



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

July 23, 2024

9:00am

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT**
- III. COMMUNICATIONS**
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- IV. CONSENT AGENDA**
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- V. ATTRACT RETAIN AND GROW BUSINESS**
 - a. The Dow Chemical Company and Dow Silicones Corporation: A resolution to approve a Critical Industry Program performance-based grant in the amount of \$120,000,000, a 10-year extension of an MSF-Designated Renaissance Zone, termination of a Michigan Economic Growth Authority Tax Credit to The Dow Chemical Company, and a 15-year, 100% State Essential Services Assessment Exemption to Dow Silicones Corporation.70
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- VI. ADMINISTRATIVE**
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- VII. INFORMATIONAL**
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STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

GRETCHEN WHITMER
GOVERNOR

KEVIN FRANCCART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

July 9, 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: FY2024 Q3 Report of the Chief Compliance Officer. April 1, 2024 – June 30, 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 third quarter of the 2024 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 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 Evaluation for MSF's Capital Access programs was completed and a phase 3 is being planned to evaluate the Michigan State Trade Expansion Program (MI-STEP). The CCO assisted the MSF and the AG in analyzing a question from a MSF Board member regarding SSBCI Insider regulations and the rules and agreements surrounding both the manner of funding and use of funds by a recipient. The analysis found that the federal regulations would have allowed for segregation of funds allowing an recipient of the SSBCI funds to invest in an MSF Board Member's company (provided all other conflict of interest rules were followed), however the agreements between the MSF and recipients did not allow for the segregation of funds, thus the investment would not be allowable. The CCO coordinated with the FBI in providing services to the MSF, MEDC, and incentive recipients. 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. 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 was 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
July 9, 2024**

Member Present

Quentin L. Messer, Jr.

Members Joined Remotely

Britany L. Affolter-Caine
Director Corbin
Wesley Eklund
Dimitrius Hutcherson
Michael B. Kapp (on behalf of Director Wieferich)
Andrew Lockwood (on behalf of Treasurer Eubanks)
Leon Richardson
Charles P. Rothstein
Susan Tellier
Randy Thelen
Cindy Warner

Absent

Dan Meyering

I. CALL TO ORDER & ROLL CALL

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

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

II. PUBLIC COMMENT

Britany L. Affolter-Caine joined the meeting remotely at 9:02 a.m.

Randy Thelen joined the meeting remotely at 9:02 a.m.

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

Dimitrius Hutcherson joined the meeting remotely at 9:08 a.m.

III. COMMUNICATIONS

Ms. Davenport stated that four (4) communications were emailed to the MSF Board on Friday, June 21st, and Friday, July 5th.

Britany L. Affolter-Caine, recused, left the meeting at 9:15 a.m.

IV. CONSENT AGENDA

Resolution 2024-089, Approval of Consent Agenda Items

Quentin L. Messer Jr. asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Susan Corbin motioned for the approval of the following:

- a. Proposed May 21, 2024, Meeting Minutes
- b. Act 381 Memorandum of Agreement: MSF, EGLE, Treasury, and MSHDA **2024-090**
- c. Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment **2024-091**
- d. Match on Main: FY24 Grantee Selection **2024-092**
- e. CDBG Amendments: Public Gathering Spaces Initiative **2024-093**
- f. 601 West, LLC: Loan Participation Amendment **2024-094**
- g. Billerud U.S. Production Holding, LLC: Delta County Forest Products Renaissance Zone Rescission **2024-095**

Susan Corbin motioned for the approval of Resolution 2024-089 to approve the consent agenda. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes; 0 nays; 1 recused.**

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

Britany L. Affolter-Caine rejoined the meeting remotely at 9:18 a.m.

V. ATTRACT, RETAIN, AND GROW BUSINESS

a. Resolutions 2024-096; 2024-097; 2024-098; 2024-099; 2024-100; 2024-101 Ford Motor Company and Marshall Area Economic Development Alliance Incentives Amendment Requests. Christin Armstrong, Senior Vice President of Business Development Programs and Execution, supported by Terri Fitzpatrick, Senior Real Estate Advisor, Stacy Bowerman, Strategic Projects and Accounts Executive, Jim Durian of Marshall Area Economic Development Alliance, and Tony Reinhart of Ford Motor Company provided the Board with information regarding the requested actions. These actions involve the consideration of six resolutions to approve (1) a Critical Industry Program Grant Amendment, a mutual rescission of a Michigan Strategic Fund Renaissance Zone, a State Essential Services Assessment (SESA) Exemption authorization to exempt the SESA on Eligible Manufacturing Personal Property to Ford Motor Company, on behalf of BlueOval Battery Michigan, LLC, (2) Strategic Site Readiness Program Grant

Amendments for the Marshall Area Economic Development Alliance, and (3) a mutual rescission of a Critical Industry Program Grant and a SESA Exemption Amendment for Ford Motor Company.

Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2024-096 for the Critical Industry Program Grant Amendment to Ford Motor Company. Leon Richardson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Charles P. Rothstein motioned for the approval of Resolution 2024-097 for the mutual rescission of a Michigan Strategic Fund-designated Renaissance Zone to Ford Motor Company, on behalf of BlueOval Battery Michigan, LLC. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Susan Corbin motioned for the approval of Resolution 2024-098 for the State Essential Services Assessment Exemption authorization to Ford Motor Company, on behalf of BlueOval Battery Michigan, LLC. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-099 for the mutual rescission of a Critical Industry Program Grant for Ford Motor Company. Leon Richardson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Cindy Warner motioned for the approval of Resolution 2024-100 for the State Essential Services Assessment Exemption Amendment for Ford Motor Company. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Cindy Warner motioned for the approval of Resolution 2024-101 for the Strategic Site Readiness Program Grant Amendments to the Marshall Area Economic Development Alliance. Dimitrius Hutcherson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

b. Resolutions 2024-102; 2024-103; 2024-104; 2024-105 Gestamp North America, Inc. State Essential Services Assessment Exemptions and Michigan Business Development Program Grant. Amanda Baker, Senior Business Development Manager, supported by Matthew Chasnis, Senior Business Development Project Manager, Susana Tello of Gestamp North America, and Brad Kersten of Chesterfield Township, provided the Board with information regarding these actions. These actions involve the consideration of four resolutions to approve a Michigan Business Development Program Grant in the amount of up to \$5,000,000 to Gestamp North America, Inc., and three 15-year 100% State Essential Services Assessment Exemptions with an estimated value of up to \$5,963,232 to Gestamp Mason, LLC, Gestamp Saint Clair, LLC, and Gestamp Washtenaw, LLC.

Following discussion, Leon Richardson motioned for the approval of Resolution 2024-102 for the approval of the Michigan Business Development Program Grant to Gestamp North America Inc. Quentin L. Messer, Jr., seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Susan Corbin motioned for the approval of Resolution 2024-103 for the approval of a State Essential Services Assessment Exemption to Gestamp Mason, LLC. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius

Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

Charles P. Rothstein motioned for the approval of Resolution 2024-104 for the approval of a State Essential Services Assessment Exemption to Gestamp Saint Clair, LLC. Dimitrius Hutcherson seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-105 for the approval of a State Essential Services Assessment Exemption to Gestamp Washtenaw, LLC. Susan Tellier seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

Randy Thelen left the meeting at 9:57 a.m.

VI. DEVELOP ATTRACTIVE PLACES

a. Resolutions 2024-106 & 2024-107 Broadway Detroit Development II, LLC Michigan Community Revitalization Program Other Economic Assistance Loan and Act 381 Work Plan. Megan McGreal, Senior Community Development Manager, supported by Roger Basmajian of Basco Detroit and David Howell of the Detroit Economic Growth Corporation, provided the Board with information regarding these actions. These actions involve the consideration of two resolutions to approve a Michigan Community Revitalization Program Other Economic Assistance Loan in the amount of up to \$8,219,556 for Broadway Detroit Development II, LLC, and a Brownfield Act 381 Work Plan for eligible activities capped at \$3,455,600 for the City of Detroit Brownfield Redevelopment Authority.

Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2024-106 for the approval of the Michigan Community Revitalization Program Other Economic Assistance Loan. Leon Richardson seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Andrew

Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None.

Cindy Warner motioned for the approval of Resolution 2024-107 for the approval of the Act 381 Work Plan. Quentin L. Messer, Jr., seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

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

b. Resolution 2024-108 Coleman Allen, LLC Michigan Community Revitalization Program Other Economic Assistance Loan Participation. Dominic Romano, Senior Community Development Manager, supported by Ronita and Gregory Coleman and Mayor Tim Greimel of the City of Pontiac, provided the Board with information regarding this action. This action involves the consideration of a resolution to approve a Michigan Community Revitalization Program Other Economic Assistance Loan Participation in the amount of up to \$2,673,400 for Coleman Allen, LLC.

Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2024-108 for the Michigan Community Revitalization Program Other Economic Assistance Loan. Cindy Warner seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

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

VII. SUPPORT SMALL BUSINESS

a. Resolution 2024-109 BerQ US Investments, LLC Private Activity Bond Inducement Amendment. Amber Westendorp, Capital Project and Portfolio Manager, supported by Marty Ryan of BerQ RNG and Amelia Livingway of Dickinson-Wright provided the Board with information regarding this action. This action involves consideration of a resolution to approve a Private Activity Bond Inducement amendment for the addition of two project sites, located in Farewell, Michigan, and Kalamazoo, Michigan, and an increase of the private activity bond in the amount of up to \$235,000,000 to BerQ US Investments, LLC.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-109 for the Private Activity Bond Inducement Amendment. Susan Corbin seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

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

Randy Thelen rejoined the meeting remotely at 10:22 a.m.

b. Resolution 2024-110 eLab Capital Partners III, Michigan Innovation Fund LP State Small Business Credit Initiative (SSBCI) 2.0 Small Business Venture Capital Program.

Chris Cook, supported by Matthew Johnson-Roberson, Trista Van Tine, and Paul Brown of eLab Capital Partners III, provided the Board with information regarding this action. This action involves the consideration of up to \$11 million of SSBCI 2.0 Small Business Venture Capital Program funding in the form of a limited partner investment in eLab Capital Partners III, Michigan Innovation Fund LP.

Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2024-110 to approve the SSBCI 2.0 Small Business Venture Capital Program funding request. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

c. Resolution 2024-111 Side Door Michigan I, LP State Small Business Credit Initiative (SSBCI) 2.0 Small Business Venture Capital Program. Chris Cook, supported by Jeff Jorge, Edward Kim, and Andrew Batey of Side Door Ventures, provided the Board with information regarding this action. This action involves the consideration of up to \$9.8 million of SSBCI 2.0 Small Business Venture Capital Program funding in the form of a limited partner investment to Side Door Michigan I, LP.

Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2024-111 to approve the SSBCI 2.0 Small Business Venture Capital Program funding request. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 0 recused.**

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

VIII. ADMINISTRATIVE

a. Resolution 2024-112 Renaissance Zone Amendment Guidelines. Christin Armstrong, Senior Vice President of Business Development Programs and Execution, provided the Board with information regarding this action. This action involves the consideration of a resolution to approve Renaissance Zone Program Amendment Guidelines.

Cindy Warner motioned for the approval of Resolution 2024-112 to approve Renaissance Zone Program Amendment Guidelines. Quentin L. Messer, Jr. seconded the motion. **The motion**

carried: 12 ayes, 0 nays, 0 recused.

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

IX. INFORMATIONAL

Quentin L. Messer, Jr. noted the Michigan Strategic Fund Delegation of Authority Report for the period May 1, 2024, to May 31, 2024, was included in the meeting packet. There were no questions regarding the report.

Quentin L. Messer, Jr. adjourned the meeting at 10:51 a.m.



July 9, 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 Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting Agenda on Tuesday, July 09, 2024.

- Michigan State University Foundation: Michigan Rise Pre-Seed Fund Amendment

Many thanks –

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

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



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

December 19, 2023

Natalie Davenport
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting and Michigan Strategic Fund Finance
and Investment Subcommittee Designees for Treasurer Eubanks

Dear Ms. Davenport:

On behalf of Treasurer Eubanks, I hereby designate myself and Andrew Lockwood to attend all Michigan Strategic Fund Board Meetings and Michigan Strategic Fund Finance and Investment Subcommittee meetings that Treasurer Eubanks is unable to attend in 2024.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Guilfoyle".

