21, 2022

Michigan Economic Development Corporation

By:



Printed Name: Sara Bishop

Its: BDPM

Dated: September 15, 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

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MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

To:
Michigan Strategic Fund Board

From:
Rachel A. Bakken, Senior Capital Project & Portfolio Manager

Date:
09/27/2022

Subject:
Ginosko Development Company (and/or related borrowers) SSBCI Loan Participation Proposal

Request

Ginosko Development Company ("GDC") is a real estate development company that oversees and selects all facets of a real estate endeavor. Founded by Amin Irving and John Hayes in 2002, Ginosko Development Company began by recognizing the growing demands of preserving and establishing safe, sophisticated, quality residences for the full spectrum of socio-economic households.

The proposed transaction consist of a New Market Tax Credit ("NMTC") financing to Optimum Modular, LLC (a business expansion of Ginosko Development Company) for the construction and equipping of a modular housing production factory located in Romulus, MI (the 'Project'). The Project is in a NMTC qualified census tract area and qualifies as 'severely distressed.' The new building, when completed, will be 105,000 square feet.

Ginosko Development Company is seeking financing for the project. The total project is anticipated to cost approximately \$22 million. Black Economic Development Fund ("BEDF") has proposed financing of a Source Loan in the amount up to \$10,000,000. This loan will be led by the Black Economic Development Fund and managed by the LISC Fund Management LLC ("LISC").

The BEDF is requesting loan participation support from the MSF for the following:

Bank Facility and MSF Support

The Bank has proposed the following credit facilities:

Senior Direct Loan = Flagstar Bank	\$6,420,000
Equity Investment = NMTC Investor	\$4,630,000
Source Loan = New Market Tax Credit	\$10,000,000
Total Loans Leveraged	\$21,050,000

Borrower's Injection:
Member's Equity \$ 973,298

Total Capital for Project: \$22,023,298

Given the above structure, the proposed MSF exposure is a maximum of:
Equity Bridge Loan = New Market Tax Credit \$ 4,990,000
Total MSF Contribution \$ 4,990,000

Under definitions provided by the US Department of Treasury related to the calculation of leverage, the reported leveraged lending as compared to MSF exposure is 4.41:1.

Borrower History

Ginosko Development Company ("GDC") is a rapidly growing family of companies involved in all aspects of multi-family residential housing development, construction, ownership and management. The organization was formed in 2002, by Amin Irving and John Hayes, Ginosko Development Company began by recognizing the growing demands of preserving and establishing safe, sophisticated, quality residences for the full-spectrum of socio-economic households. GDC oversees and selects all facets of a real estate endeavor, including but not limited to, crafting the best overall strategy for the property, determining what property to acquire or what land to build upon, selecting the appropriate construction company, determining the correct lender & LIHTC equity syndicator vehicle, interacting with the Federal, State, and Local officials, determining the appropriate property management company, and selection of the right architectural firm.

Amin Irving is the Founder, President, and CEO of Ginosko Development Company. Irving is responsible for the overall performance and operations of all divisions of the GDC family of companies. Irving oversees the selection of various locations, the preliminary feasibility analyses, the purchase negotiations of projects, landscaping and architectural design, municipality processing, and debt and equity financing. Mary H. Tischler, CPA, CGMA is the CFO of Ginosko. She is responsible for all financial accounting and reporting functions, including proforma development and operating budgets, debt and equity financing, and internal controls.



Recommendation

MEDC Staff recommends (the following, collectively, "Recommendation"):

A. Approval of the MBGF-LPP proposal contained herein and:

B. Subject to available funding under the MBGF-LPP at the time of closing ("Available Funding"), completion of due diligence, the results of which are satisfactory to the MEDC (collectively, "Due Diligence"), finalization of a MBGF-LPP Loan Participation Agreement, and further subject to the following terms and conditions:

Facility 1 - Ginosko Development Company

Borrower:	Ginosko Development Company
Lender:	Black Economic Development Fund
Loan Amount:	up to \$10,000,000
MSF Loan Participation:	up to \$4,990,000
Loan Type:	Term (Source Loan)
Fees:	1.00% at Closing

Exhibit A

Credit Presentation

GENERAL INFORMATION

Company Name Ginosko Development Company	Address 41800 West 11 Mile Rd	City, State Zip Novi, Michigan 48375
Entity Type S Corporation	Type of Operation - Primary Lessors of Nonresidential Buildings (except Miniwarehouses) NAICS: 531120	
Lender Black Economic Development Fund	Lender Contact Ben Glispie	

Bank Facility and MSF Support

Bank Facility and MSF Support

The Bank has proposed the following credit facilities:

Senior Direct Loan = Flagstar Bank	\$6,420,000
Equity Investment = NMTC Investor - Flagstar Bank	\$4,446,000
Equity Investment = GDC (less CDE Fees)	\$184,000
Source Loan = New Market Tax Credit	\$10,000,000
<u>Total Loans Leveraged</u>	<u>\$21,050,000</u>

Borrower's Injection:	
Member's Equity	\$ 973,298
Total Capital for Project:	\$22,023,298

Given the above structure, the proposed MSF exposure is a maximum of:

<u>Source Loan = New Market Tax Credit</u>	<u>\$ 4,990,000</u>
Total MSF Contribution	\$ 4,990,000

Under definitions provided by the US Department of Treasury related to the calculation of leverage, the reported leveraged lending as compared to MSF exposure is 4.40:1.

Background

Ginosko Development Company, thru affiliated entities, has a real estate portfolio of over 3,100 units totaling over \$450 Million in capitalized value. Optimum Modular is a vertically integrated, construction oriented, business expansion of Ginosko Development Company. In broad terms, Optimum Modular will be producing standardized modules ("Lego Blocks") of an apartment building in an off-site factory, then connect those Lego Blocks on-site at a final destination. It is simply a different and more efficient process to assemble the materials and components of a building. When implemented effectively this approach has been shown to result in a higher-quality building, delivered in a shorter time frame, with more predictable costs, and fewer environmental impacts.

Optimum Modular and Ginosko Development Company are members of the Michigan Minority Contractors association and will specifically seek to hire disadvantaged workers. For over 10 years, GDC has established programs that identify disadvantaged workers in order to assist them in obtaining the proper thresholds to participate in federally-funded projects. Optimum Modular has a policy in place to use best efforts to hire at least 90% of its labor force from Southeast Michigan.

Financing Opportunity

Ginosko Development Company has secured financing with the Black Economic Development Fund to provide the necessary financing in order to obtain New Market Tax Credits ("NMTC") to support eligible hard and soft costs for the project. The Black Economic Development Fund is an impact investment fund built specifically to address economic challenges in the black community and to help close the racial wealth gap. The fund targets Black-led financial institutions, Black-led businesses, and Black-led anchor institutions with the goal of growing these organizations and strengthening their contributions to the Black community. The funds deployment strategy is industry agnostic and will deploy capital across a diverse set of borrowers and geographies in the US.

The Optimum Modular project is anticipated to cost \$22 million. The financing package includes a \$6.42 million senior direct loan to be provided by Flagstar Bank, a \$10 million equity bridge loan which will be led by Black Economic Development Fund but funded by a combination of borrower equity, BEDF participation, and MSF participation. The remainder of the project will be in the form of \$4.46 million from Flagstar as the NMTC investor and the remainder to be funded by borrower equity, approximately \$184,000.

The equity bridge loan will be led by the Black Economic Development Fund, however, the BEDF is managed by the LISC Fund Management LLC ("LISC"). LISC handles the underwriting for the financing as well as loan documentation and managing repayment. LISC Fund Management, LLC, manages and deploys impact capital into businesses and real estate investments in underinvested communities across the country. LISC works with impact-focused investors from corporations to philanthropy to government, helping them to maximize their impact while achieving financial returns.

Loan #	Purpose Type	Balance/ Request Amt.	Accrued Interest	Commit.	Interest Rate	Payment Amt. P&I	# Pmts.	Term	Amort	Orig. Date	Mat. Date
BEDF / MEDC	Source Loan	10,000,000		10,000,000	6.75	56,250	12	7	30		
Flagstar Bank	Senior Direct Loan	6,420,000		6,420,000	6.5	43,348	12	7	25		
FPCD	NMTC	7,840,000		7,840,000	1	6,533	12	30	30		
NDC NMTC	NMTC	6,790,000		6,790,000	1	5,658	12	30	30		
Total		31,050,000		31,050,000							

Collateral	Type	Value	Adv Rate	Disc. Value	Prior Lien	Coll. Amt.
Cash Collateral	Cash	3,000,000	100%	3,000,000		3,000,000
Equipment - Romulus, MI	Equipment	1,300,000	50%	650,000		650,000
Manufacturing Blding - Romulus, MI	Real Estate	10,600,000	61%	6,466,000		6,466,000
Total		14,900,000		10,116,000		10,116,000

Total Loan Amount	31,050,000	Margin of Collateral to Loan	0.33
Total Collateral Amount	10,116,000	% Loan to Collateral	306.94%

Summary

Total Loan Amount	31,050,000	Margin of Collateral to Loan	0.33
Total Collateral Amount	10,116,000	% Loan to Collateral	306.94%

Collateral

The Source Loan will be secured by a first priority lien and pledge of the leverage loan documents between Optimum Leverage Lender, LLC ("Leverage Lender") and FSB-Optimum Investment Fund I, LLC ("Investment Fund"), including, without limitation, an assignment of Leverage Lender's first priority security interest in the membership interests of NDC New Markets Investments XCVI, LLC and FPCD Sub-CDE 17, LLC (the "CDEs"). The CDEs will have a second priority interest in the Project and all business assets of Optimum Modular, LLC (the "QALICB") perfected under the NMTC structure. Also, a cash account of \$3,000,000 to be pledged to the loan.

The Guarantors will guaranty 100% of repayment of the Source Leverage Loan. Guarantors will be required to demonstrate and maintain a net worth and liquid in cash and marketable securities, at a level that is acceptable to the MEDC and Lender.

