



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA
September 24, 2024
9:00am

I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT

III. COMMUNICATIONS

IV. CONSENT AGENDA

- a. Proposed August 27, 2024, Meeting Minutes3
- b. Business Marketing Lambert Contract Amendment9
- c. Chelsea Rockwell, LLC: MCRP Amendment..... 15
- d. FY 2025 Memorandum of Understanding MSF & MEDC21
- e. May Mobility, Inc: MBDP Grant Amendment27
- f. The Michigander Scholars Program Grant Amendments33
- g. Michigan International Technology Center: Act 381 Work Plan Amendment ..
.....41
- h. FY 2025 Funding Allocations: Contractual Small Business Solutions &
Services.....51
- i. Travel Marketing & Advertising Campaign Contract Amendment65
- j. FY2025 Funding Allocations 72
- k. MICF Program Funding Allocations80

V. ATTRACT RETAIN AND GROW BUSINESS

- a. Saab, Inc.: A resolution to approve a Michigan Business Development
Program performance-based grant in the amount of up to \$3,500,000 and a 15-
year, 100% State Essential Services Assessment Exemption based on at least
\$30,000,000 in eligible investment in Eligible Personal Property.92
Location: Township of Grayling
- b. Laepple Automotive US, Inc.: A resolution to approve a Michigan Business
Development Program Grant in the amount of up to \$3,500,000 and a 5-year,
100% State Essential Services Assessment Exemption with an estimated value
of up to \$653,760 for its \$78,850,000 eligible investment in Eligible Personal
Property.....107
Location: City of Detroit

VI. DEVELOP ATTRACTIVE PLACES

- a. The Plaza Midtown, LLC: A resolution to approve a Michigan Community
Revitalization Program Other Economic Assistance Equity Agreement
Amendment to convert residential units to hospitality and restructure the
MSF’s equity investment.122
Location: City of Detroit
- b. Fulton and Seward, LLC: A resolution to approve amendments for Michigan
Community Revitalization Program Other Economic Assistance Loan

Participation Agreements.....130
Location: City of Grand Rapids

VII. INFORMATIONAL

a. Delegation of Authority Report.....137

**NOTE:* Hyperlinked bookmarks are included on this page to aid document navigation - click on the project title to access the project memo.

MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
August 27, 2024

Member Present

Quentin L. Messer, Jr.

Members Joined Remotely

Britany L. Affolter-Caine

Susan Corbin

Wesley Eklund

Rachael Eubanks

Dimitrius Hutcherson

Michael B. Kapp (on behalf of Director Wieferich)

Dan Meyering

Leon Richardson

Charles P. Rothstein

Susan Tellier

Randy Thelen

Cindy Warner

I. CALL TO ORDER & ROLL CALL

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

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

II. PUBLIC COMMENT

Cindy Warner joined the meeting remotely at 9:02 a.m.

Susan Tellier joined the meeting remotely at 9:03 a.m.

Leon Richardson joined the meeting remotely at 9:06 a.m.

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

III. COMMUNICATIONS

Ms. Davenport stated that one communication was shared with the MSF Board via email on Friday, August 23rd.

IV. CONSENT AGENDA

Resolution 2024-125, Approval of Consent Agenda Items

Mr. Messer asked if there were any questions from Board Members regarding items under the Consent Agenda. There being none, Wesley Eklund motioned for the approval of the following:

- a. Proposed July 23, 2024, Meeting Minutes
- b. CDBG Public Gathering Spaces: Calumet Grant Amendment **2024-126**

Wesley Eklund motioned for the approval of Resolution 2024-125 to approve the consent agenda. Susan Corbin seconded the motion. **The motion carried: 13 ayes; 0 nays; 0 recused.**

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

V. DEVELOP ATTRACTIVE PLACES

a. Resolution 2024-127 Grand Rapids Amphitheater and Soccer Stadium Mixed-Use

Project. Mackenzie Miller, Senior Community Development Manager, supported by Kara Wood of Grand Action Foundation 2.0, and Jessica Solis with the City of Grand Rapids, provided the Board with information regarding the requested action. This action involves the consideration of a resolution to approve a Transformational Brownfield Plan incentive package in the aggregate amount of \$252,357,792 for Grand Action Foundation 2.0 and the City of Grand Rapids Brownfield Redevelopment Authority.

Following discussion, Susan Tellier motioned for the approval of Resolution 2024-127 for the Transformational Brownfield Plan. Randy Thelen seconded the motion. **The motion carried: 13 ayes, 0 nays, 0 recused.**

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

Britany L. Affolter-Caine left the meeting at 9:29 a.m. due to connection issues. Britany L. AffolterCaine rejoined the meeting remotely at 9:35 a.m.

b. Resolution 2024-128 The Downs Redevelopment Project Brownfield Act 381 Work Plan.

Dominic Romano, Senior Community Development Manager, supported by Seth Herkowitz of Hunter Pasteur, and George Lahanas of the City of Northville, provided the Board with information regarding the requested action. This action involves the consideration of a resolution to approve a Brownfield Act 381 Work Plan for eligible eligible activities capped at \$2,083,563, utilizing the current state to local capture ratio, for the City of Northville Brownfield Redevelopment Authority.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-128 for the Brownfield Act 381 Work Plan. Susan Corbin seconded the motion. **The motion carried: 13 ayes, 0 nays, 0 recused.**

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

Randy Thelen, recused, left the meeting at 9:42 a.m.

VI. ATTRACT, RETAIN, AND GROW BUSINESS

a. Resolution 2024-129 Northland Corporation Michigan Business Development Program Grant. Sam Sedlecky, Senior Business Development Manager, supported by Brittney Mizer, Business Development Project Manager, Joe Flickinger and Andy Doberstein of Northland Corporation, and Jakob Bigard of The Right Place, provided the Board with information regarding this action. This action involves the consideration of a resolution to approve a Michigan Business Development Program Grant in the amount of \$1,280,000 for Northland Corporation.

Charles P. Rothstein motioned for the approval of Resolution 2024-129 to approve the Michigan Business Development Program Grant. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 12 ayes, 0 nays, 1 recused.**

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

VII. INFORMATIONAL

Mr. Messer noted that the meeting packet included the Michigan Strategic Fund Delegation of Authority Report from July 1, 2024, to July 31, 2024. There were no questions regarding the report.