Jeff Guilfoyle
Chief Deputy Treasurer

Cc: Rachael Eubanks, State Treasurer
Eric Bussis
Andrew Lockwood



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

Natalie Davenport (MEDC)

From: shannonfelger@everyactioncustom.com on behalf of Shannon Felger
<shannonfelger@everyactioncustom.com>
Sent: Sunday, June 30, 2024 4:04 PM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

I am writing to urge you to oppose investment in the Copperwood mine. The potential long term harmful impacts of the mine on the community's local economy far outweigh the short-term economic benefits. I do not believe that this project meets the following criteria for the Strategic Site Readiness Program application, as this mine: 1. does not promote sustainable development 2. creates an unacceptable level and extent of environmental contamination and 3. is a poor overall return on investment to Michigan. My opposition is based on the following concerns:

1. Since Copperwood's ore grade is only 1.5%, nearly 99% of what comes out of the ground will NOT be copper. For only 30 pounds of extracted copper, 1,970 of mine waste will be produced. Applying the same ratio to the proposed grant, only \$750,000 would fund copper, while more than \$49M would fund sulfide-bearing, toxic waste, requiring on-site storage and maintenance, forever.
2. Copperwood poses a significant threat to Lake Superior, which contains 10% of the world's surface freshwater. The company's maps clearly show that the best copper is closest to the lakeshore. The proposed location of the tailings facility is dangerously close to Lake Superior and will store over 50 million tons of toxic mine waste and introduce the risk of acid mine drainage.
3. The mine's construction threatens an endangered species protected under Michigan law, the Redside Dace fish. The mine would be permitted to dump up to half a million gallons of wastewater per day into Namebinag Creek, the dwelling place of the Redside Dace.
4. Without adequate environmental protections the proposed mine puts at risk the community's outdoor recreation economy. Outdoor recreation contributes more than 10 times as much to Michigan's economy than mining does.
5. Despite its remote location, the project is opposed by many thousands of people. A petition opposing Copperwood has nearly 12,000 signatures:
<https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.change.org%2Fprotecttheporkies&data=05%7C02%7Cmsfcomments%40michigan.org%7C2dc0285ca49a4c089b7108dc993fd801%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638553747047159042%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6IjEhaWwiLCJXVCI6Mn0%3D%7C60000%7C%7C%7C&sdata=Ty1rtK%2FKpjH%2BLTI8GRQcjqZVLaaWBe%2FJ2VatYKu59uE%3D&reserved=0>

Thank you for the opportunity to comment.

For the Great Lakes,
Ms. Shannon Felger
7214 W Cook Rd Fort Wayne, IN 46818-9472 shannonfelger@yahoo.com

Natalie Davenport (MEDC)

From: ericbrown1950@everyactioncustom.com on behalf of Eric Brown <ericbrown1950@everyactioncustom.com>
Sent: Saturday, June 15, 2024 8:25 AM
To: MEDC MSF Comments
Subject: Comments: No Funding for Copperwood Mine Project

Dear Michigan Strategic Fund Board Comments,

I am writing to urge you to oppose investment in the Copperwood mine. The potential long term harmful impacts of the mine on the community's local economy far outweigh the short-term economic benefits. I do not believe that this project meets the following criteria for the Strategic Site Readiness Program application, as this mine: 1. does not promote sustainable development 2. creates an unacceptable level and extent of environmental contamination and 3. is a poor overall return on investment to Michigan. My opposition is based on the following concerns:

1. Since Copperwood's ore grade is only 1.5%, nearly 99% of what comes out of the ground will NOT be copper. For only 30 pounds of extracted copper, 1,970 of mine waste will be produced. Applying the same ratio to the proposed grant, only \$750,000 would fund copper, while more than \$49M would fund sulfide-bearing, toxic waste, requiring on-site storage and maintenance, forever.
2. Copperwood poses a significant threat to Lake Superior, which contains 10% of the world's surface freshwater. The company's maps clearly show that the best copper is closest to the lakeshore. The proposed location of the tailings facility is dangerously close to Lake Superior and will store over 50 million tons of toxic mine waste and introduce the risk of acid mine drainage.
3. The mine's construction threatens an endangered species protected under Michigan law, the Redside Dace fish. The mine would be permitted to dump up to half a million gallons of wastewater per day into Namebinag Creek, the dwelling place of the Redside Dace.
4. Without adequate environmental protections the proposed mine puts at risk the community's outdoor recreation economy. Outdoor recreation contributes more than 10 times as much to Michigan's economy than mining does.
5. Despite its remote location, the project is opposed by many thousands of people. A petition opposing Copperwood has nearly 12,000 signatures:
<https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.change.org%2Fprotecttheporkies&data=05%7C02%7Cmsfcomments%40michigan.org%7C5efa3d96a2244b125ab108dc8d362b8d%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638540511012716628%7CUnknown%7CTWFpbGZsb3d8eyJWljoImC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IklhaWwiLCJXVCI6Mn0%3D%7C60000%7C%7C%7C&sdata=u2V3bowSSOUGrZEEb1iKvo34Ke5JBUospSOT2fo3fgo%3D&reserved=0>

Thank you for the opportunity to comment.

For the Great Lakes,
Mr. Eric Brown
20 Timber Creek Rd Marquette, MI 49855-9121 ericbrown1950@gmail.com



BerQ RNG
2400 Ansys Drive,
Suite 102
Canonsburg PA 15317
U.S.A.

April 15, 2024

Email (westendorpa1@michigan.org)
Amber Westendorp
Capital Project & Portfolio Manager
Michigan Economic Development Corporation
Michigan Strategic Fund
300 North Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Inducement Resolution 2022-067 (BerQ US Investments, LLC)

Dear Ms. Westendorp:

The Michigan Strategic Fund (“MSF”) issued its Inducement Resolution 2022-067 on April 22, 2022 (“Inducement Resolution”), whereby MSF approved the application made by BerQ US Investments, LLC (“BerQ”) for a loan in the principal amount of up to \$165,000,000 (“Loan”) through the issuance of Bonds by MSF for the purpose of financing the cost of acquisition, construction, installation, and equipping renewable natural gas (“RNG”) facilities at the following location in the State of Michigan: (1) Freeport, Barry County and Fennville, Allegan County (“Brook and Scenic Project”); (2) Hopkins, Allegan County (“Monterey Project”); and Elsie, Clinton County (“Green Meadows Project”).

BerQ wrote to MSF on March 11, 2024 requesting that MSF extend the period to make the Loan and issue the Bonds for two years, expiring on April 22, 2026 (“Extension Date”). The MSF, by resolution on April 16, 2024, approved BerQ’s request for the Extension Date.

BerQ completed and commenced commercial production of RNG at the Brook and Scenic Project in July, 2022, and, accordingly, this project is no longer eligible for financing through the MSF Loan. BerQ requests that the MSF consent to the addition of two new projects in place of the Brook and Scenic Project, as follows: (1) Farwell, Clare County (“Cow Pleasant Project”) and (2) Kalamazoo, Kalamazoo County (“Kalamazoo Project”). The status of the existing approved projects and the proposed additional projects for construction startup and anticipated commercial production are summarized below:

Project	Construction Notice to Proceed	Anticipated Commercial Operation
Green Meadows: Elsie, Clinton County	May, 2024	Third Quarter, 2025
Monterey: Hopkins, Allegan County	June, 2024	Fourth Quarter, 2025
Cow Pleasant: Farwell, Clare County	October, 2024	Fourth Quarter, 2025
Kalamazoo: Kalamazoo, Kalamazoo County	October, 2024	First Quarter, 2026

BerQ placed committed orders for long-lead items and is currently letting construction contracts for these facilities. The present outlay for the remaining project sites is \$16.2 million, and the budget for construction, installation and equipping these RNG sites is \$140.0 million¹ through commercial operation.

BerQ submitted an Application for the Loan on March 8, 2022 (“Application”). BerQ requests that this letter serve as a supplement to the Application, updating Section 4, Description of the Project. The requested Loan amount and Sections 1, 3, 5, and 6 of the Application remain unchanged from the initial Application. BerQ reaffirms the Application, except as amended by this letter.

BerQ requests that MSF approve the request that the Cow Pleasant Project and Kalamazoo Project be added to the scope of the permissible uses of the Loan proceeds. Thank you for consideration of this request. Please do not hesitate to contact me should you have any questions concerning the foregoing.

Very truly yours,



Martin L. Ryan,
 President

¹ As of April 12, 2024.



BerQ RNG
 2400 Ansys Drive,
 Suite 102
 Canonsburg PA 15317
 U.S.A.

June 21, 2024

Email (*westendorpa1@michigan.org*)

Amber Westendorp
 Capital Project & Portfolio Manager
 Michigan Economic Development Corporation
 Michigan Strategic Fund
 300 North Washington Square
 Lansing, MI 48913
 Attention: Private Activity Bond Program

Re: Michigan Strategic Fund Inducement Resolution 2022-067 (BerQ US Investments, LLC)

Dear Ms. Westendorp:

The Michigan Strategic Fund (“MSF”) issued its Inducement Resolution 2022-067 on April 22, 2022 (“Inducement Resolution”), whereby MSF approved the application made by BerQ US Investments, LLC (“BerQ”) for a loan in the principal amount of up to \$165,000,000 (“Loan”) through the issuance of Bonds by MSF for the purpose of financing the cost of acquisition, construction, installation, and equipping renewable natural gas (“RNG”) facilities at the following location in the State of Michigan: (1) Freeport, Barry County and Fennville, Allegan County (“Brook and Scenic Project”); (2) Hopkins, Allegan County (“Monterey Project”); and (3) Elsie, Clinton County (“Green Meadows Project”).

BerQ wrote to MSF on March 11, 2024 requesting that MSF extend the period to make the Loan and issue the Bonds for two years, expiring on April 22, 2026 (“Extension Date”). The MSF approved BerQ’s request for the Extension Date by resolution on April 16, 2024.

MSF requested an update to the status of operating sites in Michigan, namely Brook View and Scenic View (“Operating Sites”).

Table 1 (Operating Sites)

Project	Location	Commercial Op0erations Date	Waste Type	Daily Production (MMBtu per day) ¹
Brook View	10560 Freeport Avenue, Freeport, MI, 49325	June, 2022	Dairy manure	153
Scenic View	1510 62 nd street, Fennville, MI, 49408	June, 2022	Dairy manure	180

The Operating Sites are producing renewable natural gas (“RNG”) for transportation fuel sourced from biomethane from dairy farms. The Operating Projects are using anaerobic digesters at the farm

¹ Trailing 12 month rolling average

Amber Westendorp
Michigan Strategic Fund
June 21, 2024
Page 2

locations to capture raw biogas and then clean, upgrade, and compress it. RNG from the Operating Sites is being used to fuel trucks, buses, and other vehicles operating on compressed natural gas in California. RNG is transported through local, state, and/or interstate pipelines. The Operating Sites are currently deriving revenue from the sale of environmental attributes consisting of renewable identification numbers (“RINs”) under the and Low Carbon Fuel Standard program (“LCFS”), both of which are renewable fuels standard program. The Project Sites have constructed and obtained all of the necessary permits and have been operating since Q2, 2022, producing in excess of 220,000 MMBtu of RNG since reaching commercial operation.

Very truly yours,



Martin L. Ryan
President



MEMORANDUM

Date: July 23, 2024

To: Michigan Strategic Fund Board

From: Rob Garza, Director, Statutory Analysis
Emma Stasek, Business Development Manager

Subject: Request for Approval of an Act 381 Work Plan Amendment #2
Michigan International Technology Center Redevelopment Authority
Parcel 15 Redevelopment Project

REQUEST

The Michigan International Technology Center Redevelopment Authority (the “MITC”) is requesting an amendment to a Brownfield Act 381 Work Plan previously approved for state tax capture for MSF eligible activities in the amount \$16,401,326. The amendment proposes to add new eligible activities and increase the authorized capture to \$17,587,018. The request will support the redevelopment of the most challenging parcel within the MITC boundary.

PROJECT BACKGROUND

The project was originally approved for state tax capture for Act 381 eligible activities in the amount of \$15,637,752 by the Michigan Strategic Fund Board (MSF) Board on February 22, 2022, and amended on April 16, 2024, to increase the approval of state capture to \$16,401,326.