Ratios and Indicators

LIQUIDITY / LEVERAGE RATIOS

Balance Sheet Dates	12/31/2020	12/31/2021	03/31/2022
Balance Sheet Description	12 months	12 months	3 Months
Current Ratio:*	20.42	5.44	2.24
Quick Ratio(Acid Test):*	9.19	3.26	0.89
Working Capital:*	3,265,128	2,858,538	2,844,080
Debt / Equity:*	0.53	0.75	0.93
Debt / Asset:*	34.58%	43.00%	48.07%
Current Liabilities / Total Liabilities:*	6.42%	18.08%	57.39%
Debt / Tang Net Worth:*	0.53	0.75	0.93

PROFITABILITY RATIOS

Inc. & Exp. Beginning Date	01/01/2023	01/01/2024	01/01/2024
Inc. & Exp. Ending Date	12/31/2023	12/31/2023	12/31/2024
Inc. & Exp. Description	Year 1*	Year 2*	Year 3*
Return on Investment:*			
Gross Profit Margin:	100.0%		100.0%
Net Profit Margin:	-10.0%		19.2%

Cash Flow / Repayment Capacity

	01/01/2023	01/01/2024	01/01/2024
	12/31/2023	12/31/2023	12/31/2024
	Year 1*	Year 2*	Year 3*
	No Adj.	No Adj.	No Adj.
OPERATING INCOME	-1,150,233	4,521,920	13,098,522
Total Non-Operating	0	0	0
(EBIT) EARNINGS BEF. INT. & TAXES	-1,150,233	4,521,920	13,098,522
Interest Expense	834,600	1,825,200	1,964,490
INCOME BEFORE TAXES	-1,984,833	2,696,720	11,134,032
NET INCOME	-1,984,833	2,696,720	11,134,032
Plus:			
Commercial			
Interest Expense	834,600	1,825,200	1,964,490
CAP RPLC & DEBT REPAYMENT CAPACITY	-1,150,233	4,521,920	13,098,522
Interest Exp	1,341,480	1,341,480	1,341,480
Total Debt Service	1,341,480	1,341,480	1,341,480
MARGIN AFTER DEBT SERVICING	-2,491,713	3,180,440	11,757,042
Commercial DSCR	-0.86	3.37	9.76

Sensitivity Analysis

Debt Service Margin will be Depleted if:

Net Sales/Revenues Decreases by:	-12.52%	0.00%	20.23%
Operating Expense plus COGS Increase by:	-11.83%	0.00%	26.12%

INDUSTRY COMPARISON

Income/Expense: 01/01/2024 to 12/31/2023 Year 2*

Sorted By Sales - 0-1mm - Upper Quartile

NAICS: 531120 - Lessors of Nonresidential Buildings (except Miniwarehouses)

Unqualified: 19, Reviewed: 25, Compiled: 110, Tax Return: 1392, Other: 1254, Total Number Stmtts: 2800

	Client	Industry	Variance		Client	Industry	Variance	Quartile
Assets				Liquidity Ratios				
Cash & Equivalents	0.0	5.7	-5.7	Current Ratio	0.0	2.5	-2.5	4
Trade Receivables (net)	0.0	0.5	-0.5	Quick Ratio (Acid Test)	0.0	2.3	-2.3	4
Inventory	0.0	0.3	-0.3	Sales / Receivables	0.0	999.9	-999.9	4
All Other Current	0.0	1.0	-1.0	Cost of Sales / Inventory	0.0			
Total Current	0.0	7.4	-7.4	Cost of Sales / Payables	0.0			
Fixed Assets (net)	0.0	86.4	-86.4	Sales / Working Capital	0.0	4.4	-4.4	
Intangibles (net)	0.0	2.2	-2.2					
Other Non-Current	0.0	3.9	-3.9	Coverage Ratio				
Total Assets	100.0	100.0		EBIT / Interest	0.0	7.0	-7.0	4
				Net Prof. + Depr / Cur. Mat. L/T/D	0.0	2.7	-2.7	4
Liabilities								
Notes Payable	0.0	3.1	-3.1	Leverage Ratios				
Cur. Mat. L/T/D	0.0	3.8	-3.8	Fixed / Net Worth	0.0	2.1	-2.1	
Trade Payables	0.0	0.4	-0.4	Debt / Net Worth	0.0	1.4	-1.4	
Income Tax Payable	0.0	0.0	0.0					
All Other Current	0.0	4.1	-4.1	Operating Ratios				
Total Current	0.0	11.4	-11.4	% Prof. Bf. Taxes / Net Worth	0.0	31.5	-31.5	4
Long Term Debt	0.0	64.6	-64.6	% Prof. Bf. Taxes / Total Assets	0.0	7.8	-7.8	4
Deferred Taxes	0.0	0.0	0.0	Sales / Net Fixed Assets	0.0	0.2	-0.2	4
Other Non-Current	0.0	2.8	-2.8	Sales / Total Assets	0.0	0.2	-0.2	4
Net Worth	0.0	21.1	-21.1					
Total Liab. & Net Worth	100.0	100.0		Expense to Sales Ratio				
				% Depreciation / Sales	0.0	14.4	-14.4	1
Income Data				Officers' Compensation/Sales	0.0	2.2	-2.2	1
Net Sales	100.0	100.0	0.0					
Gross Profit	0.0	100.0	-100.0					
Operating Expenses	89.1	47.0	42.1					
Operating Profit	0.0	53.0	-53.0					
All Other Expenses (net)	4.4	22.1	-17.7					
Profit Before Taxes	-4.4	31.0	-35.4					

Last Updated 09/06/2022 6:22:08 AM From RMA 2021 Data

OWNERSHIP / GUARANTORS

Name	Address	Relationship	% Own	Amt Guar.
Great Lakes Community Advisors LLC			28.00	
Harvin Company LLC			51.00	
Amin Irving		Guarantor	0.00	Unlimited
Mary Tischler		Guarantor	0.00	Unlimited

Source SSBCI		Program LPP
Committed Date	Loan Closing Date	Total Loan \$10,000,000
MSF Share \$4,990,000	Additional Leverage (at closing) \$973,298	Additional Leverage (ongoing)
Leverage 4.41:1	Closing Fee 1% of MSF Share	Annual Fee
FTE @ Closing (in State)	FTE @ Closing (out of state)	Projected FTE Increase 132
FTE @ Annual Review	FTE Net Increase/Decrease	Support \$ per new job \$37,878
Associate	# Co's	Loan Type

Employment

The company anticipates adding 132 fulltime employees within the first 2 years. The anticipated hourly wage for these employees is \$47.64/hr.

Source of Information

It is the role of Capital Services Team staff ("CST") to review for eligibility, completeness, and adherence to industry standards and practices, the information provided by the financial institution and to manage the MSF's structural risk. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from material submitted by the lending institution and from third party research sources such as Dunn and Bradstreets FirstResearch database.

Capital Access Program History

The MSF's Capital Access Programs began in 2009 with a state allocation of \$26 million. In 2011, the Federal government deployed an additional \$79 million to the State of Michigan to continue its efforts towards providing access to capital for small businesses. The programs under the Capital Access department assist small business and financial lending institutions by providing collateral support or loan participation. In either case, there is always a closing fee and annual fee charged, in addition to all principal returned as well as any fees and interest expense that the MSF may receive through its support with the transactions. To date the program has funded over \$182 million to 252 companies, leveraged over \$834 million in Private Investments, received a total of \$9.9 million in program revenue, and has had losses of less than 1% of the total loan funded.

Exit Strategy

BEDF's loan will have a 7-year term in order to comply with the NMTC structure, but will have a must-take call option by 4/1/2027 for the equity bridge loan. The source lender must be repaid prior to the end of the NMTC compliance period, BEDF will not be able to exercise any rights and/or remedies under its loan until the end of the 7-year compliance period.

Conditions

- Commitment will remain valid for 90 days with possible for MSF Fund Manager to extend the commitment an additional 120 days.
- The proposed financing will be subject to a Minimum Tangible Net Worth calculation of the guarantors, at an acceptable level to the MEDC and Lender.
- The proposed financing will be subject to a Minimum Liquidity calculation of the guarantors, at an acceptable level to the MEDC and Lender.

SCORING & RATING

SCORING & RATING : MGBF - LPP

Score = 3.60	4 Good
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Model Used: MEDC CRE Model -Dupe

Last Scored: 09/06/2022 6:18 AM Rachel Bakken

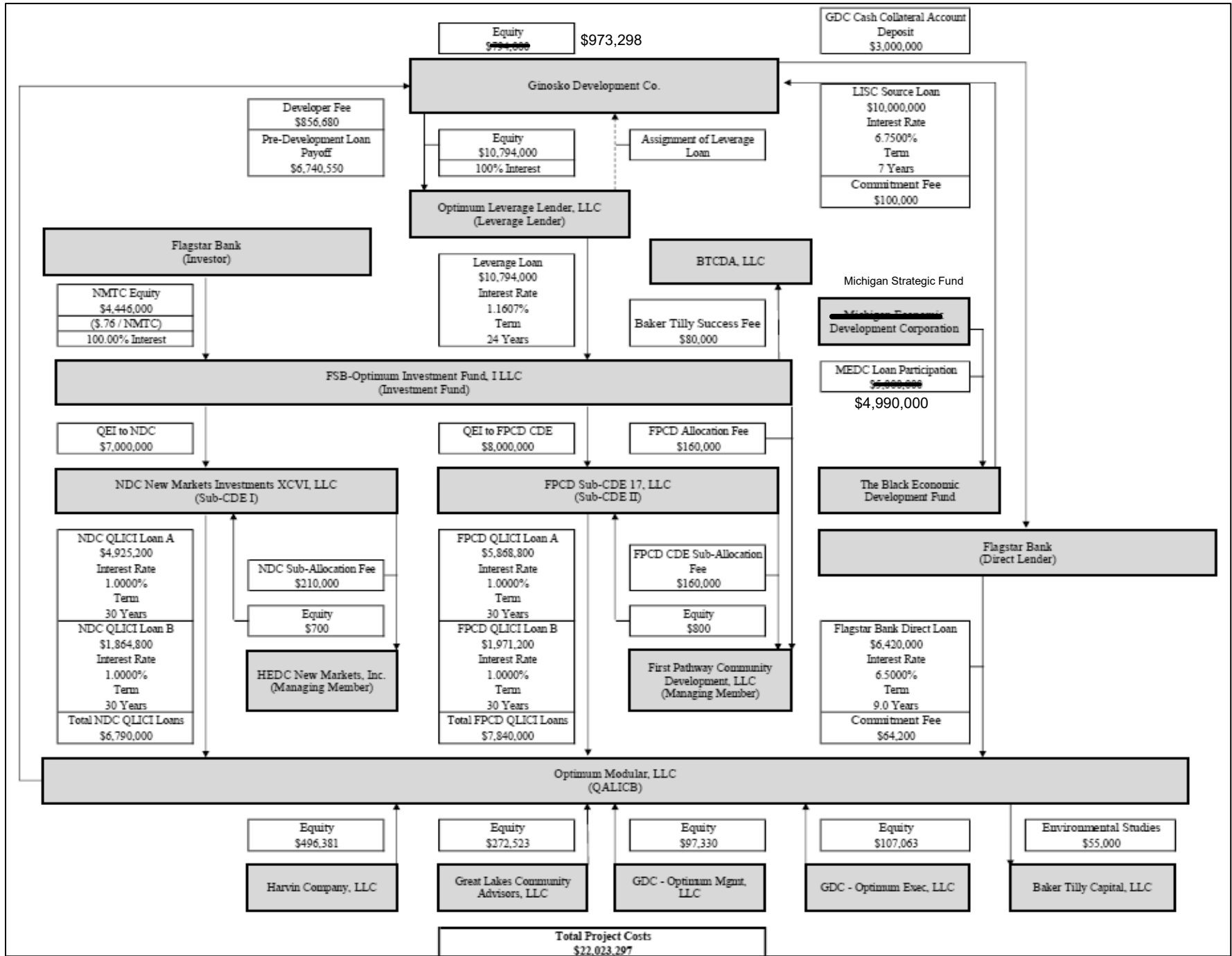
Financial Statements and Forms calculated from:

Balance Sheet: Inc. / Exp.:
12/31/2021 12 months 12/31/2024 Year 3*

Criteria		Criteria Score	Wt %	Weighted Criteria Score	Review
Debt / Tang Net Worth:	0.75	3.00	20.00	0.600	
Debt Coverage Ratio:	9.76	5.00	20.00	1.000	
MSF Leverage Ratio	4.41	2.00	20.00	0.400	
Management / Borrower Character	Good team/Depth in key ar	4.00	20.00	0.800	
Business & Industry Trends	Ltd vulnerability to sudd	4.00	20.00	0.800	
				3.600	

