



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

January 28, 2025

9:00am

- I. CALL TO ORDER & ROLL CALL**
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- III. COMMUNICATIONS**
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- IV. CONSENT AGENDA**
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Location: City of Pontiac
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Location: City of Lansing
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- a. Pulse Primary Care Holdings, LLC: A resolution to approve a Michigan Business Development Program Grant in the amount of up to \$3,450,000 to Pulse Primary Care Holdings, LLC..... 126
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- b. Grayling Township Industrial Drive Improvement: A resolution to approve the allocation of \$2,800,000 from the Business Attraction and Community Revitalization program to the Build Ready Site Program to support the construction of a road to provide access to the Saab, Inc. project site and other industrialized zone parcels. 135
Location: Township of Grayling

- c. Piston Automotive, LLC: A resolution to approve a Michigan Business Development Grant in the amount of up to \$1,500,000 to Piston Automotive, LLC. 146
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STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

GRETCHEN WHITMER
GOVERNOR

KEVIN FRANCCART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

January 15, 2024

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

Quentin L. Messer Jr.
President
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2025 Q1 Report of the Chief Compliance Officer. October 1, 2024 – December 31, 2024

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures as well as applicable laws related to MSF programs. I am pleased to report that all compliance matters addressed during the first quarter of the 2025 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law. The Chief Compliance Officer (CCO), along with the AG and MEDC Legal, assisted with the Finance and Investment Subcommittee and the Policy and Planning Subcommittee. The review of the relationship with and the economic incentives provided to Michigan Community Capitol, as reported previously, continued, the final . The CCO continued to assist the Department of Technology, Management, and Budget with the workgroup to implement the requirements of the Economic Development Incentive Evaluation Act, MCL 18.1751 *et seq.* The Match on Main program is currently being evaluated, the final report will be submitted in the next quarter. As reported previously, the CCO was advised by the AG that an analysis of Board delegations and guidelines was being conducted, in addition the AG requested that the CCO assist the MSF Board with the creation, implementation, monitoring, and enforcement of an Investment Policy. These issues are being address by this office, the AG, MEDC, and the MSF Board through a workgroup established by Board Member Warner to address multiple topics including investments, delegations, and program guidelines. This office will assist with the drafting, monitoring, and enforcement of any policies adopted. Some delegations were presented to the Board and adopted. The CCO assisted the AG and MSF in reviewing Project Grit for compliance with the applicable laws and policies. This office was copied on a ethics complaint made to the Starte Board of Ethics regarding a MSF Board Member. The complainant did not make a complaint this office nor did either the AG nor the Board of Ethics contacted this office for its impute or analysis. This office did however

review the allegation and determined there was no violation of the MSF Conflict of Interest Police by the Board Member. The CCO assisted the AG and MSF with an Open Meetings Act question and advice to the Board members regarding any outside meetings that multiple Boards members could be in attendance and MSF related business could be discussed. As reported previously, the CCO advised the MSF Fund Manager to implement the recommendation in the MSF E&I Program Evaluation to collect the tax identification number/employer identification numbers (TIN/EIN) for all of the participants in the program. The CCO, Fund Manager, and the MEDC E&I Program leadership meet to discuss this recommendation and implementation plan. Further inquiry needs to be done to establish if the same results can be accomplished by collecting the identification number assigned to corporations by the Michigan Department of Licensing and Regulatory Affairs Corporations, Securities & Commercial Licensing Bureau. The question previously referred to the AG regarding MCL 423.321 *et sec.*, and *Wisconsin Dept of Indus, Labor & Human Relations v Gould Inc*, 475 US 282; 106 S Ct 1057; 89 L Ed 2d 223 (1986), remains outstanding. Additionally, a question from a Board member referred to the AG in November 2023 regarding “does the MEDC have a fiduciary responsibility to the MSF Board? If so, what is it and how is it enforced/monitored?” remains outstanding as well. As reported previously, the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits, thus, site visits are being performed pursuant to the site visit guidelines.

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

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
December 10, 2024**

Member Present

Quentin L. Messer, Jr.

Members Joined Remotely

Britany L. Affolter-Caine
Susan Corbin
Wesley Eklund
Rachael Eubanks
Dimitrius Hutcherson
Michael B. Kapp (on behalf of Director Wieferich)
Dan Meyering
Leon Richardson
Charles P. Rothstein
Susan Tellier
Cindy Warner

Absent

Randy Thelen

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 9:00 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing.

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

II. PUBLIC COMMENT

Dr. Britany Affolter-Caine joined the meeting remotely at 9:01 a.m.

Dimitrius Hutcherson joined the meeting remotely at 9:01 a.m.

Wesley Eklund joined the meeting remotely at 9:03 a.m.

Susan Tellier joined the meeting remotely at 9:07 a.m.

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

III. COMMUNICATIONS

Dimitrius Hutcherson, Chair of the MSF Finance and Investment Subcommittee, and Cindy Warner, Chair of the MSF Policy and Planning Subcommittee, provided updates on subcommittee activity.

IV. CONSENT AGENDA

Wesley Eklund left the meeting at 9:21 a.m.

Resolution 2024-168, 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, Susan Tellier motioned for the approval of the following:

- a. Proposed October 22, 2024, Meeting Minutes
- b. 2025 MSF Board Change in Regular Meeting Schedule **2024-169**
- c. Designation of MSF Bonding Officer **2024-170**
- d. Small Business Services Program: Match on Main Funding Allocation **2024-171**
- e. Revitalization and Placemaking (RAP) 1.0 Program Grant Agreement Amendment: The Right Place **2024-172**
- f. Bridgewater Interiors, LLC: MBDP Grant Amendment **2024-173**

Susan Tellier motioned for the approval of Resolution 2024-168 to approve the consent agenda. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

Wesley Eklund rejoined the meeting at 9:24 a.m.

V. ATTRACT, RETAIN, AND GROW BUSINESS

- a. **Resolutions 2024-174 & 2024-175 Detroit Diesel Corporation Critical Industry Program Performance-Based Grant and State Essential Services Assessment Exemption.** Josh Hundt, Senior Project Marketing Advisor, supported by Matthew Pfaffenbach of Daimler Truck, provided the Board with information regarding this action. The request involves the consideration of two resolutions to approve a Critical Industry Program Performance-Based Grant in the amount of \$27,700,000 and a 15-year, 100% State Essential Services Assessment Exemption with an estimated value of up to \$3,294,130 for \$161,800,000 eligible investment in Eligible Personal Property to Detroit Diesel Corporation.

Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2024-174 for the State Essential Services Assessment Exemption. Dimitrius

Hutcherson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Susan Corbin motioned for the approval of Resolution 2024-175 for the Critical Industry Program grant. Leon Richardson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Dr. Britany Affolter-Caine, recsued, left the meeting at 9:32 a.m.

- a. **Resolution 2024-176 University of Michigan and Los Alamos National Laboratory Strategic Site Readiness Program Grant.** Steve Bakkal, supported by Chris Kolb of the University of Michigan and Charlie Nakhleh of Los Alamos National Laboratory, provided the Board with information regarding the requested action. The request involves the consideration of a resolution to approve a Strategic Site Readiness Program Grant (SSRP) in the amount of \$100,000,000 to the University of Michigan related to site development, construction and other related Eligible Activities under the SSRP necessary to construct a new advanced computing facility in Ypsilanti, Michigan

Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2024-176 to approve the Strategic Site Readiness Program Grant Award. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes, 0 nays, 1 recused.**

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

Dr. Britany Affolter-Caine rejoined the meeting at 9:55 a.m.

- b. **Resolutions 2024-177 & 2024-178 Benteler Automotive Corporation and City of Wyoming Brownfield Redevelopment Authority - Michigan Business Development Program Grant and an Act 381 Work Plan.** Samuel Sedlecky, Business Development Advisor, supported by Brittney Mizer, Senior Business

Development Project Manager, and Steve Bates of Benteler Automotive Corporation, provided the Board with information regarding this requested action. The request involves the consideration of two resolutions to approve a Michigan Business Development Program Grant in the amount of up to \$1,400,000 for Benteler Automotive Corporation and an Act 381 Work Plan for eligible activities capped at \$395,142, utilizing the current state-to-local capture ratio, for the City of Wyoming Brownfield Redevelopment Authority.

Following discussion, Leon Richardson motioned for the approval of Resolution 2024-177 for the Michigan Business Development Program Grant. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Dimitrius Hutcherson motioned for the approval of Resolution 2024-178 for the Act 381 Work Plan. Leon Richardson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

- c. Resolutions 2024-179 & 2024-180 Howmet Corporation Michigan Business Development Program Grant and State Essential Services Assessment Exemption.** Darryl Todd, Business Development Manager, supported by Dan Neebes, Business Development Project Manager, and Ben Squires of Howmet Aerospace, provided the Board with information regarding the requested actions. The request involves the consideration of two resolutions to approve a Michigan Business Development Program Grant in the amount of up to \$5,100,000 and a 15-year, 100% SESA Exemption with an estimated value of up to \$1,649,375 for its \$72,500,000 eligible investment in Eligible Personal Property to Howmet Corporation.

Following discussion, Leon Richardson motioned for the approval of Resolution 2024-179 for the Michigan Business Development Program Grant. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Recused: None.

Following discussion, Dr. Britany Affolter-Caine motioned for the approval of Resolution 2024-180 for the State Essential Services Assessment Exemption. Susan Tellier seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

- d. Resolution 2024-181 HTC Global Services, Inc. Michigan Business Development Program Grant.** Nicole Black, Managing Director of Regional Development, supported by Jennifer Wood, Business Development Project Manager, and Mark Adams with the City of Troy, provided the Board with information regarding the requested action. The request involves the consideration of a resolution to approve a Michigan Business Development Program Grant in the amount of \$1,520,000 to HTC Global Services, Inc.

Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2024-181 for the Michigan Business Development Program Grant. Susan Corbin seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

- e. Resolution 2024-182 Landscape Forms, Inc. Michigan Business Development Program Grant.** Brenda Stewart, Senior Business Development Manager, supported by Dan Neebes, Business Development Project Manager, and Margie Simmons of Landscape Forms provided the Board with information regarding this requested action. The request involves the consideration of a resolution to approve a Michigan Business Development Program Grant in the amount of up to \$2,500,000 to Landscape Forms, Inc.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-182 to approve the Michigan Business Development Program Grant. Susan Corbin seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Recused: None.

VI. DEVELOP ATTRACTIVE PLACES

- a. **Resolutions 2024-183 & 2024-184 Talbot Bridge, LLC Michigan Community Revitalization Program Other Economic Assistance Loan Participation and Act 381 Work Plan.** Rachel Elsinga, Community Development Manager, supported by Ryan Talbot of Talbot Development, and Sarah Rainero with the City of Grand Rapids, provided the Board with information regarding this requested action. This request involves the consideration of two resolutions to approve a Michigan Community Revitalization Program Other Economic Assistance Loan in the amount of up to \$5,950,000 for Talbot Bridge, LLC, and an Act 381 Work Plan for eligible activities capped at \$2,220,353, utilizing the current state to local capture ratio, for the City of Grand Rapids Brownfield Redevelopment Authority.

Following discussion, Susan Tellier motioned for approval of Resolution 2024-183 for the Michigan Community Revitalization Program Loan. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Following discussion, Dr. Britany Affolter-Caine motioned for the approval of Resolution 2024-184 for the Act 381 Work Plan. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

VII. CAPITAL ACCESS

- a. **Resolution 2024-185 Three Rivers Renewables, LLC Private Activity Bond Inducement.** Amber Westendorp, Capital Project and Portfolio Manager, supported by C.W. Alexander of Freehold Energy RNG, provided the Board with information regarding the requested action. The request involves the consideration of a resolution to approve a Private Activity Bond Inducement for Three Rivers Renewables, LLC. The project will produce renewable natural gas for transportation fuel sourced from biomethane from dairy farms.

Following discussion, Dr. Britany Affolter-Caine motioned for the approval of

Resolution 2024-185 for the Private Activity Bond Inducement. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Dimitrius Hutcherson left the meeting at 10:57 a.m.

- a. Resolution 2024-186 Newaygo Renewables, LLC Private Activity Bond Inducement.** Amber Westendorp, Capital Project and Portfolio Manager, supported by C.W. Alexander of Freehold Energy RNG and Julie Burrell of The Right Place, Inc., provided the Board with information regarding this requested action. This action involves the consideration of a resolution to approve a Private Activity Bond Inducement for Newaygo Renewables, LLC. The project will produce renewable natural gas for transportation fuel sourced from biomethane from dairy farms.

Following discussion, Dr. Britany Affolter-Caine motioned for the approval of Resolution 2024-186 for the Private Activity Bond Inducement. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

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

Dimitrius Hutcherson rejoined the meeting at 11:04 a.m.

- b. Resolution 2024-187 The Washtenaw Pace, Inc. dba Huron Valley Pace Private Activity Bond Authorization.** Amber Westendorp, Capital Project and Portfolio Manager, supported by Steve Fetuko of Brio Living Services, provided the Board with information regarding this requested action. The request involves the consideration of a resolution to approve a Private Activity Bond Authorization not to exceed \$4,500,000 for The Washtenaw Pace, Inc. dba Huron Valley Pace. The project will expand the Huron Valley Program of All-Inclusive Care for the Elderly (PACE) Program.

Following discussion, Dr. Britany Affolter-Caine motioned for the approval of Resolution 2024-187 for the Private Activity Bond Authorization. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None;
Recused: None.

VIII. INFORMATIONAL

Mr. Messer noted that the meeting packet included the Michigan Strategic Fund Delegation of Authority Report from October 1, 2024, to November 30, 2024. There were no questions regarding the report. Mr. Messer adjourned the meeting at 11:11 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



November 25, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Strategic Site Readiness Program (SSRP) Grant to the University of Michigan because it is a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, December 10, 2024.

Many thanks –

A handwritten signature in black ink that reads 'Britany Affolter-Caine'.

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



Driving Smart Economic Growth in Service of Prosperity for All
Acceleration • Growth • Talent • Community

December 2024

Michigan Strategic Fund Board
Michigan Economic Development Corporation
300 North Washington Square
Lansing, MI 48913

Support for the U-M and Los Alamos National Laboratory Research Facility in Washtenaw County

Dear Members of the Michigan Strategic Fund Board,

On behalf of Ann Arbor SPARK, I am writing to express our enthusiastic support for the establishment of a groundbreaking research facility in Washtenaw County, a collaboration between the University of Michigan (U-M) and Los Alamos National Laboratory (LANL). This initiative aligns with our mission to advance economic growth and innovation in Southeast Michigan, and we believe it will serve as a transformative asset for the region and the state.

By enabling collaboration between LANL researchers, U-M faculty, and students, the project will drive advancements in fields like AI, advanced materials, and energy solutions, while addressing global challenges such as climate change and national security.

The development of this facility at the strategically selected site in Ypsilanti Township showcases the region’s ability to attract and support high-impact projects. Ann Arbor SPARK was proud to provide key assistance in the site selection process, ensuring the project’s alignment with regional resources and infrastructure. This initiative exemplifies the strength of public-private-academic partnerships and demonstrates our community’s readiness to support cutting-edge research and innovation.

Beyond the immediate research benefits, the facility promises to bring substantial economic and educational opportunities to Michigan. It will catalyze job creation, workforce development, and the growth of small businesses while expanding the state’s AI and high-tech ecosystem.


Board of Directors

- Kelly Sexton (Chair)**
University of Michigan
Innovation Partnerships
- Simon Whitelocke (Vice-Chair)**
ITC Holdings Corp.
- David Snodgrass (Treasurer)**
Lake Trust Credit Union
- Tiffany Ford (Secretary)**
University of Michigan
Credit Union
- David Ruud (Past Chair)**
DTE Energy
- Dr. Rose Bellanca**
Washtenaw Community
College
- Gregory Dill**
Washtenaw County
- Milton Dohoney**
City of Ann Arbor
- Patti Glaza**
Invest Detroit
- Leigh R. Greden**
Eastern Michigan University
- Jeff Hauptman**
Oxford Companies
- Brandon Hofmeister**
Consumers Energy
- Justin Hodge**
Washtenaw County
- Chris Kolb**
University of Michigan
- Chris Kowitz**
Wacker Chemical
- Paul Krutko**
Ann Arbor SPARK
- Mark LePage, MD, MBA**
Trinity Health
- Lon Lowen**
NETSCOUT
- Marcy Marshall**
Arboretum Ventures
- Timothy G. Marshall**
Bank of Ann Arbor
- John McLaughlin**
KLA Corporation
- Peter Mertens**
Sartorius
- David Parsigian**
Honigman LLP
- Trish Reilly**
Pittsfield Charter Township
- Paul Roney**
Domino’s Farms
- Christine Sing**
Rehmann
- Rich Sheridan**
Menlo Innovations
- Brenda Stumbo**
Ypsilanti Township
- Robert Young**
Toyota NA R&D
Headquarters

We strongly believe that this project deserves the full support of the Michigan Strategic Fund Board. It represents a critical investment in Michigan's future as a global leader in AI and advanced computing, while also enhancing the region's ability to attract and retain talent and fostering meaningful collaborations across industries and academia.

Thank you for considering this letter of support. We look forward to working alongside U-M, LANL, and state and local stakeholders to ensure the success of this transformative initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Krutko", with a long horizontal flourish extending to the right.

Paul Krutko
President and CEO
Ann Arbor SPARK

Natalie Davenport (MEDC)

From: Maryann Zelasko <zelaskojmk@sbcglobal.net>
Sent: Sunday, December 8, 2024 10:56 AM
To: MEDC MSF Comments
Subject: Public Comment Submittal
Attachments: archive (7).zip

I registered for the Public Comment period for the next MSF meeting to be held on December 10.

I think it is important for the Executive Board to be made aware of certain non-compliance issues associated with the resolutions that they have approved and violations of Act 381.

I believe that the information provided in Item 3 should be of particular interest to the Board.

Thank you. Please let me know if there is a problem with the attached zip file. If needed, I can send the attachments separately.

Maryann Zelasko

I have tried for over two years to get the City of Dearborn and the Brownfield Redevelopment Authority (BRA) to review the various BRA plans and exam their adherence to MI Act 381 and other agreements. Unfortunately, I have been unsuccessful.

I then contacted the Michigan Economic Development Corporation (MEDC) and was told that this matter would be handled by the State Attorney General's office. Therefore, I am now turning to your department for assistance.

Listed below are some of my concerns regarding the incorrect capture and potential misuse of taxpayer money. I have substantial back-up documentation, but I am including a minimal amount with this initial correspondence. I am hoping that this email will be assigned to a specific individual for review who can contact me and request additional back-up documentation or clarification.

GENERAL ADMINISTRATIVE CONCERNS

1. MI Act 381 (Section 13b(7)(c)) allows for the following: "In each fiscal year of the authority, the amount of tax increment revenues attributable to local taxes that an authority may use for the purposes described in subdivisions (a) and (b) is determined as follows: For authorities that have 5 or fewer active projects, \$125,000." This was amended in 2023 from the original cap of \$100,000.

The City of Dearborn's BRA has been capturing \$100,000 annually from its three active projects (Redico \$40,000; AK Steel \$40,000; and Ford \$20,000). However, the annual operating expenditures are substantially less than the capture. Refer to Attachment A (Columns 1, 2, 3). How can the BRA legitimately keep this over capture? This has occurred for several fiscal years (2020-2023). If the statute requires each year's capture for administrative purposes be properly expended in the same year, how can this money be kept and not returned to the various taxing entities?

2. MI Act 381 was recently amended to include additional administrative and operating expenses. According to Section 13b(7)(a)(i) this includes "Reasonable and actual administrative and operating expenses **of the authority**, including costs to implement, monitor, and maintain compliance with the income and price monitoring responsibilities **associated with housing development activities.**" As defined in the statute (Section 2(x)), housing development activities pertain to specific housing projects or specific tasks, such as demolition, site prep, etc.

In November 2023 (fiscal year 2024), the BRA agreed to be the funding source for the City's Housing Market Analysis. According to the Contract Award summary (Attachment B), this is "a citywide analysis of housing demand, absorption rate, and financial analysis." This contract appears to be a general City activity that should be funded from the City's General Fund. This broad analysis appears to be outside the scope of eligible BRA activities. **Please review this procurement for services and explain what provision of Act 381 allows for this activity to be funded by the BRA. Why should other taxing agencies cover the cost for a general City contract?**

PROJECT SPECIFIC CONCERNS

- BRA Plan #7 Redico (Former Montgomery Ward Redevelopment):** According to the terms of the Michigan Economic Growth Authority (MEGA) Board resolution 2008-099 (Attachments C1 and C2), the Redico project was expected “to utilize various sources of state and local assistance.” Since this project was located in a Downtown Development Authority (DDA) district, the East DDA “entered into a resolution pledging its tax increment revenue to support the public parking deck.” The City indicated that “all of the estimated \$13,344,552 in EDDDA capture will be utilized toward this project.” **MEGA staff approved school tax capture stipulating that “the authorization is based on the Authority capturing all available local operating mills for the term of the capture period.”**

According to the proposed FY2025 budget, the BRA will be capturing the entire school millage, but will be transferring only a portion of the local tax capture. **How can the terms of the MEGA resolution be ignored? Why should the school carry a larger burden than was originally approved?**

When and what occurred to create this tax capture imbalance (school versus local)? According to the response to my FOIA request, the BRA/City decided to adjust the amount of tax capture passed through from the EDDDA for support of this project. From project inception through FY2021, the BRA followed the various agreements. This meant that school capture was applied to eligible activities, and the **entire** EDDDA capture was to be used for bond financing (interest) and BRA operating expenses. Please refer to Attachment C3 (page 11 of the Bra Act 381 Work Plan) that lists the MEGA eligible activities that were approved for school capture while the bond financing (interest) was to be paid by the local tax capture (Attachment C3, page 13).

In the event that the project did not generate sufficient tax revenue, the project owner was invoiced as outlined in the Special Assessment Agreement. In the event that the project generated more tax revenue than what was needed for its annual commitments, the amount of uncommitted tax increment revenues was paid to the owner according to the terms of the Infrastructure Reimbursement Agreement (due to size, this document is not attached).

When the bonds were refinanced in FY2022, the annual bond payment was reduced. At this point, the BRA/City decided to reduce the amount of tax capture passed through from the EDDDA. Please refer to the Tax Capture worksheet (Attachment D) that I received in response to my FOIA request.

This spreadsheet clearly illustrates the total disregard for the guidelines established in the MEGA resolution. Specifically, the resolution was based on the Authority capturing 100% of local operating mills. The actual amount of EDDDA capture passed through for this project was \$187,056.09 which equates to only 44.1%. However, the entire SET, School Operating, and Intermediate School capture was used for bond and interest repayment. I find this to be outrageous. **How can the EDDDA pass through amount be less than half of the required percentage stated in the MEGA resolution?**

It appears that the BRA is violating the MEGA Board resolution and the Infrastructure Reimbursement Agreement. **Who has the authority to adjust the EDDDA capture that was previously pledged to this project? Who is responsible for the balance between school and local capture? Is it legal/ethical to adjust the tax capture in order to circumvent the reimbursement agreement?**

4. **BRA Plan #9 AK Steel:** From both a financial and redevelopment point of view, this was the most extensive BRA Plan for this community involving tax increment financing. Unfortunately, a large percentage of the work was never completed. Although the required submittal date for all eligible activities occurred over three years ago, a closeout report was never prepared. **Why?**

The FY2025 BRA budget indicates that the plan “is in its final year of reimbursements for approved expenses and will receive \$89K in FY25” (Attachment A, Note 1). I am skeptical about this statement. This was a very complex project. It included an amended Brownfield Plan and an adopted Act 381 Work Plan that expanded the number of eligible parcels and activities. The Work Plan allowed for school capture on Table 2 activities only. Table 1 activities were local capture only. **If there is only \$89K in remaining reimbursement, then the City/BRA has captured over \$2.5M of school taxes for activities that had been approved for local capture only. This is too much taxpayer money to go unchecked.**

This brownfield work plan was approved by the MEGA Board in Resolution 2011-045.