On October 1, 2018, the MITC was created via interlocal agreement between the Charter Township of Northville Brownfield Development Authority and the Plymouth Township Brownfield Redevelopment Authority to redevelop the properties that formerly housed the Detroit House of Corrections and assume the responsibilities of a joint Brownfield Redevelopment Authority. It was anticipated that individual projects would be submitted for consideration via Work Plan amendments in the future in order to facilitate development on this extremely challenging site. The original project consisted of the new construction of a 65,952 square foot, commercial flex space development and associated infrastructure improvements. The first amendment request included the development of a commercial lumber yard on the western approximately 27 acres of Parcel 9 that will further attract development of the MITC Redevelopment Area and serve as a buffer development between the other parcels and the large landfill west of Napier Road. This amendment will involve the new construction of an approximately 159,351-square-foot Meijer retail and grocery store on parcel 15, which previously housed the Wayne County detention center. The project is anticipated to be complete by June 2026.

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. The eligible property for this project is qualifying as a facility. An MSF Eligible Activities and Tax Capture Summary are included in Appendix A.

Applicant Background / Qualifications

The applicant is the MITC, which as described above is a joint brownfield redevelopment authority formed to redevelop the properties that formerly housed the Detroit House of Corrections. Approval of this request will allow taxes to be captured from the new investment on the brownfield site which will help MITC to pay down debt related to the existing infrastructure investments supporting the larger brownfield site as well as provide reimbursement for new infrastructure improvement and site preparation costs to support the development of the Meijer store. Meijer, Inc. plans to redevelop parcel 15 at the MITC to add a retail outlet in Plymouth Township, making back lots available to advanced technology and manufacturing businesses. Meijer was founded in 1934 in western Michigan and continues to operate as a family business headquartered in Grand Rapids, Michigan. They operate more than 500 stores in Michigan, Ohio, Indianan, Illinois, Kentucky and Wisconsin. Community impact and philanthropy are important to Meijer, and they strive to be strong community members not only in the quality of their stores and products, but also with the help of charitable donations such as the Meijer Team Gives program.

To date, seven properties within the MITC boundary have been sold for development or have signed purchase agreements, including Nel Hydrogen and a company that will potentially seek MSF support through a future amendment to this Work Plan. There are approximately 450 out of 800 acres that remain undeveloped.

The background review process was completed in accordance with the MSF Background Review Policy on May 31, 2024.

RECOMMENDATION

MEDC staff recommends amending the Work Plan approval to increase state tax capture for Act 381 eligible activities from a capped amount of \$16,401,326 to \$17,587,018 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 Charter Township of Plymouth has duly approved a brownfield plan amendment for this property on March 26, 2024, and approved by the Charter Township of Northville on March 21, 2024. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 7, 2024.

There are currently a maximum of 49.2059 non-homestead mills available for capture, with State mills from school operating and SET millages equaling a maximum of 24 mills (48.77%) and local millage equaling a maximum of 25.2059 mills (51.23%). Tax increment capture began in 2021 and is estimated to continue for 30 years. The state tax capture is recommended to be capped at \$17,587,018, which is the amount of tax increment revenue anticipated to be generated in 30 years. Total MSF eligible activities are estimated at \$42,575,862, but a maximum of \$37,754,443 is estimated to be reimbursed. The available millages have varied since the initial approval of this Work Plan, which has impacted the tax capture ratio and the blended ratio is shown below. MSF eligible activities breaks down as follows:

<u>CURRENT PROJECT</u>		
State tax capture	(48.95%)	\$ 16,401,326
Local tax capture	(51.05%)	\$ 17,102,418
TOTAL		\$ 33,503,744

<u>AMENDED PROJECT</u>		
State tax capture	(46.58%)	\$ 17,587,018
Local tax capture	(53.42%)	\$ 20,167,425
TOTAL		\$ 37,754,443

COST OF MSF ELIGIBLE ACTIVITIES (CURRENT PROJECT)

Demolition (approved)	\$	842,812
Infrastructure Improvements (approved)		23,433,142
Site Preparation (approved)	+	6,055,594
Sub-Total	\$	30,331,548
Contingency	+	3,238,731
Sub-Total	\$	30,331,548
Brownfield/Work Plan Preparation		22,500
Brownfield/Work Plan Implementation	+	35,000
TOTAL	\$	33,627,779

COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)

Demolition (approved)	\$	842,812
Demolition (new)		328,372
Asbestos Abatement		677,400

Infrastructure Improvements (approved)	23,433,142
Infrastructure Improvements (new)	1,643,250
Site Preparation (approved)	6,055,594
Site Preparation (new)	<u>5,131,920</u>
Sub-Total	\$ 38,112,490
Contingency	+ 4,405,872
Sub-Total	\$ <u>42,518,362</u>
Brownfield/Work Plan Preparation	22,500
Brownfield/Work Plan Implementation	+ 35,000
TOTAL	\$ <u>42,575,862</u>

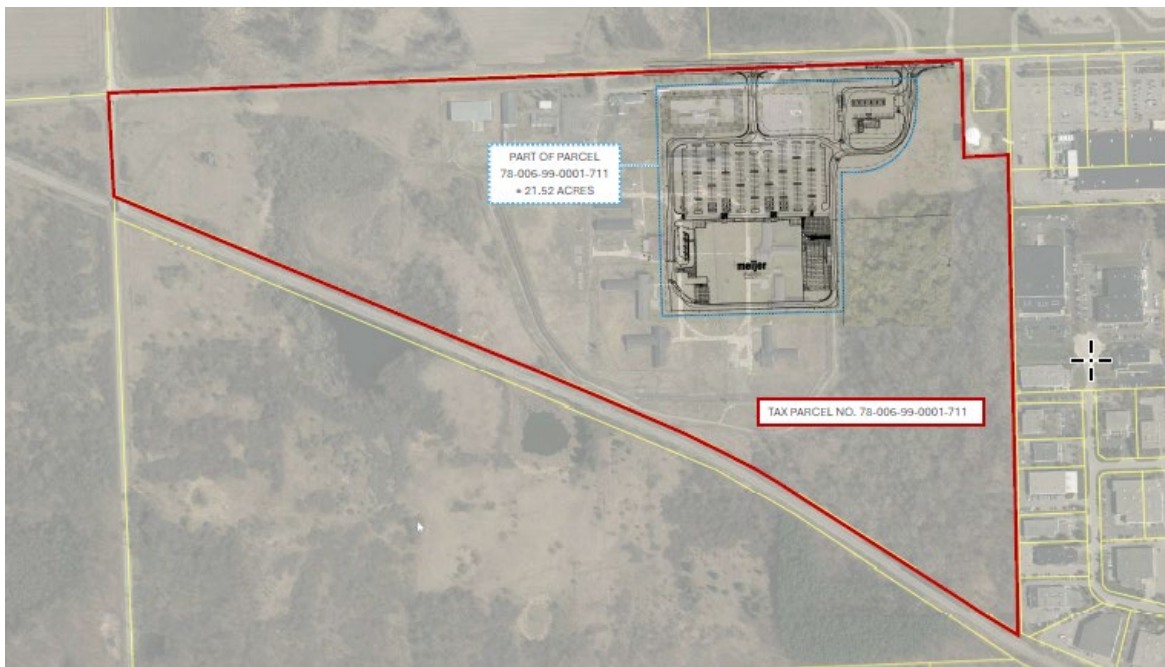
In addition, the project is requesting from EGLE \$4,301,642 in TIF to assist with environmental eligible activities.

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 new project will create additional jobs and redevelop the most challenging parcel within the MITC Boundary.
- b) **Jobs Created (Excluding Construction and other Indirect Jobs):**
 The Meijer Parcel 15 project will create a minimum of 300 full-time equivalent jobs with an average hourly rate of \$17.20. The combined projects within the plan anticipate the creation of 670 full-time equivalent jobs with an average hourly rate of \$24.07.
- c) **Area of High Unemployment:**
 The Detroit-Livonia-Dearborn seasonally unadjusted jobless rate was 4.3% in March 2024.
- d) **Level and Extent of Contamination Alleviated:**
 The developer will perform Due Care to mitigate exposure to any remaining contamination.
- e) **Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:**
 The project is not qualifying as functionally obsolete or blighted.
- f) **Whether Project will Create a New Brownfield Property in the State:**
 The project is not anticipated to create a new brownfield property.
- g) **Whether the Project is Financially and Economically Sound:**
 From the materials received, the MEDC infers that the project is financially and economically sound.
- h) **Other Factors Considered:**
 No additional factors need to be considered for this project.

APPENDIX B – MITC Map



MICHIGAN STRATEGIC FUND

RESOLUTION 2024-114

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
MICHIGAN INTERNATIONAL TECHNOLOGY CENTER REDEVELOPMENT
AUTHORITY
PARCEL 15 REDEVELOPMENT PROJECT
AMENDMENT #2**

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 Parcel 13 Redevelopment Project (the “Project”), by Resolution 2022-034 on February 22, 2022, and amended the Brownfield Work Plan by Resolution 2024-064 on April 16, 2024, authorizing the Michigan International Technology Center Redevelopment Authority (the “Authority”) to capture taxes levied for school operating purposes based on a maximum of \$29,532,243 in eligible activities;

WHEREAS, the MSF Board amended the Brownfield Work Plan by Resolution 2024-064 on April 16, 2024, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of \$33,503,744 in eligible activities;

WHEREAS, the Authority wishes to amend the scope of the Project by including the new construction of an approximately 159,351 square-foot grocery and retail store and increasing the maximum amount for eligible costs;

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 46.58% to 53.42% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, asbestos abatement and infrastructure improvements as presented in the revised Brownfield Work Plan dated April 1, 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 \$42,518,362 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$35,000 for brownfield and work plan implementation, and a maximum of \$22,500 for brownfield and work plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$17,587,018.

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 Townships 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 Resolutions 2022-034 and 2024-064 are reaffirmed and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferrich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024



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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: July 23, 2024

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Michigan Community Revitalization Program Agreement Amendment #3
Bagley Forest Property, LLC

Request

Bagley Forest Property, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (MCRP) Direct Loan Agreement and any related ancillary agreements (“Agreement”). The amendment request includes a request to convert payments on the loan from monthly interest only payments with annual debt service coverage dependent principal payments to annual total debt service coverage payments. Annual payments to the MSF will not exceed \$43,334. All other terms of the current Agreement will remain materially unchanged.

Background

The Michigan Strategic Fund Board (MSF) approved a \$1,300,000 MCRP Grant Award and Brownfield Tax Increment Financing with state reimbursement valued at \$373,801 on November 28, 2017, to the Company for the purpose of redeveloping two buildings into mixed-use mixed-income development with 10 residential units and 20,500 square feet of retail in the Avenue of Fashion district of Detroit.

An amendment to the project was approved on May 22, 2018, to waive the Minimum Owner Equity Investment parameter in which the “Owner” is required to invest a minimum of 10% of the Total Development Costs (net of developer and other related party fees). The request was driven by a reclassification of an equity contribution to subordinate debt.

An amendment to the project was approved on July 28, 2020, to convert the MCRP award from a grant to a loan. The change was made to spread out the liability associated with the MCRP Award, while potentially returning valuable capital back to the State that can be redeployed.

The Company is requesting to convert payments on the loan from monthly interest only payments with annual debt service coverage dependent principal payments to annual total debt service coverage payments. The amended repayment structure will allow additional financial flexibility to the project. Staff is supportive of the request due to the ongoing financial commitment of the developer and the lenders on the project.

The project was the first of its kind in a neighborhood of the city which had seen consistent disinvestment. It has been a tremendous asset to the community but has faced some challenges with maintaining occupancy within the commercial space. Many of the tenants are small independent businesses that have struggled to be sufficiently capitalized and have faced difficulties hiring competent contractors to build out their spaces. This has led to the developer having to contribute additional capital to support the project. The development

team has worked diligently to fill the commercial space and has 5 of 8 spaces either leased or under LOI. Additionally, the development team has worked with their lender to secure payment deferrals to allow them to complete tenant buildouts for the remaining spaces.