* Adjusted for Loan To/From Affiliates/Shareholders

Exhibit V: NMTC Flow of Funds



Optimum Modular

(formally know as "Aslan Modular")

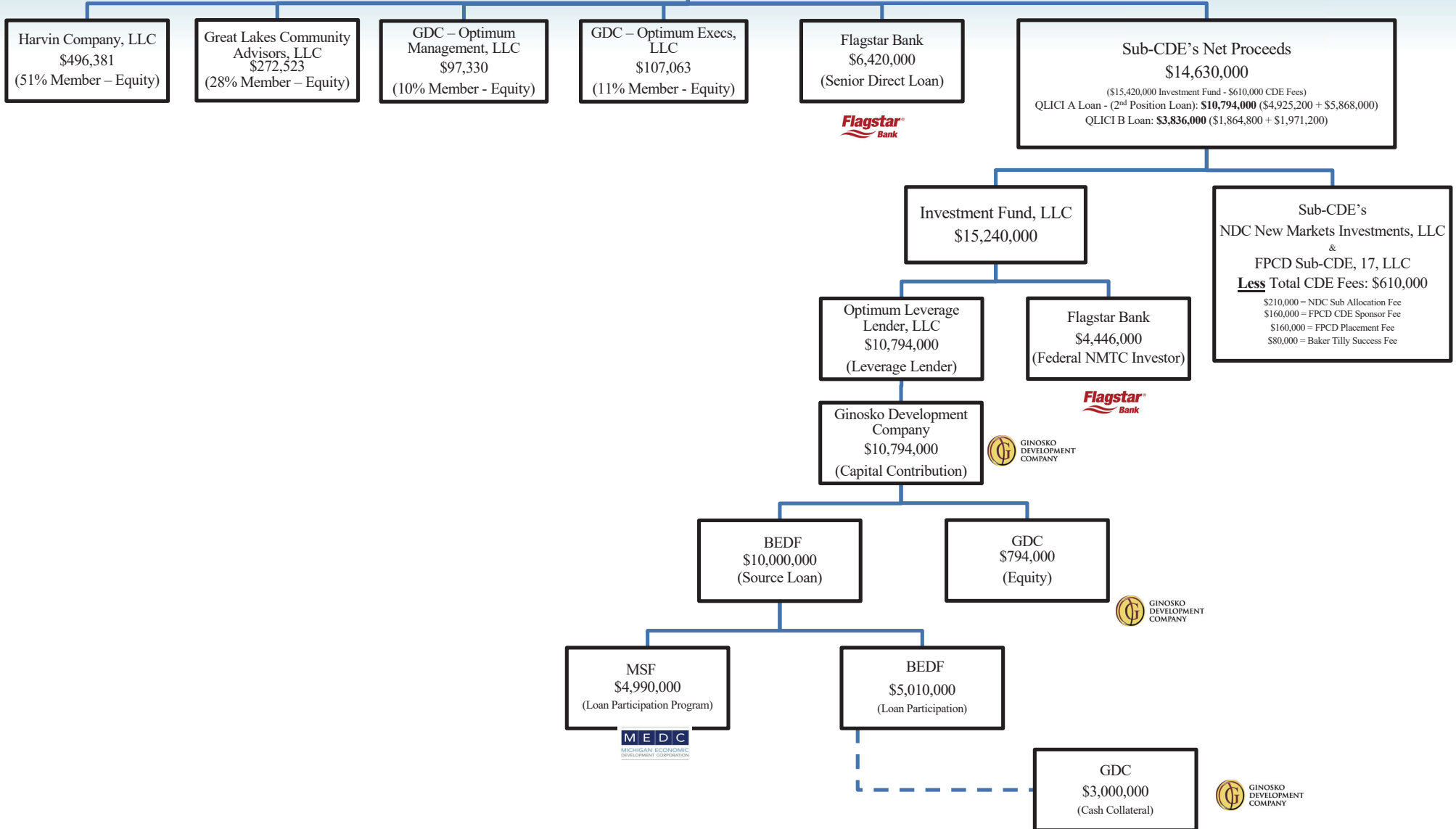
New Markets Tax Credit

Capital Structure Flow Chart

(Proposed Structure)



Optimum Modular, LLC
\$22,023,297



MICHIGAN STRATEGIC FUND

RESOLUTION 2022

SSBCI MBGF-LPP APPROVAL OF LOAN PARTICIPATION AND SERVICING AGREEMENT FOR GINOSKO DEVELOPMENT COMPANY AND RELATED BORROWERS

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

WHEREAS, at its May 25, 2011 meeting, the Michigan Strategic Fund (the “MSF”) Board approved: (i) the creation of the Michigan Business Growth Fund (the “MBGF”), an SSBCI Program created by the MSF to disburse SSBCI funds in accordance with the SSBCI, and (ii) as part of the MBGF, the creation of a loan participation program designed to facilitate financing of projects for commercial borrowers (the “MBGF-LPP”), and (iii) the guidelines for the MBGF-LPP (“MBGF-LPP Guidelines”) and MBGF-LPP Loan Participation and Servicing Agreement (“MBGF-LPP Agreement”), each to be utilized for the operation of the MBGF-LPP; whereas, on July 22, 2014, the MSF Board approved. [SFCR 10.5-1 delegating to the MSF Fund Manager or MSF President, the authority to negotiate and sign the terms and conditions of the MBGF-LPP Agreement].

WHEREAS, on June 21, 2011, the US Treasury approved the State of Michigan, through the MSF, to receive and disburse SSBCI funds within the SSBCI Programs created by the MSF;

WHEREAS, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services for the MSF for SSBCI Programs, including the MBGF-LPP;

WHEREAS, Black Economic Development Fund (the “Lender”) has proposed new credit facilities to Ginosko Development Company (and/or related borrowers (the “Proposed Borrowers”)) of \$10,000,000 for an equity bridge loan;

WHEREAS, Proposed Borrowers have requested loan participation from the MSF under the MBGF-LPP in an amount not to exceed the lesser of: (i) \$4,990,000 or (ii) up to 49% of the total amount of the Lender’s loans (“MBGF-LPP Support”); and

WHEREAS, the MEDC has reviewed the financial documents and draft loan documents for the Proposed Borrowers, as provided by the lender, and recommends that the MSF Board approve the MBGF-LPP Support, subject to: (i) available funding, and final due diligence performed, to the satisfaction of the MEDC; and (ii) execution of the MBGF-LPP Agreement within 90 days of the date of this Resolution, or the loan participation approvals under this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, this may be extended for up to an additional 120 days (the “Time Period”);

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the MBGF-LPP Support subject to: (i) available funding, and final due diligence performed, to the satisfaction of the MEDC; and (ii) execution of the MBGF-LPP Agreements within the Time Period, or the loan participation support approvals under this Resolution shall have no effect.

BE IT FURTHER RESOLVED, that the MSF Fund Manager or MSF President is authorized to negotiate all final terms and conditions and to execute the MBGF-LPP Agreement on behalf of the MSF, so long as the final terms and conditions are not materially adverse to the MSF.

Ayes:

Nays:

Recused:

Lansing, Michigan
September 27, 2022



MEMORANDUM

Date: September 27, 2022

To: Michigan Strategic Fund Board

From: Brittney Hoszkiw, Senior Community Development Manager
Julius Edwards, Director, Commercial Real Estate Investment
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP)
Other Economic Assistance Award and a Request for Approval of an Act 381 Work Plan
411 Piquette, LLC and City of Detroit Brownfield Redevelopment Authority (BRA)
411 Piquette Project

Project Summary & Request

411 Piquette is a four-story historic rehabilitation of the former Ford Motor Company Piquette Plant located at 411 Piquette in Detroit into 161 residential units along with 190 surface parking spots. In order to support the costs associated with historic rehabilitation, the naturally high construction costs in the Detroit market, and limited cash flow available from affordable and attainable units, the development team is seeking a \$5 million MCRP loan, and the City of Detroit BRA is seeking \$882,821 in state Brownfield TIF reimbursement.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Historic Resource and Facility
Total Approximate Square Feet Revitalized	108,000
Total Approximate Acres Activated	2.789
Estimated # of Residential Units	161
Estimated Commercial Square Footage	0
Estimated Public Square Footage Revitalized	8,160
Current Taxable Value	\$388,662
Projected Taxable Value at Completion	\$1,925,000
Total Anticipated Capital Investment	\$40,420,468
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$882,821
MCRP Grant/Loan/Other Request	\$5 million

The proposed project will rehabilitate a historic building for reuse and result in an estimated 161 residential units with rents ranging between 60% and 120% Area Median Income (AMI). These units are critical to

help meet demand for workforce housing. This affordability is considered ‘naturally occurring’ as there will not be monitoring or income qualification for tenancing. This project will bring the community one step closer to the walkable neighborhood represented in the City’s Milwaukee Junction Framework Plan. The development will connect the North End and Midtown and leverage the transportation options available along Woodward Avenue including the QLine.

The SHPO is currently reviewing the project design. 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).

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

The Brownfield Redevelopment Act, Act 381 of 1996 (“the Act”), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing MSF Program Guidelines (“Brownfield TIF Guidelines”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF Guidelines and programmatic requirements, and a financial review has been completed.

Demonstrated Needs

The project would not occur without MSF support. The historic property has maintained an industrial use for most of its operational life, which has left considerable contamination. The building is also historically significant and preserving the historic integrity of the building further increases already high construction costs. Debt is limited by the amount of cash flow available to the property which is capped by what residential rents in this emerging neighborhood can support. While the neighborhood is well positioned along the Qline and near several employers, the industrial buildings that make up a majority of the district remain largely undeveloped. The developer has exhausted all other sources including federal historic tax credits, PACE financing, and just over 18% in owner equity. With the inexpensive debt that MCRP can offer, coupled with the increased cash flow from annual TIF reimbursements, debt service coverage ratio remains just above 1.2:1 and IRR at a modest 0.8% from operations.

Local Support

The City of Detroit is supporting the project with an Obsolete Property Rehabilitation Act Tax Exemption estimated to be valued at \$3,035,502 and the local portion of the Brownfield Tax Increment Financing valued at approximately \$473,534.

Applicant Background / Qualifications

411 Piquette LLC is a single purpose entity associated with The Platform, a private real estate development company concentrated in Detroit with a proven record of investment since 2016. Their work spans across Detroit neighborhoods, but is largely focused in the New Center and Milwaukee Junction areas. The Platform has received MSF support for four different projects listed below.

Project Name	Incentives Received	Status of Project
The Boulevard 2911 West Grand Blvd.	\$2 million MCRP loan and \$6.6 million in state Brownfield TIF reimbursement in Sept. 2016	Project is complete and MCRP loan repaid. Residential 95% leased.
Baltimore Station 6402 Woodward Ave.	\$750,000 MCRP grant in June 2017	Project is complete and residential and retail nearly fully leased
The Obama Building 2200 Grand River Ave.	\$750,000 MCRP grant in Oct 2019	Project complete and residential 100% leased and retail 80% leased.
Woodward West 3455 Woodward Ave.	\$4.8 million MCRP loan on Feb 2020 and \$1.8 million in state Brownfield TIF reimbursement in Dec 2016	Construction near completion with residential 50% occupied anticipating 100% by fall.