5. **BRA Plan #11 UrbCam (Union at Dearborn):** Sec. 8(1)(b)(i) allows for the excess capture to occur “for not more than 5 years after the time that capture is required for the purpose of paying the costs permitted under section 13(4).” The BRA completed developer reimbursement in 2019, and the excess capture should have gone into the Local Brownfield Revolving Fund (LBRF).

The approved BRA budget for FY25 shows capture associated with this project. How is that possible? Five full years should have occurred in 2024. Please review this project to ensure correct capture. Did the BRA capture the correct taxes as outlined in the Plan? Who is responsible to look into this matter?

This project was approved by the MEGA Board in Resolution 2011-113.

I encourage you to review the status of the various plans and to keep me updated on the results of your review. If needed, I can provide additional documentation. **What department/division is responsible for holding the BRA and City Administration accountable? What department/division will investigate violations of Michigan statute (Act 381) and the MEGA Board resolutions?**

Thank you for your assistance.

Maryann Zelasko
zelaskojmk@sbcglobal.net
734-283-8538

and warehousing operations (approximately 60,000 square feet) to support the company's planned new and improved light manufacturing activities.

ENA's total estimated capital investment for this project is \$59,818,083, all of which is eligible investment. Approximately 171 Michigan jobs will be retained and approximately 105 new jobs will be created as a result of this project, with average wages ranging from \$15-17 per hour. Without the brownfield credit this facility is at risk of closure, and the jobs would be lost. The project will also apply for a Property Tax Abatement under PA 198 through the City of Brighton for up to 12 years. *This project is described further in Resolution 2008-097.*

Recommendation: MEDC staff recommends approval of a MEGA MBT Brownfield Redevelopment Credit of 12.5% of the eligible investment not to exceed a \$7,477,260 credit.

Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield MBT Credit request and recommends approval.* Mr. Epolito asked if there were any questions from the Board. Being none, **Mr. Garcia made a motion for approval of Resolution 2008-097. Director Cooley seconded the motion.** The motion carried unanimously – 7 ayes; 0 nays; 0 recused

BROWNFIELD MBT & WORK PLAN APPROVAL: *Plan # 7*

Resolution 2008-098: REDICO Holdings, LLC (Former Montgomery Ward Redevelopment Project) City of Dearborn – Brownfield MBT Credit

Resolution 2008-099: REDICO Holdings, LLC (Redico) (Former Montgomery Ward Redevelopment Project)

City of Dearborn – Work Plan Approval

Van Adams, MSHDA CATEam Program Consultant, introduced the guest presenters who provided background information on the company and this project: Lynn Gandhi, Partner at Honigman Miller Schwartz and Cohn, LLP; Ken Till, Vice President of REDICO; Barry Murray, Director of Economic and Community Development and Amina El-Hussein, Senior Economic Development Assistant, both of the City of Dearborn.

Work Plan Request: \$14,228,881

Brownfield MBT Credit Request: \$9,600,000

The Montgomery Ward Redevelopment Project is located in the East Dearborn Downtown Commercial District on one of the City of Dearborn's main thoroughfares at 13551 Michigan Avenue. The Project is a mixed-use development consisting of medical, commercial and senior living residential facilities. A new three level Class A medical facility with integrated, complementary retail will be built on the property. It will consist of approximately 168,000 square feet of space. The medical facility will specialize in the treatment of pediatrics, women, and the elderly, with imaging, rehabilitation, treatment, pharmaceutical and other medical support services integrated within the facility. To the immediate east of the medical facility, bordered by Schaefer Road and Osborn Street, will be a six-level public parking deck that will provide 650 spaces.

Immediately adjacent to the medical facility on the north side, will be a new senior living residence of approximately 100,000 square feet, with 96 units and capacity for approximately 116 residents. Additionally, there will be approximately 22,000 square feet of retail and office in a stand-alone two-story building to meet the needs of the residents of the senior living facility and those frequenting the medical facility. The retail will be open to the local community.

Approximately 200 newly created full-time jobs are anticipated at the site, not including any full or part-time employees associated with the retail space, with an average hourly wage of \$22. The total capital

MEGA 8-19-08

investment is anticipated to be \$68 million, with the eligible investment of \$48 million. The total MEGA Eligible Activities are anticipated to be \$14,228,881.

The project is expected to utilize various sources of state and local assistance including the Local Site Remediation Revolving Fund (\$594,980) and a zero interest loan from the Downriver Community Conference (\$900,000). The East Dearborn Downtown Development District Authority (EDDDA) has already entered into a resolution pledging its tax increment revenue to support the public parking deck for this project. This support was approved by the EDDDA on April 10, 2008. The City of Dearborn has also indicated that all of the estimated \$13,344,552 in EDDDA capture will be utilized towards this project. *This project is described further in Resolutions 2008-098 and 2008-099*

Recommendation: MEDC staff recommends approval of school tax capture for the eligible activities totaling \$14,228,881 described above. Utilizing the state to local capture ratios described above, the amount of school tax capture for this project is estimated at \$12,892,789. The Brownfield Redevelopment staff also recommends approval of an Urban Development Area Project designation and a MEGA MBT Brownfield Redevelopment Credit of 20% of the eligible investment, not to exceed a \$9,600,000 credit.

Board Discussion: *Ms. Nelson gave the Executive Committee report. The MEGA Executive Committee reviewed both the proposed Brownfield MBT Credit request and also the Work Plan Approval request and recommends approval of both.* Mr. Epolito asked if there were any questions from the Board. *Discussion ensued about the need to ensure some source of public transportation is available for those seniors and new business people. Mr. Murray confirmed that two of their buses already currently have routes that include stops to that area. Being no more discussion, Director Cooley made a motion for approval of Resolution 2008-098. Ms. Nelson seconded the motion. The motion carried unanimously – 7 ayes; 0 nays; 0 recused. Mr. Garcia made a motion for approval of Resolution 2008-099. Ms. Shinn seconded the motion. The motion carried unanimously – 7 ayes; 0 nays; 0 recused.*

WORK PLAN APPROVAL:

Resolution 2008-100: Harris Milling Redevelopment Project Work Plan – City of Cadillac
Tom Durkee MSHDA CATeam Program Consultant, introduced the guest presenters who provided background information on the company and this project: Precia Garland, Assistant City Manager of the City of Cadillac; and Donna Koltuniak, Project Engineer of Otwell Mayby.

Work Plan Request: The City of Cadillac's Brownfield Redevelopment Authority has submitted a work plan request for the approval of \$255,750 in local and school tax capture.

The proposed project by the developer, Chemical Bank, has proposed to demolish the existing, vacant structure on the property, conduct all necessary due care activities and construct a new 5,000 square foot building for retail and commercial banking operations. This project is located in the traditional downtown area of the City of Cadillac, on the former YMCA, Harris Milling, and Basseur sites. The project is expected to create 2 new jobs, the exact wages are unknown at this time. The total capital investment for new construction is anticipated at \$1.2 million. This development is part of a larger project being undertaken by the City of Cadillac to link the downtown to the shore of Lake Cadillac. Eligible activities include a public parking lot, road repair, and the installation of sidewalks.

Project is likely to benefit from a DEQ grant of up to \$849,275 and a DEQ loan of up to \$280,025. Besides the Local TIF, the City and DDA are contributing an estimated \$1.1 million for improvements to West Chapin Street. This project is adjacent to West Chapin Street and will benefit directly from these improvements. *This project is described further in Resolution 2008-100.*

RESOLUTION 2008-099
MICHIGAN ECONOMIC GROWTH AUTHORITY

City of Dearborn Brownfield Redevelopment Authority
Redevelopment of the Former Montgomery Ward
Dearborn, Michigan

At the meeting of the Michigan Economic Growth Authority ("MEGA") held on August 19, 2008 in Lansing, Michigan.

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

WHEREAS, the City of Dearborn Brownfield Redevelopment Authority (the "Authority") has submitted a work plan for property located within the City of Dearborn, known as the Redevelopment of the Former Montgomery Ward Property (the "Project");

WHEREAS, the City of Dearborn is a "qualified local governmental unit" and is eligible to provide for: a) demolition, b) site preparation, c) lead and asbestos removal, and d) infrastructure improvement activities for the project; and

WHEREAS, the Authority is requesting MEGA 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

NOW, THEREFORE, BE IT RESOLVED, that the MEGA Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as the 91% to 9% ratio currently existing between school and local taxes for the real property to reimburse the cost of demolition, site preparation, infrastructure improvements, and preparation of Work Plan and brownfield plan as presented in the revised work plan dated August 1, 2008. Any change in millage that increases the capture percentage of school operating taxes by more than 5 percentage points must be approved by the MEGA 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 a maximum of \$14,228,881 for the principal activity costs of non-environmental eligible activities, with the capture of taxes levied for school operating purposes being approximately \$12,892,789.

Provided that:

- (a) The East Dearborn Downtown Development Authority supports the costs related to the Project by contributing tax increment revenues, estimated at \$13,344,552, during the duration the associated brownfield plan in order to reimburse eligible expenses.

BE IT FURTHER RESOLVED, that the MEGA Board authorizes the staff of the MEGA, 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 City of Dearborn or the Authority, 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 MEGA staff. Eligible activities authorized by this resolution must be completed within three (3) years.

Adopted.

Aves: Keith Cooley; Cullen DuBose; James Epolito; Baldomero Garcia; Faye Nelson; Scott Schrage (acting on behalf of Robert Kleine, authorization attached); Jackie Shinn (acting on behalf of Kirk Steudle, authorization attached)

Navs: None

Recused: None

August 19, 2008

Dearborn, Michigan

4.2 Estimated Costs

a. MEGA Eligible Activities Costs

This Plan provides for reimbursement of the costs of eligible activities in an amount up to \$14,228,881 from taxes levied for school operating purposes and local taxes. These costs consist of the following:

Table 2: MEGA Eligible Activities Costs

Category	Activity	Unit Cost	Amount
Demolition/Site Preparation	Demolition of existing structures and asphalt; backfill of excavated areas	Bid amount	\$352,790
Site Preparation	Land balancing and grading (required after excavation of impacted soil)	1.19 acres x \$51,643/acre	\$61,455
Infrastructure Improvements	Construction of parking structure	650 cars x \$18,000/car	\$11,700,000
Infrastructure Improvements	Installation of water and sewer lines in the public rights-of-ways		\$250,000
Subtotal			\$12,364,245
Contingency (15%)			\$1,854,636
Work Plan Prep			\$10,000
Total			\$14,228,881

Table 3: Sources and Uses of Funds

Sources of Funds: (based upon minimum 30-year capture period)

Local Resources	
EDDDA Capture - City	\$ 7,443,922
EDDDA Capture - County	4,378,096
EDDDA Capture - College	1,522,535
Local Site Remediation Revolving Fund for Environmental Remediation (local TIF only)	600,000
DBRA – Intermediate School	1,758,171
State Resources	
State Education Tax – Non-Homestead	12,180,270
Total Sources	\$ 27,882,994

13,344

Uses of Funds :

Preliminary Work	
MEGA work plan review and approval	✓ \$ 10,000
Site Preparation	
Environmental Remediation (fund from Local Site Remediation Revolving Fund not supported by MEGA)	547,210
Demolition of structure and backfill	✓ 352,790
Land balancing and grading after excavation of impacted soil (1.19 acres x \$51,643/acre)	✓ 61,455
Infrastructure Improvements	
Installation of water and sewer lines in the public rights-of-way	✓ 250,000
Public parking deck (650 cars x \$18,000 per car)	✓ 11,700,000
Contingency (15%)	1,936,718
Bond Financing (interest)	9,467,359
BRA Plan Administration (\$40,000 year, 30 year max.) Local funds only	1,200,000
Total Uses	\$ 25,525,532

✓

5.2 Limitations

None.

Tax Capture FY2023	Dis-Vendor BIDA	Warren BIDA	BR A #7 Redico	BR A #9 AK Steel	BR A #11 UrbCan	BR A #13 Ford	West DDDA	Taxr DDDA	Total	BR A
City Operating	21,543.76	137,994.21	-	81,393.96	19,521.05	-	506,020.27	394,247.49	1,460,720.74	100,915.01
City Voted Operating	-	-	-	10,364.15	2,485.65	-	64,432.49	50,199.73	147,794.55	12,849.80
City Rubbish	2,743.04	17,569.49	-	8,356.43	2,004.13	-	51,950.76	40,474.87	119,163.38	10,360.56
City Library	2,211.61	14,165.58	-	-	-	-	-	-	387,652.92	387,652.92
DBN Operating	-	-	242,714.76	-	-	144,938.16	-	-	-	-
DBN Supplemental	-	-	-	-	-	-	-	-	-	-
HHCC	5,744.87	36,797.12	-	21,705.05	5,205.60	32,434.66	-	105,132.01	207,019.31	59,345.31
WC Operating-Summer	4,028.55	25,802.11	-	30,441.26	7,300.73	48,651.92	189,247.41	147,444.91	404,264.77	37,741.99
WC SET-DBN	-	-	80,944.92	-	-	775.17	-	-	129,596.84	129,596.84
WC RESA Oper	-	-	1,289.71	518.73	124.38	-	-	-	2,707.99	2,707.99
WC RESA Spec Educ	-	-	45,117.34	18,147.50	4,352.25	27,117.72	-	-	94,734.81	94,734.81
RESA ENIT	-	-	26,814.34	10,785.21	2,586.64	16,116.75	-	-	56,302.94	56,302.94
WC Voted Operating	679.49	4,351.22	-	5,135.40	1,231.61	-	31,925.75	24,873.07	68,196.54	6,367.01
WC Soldier Relief	25.97	165.31	-	198.51	47.48	-	1,230.48	958.02	2,625.77	245.99
WC HCMA	-	-	-	1,123.21	269.35	-	6,082.25	5,439.15	13,813.96	1,392.56
WC WCIA (S/MARK)	1,428.78	9,150.77	-	5,399.05	1,294.74	-	33,561.84	26,147.71	76,982.89	6,693.79
WC Public Safety (rail)	671.82	4,302.56	-	5,077.86	1,217.82	-	31,568.05	24,594.42	67,432.53	6,295.68
WC Parks	175.14	1,121.25	-	1,325.07	317.78	-	8,237.21	6,417.12	17,393.57	1,642.85
WC Zoo	-	-	-	-	-	-	-	-	-	-
DBN SET-LET	-	-	-	-	-	-	-	-	-	-
DBN Operating-ITP	-	-	-	-	-	-	-	-	-	-
DBN Supplemental-ITP	-	-	-	-	-	-	-	-	-	-
RESA Spec Educ-ITP	-	-	-	-	-	-	-	-	-	-
DDA Tax Report	39,252.83	251,419.62	396,881.07	199,971.39	47,959.21	270,034.38	925,156.51	825,928.50	2,956,603.51	914,846.05
Taxable Value	9,110,178	57,218,494	13,490,820	53,564,576	16,508,298	9,340,155	44,855,710	35,409,452	92,903,849	92,903,849
Base Value	7,673,921	48,018,808	-	196,244,862	1,600,000	1,290,600	11,121,012	9,126,250	199,135,462	199,135,462
Capture Value	1,436,257	9,199,686	13,490,820	10,166,914	14,908,298	8,108,655	33,734,698	26,283,202	46,674,687	46,674,687

DDA / BRA Transfer	Rates	Redico	EDDDA	Lead	WDDDA	X
HHCC	4.0000	Taxable Value	53,963.28	Taxable Value	23,810.07	45,488.74
Wayne Co Oper	5.6099	Base Value	75,682.15	Base Value	33,393.03	121,629.83
City Oper	15.0000	-	202,362.30	-	89,287.77	-
City Voted Oper	1.9100	Capture Value	25,767.47	Capture Value	11,369.31	15,487.53
City Rubbish	1.5400	13,490,820	20,775.86	8,108,655	9,166.88	12,487.33
Wayne Co Voted Op	0.9464	-	12,767.71	-	5,633.46	7,674.03
WC Soldiers	0.0365	-	492.41	-	217.27	295.97
WC Public Safety	0.9358	-	12,624.71	-	5,570.37	7,588.08
Wayne Co Parks	0.2442	-	3,294.46	-	1,453.60	1,980.13
WCIA (S/MARK)	0.9949	-	13,422.02	-	5,922.16	8,067.30
HCMA	0.2070	-	2,792.60	-	1,232.17	1,678.49
Bond Principal	-	-	423,944.97	-	187,056.09	222,377.43

Bond Principal	395,000.00
Administrative Fee	161,187.50
Total Needed	40,000.00
Less: Direct Capture	596,187.50
Less: LISA Revenue	(396,581.07)
Pastthrough amount needed to cover BR A expenses	(4,878.76)

EDDDA Total Capture \$423,944.97

EDDDA Actual Pastthrough \$187,056.09

44.1% of EDDDA Capture for Period

Total highlighted cells	\$1,324,279.57
Total	\$1,324,279

Updated Pastthrough amount needed 187,056.09

7,371.58

194,427.67

1,192

Required 100% of EDDDA capture)



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

From: Rob Garza, Director, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan Amendment #1
City of Lansing Brownfield Redevelopment Authority (BRA)
Neogen Expansion Brownfield Redevelopment Project

REQUEST

The City of Lansing Brownfield Redevelopment Authority (BRA) is requesting an amendment to a Brownfield Act 381 Work Plan previously approved for state tax capture for MSF eligible activities in the amount \$1,576,751. The amendment proposes to change the scope of the project, add new eligible activities, and increase the authorized capture to \$1,726,852.

PROJECT BACKGROUND

The project was originally approved for state tax capture for Act 381 eligible activities in the amount of \$1,576,751 by the MSF Board on August 23, 2022.

The original project consisted of the new construction of a three-story, 176,000 square foot research and manufacturing facility. Neogen has identified an opportunity for further growth on this site located just north of downtown Lansing, and as a result, more eligible activity costs are being incurred to accommodate the expansion of scope. Additional tax increment revenue is also being generated due to the increased investment and expanded scope of the project. The new scope consists of an additional 4,700 square foot extension of the original building, renovation of an existing 20,144 square foot building for production support, and the new construction of a 35,000 square foot manufacturing and research space. The original approval anticipated the creation of 77 new jobs, while this expanded scope is anticipated to create 115 new jobs.

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

Applicant Background / Qualifications

Founded in Lansing, Michigan in 1982, Neogen Corporation develops, and markets products dedicated to food and animal safety. The Company employs 647 people in Michigan alone and has an annual revenue of \$450 million. The Company has teams stationed in 12 countries and a sales presence in more than 140 countries around the world.

The background review process was completed in accordance with the MSF Background Review Policy on December 16, 2024.

RECOMMENDATION

MEDC staff recommends approval of state tax capture for Act 381 eligible activities capped at \$1,726,852, utilizing the current state to local capture ratio.

APPENDIX A – MSF ELIGIBLE ACTIVITIES SUMMARY

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Lansing, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on July 18, 2022, and amended on August 26, 2024. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on December 17, 2024.

There are currently 71.1123 non-homestead mills available for capture, with state mills from school operating and SET millages equaling 23.4478 mills (32.97%) and local millage equaling 47.6645 mills (67.03%). Tax increment capture began in 2024 and is estimated to continue for 9 years. The state tax capture is recommended to be capped at \$1,726,852, which is the amount of tax increment revenue anticipated to be generated in 9 years. Total MSF eligible activities are estimated at \$5,349,665. The tax capture ratio is impacted by the contribution to the Local Brownfield Revolving Fund. MSF eligible activities break down as follows:

CURRENT PROJECT

State tax capture	(32.55%)	\$ 1,576,751
Local tax capture	(67.45%)	\$ <u>3,267,339</u>
TOTAL		\$ 4,844,090

AMENDED PROJECT

State tax capture	(32.28%)	\$ 1,726,852
Local tax capture	(67.72%)	\$ <u>3,622,813</u>
TOTAL		\$ 5,349,665

COST OF MSF ELIGIBLE ACTIVITIES (CURRENT PROJECT)

Demolition	\$	135,000
Lead, Asbestos, or Mold Abatement		750
Infrastructure Improvements		155,300
Site Preparation	+	<u>3,443,800</u>
Sub-Total	\$	3,734,850
Contingency (15%)	+	<u>560,115</u>
Sub-Total	\$	4,294,965
Interest (3%)	+	<u>521,575</u>
Sub-Total	\$	4,816,540
Brownfield/Work Plan Preparation	+	21,375
Brownfield/Work Plan Implementation	+	<u>6,175</u>
TOTAL	\$	4,844,090

COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)

Demolition	\$	914,760
Lead, Asbestos, or Mold Abatement		93,750
Infrastructure Improvements		155,300

Site Preparation	+	3,895,885
Sub-Total	\$	5,059,695
Contingency (5%)	+	253,395
Sub-Total	\$	5,313,090
Brownfield/Work Plan Preparation	+	9,025
Brownfield/Work Plan Implementation	+	6,175
TOTAL	\$	5,349,665

In addition, the project is requesting \$103,900 in tax capture EGLE to assist with environmental eligible activities.

Key Statutory Criteria

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

a) Overall Benefit to the Public:

The project will transform an underutilized property located near downtown Lansing. The development will dramatically improve the appearance of the property and provide an increase to downtown retail traffic by virtue of increased workforce density.

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

The project is anticipated to create up to 115 full-time equivalent (FTE) jobs with an average hourly wage of \$24.21.

c) Area of High Unemployment:

The County of Ingham’s jobless rate was 4.0% in October 2024.

d) Level and Extent of Contamination Alleviated:

Due Care activities will be undertaken to ensure appropriate contamination in the soil is alleviated.

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

The project is not qualifying as functionally obsolete or blighted.

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

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

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

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-002

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF LANSING BROWNFIELD REDEVELOPMENT AUTHORITY
NEOGEN EXPANSION BROWNFIELD REDEVELOPMENT PROJECT
AMENDMENT #1**

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 (the “MSF”);

WHEREAS, the MSF Board approved a work plan (“Brownfield Work Plan”) request for Neogen Expansion Brownfield Redevelopment Project (the “Project”), by Resolution 2022-124 on August 23, 2022, authorizing the Authority (as defined below) to capture taxes levied for school operating purposes based on a maximum of \$1,576,751;

WHEREAS, the City of Lansing Brownfield Redevelopment Authority (the “Authority”) wishes to amend the scope of the Project by including additional eligible activities to support a larger footprint of the originally anticipated building and additional development and increasing the maximum amount for eligible costs;

WHEREAS, the Authority is requesting MSF Board approval of an amendment to the Brownfield Work Plan (the “Amended Plan”) 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 Amended Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Amended Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 32.28% to 67.72% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the Amended Plan dated December 2, 2024. 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 \$5,313,090 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$6,175 for brownfield and

work plan implementation, and a maximum of \$9,025 for brownfield and work plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$1,726,852.