The proposed change will bring the Company back into compliance with the terms of the agreement.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Direct Loan Agreement as presented above.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-115

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM DIRECT LOAN AWARD FOR
BAGLEY FOREST PROPERTY, LLC**

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

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

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

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

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

WHEREAS, by Resolution 2017-200 on November 28, 2017, the MSF Board awarded a performance based grant up to the lesser of 25% of “Eligible Investment” or \$1,300,000 (“Award Request”), along with other general terms and conditions, to Bagley Forest Property LLC in the furtherance of the Liv7 Project (“Applicant”);

WHEREAS, on March 23, 2018, the MSF Fund Manager approved an extension of the deadline to execute the MCRP agreement to April 27, 2018;

WHEREAS, by Resolution 2018-064 on May 22, 2018, the MSF Board approved a waiver of the Minimum Owner Equity Investment parameter as the original equity contribution was deemed to be subordinate debt secured by the property of the project;

WHEREAS, by Resolution 2020-090 on July 28, 2020, the MSF Board approved an amendment to convert the \$1,300,000 MCRP Grant Award to a MCRP Performance Based Direct Loan (the “Direct Loan”);

WHEREAS, the Applicant is requesting and the MEDC recommends that the MSF Board approve an amendment to the Direct Loan to modify the payments on the Direct Loan from monthly interest only payments with annual debt service coverage dependent principal payments to annual total debt service coverage payments. Annual payments to the MSF will not exceed \$43,334. All other terms of the current Direct Loan agreement will remain materially unchanged.

Execution of the Transaction Documents for the requested amendment must be completed within 240 days of the date of this Resolution, or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 120 days (“MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024

“EXHIBIT A”

LOAN TERMS

MSF Facility:	MCRP Performance Based Direct Loan
Borrower:	Bagley Forest Properties LLC
Loan Amount:	Lesser of 25% of “Eligible Investment” or \$1,300,000
Interest Rate:	1.00% per annum
Term:	To match that of the Senior Lender, anticipated to be 120 months
Repayment Terms:	Annual principal payments equal to an amount necessary to maintain a 1.20 DSCR on debt (Capital Impact Partners \$4.5M, Invest Detroit \$1.1M, DEGC \$200K, and MCRP \$1.3M), not to exceed \$43,334 in principal paydown.
Collateral:	Unsecured
Guarantee:	Limited guarantee of Matthew Hessler, limited to statutory defaults
MSF Fees:	N/A
Funding:	The MSF will fund up to \$1,300,000 to be disbursed following construction completion and completion of other performance criteria.



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



January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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



MEMORANDUM

Date: July 23, 2024

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

From: Jeremy Webb, Strategic Projects Advisor
Brenda Stewart, Sr. Business Development Manager

Subject: Reauthorization of Performance-based Grants Request
Michigan Business Development Program (“MBDP”) and Jobs Ready Michigan
Program (“JRMP”)
Gentex Corporation (“Company”)

Background

On July 26, 2022, the MSF approved a MBDP performance-based grant in the amount of \$5.5 million, a JRMP performance-based grant of \$1.89 million, and a 15-year, 100% State Essential Services Exemption valued at up to \$3.9 million, for the Company. The MBDP and JRMP approvals required that an Agreement be entered into within 120 days of the date of the approval, and may be extended for an additional 60 days with approval from the MSF Fund Manager.

In early 2023, the Company indicated that there was potential for further expansion outside of Zeeland. The Company decided to lease a temporary location in Grand Rapids to test the talent pool while they were evaluating a vacant, 6-acre property in Grand Rapids as a potential permanent location to assist in the diversification of its employee base. While pursuing the vacant property, the Company discovered brownfield contamination and has hired a consulting firm for support while working with the city of Grand Rapids on the potential to rezone the property. Both of these events, along with applying for permitting through the Michigan Environment, Great Lakes, and Energy for its Ottawa County on-site daycare facility, have delayed the initial timeline for the potential Grand Rapids project. As a result, it has taken longer than expected to be in a position to execute the agreements within the 180-day timeframe and additional time is being requested of the MSF. It is anticipated that both parties will be in a position to execute the agreement within the allotted reauthorization timeline.

The Company recently celebrated 50 years in operation along with achieving \$2 billion in sales. In recent years, the Company has continued to develop and acquire new technology, expanding its customer base and industry reach. This has continued to put pressure on the Company to evaluate the best location(s) to be in to support its long-term growth.

Other than the following, the terms of this reauthorization request match the terms of the July 26, 2022 approval by the MSF Board: (1) the start date for job creation measurement, as well as the start date for measurement of eligible activity investment, has been added to reflect the original MSF Approval date of July 26, 2022 and (2) reduce the disbursement period from three years to two years.

Summary

This is a reauthorization request for a \$5.5 million and \$1.89 million performance-based grants. This project involves the creation of 500 Qualified New Jobs and a capital investment of up to \$300 million in Ottawa County, Michigan.

The Company has demonstrated a need for the funding and considered various locations throughout the United States. The Company evaluated implementation costs, long-term cost of doing business, and incentives available in other states when determining where to locate. Further explanation of need is also included in the considerations section.

Company Background

The Company was incorporated as a Michigan corporation in 1974. The Company designs, develops, manufactures, markets, and supplies digital vision, connected car, dimmable glass, and fire protection products, including automatic-dimming rearview and non-dimming mirrors and electronics for the automotive industry; dimmable aircraft windows for the aviation industry; and commercial smoke alarms and signaling devices for the fire protection industry. The Company's largest business segment involves designing, developing, manufacturing and marketing interior and exterior automatic-dimming automotive rearview mirrors that utilize proprietary electrochromic technology to dim in proportion to the amount of headlight glare from trailing vehicle headlamps. Within this business segment, the Company also designs, develops and manufactures various electronics that are value added features to the interior and exterior automotive rearview mirrors as well as electronics for interior visors, overhead consoles, and other locations in the vehicle. The Company ships its products to all of the major automotive producing regions worldwide, which it supports with numerous sales, engineering and distribution locations worldwide.

The MEDC legal unit has completed a civil and criminal background check for the entity and individuals related to this project.

Considerations

- a) The Applicant is a "Qualified Business", as defined in MCL 125.2088r(9)(b), that is located and operates in Michigan.
- b) The project will be located in the city of Zeeland and Zeeland Charter Township, Ottawa County. Zeeland Charter Township has offered a "staff, financial, or economic commitment to the project" in the form of expedited permit processing.
- c) The Applicant has demonstrated a need for the funding. When presented with a growth trajectory exceeding the Company's existing locations, the Company considered adding facilities in South Carolina, Alabama, Tennessee, Ohio, and Virginia. Historically, the Company has solely invested in Michigan. However, due to COVID-19 and being considered non-essential for a period of time, the Company began looking at its risk perspectives for future investment. The other states provided comprehensive incentive proposals to the Company which, coupled with mitigating the risk perspectives, made the Company take a more serious look at establishing a presence outside of Michigan.
- d) The Applicant plans to create 500 Qualified New Jobs above a statewide base employment level of 4,839.
- e) Pursuant to the program guidelines, the following was taken into consideration for the proposed project: project is not a retail project; project is not a retention project; involves out-of-state competition; product diversification; has a net positive return to Michigan; and level of investment.

Recommendation

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

- a) Approval of the MBDP Proposal as outlined in the attached term sheet (collectively, “MBDP Proposal”);
- b) Approval of the JRMP Proposal as outlined in the attached term sheet (collectively, “JRMP Proposal”);
- c) Closing the MBDP Proposal and JRMP Proposal, subject to available funding under the MBDP and JRMP at the time of closing (“Available Funding”), satisfactory completion of due diligence (collectively, “Due Diligence”), finalization of all MBDP and JRMP transaction documents; and
- d) Commitment will remain valid for 120 days with approval for the MSF Fund Manager to extend the commitment an additional 60 days.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-116

**REAUTHORIZATION OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT TO GENTEX CORPORATION**

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 \$5,500,000 MBDP performance based grant (the “Award”) to Gentex Corporation (the “Company”) on July 26, 2022 to expand its high-tech manufacturing and distribution in Ottawa County in accordance with the term sheet attached as Exhibit A (the Term Sheet);

WHEREAS, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Innovation MBDP because the Company committed to the creation of at least 25 Qualified New Jobs and Project falls within motor vehicle parts, an innovation industry;

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

None: None

Recused: None

Lansing, Michigan
July 23, 2024



DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Michigan Business Development Program (“MBDP”).

Date: May 31, 2024

Company Name:	Gentex Corporation and/or its affiliates and subsidiaries.
Project Location:	Ottawa County
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$5,500,000
Base Employment Level:	At least 4,839, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs (“QNJ”):	Up to 500 Full-Time Jobs in at the Project Location
Municipality Supporting Project:	Zeeland Charter Township has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	July 26, 2022 (Date of MSF Approval)
Term of the Agreement:	October 31, 2025
Milestone Based Incentive:	Disbursements will be made over a two-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$11,000 per QNJ for the creation of a minimum of 78 jobs up to a maximum of 111 jobs. \$11,000 per QNJ for the creation of a minimum of 162 jobs up to a maximum of 231 jobs. \$11,000 per QNJ for the creation of a minimum of 350 jobs up to a maximum of 500 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.



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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®

**MICHIGAN STRATEGIC FUND
RESOLUTION 2024-117**

**REAUTHORIZATION OF A JOBS READY MICHIGAN PROGRAM GRANT TO
GENTEX CORPORATION**

WHEREAS, the Michigan legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (“MSF Act”) to enable 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, pursuant to the MSF Act, specifically MCL 125.2088(b)(2)(c), funds appropriated to the MSF under the Michigan Business Development Program (“MBDP”) are authorized to be expended for programs or activities authorized under the MSF Act, so long as the programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable milestones;

WHEREAS, on April 23, 2019, via MSF Resolution 2019-066, the MSF (i) created the Jobs Ready Michigan Program (“JRMP”) by transferring funds from the MBDP to fund grants to eligible business applicants to support talent recruitment or training needs to retain or create jobs, and (ii) adopted the guidelines for the JRMP (the “Guidelines”);

WHEREAS, the MSF Board approved a \$1,890,000 JRMP performance based grant (the “Award”) to Gentex Corporation (the “Company”) on July 26, 2022 to expand its high-tech manufacturing and distribution in Ottawa County in accordance with the term sheet attached as Exhibit A (the Term Sheet);

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

WHEREAS, the Company is requesting that the MSF Board reauthorize the Award (the Reauthorization Request) and the MEDC recommends that the MSF Board approve the Reauthorization 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 a grant agreement in accordance with the MSF Act and the Guidelines, 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 “JRMP Award Recommendation”).

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

BE IT FURTHER RESOLVED, the MSF Fund Manager, or the MSF President, is directed to negotiate the terms and conditions and execute all final documents necessary to effectuate the JRMP Award Recommendation in accordance with the MSF Act and the Guidelines.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferrich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024



EXHIBIT A
JOBS READY MICHIGAN PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Jobs Ready Michigan Program (“JRMP”).

Date: May 31, 2024

Company Name:	Gentex Corporation and/or its affiliates and subsidiaries.
Project Location:	Ottawa County
JRMP Incentive Type:	Performance Based Grant
Maximum Amount of JRMP Incentive:	Up to \$1,890,000
Start Date for Measurement of Eligible Activities:	July 26, 2022
Term of the Agreement:	October 31, 2025
Milestone Based Incentive:	Disbursements will be made over a two-year period and will be performance based on job creation as follows: Milestone 1: Up to \$419,580 based on \$3,780 per employee upon demonstrated documentation of the completion of the fully trained and certified program. Milestone 2: Up to \$453,600 based on \$3,780 per employee upon demonstrated documentation of the completion of the fully trained and certified program. Milestone 3: Up to \$1,016,820 based on \$3,780 per employee upon demonstrated documentation of the completion of the fully trained and certified program.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.



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,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: July 23, 2024

To: Michigan Strategic Fund Board

From: Lori Mullins, Vice President Place Incentives

Subject: Request for Approval of Revitalization and Placemaking Grant Agreement Amendments

Request

On December 7, 2021, the Michigan Strategic Fund (“MSF”) Board authorized the Revitalization and Placemaking (“RAP”) Program to deploy \$100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities through rehabilitation of vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining and place-based public spaces.

All RAP awards are structured as grants that provide up to 50 percent of a project’s eligible costs and require performance milestones and reporting. Awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 and comply with its attendant federal regulations, 31 CFR 35, as may be amended from time to time.