Mr. Messer adjourned the meeting at 9:52 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

August 26, 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 following item on the Michigan Strategic Fund Board Meeting Agenda of August 27, 2024.

- Northland Corporation

The reason for my recusal is to avoid the appearance of a conflict with this item.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Thelen". The signature is written in a cursive, slightly slanted style.

Randy Thelen

Natalie Davenport (MEDC)

From: degross.derek@everyactioncustom.com on behalf of Derek DeGross
<degross.derek@everyactioncustom.com>
Sent: Thursday, August 15, 2024 10:52 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%7C2faa9bf28d604edd025808dcbd39cbec%7Ce1b7ea2e68834a89aeb93c559a238b28%7C0%7C0%7C638593303146485125%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6IjE1haWwiLCJXVCI6Mn0%3D%7C60000%7C%7C%7C&sdata=D0BZadEt0DS8NbjubKbBh%2BMvbiAManrpdMEnSP LP%2B%2FM%3D&reserved=0>

Thank you for the opportunity to comment.

For the Great Lakes,
Mr. Derek DeGross
985 Marjorie St Hammond, WI 54015-9639
degross.derek@gmail.com



MEMORANDUM

Date: September 24, 2024
To: MSF Board Members
From: Hilary Doe, Chief Growth & Marketing Officer
Subject: Business Marketing Campaign Contract Amendment

REQUEST

On July 24, 2024, Public Act 221 of 2024 was signed into law setting the FY25 appropriated budget for the state, including \$100 million for Business Attraction and Community Revitalization and \$15.6 million for Entrepreneurship and Innovation – of which up to five percent may be used for business marketing efforts. This request is for the Michigan Strategic Fund (the “MSF”) Board to approve an allocation of \$5,782,500 to the MSF’s existing contract with Lambert for activities that attract, retain and grow businesses that deliver economic opportunity.

BACKGROUND

September 28, 2021, the Board authorized an initial allocation of \$7.1 million to Lambert for the initial year of a three-year contract term, after a competitive RFP process.

August 23, 2022, the Board authorized the FY23 allocation of \$5,782,500 for business marketing to Lambert for the second year of the contract term.

October 25, 2022, the Board authorized the FY23 allocation of \$10 million for talent marketing to Lambert. This talent marketing campaign represented an expansion of the agency’s scope of work at the time but remained consistent with MEDC business marketing objectives to promote Michigan as a world-class business destination and the objectives set out in the RFP and subsequent competitive process.

September 26, 2023, the Board authorized the FY24 allocation of \$10 million for talent marketing to Lambert. Additionally, the Board authorized the FY24 allocation of \$5, 782,500 million for business marketing to Lambert for the third year of the contract term.

COMPANY BACKGROUND

Lambert is a well-known and Michigan founded communications and marketing firm working on business and talent marketing efforts on behalf of the MEDC. Since being named advertising agency of record for MEDC, Lambert has continued to expand their presence and teams in Michigan.

In the past year, Lambert has supported the efforts of the MEDC marketing and communications team to take a bold approach to marketing Michigan as the home of opportunity for all. This

includes the reimagined Pure Opportunity business marketing campaign and the creation of the state's first national talent attraction campaign, that launched in October 2023.

KEY OUTCOMES

Key outcomes from the Pure Opportunity campaign in 2024 include:

- The Pure Opportunity business marketing campaign that takes a bold approach to marketing Michigan as a destination for business growth. The Pure Opportunity campaign runs across TV, digital, connected TV, print, social, search, radio, podcast, and out of home. Print ads will appear in national publications such as Forbes and Inc. and in-state outlets Crain's Detroit Business and Dbusiness. Radio spots can be heard on Sirius and NPR. The campaign also touts Michigan's skilled labor pool, freshwater resources, and top ranking in Climate Change Preparedness, which set the state apart from much of the country. Content and imagery is continually updated and refreshed.
- In September, a Climate Change White Paper will be released in partnership with MIT Climate Tech at the EmTech event in Cambridge, MA
- From Oct. 1, 2023-July 31, 2024 over 268MM impressions have been delivered and 4.6MM views of michiganbusiness.org and more than 9,542 email leads have been generated to be leveraged for future marketing and outreach efforts.

RECOMMENDATION

Staff recommends approval of the award of \$5,782,500 for year four with an extension for one additional year of the current contract with Lambert to continue business marketing efforts that support and help drive MEDC's efforts to attract, retain and grow businesses that deliver economic opportunity to Michigan.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-131

LAMBERT CONTRACT FOR BUSINESS MARKETING

WHEREAS, Public Acts 215 and 225 of 2005 established the 21st Century Jobs Trust Fund initiative within the Michigan Strategic Fund Act, Public Act 27 of 1984, as amended (the “Act”);

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

WHEREAS, Section 88b(4) of the Act, allows for not more than five percent of annual appropriations as provided by law from the Act may be used for business development and business marketing costs;

WHEREAS, on September 28, 2021, the MSF approved the selection of Lambert as the vendor for the development and implementation of the marketing and advertising efforts for business marketing campaigns for the period of three years, with the option for two additional one-year extensions and allocated an initial amount of up to \$7,100,000 (the Contract);

WHEREAS, on August 23, 2022, the MSF Board approved an additional allocation of \$5,782,500 to Lambert the development and implementation of the marketing and advertising efforts for business marketing campaigns; and

WHEREAS, on September 26, 2023, the MEDC recommends allocating an additional \$5,782,500 to Lambert for the development and implementation of the marketing and advertising efforts for business marketing campaigns; and

WHEREAS, the MEDC recommends (1) extending the Contract for one additional year and (2) allocating an additional \$5,782,500 to Lambert for the development and implementation of the marketing and advertising efforts for business marketing campaigns for year four (the Request); and

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

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to execute the agreement with Lambert consistent with the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



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



MEMORANDUM

Date: September 24, 2024

To: Michigan Strategic Fund Board

From: Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant Agreement Amendment #2
Chelsea Rockwell, LLC

Request

Chelsea Rockwell, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Grant Agreement (the “Agreement”) and any related ancillary agreements. The amendment request, dated June 11, 2024, includes a request to extend Milestone 1 from May 1, 2024, to July 31, 2025, Milestone 2 and 3 dates from October 31, 2025, and January 31, 2026, respectively, to align with RAP 2.0 agreement milestones. The current RAP agreement completion milestone date is March 31, 2027. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund Board approved a \$1,500,000 MCRP Performance-Based Grant on October 25, 2022, to the Company for the purpose of supporting a community development project located in the City of Chelsea that will rehabilitate a three-story, approximately 43,752 square foot functionally obsolete building, representing over \$10.0 million in total capital investment. The project, upon completion, will create 51 new residential units on this 0.33-acre site.