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

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

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2022-124 are reaffirmed and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025
To: Michigan Strategic Fund Board Members
From: Sean Kammer, Business Development Project Manager
Subject: Grant Amendment Request
Michigan Business Development Program (“MBDP”)
BorgWarner, Inc. (“Company”)

Request Summary

This is a request to amend the Company’s existing MBDP Grant Agreement, as outlined below:

- Amend the Company Group to include the addition of BorgWarner Transmission Products LLC, BorgWarner Ithaca LLC, BorgWarner Technology Services, LLC and amend the Base Employment figure from 963 to 994

(Collectively, the “MBDP Amendment Request”).

Background

The Company was established in 1928 in Chicago and has been headquartered in Auburn Hills since 2005. The Company is a global provider of sustainable mobility solutions for the automotive industry and, inclusive all of its affiliates and subsidiaries, has approximately 1,700 employees in Michigan.

The Company is expanding to accelerate its electric vehicle development and testing operations, which includes products like battery modules, battery packs, and DC fast chargers, as well as to scale-up its DC fast charging manufacturing operations. Michigan was chosen for the project over competing sites throughout the country.

The project is expected to generate a total capital investment of \$20.6 million and create 186 jobs, supported by a \$1.86 million Michigan Business Development Program performance-based grant.

On March 28, 2023, the MSF Board approved an incentive for the Company in the amount of \$1,860,000 in the form of a performance-based grant under the Michigan Business Development Program. This grant requires maintaining 963 Base Jobs and the creation of 186 Qualified New Jobs at the Company’s Auburn Hills, Dearborn, Hazel Park, and Warren locations. An agreement was executed between the MSF and the Company on September 11, 2023 governing the terms and conditions of the grant award (the “MBDP Grant Agreement”).

The Company Group engaged in the project currently includes six companies. These include BorgWarner Inc, BorgWarner Propulsion Systems LLC, BorgWarner Emissions Systems of Michigan Inc., BorgWarner PDS (USA) Inc., AKASOL Inc., and Rhombus Energy Solutions, Inc.



The company is seeking an amendment to include additional entities in the MBDP Grant Agreement. The awardee entity is not changing. Rather the company wants to ensure accurate base employment figures at the project locations.

These new entities include:

1. BorgWarner Transmission Products LLC
2. BorgWarner Ithaca LLC
3. BorgWarner Technology Services, LLC (USA)

While it is not expected, it is possible that some of the net new jobs could end up under these entities. The company would also like to amend the base employment figure from 963 to 994.

The Parent Company currently operates 11 subsidiaries in Michigan. Nine of these are expected to be involved in the project, while the remaining two, BorgWarner Thermal Systems Inc., which operates in Cadillac and BorgWarner PDS Inc which operates in Livonia, are not associated with the project.

Current Status of Project

As for progress, the project is ahead of schedule and is expected to be completed by April 2025. The company has exceeded the new jobs and investment expectations, and is ready to submit for its first disbursement as soon as the amendment is finalized.

Recommendation

MEDC Compliance recommends the following (collectively, “Recommendation”):

Approval of the MBDP Amendment Request outlined above; and

All other aspects of the approval remain unchanged.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-003

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT AMENDMENT FOR
BORGWARNER, INC**

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“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 (“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 (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020, by Resolution 2020-146 (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1, 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 (“Transaction Documents”);

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

WHEREAS, the MSF Board approved a \$1,860,000 MBDP performance-based grant (the “Grant”) by Resolution 2023-061 to BorgWarner Inc. (the “Company”) on March 28, 2023, for the expansion of its development and testing of battery modules, battery packs, and DC fast chargers for electric vehicles, for which the MSF and the Company entered into an agreement governing the Grant (the “Grant Agreement”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the Grant Agreement to add BorgWarner Transmission Products LLC, BorgWarner Ithaca LLC, and BorgWarner Technology Services, LLC to the Company Group and amend the Base Employment figure from 963 to 994 (the “MBDP Amendment Request”);

WHEREAS, the MEDC recommends approval of the MBDP Amendment Request; and

WHEREAS, the MSF Board wishes to approve the MBDP Amendment Request.

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

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025

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

From: Greg West, Director, Federal Programs
Amy Schlusler-Schmitt, Federal Programs, Manager
Paula Holtz, Managing Director, Regional Development

Subject: Community Development Block Grant Program
Public Gathering Space Initiative
Two Grant Amendments

Request

MEDC staff is requesting a total of \$434,321.00 in Community Development Block Grant (CDBG) funds for budget increases/grant amendments to two (2) Public Gathering Space projects. **(Exhibit A)**

Background

On September 26, 2023, by Resolution 2023-164 sixteen (16) units of general local government received a total of \$20,000,000 in CDBG funds for the expansion and creation of public gathering spaces as well as up to \$800,000 in administrative services to assist the communities with the compliance requirements of the awards.

Eligible Activities for the funding initiative include:

- Permanent infrastructure required for the successful creation and/or operation of a public gathering space such as utility infrastructure, playground equipment, pavilions, public restrooms, drinking fountains, sidewalks, etc.
- Universal Accessibility design elements that enable public spaces to comply with the Americans with Disabilities Act (ADA) and create welcoming public spaces for residents of all abilities, such as, accessible playground equipment, modified restrooms, etc.
- Other permanent infrastructure or amenities, deemed eligible by HUD, necessary to support the accessibility and seasonality of a public gathering space

Village of Muir and City of Cadillac are requesting additional grant funds. Both communities bid their projects through a sealed bid process, but the project costs came in higher than estimated. As the Public Gathering Space grants were secured by these communities through a competitive MSF funding round, the communities were not permitted to reduce the scope of the grant projects. However, the projects were value engineered and realized cost savings since bidding.

As the cost of these projects has increased, both communities are contributing additional funds and are maintaining their initial, required match amount for each project.

Recommendation

MEDC Staff recommends the MSF authorize:

- A total of \$434,321 in CDBG funds for the two (2) projects identified in **Exhibit A**.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-004**

**APPROVAL OF ADDITIONAL CDBG FUNDING FOR TWO COMMUNITIES PUBLIC
GATHERING SPACE PROJECT AMENDMENTS**

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

WHEREAS, pursuant to SFCR 10.1-1(3), the MSF 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.

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

WHEREAS, on September 26, 2023, by Resolution 2023-164, the MSF Board approved the 2023 Public Gathering Spaces Projects, in the amount of \$20,000,000 for sixteen (16) Public Gathering Space projects and an additional \$800,000 in CDBG funds for administrative services.

WHEREAS, two (2) of the projects approved by Resolution 2023-164 have requested an additional \$434,321 in CDBG funds for projects listed in **Exhibit A** (the “Amendment Requests”).

WHEREAS, the CDBG program staff reviewed the Amendment Requests in light of the Criteria and HUD regulations and concluded the activities are eligible and recommends that the MSF Board approve the Amendment Requests; and

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

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025

EXHIBIT A

Applicant/Communities	Amendment Request	Project Description
City of Cadillac	\$105,154.00	This project will include the renovation of the <i>Market at Cadillac Commons</i> building in downtown Cadillac. The project will construct an overhead door system, two new public restrooms, public electric car charging stations, bicycle racks, and more.
Village of Muir	\$329,167.00	This project includes the construction of a universally designed Sensory Park. The park will include interactive electronic play equipment, a fitness play area, zip line, an artificial turf hillside slide, and an outdoor fireplace.
TOTAL	\$434,321.00	



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

From: Rodney Parkkonen, Director, Second-Stage Growth

Subject: Project DIAMOnD Statewide Expansion – Department of Energy Award Acceptance & Allocation of Funds to Subrecipient

REQUEST

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board accept a federal funding award in the amount of \$1,999,400 and allocate that funding to the existing I4.0 partner as set forth below in Exhibit A (the “Request”).

BACKGROUND

In October 2023, the MSF Board approved acceptance and match funding for the Department of Energy (DOE) Office of Manufacturing and Energy Supply Chains (MESC) State Manufacturing Leadership Program award. That award provided additional funding to build upon the comprehensive Industry 4.0 Signature Initiative.

On August 1, 2024, the DOE posted The Bipartisan Infrastructure Law (BIL) Smart Manufacturing and Recycling Tactics for States (SMART) funding opportunity under the same State Manufacturing Leadership Program umbrella. The intent of the funding is to support access to smart manufacturing technologies and high-performance computing resources for small and medium-sized manufacturers by states and the recycling of batteries and battery-containing devices by states and local units of government.

On September 16, 2024, the MSF submitted an application for this competitive federal grant program. On December 20, 2024, the DOE selected the MSF’s application to receive an award of \$1,999,400 to expand Automation Alley’s Project DIAMOnD (Distributed, Independent, Agile Manufacturing on Demand). The total cost of this project is \$2,600,000, with the required matching funds coming from a combination of MEDC corporate funds (\$475,000) and Automation Alley membership funds (\$125,600).

Project DIAMOnD is the country’s largest 3D printing network, established in 2020 with CARES Act funding from Oakland and Macomb counties. In Phase I, 300 small manufacturers were provided 3D printers, training, and software, creating a regional network focused on adopting additive manufacturing to strengthen supply chains. These manufacturers have been leveraging this equipment since April 2021 and have printed over 34,000 combined prints. The network’s agility was demonstrated when Michigan manufacturers produced over 10,000 tourniquet components for Ukraine using additive technologies, significantly reducing production time compared to traditional methods.

Phase II, funded in 2023 by Oakland County through the America Rescue Plan Act, expands on these efforts by providing deeper technical training and the development of the Digital Transformation Center (DTC). This facility offers advanced additive manufacturing equipment and a 10-week training program through the Digital Transformation Program (DTP). With these resources, manufacturers can implement and scale their additive manufacturing processes without the burden of owning complex equipment. Phase II will add 250 more Oakland County manufacturers to the Project DIAMOnD network.

The goal of this expansion is to increase the number of Small to Medium Manufacturers (SMM) in Michigan to adopt smart manufacturing technologies in order to improve energy efficiency, reduce carbon emissions and adapt operations to maintain competitiveness in a rapidly evolving and increasingly automated and technology-driven business climate. This expansion will facilitate the rapid deployment of smart manufacturing technologies outside the current project footprint (Oakland County) and across Michigan by leveraging the foundation of existing work and programming conducted by Automation Alley's Project DIAMOnD and its key partners. Key areas of focus are included in Appendix B.

The project will offer targeted training through the DTP and product and process assessments through the DTC to 100 SMMs, resulting in a more skilled and competitive workforce capable of meeting the demands of the rapidly evolving manufacturing sector. The project will result in substantial energy savings and emissions reductions across participating manufacturers, contributing to both environmental sustainability and cost competitiveness. These improvements will enable Michigan's manufacturers to meet global environmental standards while enhancing their productivity and market positioning.

Automation Alley is Michigan's Industry 4.0 knowledge center, dedicated to helping companies embrace the future of manufacturing through the integration of cutting-edge technologies. Automation Alley was chosen to serve as the subrecipient due to their expertise and the existing program that was scalable to SMMs outside of the existing service area including those in geographically disadvantaged areas as well as those with diverse ownership.

As a nonprofit Industry 4.0 leader, Automation Alley connects businesses, educators, government organizations through public-private partnerships, providing them with the resources, expertise, and tools necessary to navigate the rapidly evolving landscape of advanced manufacturing. Automation Alley is able to glean input and feedback from their membership base of over 3600 members with 425 SMM members it serves in CDFI regions and 478 SEDI-owned businesses. Currently, Automation Alley is managing four federally funded programs: Department of Energy-funded Oakland University Cybersecurity Center, Department of Energy funded CyManll Cybersecurity Program, Department of Treasury funded Project DIAMOnD, Economic Development Administration funded Build To Scale, Automation Alley Industry 4.0 Accelerator. Automation Alley also serves as a SmartZone for entrepreneurs that provides mentoring,

RECOMMENDATION

The MEDC recommends that the MSF Board accept the federal funding of \$1,999,400 and allocate that funding to the existing I4.0 partner as set forth below in Exhibit A.

EXHIBIT A

**Project DIAMOnD Statewide Expansion – Department of Energy award
delegation to accept & allocate funds to subrecipients**

Entity	Federal Funding	MEDC Match	Automation Alley Match	Total
MSF (Prime) Automation Alley (Sub)	\$1,999,400	\$475,000	\$125,600	\$2,600,000

EXHIBIT B

Key Focus Areas: Project DIAMOND Statewide Expansion – Department of Energy Award Delegation to Accept & Allocate Funds to Subrecipient

- 1. Outreach:** MSF's statewide partner network and Automation Alley's extensive network of over 3,000 SMM members, will enable effective outreach to identify and engage manufacturers ready to adopt smart technologies. This deep reach ensures that manufacturers in underserved communities, such as Metro Detroit, Flint, Western, and Rural Northern Michigan, will be included in the project's deployment.
- 2. Training and Workforce Development:** The Digital Transformation Program (DTP) and Michigan's Manufacturing Extension Partner (MEP) Michigan Manufacturing Technology Center (MMTC) will provide customized targeted training to companies, helping them adopt additive manufacturing and other smart technologies. This program will be deployed in a variety of formats, including in-person, self-paced and live virtual training to equip participants with the skills and knowledge needed to implement and sustain additive manufacturing practices within their operations. In addition to equipping participants with the skills and knowledge needed to implement additive manufacturing practices, this training will emphasize energy-efficient operations and processes, helping SMMs achieve significant energy savings and reduce emissions, further enhancing their competitiveness in the global market.
- 3. Facility, Product, or Process Assessments:** Assessments will focus on identifying opportunities for improving energy efficiency and reducing emissions in manufacturing processes, ensuring that the adoption of smart manufacturing technologies also contributes to lower operational costs, increased sustainability, and improved competitiveness. Through the Digital Transformation Center (DTC), SMMs can receive individualized and customized assessments of their products and processes through services from Geofabrica (see Qualifications of Team Members). Companies will learn the fundamentals of Additive Manufacturing (AM), focusing on Design for Additive Manufacturing (DfAM) technologies, tools, and processes, FFF-CFR slicing and printing, and post-processing techniques from industry experts. The program also explores business opportunities within AM, automated workflows, reverse engineering, and sales automation, providing practical skills and strategies for implementing AM in a professional context.
- 4. Smart Manufacturing Roadmapping:** The consultations provided through the DTC and Geofabrica will include assistance in developing smart manufacturing roadmaps to guide companies in reviewing and selecting appropriate technologies, automating processes, identifying new business opportunities, and successfully deploying advanced technologies. These roadmaps will include strategies for optimizing energy usage, guiding companies in implementing technologies that not only enhance productivity but also improve energy efficiency, making them more competitive while aligning with sustainability goals.
- 5. Direct Technology Implementation:** Companies will be supported in their technology implementation efforts by MMTC and Geofabrica through the DTP and DTC. The DTC houses advanced additive equipment for the community to utilize. These resources will provide manufacturers with the tools, funding, and expertise needed to adopt smart manufacturing technologies without the burden of ownership, while giving them access to advanced equipment at the DTC to implement energy-efficient solutions that enhance operational efficiency and competitiveness.
- 6. Networking:** The project will promote networking opportunities not only with key partners such as MMTC and Experts-in-Residence (EIRs), but also with over 140 academic institutions through Automation Alley's ecosystem. This will enable SMMs to access cutting-edge research and collaborate on innovation projects with university labs, fostering a deeper integration of advanced technologies. The project will also allow for SMMs to network with each other. Automation Alley will host opportunities for SMMs to collaborate and share knowledge related to industry trends, and implementing additive manufacturing such as overcoming operational challenges, and strengthening the supply chain by identifying additional resources and customers. Companies will also be able to take advantage of an MSF subsidized membership

through Automation Alley which gives them access to Industry 4.0 insights and resources, local and international business support services, opportunities for promotion and visibility into the ecosystem, and discounted access to any event held by Automation Alley.

MICHIGAN STRATEGIC FUND RESOLUTION 2025-005

**SMALL BUSINESS SOLUTIONS & SERVICES
ACCEPTANCE AND ALLOCATION OF FUNDING FOR
AUTOMATION ALLEY GRANT (FEDERAL FUNDING)**

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

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

WHEREAS, in September 2024, the MSF submitted an application with the U.S. Department of Energy under the Smart Manufacturing Recycling Tactics for States program;

WHEREAS, the MSF anticipates receiving a \$1,999,400 award from the U.S. Department of Energy (“DOE Award”) to assist the expansion of Automation Alley’s Project DIAMOnD (“Project”);

WHEREAS, the MSF Board will need to accept the DOE Award and further allocate the funding to the Project, subject to matching funds provided by the MEDC and Automation Alley;

WHEREAS, the MEDC recommends that the MSF Board approve the acceptance of the DOE Award and approve an allocation of the DOE Award to the Automation Alley in support of the Project;

WHEREAS, the MSF Board desires to accept the DOE Award and allocate the funding to support the Project;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves acceptance of the DOE Award; and

BE IT FURTHER RESOLVED, the MSF Board approves the allocation of the DOE Award to Automation Alley in support of the Project; and

BE IT FURTHER RESOLVED, the MSF authorizes the acceptance of the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the DOE Award and subsequent allocation of funding to Automation Alley in support of the Project.

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None



MEMORANDUM

Date: January 28, 2025

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

From: Matt Chasnis, Strategic Projects Advisor

Subject: Grant Amendment Request
Michigan Business Development Program (“MBDP”)
UL LLC (“Company”)

Request

This is a request from the Company to amend the MBDP Agreement (“Agreement”) to allow the entities listed below, who’s employees were already considered in the base employment of 90, to count toward the base employment:

- UL Verification Services Inc.
- KAM Specialty Equipment Services Co d/b/a Data Test Labs
- UL Associates LLC

(Collectively, the “MBDP Amendment Request”)

Background

On December 13, 2022, the MSF Board approved a \$1,000,000 award to the Company under the MBDP, a \$500,000 award under the JRMP, and an Alternative 5-year SESA valued at \$143,760. On December 12, 2023, the JRMP award was rescinded and a \$1,500,000 MBDP award was approved to reduce the administrative that was required by the Company and the MEDC. The Company proposed a new battery testing facility in Auburn Hills, Oakland County that will require \$72,700,000 in private investment and will result in the creation of 61 new high-wage jobs.

The Company has successfully constructed the facility, took occupancy mid-2024, and is on track to meet their commitment for job creation and private investment. The grant agreement, which included the employees in the base employment number, mistakenly did not allow the additional entities to count and is therefore unable to meet the base employment. With this amendment, the employment at the related entities will be able to count toward the base and will cure the Company’s current default.

Company Background

The Company’s parent, Underwriters Laboratories, Inc., established its headquarters in 1894 in Northbrook, Illinois and is a global leader in applied safety science. The parent entity is composed of three organizations, UL Research Institutes, UL Standards & Engagement and UL Solutions, that make up the UL enterprise. UL LLC is part of UL Solutions. The UL enterprise delivers testing, inspection, and certification services, with software products and advisory offerings that help customers innovate, launch new products and services, navigate global markets, and complex supply chains, and grow sustainably and responsibly into the future. The UL Enterprise was restructured in 2012 to create a separation between research and standards, and testing, inspection and certifications. UL Solutions remains the organization serving customers in testing, inspection, certification, and advisory. UL Solutions employs over 14,000 people worldwide with 90 Michigan residents.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-006

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANTAMENDMENT FOR
UL LLC**

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

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

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

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

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

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

WHEREAS, the MSF Board approved a \$1,000,000 MBDP performance-based grant and a \$500,000 JRMP performance-based grant on December 13, 2022, for the construction of a battery testing facility in Auburn Hills, Michigan (the “Project”);

WHEREAS, the MSF Board approved a \$1,500,000 MBDP performance-based grant amendment and rescinded the \$500,000 JRMP performance-based grant on December 12, 2023;

WHEREAS, UL LLC (the “Company”) has requested an amendment to the performance based MBDP grant to include UL Verification Services Inc., KAM Specialty Equipment Services Co d/b/a Data Test Labs, and UL Associates LLC in the Base Employment (the “MBDP Amendment Request”);

WHEREAS, the MEDC recommends that the MSF Board approve the MBDP Amendment Request; and

WHEREAS, the MSF Board desires to approve the MBDP Amendment Request.

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

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

From: Rob Garza, Director, Statutory Analysis

Subject: Request for Approval of a Transformational Brownfield Plan Amendment #1
City of Detroit Brownfield Redevelopment Authority and
Related Olympia Predevelopment Company, LLC
The District Detroit Transformational Brownfield Redevelopment Plan

Request

The City of Detroit Brownfield Redevelopment Authority (the “BRA”) and Related Olympia Predevelopment Company, LLC (the “Developer”) is requesting approval of an amendment to the Transformational Brownfield Plan (the “TBP”) and Reimbursement Agreement that will not increase the amount of the previously approved award. The amendment request includes the following components:

- Approval of sales and use tax capture in the amount of up to \$114,124,940 and reduction of income and withholding tax capture in an equal and offsetting amount from two of the project sites.
- Reduction of available income tax capture from 100% to 50% for the project located at 2205 Cass.

The requests will not impact the existing maximum award amount approved by the Michigan Strategic Fund Board (“MSF”) or the maximum amount of approved post-construction revenues. All other terms of the current Reimbursement Agreement will remain the same.

Background

The MSF approved a Transformational Brownfield Plan in April 2023 with a total award of up to \$614,964,910 in reimbursement to Related Olympia Predevelopment Company, LLC for the rehabilitation and new construction of 10 distinct projects in the city of Detroit.

Act 381 was amended effective July 2023 to include Sales and Use Tax Capture as a revenue that may be requested by the developer for the purpose of reimbursement for eligible costs. Office space leasing has been impacted by increased availability in the market. As a result, much of the withholding tax capture originally projected for this project is unlikely to be realized. In order to ensure the project is still economically viable, the inclusion of sales and use tax capture is necessary to replace a portion of the withholding tax capture to support the project. The overall incentive amount and post-construction amount will remain unchanged since an equal and offsetting amount of income tax capture will be reduced to accommodate the inclusion of the new sales and use tax capture amount.

The residential units located at 2205 Cass will no longer meet the requirements within the affordable housing agreement, and as a result, the availability of income tax capture will be reduced from 100% to 50%. The city is satisfied with the remaining requirements of the existing agreement, and the agreement still meets all statutory requirements that allow a developer to capture up to 100% of Income Tax Capture throughout the remaining components of the project.

A statutorily required, third-party Sales and Use tax analysis was completed for the purpose of this amendment request, and that analysis concluded the Sales and Use tax assumptions were reasonable and fall within an acceptable range.