An Organizational Chart for 411 Piquette LLC is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Financial Highlights

- Construction cost of \$256.23/sf
- Anticipated average rental rate of \$2.60/sf
- Debt service coverage ratio of over 1.20 to 1.00
- 62% of the units with rents at or below 80% of AMI
- The project does not have any deviations for underwriting preferences

From the materials received and reviewed, staff considers the project to be financially and economically sound. A detailed Sources and Uses and financial terms for the MCRP Incentive are included in Appendix C.

A MCRP Programmatic Requirements Summary and MSF Eligible Activities and Tax Capture Summary are included in Appendix D

Recommendation

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

- a) State tax capture for Act 381 eligible activities capped at \$882,821, utilizing the current state to local capture ratio.
- b) A MCRP Other Economic Assistance Loan Participation Award in the amount of up to \$5,000,000 for 411 Piquette LLC on terms and conditions outlined in Exhibit A found in the resolution.

APPENDIX A – Organizational Chart

Organizational Structure

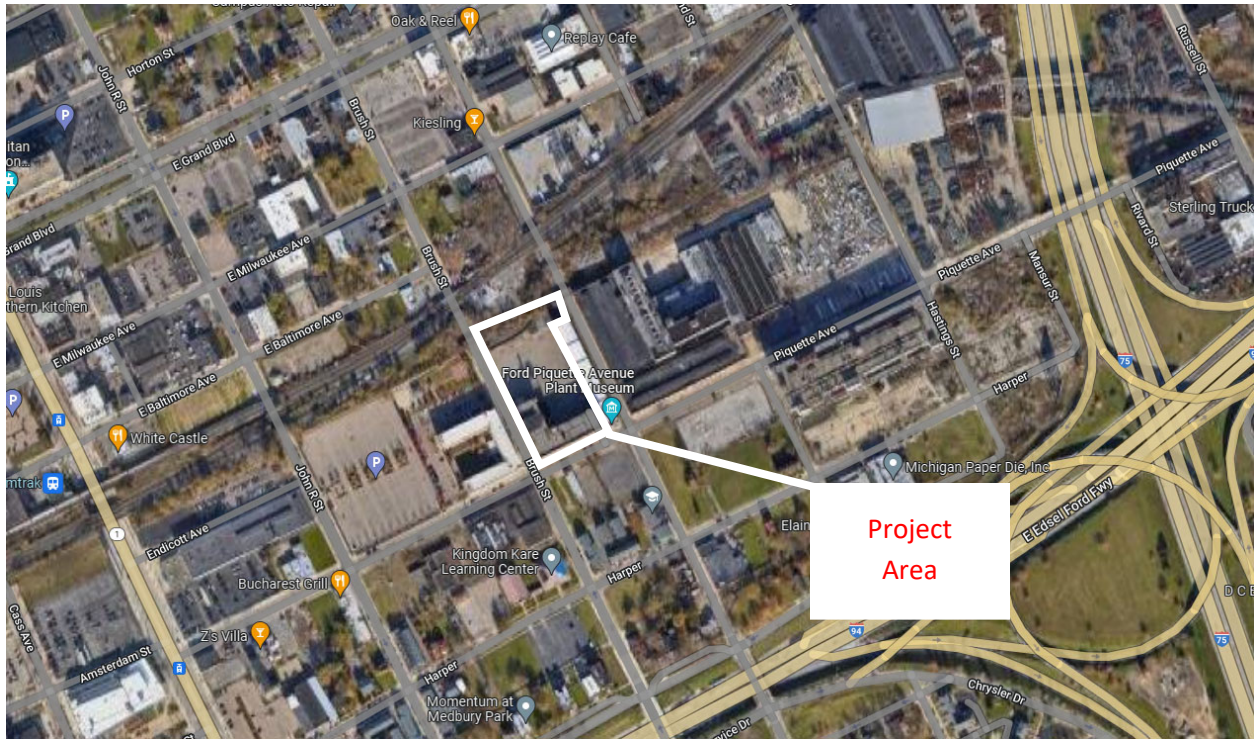
Company Name: 411 Piquette LLC

Employer Identification Number: 81-5250623

Manager: 411 Piquette Investors LLC: Peter D. Cummings

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
411 Piquette Investors LLC / Manager: Southern Realty Group, Inc., thru Platform 411 Piquette LLC	100.00%	82-0638948	Delaware
Platform 411 Piquette LLC	84%		
FC 411 Piquette LLC (Owned and controlled by Peter D. Cummings & Family)	100%		
Richard A. Zussman Trust	2.68%		
Patrick Meehan	5.35%		
Mark A. Davidoff Trust	1.07%		
Andrew Sherman	1.07%		
Brandon Hodges	0.27%		
Karen L Gerstenberger Trust	0.27%		
The Platform LLC	5.00%		
	100.00%		

APPENDIX B – Project Map and Renderings



APPENDIX C – Financial Terms

Summary of Development Sources:

Bank Share	\$	18,545,000	45.88%
MSF Share	\$	5,000,000	12.37%
Pace Loan	\$	4,188,000	10.36%
HTC Equity	\$	5,129,765	12.69%
Deferred Developer Fees	\$	266,775	0.66%
Developer Equity	\$	7,290,928	18.04%
TOTAL	\$	40,420,468	100.00%

Summary of Development Uses:

Acquisition	\$	5,900,000
Hard Construction Costs	\$	27,351,735
Eligible Soft Costs	\$	1,339,035
Other	\$	5,829,698
TOTAL	\$	40,420,468

Loan Terms

MSF Incentive:	MCRP Other Economic Assistance Loan Participation
Borrower:	411 Piquette LLC or a Related Entity
Senior Lender:	Flagstar Bank or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$23,545,000
Lender Share:	Currently estimated at \$18,545,000
Total Capital Investment:	Currently estimated at \$5,000,000
MSF Eligible Investment:	Currently estimated at \$28,690,770
Minimum Eligible Investment:	Currently estimated at \$22,952,700
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$5,000,000.
Term:	To match that of the Lender, anticipated to be up to 72 months
Amortization:	To match that of the Lender, anticipated to be up to 360 months
Interest Rate:	1.0% per annum
Repayment Terms:	Interest only for 36 months, followed by equal monthly principal and interest payments until maturity. Remaining principal due at maturity.
Collateral:	To reasonably match that of the Lender, currently anticipated to be a security interest in the property and TIF Reimbursements, and assignment

of leases and rents. MSF share of collateral will be subordinated to that of the Lender.

- Guarantee:** To reasonably match that of the Lender, currently anticipated to be the corporate guarantee of Southern Realty Group. MSF share will be subordinated to that of the Lender
- 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.
- Reserves:** Reserves and contingencies of approximately \$4,620,000.
- Deferred Developer Fees:** The developer and related-party fees equal to \$266,775 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
- Funding:** The MSF will fund up to \$5,000,000 to be disbursed following closing of the financing and other performance criteria.
- Other Conditions:** The MSF's investment will be contingent upon the following:
- Evidence Historic Part 2 approval
 - Receipt of final construction documents, including a "Guaranteed Maximum Price" construction contract
 - Final development budget
 - State of Michigan approval of an OPRA tax abatement
 - Minimum owner equity investment of \$7,290,000

APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on September 20, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 23, 2022, and determined to be a historic resource because the property is listed on the National Register of Historic Places.

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%). Tax increment capture will begin in 2024 and is estimated to continue for 18 years. The tax capture ratio is impacted by an Obsolete Property Rehabilitation Act tax abatement and the blended ratio is identified below. The state tax capture is recommended to be capped at \$882,821, which is the amount of tax increment revenue anticipated to be generated in 18 years. Total MSF eligible activities are estimated at \$1,356,355. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(65.09%)	\$	882,821
Local tax capture	(34.91%)	\$	473,534
TOTAL		\$	1,356,355

Cost of MSF Eligible Activities

Demolition	\$	800,000
Asbestos Abatement		151,000
Infrastructure Improvements		54,000
Site Preparation	+	72,000
Sub-Total	\$	1,077,000
Contingency (15%)	+	161,550
Sub-Total	\$	1,238,550
Interest (5%)	+	87,805
Sub-Total	\$	1,326,355
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	15,000
TOTAL	\$	1,356,355

In addition, the project is requesting \$714,943 in TIF from EGLE to assist with environmental eligible activities.

MCRP Programmatic Requirements

MCRP Program and Guidelines

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

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

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

The project is an important step for the Milwaukee Junction neighborhood. There has been some smaller scale development facing Woodward, but this would be the first project that would bring activity deeper within the neighborhood. The project is consistent with the planning work done in partnership with local community development organizations and provides a creative solution to one of many industrial sites in the community.

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

There are many obsolete and vacant industrial buildings in the area that have yet to be rehabbed or demolished. This project will serve as an example of how the adaptive reuse of existing assets can revitalize the community.

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

The City of Detroit is supporting the project with an Obsolete Property Rehabilitation Act Tax Exemption estimated to be valued at \$3,035,502 and the local portion of the Brownfield Tax Increment Financing valued at approximately \$473,534.

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

The developer has exhausted all other sources including federal historic tax credits, PACE financing, and just over 18% in owner equity. With the inexpensive debt that MCRP can offer, coupled with the increased cash flow from annual TIF reimbursements, debt service coverage ratio remains just above 1.2:1 and IRR at a modest 0.8% from operations.

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

The project is rehabilitating a vacant building which contributes to a National Register district and seeking Federal Historic Tax Credits to support its development.

F. Creation of jobs:

The development team anticipates the creation of 2 full time equivalent positions associated with property management and leasing. The average hourly wage is estimated to be \$22.50/hr.

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

The project is leveraging private sector permanent financing from BFG and additional debt through PACE financing offered by Petros Pace. The development team has secured a bridge loan to be repaid by the Federal Historic Tax Credits upon completion of the project. All remaining project costs will be support through cash equity.

H. Whether the project is financially and economically sound:

Following stabilization, it anticipated that the project will be able to achieve a debt service coverage ratio greater than 1.20 to 1.00. Additionally, staff has reviewed third-party market information and determined the residential rental rates to be in line with the market with more than adequate demand.

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

The project adds 161 residential units to a currently vacant building on a 2.79-acre site. The project adds residents in the district which increase foot traffic, commercial spending, all within a reasonable proximity to employment hubs.

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

While the project does not result in a mix of uses it does provide much needed residential density to a developing area. The building is a short walk from Woodward and the New Center commercial node. Residents will have access to public transportation, restaurants, banking and other neighborhood amenities.

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

The project does not convert an abandoned public building into private use.

L. Whether the project promotes sustainable development:

The development team worked to include several environmentally sustainable components into the site plan including energy star appliance, individualized HVAC controls, a central boiler system, insulated double-pane glass, low flow kitchen and bath fixtures, low VOC finishes and materials. Ultimately, the adaptive reuse of an existing structure reduces waste of materials.

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

The project includes the rehabilitation of a building contributing to a National Register District and is working with the State Historic Preservation Office to ensure that the project meets the Secretary of Interior Standards for Historic Preservation, allowing them to leverage Federal Historic Tax Credits as part of the project financing.

N. Whether the project addresses area-wide redevelopment:

The development brings residents to the Milwaukee Junction area which will have a positive impact on the New Center commercial area. The project re-imagines a long-vacant historic industrial building which is adjacent to the Historic Ford Piquette Plant which currently functions as a museum highlighting the history of the neighborhood. The development will strengthen the infrastructure around the museum and allow for more visitors.