Federal Guidance has recently been updated to allow existing RAP agreements to be increased to account for change orders or contract contingencies so long as: 1. the increased costs are not considered new obligations and 2. the amended contract is within substantially the same scope accomplishing substantially the same purpose as the original contract. Furthermore, under this Federal guidance, the additional funds must come from existing program funds already available or from a reallocation of funds from projects that are under budget or are no longer feasible.

In order to take advantage of this new benefit and avoid having to return funds to the Federal Department of Treasury, the MEDC is requesting authority amend RAP grant agreements to expressly provide for change orders or contract contingencies as may be necessary to support the project in compliance with the new Federal guidance. Staff is also requesting authority to reallocate program funds to support these increases as funds become available and in compliance with the Federal guidelines (the “Amendment Language and Reallocation Request”).

In addition, for many RAP Grant Agreements there is a July 31, 2024 deadline for submission of the first disbursement milestone, staff is requesting the ability to amend this milestone to a date acceptable to the MSF Fund Manager, but no later than November 15, 2024. This will allow certain RAP grantees to complete additional activities, incurring greater eligible costs – which allows for more efficient distribution of the Federal funds prior to December 31, 2026, the date by which per federal deadlines require all RAP funds to be expended by. Staff is also requesting authorization for the MSF Fund Manager to amend other disbursement milestone dates as necessary to administer the program and as allowed within the ARPA Regulations (the “Milestone Date Changes.”).

Background

On December 7, 2021, the Michigan Strategic Fund (“MSF”) Board authorized the Revitalization and Placemaking (“RAP”) Program to deploy \$100 million in American Rescue Plan funding. All RAP awards are structured as grants that provide up to 50 percent of a project’s eligible costs and require performance milestones and reporting. Awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 and comply with its attendant federal regulations, 31 CFR 35, as may be amended from time to time. Grant awards may be made directly to individual projects, or to local or regional partner organizations for regranting as part of a coordinated subgrant program.

On September 7, 2022, the MSF approved the first slate of grants under the RAP Program. To date, all RAP Program funding has been allocated. All RAP funds must be expended by December 31, 2026, per federal deadlines.

Recommendation

The MEDC Staff recommends approval of the Amendment Language and Reallocation Request and authorization for the requested Milestone Date Changes.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-118

APPROVAL OF REVITALIZATION AND PLACEMAKING (RAP) GRANT AGREEMENT AMENDMENTS

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, the State of Michigan fiscal year 2022 budget was approved with \$100 million allocated to community revitalization and placemaking investments that will enable population and tax revenue growth through the revitalization and repurposing of vacant, underutilized, blighted or historic buildings and place-based infrastructure (the “RAP Funds”);

WHEREAS, on December 7, 2021 by Resolution 2021-154, the MSF Board has approved the Revitalization and Placemaking Program (“RAP Program”) and the RAP Program Guidelines as amended on February 22, 2022 by Resolution 2022-029 (“RAP Guidelines”) to address the impacts of COVID-19 by investing in projects that rehabilitate vacant and blighted buildings and historic structures and the development of permanent place-based infrastructure associated with social zones and traditional downtowns, outdoor dining, and place-based public spaces;

WHEREAS, all RAP Program awards are structured as grants that provide up to 50 percent of a project’s eligible costs and require performance milestones and reporting. Awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 and comply with its attendant federal regulations, 31 CFR 35, (the “ARPA Regulations”) as may be amended from time to time;

WHEREAS, ARPA Regulations have recently been updated to allow for agreements to be amended for change orders and contract contingencies and RAP Funds to be reallocated after the obligation deadline under certain circumstances as long as the agreements include specific amendment language (the “Amendment Language and Reallocation Authorization”);

WHEREAS, in order to ensure that all of the RAP Funds are used most efficiently to support RAP projects in Michigan, the MEDC recommends support for addition of the Amendment Language and Reallocation Authorization to all RAP Agreements in compliance with ARPA Regulations;

WHEREAS, the MEDC also recommends giving the MSF Fund Manager authorization to amend the first disbursement milestone deadlines within any RAP Agreement to a date no later than November 15, 2024, and to extend other milestone dates as necessary to account for construction delays and as necessary to administer the RAP Program within the ARPA Regulations, but no longer than 6 months (the “Milestone Date Changes”);

WHEREAS, the MEDC also recommends giving the MSF Fund Manager authorization to increase the award amount of existing RAP Program awards to account for change orders or contract contingencies so long as the increased costs comply with updated ARPA Regulations, including requiring that the increases are not new obligations, the amended contract is within substantially the same scope accomplishing substantially the same purpose as the original contract, and the additional funds come from existing RAP Funds already available or from a reallocation of RAP Funds from RAP Program awards that are under budget or are no longer feasible (the “Reallocation Authorization”);

WHEREAS, the MSF Board wishes to approve the Amendment Language and Reallocation, Milestone Date Changes and Reallocation Authorization (collectively, the “RAP Amendment Recommendations”); and

WHEREAS, by Resolution 2021-155, 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 RAP Program.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board authorizes approval of the RAP Amendment Recommendations.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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DEPARTMENT OF TRANSPORTATION
LANSING

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January 3, 2023

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: July 23, 2024

TO: Michigan Strategic Fund Board

FROM: Matthew Casby, Senior Advisor and MSF Fund Manager

SUBJECT: Revisions to the regular schedule of meetings

At its October 24, 2023 meeting, this Board approved its 2024 schedule of regular meetings by Resolution 2023-169. It is recommended that the Board adopt the revised schedule of regular meetings attached as Exhibit A. Under the revised schedule, the meeting start time will change from 10:00am to 9:00am.

Pursuant to MCL 15.265(3), a public notice stating the new dates, times, and places of the Board's regular meetings shall be posted within three days of this recommendation being adopted.

Attachments: Revised 2024 schedule of regular meetings.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-119

APPROVAL OF REVISED 2024 SCHEDULE OF MSF REGULAR MEETINGS

WHEREAS, Public Act 270 of 1984, MCL 125.2001 *et seq.* (the “MSF Act”), established the Michigan Strategic Fund (“MSF”);

WHEREAS, under Section 5(10) of the MSF Act, MCL 125.2005(10), MSF Board meetings are conducted in accordance with the Michigan Open Meetings Act, MCL 15.261 *et seq.*, (the “OMA”) and the Michigan Strategic Fund Act, MCL 15.2001 *et seq.*,

WHEREAS, under Section 5(2), MCL 15.265(2), of the OMA, for regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings;

WHEREAS, on October 24, 2023 per Resolution 2023-169, the MSF Board approved a regular schedule of meetings for the 2024 calendar year;

WHEREAS, under Section 5(3), MCL 15.265(3), of the OMA, if there is a change in the schedule of regular meetings of a public body, there shall be posted within 3 days after the meeting at which the change is made, a public notice stating the new dates, times, and places of its regular meetings; and

WHEREAS, the MSF Board wishes to adopt the revised schedule of regular meetings attached hereto as Exhibit A (the “Revised Schedule”);

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Revised Schedule.

BE IT FURTHER RESOLVED, within 3 days of this meeting, the Revised Schedule shall be posted online, at principal office of the MSF, and any other locations considered appropriate by the MSF.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024

MICHIGAN STRATEGIC FUND

*Michigan Economic Development Corporation
300 N. Washington Square, Lansing, Michigan 48913
Lake Michigan Conference Room, 1st Floor*

2024 Meeting Dates

Tuesday, January 23, 2024
10:00am
Tuesday, February 27, 2024
10:00am
Tuesday, March 26, 2024
9:00am
Tuesday, April 16, 2024
9:00am
Tuesday, May 21, 2024
10:00am
Tuesday, July 9, 2024
9:00am
Tuesday, July 23, 2024
9:00am
Tuesday, August 27, 2024
9:00am
Tuesday, September 24, 2024
9:00am
Tuesday, October 22, 2024
9:00am
Tuesday, December 10, 2024*
9:00am

*Combined November/December Meeting

The Zoom Webinar link and dial-in for monthly MSF Board meetings can be found at
<https://www.michiganbusiness.org/about-medc/michigan-strategic-fund/>.

If you are a presenter or SME requiring a "Panelist" meeting link, please contact the MSF Administrator,
Natalie Davenport, at davenportn3@michigan.org.



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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2024-113

**APPROVAL OF THE JULY 23, 2024, 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 July 9, 2024, Meeting Minutes
- b. Michigan International Technology Center Redevelopment Authority: Act 381 Work Plan Amendment
- c. Bagley Forest Properties, LLC: MCRP Amendment
- d. Gentex Corporation: Reauthorization of Performance-Based Grants
- e. RAP Grant Agreement Amendments
- f. Revised 2024 Schedule of MSF Regular Meetings

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferrich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024



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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: July 23, 2024

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

From: Brenda Flory, Senior Business Development Manager
Matt Chasnis, Senior Business Development Project Manager

Subject: Incentive Request
Critical Industry Program (“CIP”)
State Essential Services Assessment (“SESA”) Exemption
Renaissance Zone Extension
Mutually agreed-to early termination of MEGA credit
City of Midland (the “Applicant”) – The Dow Chemical Company (the “Company”)

Request Summary

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

- Approval of a \$120,000,000 CIP Grant, as outlined in the attached Term Sheet
- Approval of a 15-year 100% SESA Exemption for a minimum of \$25,000,000 of eligible investment in Eligible Personal Property (“SESA Request”)
- Approval of a 10-year extension of the MSF Designated Renaissance Zone and addition of specific parcels to the established MSF Designated Renaissance Zone
- This project involves the retention of at least 5,000 Qualified Jobs and a capital investment of at least \$785,000,000 in the City of Midland, Midland County and Williams Charter Township, Bay County.
- Mutually agreed-to early termination of the Company’s MEGA credit upon the Incentives Request receiving all required local, state, and legislative approvals.

Applicant History

The Dow Chemical Company (“TDCC”) was organized in 1897 and incorporated under Delaware law in 1947. TDCC and its consolidated subsidiaries, including Dow Silicones Corporation, is a wholly owned subsidiary of Dow Inc., the publicly traded holding company (TDCC and Dow Silicones Corporation are referred to herein as “Dow” or the “Company”).

Dow Inc., the publicly traded holding company, was formed following the 2017 merger of equals transaction that combined TDCC and E.I. du Pont de Nemours and Company (“DuPont”) to create highly focused, industry-leading businesses in Agriculture, Material Science and Specialty Products. Dow Inc. was formed as a wholly owned subsidiary of DowDuPont to serve as the holding company for the materials science business. It separated from DowDuPont in 2019.

Dow remains headquartered in Midland, Michigan and operates over 100 manufacturing and/or research and development (“R&D”)-focused sites in over 31 countries globally. In 2023, Dow had annual sales of nearly \$45 billion and employed approximately 35,900 people worldwide.

Dow’s portfolio of plastics, industrial intermediates and infrastructure, coatings, and silicones businesses delivers a broad range of differentiated science-based products and solutions for its customers in high-growth market segments, such as packaging, infrastructure, mobility, electronics, and consumer care. The

Company's ambition is to be the most innovative, customer-centric, inclusive, and sustainable materials science company in the world.

The Company has completed \$150 million of investment that was required as part of the terms of the Renaissance Zone approval in 2022. The investment resulted in upgrades and life extensions of the Company's silicones manufacturing facilities, improving their reliability, efficiency, and sustainability, and ensuring their overall performance and capabilities remain at or above par with other Dow silicones assets in the U.S. and abroad. This supports future growth for the Company and helps it serve customers in a wide range of fast-growing end-markets – mobility, infrastructure, electronics, and consumer care.

The background review process was completed in accordance with the MSF Background Review Policy on July 10, 2024 and the project may proceed for MSF consideration.

Project Description

The proposed investment ("Project") is focused on modernization of the Company's Michigan Operations Industrial Park and Auburn Operations facilities, including infrastructure improvements, building renovations, new building construction, and silicones manufacturing process equipment life extensions and capacity expansions. These investments will support Dow's ongoing manufacturing and research and development operations in Michigan enabling faster development of innovative solutions in collaboration with customers and positioning the Michigan Operations Industrial Park for future manufacturing growth. As it relates to Dow's silicones manufacturing business, the process equipment investments will include expansions to support strategic growth areas, including scaled production of silicone foams, gels, coatings, encapsulants, and other materials for use in electric vehicle batteries, among other technologies.