Recommendation

The MEDC staff recommends approval of an amendment to the TBP and Reimbursement Agreement to:

- 1) Include sales & use tax capture in the amount of up to \$114,124,940 provided that an equal and offsetting amount is reduced from withholding and income tax capture from the project sites identified in the tables provided in the amendment application.
- 2) Stipulate that the 2205 Cass project is limited to a maximum of 50% income tax capture as reflected in the revised revenue tables provided in the amendment application.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-007

**APPROVAL OF A BROWNFIELD ACT 381 TRANSFORMATIONAL BROWNFIELD
PLAN AMENDMENT #1
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
THE DISTRICT DETROIT TRANSFORMATIONAL BROWNFIELD PLAN**

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

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, (the “Brownfield Act”) 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 (the “MSF”);

WHEREAS, Public Act 46 of 2017 amended the Brownfield Act to allow a governing body and the MSF to approve transformational brownfield plans and the Brownfield Act was further amended by Public Act 138 of 2021 modifying criteria for transformational brownfield plans;

WHEREAS, captured school operating tax revenues, construction period tax capture revenues, sales and use tax exemption, income tax capture revenues, withholding tax capture revenues, may be used under the Brownfield Act as amended, for demolition, construction, restoration, alteration, renovation or improvement of buildings, or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, or for lead, asbestos, or mold abatement, and for demolition and that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the MSF Board adopted the Transformational Brownfield Plan Guidelines (the “TBP Guidelines”) by Resolution 2017-109;

WHEREAS, the MSF Board amended the TBP Guidelines by Resolution 2017-152 on September 26, 2017, by Resolution 2019-062 on April 23, 2019, by Resolution 2022-055 on March 22, 2022, by Resolution 2023-132 on July 25, 2023, and by Resolution 2023-194 on December 12, 2023;

WHEREAS, the MSF approved a Transformational Brownfield Plan and Work Plan (the “Plan”) on April 25, 2023, by Resolution 2023-063 for projects located at 2200 Woodward Avenue, 2250 Woodward Avenue, 2211 Woodward Avenue, 2300 Woodward Avenue, 2305 Woodward Avenue or 2300 Cass Avenue, 2455 Woodward Avenue, 408 Temple Street, 2205 Cass Avenue, 2115 Cass Avenue, and 2210 Park Avenue within the City of Detroit, known as The District Detroit Transformational Brownfield Plan (the “Project”);

WHEREAS, the MSF, City of Detroit Brownfield Redevelopment Authority (the “BRA”), Michigan Department of Treasury, and Related Olympia Predevelopment Company, LLC entered

into a reimbursement agreement for the project effective November 1, 2023 (the “Reimbursement Agreement”);

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 the Brownfield Act;

WHEREAS, the Detroit Brownfield Redevelopment Authority (the “BRA”) and Related Olympia Predevelopment Company, LLC (the “Company”) are requesting MSF approval of the following amendments (the “Amendment Request”) to the Plan and the Reimbursement Agreement:

- 1) Include sales & use tax capture in the amount of up to \$114,124,940 provided that an equal and offsetting amount is reduced from withholding and income tax capture from the project sites identified in the tables provided in the amendment application.
- 2) Reduce the available income tax capture from 100% to 50% for the 2205 Cass project and include the revised revenue tables provided in the amendment application.

WHEREAS, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends the Amendment Request.

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

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2023-063 are reaffirmed and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2025-001

**APPROVAL OF THE JANUARY 28, 2025, CONSENT
AGENDA FOR THE MICHIGAN STRATEGIC FUND
BOARD**

WHEREAS, on November 20, 2013, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines (the “Consent Agenda”);

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently amended and restated by the MSF Board on October 24, 2023,

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

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

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

Consent Agenda Items:

- a. Proposed December 10, 2024, Meeting Minutes
- b. Neogen Expansion Brownfield Redevelopment Project Act 381 Work Plan Amendment
- c. BorgWarner, Inc. MBDP Grant Amendment
- d. CDBG Public Gathering Spaces Initiative Grant Amendments
- e. Project DIAMOnD Statewide Expansion: Department of Energy Award Acceptance & Allocation of Funds to Automation Alley
- f. UL, LLC MBDP Grant Amendment
- g. The District Detroit Transformational Brownfield Redevelopment Plan Amendment

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

From: Dominic Romano, Senior Community Development Manager
Debbie Stehlik, Senior Commercial Real Estate Investment Manager
Rachel Young, Senior Program Specialist

Subject: Request for Approval of a Transformational Brownfield Plan (TBP)
Oakland County Brownfield Redevelopment Authority (BRA)
Pontiac OZ 1 LLC
The Exchange Pontiac Transformational Brownfield Plan

Project Summary & Request

Pontiac OZ 1 LLC (the “Developer” or “Applicant”) and the Oakland County Brownfield Redevelopment Authority (“BRA”) are requesting the approval of a TBP incentive package in the aggregate amount of \$79,232,145 reimbursed over 30 years, and divided by revenue type as follows:

- Local and school property tax capture in the amount of \$15,892,967, with state capture limited to \$6,773,391.
- A maximum of \$3,454,522 in construction period withholding tax capture revenues.
- A maximum of \$1,413,185 in construction period sales and use tax exemptions.
- A maximum of \$58,471,472 in income tax capture revenues and withholding tax capture revenues and sales and use tax revenues (post-construction) to be reimbursed over 20 years.

The proposed Transformational Brownfield Plan (the “Plan”) consists of three buildings and more than \$105 million in investment in the core of the City of Pontiac, activating a large portion of northwest downtown. The redevelopment consists of the scope detailed below:

- The Exchange Flats will include the new construction of a nine-story, 338,333 square foot residential building containing 287 residential units.
- 91 North Saginaw (El Centro) will consist of the redevelopment of an existing four-story, 54,588 square foot building to include ground floor restaurant/hospitality, meeting space and creative/traditional office and flex space
- 48 West Huron (Tech & Arts) will include the redevelopment of a three-story, 75,000 square foot building that includes food hall, event, and traditional office space.

A project map and project renderings are included in Appendix C.

PROJECT SUMMARY	
Project Eligibility	Blighted and Functionally Obsolete
Total Approximate Private Square Feet Revitalized	467,921
Total Approximate Public Square Feet Activated	26,950
Total Approximate Acres Activated	7.449
Estimated # of Residential Units	287
Estimated Full-Time Equivalent Jobs Created	356
Estimated Commercial Square Footage	135,989
Estimated Residential Square Footage	216,295
Current Taxable Value	\$1,971,190
Projected Taxable Value at Completion	\$14,827,692
Total Anticipated Capital Investment	\$105,642,860
Transformational Brownfield Revenue Request	\$79,232,145

The series of projects seeks to deliver a dynamic mix of housing, tech office, creative/maker space, not-for-profit, hospitality and greenspace on a complex assemblage of vacant land and existing obsolete buildings. The project will bring an influx of new residents and commercial activity to an underutilized area of the city that has seen continued disinvestment. Pontiac’s core was once a center of arts, culture, banking and governmental services and its surrounding industrial properties were known for automobile manufacturing and engineering. Over the last five decades, manufacturing began to leave the city, the population declined, and fewer investments were made. Today, the City of Pontiac is considered a historically disadvantaged community and an area of persistent property vacancy and economic challenges. The Project intends to be a place-making development that will provide housing, commercial spaces, maker and artist spaces, community greenspace, a community food hall and other amenities that will help to catalyze additional development and investment in the city, bringing new life to Oakland County’s long neglected county seat. The Project includes ground-up multifamily development as well as the adaptive re-use of two existing buildings that will create an important hub of activity to catalyze future development. When completed, the Project will have a transformational impact on local economic development and community revitalization.

Through an Affordable Housing Agreement between the Developer and the City of Pontiac, the planned residential portion of the Project includes reserving 20% of units as affordable at 80% of the Oakland County Area Median Income (“AMI”), totaling 57 units. The affordable units will be spread throughout The Exchange building and will be allocated across all unit types to ensure an equal distribution of affordability throughout the Project.

Following construction completion and occupancy of the completed buildings, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs are less than 90 percent of the amount estimated in the Act 381 Work Plan. The associated MSF Board resolution includes the authorization for this modification per Section 14a(8) of Act 381.

Statutory and Policy Considerations

Act 381 of 1996 (the “Act”), as amended, authorizes the MSF to approve Transformational Brownfield Plans that include state and local property tax capture in conjunction with the Local Unit of Government, sales and use tax exemptions, construction period tax capture revenues, income tax capture revenues, withholding tax capture revenues, and sales and use tax capture revenues for the purpose of supporting projects statewide. On July 25, 2017, the MSF Board approved the Transformational Brownfield Program Guidelines (“Guidelines”). The Guidelines have been amended by the MSF Board most recently on December 12, 2023. 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 Guidelines and programmatic requirements, and an underwriting analysis has been completed by MEDC underwriting staff. A summary of the completed underwriting analysis is included in Appendix A. An MSF Eligible Activities Table, Transformational Brownfield Program (“TBP”) Revenue Summary, and key statutory criteria are included in Appendix D.

The project qualifies as a TBP as defined under Act 381 as it exceeds the threshold for capital investment based on the population of the city (which in this case is \$50 million) and will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan. The project is a mixed-use development with planned integration of retail, residential, and commercial uses.

The request includes the use of up to 100% of income tax capture revenues, which is allowed under statute and Guidelines, subject to a written affordable housing agreement between the local governmental unit and the developer. This agreement will be executed prior to MSF approval.

The request also includes a safe harbor calculation for income and withholding tax capture revenues, which may be elected for an individual project or the entire series of projects. The developer must elect whether to use the safe harbor calculation prior to the first disbursement of income tax capture revenues for a particular project. Once disbursement of income and withholding tax capture revenues commences, the Developer may not change the election for that individual project.

Financial Highlights

- Total Development Cost ranges from \$167 to \$242 per square foot with a project average of \$226.
- Residential rental rates average \$2.09 per square foot, including 20% affordable units. 20% of residential units will be considered affordable to households earning 80% of Area Median Income (AMI).
- Projected commercial rents range between \$9.00 and \$12.30 per square foot, with triple net lease terms. Commercial rents are not straightforward to project given the lack of comparables in the immediate vicinity. Most data for comparable spaces came from other Oakland County markets so appropriate adjustments were made to reflect the location and unproven nature of the market for commercial space immediately surrounding the project.
- Anticipated equity contribution of 38.7%.
- Projected levered Internal Rate of Return (IRR) on average of 6.2% and a Return on Equity (ROE) and Cash on Cash return of 8.9%, both over a 20-year horizon with the requested financial support.

An MSF Eligible Activities and Tax Capture Summary are included in Appendix D.

Demonstrated Need

Due to historic disinvestment, existing building conditions, the high cost of construction, cost of debt, and area rents, this urban infill, adaptive re-use development is infeasible to finance or complete without incentive assistance, given projected returns even with the requested support. The location of the Project in an unproven market within the city presents further challenges as there is no comparable space within the immediate vicinity to utilize when projecting rents for the planned commercial and residential spaces. Furthermore, the Project will help to address a critical shortage of mixed-income housing that is pervasive throughout the region, including increasing access to attainable housing in the City of Pontiac with the proposed 57 affordable units reserved at 80% of Oakland County AMI.

The underwriting and financial analysis was completed by MEDC staff to evaluate the reasonableness of Project assumptions, the financial feasibility of the Project, and structure of TBP assistance required to make the Project financially feasible under TBP guidelines. Specifically, staff evaluated the project against TBP underwriting criteria, summarized below, and evaluated the reasonableness of key pro forma assumptions by benchmarking the Applicant's assumed costs, revenues, expenses and financing assumptions against industry standards and similar projects in the City of Pontiac and Oakland County and throughout the larger MSF portfolio. In addition, staff evaluated the Developer's TBP tax revenue projection assumptions. Staff has determined that the full approximately \$79.2 million in TBP assistance is required after conducting this thorough analysis of the project.

Underwriting Criteria per TBP Guidelines:

1. Evaluation of specific underwriting criteria, including at a minimum the following:
 - a. Assessment of how much traditional debt the project should be able to support/attract.
 - b. Developer and consultant fees limited to 4% of the total development cost of the project.
 - c. Reasonableness assessment of any related-party costs and expenses.
 - d. Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees). Deferred fees will not be counted in the calculation.
 - e. Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
 - f. Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost will be evaluated if financing is preliminary. If financing term sheets are provided, leveraged IRR and cash on cash return will be evaluated. Average annual return metrics will be for the first three years following project stabilization.
2. Reasonableness assessment of the proposed rental structure and assumptions.
3. Reasonableness assessment of the proposed operating expenses.
4. Reasonableness assessment of the proposed development costs.
5. Process conducted to analyze and determine the project's economic viability.

Staff considers a projected levered average cash on cash return (over a 20-year time horizon) of 15% or less to be acceptable for projects of this size, scope and complexity. Using the assumptions provided during the underwriting of the Project, it was determined that the Developer could achieve a projected levered Internal Rate of Return (IRR) on average of 6.2% and a Return on Equity (ROE) and Cash on Cash return of 8.9%, both over a 20-year horizon with the requested financial support. These returns would be considered below the market appropriate rate of return identified for a project of this size and complexity. Any sensitivity analysis performed by staff did not provide an impact that would increase the levered return above the 15% threshold considered acceptable. Staff also ran scenarios based on a reduced level of assistance to assess impact on cash flow and return numbers in order to support the current request and determined the proposed

level of assistance appears necessary to be able to attract the required investment and keep the project financially feasible. The executive summary is included in Appendix A.

Local Support

The City of Pontiac is supporting the project with an Obsolete Property Rehabilitation Act (“OPRA”) tax abatement, approved December 2023, for two properties valued at \$1,277,238 over 12 years, a Neighborhood Enterprise Zone (“NEZ”) tax abatement, estimated local approval Spring 2027, for 15 years of which the value will be determined upon final approval, as well as the local portion of the property tax capture component of the Brownfield TIF valued at \$9,794,010.

Applicant Background / Qualifications

The development team consists of real estate professionals with deep experience in development and investment, including both ground-up and adaptive re-use projects. Collectively, they have developed, owned, and managed hundreds of residential units, hundreds of thousands of square feet of office, retail, and industrial space, several mixed-use/hospitality projects, and more. The team possesses higher education and advanced degrees in various disciplines including business, finance, real estate development, urban planning, and architecture. Many of their projects have involved MEDC support, primarily in the form of Brownfield TIF. Prior to this experience, the team has achieved deep professional experience in brokerage, real estate development and finance, asset management, and real estate private equity, overseeing well in excess of \$1 billion in real estate transactions, investments, and developments. Most recently, the Developer has undertaken the \$150 million redevelopment of a former furniture warehouse campus in Grand Rapids, Michigan that includes a combination of both adaptive re-use and ground-up multifamily and commercial space. That project, Factory Yards, was approved by the MSF for a TBP award in October, 2023. It appears the development team has the staff capacity and experience to execute several projects of varying uses simultaneously.

An Organizational Chart for Pontiac OZ 1 LLC is provided in Appendix B. The background review process was completed in accordance with the MSF Background Review Policy on October 2, 2024.

Recommendation

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

- a) Approval of a TBP in the aggregate amount of \$79,232,145 reimbursed over 25 years, which consists of the following revenue maximums:
 - a. Local and school property tax capture in the amount of \$15,892,967, to be reimbursed over 30 years.
 - b. A maximum of \$3,454,522 in construction period withholding tax capture revenues.
 - c. A maximum of \$1,413,185 in construction period sales and use tax exemptions.
 - d. A maximum of \$58,471,472 in income tax capture revenues and withholding tax capture revenues and sales and use tax revenues (post-construction) to be reimbursed over 20 years.
- a) Approval of the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture if elected by the developer. This election may be made on an individual project site or all project sites and must be made prior to the first distribution of income tax or withholding tax revenues. This information is included in Appendix E.

APPENDIX A – Underwriting Analysis Executive Summary

Underwriting Analysis

The underwriting and financial analysis was completed by MEDC staff to evaluate the reasonableness of Project assumptions, the financial feasibility of the Project, and structure of TBP assistance required to make the Project financially feasible under TBP guidelines. Specifically, staff evaluated the project against TBP underwriting criteria, summarized below, and evaluated the reasonableness of key pro forma assumptions by benchmarking the Developer’s assumed costs, revenues, expenses and financing assumptions against industry standards and similar projects in the City of Pontiac and Oakland County and throughout the larger MSF portfolio. In addition, staff evaluated the Applicant’s TBP tax revenue projection assumptions. A variety of sources were used to conduct this evaluation, including data from the Developer, MEDC’s in-house database with detailed underwriting metrics for similar projects reviewed, and various industry and market sources. Additional clarifying information was provided by the Developer through correspondence, conversations, and written materials.

The underwriting analysis was guided by the MSF approved TBP Guidelines which include the following assessment criteria:

1. Evaluation of specific underwriting criteria, including at a minimum the following:
 - Assessment of how much traditional debt the project should be able to support/attract.
 - Developer and consultant fees limited to 4% of the total development cost of the project.
 - Reasonableness assessment of any related-party costs and expenses.
 - Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees). Deferred fees will not be counted in the calculation.
 - Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
 - Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost will be evaluated if financing is preliminary. If financing term sheets are provided, leveraged IRR and cash on cash return will be evaluated. Average annual return metrics will be for the first three years following project stabilization.
2. Reasonableness assessment of the proposed rental structure and assumptions.
3. Reasonableness assessment of the proposed operating expenses.
4. Reasonableness assessment of the proposed development costs.
5. Process conducted to analyze and determine the project’s economic viability.

Financial Justification and Need

The Project is located in the heart of downtown Pontiac which has suffered from disinvestment and neglect for over half a century. The City is considered a historically disadvantaged community and an area of persistent property vacancy and economic challenges. The location of the Project in an untested market presents further challenges as there is no comparable commercial or residential space within the immediate vicinity to utilize when projecting rents for the planned spaces. Beyond market-based challenges, environmental conditions, existing building conditions, the high cost of construction, and cost of debt, this adaptive re-use and new construction development is challenging to finance or complete without incentive assistance, given projected returns even with the requested support. Furthermore, the Project will address a critical shortage of mixed-income housing that is pervasive throughout the region including increasing access to affordable housing in the City of Pontiac with the proposed 57 affordable units reserved at 80% of Oakland County AMI.

The successful construction of the Project will have a transformational impact, creating broader residential, business, entrepreneurial, and retail uses in the area surrounding the Project, bringing development and activity to a currently underutilized swath of land and set of buildings within the downtown, acting as a catalyst for greater revitalization of the community.

Conclusions and Recommendations

The Developer's proposed Project is likely to be transformative to downtown Pontiac, bringing a density of new construction and renovated product that is expected to attract new employees and residents to the City. While the projected operating revenues associated with the Project are generally expected to meet or near rents currently achieved in existing Oakland County area developments, the Project rents appear to be insufficient to support the significant construction costs associated with the Project's mix of uses, parking, public spaces, affordable housing efforts and infrastructure and public improvement costs. MEDC staff has found Developer assumptions to be reasonable based on information provided to date and the Project does not appear to be feasible without the requested incentive.

The level of TBP assistance requested appears reasonable and appropriate to ensure the financial feasibility of the proposed Project. Even with the requested financial support. The projected leveraged Internal Rate of Return (IRR) is on average 6.2% and Return on Equity (ROE) and Cash on Cash return are 8.9%, both over a 20-year horizon with the requested financial support. These returns would be considered below the market appropriate rates of return identified for a project of this size and complexity.

The proposed Project is in preliminary stages of pre-development, with all Project components in the schematic or design phase. Given this, it is likely development costs will continue to evolve as the Project moves through the development phases. Staff recommends that a single post construction re-evaluation be conducted per Section 14a(8) of Act 381 to adjust for the actual construction costs. Following construction completion, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down ("true up"). The incentive award will be decreased if the actual construction costs are less than 90% of the amount estimated in the Act 381 Work Plan.

APPENDIX B – Organizational Charts

Organizational Structure

Company Name: Pontiac OZ 1 LLC

Employer Identification Number: 80-3046558

MANAGER: Dennis William Griffin

	Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Pontiac OZ 1 LLC	Hasap LLC / Made Partners LLC (Tech and Arts / The Exchange) 91 North OZ LLC (El Centro) Lot 5 LLC (The Exchange)	100.00%	93-1924479	Michigan
	Alan Bishop Et Al.			
	Dennis Griffin			
	Dennis Griffin			

APPENDIX C – Project Maps and Renderings







APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the County of Oakland, has duly approved a brownfield plan for these properties on October 24, 2024. and concurred with by the City of Pontiac, a Qualified Local Governmental Unit, on October 8, 2024. The property has been determined to be deemed blighted by the City of Pontiac on June 10, 2024 and has been deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on October 4, 2023.

There are 53.9173 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (44.51%) and local millage equaling 29.9173 mills (55.49%). Tax increment capture will begin in 2027 and is estimated to continue for 25 years. The state tax capture is recommended to be capped at \$6,773,391, which is the amount of tax increment revenue anticipated to be generated in 25 years. Total MSF eligible activities are estimated at \$79,232,145. The tax capture ratio is impacted by the OPRA and NEZ tax abatements, and the blended ratio is shown below. The property tax reimbursement only represents a portion of the award needed to fully reimburse the developer for eligible activity costs. MSF eligible activities break down as follows:

Tax Capture Summary:

State tax capture	(42.62%)	\$	6,773,391
Local tax capture	(57.38%)	\$	9,119,576
TOTAL		\$	15,892,967

Total TBP Revenue Breakdown

Property Tax Capture	\$	15,892,967
Construction Period Sales and Use Tax Exemption		1,413,185
Construction Period Tax Capture		3,454,522
Income Tax Capture (post-construction)		34,899,353
Withholding Tax Capture (post-construction)		10,341,893
Sales and Use Tax	+	13,230,226
ANTICIPATED TOTAL	\$	79,232,145

The project is not requesting EGLE Work Plan support for this project to assist with environmental eligible activities.

Statutory Criteria

It is the role of the Project Management staff (MEDC Staff) to review the information provided by the applicant for eligibility, completeness, and adherence to program guidelines, and to manage the MSF’s investment. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from materials submitted by the applicant, and, as applicable, from other relevant third-party sources utilized by staff.

As required under Act 381, the following statutory criteria is being considered by the MSF:

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

Pontiac has suffered from disinvestment and blight in its downtown for over a generation. This is due to a convergence of factors including the loss of automotive manufacturing jobs, the

reconfiguration of Woodward/Wide Track Avenue, population loss and corresponding reduction in property tax revenues, high unemployment, and underfunded municipal government. However, recent positive momentum has created exciting new opportunities for economic growth and investment in and around downtown Pontiac. The Project will provide much needed housing and commercial space to support the employees and other stakeholders within these organizations. Further, the prominent and highly visible location of the project will undoubtedly generate additional interest in downtown Pontiac, creating a catalytic effect and additional investment. Leveraging the job creation and other economic impacts of the projects listed below will enhance the redevelopment of downtown Pontiac and will serve to catalyze continued downtown revitalization.

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

The Project will bring development and activity to a currently underutilized area within downtown Pontiac. The Project will greatly increase the density of the area, foster additional support for, and demand for services from existing surrounding businesses, catalyze demand for additional businesses and economic opportunity, and provide additional entertainment, shopping and dining destinations. The Project will create a dynamic mixed-use district which will support various types of use and activity throughout the day. The new commercial, residential, and retail space will add to this dynamic community as well as create new jobs and generate opportunities for people that live and work in the surrounding area. Finally, the Project will serve a variety of non-profit organizations and public/private partnerships, which will help fulfill important social and civic objectives which will contribute to a diverse revitalization of the area.

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

The City of Pontiac is supporting the project with an Obsolete Property Rehabilitation Act (“OPRA”) tax abatement valued at \$1,277,238 over 12 years, as well as the local portion of the property tax capture component of the Brownfield TIF valued at \$9,119,576.

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

The TBP proposes that the Developer will invest over \$105.6 million to develop the combined proposed TBP project. Based on the underwriting analysis, the full TBP request is required for the project to be financially feasible. Staff considers a projected levered cash on cash return (over a 20-year time horizon) of 15% or less to be acceptable for projects of this size, scope and complexity. Using the assumptions provided during the underwriting of the Project, it was determined that the Developer could achieve a projected levered Internal Rate of Return (IRR) on average of 6.2% and a Return on Equity (ROE) and Cash on Cash return of 8.9%, both over a 20-year time horizon, with the requested financial support.