In addition to the MCRP award, the project was awarded a \$1,962,170 RAP 2.0 grant incentive on October 5, 2023, after the project experienced significant cost increases, the result of escalating construction costs and severe labor shortages.

The aforementioned cost increases, combined with a delay in executing the RAP agreement, have resulted in the project experiencing significant delays. The development team has secured all necessary financing to fund the project and is prepared to move forward.

No progress has been made on the project to date, due to the aforementioned reasons. The company is current with reporting requirements.

Recommendation

MEDC staff recommends approval of an amendment to the MCRP Grant Agreement, and any related ancillary agreements, to amend all project milestones per the Company’s request dated June 11, 2024.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-132

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM GRANT AWARD FOR
CHELSEA ROCKWELL, LLC**

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

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

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

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

WHEREAS, by Resolution 2022-173 on October 25, 2022, the MSF Board awarded a MCRP Grant award to Chelsea Rockwell, LLC (the “Company”), in furtherance of the project of up to \$1,500,000 (the “Award”);

WHEREAS, by Resolution 2024-046 on March 26, 2024, the MSF Board approved an amendment to the Award to extend all project milestones, with all other requirements remaining in place for the Award; and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award agreement to amend the agreement to extend Milestone 1 from May 1, 2024, to July 31, 2025, Milestone 2 and 3 dates from October 31, 2025, and January 31, 2026, respectively, to align with RAP 2.0 agreement milestones, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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

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and Investment Subcommittee Designees for Treasurer Eubanks

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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,

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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



MEMORANDUM

Date: September 24, 2024
To: Michigan Strategic Fund Board
From: Matthew Casby
Subject: Request to Extend Administrative Services Memorandum of Understanding

REQUEST

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) extend the term of the Memorandum of Understanding (“MOU”) for administrative services to September 30, 2025 and allocate up to four percent (4%) of the Annual Appropriation from the 21st Century Jobs Trust Fund to the MEDC to provide administrative services to the MSF for fiscal year 2025. Additionally, the MEDC requests approval to seek reimbursement or payment for administrative expenses it incurs in connection with administration of various federal programs, including the State Small Business Credit Initiative 2.0 (“SSBCI 2.0”), the SSBCI Technical Assistance Program, the Michigan State Trade Expansion Program (“MI-STEP”), the Community Development Block Grant (“CDBG”) Program, the Revitalization and Placemaking Program (“RAP”), and other programs and activities that may be authorized under the American Rescue Plan Act (“ARPA”) (collectively, the “Request”).

BACKGROUND

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

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

RECOMMENDATION

MEDC staff recommends approval of the Request.

MICHIGAN STRATEGIC FUND BOARD

RESOLUTION

2024-133

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

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

WHEREAS, at its January 25, 2006 meeting, the Michigan Strategic Fund (the “MSF”) Board approved the Memorandum of Understanding (subsequently amended at its July 13, 2006, September 26, 2007, September 24, 2008, September 30, 2009, September 22, 2010, September 21, 2011, September 27, 2012, October 23, 2013, September 17, 2014, September 22, 2015, September 27, 2016, September 26, 2017, August 28, 2018, September 24, 2019, September 22, 2020, August 24, 2021, September 27, 2022, and September 26, 2023 meetings), between the MSF and the Michigan Economic Development Corporation (the “MEDC”) describing the administrative services associated with the 21st Century Jobs Trust Fund programs and other authorized state and federal programs and activities to be provided by the MEDC to the MSF (the “MOU”);

WHEREAS, consistent with the terms of the MOU, the MEDC and MSF desire to extend the effective date of the MOU through September 30, 2025;

WHEREAS, to appropriately and fully fund such administrative expenses, the MSF Board believes it is reasonable to exercise its discretion pursuant to MCL 125.2088b(3), and as otherwise may be provided under the MSF Act, MCL 125.2001 et. seq., as may be amended from time to time (the “MSF Act”) to authorize an expenditure of four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund for administrative expenses for fiscal year 2024-2025; and

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

NOW, THEREFORE, BE IT RESOLVED, subject to the control and direction of the MSF Board, the MEDC shall provide administrative services through September 30, 2025 for all 21st Century Jobs Trust Fund programs, SSBCI 2.0, MI-STEP, the CDBG Program, RAP, and other programs and activities administered by the MSF, and programs and activities additionally included and described in the Michigan Strategic Fund Act;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to sign an amendment to the MOU extending the term of the MOU to September 30, 2025;

BE IT FURTHER RESOLVED, that the MSF Board, acting pursuant to the MSF Act, authorizes four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund to be incurred for administrative costs related to the administration of programs and activities authorized under the MSF Act for fiscal year 2024-2025; and

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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



MEMORANDUM

To: Michigan Strategic Fund (“MSF”) Board Members
Date: September 24, 2024
From: Colleen Horton – Director-Business Compliance
Subject: May Mobility, Inc. – Michigan Business Development Program Grant Amendment

Request Summary

May Mobility Inc., (“May Mobility” or “Company”) is requesting an amendment to its Michigan Business Development Program (“MBDP”) grant to reduce the award from \$3,000,000 to \$1,000,000, reduce Qualified New Jobs (“QNJs”) from 300 to 100, extend the Milestone One due date from October 31, 2024, to October 31, 2025, requiring the creation of a minimum 25 QNJs up to a total of 50 QNJs, extend the Milestone Two due date from October 31, 2025, to October 31, 2026, requiring the creation of a minimum of 51 QNJs up to a total of 100 QNJs, eliminate Milestone Three in its entirety and extend term from July 31, 2026, to April 30, 2027 (the MBDP Amendment Request).