The Project will also strengthen the Company's world class research and development (R&D) capabilities in Michigan. These upgrades will support Midland's continued role in the execution of high-throughput chemistry, materials, and sustainability innovation within Dow's global footprint.

Modernization of strategic infrastructure within Dow's Industrial Park infrastructure, which serves Dow as well as multiple tenant companies, includes potential investments in aging water and sewer systems.

The Project would retain at least 5,000 full-time positions in Michigan, and may serve as an anchor for future development in the area by both the Company and its partners and/or customers. Modernization of Dow's Michigan Operations Industrial Park and Auburn Operations, respectively, in combination with the global headquarters, will reinforce Michigan as the Company's home, which it has been for more than 125 years.

The Company is considering Midland, Michigan and Williams Charter Township, Michigan for the Project and anticipates the Project will result in a capital investment of at least \$785,000,000, in addition to the \$150,000,000 that was committed for the Renaissance Zone that was approved in 2022.

Demonstrated Need

The Project's economics are challenged by several factors including, but not limited to, escalating construction costs, less competitive energy rates in Michigan compared to alternative Dow manufacturing sites, and competing investment scenarios being evaluated by the Company. The Company is prudently choosing where to deploy investment capital, leading to competition for funding amongst various projects and Company initiatives. Dow is fully committed to its Decarbonize & Grow strategy that is advantaged by global policy changes such as the U.S. Inflation Reduction Act and Alberta Petrochemicals Incentive Program. Dow's Decarbonize & Grow projects are capital intensive, multi-billion-dollar projects, and are

directly aligned to Dow's ambitious sustainability targets, including achieving carbon neutrality by 2050. As the proposed Project seeks internal approvals for funding, the incentives support in Michigan is a critical factor in strengthening its overall business case, including whether the investments happen in Michigan or at all.

In addition to the internal competition for investment capital as described above, Dow's global footprint provides opportunities for the Company to evaluate many alternative scenarios for the Project, including use of existing capacity at the Company's more recently constructed or updated R&D and manufacturing facilities in the U.S. Gulf Coast (Texas and Louisiana), Pennsylvania, Kentucky, Europe, and Asia. Additionally, the alternatives under evaluation have strong financial business cases from an ongoing operational cost perspective (i.e. utility costs, wages) and may additionally benefit from being co-located at or near other capital projects.

Request

Dow is an active and visible supporter in the community since its founding in Midland in 1897, through its support of local k-12 schools and higher education institutions, community initiatives, nonprofit organizations, economic development programs, and charitable activities, as well as thousands of volunteer hours its employees contribute annually within the Great Lakes Bay Region. Dow's business activities positively impact all communities within the Great Lakes Bay Region, as well as the State of Michigan, from direct, indirect, and induced economic impacts. Dow has been a positive economic and community force for more than 125 years, providing a full spectrum of employment opportunities from high school co-ops and college internships to introductory, hourly positions to professional careers.

The Company remains dedicated to its role as a key economic driver in the Great Lakes Bay Region and Michigan, and the Michigan Economic Development Corporation (MEDC) has collaborated closely with the Company.

The Company is seeking a \$120 million CIP performance-based grant, a 15-year 100% SESA Exemption, and a 10-year Renaissance Zone extension and expansion. These incentives are crucial to mitigate the cost challenges associated with upgrading the aging facilities and infrastructure, ensuring competitiveness with global sites. The requested funds will support new construction and the modernization of existing facilities, thereby positioning the Michigan Operations Industrial Park and Auburn Operations as pivotal economic drivers for the Great Lakes Bay Region and State of Michigan well into the future.

The Company has also agreed to early termination of its MEGA credit upon the Incentives Request receiving all required local, state, and legislative approvals.

Project Evaluation

Job Creation/Retention

At least 5,000 Retained Employees

Private Investment

At least \$785,000,000

Period of Renaissance Zone Designation

10-year extension and expansion (25-year designation)

ADDITIONAL INFORMATION

Payment in Lieu of Taxes

The Company has agreed to payment in lieu of tax (PILOT) agreements with the City of Midland and Midland County with respect to existing property within the Renaissance Zone. The Company is working with the City of Midland and Midland County to extend the term of the existing PILOT agreements to match the term of the Renaissance Zone extension request.

Development Agreement

The existing development agreement between the Company and the Michigan Strategic Fund will be amended to reflect the extended term, additional investment commitment, and additional real property parcels.

Legislative Information

Senator:	Kristen McDonald Rivet - State Senate District 36
Representatives:	Bill Schuette – State House District 95 Matt Bierlein - State House District 97

Recommendation

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

APPENDIX A – CIP Programmatic Considerations

Key Statutory Criteria

Per section 88s of Act 270, the MSF shall consider at a minimum all of the following criteria to the extent reasonably applicable as reasonably determined by the MSF to the type of project proposed before entering into a written agreement for a qualified investment:

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

The Company is an active and visible supporter in the community since its founding in Midland in 1897, through its support of local k-12 schools and higher education institutions, community initiatives, nonprofit organizations, economic development programs, and charitable activities, as well as thousands of volunteer hours its employees contribute annually within the Great Lakes Bay Region. Dow's business activities positively impact all communities within the Great Lakes Bay Region, and the State of Michigan, from direct, indirect, and induced economic impacts. The Company has been a positive economic and community force for more than 125 years, providing a full spectrum of employment opportunities from high school co-ops and college internships to introductory, hourly positions to professional careers.

The Project will result in significant investment in several key functional areas, including manufacturing, research and development and site infrastructure, and will support at least 5,000 full-time positions within the region. This will aid in maintaining the Company's skilled workforce in the community and surrounding region and will serve as a foundation for new growth and technologies critical to the site's long-term competitiveness.

The Company remains committed to its role as a key economic driver in the Great Lakes Bay Region and across Michigan.

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

The project will result in significant capital investment and job impacts to the community and region and will enable modernization and strategic growth of the Company's manufacturing and research and development operations in Michigan. Additionally, modernization of key infrastructure within Dow's Industrial Park is expected to create attractive investment opportunities within or adjacent to the Industrial Park from third parties, and as act as an anchor and catalyst for reinvestment by existing tenants.

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

The City of Midland approved the Ren Zone in 2022, and is working with the Company to consider modifications to the Zone consistent with the terms of the Resolution.

The applicant's financial need for a qualified investment from the critical industry program.

The Company is prudently evaluating where to deploy its available investment capital, which has created significant competition for funding amongst various projects and Company initiatives. The project's economics are challenged due to several factors including, but not limited to, escalating construction costs, higher operational costs in Michigan compared to alternative sites within the Company's global footprint, and competing investment scenarios being evaluated by the Company. The incentives support in Michigan is a critical factor in strengthening the business case for the Project and enabling the Project in Michigan.

The extent of reuse of vacant buildings, public or private, reuse of historic resources, and redevelopment of blighted property.

Not applicable

Creation or retention of qualified jobs as a result of a technological shift in product or production at the project location and within this state.

The project will retain the Company's existing Michigan workforce as it executes its strategy on strategic and innovative growth areas. The project is centered on continuing to develop and grow the Company's research and development and advanced manufacturing capabilities in Michigan and will support key industries experiencing technological shifts such as electric vehicles and electric vehicle batteries, renewable energy, electronics, and energy efficient building and infrastructure materials.

The level of other public funds including, but not limited to, the appropriation of federal or state funds and any federal or state tax credits.

In addition to the MSF incentives offer described herein, the Company anticipates pursuing a Property Tax Abatement under PA 198 of 1974 related to the portion of the Project investment occurring in Williams Charter Township, Michigan.

The Company has also agreed to early termination of its MEGA credit upon the Incentives Request receiving all required local, state, and legislative approvals.

The level of any private funds, investments, or contributions into the project including, but not limited to, the qualified business's own investments in the project.

Private capital investment by the Company is expected to be at least \$785 million.

Whether and how the project is financially and economically sound.

A financial review of the Company was completed and confirmed the Company's ability to fund the Project.

Whether and how the project promotes sustainable development.

The project is focused on modernization of the Company's existing Industrial Park infrastructure, existing research and development and manufacturing facilities, and includes renovations and upgrades to existing buildings. Upgrades to the aging Industrial Park infrastructure are anticipated to support further investment at the site by the Company and its tenants, as well as attract potential new industrial tenants.

Whether and how the project involves the rehabilitation of a historic resource.

Not applicable

Whether and how the project addresses areawide redevelopment and the overall economic benefit to the existing supply chain.

The project's investment in modernizing Dow's Industrial Park infrastructure is anticipated to serve as an anchor for future development in the area by both the Company and its partners and/or customers. The project will also support more than 350 construction and other related jobs during the construction period (estimated).

The level and extent of environmental contamination.

All construction activities contemplated as part of the proposed project are expected to take place within the Company's Michigan Operations Industrial Park and Auburn Operations. The Company is currently implementing legacy consent decrees and administrative orders within its Michigan Operations Industrial Park to resolve instances of historical non-compliance. The site's Part 111 license, issued by EGLE, also includes a corrective action program to remediate historic contamination at the site. The proposed Project contemplates construction activities in areas within the Michigan Operations Industrial Park that are subject to corrective action under the Company's existing Part 111 license. The Company will follow a series of

protocols developed under the ongoing corrective action to investigate and remediate environmental issues as necessary to implement the project, including reporting actions taken to EGLE when required by its Part 111 license or other applicable laws and regulations.

Whether and how the project will compete with or affect existing Michigan businesses within the same industry.

The Dow Chemical Company has operated manufacturing and Research & Development facilities in Michigan for more than 125 years. As such, the project is not anticipated to create any unexpected new competition with existing Michigan businesses that participate within its market segments.

The Company intends to invest in its silicone manufacturing operations, Michigan Operations Industrial Park infrastructure, and research and development facilities located in Midland and Williams Charter Township. The silicones manufacturing investments will improve reliability, efficiency, and sustainability and ensure the manufacturing assets remain competitive in the U.S. and abroad, thereby enabling the Company to grow and serve its customers in a wide range of fast-growing end-markets including mobility, infrastructure, electronics, and consumer care. The R&D investments are intended to modernize the Company's R&D facilities to ensure its industry-leading R&D capabilities can continue delivering safer and more sustainable products for customers around the world. Collectively, the project is expected to support the Company's position as a global leader in silicone chemistry as well as a leading innovator in the global materials industry.

Whether and how the project's proximity to rail and utility will impact performance of the project and maximize energy and logistics needs in the community in which it is located and in this state.

All construction activities contemplated as part of the proposed project are expected to take place within the Company's Michigan Operations Industrial Park and Auburn Operations. Both sites are fully operational today and are expected to remain in operation for the duration of the construction activities. As such, the project will utilize existing rail and utility infrastructure currently in use at the site. The project is also expected to include upgrades to the water and sewer infrastructure within the Michigan Operations Industrial Park to support its ongoing operations as well as support potential future growth by the Company and other Industrial Park tenant companies.

The risk of obsolescence of the project, products, and investments in the future.

The project is focused on modernizing and strengthening the Company's silicones manufacturing assets and its world class research and development capabilities in Michigan. The silicones-related investments include infrastructure upgrades, building improvements, and manufacturing process equipment life extensions and capacity expansions. The R&D-related investments will support Midland's continued role in the execution of high-throughput chemistry, materials, and sustainability innovation within the Company's global footprint.

The overall return on investment to this state.

The new personal income generated for the state is \$272,321,833 over 20 years, whereas the cost of inaction and resulting loss of 5,000 jobs would be a \$36.7B reduction of personal income over 20 years. This calculation was completed using a Regional Economic Modeling Inc (REMI) model.

Whether and how the project addresses food supply challenges.

Not applicable

Any other additional criteria approved by the board that are specific to each individual project and are consistent with the purpose of this program.