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

The plan includes extensive rehabilitation of two existing vacant and blighted structures.

F. Creation of jobs:

In total, the three projects are planned to generate 356 post construction, full-time equivalent jobs at an average hourly wage of \$34.57.

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

The Developer is providing equity that is required under the TBP Guidelines of 20%. It is anticipated that the developer's equity contribution will be over 20.3% of the projected total development cost.

H. Whether the project is financially and economically sound:

A comprehensive underwriting and financial analysis was completed by MEDC staff to evaluate the reasonableness of project assumptions, the financial feasibility of the project, and structure of TBP assistance required to make the Project financially feasible under TBP guidelines. Staff consider the project to be financially and economically sound.

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

All components of the project contemplated in this TBP are proposed to be constructed on vacant or underutilized Brownfield sites, shifting them to a higher-density mixture of uses. The resulting developments are expected to spark economic activity in the city.

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

The project will enhance the area by renovating a significant amount of previously unused or underutilized property into a walkable community, which is an essential part of building the City of Pontiac's population and economy. In conjunction with the already established urban framework within downtown Pontiac, the Project will create a new and integrated hub of activity where residents, tenants, and members of the community can enjoy natural resources, urban amenities, and unique space to live, work, and play all within downtown Pontiac. Central to the project will be an interconnected set of outdoor amenity space which will be utilized by residents and stakeholders of the Project as well as the community at large.

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

No public buildings will be converted to private use as a part of the TBP.

L. Whether the project promotes sustainable development:

The essence of the existing design is preservation, where possible, of existing structures and materials. The reuse of building materials involves saving a high percentage of embodied energy. Finding new uses for old buildings significantly reduces the energy consumption associated with demolishing a structure and building a new one to replace it. This is especially true as a large portion of a building's carbon emissions comes from its materials, from fabrication and delivery to assembly. The Developer's track record reflects its commitment to environmentally sustainable development practices that are economically sound and feasible. The Development will implement engineering controls to mitigate environmental contamination concerns, and the Developer is working with its engineering and construction teams to pursue solar and geothermal systems to power portions of the project.

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

This project does not involve the rehabilitation of a historic resource.

N. Whether the project addresses area-wide redevelopment:

The Project is situated in the heart of downtown Pontiac, at the intersection of Woodward Avenue and M-59. This area has been approved by the Michigan Department of Transportation (MDOT) for a roadway reconfiguration (a "road diet") to provide easier and more direct access for vehicular

and pedestrian traffic. This enhanced circulation, in concert with the development efforts of the Project, will create a walkable urban district where residents, tenants, and members of the community can enjoy natural resources, urban amenities, and unique space to live, work, and play all within the heart of downtown Pontiac. The images below depict the existing condition and proposed design for this road reconfiguration proximate to the Project site.

O. Whether the project addresses underserved markets of commerce:

The City of Pontiac's 2014 Master Plan notes the age of housing stock and the need for new attainable housing to attract new residents. The Exchange portion of this project represents an opportunity to solve this issue and promote the City's downtown, aid in the success of the small business community, and present housing options for people working in Pontiac. In addition, the 2014 Master Plan also notes the need to facilitate strategies that attract young workers. The redevelopment of the Tech and Arts facilitates incubation, new retail opportunities and maker spaces. The El Centro will serve as a hub for not-for-profit office space that will bolster Pontiac's quality of life.

P. The level and extent of environmental contamination:

Demolition and construction activities will include excavation of any unsuitable soils, asbestos, and lead paint remediation. In addition, rehabilitated and new structures will implement due care activities and engineering controls to alleviate exposure pathways to contamination, all as required by Michigan law.

Q. If the rehabilitation of the historic resource will meet the federal Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings (36 CFR 67):
Not applicable

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

This TBP is not anticipated to compete with or adversely affect existing Michigan businesses.

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

The Development will endeavor to create opportunities for local entrepreneurs to establish new businesses. The Development will bring service oriented commercial and retail establishments to serve the neighborhood.

T. Describe how does the TBP includes provisions for affordable housing:

Through an Affordable Housing Agreement between the Developer and the City of Pontiac the planned residential portion of the Project includes 20% of units reserved for households earning at or below 80% of Area Median Income (AMI). This will result in a total of 57 affordable units. The affordable units will be spread throughout the buildings and will be allocated across all unit types to ensure an equal distribution of affordability throughout the Project.

APPENDIX E – Income and Withholding Tax Capture Safe Harbor Revenue Tables

Income and Withholding Tax Safe Harbor Estimates							
Year	Taxable Income (Residents)	Safe Harbor Taxable Income (Residents) - 90% of Total	50% total Withholding Income	Safe Harbor Withholding Income - 90% of Total	4.25%	3.50%	Total Income and Withholding Taxes under Safe Harbor
					Incremental Income Taxes under Safe Harbor*	Incremental Withholding Taxes under Safe Harbor*	
2025							
2026							
2027	\$ 33,813,069	\$ 30,431,762	\$ 12,161,096	\$ 10,944,987	\$ 1,293,350	\$ 383,075	\$ 1,676,424
2028	\$ 34,489,330	\$ 31,040,397	\$ 12,404,318	\$ 11,163,886	\$ 1,319,217	\$ 390,736	\$ 1,709,953
2029	\$ 35,179,117	\$ 31,661,205	\$ 12,652,405	\$ 11,387,164	\$ 1,345,601	\$ 398,551	\$ 1,744,152
2030	\$ 35,882,699	\$ 32,294,429	\$ 12,905,453	\$ 11,614,907	\$ 1,372,513	\$ 406,522	\$ 1,779,035
2031	\$ 36,600,353	\$ 32,940,318	\$ 13,163,562	\$ 11,847,206	\$ 1,399,964	\$ 414,652	\$ 1,814,616
2032	\$ 37,332,360	\$ 33,599,124	\$ 13,426,833	\$ 12,084,150	\$ 1,427,963	\$ 422,945	\$ 1,850,908
2033	\$ 38,079,007	\$ 34,271,107	\$ 13,695,370	\$ 12,325,833	\$ 1,456,522	\$ 431,404	\$ 1,887,926
2034	\$ 38,840,587	\$ 34,956,529	\$ 13,969,277	\$ 12,572,349	\$ 1,485,652	\$ 440,032	\$ 1,925,685
2035	\$ 39,617,399	\$ 35,655,659	\$ 14,248,663	\$ 12,823,796	\$ 1,515,366	\$ 448,833	\$ 1,964,198
2036	\$ 40,409,747	\$ 36,368,772	\$ 14,533,636	\$ 13,080,272	\$ 1,545,673	\$ 457,810	\$ 2,003,482
2037	\$ 41,217,942	\$ 37,096,148	\$ 14,824,309	\$ 13,341,878	\$ 1,576,586	\$ 466,966	\$ 2,043,552
2038	\$ 42,042,301	\$ 37,838,071	\$ 15,120,795	\$ 13,608,715	\$ 1,608,118	\$ 476,305	\$ 2,084,423
2039	\$ 42,883,147	\$ 38,594,832	\$ 15,423,211	\$ 13,880,890	\$ 1,640,280	\$ 485,831	\$ 2,126,112
2040	\$ 43,740,810	\$ 39,366,729	\$ 15,731,675	\$ 14,158,507	\$ 1,673,086	\$ 495,548	\$ 2,168,634
2041	\$ 44,615,626	\$ 40,154,063	\$ 16,046,308	\$ 14,441,677	\$ 1,706,548	\$ 505,459	\$ 2,212,006
2042	\$ 45,507,939	\$ 40,957,145	\$ 16,367,234	\$ 14,730,511	\$ 1,740,679	\$ 515,568	\$ 2,256,247
2043	\$ 46,418,097	\$ 41,776,288	\$ 16,694,579	\$ 15,025,121	\$ 1,775,492	\$ 525,879	\$ 2,301,371
2044	\$ 47,346,459	\$ 42,611,813	\$ 17,028,471	\$ 15,325,624	\$ 1,811,002	\$ 536,397	\$ 2,347,399
2045	\$ 48,293,389	\$ 43,464,050	\$ 17,369,040	\$ 15,632,136	\$ 1,847,222	\$ 547,125	\$ 2,394,347
2046	\$ 49,259,256	\$ 44,333,331	\$ 17,716,421	\$ 15,944,779	\$ 1,868,584	\$ 558,067	\$ 2,426,651
	\$ 821,568,634	\$ 739,411,771	\$ 295,482,654	\$ 265,934,389	\$ 31,409,418	\$ 9,307,704	\$ 40,717,121

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-008

**APPROVAL OF A BROWNFIELD ACT 381 COMBINED TRANSFORMATIONAL
BROWNFIELD PLAN
OAKLAND COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
THE EXCHANGE MIXED-USE DEVELOPMENT TRANSFORMATIONAL
BROWNFIELD PLAN**

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 (“Act 381”), 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, Public Act 46 of 2017 amended Act 381 to allow a governing body and the MSF to approve transformational brownfield plans (“TBP”) and was further amended by Public Act 135 of 2021 modifying criteria for transformational brownfield plans;

WHEREAS, The MSF Board adopted the Transformational Brownfield Plan Guidelines (the “TBP Guidelines”) by Resolution 2017-109

WHEREAS, the MSF Board amended the TBP Guidelines by Resolution 2017-152 on September 26, 2017, by Resolution 2019-062 on April 23, 2019, by Resolution 2022-055 on March 22, 2022, by Resolution 2023-132 on July 25, 2023, and by Resolution 2023-194 on December 12, 2023;

WHEREAS, captured school operating tax revenues, construction period tax capture revenues, sales and use tax exemption, income tax capture revenues, withholding tax capture revenues, sales and use tax capture revenues may be used under 1996 PA 381 as amended, for demolition, construction, restoration, alteration, renovation or improvement of buildings, or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, or for lead, asbestos, or mold abatement, and for demolition and that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the Oakland County Brownfield Redevelopment Authority (the “Authority”) has submitted a combined transformational brownfield plan (the “Plan”) for property located at 48 West Huron, 41 Pine Street, 113 Wayne Street, 121 Wayne Street, 127 Wayne Street, , 141 Wayne Street, 64 Pine Street, 10 Warren Street, 104 Wayne Street, and 91 North Saginaw Street within the City of Pontiac, known as The Exchange Mixed-Use Development Transformational Brownfield Plan (the “Project”);

WHEREAS, the City of Pontiac is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure

improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204;

WHEREAS, the Authority and Pontiac OZ 1 LLC (the “Developer”) are requesting MSF approval of the following actions:

- 1) capture of \$15,892,967 in local and school property tax capture revenues, with state tax capture limited to \$6,773,391;
- 2) a sales and use tax exemption of up to \$1,413,185 during the construction period of the Project;
- 3) capture up to \$3,454,522 in construction period tax capture revenues; and
- 4) capture up to \$58,471,472 in post-construction income tax capture revenues, post-construction withholding tax capture revenues, and post-construction sales and use tax capture.

(the aforementioned, collectively, the “Transformational Brownfield Plan Designation”);

WHEREAS, the safe harbor calculation for income and withholding tax capture revenues may be elected for an individual project site prior to the first distribution of income tax or withholding tax revenues, but once disbursement of income and withholding tax capture revenues commences, the Developer shall use the safe harbor calculation for that project site until disbursement is complete;

WHEREAS, the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture, if elected by the developer, are included in Appendix A;

WHEREAS, capture of up to 100% of income tax capture revenues may occur subject to a written binding affordable housing agreement between the local governmental unit and the Developer;

WHEREAS, following construction completion and occupancy of the completed buildings, the project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs are less than 90 percent of the amount estimated in the Act 381 Transformational Brownfield Plan; and

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Transformational Brownfield Plan Designation; and

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

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate all final terms and conditions and execute all documents necessary to effectuate the Transformational Brownfield Plan Designation in accordance with the terms set forth in this Resolution and consistent with the requirements of Act 381, as amended.

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025

APPENDIX A - Income and Withholding Tax Capture Safe Harbor Revenue Tables

Table 9: Consolidated Safe Harbor Projection Breakout
 The Exchange Pontiac
 Pontiac, Michigan
 November 19, 2024; SME Project: 95083.00

Income and Withholding Tax Safe Harbor Estimates								
Year	Taxable Income (Residents)	Safe Harbor Taxable Income (Residents) - 90% of Total	50% total Withholding Income	Safe Harbor Withholding Income - 90% of Total	4.25%		3.50%	
					Incremental Income Taxes under Safe Harbor ⁺	Incremental Withholding Taxes under Safe Harbor ⁺	Total Income and Withholding Taxes under Safe Harbor	
2025								
2026								
2027	\$ 33,813,069	\$ 30,431,762	\$ 12,161,096	\$ 10,944,987	\$ 1,293,350	\$ 383,075	\$ 1,676,424	
2028	\$ 34,489,330	\$ 31,040,397	\$ 12,404,318	\$ 11,163,886	\$ 1,319,217	\$ 390,736	\$ 1,709,953	
2029	\$ 35,179,117	\$ 31,661,205	\$ 12,652,405	\$ 11,387,164	\$ 1,345,601	\$ 398,551	\$ 1,744,152	
2030	\$ 35,882,699	\$ 32,294,429	\$ 12,905,453	\$ 11,614,907	\$ 1,372,513	\$ 406,522	\$ 1,779,035	
2031	\$ 36,600,353	\$ 32,940,318	\$ 13,163,562	\$ 11,847,206	\$ 1,399,964	\$ 414,652	\$ 1,814,616	
2032	\$ 37,332,360	\$ 33,599,124	\$ 13,426,833	\$ 12,084,150	\$ 1,427,963	\$ 422,945	\$ 1,850,908	
2033	\$ 38,079,007	\$ 34,271,107	\$ 13,695,370	\$ 12,325,833	\$ 1,456,522	\$ 431,404	\$ 1,887,926	
2034	\$ 38,840,587	\$ 34,956,529	\$ 13,969,277	\$ 12,572,349	\$ 1,485,652	\$ 440,032	\$ 1,925,685	
2035	\$ 39,617,399	\$ 35,655,659	\$ 14,248,663	\$ 12,823,796	\$ 1,515,366	\$ 448,833	\$ 1,964,198	
2036	\$ 40,409,747	\$ 36,368,772	\$ 14,533,636	\$ 13,080,272	\$ 1,545,673	\$ 457,810	\$ 2,003,482	
2037	\$ 41,217,942	\$ 37,096,148	\$ 14,824,309	\$ 13,341,878	\$ 1,576,586	\$ 466,966	\$ 2,043,552	
2038	\$ 42,042,301	\$ 37,838,071	\$ 15,120,795	\$ 13,608,715	\$ 1,608,118	\$ 476,305	\$ 2,084,423	
2039	\$ 42,883,147	\$ 38,594,832	\$ 15,423,211	\$ 13,880,890	\$ 1,640,280	\$ 485,831	\$ 2,126,112	
2040	\$ 43,740,810	\$ 39,366,729	\$ 15,731,675	\$ 14,158,507	\$ 1,673,086	\$ 495,548	\$ 2,168,634	
2041	\$ 44,615,626	\$ 40,154,063	\$ 16,046,308	\$ 14,441,677	\$ 1,706,548	\$ 505,459	\$ 2,212,006	
2042	\$ 45,507,939	\$ 40,957,145	\$ 16,367,234	\$ 14,730,511	\$ 1,740,679	\$ 515,568	\$ 2,256,247	
2043	\$ 46,418,097	\$ 41,776,288	\$ 16,694,579	\$ 15,025,121	\$ 1,775,492	\$ 525,879	\$ 2,301,371	
2044	\$ 47,346,459	\$ 42,611,813	\$ 17,028,471	\$ 15,325,624	\$ 1,811,002	\$ 536,397	\$ 2,347,399	
2045	\$ 48,293,389	\$ 43,464,050	\$ 17,369,040	\$ 15,632,136	\$ 1,847,222	\$ 547,125	\$ 2,394,347	
2046	\$ 49,259,256	\$ 44,333,331	\$ 17,716,421	\$ 15,944,779	\$ 1,868,584	\$ 558,067	\$ 2,426,651	
	\$ 821,568,634	\$ 739,411,771	\$ 295,482,654	\$ 265,934,389	\$ 31,409,418	\$ 9,307,704	\$ 40,717,121	



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

From: Rachel Elsinga, Community Development Manager
Julius L. Edwards, Managing Director, Commercial Real Estate and Underwriting
Rob Garza, Director, Statutory Analysis

Subject: Request for Approval of a Transformational Brownfield Plan (TBP)
City of Lansing Brownfield Redevelopment Authority (BRA) and New Vision
Lansing, LLC
New Vision Lansing Transformational Brownfield Plan

Project Summary & Request

New Vision Lansing, LLC (the “Developer”) and the City of Lansing Brownfield Redevelopment Authority is requesting approval of a TBP incentive package in the aggregate amount of \$202,225,217 reimbursed over 30 years, and divided by revenue type as follows:

- a. Local and school property tax capture in the amount of \$101,177,055, with state tax capture limited to \$32,547,926.
- b. A maximum of \$6,905,092 in construction period tax capture revenues;
- c. A maximum of \$7,975,935 in construction period sales and use tax exemptions; and
- d. A maximum of \$86,167,135 in income tax capture revenues and withholding tax capture revenues (post-construction)

The proposed Transformational Brownfield Plan (the “Plan”) consists of five sites in the heart of downtown Lansing, increasing connectivity and economic vibrancy within the community’s urban core. The redevelopment of the property will occur on 5 sites and consists of the scope detailed below:

- Tower on Grand: new construction of a 329,725 square foot, twenty six-story mixed-use tower, containing 287 residential units and commercial/retail space in both the tower and the Atrium Office Building. Additionally, the new construction of a two-story parking facility spanning Grand Avenue will support tenants and potential retail customers.
- Washington Square: adaptive reuse of the 117,616 square foot, ten-story former office building into a mixed-use building containing 60 residential units and first floor retail space. A three-story parking deck will also be constructed in support of this project.
- Capitol Tower: new construction of a 120,470 square foot, six-story, mixed-use building containing office space and 105 residential units.

- Old Town: new construction of a 65,670 square foot, seven-story, mixed-use building with two floors of integrated parking and five stories of residential space containing 90 units.
- Ingham Building: adaptive reuse of a 17,028 square foot, five-story, mixed-use building, containing first floor retail commercial space and 25 residential units on the upper floors.

A project map and project renderings are included in Appendix C

PROJECT SUMMARY	
Project Eligibility	Facility and Functionally Obsolete
Total Approximate Private Square Feet Revitalized	802,347
Total Approximate Public Square Feet Revitalized	29,060
Total Approximate Acres Activated	5.02
Total Full-Time Equivalent Jobs Created	116
Estimated # of Residential Units	567
Estimated Residential Square Footage	463,586
Estimated Commercial Square Footage	102,518
Estimated Public Infrastructure Square Footage	24,940
Current Taxable Value	\$5,807,547
Projected Taxable Value at Completion	\$47,610,320
Total Anticipated Capital Investment	\$316,737,458
Transformational Brownfield Revenue Request	\$202,225,217

The New Vision Lansing (NVL) TBP investment will be catalytic in the revitalization of the core of downtown Lansing. Post Covid, Lansing has more than 80,000 sq. ft. of vacant office space. It is estimated that more than three thousand people no longer work downtown and will likely not return.

Downtown Lansing Inc., a certified Main Street Community, commissioned a housing study in 2023 that demonstrated a shortage of 1,143 units in the Downtown and 258 units in the Old Town district in the year 2025. The NVL projects will provide 483 units in Downtown and 90 units in Old Town, making a significant contribution to closing this gap.

The project is intentionally designed to meet the needs of a diverse spectrum of tenants, from young professionals just starting their first job, to those needing Missing Middle housing, to retirees looking to downsize by offering quality and affordability across a wide spectrum of incomes. A minimum of 150 of the project units will be programed for tenants with incomes at 80-120% AMI. Expanding housing for middle income households is a key component of Michigan’s Statewide Housing Plan and the Tri-County Regional Housing Assessment and Strategy.

This development takes several approaches to community revitalization: adaptive re-use (Washington Square/Ingham Building); vertical infill (Turner Street); elimination of functional obsolescence (Capitol

Tower); and vertical residential density (Tower on Grand). Additionally, the projects will connect Downtown, Old Town and the Museum District through expanded and improved pedestrian access and gathering places. They will give new life to underutilized parts of the Downtown/Old-Town corridor within the Principal Shopping District. All projects are easily accessed from the center of downtown by walking or biking and the Lansing River Trail serves as a recreational amenity and connector. Reprogramming the public use of the west bank along the Grand River adjacent to the Tower on Grand will provide a new pedestrian bridge to the east bank of the river, creating immediate access to the Museum District, Stadium District, and retail on Michigan Avenue.

Following construction completion and occupancy of the completed buildings, the Project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs are less than 90 percent of the amount estimated in the Act 381 Work Plan. The associated MSF Board resolution includes the authorization for this modification per Section 14a(8) of Act 381.

Statutory and Policy Considerations

Act 381 of 1996 (the “Act”), as amended, authorizes the MSF to approve Transformational Brownfield Plans that include state and local property tax capture in conjunction with the Local Unit of Government, sales and use tax exemptions, construction period tax capture revenues, income tax capture revenues, and withholding tax capture revenues for the purpose of supporting projects statewide. On July 25, 2017, the MSF Board approved the Transformational Brownfield Program Guidelines (“Guidelines”). The Guidelines have been amended by the MSF Board on September 26, 2017, April 23, 2019, March 22, 2022, July 25, 2023, and December 12, 2023, respectively. 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 Guidelines and programmatic requirements, and a 3rd party underwriting analysis has been completed by Anderson Economic Group. A summary of the completed underwriting analysis is included in Appendix A. An MSF Eligible Activities Table, Transformational Brownfield Plan (“TBP”) Revenue Summary, and key statutory criteria are included in Appendix D.

The Project qualifies as a TBP as defined under Act 381 as the capital investment exceeds the threshold based on the population of the city (which in this case is \$75 million), and will have a transformational impact on local economic development and community revitalization based on the extent of brownfield redevelopment and growth in population, commercial activity, and employment that will result from the plan. The Project is a mixed-use development with planned integration of commercial, retail, office, and residential use.

The request includes the use of up to 100% of income tax capture revenues, which is allowed under statute and Guidelines, subject to a written affordable housing agreement between the local governmental unit and the developer. The affordable housing agreement will be fully executed prior to consideration by the MSF Board.

The request also includes a safe harbor calculation for income and withholding tax capture revenues. As a condition of recommended approval, the developer is electing Safe Harbor and cannot select using the traditional calculation for Income and Withholding Tax Capture revenues.