Background

On April 25, 2023, the MSF Board approved an incentive for the Company in the amount of \$3,000,000 in the form of a performance-based grant under the Michigan Business Development Program. This grant was for the creation of 300 Qualified New Jobs while maintaining 197 Base Jobs and capital investment of up to \$18,000,000 in the City of Ann Arbor, Washtenaw County.

The Company proactively reached out to staff indicating they would be unable to meet the requirements of Milestones One, requesting an amendment. The company has revamped their business plan, downsizing expectations related to their Autonomous Vehicle Technology growth. If this amendment request is approved the Company is confident, they will be able to meet the requirements of the grant.

Recommendation

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

- a) Approval of the MBDP Amendment Request outlined above; and
- b) All other aspects of the approval remain unchanged.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-134

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT AMENDMENT TO
MAY MOBILITY, INC.**

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

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

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

WHEREAS, on December 21, 2011, 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 (“Guidelines”);

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

WHEREAS, the MSF Act, MCL 125.2001 *et seq.*, the Guidelines, and the Delegation require that MBDP awards over \$1,000,000 must be approved by the MSF Board;

WHEREAS, the MSF Board approved a \$3,000,000 MBDP performance-based grant to May Mobility Inc. (the “Company”) on April 25, 2023 by Resolution 2023-067 for the creation of 300 Qualified New Jobs (“QNJs”), maintenance of 197 Base Jobs and capital investment of up to \$18,000,000 in the City of Ann Arbor, Washtenaw County (the “BDP Grant”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the BDP Grant as follows:

- 1) Reduce the BDP Grant amount from \$3,000,000 to \$1,000,000;
- 2) Reduce the required Qualified New Jobs from 300 to 100;
- 3) Extend the Milestone One due date from October 31, 2024 to October 31, 2025, creating a minimum of 25 QNJs up to a total of 50 QNJs ;
- 4) Extend the Milestone Two due date from October 31, 2025 to October 31, 2026 creating a minimum of 50 QNJs up to a total of 100 QNJs;
- 5) Eliminate Milestone Three; and
- 6) Extend the BDP Grant term from July 31, 2026 to April 30, 2027.

(the aforementioned, collectively, the “Amendment Request”);

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

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

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

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and

conditions of the Amendment Request and to execute all documents necessary to effectuate the Amendment Request in accordance with this Resolution.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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,

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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



MEMORANDUM

Date: September 24, 2024

To: Michigan Strategic Fund Board

From: Kerry Ebersole Singh, EVP, Chief Talent, and Engagement Officer

Subject: The Michigander Scholars Program

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve amending the existing grants with Michigan State University (“MSU”), Michigan Technological University (“Michigan Tech”), and Wayne State University (“WSU”) by extending the term of each for one year with no additional funding allocated (the “Request”).

Background

Over the past two years, the MEDC has been focused on building responsive programming to a) attract and retain top talent for our strategic industries, b) increase educational/experiential opportunities to diversify the talent and c) forge deeper collaboration between higher education partners and employers to right-size pipelines.

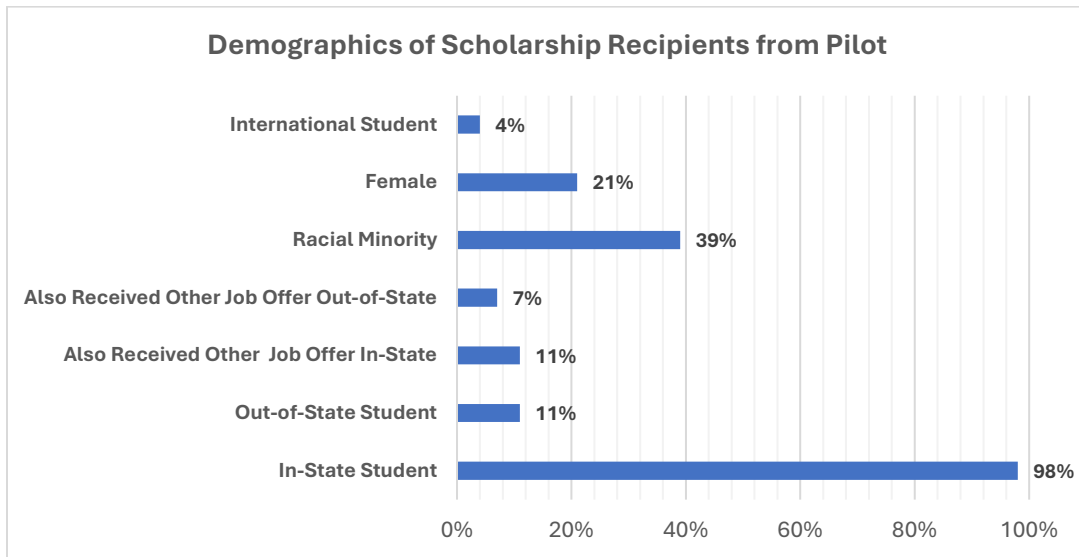
Michigan’s Advanced Manufacturing industry is aggressively growing its footprint – the state is forecasting ~\$8B+ and 10k jobs in the auto manufacturing and mobility sectors and ~30k semiconductor job growth by 2030, a 42.68% total employment growth in defense, and continued growth in other key sectors such as clean energy and life sciences. In addition, the push to onshore critical supply chains of semiconductors back to the U.S. is a great opportunity for Michigan. In the last year, the Talent Action Team (“TAT”) has added a new vertical – semiconductors – to its efforts and has a goal of adding at least two additional verticals in the next fiscal year.

To begin to address the talent needs through the state, the MSF Board approved a pilot program – the EV Scholars Pilot Program. The EV Scholars Pilot Program has been a priority initiative for the TAT with the goal of retaining top talent in Michigan, focused first on the EV and Mobility industries. The EV Scholars Pilot Program has received great enthusiasm from both employers and higher education partners and was the result of 6+ months of regular engagements with several Michigan employers (many of them with relevant talent needs committed), 7 student focus groups, and multiple working sessions with institutions of higher education.