In addition to the direct benefits of this investment, there will also be positive supply chain impacts.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2024-120**

**CRITICAL INDUSTRY PROGRAM GRANT TO
THE DOW CHEMICAL COMPANY**

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

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

WHEREAS, pursuant to Section 88s of the MSF Act, MCL 125.2088s, the MSF shall create and operate the critical industry program to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result of a technological shift in product or production or make capital investments (the “Critical Industry Program”);

WHEREAS, the Critical Industry Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

WHEREAS, on January 11, 2022, the MSF Board created the Critical Industry Program and approved the guidelines for the implementation and operation of the Critical Industry Program;

WHEREAS, The Dow Chemical Company submitted an application seeking a Critical Industry Program grant in the amount of \$120,000,000, in order to support a capital investment of at least \$785,000,000 and retention of at least 5,000 Qualified Jobs in Michigan, in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A to this Resolution (the “Grant Request”);

WHEREAS, the MEDC recommends the MSF approve the Grant Request, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request;

WHEREAS, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF wishes to approve the Grant Request.

NOW, THEREFORE, BE IT RESOLVED, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board approves the Grant Request;

BE FURTHER RESOLVED, the MSF President and the MSF Financial Officer are authorized to take all actions necessary to request transfer of SOAR funds to the MSF to fund the Grant Request; and

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024

Critical Industry Program Grant Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential Critical Industry Program (“CIP”) grant award by the Michigan Strategic Fund (the “MSF”) to The Dow Chemical Company (the “Company”).

The proposed terms and conditions of the CIP Award detailed herein will not be construed as binding upon either party until the mutual execution of a written grant agreement (the “Grant Agreement”). Any obligations that may be deemed to arise under this Term Sheet are contingent on the Company obtaining all necessary federal, state and local administrative and regulatory approvals, and the MEDC obtaining all necessary approvals from Michigan Strategic Fund Board and State of Michigan Legislature and the local community.

PROJECT SUMMARY

Scope of the Project: The Company, and its Subsidiaries, intends to invest in its silicone manufacturing operations, Michigan Operations Industrial Park infrastructure, and research and development facilities located in Midland and Williams Charter Township, Michigan (the “Project Sites”). These investments are intended to enable future growth in silicone manufacturing as well as support the Company’s research and development capabilities across all business segments. The silicones manufacturing investments will improve reliability, efficiency, and sustainability and ensure the manufacturing assets remain competitive in the U.S. and abroad, thereby enabling the Company to grow and serve its customers in a wide range of fast-growing end-markets including mobility, infrastructure, electronics, and consumer care. The R&D investments are intended to modernize the Company’s R&D facilities to ensure its industry-leading R&D capabilities can continue delivering safer and more sustainable products for customers around the world. Collectively, these investments compliment the state of Michigan’s strategic industry growth goals in electric vehicles, clean energy, and energy efficient buildings and infrastructure materials.

By 2032, the Company expects to invest at least \$785,000,000 at the Project Sites and retain at least 5,000 high paying jobs at its facilities across the State of Michigan defined below (collectively, the “Project”).

“Subsidiaries” includes all the following: Dow Silicones Corporation, DCOMCO LLC, Dorinco Reinsurance Company, Dow Hydrocarbons & Resources LLC, Rohm & Haas Chemicals LLC, Rohm & Haas Company, Univation Technologies LLC, Union Carbide Corporation, and Dow Infra Opco LLC.

CIP Award Amount: A maximum grant of \$120,000,000 (the “CIP Award” or “Grant”)

Term of the Agreement: Effective Date through the earlier of: (i) December 31, 2032 or (ii) when the Parties agree in writing.

Overall Investment Commitment: Investment by the Company of at least \$785,000,000 in Eligible Expenses for the Project by December 31, 2032 (the “Investment Performance Deadline” and “Project Completion Milestone”), which the Company shall invest at the Project Sites (collectively, the “Investment Commitment”).

Overall Jobs Commitment: Retention of at least 5,000 Qualified Jobs (the “Overall Jobs Minimum”) in Michigan on December 31, 2032, which Qualified Jobs Minimum must have been maintained for the previous 12 months, (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified Job” or “QJ” is defined as a job that the Company or its Subsidiaries maintains in Michigan, and is performed by either: (i) a Michigan resident whose state income taxes are withheld by the Company or its Subsidiaries, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident who is employed by the Company or its Subsidiaries in Michigan, as determined and verified by the MSF.

Security Interest: Security interests in favor of the MSF must comply with the requirements of Section 88s(4) of the MSF Act, MCL 125.2088s(4), and notwithstanding anything to the contrary, and may include, but is not limited to, real and/or personal property at the Project Sites, such as a mortgage, right of first offer, reverter rights, equipment, fixture, deposit account control, intangibles, inventory, or other personal property interests. Such security interests will be used to secure repayment of any amounts owed to the MSF under the grant agreement through the end of the Term.

GRANT DISBURSEMENTS

The CIP Award will be disbursed on a reimbursement basis for 50 percent (50%) of the Eligible Expenses (defined below) incurred at the Project Sites and paid by the Company up to the total CIP Award. The Company may submit one or more reimbursement requests, no more frequently than once per quarter, together with a certification of the Company’s compliance with the Grant agreement. Requests for reimbursement will be verified by the MEDC prior to release of any funds.

- “Eligible Expenses” is defined as hard costs for the Project, including, but not limited to, site preparation, demolition, construction, project and construction management, infrastructure, development, machinery, equipment, tooling, communication, computers, furniture, fixtures, and other such expenditures for the Project at the Project Sites beginning on or after July 23, 2024; and engineering, architectural, and design expenditures for the project incurred no earlier than January 1, 2023. Certain soft costs, to be more particularly described in the grant agreement, such as administrative costs, debt and lease payments, meals, and entertainment expenses, are not eligible for reimbursement.

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

The Company will be required to repay all or a portion of the Grant disbursements made under the CIP 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.

- **Failure to Meet Investment Commitment** – The Company’s failure to satisfy the Investment Commitment by the Investment Performance Deadline will result in the Company’s obligations to repay a portion of the Grant funds received by the Company to the MSF, which will be calculated by dividing: (A) the actual amount of demonstrated investment by the Company for the Project by (B) the Investment Commitment (the “Investment Performance Percentage”). Company shall repay the difference between (A) the amount of Grant funds received by the Company and (B) the amount of Grant funds received by the Company multiplied by the Investment Performance Percentage.

- **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 portion of the Grant funds received by Company (or the remainder of which following any repayment required by the Investment Deadline). The Repayment Amount shall be calculated by the dividing (A) the Peak Overall Jobs Retained by (B) the Overall Jobs Minimum (the “Jobs Performance Percentage”). Company shall repay the difference between (A) the amount of Grant funds received by the Company and (B) the amount of Grant funds received by the Company multiplied by the Jobs Performance Percentage (the “Eligible CIP Award”). “Peak Overall Jobs Retained” is the peak number of Qualified Jobs within one year prior to the Performance Requirement Deadline.
- **Mass Relocation** – If the Company transfers to another State more than 50% of the total number of the Overall Jobs Commitment before the end of the Term, it will be required to repay all or a portion of Grant disbursements made under the CIP Award., subject to the Failure to Meet Investment Commitment, Failure to Meet Overall Jobs Commitment, or Project Abandonment Repayment Amount formulas. A separate Repayment Amount for a Mass Relocation will not apply.
- **Project Abandonment** – If the Company intentionally abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred eighty (180) consecutive days after the CIP Award is disbursed and on or before the end of the Term it will be required to repay a proportionate amount of Grant disbursements made under the CIP Award. Project Abandonment does not include delays or pauses in Eligible Expense activities attributed to the untimely issuance of legally required permits or other regulatory or local, state, or federal government approvals
- **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 up to 100% of Grant disbursements made under the CIP Award pursuant to the repayment events and repayment amounts detailed herein. 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 CIP 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 CIP Award.
- **Misuse of Funds** – If the Company uses the CIP Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the CIP Award.

Suspension of Disbursements: The MSF may immediately suspend making disbursements of the CIP Award upon the occurrence of: (i) an event resulting in a Repayment Amount, or (ii) an event of default, which shall be defined in the grant agreement, but shall include, without limitation, material noncompliance with the terms of the grant agreement, etc., (iii) default in any other agreement with the State of Michigan or (iv) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

ADDITIONAL STATE REQUIRED TERMS

- **Amendments** – As required under Section 88s(5) of the MSF Act, MCL 125.2088s(5), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written grant agreement and will otherwise comply with requirements of Section 88s(5) prior to taking any action on such amendment request.
- **Annual Compliance Certificate** – During the Term, the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the grant agreement.
- **Annual Progress Report** – During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified Jobs retained at the Project, the average annual salary of the Qualified 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 Critical Industry Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of Section 88s.



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



January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-121

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
DOW SILICONES CORPORATION**

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

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

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

WHEREAS, on October 28, 2014, by Resolution 2014-176, the MSF Board approved (i) the SESA Exemption (the “SESA Program”) and Alternative SESA Exemption Program (the “Alt SESA Program”) (collectively, the “SESA Exemption Program”) and (ii) program guidelines for the SESA Exemption Program (the “Program Guidelines”);

WHEREAS, on October 28, 2014, by Resolution 2014-177, 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 SESA Exemption Program;

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

WHEREAS, Dow Silicones Corporation (the “Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

WHEREAS, the Program Guidelines require that the project to be located in an Eligible Distressed Area to receive 100% exemption (“EDA Requirement”);

WHEREAS, the Program Guidelines require that qualifying investments be made after MSF approval and within three (3) years of commencement of the project in order to be eligible for the SESA Exemption Program (the “Commencement Requirement”);

WHEREAS, the MEDC is requesting a waiver to the EDA Requirement and the Commencement Requirement (the “Waiver Request”);

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year SESA exemption of Eligible Personal Property in qualified investment, as defined in the Program Guidelines, in Williams Charter Township (“SESA Exemption Recommendation”) and will meet the \$25,000,000 minimum investment required; and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the Waiver Request, and require a one-time administrative fee in the amount of \$5,119 payable to the MSF upon completion of the first performance milestone (collectively, the “Request”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024



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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-122

MSF DESIGNATED RENAISSANCE ZONE EXTENSION THE DOW CHEMICAL COMPANY and DOW SILICONES CORPORATION

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) Board to designate up to twenty-seven (27) renaissance zones (a “Renaissance Zone”) in one or more city, village, or township if consented to by the local unit of government in which the proposed renaissance zone will be located;

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

WHEREAS, on June 28, 2016, by MSF Resolution 2016-091, the MSF Board adopted guidelines for MSF-Designated Renaissance Zones (the “Guidelines”), which require, among other things, 1) that any payments in lieu of taxes (“PILOT”) be made proportionate between the county; city, village, or township in which the Renaissance Zone is located and the State of Michigan, unless otherwise approved by each governmental unit and the MSF Board (the “PILOT Restriction”) and 2) that the duration of the Renaissance Zone designation not exceed 15 years (the “Duration Limitation”);

WHEREAS, on or about January 24, 2022, the MEDC received an application from the City of Midland for a 15-year MSF-Designated Renaissance Zone request for Dow, Inc. under Section 8a(2) of the Act and in accordance with the Guidelines in support of an expansion of Dow Inc operations in Michigan (the “Dow Renaissance Zone”);

WHEREAS, on January 25, 2022, by MSF Resolution 2022-014, the MSF Board approved the Dow Renaissance Zone;

WHEREAS, the Dow Renaissance Zone included a PILOT to the City of Midland and the County of Midland for reimbursement of some of the taxes abated by the Renaissance Zone designation, to the exclusion of the State of Michigan (the “City of Midland PILOT”);

WHEREAS, on July 26, 2022, by MSF Resolution 2022-107, the MSF Board approved an amendment to the MSF Resolution 2022-014 to replace all references to “Dow, Inc.” and the “Company” with “The Dow Chemical Company and Dow Silicones Corporation;”

WHEREAS, on September 14, 2022, the MSF and The Dow Chemical Company and Dow Silicones Corporation (the “Company”) executed a Renaissance Zone Development Agreement (the “Development Agreement”) to govern the terms and conditions of the Dow Renaissance Zone;

WHEREAS, Public Act 40 of 2024 amended the Act to allow the MSF Board to permit extensions of the duration of any existing Renaissance Zones upon application by a Qualified Local Governmental Unit or Units in which such Renaissance Zone is located;

WHEREAS, on July 9, 2024, by MSF Resolution 2024-112, the MSF Board adopted Renaissance Zone Amendment Guidelines that set forth requirements for extensions of Renaissance Zone designations and boundary modifications;