Financial Highlights

- Construction costs range from \$258 to \$480 per square foot which is within the range of comparable projects
- Average residential rental rates between \$1.87 and \$3.06 per square foot
- Anticipated that up to 150 of the residential units will be affordable with rents targeted at 80-120% of area median income (AMI)
- Anticipated commercial rents are within the range of comparable projects of \$8.00-\$32.00 per square foot
- Average debt service coverage ratio of 1.33
- Anticipated equity contribution of 24%
- Projected developer return of below 1%

Demonstrated Needs

An independent underwriting analysis was completed Anderson Economic Group, LLC (AEG) that determined the Project was feasible and the full approximately \$221 million in TBP assistance is required after conducting a thorough analysis of the Project guided by the MSF approved TBP Guidelines which include the following assessment criteria:

- Assessment of how much traditional debt the project should be able to support/attract.
- Developer and consultant fees limited to 4% of the total development cost of the project.
- Reasonableness assessment of any related-party costs and expenses.
- Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees).
- Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
- Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost are to be evaluated if financing is preliminary.
- Reasonableness assessment of the proposed rental structure and assumptions.
- Reasonableness assessment of the proposed operating expenses.
- Reasonableness assessment of the proposed development costs.
- Process conducted to analyze and determine the project's economic viability.

Using the assumptions provided during the underwriting of the Project and market analysis, it was determined that the Developer could achieve a projected overall average return of under 1%. These returns would be considered below the market appropriate rate of return identified for a project of this size and complexity. The executive summary is included in Appendix A.

Local Support

The project includes the local portion of the property tax capture, valued at \$68,645,428.

Applicant Background / Qualifications

New Vision Lansing / Gentilozzi Real Estate: Developer

Gentilozzi Real Estate is a commercial real estate property brokerage, property management, leasing and development company which commits time and capital to the creation of developments that are an asset to the community. The organization is highly skilled at renovation, marketing, property management and leasing. The Gentilozzi family began their first development project in 1975. Since that time, Gentilozzi

Real Estate has developed over \$150 million in commercial projects in downtown Lansing. Recognizing the need for a transformative move from predominantly commercial office space to bringing the vitality and excitement with residential development in downtown Lansing, New Vision Lansing was formed to target significant investment and create a strong downtown residential market.

JFK Investments: Partner

JFK Investments is a partner in New Vision Lansing with a long history of development and property management in southeast Michigan. JFK Investments hold over 20 commercial and mixed-use properties with a total value of over \$300 million.

Christman Company: Construction Manager

Founded in 1894 by H.G. Christman in South Bend, Indiana, The Christman Company opened its Lansing, Michigan office in 1915 and was incorporated in the State of Michigan in 1927. Christman has annual revenues of more than \$1 billion, with over \$4 billion in construction currently underway with more than 500 experienced full-time professionals, including a full complement of project managers, superintendents, planners, value analysts, LEED Accredited Professionals, estimators, architects, in-house mechanical/electrical coordinators, information specialists, engineers, and accountants.

An Organizational Chart for New Vision Lansing, LLC is provided in Appendix B. The background review process was completed in accordance with the MSF Background Review Policy on November 7, 2024.

Recommendation

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

- a) Approval of a TBP in the aggregate amount of \$202,225,217 reimbursed over 30 years, which consists of the following revenue maximums:
 - 1) Local and state property tax capture in the amount of \$101,177,055, with state tax capture limited to \$32,547,926;
 - 2) A maximum of \$6,905,092 in construction period tax capture revenues;
 - 3) A maximum of \$7,975,935 in construction period sales and use tax exemptions; and
 - 4) A maximum of \$86,167,135 in income tax capture revenues and withholding tax capture revenues (post-construction).
- b) Approval of the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture. The factors will align with all parameters within the TBP Guidelines approved by the MSF on December 12, 2023. The developer is required to use the safe harbor amounts to determine that maximum allowed disbursement of income and withholding tax capture.

APPENDIX A – Underwriting Analysis Executive Summary

Underwriting Analysis

The Developer requested assistance under the Transformational Brownfield Plan (TBP) amendment to the Michigan Brownfield Redevelopment Financing Act. Anderson Economic Group, LLC (AEG) was engaged by the Michigan Economic Development Corporation (MEDC), on behalf of the Michigan Strategic Fund (MSF), to conduct an independent third-party financial and underwriting review of the Project.

The underwriting analysis was guided by the MSF approved TBP Guidelines which include the following assessment criteria:

- Assessment of how much traditional debt the project should be able to support/attract.
- Developer and consultant fees limited to 4% of the total development cost of the project.
- Reasonableness assessment of any related-party costs and expenses.
- Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees).
- Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements following stabilization and conversion to permanent financing.
- Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost are to be evaluated if financing is preliminary.
- Reasonableness assessment of the proposed rental structure and assumptions.
- Reasonableness assessment of the proposed operating expenses.
- Reasonableness assessment of the proposed development costs.
- Process conducted to analyze and determine the project's economic viability.

The Project with the full requested TBP continues to achieve returns below 1% which is below the market-appropriate, risk-adjusted benchmark hurdle rates of return identified for the Project.

In addition to the above, AEG was charged with reviewing the reasonable of the Developer projected TBP revenue streams. AEG determined that each of the projected TBP revenue streams were reasonable with the exception of the "Income Tax Capture". The Developer projected "Income Tax Capture" to be approximately \$73.5 million versus \$66.6 million. The primary variable driving the difference the project captures is the development team used a 3% inflationary factor while AEG used a more conservative 2% inflationary factor. MEDC staff is comfortable with difference and the Developer's estimate. If "Safe Harbor" was to be elected "Income Tax Capture" would be limited to approximately \$66.2 million which is below the AEG projection. Furthermore, historic personal wage growth within the Lansing/East Lansing MSA was 2.6% between 2001-2019 according to the US Bureau of Economic Analysis, which above the 2% projected by AEG. Staff believes these two factors reasonably mitigates the risk to the State of Michigan.

The Project Components are in the final of stages of design, but costs have not been finalized. The review by AEG determined the estimated costs Project costs to be reasonable but are likely to adjust as the Project moves to construction. The Developer's assumed hard construction costs appear to be within the range of

comparable projects within the Lansing market identified by AEG. The Developer anticipates financing the Project with a combination of conventional debt, state and federal grant resource, cash equity, deferred developer fees, and TBP revenues. Overall, it appears that the Development Team is maximizing debt financing for the Project. Uncertainty exists regarding the overall financing of the Project, including the availability of MSHDA funding.

Therefore, staff recommends that the TBP assistance structure and redevelopment agreement require a single post construction “true up” to right-size public TBP assistance at the time construction costs are verified per Section 14a(8) of Act 381 to adjust for the actual construction costs. The Reimbursement Agreement for this project will further detail the post construction cost certification and conditions that would require specific modifications.

APPENDIX B – Organizational Charts

Organizational Structure

Company Name: New Vision Lansing, LLC						
Employer Identification Number: 93-4437909						
MANAGER: Paul Victor Gentilozzi						
	Member			Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization
New Vision Lansing, LLC				100.00%	93-4437909	Michigan
	Paul Victor Gentilozzi		50.00%			
	Joseph Frank Kosik		50.00%			
				100.00%		

APPENDIX C – Project Map and Renderings



Tower on Grand



Washington Square



Capitol Tower



Old Town



Ingham Building



APPENDIX D – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Lansing, a Qualified Local Governmental Unit, has duly approved a combined Transformational Brownfield Plan for this property on December 2, 2024. The properties each qualify and have been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on November 1, 2024, and December 13, 2024, or deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on April 3, 2024 or July 23, 2024.

There are 71.3723 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.4478 mills (32.85%) and local millage equaling 47.9245 mills (67.15%). Tax increment capture will begin in 2026 and is estimated to continue for 30 years on each individual eligible property. The state tax capture is recommended to be capped at \$101,238,724, which is the amount of tax increment revenue anticipated to be generated in 30 years on each individual eligible property. Total MSF eligible activities are estimated at \$202,085,014. The tax capture ratio is impacted by the contribution to the Local Brownfield Revolving Fund and Administration and the blended ratio is shown below. The property tax reimbursement only represents a portion of the award needed to fully reimburse for eligible activity costs. MSF eligible activities break down as follows:

Tax Capture Summary:

State tax capture	(32.17%)	\$	32,547,926
Local tax capture	(67.83%)	\$	68,629,129
TOTAL		\$	101,177,055

Total TBP Revenue Breakdown

Property Tax Capture		\$	101,177,055
Construction Period Sales and Use Tax Exemption			7,975,935
Construction Period Tax Capture			6,905,092
Income Tax Capture (post-construction)			66,113,458
Withholding Tax Capture (post-construction)	+		20,053,677
ANTICIPATED TOTAL		\$	202,225,217

Cost of MSF Eligible Activities

Per Act 381 Section 2(o)(iv), any demolition, construction, restoration, alterations, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that benefit eligible property are considered eligible activities for TBP's. This project will have an estimated over \$202,286,885 in hard costs which will be certified at project completion.

Statutory Criteria

It is the role of the Project Management staff (MEDC Staff) to review the information provided by the applicant for eligibility, completeness, and adherence to program guidelines, and to manage the MSF's investment. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from materials submitted by the applicant, and, as applicable, from other relevant third-party sources utilized by staff.

As required under Act 381, the following statutory criteria is being considered by the MSF:

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

New Vision Lansing is a critical start to transforming downtown Lansing from daytime office space to thriving and active residential living. These projects will serve as a catalyst for additional investments to bring people downtown to live, work and play. The NVL development moves downtown Lansing toward a community of residents, a break-away from investing in traditional commercial office base utilized by “dayworkers” that have largely left to work remote or periodically in downtown. Importantly, the New Vision Lansing project scale will have a transformative effect on how people view the city and its future. Residents, workers and visitors will see a change from a downtown struggling with vacancies and areas of blight, to a thriving, bustling community with social, cultural, and new investment opportunities.

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

The Project would create additional density through the additional 573 residential units, new retail, and commercial space. This density will have the effect of catalyzing new jobs, generating significant commercial activity, increasing the city’s population, and provide housing for different income levels.

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

The City of Lansing is contributing to the Project with the local portion of the property tax capture valued at \$70,516,119.

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

The TBP proposes that the Developer will invest over \$317 million to develop the combined proposed TBP project. Based on the third-party underwriting analysis the full \$221 million in TBP assistance is required. With the full incentive and with rent revenues projecting significant premiums, the project unleveraged IRR is projected at between 6.0 and 7.4% based on the sensitivity analyses. The risk associated with bringing this level of investment to the area and the premium level of the revenue targeting creates a risk for a lower projected return.

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

The Washington Square and Ingham Building projects will reuse vacant or predominantly vacant building for conversion from office space to residential, particularly Missing Middle housing.

F. Creation of jobs:

The developer has identified the creation of 294 full-time equivalent jobs generated by the businesses anticipated to occupy the completed projects. The developer anticipates the jobs will have an average hourly wage of \$36.49.

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

It is anticipated that NVL will be able to attract private capital of between \$252.3 million and \$269 million in private capital between equity and debt financing.

H. Whether the project is financially and economically sound:

The Project has been thoroughly analyzed and is believed to be financially and economically sound.

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

Washington Square and the Ingham Building are vacant and the Old Town site includes the redevelopment of vacant parking lot. The Capitol Tower will replace nine two story converted residences with a five-story building. The Tower on Grand will replace five one or two-story buildings with a 26-story tower.

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

All of the projects are mixed use and include residential units with commercial / retail uses in areas that naturally lend to walkability. The retail and/or restaurants for Washington Square, the Ingham Building, Old Town and Tower on Grand are on the ground floor, enhancing street level activity. In the case of the Tower on Grand and Capital Tower, occupants of the commercial office space are within walking distance to downtown amenities.

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

No public buildings will be converted to private use as a part of the TBP.

L. Whether the project promotes sustainable development:

Each building will utilize state of the art energy efficiency measures in the building envelope and mechanical systems. Construction materials will be sourced to encourage the use of products and materials that are recycled and / or provide for environmentally, economically, and socially preferable life-cycle impacts. Construction waste will be sorted for recycling. NVL is working with the City of Lansing to provide EV charging stations within the parking facilities. Common areas will include bike storage to encourage non-motorized transportation. The Grand River pedestrian bridge will provide direct access from downtown to the Museum District that currently is generally accessed only by vehicular traffic.

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

The Project is not qualifying as a historic resource.

N. Whether the project addresses area-wide redevelopment:

There is a shortage of housing regionwide, as identified in the Tri-County Housing Drives assessment that identified demand for up to 35,000 residential units over the next 20 years, with a significant portion in the 80% - 120% AMI target. Additional residential units in downtown are a key part of the meeting this crucial demand for housing in the region. Importantly, the NVL projects begin the transformation of the core downtown away from the traditional reliance on day worker traffic and commercial office property to a thriving downtown residential market that provides vitality and excitement, after business hours and on weekends. On an immediate regional basis, the development adds to the inventory of housing for businesses and institutions that need quality housing to attract talent. These projects are immediately walkable to Lansing Community College for instructional staff and administrators. The State of Michigan will be a large beneficiary as they seek talent that can now live next to where they work. The Accident Fund is a large business needing housing for talent attraction, along with other smaller businesses.

O. Whether the project addresses underserved markets of commerce:

As identified in the Downtown Lansing, Inc. Comprehensive Market Analysis, the report identifies the need for 1,540 additional residential units in the Downtown and Old Town Districts. While the NVL projects will provide 573 additional residences, there is still an underserved market for downtown housing. The Washington Square and Ingham Building projects will reactivate street level retail in key locations in downtown Lansing. In addition, Old Town will include street level retail that will continue the excitement in the district.

P. The level and extent of environmental contamination:

All development will meet necessary and required due care obligations to prevent exposure to and exacerbation of pre-existing contamination. The proposed redevelopment of the property anticipates removal of impacted soils on the property and appropriate disposal to a licensed waste disposal facility. Additional due care activities are anticipated to include the installation of exposure barriers, including vapor mitigation and due care compliance activities.

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

The Project is not qualifying as a historic resource.

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

This TBP is not anticipated to compete with or adversely affect existing Michigan businesses.

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

None.

T. Describe how the TBP includes provisions for affordable housing:

The City of Lansing and the Developer will fully execute an affordable housing agreement prior to consideration of this Transformational Brownfield Plan by the MSF.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-009

**APPROVAL OF A BROWNFIELD ACT 381 COMBINED TRANSFORMATIONAL
BROWNFIELD PLAN
CITY OF LANSING BROWNFIELD REDEVELOPMENT AUTHORITY
NEW VISION LANSING TRANSFORMATIONAL BROWNFIELD PLAN**

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 (“Act 381”), 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, Public Act 46 of 2017 amended Act 381 to allow a governing body and the MSF to approve transformational brownfield plans (“TBP”) and was further amended by Public Act 135 of 2021 modifying criteria for transformational brownfield plans;

WHEREAS, on July 17, 2017, the MSF Board adopted the Transformational Brownfield Plan Guidelines (the “TBP Guidelines”) by Resolution 2017-109;

WHEREAS, the MSF Board amended the TBP Guidelines by Resolution 2017-152 on September 26, 2017, by Resolution 2019-062 on April 23, 2019, by Resolution 2022-055 on March 22, 2022, by Resolution 2023-132 on July 25, 2023, and by Resolution 2023-194 on December 12, 2023;

WHEREAS, captured school operating tax revenues, construction period tax capture revenues, sales and use tax exemption, income tax capture revenues, withholding tax capture revenues, and sales and use tax capture revenues may be used under 1996 PA 381 as amended, for demolition, construction, restoration, alteration, renovation or improvement of buildings, or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, or for lead, asbestos, or mold abatement, and for demolition and that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the City of Lansing Brownfield Redevelopment Authority (the “Authority”) has submitted a combined transformational brownfield plan (the “Plan”) for multiple properties located within the City of Lansing, known as The New Vision Lansing Transformational Brownfield Plan (the “Project”);

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

WHEREAS, the Authority and New Vision Lansing (the “Developer”) are requesting MSF approval of the following actions:

- 1) capture of \$101,177,055 in local and school property tax capture revenues, with state tax capture limited to \$32,547,926;
- 2) a sales and use tax exemption of up to \$7,975,935 during the construction period of the Project;
- 3) capture up to \$6,905,092 in construction period tax capture revenues; and
- 4) capture up to \$86,167,135 in post-construction income tax capture revenues and post-construction withholding tax capture revenues.

(the aforementioned, collectively, the “Transformational Brownfield Plan Designation”);

WHEREAS, the factors that will be used to calculate the safe harbor amounts for income tax capture and withholding tax capture, if elected by the Developer, are included in Appendix A;

WHEREAS, the Developer is required to elect safe harbor for income tax capture and withholding tax capture revenues as a condition of Plan approval;

WHEREAS, capture of up to 100% of income tax capture revenues may occur subject to a written binding affordable housing agreement between the local governmental unit and the Developer; and

WHEREAS, following construction completion and occupancy of the completed buildings, the Project will undergo a re-evaluation based on the certified construction costs which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs are less than 90 percent of the amount estimated in the Plan; and

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Transformational Brownfield Plan Designation; and

BE IT FURTHER RESOLVED, that school operating tax revenues, construction period tax capture revenues, sales and use tax exemption, income tax capture revenues, withholding tax capture revenues, and sales and use tax capture revenues shall be used to reimburse interest costs related to the eligible activities for the Project; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate all final terms and conditions and execute all documents necessary to effectuate the Transformational Brownfield Plan Designation in accordance with the terms set forth in this Resolution and consistent with the requirements of Act 381, as amended.

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025

APPENDIX A - Income and Withholding Tax Capture Safe Harbor Revenue Tables

New Vision Lansing

Total TBP Revenues

Capture Year	Year	Constr. Sale/Use Tax Exemption	Construction PIT Capture	Income Tax Capture - Residents	NVL Withholding Capture	Within Project Withholding	TBP Total	Incr Property Tax Capture - School MSF	Incr. Property Tax Capture - Local MSF	Total Incr. Property Tax Capture	Total TBP Benefits
1	2026	\$797,594	\$690,509				\$1,488,103	\$194,144	\$432,273	\$626,416	\$2,114,519
2	2027	\$3,589,171	\$3,107,291	\$0			\$6,696,462	\$545,114	\$1,213,729	\$1,758,842	\$8,455,304
3	2028	\$3,589,171	\$3,107,291	\$0			\$6,696,462	\$811,948	\$1,807,853	\$2,619,801	\$9,316,263
4	2029			\$3,375,645	\$67,335	\$956,573	\$4,399,553	\$828,187	\$1,844,010	\$2,672,197	\$7,071,750
5	2030			\$3,476,914	\$69,355	\$985,270	\$4,531,540	\$844,751	\$1,880,890	\$2,725,641	\$7,257,181
6	2031			\$3,581,222	\$71,436	\$1,014,828	\$4,667,486	\$861,646	\$1,918,508	\$2,780,154	\$7,447,640
7	2032			\$3,688,659	\$73,579	\$1,045,273	\$4,807,511	\$878,879	\$1,956,878	\$2,835,757	\$7,643,268
8	2033			\$3,799,318	\$75,786	\$1,076,631	\$4,951,736	\$896,457	\$1,996,015	\$2,892,472	\$7,844,208
9	2034			\$3,913,298	\$78,060	\$1,108,930	\$5,100,288	\$914,386	\$2,035,936	\$2,950,321	\$8,050,609
10	2035			\$4,030,697	\$80,401	\$1,142,198	\$5,253,295	\$932,673	\$2,076,654	\$3,009,328	\$8,262,623
11	2036			\$4,151,618	\$82,813	\$1,176,464	\$5,410,894	\$951,327	\$2,118,187	\$3,069,514	\$8,480,409
12	2037			\$4,276,166	\$85,298	\$1,211,758	\$5,573,222	\$970,353	\$2,160,551	\$3,130,905	\$8,704,127
13	2038			\$4,404,451	\$87,857	\$1,248,111	\$5,740,419	\$989,761	\$2,203,762	\$3,193,523	\$8,933,942
14	2039			\$4,536,585	\$90,492	\$1,285,554	\$5,912,630	\$1,009,556	\$2,247,838	\$3,257,393	\$9,170,024
15	2040			\$4,672,682	\$93,207	\$1,324,121	\$6,090,010	\$1,029,747	\$2,292,794	\$3,322,541	\$9,412,551
16	2041			\$4,812,863	\$96,003	\$1,363,844	\$6,272,710	\$1,050,342	\$2,338,650	\$3,388,992	\$9,661,701
17	2042			\$4,957,249	\$98,884	\$1,404,760	\$6,460,892	\$1,071,349	\$2,385,423	\$3,456,772	\$9,917,664
18	2043			\$5,105,966	\$101,850	\$1,446,903	\$6,654,720	\$1,092,776	\$2,433,132	\$3,525,907	\$10,180,627
19	2044			\$5,259,145	\$104,906	\$1,490,310	\$6,854,360	\$1,114,631	\$2,481,794	\$3,596,425	\$10,450,786
20	2045			\$5,416,919	\$108,053	\$1,535,019	\$7,059,991	\$1,164,588	\$2,531,430	\$3,696,019	\$10,756,009
21	2046						\$0	\$1,220,697	\$2,582,059	\$3,802,756	\$3,802,756
22	2047						\$0	\$1,245,111	\$2,633,700	\$3,878,811	\$3,878,811
23	2048						\$0	\$1,270,013	\$2,686,374	\$3,956,387	\$3,956,387
24	2049						\$0	\$1,295,414	\$2,740,101	\$4,035,515	\$4,035,515
25	2050						\$0	\$1,321,322	\$2,794,903	\$4,116,225	\$4,116,225
26	2051						\$0	\$1,545,483	\$2,850,801	\$4,396,285	\$4,396,285
27	2052						\$0	\$1,576,393	\$2,907,818	\$4,484,210	\$4,484,210
28	2053						\$0	\$1,607,921	\$2,965,974	\$4,573,895	\$4,573,895
29	2054						\$0	\$1,640,079	\$3,025,293	\$4,665,372	\$4,665,372
30	2055						\$0	\$1,672,881	\$3,085,799	\$4,758,680	\$4,758,680
		\$7,975,935	\$6,905,092	\$73,459,397	\$1,465,314	\$20,816,549	\$110,622,287	\$32,547,927	\$68,629,129	\$101,177,056	\$211,799,339

Total Const
\$14,881,027

Total Inc.
\$95,741,260

Total TBP
\$110,622,287

State MSF TIF
\$32,547,927

Local MSF TIF
\$68,629,129

Total MSF TIF
\$101,177,056

Total TBP + MSF TIF
\$211,799,343

Safe Harbor (90%)								
Cons. Period	Sales/Use	Income 90%	Withholding 90%	Total TBP	State MSF TIF	Local MSF TIF	Total MSF TIF	Total TBP + MSF TIF
\$7,975,935	\$6,905,092	\$66,113,458	\$20,053,677	\$101,048,161	\$32,547,927	\$68,629,129	\$101,177,056	\$202,225,217



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

From: Megan McGreal, Senior Community Development Manager
Julius L. Edwards, Managing Director, Real Estate Investment & Underwriting
Rachel Young, Senior Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Loan
Aria Warren Detroit, LLC and Related Entities – Aria Development

Recommendation

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

- a) A MCRP performance-based Loan in the amount of up to \$2,428,000 for Aria Warren Detroit, LLC on terms and conditions outlined in Exhibit A found in the resolution.
- b) Approval of funds in the amount of \$2,428,000 to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088h(3)(e) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

Financial Highlights

The Aria Development seeks to rehabilitate and enhance a decades long vacant building on a neighborhood commercial corridor. The costs to rehabilitate this building and to bring critically needed density by building an additional story is high. At the same time, residential and commercial market rate rents within this area are still low. As such there’s a considerable gap in development costs. The city is supporting this project through Housing Tax Incremental Financing and Neighborhood Enterprise Zone and PA 210 property tax abatements, valued at \$4,693,499 and \$1,212,373 respectively. The Detroit Economic Growth Corporation is providing a Supporting Equitable Economic Development (SEED) grant of \$947,525 and a Revitalization and Placemaking subgrant of \$2,240,000. The project has also received an Invest Detroit Strategic Neighborhood Fund low interest loan in the amount of \$3,500,000. Even after layering in a multitude of incentives, a gap remains on this project that is central to economic stabilization on this commercial corridor. Below is a list of financial aspects of this project.