The EV Scholars Pilot Program provided scholarships up to \$10,000 for students that meet the eligibility requirements in the program guidelines and brings unique programming and a financial incentive together to create a curated job search experience for top university engineering and computer science students – including for students who may otherwise not have explored the EV and Mobility industries in Michigan, given today’s competitive marketplace. In addition, it aims to address both outdated conceptions of the industry as well as build critical relationships with students early in their college experiences.

The pilot program kicked off in Winter/Spring 2023, and by the end of Summer 2023, had approximately 230 Scholars at Michigan State University, Michigan Technological University, and University of

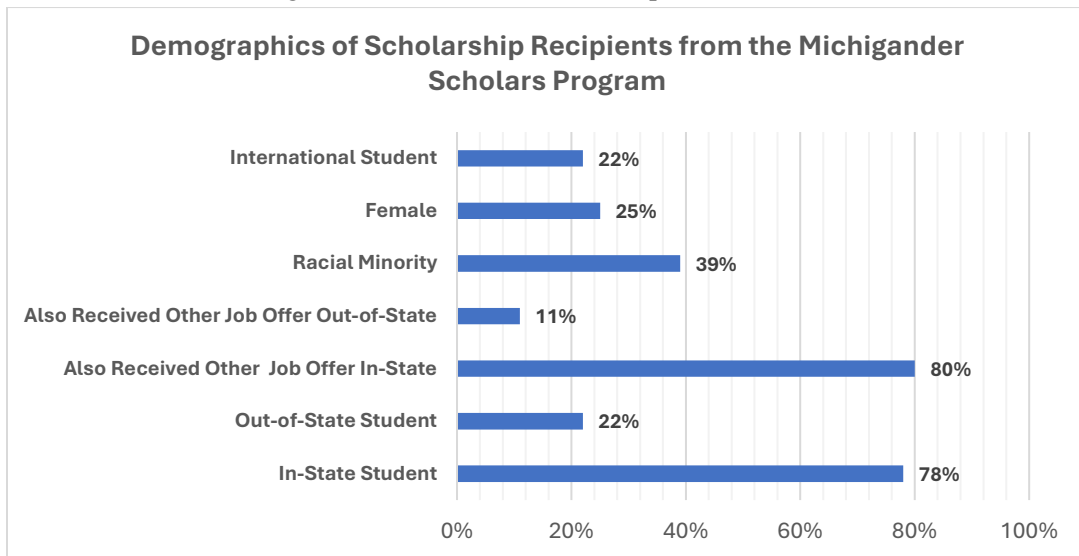
Michigan (Ann Arbor, Dearborn, and Flint) and provided 28 scholarships for internships and full-time hires with a group of TAT employers in the EV and Mobility industries.



On December 12, 2023, the MSF Board approved amendments to the program guidelines, renaming the program to the Michigander Scholars Program, and adding Kettering University and Wayne State University as participating universities.

Since this change, the Michigander Scholars Program has grown significantly; with a collective cohort of over 900 students and over 210 scholarships awarded.

When the program was established on February 28, 2023, with MSF Board approval, the MSF Board also approved the option to extend the term of the agreements for up to an additional four one-year terms. The MEDC Staff are recommending that the Board exercise this option.



Recommendation

The MEDC Staff recommends approval of the Request.

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2024-135

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

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

WHEREAS, on February 28, 2023, the MSF Board adopted the EV Scholars Pilot Program and related program Guidelines to support attracting and retaining top talent for the State’s strategic industries, including the electric vehicle and mobility industries; b) increasing educational and experiential opportunities to diversify the talent in Michigan; and c) forging deeper collaboration between higher education partners and employers to right size pipelines are critical measures toward ensuring well-paid job opportunities for Michigan residents;

WHEREAS, on February 28, 2023, the MSF Board approved the following grant awards under the EV Scholars Pilot Program, with the option to extend the term of the grant an additional four one-year terms and allocate additional funding at the sole discretion of the MSF Board for the purpose of administering the EV Scholars Program (the “Grant Awards”):

Entity	Initial Award Amount
Michigan State University	\$500,000
Michigan Technological University	\$500,000
University of Michigan	\$500,000

WHEREAS, on December 12, 2023, the MSF Board renamed the EV Scholars Program the Michigander Scholars Program, amended the program guidelines to expand eligibility for participation in the program, and approved the following grants awards, with the option to extend the term of the grant an additional four one-year terms and allocate additional funding at the sole discretion of the MSF Board for the purpose of administering the Michigander Scholars Program;

Entity	Initial Award Amount
Kettering University	\$400,000
Wayne State University	\$400,000

WHEREAS, the MEDC recommends that the MSF Board exercise its first option to extend the following Grant Awards by one year with no additional funds allocated for the following entities (the “Amendment Request”):

Entity
Michigan State University
Michigan Technological University
Wayne State University

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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,

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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



MEMORANDUM

Date: September 24, 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 #3
Michigan International Technology Center Redevelopment Authority
Parcel 9 (Central Portion) 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 \$17,587,018. The amendment proposes to add new eligible activities and increase the authorized capture to \$19,401,317. Increased tax increment capture will come from the development of a headquarters facility for Verita, a telecommunications contractor, who plans to create 119 new jobs on the site with an average hourly wage of \$28.63.

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, amended on April 16, 2024, to increase the approval of state capture to \$16,401,326, and amended on July 23, 2024, to increase the approval of state capture to \$17,587,018.

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. The second 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. This amendment will include the new construction of an approximately 40,000 square foot building that will serve as a headquarters and contains office and warehousing space.

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 is 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 new headquarters space. Tesoro Property Group LLC plans to redevelop the center portion of parcel 9 at the MITC that will serve as the headquarters facility for Verita Telecommunications Corporation. Tesoro Property Group will utilize its redevelopment and project management experience to support the construction of Verita Telecommunications’ new headquarter space. Headquartered in Plymouth, MI, Verita is a rapidly growing turnkey telecommunications contractor that offers a one stop shop for designing, engineering, permitting, and construction of telecommunications networks. The Company has 480 total employees, with 224 of them spread across their Michigan locations in Plymouth, Romulus, Northville, Coopersville, and Kalamazoo facilities. The Company has completed work in 18 states around the Great Lakes and Southeast Regions and continues to grow its footprint as it works with telecommunications providers to meet the ever growing demand of the telecommunications industry.