O. Whether the project addresses underserved markets of commerce:

The project is located in a geographically disadvantaged area. The project will bring additional residents to the neighborhood which should have spin off spending to local businesses.

P. The level and extent of environmental contamination:

Contaminants were detected at concentrations exceeding state residential criteria in the fill materials and clay located in various areas across the property. Appropriate due care precautions, including engineering controls are planned to alleviate any potential vapor exposure to residents.

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 development team is working with the State Historic Preservation Office to ensure that the redevelopment will meet the federal Secretary of the Interior's standards for rehabilitation.

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

The project will not compete with any existing Michigan businesses with the same industry.

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

None noted.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:

The City of Detroit unadjusted jobless rate was 10.5% in May 2022. This compares to the statewide seasonally adjusted average of 4.6% in May 2022.

A. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:

The project is not qualifying as functionally obsolete or blighted.

B. Whether project will create a new brownfield property in the State:

No new Brownfields will be created by this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-150**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION
AWARD TO
411 PIQUETTE LLC OR A RELATED ENTITY
(411 PIQUETTE PROJECT)**

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

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

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

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

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

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

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

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

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

WHEREAS, 411 Piquette LLC has requested an Other Economic Assistance Loan Participation Award of up to \$5,000,000 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”);

WHEREAS, the MEDC has recommended that the MSF approve the Award Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 180 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 120 days (the “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 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), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 27, 2022

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Other Economic Assistance Loan Participation
Borrower:	411 Piquette LLC or a Related Entity
Senior Lender:	Flagstar Bank or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$23,545,000
Lender Share:	Currently estimated at \$18,545,000
Total Capital Investment:	Currently estimated at \$5,000,000
MSF Eligible Investment:	Currently estimated at \$28,690,770
Minimum Eligible Investment:	Currently estimated at \$22,952,700
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$5,000,000.
Term:	To match that of the Lender, anticipated to be up to 72 months
Amortization:	To match that of the Lender, anticipated to be up to 360 months
Interest Rate:	1.0% per annum
Repayment Terms:	Interest only for 36 months, followed by equal monthly principal and interest payments until maturity. Remaining principal due at maturity.
Collateral:	To reasonably match that of the Lender, currently anticipated to be a security interest in the property and TIF Reimbursements, and assignment of leases and rents. MSF share of collateral will be subordinated to that of the Lender.
Guarantee:	To reasonably match that of the Lender, currently anticipated to be the corporate guarantee of Southern Realty Group. MSF share will be subordinated to that of the Lender
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.
Funding:	The MSF will fund up to \$5,000,000 to be disbursed following closing of the financing and other performance criteria.

Other Conditions:

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

- Evidence Historic Part 2 approval
- Receipt of final construction documents, including a "Guaranteed Maximum Price" construction contract
- Final development budget
- State of Michigan approval of an OPRA tax abatement
- Minimum owner equity investment of \$7,290,000



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

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MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-151**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
411 PIQUETTE 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 Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated July 28, 2022, for property located at 411 Piquette within the City of Detroit, known as 411 Piquette 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; 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 Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 65.09% to 34.91% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, asbestos abatement, and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF

eligible activities with a maximum of \$1,238,550 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$87,805 in interest, a maximum of \$15,000 for brownfield and work plan preparation, and a maximum of \$15,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$882,821.

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.

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

Nays: None

Recused: None

Lansing, Michigan
September 27, 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

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MEMORANDUM

Date: September 27, 2022
To: Michigan Strategic Fund Board
From: Jill Trepkoski, Chief Financial Officer
Subject: MSF Annual Allocation of Funding

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve the funding allocations set forth in Exhibit A to the proposed Resolution (the “Request”).

Background

Each year MEDC Staff requests that the MSF Board accept and allocate funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. For FY2023, the gross allocation is approximately \$150 million and consists of tobacco settlement funds from 21st Century Jobs Trust Fund, funds from the general fund that transfer to the 21st Century Jobs Trust Fund, federal Michigan State Trade Expansion Program Grant Funds, and federal Community Development Block Grant Funds. These funds are for business attraction and community development programs and activities, and the entrepreneurship ecosystem. The Request includes allocation of funds for administrative costs, business development and marketing, allocations for business attraction, community development and entrepreneurship programs and activities, as well as specific funding allocations to entities that have executed multi-year agreements with the MSF.

Administration Allocation – 4% of Appropriated Funds

The MEDC provides administrative services to the MSF. The MSF may allocate up to 4% of the annual appropriation from the 21st Century Jobs Trust Fund to reimburse the MEDC for expenses related to its administration of the programs on behalf of the MSF. Annually, the MEDC requests the MSF to extend the Administrative Services Memorandum of Understanding which includes this allocation.

Business Development and Marketing Allocation – 5% of Appropriated Funds

These funds are used for business marketing campaigns, media, and public relations activities to attract, retain, and grow target industries that deliver economic benefit to the people of the state. Under section 88b(4) of the MSF Act, the MSF may allocate up to 5% of the annual appropriation from the 21st Century Jobs Trust Fund for these activities. Specific agreements are funded from this allocation upon approval of the MSF board or its delegates. On August 23, 2022, the MSF authorized the FY2023 allocation of \$5,782,500 to MSF’s existing contract with Lambert/9th Wonder for business marketing and advertising activities.

Business and Community Development Programs and Activities - \$58,942,251

These funds are used to support programs such as the Michigan Business Development Program (“MBDP”), the Michigan Community Revitalization Program (“MCRP”), and Jobs Ready Michigan Program for high impact Business and Community Development projects. Support is offered as a grant, loan, or other economic assistance primarily to projects that meet strategic focus areas to attract, retain, and support businesses, foster high-wage skills growth, and develop attractive places. As of June 2022, the MBDP had an effectiveness rate of 85% creating 59,422 verified jobs. The MCRP had an effectiveness rate of 95% with 183 projects completed by March of 2022. This funding has also been used to support other business and community development programs and activities to achieve the strategic goals of the MSF. Specific projects or programs are funded from this allocation upon approval of the MSF board or its delegates.

Community Revitalization Program - \$20,000,000

These funds represent the boilerplate requirement in Public Act 166 of 2022 section 1024 that not less than 20% of the \$100 million FY2023 Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program. Specific projects are funded from this allocation upon approval of the MSF board or its delegates.

International Trade Services - \$726,083

On July 26, 2022, the MSF Board awarded International Trade Services selection of vendors (the “ITS Contracts”) to Ares Technology Group (“Ares”), Foster Swift Collins & Smith, P.C. (“Foster Swift”), IBT Online, Michigan State University – International Business Center (“MSU-IBC”), the Michigan Small Business Development Center (“MI-SBDC”), Networks Northwest, and Van Andel Global Trade Center (“VAGTC”) following a formal request for proposals, for an initial term of October 1, 2022 to September 30, 2023, with the option to extend each contract up to four additional years and allocate additional funding at the sole discretion of the MSF.

The MEDC recommends that the MSF allocate \$726,083 in the amounts listed below to the ITS Contracts to support services through September 30, 2023:

- Ares - \$25,000 to support international defense market research and B2B matchmaking
- Foster Swift - \$52,000 to support legal assistance and trainings including workshops and one-on-one training on topics such as intellectual property protection, international contracts, and international data privacy compliance.
- IBT Online - \$55,000 to support localization of company websites to increase online visibility and grow export sales, as well as international digital marketing solutions
- MSU- IBC - \$177,433 to support Michigan Export Growth Program custom research reports providing multi-country and industry-specific market research reports, export capacity building seminars, industry export roundtables, and updates to/maintenance of ExportMI.org.
- MI-SBDC - \$219,650 to support projects including International Search Engine Optimization (SEO), Early Export Assistance and self-directed RISE modules to assess export readiness and provide export planning for new exporters, and landed cost analysis.
- Networks Northwest - \$40,000 to support export connectivity in rural regions of the state.

- VAGTC - \$157,000 to support customized export training on topics including export documentation and export control compliance, workshops for new to export companies navigating the export process and available resources, worldwide credit reports, and more.

In FY2021, the former structure of Small Business Service providers supported 100 total company projects supporting Michigan exporters expansion and entry into new foreign markets. Through FY2022 to September 1, 2022, 95 projects have been completed with 54% delivered to diverse-owned businesses and 38% to geographically disadvantaged businesses. This updated model, including new service providers and activities, will further expand International Trade's reach and support among the Michigan small business exporting community.

International Trade Centers - \$900,000

On July 24, 2018, the MSF Board awarded the International Trade Centers agreement of \$825,000 to the Council of Great Lakes and St. Lawrence Governors and Premiers ("CGLG") following a formal request for proposals. The MSF Board may, at its sole discretion, extend the period up to an additional four years supporting service delivery through FY2023. On September 24, 2019, the MSF Board approved a no-cost extension to the agreement with CGLG, and on October 22, 2019, the MSF Board allocated \$1,150,000 in additional funding.

The agreement under this request includes sharing foreign office resources and services in Canada, Brazil, Europe, Mexico and the Middle East that provide, but are not limited to: Market Research; Foreign Agent/Distributor/Representative Searches; End-User Searches; Matchmaking Services for Buyer Missions, and Trade Mission Support. Additional, demand-driven export development support is available in CGLG's other foreign offices located in Australia, the Caribbean, Central America, China, India, Japan, South Africa, South America, South Korea, and Southeast Asia. This comprehensive network of international trade expertise covers over 135+ countries, enabling greater access for Michigan exporters to global customer bases.

From FY2021 to September 1, 2022, CGLG international trade centers completed 311 projects for Michigan small businesses seeking to enter or expand into international markets. The MEDC recommends the MSF Board allocate \$900,000 to the International Trade Centers agreement with CGLG to support a continuation of specialized export services to Michigan small businesses through September 30, 2023.

International Trade Project Exception Program - \$65,000

On July 28, 2015, the MSF Board approved an amendment to the International Trade Program's State Trade Expansion Program ("MI-STEP") guidelines to create the Pilot Exception Program to assist businesses that do not meet the Small Business Administration eligibility guidelines, using state funds previously allocated to the MI-STEP program budget. On December 20, 2016, the MSF Board approved a renewal of the Pilot Program and authorized the use of uncommitted state funds approved for the previous fiscal year for MI-STEP to be carried over for use for the Pilot Program. On August 22, 2017, the MSF Board converted the Pilot Program into a permanent program named the "Project Exception Program" ("PEP") and approved the continuation of the funding mechanism for future years.

These services have proven to be in high demand by Michigan businesses. Since inception, PEP has supported 95 individual company projects furthering Michigan exporters' expansion and entry into new foreign markets. The MEDC recommends that the MSF allocate \$65,000 to PEP to support a continuation of critical services to Michigan exporters through September 30, 2023.

Michigan Build Ready Sites Program - \$5,000,000

In FY2022, the MSF Board allocated funding of \$1,800,000 on October 26, 2021, and funding of \$5,000,000 on August 23, 2022 for the Michigan Build Ready Sites Program ("MBRSP"). This program is intended to increase Michigan's inventory of industrial properties that are ready for projects so Michigan can be competitive with other states. Since its inception, the program has assisted over 60 different properties located across the state and utilized the vetted sites criteria to ensure the sites were build ready. Currently, due to the high demand of sites over 1,000 acres, the program is supporting the advancement in readiness for five sites of this size. The cost of studies, investigations, land assemblage, professional experts and design and engineering necessary to identify 1,000-acre sites along with property control, can be \$1M+ depending on location and other factors. The MEDC recommends that the MSF allocate \$5,000,000 to support an additional year of funding for this critical program.