- Hard construction cost of \$325.66 per square foot
- Average debt service coverage ratio of above 1.30 to 1.00
- Anticipated returns of 19% from operations
- Anticipated developer fee of \$600,000 with \$90,000 being deferred to payment through cash flow
- Anticipated average residential rent of \$2.48 per square foot
- Anticipated average commercial rent of \$17 per square foot

- List any other grants or equity being contributed to the project – Revitalization and Placemaking sub-grant of \$2,240,000, DEGC SEED grant \$947,525, Strategic Neighborhood Fund cash flow dependent low interest loan of \$3,500,000
- The development team is contributing \$200,000 of owner equity
- The project deviates from the underwriting preferences related to the owner equity investment and the anticipated returns from operations. The owner is contributing less than 10% of the overall development cost. Staff is comfortable with this deviation due the developer being considered an “Emerging Developer” having completed only a single project on their own. Additionally, \$3,500,000 in equity equivalent proceeds are being contributed to the project by Invest Detroit. It is anticipated that owner returns (estimated at 19%) will exceed underwriting preferences for the program which is limited to 12% from operations. Staff is comfortable with this deviation due to the emerging nature of the developer and the relative size of annual returns which is anticipated to not exceed \$150,000 in any single year.

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

Project Summary & Request

The project is anticipated to create 32 new residential units between 60-100% AMI and nearly 8,000 square feet of commercial space in a long-vacant building on one of the city’s priority Strategic Neighborhood Fund commercial corridors.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Blighted
Total Approximate Square Feet Revitalized	35,672
Total Approximate Acres Activated	.47
Estimated # of Residential Units	32
Estimated Commercial Square Footage	7,900
Current Taxable Value	\$120,650
Projected Taxable Value at Completion	\$1,484,590
Total Anticipated Capital Investment	\$15,993,525
MCRP Loan	\$2,428,000

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

Applicant Background / Qualifications

This development is led by Emery Matthews, who has experience as both a principal and fee developer. Recently, he completed The Murray, the historic renovation of a 110-year-old structure on Detroit's southwest side.

An Organizational Chart for Aria Warren Detroit, LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on October 22, 2024.

APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Aria Warren Detroit, LLC
 Employer Identification Number: 87-4639471
 MANAGER: William Emery Matthews

Real Estate Interests, LLC	Member	Ownership Interest Totals	EINs - No Soc Sec numbers	State of Organization
Principal	William Emery Matthews	81.00%	46-3338994	Michigan
Principal	Stanley J. Edwards	19.00%	366-80-1932	
		100%	369-72-6060	

APPENDIX B – Project Map and Renderings





APPENDIX C – Financial Terms

Financing Summary

The development team has secured approximately \$10,088,000 in private financing to complete the project. This includes senior debt from LISC, subordinate debt from Invest Detroit, and New Market Tax Credit (NMTC) equity. Additionally, the team has secured a Supporting Equitable Economic Development (SEED) grant of \$947,525. It anticipated that the MCRP loan will be contributed to the NMTC leveraged loan structure. The MCRP loan will be structured to accommodate the NMTC structure.

Summary of Development Sources:

LISC Loan	\$	3,000,000	18.76%
Invest Detroit Sub Debt	\$	3,500,000	21.88%
MCRP Loan	\$	2,428,000	15.18%
RAP Subgrant	\$	2,240,000	14.01%
DEGC SEED Grant	\$	947,525	5.92%
NMTC Equity	\$	3,588,000	22.43%
Deferred Developer Fee	\$	90,000	0.56%
Developer Equity	\$	200,000	1.25%
TOTAL	\$	15,993,525	100.00%

Summary of Development Uses:

Acquisition	\$	600,000
Hard Construction Costs	\$	11,616,889
Eligible Soft Costs	\$	545,200
Other	\$	3,231,436
TOTAL	\$	15,993,525

Loan Terms

MSF Incentive:	MCRP Performance Based Loan
Borrower:	Aria Warren Detroit, LLC or a Related Entity
Total Capital Investment:	Currently estimated at \$15,993,525
MSF Eligible Investment:	Currently estimated at \$12,162,089
Minimum Eligible Investment:	Currently estimated at \$12,140,000
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$2,428,000.
Term:	Up to 90 months
Amortization:	N/A
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be interest only for up to 90 months, principal due at maturity.

Collateral:	Security interest in the real estate consistent with the requirements of the New Market Tax Credit program.
Guarantee:	Anticipated to be the guarantees of the owners and any related trusts.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF's share of the loan, plus any third-party fees incurred by the MEDC in the closing of the loan.
Reserves:	It is anticipated that the project will have approximately \$1.7 million in reserves and contingencies.
Deferred Developer Fees:	The developer and related-party fees equal to \$90,000 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
Funding:	The MSF will fund up to \$2,428,000 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none">- Receipt of final construction documents, including a fixed price construction contract- Receipt of final development budget- Minimum owner equity investment \$200,000

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:

This project is located in the heart of the City of Detroit's East Warren Commercial Corridor, a Strategic Neighborhood Fund investment area. The development site represents one of the largest vacant and abandoned commercial sites and is in the center of the commercial node in which the city has directed its investment, including the completion of an \$8.2 million streetscape improvement.

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

This project adds catalytic density, bringing 32 new, affordable and workforce housing units onto the city's priority commercial corridor. The commercial rehabilitation is strategically located adjacent to other city investments to bring forward a walkable E. Warren corridor, adjacent to one of the city's strongest single family housing markets.

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

The city is supporting this project through Housing Tax Incremental Financing and a PA 210, valued at \$4,693,499 and \$1,212,373 respectively. The Detroit Economic Growth Corporation is providing a Supporting Equitable Economic Development (SEED) grant of \$947,525. The project has also received a Revitalization and Placemaking subgrant of \$2,240,000 and an Invest Detroit Strategic Neighborhood Fund low interest loan in the amount of \$3,500,000.

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

The Aria Development seeks to rehabilitate and enhance a decades long vacant building on a neighborhood commercial corridor. The costs to rehabilitate this building and to bring critically needed density by building an additional story is high. At the same time, residential and commercial market rate rents within this area are still low and cannot support the necessary traditional debt to complete the project. As such there's a considerable gap in development costs. The development team has been able to secure grants and grant like resources of approximately \$9.2 million to bridge that gap. The remaining gap would be filled with the proposed MCRP loan of \$2,428,000.

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

This building has been vacant and blighted since the 1990's. While not an officially designated historic property, the building represents an important development in the history of Detroit. As the fourth location of the famed Arthur Murray Dance Studio, this mid-century modern gem represents a time when social dance was the social media of the day. The design will preserve the

historic facade while adding modern elements that respect the property's history and neighborhood context.

F. Creation of jobs:

The project expects that commercial tenants will bring 14 new full-time jobs. The average hourly wage is estimated to be \$19.

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

New Market Tax Credits equity anticipated to be \$3,588,000.

H. Whether the project is financially and economically sound:

It is anticipated that upon reaching stabilized occupancy the project will be able to achieve an average debt service coverage ratio of greater than 1.30 to 1.00.

Additionally, MEDC staff reviewed an appraisal prepared by Judeh & Associates, dated, October 8, 2024, that supports the proposed rental structure.

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

The project increases density by adding 32 new affordable and workforce housing units along the priority commercial corridor.

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

This is a mixed-use development strategically located to support a walkable corridor.

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

This was a long vacant building, but it was not publicly owned.

L. Whether the project promotes sustainable development:

The project will target LEED certification, which is a globally recognized symbol of sustainability achievement. The LEED framework provides a robust model for green building practices, ensuring that the Aria redevelopment contributes to environmental stewardship.

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

The project does not involve the rehabilitation of a historic resource.

N. Whether the project addresses area-wide redevelopment:

The city has focused on an area-wide redevelopment strategy along the segment of East Warren where this development is located. It includes an \$8.2 million streetscape improvement and local contribution to equitable development along the concentrated commercial node.

O. Whether the project addresses underserved markets of commerce:

The E. Warren corridor was designed to support the surrounding neighborhood. Population declines and disinvestment lead to a dearth of opportunities for local residents. As one of the largest buildings in the corridor, the project will bring vitally needed residents, occupants and guests who form ready customers for the surrounding businesses.

P. The level and extent of environmental contamination:

The project obtained Phase I and II environmental assessments. The Phase II report indicated no exceedances of the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Part 201 Generic Residential Cleanup Criteria (GRCC).

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

The project does not involve the rehabilitation of a historic resource.

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

This project will not compete with or affect existing Michigan businesses within the same industry. It hopes to support nearby small businesses by bringing new residential and commercial development to the area.

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:

Not applicable.

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-010

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
LOAN AWARD TO ARIA WARREN DETROIT, LLC**

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

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

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

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

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

WHEREAS, 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 (“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 MSF Board 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, Aria Warren, LLC (the “Company”) has requested a MCRP Performance-based Loan award of up to \$2,428,000 (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 recommends that the MSF Board approve funding of \$2,428,000 from the Investment Fund to fund the Award Request (the “Funding”); and

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

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

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Performance Based Loan
Borrower:	Aria Warren Detroit, LLC or a Related Entity
Total Capital Investment:	Currently estimated at \$15,993,525
MSF Eligible Investment:	Currently estimated at \$12,162,089
Minimum Eligible Investment:	Currently estimated at \$12,140,000
MSF Share:	Up to the lesser of 20% of “Eligible Investment” or \$2,428,000.
Term:	Up to 90 months
Amortization:	N/A
Interest Rate:	1.0% per annum
Repayment Terms:	Currently anticipated to be interest only for up to 90 months, principal due at maturity.
Collateral:	Security interest in the real estate consistent with the requirements of the New Market Tax Credit program.
Guarantee:	Anticipated to be the guarantees of the owners and any related trusts.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan, plus any third-party fees incurred by the MEDC in the closing of the loan.
Funding:	The MSF will fund up to \$2,428,000 to be disbursed following closing of the financing and other performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">- Receipt of final construction documents, including a fixed price construction contract- Receipt of final development budget- Minimum owner equity investment \$200,000



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025
To: Michigan Strategic Fund (“MSF”) Board Members
From: Paul Krepps, Senior Foreign Direct Investment Consultant
Brittney Mizer, Senior Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
Pulse Primary Care Holdings LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$3,450,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of at least 579 Qualified New Jobs and a capital investment of at least \$10,500,000 in the City of Livonia, Wayne County.

Applicant History

Founded in Michigan in 2024, the Company provides primary care medical services to patients throughout the United States. The Company’s leadership team has a proven track record in growing physician platforms and consumer health models, having overseen transactions worth over \$1 billion. The Company leverages Care Managers and technology to provide concierge like medicine for all patients, not just affluent people. The Company has begun to acquire primary care providers to add to the existing five locations and expects to have 22 locations within a year and over 50 locations within two years. Currently, the Company employees 37 Michigan residents in Dearborn, Battle Creek, Livonia and Lenox.

The background review process was completed in accordance with the MSF Background Review Policy on December 5, 2024, and the project may proceed for MSF consideration.

Project Description

The Company is seeking to establish a headquarters location. The Company will need a large team of administrative, accounting, Care Coordinators and Care Manager employees (approximately one Care manager per 300 Medicare patients). This facility will house these employees and be the technology hub and training center for continuous improvement of the Company’s Care Managers.

The Company’s goals include developing new technologies that improve lives and building a workforce trained to address current healthcare staffing shortages at all levels. With advancements in Artificial Intelligence (AI), the Company aims to improve patient care by providing round-the-clock monitoring and management, which also serves to lower medical costs by avoiding costly hospital admissions by discovering and treating conditions sooner, whether it’s at home or in the clinic. The Company will also create employment opportunities and career advancement for individuals enrolled in skill development certificate programs, associate degrees at community colleges and advanced degrees.

The Company is considering the City of Livonia for the project and anticipates the project will result in capital investment of at least \$10,500,000, including purchase of the headquarters building. The project will also result in the creation of at least 579 new jobs with starting wages ranging from \$24 per hour up to \$55 per hour, plus benefits. All jobs have starting wages above the Regional Median Wage of \$23.73 per hour.

Demonstrated Need

The Company has providers in four states; Michigan, Massachusetts, Kansas and Texas, and expects to have locations in at least 10 states within the next three years. The Company's preference is to locate the headquarters in Michigan, due to the presence of executives and a significant concentration of practices. However, there is extensive pressure from the Company's investors to locate the headquarters facility in other states. Establishing a headquarters in Michigan, with the support of grant assistance, will ensure the Company's ability to create high-paying jobs for Michiganders. The facility being considered in the City of Livonia needs over \$1,000,000 in improvements before it is ready for the Company to be able to fully utilize the space.

Request

To secure the project, the Applicant is requesting a \$3,450,000 MBDP performance-based grant. The grant will help offset the costs of locating the project in Michigan when compared to sites outside of Michigan and convince the investors that Michigan is the best option for a headquarters facility. This project aligns with the MEDC's strategic focus area of supporting a project in the professional and corporate services industry. The proposed project will impact the local region with immediate job growth and long-term career opportunities, as well as lower the cost of health care for Michiganders by providing personalized services that reduce dependence on urgent care and emergency room services. This facility will result in the creation of at least 579 new jobs and at least \$10,500,000 in capital investment in the City of Livonia, Wayne County.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-011

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
PULSE PRIMARY CARE HOLDINGS LLC**

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

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

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

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

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

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

WHEREAS, Pulse Primary Care Holdings LLC (the “Company”) has requested a performance based MBDP grant of up to \$3,450,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to establish a headquarters location to house administrative employees, accounting employees, Care Coordinators and Care Managers, and be a technology hub and training center in the City of Livonia (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs;

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

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

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

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025

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

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

PROJECT SUMMARY

Scope of the Project: The Company intends to establish a headquarters location to house administrative employees, accounting employees, Care Coordinators and Care Managers, and be a technology hub and training center in the City of Livonia (the “Project Site”). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 579 new jobs at the Project Site and a projected investment of \$10,500,000 by March 31, 2030, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$3,450,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

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

Overall Jobs Commitment: Creation of a minimum of 579 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above the Company and/or its affiliates or subsidiaries (including Pulse Management Group, LLC and Pulse Primary Care PLLC, collectively, the “Company Group”) Statewide Base of 37 employees (the “Overall Base”), on March 31, 2030, (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company Group for the Project at the Project Site on or after August 2, 2024 (Date of Signed Offer Letter), and maintained continuously for the previous six (6) months, and performed for the Company Group by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company Group, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company at the Project Site are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

“Eligible Expenses” means the actual expenditure by the Company Group on or after August 2, 2024 (Date of Signed Offer Letter) for the Project at the Project Site of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment

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

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than December 31, 2029, together with a certification of the Company's compliance with the Grant Agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

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

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

ADDITIONAL STATE REQUIRED TERMS

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

From: Paul O’Connell, Vice President Real Estate Development

Subject: Grayling Township Industrial Drive Improvement

REQUEST

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board 1) allocate \$2,800,000 from the Business Attraction and Community Revitalization Programs and Activities budget line item to the Build Ready Site (“BRS”) Program and 2) approve a BRS Program grant in the amount of \$2,800,000 to the Crawford County Road Commission (the “CCRC”) to support the design, construction, and other related eligible activities under the BRS Program necessary to construct a new section of all-season roadway, approximately 4.1 miles in length, to finish Industrial Drive in Grayling Township between Industrial Street in the City of Grayling and Four Mile Road in Grayling Township (the “Project”) in accordance with the term sheet attached to the proposed Resolution (the aforementioned, collectively, the “Request”).

BACKGROUND

Industrial Drive is a proposed roadway that has been in development for over 20 years. The CCRC has secured a right of way for roadway purposes from the State of Michigan to provide access to the surrounding properties and a route for future utilities. The Project will provide all-season roads to two commercial projects currently under development, Stoops Trucking and Saab, and will also provide access to an additional 400 acres of developable acreage already zoned industrial or commercial.

The total cost of the Project is expected to be \$8,000,000 and will be primarily funded with a Michigan Department of Transportation (“MDOT”) Transportation Economic Development Fund (“TEDF”) – Category A grant to CRCC. The proposed BRS program grant, combined with an additional contribution from Stoops Trucking, represents the local contribution to the Project required by the TEDF grant guidelines.

Proposed Sources:

MDOT Support – TEDF A Grant	\$5,000,000
Michigan Build Ready Site funding	\$2,800,000
Stoops Freightliner-Western Star contribution	\$200,000
	<u>\$8,000,000</u>



Uses:

Preliminary Engineering	\$180,000
Right of Way	\$50,000
Construction	\$7,020,000
Construction Engineering	\$750,000

RATIONALE

In addition to supporting the two projects currently under development, this Project will activate additional acreage in a portion of the state, Crawford County, that is in need of moderately sized economic opportunities and additional economic diversification.

The Saab, Inc. project is expected to result in \$75 million in capital investment create at least 69 high-paying jobs to the region – received support from the MSF Board for the Michigan Business Development Program grant of \$3.5 million and a 15-year, 100% SESA Exemption in September 2024. Completion of Industrial Drive remains a key component of the project’s location in Michigan.

The proposed road extension will also provide the current and future sites direct access to 4 Mile Road., This will allow truck traffic to avoid the downtown of the City of Grayling when accessing I-75 and route traffic away from important natural resources like the Au Sable River.

ELIGIBILITY

CRCC as a municipality of the State of Michigan and is an eligible applicant under the BRS Program. The scope of the Project consists of infrastructure improvements and related costs which are all eligible activities for BRS Program funds.

The application for this Project was reviewed using the Vetted Sites criteria outlined the BRS Program Guidelines.

Appendix A addresses the Vetted Sites' programmatic considerations.

RECOMMENDATION

Staff recommends approval of the Request.

APPENDIX A

Programmatic Criteria

Per the Michigan Build Ready Sites program guidelines, the MSF review any opportunity within the program using the Vetted sites criteria before entering into a written agreement:

The site, including the Saab site and the other land abutting the proposed road, has been reviewed and found to meet the program criteria as follows:

The land is available for sale under a Memorandum of Understanding between Grayling Township and the Michigan Department of Natural Resources

The land is mostly zoned either industrial or commercial

We have reviewed the property boundary survey, title, environmental conditions, soil conditions, and various other due diligence reports for the Saab site and found them to be acceptable for development

A site profile has been created for the site and is available.

The Saab site is not listed in the real estate database due to a user being identified for the site. The remaining parcels are not listed in the real estate database, but a listing will be created upon completion of the road.

Project Description

The CRCC is proposing the reconstruction of the existing pavement sections to bring them up to all season standards, and to construct a new roadway, from the Saab Inc. facility, south to 4 Mile Road.

Statement of Need

The new roadway to the south provides timely and efficient access to I-75 and reduces the potential negative impact of increasing truck traffic in the City of Grayling to the north. The new roadway also provides access to property being developed by Truck Country of Indiana (Stoops Freightliner/Western Star dealership), who has committed \$200,000.00 to the project. Increasing commercial traffic and heavy truck traffic will benefit with the completion of the roadway for quick and easy access to I-75.

The Saab Inc. site location on Industrial Drive in Grayling Township presents some challenges given the nature of the cargo and the desire to provide a path to I-75 and to Camp Grayling that does not go through Downtown Grayling, the Au Sable River, and the surrounding dense residential areas. By building out the totality of Industrial Drive, south to 4 Mile Road, the Project will result in a safe pathway, through industrial properties, to a Class A road which leads to the exit 251 Interchange on I-75. This interchange is well designed for truck exit and entry and is south of downtown Grayling, keeping all traffic south of town. 4 Mile Road also leads, to the west, directly to S Military Road, another Class A road, and leads directly to the entrance to Camp Grayling, which will occasionally be used for testing.

While it is necessary for CRCC provide access to 4 Mile Road for logistics purposes, it is critical that the site has well developed access along Industrial Street to M-72 to the north. This direct access to

downtown Grayling provides access for employees and emergency services to reach the site in a timely fashion.

Project Justification

The Project is necessary to support the Saab Inc. project by providing an all-season roadway with access to the highway and mitigating heavy truck and commercial traffic through downtown Grayling. In addition, this new roadway will unlock an additional 600 acres of commercial and industrial zoned parcels that could lead to additional economic development opportunities for the region.

This Project is critical for the Grayling market and Region 3. This opportunity brings high paying jobs to an underserved market with a high-quality company in Phase 1 of the project which is likely to expand over time. To secure this Project, many stakeholders have come together to create a unique deal structure and leverage the community assets in a way that is expected will open up additional opportunities for other users to consider this market.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2025-012**

**MICHIGAN BUILD READY SITES PROGRAM
GRANT AWARD TO CRAWFORD COUNTY ROAD COMMISSION**

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “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 Act, MCL 125.2088b(2)(c), funds appropriated to the MSF for purposes of carrying out the Act shall be expended or invested for activities authorized under the 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 Act, MCL 125.2007(c), the MSF has the power to make grants;

WHEREAS, on April 27, 2021, by Resolution 2024-064, the MSF Board created the Michigan Build Ready Sites Program to support business attraction and expansion projects through the development or enhancement of industrial sites in Michigan (the “Build Ready Program”) and adopted guidelines for administration of the Build Ready Sites Program (the “Build Ready Program Guidelines”);

WHEREAS, on October 26, 2021, by Resolution 2021-135, the MSF Board approved amendments to the Build Ready Program Guidelines;

WHEREAS, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$71,000,000 for Business and Community Development Programs and Activities (the “FY25 BD/CD Funding Allocation”);

WHEREAS, MEDC staff recommends that the MSF Board allocate \$2,800,000 from the FY25BD/CD Funding Allocation to the Build Ready Program (the “Funding Allocation”);

WHEREAS, MEDC Staff recommends that the MSF Board approve a grant of up to \$2,800,000 to the Crawford County Road Commission in accordance with the term sheet attached as Exhibit A to this Resolution (the “Grant Award”);

WHEREAS, the MSF wishes to approve the Funding Allocation and the Grant Award.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Funding Allocation and the Grant Award; and

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Grant Award, consistent with the terms of this Resolution

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025

Michigan Build Ready Sites Program Grant

Summary of Terms

Awardee: Crawford County Road Commission (the “Applicant”)

MBRS Award Amount: Up to \$2,800,000 to the Applicant for Eligible Activities (defined below) to construct a new section of all-season roadway, approximately 4.1 miles in length, to finish Industrial Drive in Grayling Township between Industrial Street in the City of Grayling and Four Mile Road in Grayling Township (the “Project”).

Term of the Agreement: Effective Date through the earlier of: (i) 24 months of the effective date of the grant agreement; (ii) the grant manager’s approval of the Project Completion Milestone; or (iii) when the Parties agree in writing.

Disbursement of Grant Funds: Grant funds will be disbursed based on the Applicant’s achievement of the following key milestones and, will be contingent on the funds provided by Michigan Department of Transportation in the amount of \$5,000,000.