The background review process was completed in accordance with the MSF Background Review Policy on August 12, 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 \$17,587,018 to \$19,401,317 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 August 28, 2024, and approved by the Charter Township of Northville on August 15, 2024. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 21, 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 \$19,401,317, which is the amount of tax increment revenue anticipated to be generated in 30 years. Total MSF eligible activities are estimated at \$48,888,305, but a maximum of \$39,844,950 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:

CURRENT

PROJECT

State tax capture	(46.58%)	\$	17,587,018
Local tax capture	(53.42%)	\$	20,167,425
TOTAL		\$	37,754,443

AMENDED

PROJECT

State tax capture	(48.69%)	\$	19,401,317
Local tax capture	(51.31%)	\$	20,443,633
TOTAL		\$	39,844,950

COST OF MSF ELIGIBLE ACTIVITIES (CURRENT PROJECT)

Demolition (approved)	\$	1,171,184
Asbestos Abatement (approved)		677,400
Infrastructure Improvements (approved)		25,076,392
Site Preparation (approved)	+	11,187,514
Sub-Total	\$	38,112,490
Contingency	+	4,405,872
Sub-Total	\$	42,518,362
Brownfield/Work Plan Preparation		22,500
Brownfield/Work Plan Implementation	+	35,000
TOTAL	\$	42,575,862

COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)

Demolition (approved)	\$	1,171,184
Asbestos Abatement (approved)		677,400
Infrastructure Improvements (approved)		25,076,392
Infrastructure Improvements (new)		458,954
Site Preparation (approved)		11,187,514
Site Preparation (new)		1,148,934
Sub-Total	\$	44,183,750
Contingency	+	4,647,055
Sub-Total	\$	48,830,805
Brownfield/Work Plan Preparation		22,500
Brownfield/Work Plan Implementation	+	35,000
TOTAL	\$	48,888,305

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 continue the redevelopment of this site.

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

The Verita Telecommunications project will create approximately 119 full-time equivalent jobs with an average hourly rate of \$28.63. The combined projects within the plan anticipate the creation of 789 full-time equivalent jobs with an average hourly rate of \$24.87.

c) Area of High Unemployment:

The Detroit-Livonia-Dearborn seasonally unadjusted jobless rate was 4.3% in April 2024.

d) Level and Extent of Contamination Alleviated:

The developer will perform Due Care activities 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.

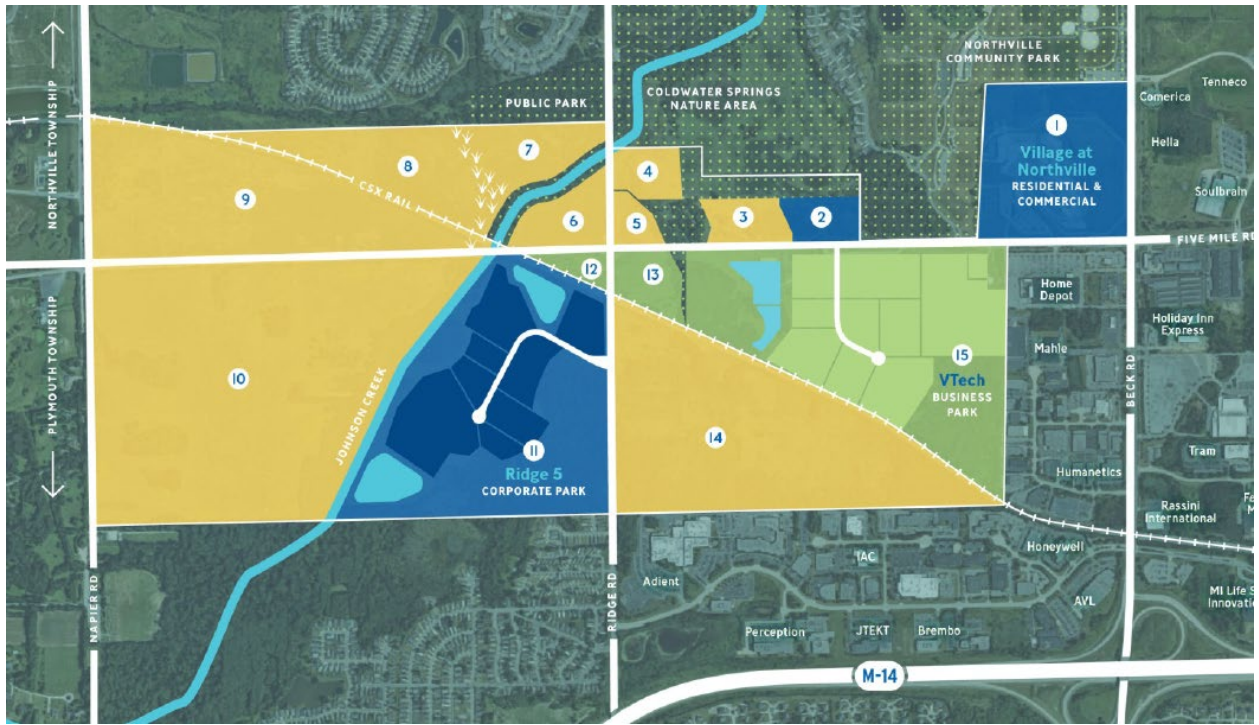
g) Whether the Project is Financially and Economically Sound:

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 2024-136

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
MICHIGAN INTERNATIONAL TECHNOLOGY CENTER REDEVELOPMENT
AUTHORITY
PARCEL 9 REDEVELOPMENT PROJECT
AMENDMENT #3**

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, 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 MSF Board amended the Brownfield Work Plan by Resolution 2024-114 on July 23, 2024, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of \$37,754,443 in eligible activities;

WHEREAS, the Authority wishes to amend the scope of the Project by including the new construction of an approximately 40,000 square-foot warehousing and office building 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 48.69% to 51.31% 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 August 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 \$48,830,805 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 \$19,401,317.

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, 2024-064, and 2024-114 are reaffirmed and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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



MEMORANDUM

Date: September 24, 2024

To: Michigan Strategic Fund Board

From: Amy Rencher, Senior Vice President, Small Business

Subject: Contractual Small Business Solutions & Services – FY25 Funding Allocations

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve the funding allocations and agreement extensions set forth in the Resolution and its Exhibits (the “Request”).