Automation Alley-International Trade and Industry 4.0 Statewide Services - \$2,500,000

On December 8, 2020, the MSF Board awarded Automation Alley an initial grant of \$2,500,000 for the term of October 1, 2020 through September 30, 2021 with the option to extend the grant for up to five additional one year terms and allocate funding at the sole discretion of the MSF Board. On August 24, 2021, the MSF Board approved a one year no-cost extension to September 30, 2022. On December 7, 2021, the MSF Board allocated additional funding of \$2,500,000 for the agreement.

As a globally recognized leader in Industry 4.0 (I4.0) knowledge, Automation Alley provides programming that supports manufacturing and technology companies increase revenue, reduce costs, and think strategically as they adapt and implement I4.0 technologies. This supports MEDC's mission to ensure 50% of Michigan small and medium-sized manufacturers, or 6,200 businesses will be prepared to adopt I4.0 technologies by 2025. In FY2023, Automation Alley will assist small manufacturers through outreach, education and I4.0 Readiness Leadership Assessments and Evaluations. As part of this outreach, all Michigan small manufacturers will be extended an Essential Membership, allowing them free access to Tech Takeovers, Integr8 and other key events along with the Technology in Industry Report. Additionally, Automation Alley will continue to support global initiatives including helping businesses expand and diversify sales into international markets through trade missions and by supporting foreign direct investment through the soft-landing space at Automation Alley's International Business Center.

In FY2021, Automation Alley hosted 59 events, tech takeovers and roundtables related to I4.0 and International Trade with a total of 3,226 participants. Automation Alley released its 2021 Technology in Industry report, in collaboration with leading academic and industry leaders. Automation Alley secured 559 Essential Memberships, offering complimentary tickets to the Integr8 Conference in May 2022. Automation Alley continued to leverage its partnership with the World Economic Forum to highlight Michigan's advanced manufacturing leadership on a global

scale. Additionally, because of Automation Alley's international trade support in the last 10 years, Michigan companies have reported \$1.6 billion in export sales. The MEDC recommends that the MSF exercise its second option to extend the term of the agreement to September 30, 2023 and allocate \$2,500,000 in additional funding.

Michigan Small Business Development Center Core Services Grant - \$2,400,000

On October 22, 2019, the MSF authorized a grant to the MI-SBDC to support its Core Services Program for a term of January 1, 2020 to December 31, 2022, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. The MSF Fund Manager, on behalf of the MSF, negotiated and executed a grant agreement in the amount of \$1,945,000 for the Core Services Program (the "Core Services Grant Agreement"). On October 27, 2020, the MSF Board allocated an additional \$1,940,000 to support grant activities for the period of January 1, 2021 through December 31, 2021. On October 26, 2021, the MSF Board allocated an additional \$1,940,000 to support grant activities for the period of January 1, 2022 through December 31, 2022.

The Core Services program supports small businesses in non-high-tech industries, including early stage, microenterprises, and "main street" businesses by providing expert assistance at no cost to entrepreneurs seeking to start or grow a business. Throughout the pandemic, demand for support services was two times the typical levels and through CARES Act funding received from the Small Business Administration, MI-SBDC was able to hire additional contractual staff. The MI-SBDC continues to receive unprecedented and high demand for its services. Through their eleven Regional Offices mostly housed in educational institutions throughout the State, MI-SBDC business consultants provide one-on-one assistance to small business owners on topics such as writing a business plan, preparing financial statements, cash flow projections, lease negotiations and many others relevant small business topics. In addition to one-on-one business counseling, the MI-SBDC offers robust online and in person trainings. These trainings provide accessible education and best practices to non-tech businesses, many of whom are located on Main Street and contribute to the overall vibrancy of our core downtown and neighborhood commercial districts.

Since January 1, 2022, the MI-SBDC is outpacing their metrics for calendar year 2022 and is on track to serve over 6,000 unique small business clients, facilitate over 300 new business starts, and support creation of over 1,250 new jobs by client companies. Additional funding for the Core Services Program is requested to meet customer demand in support of the following MEDC Small Business Strategic Initiatives: expand services to micro and early-stage companies; promote job creation through new business starts; increase availability of one-on-one and small group coaching; increase services to geographically disadvantaged areas; prepare companies to access capital; and increase revenue through diversifying sales channels and attracting new customers. The MEDC recommends that the MSF extend the term of the agreement to December 31, 2023, and to allocate \$2,400,000 in additional funding.

Entrepreneurial Programs and Grants - \$6,462,780

These funds are used for university technology programs, entrepreneurial services grants and early-stage funding programs that support Michigan's statewide technology ecosystem. Except as

to those funding allocations set forth in this memo, program and project funding requests, requests to allocate these funds are presented to the MSF Board throughout the fiscal year for approval.

Michigan Small Business Development Center Emerging Technology Fund Grant - \$2,250,000

On October 27, 2020, the MSF authorized a grant of up to \$1,155,000 to the MI-SBDC to support its Emerging Technologies Fund (“ETF”) for an initial term of one year, with the option to extend for an additional five years and to allocate additional funding at the sole discretion of the MSF (the “ETF Grant”). On October 26, 2021, the MSF exercised its first option to extend the term to December 31, 2022 and allocated \$1,700,000 in additional funding. On January 19, 2022, the MSF Fund Manager, on behalf of the MSF, approved a no cost extension of the term to December 31, 2025.

The ETF program makes Michigan more competitive in attracting federal dollars into the State in the form of Small Business Innovation Research (“SBIR”) and Small Business Technology Transfer Research (“STTR”) awards, which can be worth up to several million dollars each. The ETF provides matching funds of up to \$25,000 for Phase I and \$125,000 for Phase II clinical studies associated with these awards. Since January 1, 2020, the program served 50 companies, leveraged over \$350 million in funding, led to the creation of five new companies, and generated 95 new jobs. The MEDC recommends that the MSF allocate \$2,250,000 in additional funding to the ETF Grant.

Michigan Small Business Development Center Business Accelerator Fund Grant - \$1,500,000

On October 27, 2020, the MSF authorized a grant of up to \$1,430,000 to the MI-SBDC to support its Business Accelerator Fund (“BAF”) for an initial term of one year, with the option to extend for an additional five years and to allocate additional funding at the sole discretion of the MSF (the “BAF Grant”). On October 26, 2021, the MSF exercised its first option to extend the term to December 31, 2022 and allocated \$1,430,000. On January 19, 2022, the MSF Fund Manager, on behalf of the MSF, approved a no cost extension of the term to December 31, 2025.

The BAF provides a series of small grants (up to a maximum of \$50,000 per company) for high tech businesses to access the required specialized services they need to grow and compete. These funds are used toward the delivery of specialized commercialization services that are not otherwise available from these business accelerators, to assist advanced technology companies regardless of the company’s geography. A participating business accelerator will engage a third-party specialist to help advance the client’s path to commercialization, company success, and economic impact for the state of Michigan. BAF requests are reviewed and awarded through a competitive process. For the period of January 1, 2020, the program served 164 companies, leveraged over \$175,000,000 in funding, led to the creation of 46 new companies and generated 399 new jobs. The MEDC recommends that the MSF allocate \$1,500,000 in additional funding to the BAF Grant.

Michigan Small Business Development Center Technology Services Grant - \$1,953,720

On October 22, 2019, the MSF authorized a grant to the MI-SBDC to support its Technology Consulting Services Program for a term of January 1, 2020 to December 31, 2022, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. The MSF Fund Manager, on behalf of the MSF, negotiated and executed a grant

agreement in the amount of \$1,910,000 for the Technology Consulting Services Program (the “Tech Services Grant Agreement”). On October 27, 2020, the MSF Board allocated an additional \$1,720,000 to the Tech Services Grant Agreement to support grant activities for the period of January 1, 2021 through December 31, 2021. On October 26, 2021, the MSF Board allocated an additional \$1,800,000 to support grant activities for the period of January 1, 2022 through December 31, 2022. On January 19, 2022, the MSF Fund Manager, on behalf of the MSF, approved a no cost extension of the term to December 31, 2027.

The Technology Services Program provides specialized assistance to early-stage tech companies, the vast majority of which are very early-stage companies, primarily pre-revenue and often pre-proof of concept. These services include business plan review, marketing strategies, management team development and providing connection to other statewide resources, including early-stage capital. Since January 1, 2020, the MI-SBDC Technology Services program has supported the creation of 130 companies, attracted over \$300,000,000 in investments, and facilitated creation of 569 new full-time jobs. The MEDC recommends that the MSF allocate \$1,953,720 in additional funding to support continuation of the Technology Services.

BBCetc Small Business Innovation Research/Small Business Technology Research Program Grant - \$500,000

On December 17, 2019, the MSF Board authorized a grant of \$480,000 to BBCetc for an initial term of January 1, 2020 to December 31, 2020, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF (the “BBCetc Grant”). On October 27, 2020, the MSF exercised its first option to extend the term to December 31, 2021 and allocated \$500,000 in additional funding. On October 26, 2021, the MSF exercised its second option to extend the term to December 31, 2022 and allocated \$500,000 in additional funding.

BBCetc provides consulting services to individual companies and entrepreneurs seeking federal Small Business Innovation Research (“SBIR”) and Small Business Technology Transfer (“STTR”) awards. Since January 1, 2020, BBCetc has supported 182 companies in securing over \$66,000,000 in federal SBIR/STTR funding. The MEDC recommends that the MSF exercise its third option to extend the term of the BBCetc Grant to December 31, 2023 and allocate \$500,000 in additional funding.

Michigan State University - University Early-Stage Proof of Concept ADVANCE Fund - \$300,000

The ADVANCE program is a statewide program designed to support the early work in the commercialization of technology from universities. The University Early-Stage Proof of Concept -ADVANCE Fund has been supporting very early-stage work within the universities, with grant matching funds using a competitive process, since the spring of 2016. The program is filling a gap in the pipeline of moving university projects with the commercial potential of a discovery into the commercial market. Such technology is usually at an early stage of development and requires additional studies or a working prototype before it can be shown to have commercial potential. This program will provide matching funds, resources, and specialized services, by way of the university technology transfer offices at all institutions of higher education. This will assist

university projects in the transition from scientific research to applied research to translational research through analyzing the market application, proving out the concept validation, demonstrating technical feasibility and developing a prototype in the preparation for implementation and testing.

On March 23, 2021, the MSF approved a grant to Michigan State University (“MSU”) with an initial one-year term and an initial allocation of \$250,000, with the option to extend for up to an additional four years and allocate additional funding at the sole discretion of the MSF (the “ADVANCE Fund Grant”). The MSF Fund Manager, on behalf of the MSF, negotiated and executed a grant agreement for a term ending March 31, 2026 and with the initial \$250,000 allocation for the period of April 1, 2021 to March 31, 2022. On October 26, 2021, the MSF allocated \$300,000 in additional funding for the period of April 1, 2022 through March 31, 2023. The MEDC recommends that the MSF allocate \$300,000 in additional funding to support the ADVANCE Grant Fund activities for the period of April 1, 2023 through March 31, 2024.