- **Key Milestone One:** Not to exceed \$300,000
 - Funds to be used exclusively for the following uses:
 - Engineering costs
 - Costs of acquisition of rights-of-way
 - Costs associated with the Construction of that portion of the roadway servicing the Stoops Freightliner-Western Star site from the south (limited to \$50,000, and additionally contingent upon Stoops Freightliner-Western Star making a \$200,000 contribution)
 - Other related costs associated with the Project as approved by the Grant Manager once Key Milestone Two has been approved;
 - Evidence of approval by the Michigan Department of Transportation of a TEDF-A grant in the amount of \$5,000,000 for the project.
 - Disbursement request in the form determined by the MEDC;
 - Copies of currently executed written agreements between the Applicant and any contractor or entity engaged to perform the Eligible Activities for the Project; and

- **Key Milestone Two:** Not to exceed \$2,500,000
 - Funds to be used for all remaining costs associated with the Project
 - Disbursement request in the form determined by the MEDC;
 - Evidence of Final Site Plan Approval of the Saab, Inc. project by Grayling Township;
 - Copies of currently executed written agreements between the Applicant and any contractor or entity engaged to perform the Eligible Activities for the Project.

- **All Key Milestones:** The Applicant shall submit one or more disbursement requests, but no more frequently than monthly. The actual disbursement amount must be based on projected Eligible Activities to be completed during the milestone period, and all such additional disbursement requests, in the aggregate, cannot exceed \$2,800,000. Additionally, any such disbursement request must be submitted at least one month prior to expected expenditure of funds, and include:
 - Disbursement request in the form determined by the MEDC;
 - A separate spreadsheet (titled “Project Budget”) describing and itemizing the actual expenditure for Eligible Activities of grant disbursements received under the previous Key Milestone. The spreadsheet shall include the corresponding

- category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Copies, in one or more files in pdf format (entitled “Project Contracts”), of currently executed written agreements between the Applicant and any contractor or entity engaged to perform the Eligible Activities for the Project. ; and
 - A separate narrative (entitled “Project Narrative”) describing, in detail to include timing of expected work completion and current and future funding needs, the Eligible Activities to be completed with the grant disbursement being requested.
- **Project Completion Milestone:**
 - A final milestone certificate in the form determined by the MEDC;
 - A separate spreadsheet (titled “Final Project Budget”) describing and itemizing the actual expenditure of grant disbursements for all Eligible Activities completed during the Term. The spreadsheet shall include the corresponding reference category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation;
 - Copies of, in one or more files in pdf format (entitled “Project Contracts”), all executed written agreements between the Applicant and any contractor entity engaged to perform the Eligible Activities. If multiple files are sent, please label them with contractor name, budget line item, or other naming convention to uniquely identify each file; and
 - Demonstrated verification that 100 percent of the funds disbursed have been expended for Eligible Activities; and
 - Documentation satisfactory to the grant manager that the Project is complete.

Eligible Activities: activities related to include, but are not limited to, the design and construction of a new section of all-season roadway, approximately 3.3 miles in length, to finish Industrial Drive in Grayling Township between Industrial Street in the City of Grayling and Four Mile Road in Grayling Township. Any demolition or construction; environmental remediation; architectural, engineering, surveying, similar professional fees, and other work required to commence construction on the roadway; and any activities outlined in the MBRS Guidelines, as amended, necessary to support the construction of the roadway. The Applicant and the MSF will develop a detailed budget for the Project that includes budget categories for the Eligible Activities.

Clawback Provisions: The Applicant will be required to repay all or a portion of the grant disbursements made under the MBRS Award upon the occurrence of one or more of the following events (each resulting in a “Repayment Amount”), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis:

- **Project Abandonment:** if the Applicant voluntarily abandons the project after the MBRS Award is disbursed and on or before the end of the Term it may be required to repay all or a portion of grant disbursements made under the MBRS Award.
- **Bankruptcy or Insolvency** – If the Applicant files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Applicant not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Applicant’s operations for the Project, it may be required to repay 100% of grant disbursements made under the MBRS Award.
- **Material Misrepresentation.** If the Applicant makes a material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request

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

- **Misuse of Funds:** if the Applicant uses the MBRS Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the MBRS Award.
- **Material Failure to Comply.** If the Applicant fails to materially comply with its obligations under the grant agreement, including the failure submit materials required under the (i) Key Milestones, (ii) annual progress reports, or (iii) annual compliance certificates under the grant agreement, it may be required to repay up to 100% of grant disbursements made under the MBRS Award.

Additional State Required Terms:

- **Amendments** – The Agreement may not be modified or amended except pursuant to a written instrument signed by the Grantee and the MSF Fund Manager.
- **Annual Compliance Certificate** – During the Term, in addition to the Project Status Reports, the Applicant will be required to sign and submit an annual compliance certificate certifying that the Applicant is in compliance with the terms and conditions of the grant agreement.
- **Annual Progress Report** – During the Term, the Applicant will be required to submit annual progress reports. This information will be transmitted by the MSF to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights** – During the Term, and for a period of three years after the expiration of the Term, and upon reasonable advance notice, the Applicant is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Applicant, and any other location where books and records of the Applicant are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that 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
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025
To: Michigan Strategic Fund (“MSF”) Board Members
From: Sean Kammer, Business Development Project Manager
Subject: Incentive Request
Piston Automotive LLC (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request

Request Summary

This is a request from the Applicant for (collectively, the “Incentives Request”)

- Approval of a \$1,500,000 MBDP Grant, as outlined in the attached Term Sheet .
- This project involves the creation of up to 144 Qualified New Jobs and a capital investment of up to \$55,000,000 in the City of Detroit, Wayne County.

Applicant History

The applicant, a subsidiary of Piston Group LLC, was founded in 1996 as an automotive supplier. The Applicant, which is headquartered in Redford, Michigan supplies powertrain systems, front-end cooling systems, chassis systems, BEV and PHEV battery packs and interior systems for the automotive industry. The company was formed by former NBA and Detroit Piston star Vinnie Johnson to serve major auto makers and related OEM suppliers in the greater Detroit area. The Company’s parent is minority owned enterprise and is the largest African American owned automotive supplier in the US. Additionally, the Company’s parent is the 24th largest automotive OEM supplier in the US. The Company’s parent currently has 14 locations in 6 states and 5 locations in Mexico with employees totaling more than 11,000 individuals in the North America, 282 of them located at 2 facilities in Michigan.

The background review process was completed in accordance with the MSF Background Review Policy on November 19, 2024, and the project may proceed for MSF consideration.

The Applicant has received incentives from the MSF in the past. The Company was awarded \$300,000 for the creation of 60 qualified new jobs but staff levels were impacted by supply chain problems associated with the COVID-19 pandemic. The Company was issued a cure period and forbearance and has cured the default. In March 2024, the MSF awarded the Company an MBDP grant valued at \$8,500,000 and a SESA valued at \$1,789,480 for a separate project creating 900 jobs and investing \$85,186,000 in the City of Auburn Hills, Oakland County. The Company is presently in good standing.

Project Description

The Company was awarded a nine-year contract to manufacture hydrogen fuel cells for a major Original Equipment Manufacturer (OEM). To accomplish this, the Company is seeking to lease and renovate a 200,000 square foot facility. The new facility will be part of the Company’s long-term strategy to secure future growth as the automotive industry expands into electric vehicle production.

The Company is considering the City of Detroit for the project and anticipates that the project will result in capital investment of up to \$55,000,000. The project will also result in the creation of up to 144 new jobs paying an average wage of \$40.85 per hour plus benefits, which exceeds the Regional Median Wage of \$23.73 per hour.

Employees are provided wage increases every six months for the first two years and are offered full benefits that include paid holiday and vacation, medical and prescription plans, dental and vision, 401k match of 3%, and tuition reimbursement for full-time employees earning high school diplomas, skills certificates, associate degrees and bachelor's degrees.

Demonstrated Need

The Company is also considering placing this project in current facilities in Louisville, Kentucky or Wentzville, Missouri with available space. While determining where to locate the work necessary to fulfill the new contract, the Company considered these locations because of their proximity to other automotive facilities and available talent. With the company recently undertaking another large project at the former Palace of Auburn Hills, another expansion at the former state fairgrounds came with scrutiny from the company's decision makers. The Company, founded and headquartered in Michigan, is considering the location in the City of Detroit because of its proximity to its customers, existing Michigan facilities, and a suitable workforce. Even though the Company would like to locate in Michigan, incentive assistance is necessary to offset competing offers. The new facility will be in addition to 3 locations in Michigan as well as those under consideration for expansion in Louisville and Wentzville. The Company has additional distribution facilities in Marion, Ohio, North Kansas City, Missouri and Toledo, Ohio.

Request

In order to secure the project, the Applicant is requesting a \$1,500,000 MBDP performance-based grant. The incentive request will help address the cost disadvantage of locating the project in Michigan when compared to competing sites outside of Michigan. This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also benefit the local region with immediate job growth with a large and expanding automotive supplier. This facility will result in the creation of up to 144 new jobs and up to \$55,000,000 in capital investment in the City of Detroit, Wayne County.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2025-013

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
PISTON AUTOMOTIVE, LLC.**

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

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

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

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

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

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

WHEREAS, Piston Automotive, LLC (the “Company”) has requested a performance based MBDP grant of up to \$1,500,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to establish new hydrogen fuel cell manufacturing operations (the “Project”);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs;

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

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

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

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 28, 2025

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

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

PROJECT SUMMARY

Scope of the Project: The Company was awarded a nine-year contract to manufacture hydrogen fuel cells for a major Original Equipment Manufacturer (OEM). To accomplish this, the Company is seeking to lease and renovate a 200,000 square foot facility, hire 144 new workers, and invest \$55 million in capital in Detroit (the “Project Site”). The Company expects to ramp up over the course of the next Five (5) years resulting in an expected creation of at least 144 new jobs at the Project Site and a projected investment of \$55,000,000 by May 31, 2030, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$1,500,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

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

Overall Jobs Commitment: Creation of a minimum of 144 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 282 employees (the “Overall Base”), on May 31, 2030 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after September 9, 2024 (Date of Signed Offer Letter), and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

“Eligible Expenses” means the actual expenditure by the Company on or after September 9, 2024 (Date of Signed Offer Letter) for the Project at the Project Site of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training material

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

The Company may request disbursements on a reimbursement basis for fifty percent (50%) of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than February 28, 2030, together with a certification of the Company's compliance with the Grant Agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

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

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

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

ADDITIONAL STATE REQUIRED TERMS

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen and 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 or portions thereof that I am unable to attend.

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

Sincerely,

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 28, 2025

To: Michigan Strategic Fund Board

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

Subject: *Private Activity Bond – Bond Authorizing
Kraft Avenue Properties, LLC
Manufacturing - \$9,085,000*

Request

Kraft Avenue Properties, LLC (“Kraft Avenue” or the “Company”) is seeking financing to finance the cost of building a manufacturing facility of over 128,000 square feet located in Cascade Charter Township, Michigan, which will be leased to Trane U.S. Inc. (“Trane”) to manufacture HVAC equipment. Trane is a leading supplier of HVAC equipment.

Background

Kraft Avenue Properties, LLC is a Michigan limited liability company that was formed in 2013. Over the last 11 years the company has developed over 29 acres of industrial zoned property. The development included putting a road as well as extending the municipal water and sewer along with necessary drainage.

The land is located in Cascade Charter Township at 5824 Kraft Avenue in Kent County (the “Property”) and was purchased for \$1,200,000. The project consists of constructing a 128,160 square foot building (the “Building”) on the Property (the “Project”). The Company has indicated that all permits for site development and plan approval have been granted. The Company would like to start the Project soon, with a projected completion in summer 2025.

Trane is a leading supplier of HVAC equipment and also provides services in relation to energy, decarbonization and electrification, and environmental quality solutions. Trane began in 1885 as a family plumbing business and has since expanded operations.

The Company anticipates over 100 new jobs being created due to the expansion and product growth of Trane.

The background review policy has been completed in accordance with the MSF Background Review Policy on September 20, 2024.

Plan of Finance:

West Michigan Community Bank is acting as purchaser on this bond issuance.

If the project size remains at \$9,085,000 the MSF issuance fee will be \$22,500.

Recommendation

Based upon a determination by Warner Norcross + Judd LLP, as bond counsel and the State of Michigan Attorney General's Office that the issuance of the bonds complies with state and federal requirements for tax-exempt private activity bond financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount of not to exceed \$9,085,000.

RESOLUTION TO AUTHORIZE THE ISSUANCE OF
MICHIGAN STRATEGIC FUND
LIMITED OBLIGATION REVENUE BOND (KRAFT AVEUNE PROPERTIES
PROJECT),
SERIES 2025 (THE "BOND")

Resolution 2025-014

Background

A. The Michigan Strategic Fund (the "Fund") is authorized by 1984 PA 270, as amended (the "Act"), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act), and to pay the costs of issuing the bonds.

B. Kraft Avenue Properties, LLC, a Michigan limited liability company (the "Obligor"), has requested a loan from the Fund to assist the Obligor in (i)(a) financing and refinancing the costs of constructing an approximately 128,160 square foot manufacturing facility located at 5824 Kraft Avenue, Cascade Township, Kent County, Michigan (the "Building"), and (b) acquiring and installing machinery, equipment, and furnishings for the Building (collectively, the "Project"); and (ii) paying all or a portion of the costs of issuing the Bond. The Project will be owned by Obligor and leased to and operated by Trane U.S. Inc. ("Trane") and used for Trane's manufacture of HVAC equipment.

C. The Obligor has requested the Fund to issue the Bond in a principal amount not to exceed \$9,085,000 pursuant to this resolution (the "Resolution") and a Bond Purchase and Loan Agreement dated as of February 1, 2025 (the "Loan Agreement"), between the Fund, the Obligor, and West Michigan Community Bank, as lender (the "Lender") for the purpose of financing or refinancing the Project and paying all or a portion of the costs of issuance for the Bond.

D. Payment of the principal, premium, if any, and interest on the Bond will be secured by the liens and other security interests granted by the Obligor to the Lender in the Financing Agreement.

E. The Bond will be issued as a single, fully registered bond and will be purchased by the Lender for its own account pursuant to the terms and conditions set forth in the Loan Agreement.

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bond; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bond is authorized.

The terms of the Bond shall be substantially in the form contained in the Loan Agreement, with the changes permitted or required by action of the Fund or the Loan Agreement. The Bond shall bear the manual or facsimile signature of a

member of the Fund's Board of Directors (a "Member") or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an "Authorized Officer"), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bond.

The Bond and the interest and any premium on the Bond are not a debt or obligation of the State of Michigan, Kent County or Cascade Township or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan, Kent County or Cascade Township or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be a limited obligation of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Loan Agreement.

SECTION 2. Approval, Execution, and Delivery of Documents. The form of the Loan Agreement on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved. Any Member and any Authorized Officer are authorized to execute and deliver the Loan Agreement, in substantially the form approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund. Approval of such changes shall be evidenced by such Member's and Authorized Officer's execution of the Loan Agreement.

SECTION 3. Completion of Document Terms. The following terms of the Bond shall be approved by the Member executing the Loan Agreement (as conclusively evidenced by his or her execution of the Loan Agreement):

- a. The maximum principal amount of the Bond shall not exceed \$9,085,000;
- b. The final maturity of the Bond, which shall be not later than thirty (30) years from the date of issuance of the Bond; and
- c. The interest rate for the Bond shall be at such rate or rates as shall be determined from time to time pursuant to the Loan Agreement; provided, however, that the interest rate or rates on the Bond shall in no event exceed the maximum rate of interest permitted by the Loan Agreement.

SECTION 4. Sale and Delivery of the Bond. A Member or an Authorized Officer shall execute, seal, and deliver the Bond upon receipt of the following documents and payment of the purchase price for the Bond by the Lender:

- a. an approving opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General");

- b. an approving opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel;
- c. an approving opinion of the Attorney General; and
- d. an investment letter in form and substance acceptable to the Attorney General from the Lender.

Upon receipt, the proceeds of the Bond to be used to finance the Project shall be paid over to the Obligor to be credited in accordance with the Loan Agreement.

SECTION 5. Designation of Certain Parties. West Michigan Community Bank's acceptance of duties as Lender shall be evidenced by its execution of the Loan Agreement.

SECTION 6. Authorization of Filings, Submissions and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Loan Agreement, or as may be necessary to effectuate the valid issuance, sale, and delivery of the Bond as a tax-exempt bond and otherwise as contemplated by the documents.

SECTION 7. Amendment to Inducement Resolution 2024-167. Inducement Resolution 2024-167 is amended to reflect that the maximum principal amount of the Bond shall not exceed \$9,085,000.

SECTION 8. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bond is not delivered to their original purchaser on or before March 25, 2025, the authority granted by this Resolution shall lapse.

Adopted.

Ayes: Dr. Britany Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Wieferich, designation attached), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

January 28, 2025 Meeting
Lansing, Michigan



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

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

Sincerely,

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: January 28, 2025
To: Michigan Strategic Fund ("MSF") Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Monthly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from December 1, 2024, to December 31, 2024, as well as information about the impact that those projects have had on communities across the state.

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

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

Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from December 1, 2024, to December 31, 2024.

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

MONTHLY IMPACTS

We are pleased to share the December delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout December 2024, 17% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all December approved projects through delegated authority have committed to creating nearly 400 jobs and just nearly \$72.7 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during December 2024, 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
Envergia, Inc.	12/3/2024	Detroit	\$750,000	The Company delivers industry leading efficiency in the recovery of valuable powders and precious metals from battery material wastes and supplies these recovered materials back to the manufacturers. The proposed project will invest \$32,667,000 and create 52 new jobs over five years. The Company intends to lease a space in the City of Detroit and will make substantial leasehold improvements for the project at the project site.
Matrix Consulting Engineers, Inc.	12/5/2024	Lansing	\$385,000	The Company specializes in mechanical and electrical engineering solutions for clients in both the public and private sectors. The Company was formed in 1999 and has always had a presence in Michigan, with 48 employees in the State. The Company plans to invest \$5,120,000 in capital investment and create 55 new jobs over five years, with starting wages at \$25 per hour, which is over and above the Regional Median Wage.
3E Nano, Inc.	12/6/2024	Canton	\$1,000,000	3E Nano, Inc. was founded in 2015 and is a business segment of Brunswick Corporation. The Company leading clean-tech, providing nano-thin energy and solar control coatings for the polymer, glass, and window industries. The Company currently employs two individuals in MI. The Company is looking to establish a United States headquarters and primary manufacturing facility, to keep up with growing demand and new contracts. This project involves the creation of up to 39 Qualified New Jobs and a capital investment of up to \$8,858,746 in Canton Township, Wayne County with the support of a \$1,000,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over the Company's existing facility in Canada, due to Michigan's access to talent and resources needed to help the Company succeed long-term.

Michigan Business Development Program (MBDP) Cont.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Performance Fabrics, Inc. dba HexArmor	12/6/2024	Grand Rapids	\$700,000	HexArmor, Limited Partnership was founded in 2002 & entered an equity partnership with UVEX SAFETY GROUP GmbH & Co. KG, a Germany-based leader of head-to-toe PPE products, in 2016. The Company continues to see growing adoption of & demand for its PPE products, particularly in areas of high-performance hand, body & eye protection products. To keep up with growing demand, the Company intends to add 59,000 square feet across two phases that will enable a tripling of product holding & processing capacity, while also providing additional office space for a growing workforce. This project involves the creation of up to 100 Qualified New Jobs & capital investment of up to \$11,405,000 in the City of Grant Rapids, Kent County with the support of a \$700,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over the Company's existing facility in Canada, due to Michigan's access to talent & resources needed to help the Company succeed long-term.

Capital Access

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

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Field & Fire Cafe	12/6/2024	Grand Rapids	\$49,900	Field and Fire is expanding and in need of additional equipment. Northern Initiatives is working with the company to provide them with capital to purchase new equipment. Due to collateral shortfall NI is requesting assistance from the SSBCI 2.0 CSP.
Sunberry Limited Manufacturing, LLC	12/19/2024	Farmington Hills	\$4,990,000	Sunberry Limited is working with First Merchants Bank to establish an operating line of credit. Due to collateral shortfall, the bank is seeking assistance from the SSBCI 2.0 CSP.

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
Miniature Golf Services by Arne Lundmark dba Adventure Golf Services - Cruise Ship Interiors Expo	12/4/2024	Traverse City	\$6,000
Velocity USA - BESPOKE Manchester	12/10/2024	Grand Rapids	\$1,812
International Strategic Management - GDEI Saudi Arabia Trade Mission	12/12/2024	Bloomfield Hills	\$2,374
Singh Automation - AA Trade Mission to India	12/12/2024	Portage	\$4,750
Singh Automation - IDEX	12/12/2024	Portage	\$3,250
8 Layer Inc. dba Workhorse Irons - Minneapolis Tattoo & Arts Festival & Trade Show	12/19/2024	Grandville	\$1,192
BTM Company, LLC - Fabtech Chicago	12/19/2024	Marysville	\$15,000
Dongan Electric Manufacturing Company - Sales Trip - China & Malaysia	12/19/2024	Fraser	\$2,777
United Precision Products Company - AA Trade Mission to India	12/19/2024	Dearborn Heights	\$3,350
Array of Engineers - Aeromart Montreal	12/20/2024	Grand Rapids	\$1,814
Snow Machines, Incorporated - InterAlpin Austria	12/20/2024	Midland	\$15,000

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval from December 1, 2024, to December 31, 2024.

Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Magna Seating of America Inc. - Project Leo	12/11/2024	Highland Park	Amended to extend Milestone 1 due date from December 31, 2024, to December 31, 2026, and extend grant term from June 30, 2025, to June 30, 2027.
A. Raymond Corporate North America, Inc.	12/11/2024	Rochester Hills	Grant closure, no further funding to be disbursed.

Michigan Community Revitalization Program (MCRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Uptown Reinvestment Corporation, Inc. – Flint YMCA Living	12/18/2024	Flint	Extension of Key Milestone 3 due date from 12/31/2024 to 09/30/2025 via delegated authority of MSF Fund Manager.

Build Mi Communities

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
West Liberty Holdings LLC - 173 W Liberty Redevelopment (BMC) FY24	12/9/2024	Plymouth	Amendment to add co-applicant.

Revitalization and Placemaking Program (RAP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
City of Grand Ledge - Grand Renovations for Downtown Grand Ledge	12/5/2024	Grand Ledge	Updated Federal Language.
The Right Place - Reactivating Lost Spaces	12/10/2024	Grand Rapids	Extended following Milestones Dates: M2- April 30, 2025, M3 - March 31, 2026, M4 - June 20, 2026. Added updated Federal ARPA Language.

Community Development Block Grant (CDBG)

Grants Rural & Infrastructure

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
City of Morenci – Water related Infrastructure	12/11/2024	Morenci	Amend to extend Grant end date to 6/30/2025.

Based Infrastructure Projects

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
City of Ionia - Dog Park/Wireless Speakers	12/11/2024	Ionia	Extend end date to 3/31/2025.
City of McBain - Pine Street Park	12/11/2024	McBain	Extend end date to 6/30/2025.

Sites – s408(3)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
Lansing Economic Area Partnership - SSRP Grant for Bath Twp	12/10/2024	Bath Township	Mutual termination of the SSRP grant.

Financial Data Overview and Terminations



Michigan Business Development Program – Terminations

Project Name	Project Location	Incentive Type	Amount	Termination Date	Reason for Termination	Repayment
Pacific Industrial Development Corporation	Ann Arbor	Grant	\$400,000	12/2/2024	Company unable to meet requirements	\$0.00