Background

Michigan Small Business Development Center Core Services Grant - \$1,500,000

On October 22, 2019, the MSF authorized a grant to the MI-SBDC to support its Core Services Program for a term of January 1, 2020 to December 31, 2022, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF. The MSF Fund Manager, on behalf of the MSF, negotiated and executed a grant agreement in the amount of \$1,945,000 for the Core Services Program (the “Core Services Grant Agreement”). The grant has been amended on an annual basis with additional funding allocated at the sole discretion of the MSF.

MSF Approval Date	Term	Allocation Amount
October 27, 2020	1/1/21 – 12/31/21	\$1,940,000
October 26, 2021	1/1/22 – 12/31/22	\$1,940,000
September 22, 2022	1/1/23 – 12/31/23	\$2,400,000
September 26, 2023	1/1/24 – 12/31/24	\$2,400,000

The Core Services program supports small businesses in traditional, non-high-tech industries, including early stage, microenterprises, and place-based businesses by providing expert assistance at no cost to entrepreneurs seeking to start or grow a business. Through their ten Regional Hosts housed in educational institutions throughout the State, MI-SBDC business consultants provide one-on-one assistance to small business owners on topics such as writing a business plan, preparing financial statements, cash flow projections, lease negotiations and many others relevant small business topics. In addition to one-on-one business counseling, the MI-SBDC offers robust online and in person training. In 2024 as part of the Small Business Support Hubs Program, several MI-SBDC Regional Hosts have entered into contracts with Support Hubs to expand and scale services to eligible business.



Since January 1, 2024, the MI-SBDC is outpacing their metrics for calendar year 2024 and is on track to serve over 10,000 unique small business clients, facilitate over 300 new business starts, and support creation of over 1,000 new jobs by client companies. The MI-SBDC Core Services grant supports the following MEDC Small Business Strategic Initiatives: assist entrepreneurs with launching businesses by leveraging and supporting Michigan's entrepreneurial ecosystem, provide resources to improve core business acumen, increase coaching and mentorship opportunities and deliver technical assistance.

The MEDC recommends that the MSF Board exercise its option to extend the term of the agreement to December 31, 2025, and to allocate \$1,500,000 in additional funding for the period of January 1, 2025 – December 31, 2025.

Edward Lowe Foundation - \$300,000

On February 28, 2023, the MSF Board awarded The Edward Lowe Foundation (the "Foundation") a grant in the amount of \$300,000 with an initial term of 12 months, with the option to extend the contract for up to four, one year term(s), and allocate additional funding at the sole discretion of the MSF Board.

The Foundation is a Michigan-based foundation that has served as the national leader in second-stage entrepreneurial support for nearly 20 years. Through this funding, the Foundation leads the Second-Stage Growth Solutions Program, which has supported more than 1,200 second-stage companies since 2005. The participating companies are provided data, best practices, connections and peer-to-peer learning to promote growth and help it make decisions that will positively impact the business. Continued funding will facilitate this vital support for companies with 10-99 employees who employ 41.9% of Michiganders. The partnership provides the opportunity to maximize state allocated funds while delivering a comprehensive suite-of-programs designed to support second-stage companies and their leaders to address issues impacting the ability to grow and scale.

The Second-Stage Growth Solutions Program does not grant any funds, but instead focuses on providing programs and services and allows the state to leverage philanthropic dollars to support a greater number of companies. For every dollar the MSF invests to send a company to an in-person retreat hosted at the Foundation headquarters in Cassopolis, Mich., the Foundation invests two dollars.

The suite-of-programs is iterative by design, driven by insights and trends identified in real time through the Foundation's work with its partner states across the country. These insights position the Foundation to design programming that is relevant and timely based on indicators found in the market. Michigan's second-stage companies in 2023 accounted for 21.4% of establishments and 41.9% of total jobs according to myeconomy.org. Second-Stage companies employ the largest share of Michiganders and the Foundation's expertise delivers valuable information, connections and facilitation to second-stage entrepreneurs-resources they likely would not have the ability, time or finances to find on their own. Current programs include technical assistance/strategic information, retreats and roundtables.

The MEDC recommends that the MSF exercise its third option to extend the term of the agreement one year and allocate \$300,000 in additional funding.

Industry 4.0 Implementation Grants - \$2,500,000

On January 25, 2022, the MSF Board approved the release of a request for proposals seeking proposals from one or more Michigan-based non-profit entities and/or Michigan-based governmental entities to administer grants for Michigan small manufacturers throughout the state Industry 4.0 (“I4.0”) technology implementation projects (the “I4.0 Implementation Grants RFP”).

On April 26, 2022, the MSF Board approved funding to support six regional entities for initial two-year terms, with the option to extend the term for an additional two years and allocate funding at the sole discretion of the MSF Board. The six regional entities included Great Lakes Bay Manufacturers Association, Macomb County Department of Planning and Economic Development, Manufacturing Growth Alliance, Networks Northwest, Southwest Michigan First and the Right Place. On December 13, 2022, MSF allocated an additional \$1,500,000 to the awardees and delegated authority to the MSF Fund Manager to allocate an additional \$1,500,000 to be allocated at the discretion of the MSF Fund Manager.

The I4.0 Implementation Grants Criteria specify that companies receiving support must be a manufacturer as defined by NAICS code, must be classified as a small business by the Small Business Administration, must complete a I4.0 technology assessment or provide documentation of an executed strategy for determining technology to implement, and must be an essential member with Automation Alley. In addition, the I4.0 Implementation Grants Criteria requires that grant awards to companies be reimbursement-based for up to 50% of the actual expenses incurred in implementing new I4.0 technology, up to a maximum of \$25,000 per company.

Since the launch of the I4.0 Implementation Grants in June 2022, the regional partners have awarded more than 200 grants totaling more than \$5 million. The allocated funds were awarded to small manufacturers in all ten regions of the state, across 48 counties. From initial application materials, the collective group of small manufacturer awardees expect to achieve more than \$210 million in increased revenue, create more than 800 jobs and retain more than 3,400 jobs as a result of the I4.0 projects funded. Additionally, these projects leverage more than \$25.5 million of private investment from small manufacturers.