Procurement Technical Assistance Center Grants - \$1,275,000

On December 7, 2021, the MSF authorized grants to eight host organizations to support the operation of the Procurement Technical Assistance Centers (“PTACs”). The MSF Fund Manager, on behalf of the MSF, negotiated and executed grant agreements with each of the host organizations for an initial one-year term of October 1, 2021 through September 30, 2022, with the ability to extend for an additional five one-year terms.

PTACs support our national security by ensuring a broad base of capable suppliers for the defense industry and other agencies, thereby increasing competition, which supports better products and services at lower costs. The mission of the PTACs of Michigan is to enhance national defense and economic development in the State of Michigan by assisting Michigan businesses in obtaining and performing on federal, state and local government contracts. They are hosted by not-for-profit organizations and funded 60% by the Department of Defense. To leverage the federal funding, a forty percent cash match is required. In FY 2021, the PTACs of Michigan leveraged \$3,187,500 in federal DOD funding and reported that they facilitated \$299,976,238 in federal contract awards to Michigan businesses.

PTAC host programs are selected by the Department of Defense through the federal RFP process posted on Grants.gov. The DOD heavily weights the past performance criteria, in practice providing current programs in good standing security and are not competed by DOD. If programs are not performing satisfactorily by DOD determination or if the host organization chooses not to continue the program, an RFP would be issued for that specific region to ensure service coverage is continued.

The PTACs provide the following services to Michigan companies to prepare them for federal and state government contracting:

One-on-One Counseling

One of the PTACs’ most requested services, one-on-one business counseling, provides an opportunity to address specific client issues such as: applications and registrations, marketing

strategies, bid preparation assistance, subcontracting opportunities, pre-award survey preparation, quality requirements, contract modifications, electronic commerce, and troubleshooting.

Bid Matching

Locating government bid opportunities can be very time consuming. Electronic bid matching scans a variety of government agencies to provide a report specific to a company's product or service. Bid Match provides a wide variety of government bid opportunities including those from the FedBizOpps database, Defense Logistics Agency (DLA) bulletin boards, various Electronic Data Interchange (EDI) systems, state and local agencies, and foreign entities.

Seminars, Training Events and Workshops

The PTACs frequently host training sessions to assist local companies in learning more about specific government procurement topics. Educational events are also an excellent way to connect with fellow local businesses.

The MEDC recommends that the MSF exercise its first option year to extend the term of all eight agreements to September 30, 2023 and to allocate additional funds as indicated below:

Host Organization	Grant Amount
Flint & Genesee Group	\$ 130,000
Macomb Community College	\$ 175,000
Muskegon Area First	\$ 140,000
Networks Northwest	\$ 200,000
Northeast Michigan Consortium	\$ 200,000
Saginaw Future	\$ 124,000
Schoolcraft College	\$ 225,000
The Enterprise Group of Jackson	\$ 81,000
Total	\$ 1,275,000

Michigan State Trade Expansion Program (MI-STEP) – SBA Federal Award of \$1,400,000 and required match of \$466,666

As previously mentioned, on September 27, 2012, the MSF Board approved the first acceptance of federal award dollars from the SBA State Trade Expansion Program (STEP) to be utilized by Michigan companies through the International Trade program. On September 8, 2022 SBA announced that Michigan will receive STEP funding of \$1,400,000 (the "SBA Award") for FY2023, out of an award pool of \$20 million. To accept the award, MSF must commit to matching 25% of the SBA Award, up to \$466,666 (the "Match"). Authorizing the MSF Fund Manager to accept the SBA Award and approve the Match will ensure these actions occur within the 30-day deadline provided after the SBA Award is announced. The SBA Award combined with the Match will make up to \$1,866,666 in funds available to support MI-STEP beginning October 1, 2022.

In the past ten years since the program's inception, Michigan has been awarded \$11,673,885 in federal STEP dollars and MSF Board has approved \$3,891,626 in match funds. MI-STEP incentivizes small businesses in Michigan to begin exporting or expand their current exports by

supporting allowable export development activities into international markets. The program provides reimbursement of up to 75% of expenses for eligible export related activities for a maximum of \$15,000 per business per award year. Eligible export activities include: participation in foreign trade missions; international business development travel including trade show participation, subscription to services provided by U.S. Department of Commerce; international website development; design of marketing media; trade show exhibition; participation in export training workshops; e-commerce development; sample product shipping; and other export activities approved by the SBA. Since the program was established in 2011, Michigan's International Trade program has facilitated over \$4.5 billion in export sales through federally and non-federally funded programs. The MEDC recommends authorizing the MSF Fund Manager to accept the SBA Award for MI-STEP and approve the required Match funding.

Federal-Community Development Block Grant Program (CDBG) Allocation - \$34,110,057

CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development. Funds are used to provide grants to eligible counties, cities, villages, and townships, usually with populations under 50,000 for economic and community development projects, including funding rounds. Project proposals are considered and evaluated based up the MSF's approved Funding Guide. Specific projects or funding rounds are funded from this allocation upon approval of the MSF board or its delegates.

Recommendation

MEDC staff recommends the MSF Board approve the Request

**Michigan Strategic Fund
FY2023 Spending Allocations**

Allocations for Approval	21st Century Jobs Trust Fund Allocation	Other Funding Sources	Total Allocations	Exercise Option to Extend Term of Agreement By One Year
Administration Allocation - 4% of Appropriated Funds	\$4,626,000		\$4,626,000	
Business Development and Marketing Allocation - 5% of Appropriated Funds	\$5,782,500		\$5,782,500	
Business and Community Development Programs and Activities	\$71,000,000		\$71,000,000	
Allocation to Ares Technology Group for International Trade Services	\$25,000		\$25,000	
Allocation to Foster Swift Collins & Smith, P.C. for International Trade Services	\$52,000		\$52,000	
Allocation to IBT Online for International Trade Services	\$55,000		\$55,000	
Allocation to Michigan State University International Business Center for International Trade Services	\$177,433		\$177,433	
Allocation to Michigan Small Business Development Center (SBDC) for International Trade Services	\$219,650		\$219,650	
Allocation to Networks Northwest for International Trade Services	\$40,000		\$40,000	
Allocation to Van Andel Global Trade Center for International Trade Services	\$157,000		\$157,000	
Allocation to the Council of Great Lakes and St. Lawrence Governors and Premiers for International Trade Centers	\$900,000		\$900,000	Yes
Allocation for the International Trade Project Exception Program (PEP)	\$65,000		\$65,000	
Allocation of Match Funds for the Federal Michigan State Trade Expansion Program	\$466,666		\$466,666	
Allocation for Michigan Build Ready Site Program	\$5,000,000		\$5,000,000	
Allocation to Automation Alley for International Trade and Industry 4.0 Signature Initiative Statewide Services	\$2,500,000		\$2,500,000	Yes
Allocation to SBDC for Core Services	\$2,400,000		\$2,400,000	Yes
Remaining Business and Community Development Programs and Activities Funding	\$58,942,251		\$58,942,251	
Community Revitalization Program (1)	\$20,000,000		\$20,000,000	
Entrepreneurial Programs and Grants	\$14,241,500		\$14,241,500	
Allocation to SBDC for Emerging Technology Fund	\$2,250,000		\$2,250,000	
Allocation to SBDC for Business Accelerator Fund	\$1,500,000		\$1,500,000	
Allocation to SBDC for Technology Consulting Services	\$1,953,720		\$1,953,720	
Allocation to BBCetc for the Small Business Innovation Research (SBIR) and Small Business Technology Research (STTR) Michigan Assistance Program (MAP)	\$500,000		\$500,000	Yes
Allocation to Michigan State University for the University Early-Stage Proof of Concept ADVANCE Fund	\$300,000		\$300,000	Yes
Allocation to the Flint & Genesee Group for Procurement Technical Assistance Center (PTAC) Grants	\$130,000		\$130,000	Yes
Allocation to Macomb Community College for PTAC Grants	\$175,000		\$175,000	Yes
Allocation to Muskegon Area First for PTAC Grants	\$140,000		\$140,000	Yes
Allocation to Networks Northwest for PTAC Grants	\$200,000		\$200,000	Yes
Allocation to Northeast Michigan Consortium for PTAC Grants	\$200,000		\$200,000	Yes
Allocation to Saginaw Future for PTAC Grants	\$124,000		\$124,000	Yes
Allocation to Schoolcraft College for PTAC Grants	\$225,000		\$225,000	Yes
Allocation to the Enterprise Group of Jackson for PTAC Grants	\$81,000		\$81,000	Yes
Remaining Entrepreneurial Programs and Grants Funding	\$6,462,780		\$6,462,780	
Federal-Michigan State Trade Expansion Program (MI-STEP)		\$1,400,000	\$1,400,000	
Federal-Community Development Block Grant (2)		\$34,110,057	\$34,110,057	
TOTAL ALLOCATIONS BY FUNDING SOURCE	\$115,650,000	\$35,510,057	\$151,160,057	

* Allocations do not include any prior year funding.

(1) Boilerplate requirement in Public Act 166 of 2022 section 1024 that not less than 20% of the \$100 million Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program.

(2) Based on the May 2022 CDBG Grant Award Notification

MICHIGAN STRATEGIC FUND

RESOLUTION 2022-152

ALLOCATION OF FUNDING FOR FISCAL YEAR 2023

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

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

WHEREAS, 2022 PA 166 appropriated \$75,000,000 from the 21st Century Jobs Trust Fund and \$40,650,000 from the State General Fund for business attraction and community development, and the entrepreneurship ecosystem for the 2022-2023 fiscal year;

WHEREAS, 2011 PA 252 places general funds appropriated for business attraction and community development in the 21st Century Jobs Trust Fund;

WHEREAS, MCL 12.258 provides that the state treasurer shall transfer to the MSF appropriated funds from the 21st Century Jobs Trust Fund upon the request of the MSF Board in the amounts designated by the MSF Board to fund disbursements or reserves for programs or activities under Chapter 8A and Chapter 8C of the MSF Act, MCL 125.2088 et. seq.;

WHEREAS, the MSF received \$34,110,057 from the U.S Department of Housing and Urban Development (“HUD”) for the federal Community Development Block Grant (“CDBG”) Program for fiscal year 2023;

WHEREAS, the MSF anticipates receiving \$1,400,000 from the U.S. Small Business Administration (“SBA”) for the Michigan State Trade Expansion Program (“MI-STEP”) for fiscal year 2023;

WHEREAS, the MEDC recommends that the MSF allocate funding from the 21st Century Jobs Trust Fund, HUD, and the SBA to the programs and activities for fiscal year 2023 as described in Exhibit A to this Resolution (the “FY2023 Funding Allocations”);

WHEREAS, the MEDC also recommends that the MSF exercise its options to extend the terms of the agreements between the MSF and the entities listed on Exhibit A by one year from their current expiration dates to allow a continuation of services and activities (the “FY2023 Agreement Extensions”);

WHEREAS, after consideration of that recommendation, the MSF Board desires to approve the FY2023 Funding Allocations and the FY2023 Agreement Extensions.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the FY2023 Funding Allocations and requests the State Treasurer to transfer \$115,650,000 from the 21st Century Jobs Trust Fund to the MSF, provided that no more than 60 percent of the funds used for business attraction and community revitalization are transferred before April 1, 2023;

BE IT FURTHER RESOLVED, the MSF Board approves the FY2023 Funding Allocations and the FY2023 Agreement Extensions; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the FY2023 Funding Allocations and the FY2023 Agreement Extensions.