WHEREAS, the MSF wishes to secure \$785,000,000 in additional capital investment by the Company at its facilities and operations in the City of Midland through an extension of the Dow Renaissance Zone for an additional 10 years (the “Dow Renaissance Zone Extension”), a corresponding extension of the City of Midland PILOT (the “City of Midland PILOT Extension”), and an expansion of the boundaries of the Dow Renaissance Zone to include additional parcels in the City of Midland listed in Exhibit A (the “Boundary Modification”); and

WHEREAS, the MEDC recommends that the MSF Board approve (i) the Dow Renaissance Zone Extension and City of Midland PILOT Extension (the “Renaissance Zone Extension Recommendation”), and (ii) recommendation to the State Administrative Board for approval of the Boundary Modification.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Renaissance Zone Extension Recommendation and the recommendation to the State Administrative Board for approval of the Boundary Modification, subject to the following conditions:

1. The City of Midland submits a request to extend the duration, and boundaries, of the Dow Renaissance Zone, consistent with this Resolution, within 30 business days of July 23, 2024;
2. Execution of an amendment to the Development Agreement between the MSF and the Company consistent with the terms of this Resolution; and
3. Execution of the City of Midland PILOT Extension;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of and to execute the Development Agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024

Exhibit A

Parcel Number
14-21-30-033
14-21-30-034
14-21-30-203
14-21-30-035
14-21-30-185
14-21-30-191
14-21-30-192
14-21-30-200
14-21-30-201
14-21-30-199
14-21-30-006
14-21-30-184
14-21-30-198
14-21-30-193



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,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-123

**APPROVAL OF A MEGA TAX CREDIT TERMINATION
THE DOW CHEMICAL COMPANY**

WHEREAS, the Michigan Legislature created the Michigan Economic Growth Authority (“MEGA”) under the Michigan Economic Growth Authority Act, 1995 PA 24, as amended, with the authority to grant an authorized business a credit against the tax imposed by the Michigan Business Tax Act, 2027 PA 37, as amended (a “Tax Credit”);

WHEREAS, by Executive Order 2012-9, all of the authority, powers, duties and functions of the MEGA Board were transferred to the Michigan Strategic Fund (“MSF”);

WHEREAS, by MEGA Resolution 2010-014 dated February 25, 2010, the MEGA Board authorized a Standard Tax Credit for The Dow Chemical Company (the “Company”) of up to 100 percent for fifteen (15) consecutive years, beginning no later than the Company’s tax year ending December 31, 2012 (the “MEGA Tax Credit”);

WHEREAS, by Resolution 2011-167, the MEGA Board amended the MEGA Tax Credit to allow additional entities for job creation and reduce the base employment to 5,244;

WHEREAS, on April 25, 2017, by Resolution 2017-061, the MSF amended the project to update the definition of Subsidiary Business, Qualified New Jobs requirement, Project Description and add a Credit Cap for a maximum value of \$61,388,000;

WHEREAS, in consideration of and subsequent execution of a Critical Industry Program (“CIP”) grant to the Company to support new investment and retention of at least 5,000 jobs, the Company requests that the MEGA Tax Credit and Agreement be terminated, and the remainder of collectable eligible tax years be forfeited effective January 1, 2024 (collectively, the “Termination”);

WHEREAS, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF and recommends approval of the Termination by the MSF Board;

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

BE IT FUTHER RESOLVED, that the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen
 (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson,
 Michael B. Kapp (on behalf of Director Wieferich, designation attached),

Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024



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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Thank you.

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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

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

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Sincerely,

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

PURE *M*ICHIGAN®



MEMORANDUM

Date: July 23, 2024

To: Michigan Strategic Fund Board

From: Debbie Stehlik, Commercial Real Estate Investment Manager
Lori Mullins, Vice President, Place Incentives

Subject: Request to waive mandatory financial reporting provision in certain Michigan Community Revitalization Program (MCRP) Agreements

Request & Background

Following MSF Board approval of MCRP loan and equity awards, the final terms of the MCRP agreements are negotiated and executed. Each agreement contains a provision requiring certain financial reporting.

This provision is drafted to give the MSF a right to demand financial statements when needed to analyze project health and awardee compliance, for example if compliance or other staff suspect financial issues associated with a project, when an awardee requests an amendment to financial aspects of a transaction, seeks refinancing of the MSF or other lender transactions, or when the transaction nears maturity.

While the MSF must maintain the right to fully analyze the financial health of each MCRP award recipient, the MSF does not need to collect this information on every transaction every year. Many MCRP transactions are more fully monitored by senior lenders upon whom the MSF relies to identify financial troubles or other issues that would warrant an examination of an awardee's financial health. This reliance on other lenders may occur through contractual arrangement or in a collaborative manner. Some transactions simply do not warrant this level of financial monitoring over the course of their entire term, which commonly last 10 years, but can stretch up to 40 years in some instances.

However, a large number of legacy agreements contain language mandating the annual submission of this financial information whether or not the MSF makes a request for it. At times the financial information is unavailable or unable to be provided, for example, when a project is under construction and not yet complete or when the senior lender's requirements differ. The legacy agreement language does not allow for any variation or flexibility in timing of when financial information can be collected or the form in which it is received. And so each year, this leads to a significant number of amendment requests seeking Board approval to waive this requirement.

In order to more efficiently use the Board's time, to better manage the MCRP portfolio, and to provide a more responsive customer experience, staff is requesting authorization for the Compliance staff administrator to waive the annual submission of financial statements or specific aspects of such statements when there is no cause for the MSF to request such information.

The standard reporting provision currently provides as follows:

“Upon the MSF’s request, Borrower shall furnish Lender with complete annual financial reports of Borrower based upon an examination of the books and records of Borrower prepared in accordance with GAAP, audited in accordance with Generally Accepted Auditing Standards (“GAAS”) and any additional requirements of Lender. If Borrower shall fail to submit the annual financial reports of Borrower within ninety (90) days of said due date, Lender may thereafter hire a certified public accountant to prepare the report at the expense of Borrower. All fiscal year-end financial statements of Borrower shall contain all reports and disclosures required by generally accepted accounting principles for a fair presentation and shall include balance sheet, income statement and statement of cash flows. The report shall be prepared and certified by a certified public accountant who is licensed or certified by a regulatory authority of a state or other political subdivision of the United States, which authority makes the certified public accountant subject to regulations, disciplinary measures, or codes of ethics prescribed by law. The certified public accountant must have no business relationship with Borrower except for the performance of the audit and tax preparation unless Lender expressly authorizes other relationships. Auditing costs and tax preparation costs may be charged as an authorized expense to the Property only to the extent they are required of Borrower by state law, the Internal Revenue Service (“IRS”), the Securities and Exchange Commission, HUD, Project Lenders or Lender. Neither IRS audit costs nor costs of tax preparation for the partners, members, shareholders of Borrower, or other persons receiving distributions from Borrower may be charged as a Project expense incurred by Borrower, as the case may be. All financial statements shall be in form and detail satisfactory to Lender and shall contain or be attached to the signed and dated written certification of Borrower in form specified by Lender to certify that the financial statements are furnished to Lender constitute a true and correct statement of the reporting party’s financial position.”

The legacy MCRP agreements that mandate financial information contain the following language or language substantially similar to the following language:

“Within ninety (90) days, following the end of each fiscal year, Borrower shall furnish Lender with a complete annual financial report based upon an examination of the books and records of Borrower prepared in accordance with GAAP, audited in accordance with Generally Accepted Auditing Standards and Government Auditing Standards and any additional requirements of Lender. If Borrower fails to submit the annual financial report within ninety (90) days of said due date, Lender may thereafter hire a certified public accountant to prepare the report at the expense of Borrower. All fiscal year-end financial statements of Borrower shall contain all reports and disclosures required by generally accepted accounting principles for a fair presentation and shall include balance sheet, income statement and statement of cash flows.”

Recommendation

MEDC staff is requesting MSF Board approval authorizing the Grant Manager, Project Manager, or similarly identified Compliance staff administrator to waive the annual submission of financial statements in any legacy MCRP agreement provided that (1) the MCRP awardee is otherwise in compliance with their MCRP Agreement, (2) the MSF retains its right to demand financial statements from the MCRP awardee upon request, and (3) no reasonable cause currently exists for the MSF to demand financial statements from the MCRP awardee.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-124

**APPROVAL OF A WAIVER TO
MICHIGAN COMMUNITY REVITALIZATION PROGRAM
AGREEMENT FINANCIAL REPORTING REQUIREMENTS**

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

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

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

WHEREAS, several older MCRP agreements (each, a “Legacy Agreement”) require annual submission of financial statements or specific aspects of such statements to the MSF (the “Financial Statement Requirement”) regardless of the need for the MSF to review them; and

WHEREAS, MEDC staff is requesting MSF Board approval authorizing the Grant Manager, Project Manager, or similarly identified Compliance staff administrator to waive the Financial Statement Requirement in any Legacy Agreement provided that (1) the MCRP awardee is otherwise in compliance with their MCRP Agreement, (2) the MSF retains its right to demand financial statements from the MCRP awardee upon request, and (3) no reasonable cause currently exists for the MSF to demand financial statements from the MCRP awardee (the “Amendment Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF hereby approves the Amendment Recommendation.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Wieferich, designation attached), Dan Meyering, Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
July 23, 2024



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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

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

PURE *M*ICHIGAN®



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: July 23, 2024
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 June 1, 2024, to June 30, 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 June 1, 2024, to June 30, 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 June delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout June 2024, 25% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all June approved projects through delegated authority have committed to creating just over 550 jobs and just over \$40.0 million in private investment.

MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during June 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
DEKRA	6/21/2024	Plymouth	\$180,000	DEKRA North America, Inc is dedicated to ensuring road safety in connection with rapidly developing mobility. The Company provides comprehensive testing, inspection, certification and consulting services around the globe. The Company is considering purchasing a 77,000 square foot building in Plymouth to establish a testing facility for mobility electrification technologies. The project will result in capital investment of up to \$22,800,000 and the creation of up to 18 new jobs. Supported by a Michigan Business Development Program grant valued at \$180,000; Michigan was chosen over Indiana and Ohio.
Norplas Industries	6/25/2024	Highland Park	\$816,000	Norplas Industries plans to lease roughly 90,000 square feet of space in Highland Park to expand production capacity as a result of recently awarded business. The expansion will add 500 new jobs and will result in the capital investment of \$6.8M in a geographically disadvantaged area of the State of Michigan. The average wage on the project is \$23.76, which is above the Regional Median Wage in the Detroit Metro Area.
Northern Hardwoods	6/27/2024	Atlantic Mine	\$250,000	Northern Hardwoods is making capital upgrades to its facility in Atlantic Mine. The new biomass boiler will enable an increased lifecycle of the facility and keep 85 workers employed as a result of the more energy efficient boiler being brought online. The project involves the retention of 85 jobs and the capital investment of \$4,750,000 in a community that is a geographically disadvantaged area of Michigan's Upper Peninsula.

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
Triple Diamond Plastics, LLC	6/7/2024	Jonesville	\$648,700	County National Bank is working with Triple Diamond to move their facility from Ohio to Jonesville, MI. The bank is providing the company with a real estate loan and equipment loan. The company experienced a fire that destroyed their facility in 2023 and will be re-starting the company in Michigan. Due to the start-up nature of this project, the bank is requesting a loan participation on each of the two loans to reduce their exposure.
Triple Diamond Plastics, LLC	6/7/2024	Jonesville	\$898,200	

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
CT Group, LLC	6/6/2024	St. Joseph	11,906
Logos Logistics, Inc.	6/6/2024	Romulus	\$3,541
Petter Investments, Inc. dba Riveer Environmental	6/11/2024	South Haven	\$8,832
Ghostworks Marine, Inc.	6/28/2024	Holland	\$8,582

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 June 1, 2024, to June 30, 2024.

Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
J.B. Poindexter, Inc.	6/27/2024	Ypsilanti Township	Amend to reduce base jobs from 900 to 17.

Financial Data Overview and Terminations



Michigan Business Development Program – Terminations

Project Name	Project Location	Incentive Type	Amount	Date	Reason for Termination	Repayment
Michigan Software Lab	Ada	Grant	\$108,000	6/3/2024	Company unable to meet requirements	\$0.00
Hexagon	Novi	Grant	\$250,000	6/7/2024	Company unable to reestablish eliminated QNJs	\$125,000