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

Nays: None

Recused: None

Lansing, Michigan
September 27, 2022

**Michigan Strategic Fund
FY2023 Spending Allocations**

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Business and Community Development Programs and Activities	\$71,000,000		\$71,000,000	
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Allocation to IBT Online for International Trade Services	\$55,000		\$55,000	
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Allocation to Networks Northwest for International Trade Services	\$40,000		\$40,000	
Allocation to Van Andel Global Trade Center for International Trade Services	\$157,000		\$157,000	
Allocation to the Council of Great Lakes and St. Lawrence Governors and Premiers for International Trade Centers	\$900,000		\$900,000	Yes
Allocation for the International Trade Project Exception Program (PEP)	\$65,000		\$65,000	
Allocation of Match Funds for the Federal Michigan State Trade Expansion Program	\$466,666		\$466,666	
Allocation for Michigan Build Ready Site Program	\$5,000,000		\$5,000,000	
Allocation to Automation Alley for International Trade and Industry 4.0 Signature Initiative Statewide Services	\$2,500,000		\$2,500,000	Yes
Allocation to SBDC for Core Services	\$2,400,000		\$2,400,000	Yes
Remaining Business and Community Development Programs and Activities Funding	\$58,942,251		\$58,942,251	
Community Revitalization Program (1)	\$20,000,000		\$20,000,000	
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Allocation to SBDC for Emerging Technology Fund	\$2,250,000		\$2,250,000	
Allocation to SBDC for Business Accelerator Fund	\$1,500,000		\$1,500,000	
Allocation to SBDC for Technology Consulting Services	\$1,953,720		\$1,953,720	
Allocation to BBCetc for the Small Business Innovation Research (SBIR) and Small Business Technology Research (STTR) Michigan Assistance Program (MAP)	\$500,000		\$500,000	Yes
Allocation to Michigan State University for the University Early-Stage Proof of Concept ADVANCE Fund	\$300,000		\$300,000	Yes
Allocation to the Flint & Genesee Group for Procurement Technical Assistance Center (PTAC) Grants	\$130,000		\$130,000	Yes
Allocation to Macomb Community College for PTAC Grants	\$175,000		\$175,000	Yes
Allocation to Muskegon Area First for PTAC Grants	\$140,000		\$140,000	Yes
Allocation to Networks Northwest for PTAC Grants	\$200,000		\$200,000	Yes
Allocation to Northeast Michigan Consortium for PTAC Grants	\$200,000		\$200,000	Yes
Allocation to Saginaw Future for PTAC Grants	\$124,000		\$124,000	Yes
Allocation to Schoolcraft College for PTAC Grants	\$225,000		\$225,000	Yes
Allocation to the Enterprise Group of Jackson for PTAC Grants	\$81,000		\$81,000	Yes
Remaining Entrepreneurial Programs and Grants Funding	\$6,462,780		\$6,462,780	
Federal-Michigan State Trade Expansion Program (MI-STEP)		\$1,400,000	\$1,400,000	
Federal-Community Development Block Grant (2)		\$34,110,057	\$34,110,057	
TOTAL ALLOCATIONS BY FUNDING SOURCE	\$115,650,000	\$35,510,057	\$151,160,057	

* Allocations do not include any prior year funding.

(1) Boilerplate requirement in Public Act 166 of 2022 section 1024 that not less than 20% of the \$100 million Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program.

(2) Based on the May 2022 CDBG Grant Award Notification



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

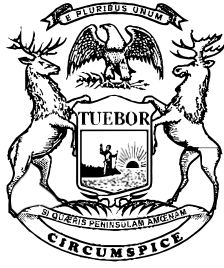
To Whom It May Concern:

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

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MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: September 27, 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 August 1, 2022, to August 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 August 1, 2022 to August 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 August delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout August 2022, 25% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all August approved projects through delegated authority have committed to create just over 300 jobs and over \$235 million in private investment.

MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during August 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
Louisiana-Pacific Corporation	8/5/2022	Sagola	\$325,000	Global building products manufacturer LP Building Solutions is expanding its operations in Sagola Township with support from the Michigan Strategic Fund (MSF). The company's \$194 million investment is one of the largest projects ever supported by the MSF in the Upper Peninsula. The project is expected to create at least 50 jobs and retain the 151 jobs currently at the site, supported by a \$325,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in the U.S. and Canada.
Unismack	8/29/2022	Grand Rapids	\$1,000,000	Snack Craft which is owned by Unismack is expected to generate a total capital investment of \$41.75 million and create up to 185 well-paying jobs with the support of a \$1 million Michigan Business Development Program performance-based grant. Snack Craft chose Michigan for the project over a competing site in Chicago.

Capital Access

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

State Small Business Credit Initiative 2.0 – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Good Clean Eats, LLC	8/12/2022	Hudsonville	\$62,375	Mercantile Bank is working with the company to provide a loan to purchase restaurant equipment. Due to collateral shortfall the bank is requesting assistance from the SSBCI 2.0 CSP.

Jobs Ready Michigan Program

The Jobs Ready Michigan Program is available from the MSF, in cooperation with MEDC. The program is designed to meet the talent needs of companies that are expanding or relocating to Michigan.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Industrial Sewing and Innovation Center (ISAIC)	8/17/2022	Detroit	\$259,000	Industrial Sewing and Innovation Center (ISAIC), founded in 2017 as the Industrial Sewing and Innovation Center in Detroit, is a nonprofit national institute for the sewn trades. The organization was developed by a group of industry stakeholders recognizing an opportunity to change the way the industry operates. ISAIC is expanding its operations in Detroit to accommodate increased demand from an existing client. The project is expected to generate a total capital investment of \$550,000 and create up to 74 jobs, supported by a \$259,000 Jobs Ready Michigan grant from the Michigan Strategic Fund. Michigan was chosen for the project over competing sites in New York and Missouri.

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	Approval Date	Location	Incentive Amount	Project Highlights
City of Plainwell	8/4/2022	Plainwell	\$274,135	The City of Plainwell will receive \$274,135 in Community Development Block Grant funds for rental rehabilitation needed for the Southwright Apartments located in Allegan County, Michigan. The city expects that this project will result in private investment of \$83,330. This project will add four new apartments, with three being affordable, to the second floor of 112 N. Main in downtown Plainwell. Adding these new residential units will activate over 3,400 square feet of currently underutilized space and create much needed rental housing in alignment with the City of Plainwell's Master Plan. CDBG funding will be utilized for construction activities related to the residential units, lead and asbestos testing, lead abatement work, and for grant administration costs.

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
Business-Connect - Sales Trip Ghana	8/1/2022	Grandville	\$4,644
Laser Marking Technologies - IMTS 2022	8/1/2022	Caro	\$15,000
OCINK LLC- dba InkAddict - Facebook International Ads Campaign	8/1/2022	Walker	\$15,000
Safe Solutions, Inc. - Costa Rica and Dominican Rep Trade Mission 22	8/1/2022	Belmont	\$6,992
Better Living LLC - Website Development Canada and UK	8/3/2022	Ann Arbor	\$6,188
Magnetic Products Inc. - 22 IBIE Tradeshow Las Vegas NV	8/8/2022	Highland Township	\$15,000
Michigan Instruments - German and Spanish Translation Marketing	8/8/2022	Kentwood	\$1,425
Portland Products - 22 IATF Compliance Audit	8/9/2022	Portland	\$5,625
Indigo Packaging and Consulting, LLC - Mexico's Auto Industry Summit	8/12/2022	Detroit	\$3,248
Fogg Filler Company - Drinktec 22 Germany	8/15/2022	Holland	\$15,000
Ausco Products, Inc. - Sept FY22 Australia Sales Trip	8/24/2022	Benton Harbor	\$6,596
Challenger Communications, LLC - IBC Show 2022 Amsterdam	8/24/2022	Albion	\$3,825
Curriculum Crafter - DIDAC INDIA	8/24/2022	Grand Rapids	\$7,698
Lomar Machine & Tool Company - San Lorenzo Mexico Sales Trip	8/24/2022	Horton	\$2,691
OG Technologies - Canada Marketing and Sales Trip	8/24/2022	Ann Arbor	\$1,242
Professional Apparel Company - CVMA Canadian Marketing Aug 2022	8/24/2022	Battle Creek	\$6,750
RHK Technology, Inc. - Sales Trip Germany, Japan and Korea	8/24/2022	Troy	\$15,000
Sundberg Ferar - Google Adwords Campaign Europe	8/24/2022	Walled Lake	\$15,000
Lifeline Firehose - Fire Rescue Intl 2022	8/25/2022	Lansing	\$4,637
Saint Clair Systems - IMAT New Orleans	8/25/2022	Washington Township	\$2,996
Spark EDM - AS9100 Certification	8/25/2022	Warren	\$7,200
Thompson Surgical Instruments - Multiple Language Translation	8/25/2022	Traverse City	\$15,000
Garrison Dental Solutions - South Africa Tradeshow SHADA 22	8/26/2022	Spring Lake	\$3,897

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. From August 1, 2022 to August 31, 2022 there were no amendments approved via delegate approval.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from August 1, 2022, to August 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
Nexient	Business Development Program	Ann Arbor	8/9/2022	Reduce the Base Employment Level from 498 to 348; Extend the due date of Milestone One from April 30, 2022, to September 30, 2022; Extend the due date of Milestone Two from December 31, 2022, to September 30, 2023; and Extend the Term of the Agreement from October 30, 2023, to March 31, 2024.
Healthmark Industries Co., Inc.	Business Development Program	Fraser	8/15/2022	Extend Milestone Three due date from January 31, 2022, to January 31, 2023; extend Milestone Four due date from January 31, 2023, to January 31, 2024; and extend grant term from July 31, 2023, to July 31, 2024.
Akasol Incorporated	Business Development Program	Hazel Park	8/18/2022	Reduced grant award from \$2,240,000 to \$900,000; reduce required QNJs from 224 to 90; extend Milestone One due date from December 31, 2021, to September 30, 2022; restructure Milestone Two and Milestone Three; eliminate Milestone Four and shorten grant term from June 25, 2025 to March 31, 2023.
Radiant Geospatial Solutions, LLC	Business Development Program	Ypsilanti	8/31/2022	Forbear taking action on the eliminated Qualified New Jobs (QNJs) Repayment Event of default until April 30, 2023; Extend the due date of Key Milestone Number Two from April 30, 2021 to April 30, 2023; Extend the Term of the Agreement from October 31, 2022 to October 31, 2023; Add the following additional affiliates to allow them to comprise the Base and create QNJs: Maxar Technologies Holdings Inc, Maxar Intelligence Inc., and Maxar Space LLC; and Change the Company Name from Radiant Geospatial Solutions, LLC. and/or its affiliates and subsidiaries to Maxar Mission Solutions, Inc. and/or its affiliates and subsidiaries.

CD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
7303 West McNichols, LLC	Community Revitalization Program	Detroit	8/16/2022	Change the due date and structure of milestones.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

From August 1, 2022, to August 31, 2022, the Business Development Program had no terminations.