The MEDC recommends that the MSF exercise its second option to extend the term of the agreement one year and allocate \$2,500,000 to the I4.0 Implementation Grants through the existing six regional partners as indicated below:

Grantee	Regional Coverage	Award Amount
Great Lakes Bay Manufacturers Association	Regions 5 & 6	\$ 367,500
Macomb County Department of Planning and Economic Development	Macomb County	\$ 245,000
Manufacturing Growth Alliance	Regions 1, 3, 7, 9, Oakland & Wayne Counties	\$ 1,177,500
Networks Northwest	Region 2	\$ 72,500

Southwest Michigan First	Region 8	\$ 270,00
The Right Place	Region 4	\$ 367,500
Total		\$ 2,500,000

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

On December 8, 2020, the MSF Board awarded Automation Alley an initial grant of \$2,500,000 for the term of October 1, 2020 through September 30, 2021 with the option to extend the grant for up to five additional one-year terms and allocate funding at the sole discretion of the MSF Board. On August 24, 2021, the MSF Board approved a one year no-cost extension to September 30, 2022. On December 7, 2021, the MSF Board allocated additional funding of \$2,500,000 for the agreement. On September 27, 2022, MSF exercised its second option year to extend the term of to September 30, 2023 and to allocate \$2,500,000 in funding.

In FY2025, Automation Alley will continue to increase digital awareness, build on Michigan second-stage business intelligence, leverage federal programs to support this initiative, and continue to support international trade activity. Automation Alley will build on the success of the new Integr8 roundtable and playbook format to support second-stage businesses and small manufacturers grow in Michigan. The website will continue to drive viewership through the industry 4.0 digital newsroom and increased awareness to aid second stage businesses and manufacturers in adopting industry 4.0 technology. Automation Alley will leverage federal and local funding to provide resources for the Michigan ecosystem through Project DIAMOnD by Oakland County, DOE Oakland University Cybersecurity Center, DOE CyManII, the EDA Accelerator, and the US Center for Advanced Manufacturing. Automation Alley will continue to build out the Michigan Manufacturing Database to enhance the information on Michigan’s small business ecosystem to support the regional partnerships and outreach. Additionally, Automation Alley will continue to support the Implementation Grant as a member of the review committee. Finally, Automation Alley will continue to support the International Trade program through trade missions and expanded statewide recruiting.

In FY2024 to date, Automation Alley published 8 playbooks through the Integr8 series which have received over 22 million impressions total and Automation Alley’s website has received over 1 million views. The increased digital presence will ensure that more second stage and small manufacturers are ready to adopt Industry 4.0 and has resulted in 1,128 new Essential Members and a total active membership of 3092 small and second stage manufacturers. This increase in engagement has also increased international participation to 371 attendees statewide at 15 trade-related events. Automation Alley hosted 47 events and roundtables around the state related to I4.0 and International Trade with a total of 842 participants. Additionally, because of Automation Alley’s international trade support in the last 12 years, Michigan companies have reported over \$2.2 billion in export sales.

In FY2023, Automation Alley hosted 40 events and roundtables around the state related to I4.0 and International Trade with a total of 1,252 participants. Automation Alley hosted 39 attendees through the 3 trade missions. Automation Alley secured 868 Essential Memberships with increased regional partner engagement around the state. Additionally, because of Automation Alley’s international trade support in the last 11 years, Michigan companies have reported over \$2.0 billion in export sales. Automation Alley

also launched Project DIAMOND Phase II and the Oakland University Cybersecurity Center to provide additional resources to the manufacturing and second stage ecosystem.

The MEDC recommends that the MSF to exercise its fourth option to extend the term of the agreement to September 30, 2025 and allocate \$2,500,000 in additional funding.

Michigan Manufacturing Technology Center - Industry 4.0 Statewide Services - \$3,050,000

On October 25, 2022, the MSF Board awarded the Michigan Manufacturing Technology Center (MMTC) an initial grant of \$3,050,000 for the term of October 1, 2022 through September 30, 2023 with the option to extend the grant for up to four additional one-year terms and allocate funding at the sole discretion of the MSF Board. This request is the second extension option to extend the grant term and allocate funding for the FY25 contract.

MMTC is the sole program of the 501c3 Industrial Technology Institute, Inc. (ITI), a not-for-profit Michigan corporation. In 1991, ITI was awarded the charter to operate the Michigan portion of the National Institute of Standards and Technology (“NIST”) Hollings Manufacturing Extension Partnership (“MEP”) program. MMTC is a public-private network and receives federal match funds, in addition, to support from MSF. MMTC receives \$5.4 million in matching funds from the Federal Department of Commerce/National Institute of Standards and Technology (Manufacturing Extension Partnership) along with \$4.1 million from the MMTC’s manufacturing clients in Michigan and through other strategic initiatives.

MMTC collaborates with Automation Alley and MEDC/MSF to advance the adoption of I4.0 technologies by Michigan small and medium-sized manufacturers. MMTC will provide support through Outreach, Technology Roadshows, Process Development, Course Training, Technology Assessments, and Project Management.

In FY2023, MMTC worked with 546 Michigan companies on projects, resulting in \$573.9 million in new or retained sales and 6,511 new or retained jobs directly attributed to assistance provided by the MMTC. Projects included in this definition are those designed to help Michigan companies with product and process innovation, lean manufacturing and continuous improvement, quality systems, costing systems, supervisory training, cybersecurity, market research, food processing, and business development. Additionally, MMTC facilitated 217 Technology Opportunity Assessments for the I4.0 Initiative, hosted 10 Technology Roadshows with 249 total participants, and taught 117 participants in Course Training on relevant I4.0 topics.

MMTC also provides critical support to MEDC’s Pure Michigan Business Connect Program (“PMBC”) by connecting established procurement demand to the Michigan supply base. PMBC works with MMTC to provide custom supplier lists and recommendations for procurement demand. From FY2019 through FY2023, MMTC assisted PMBC with more than 358 custom lists, including more than 5,390 supplier recommendations.

The MEDC recommends that the MSF to exercise its second option to extend the term of the agreement to September 30, 2025 and allocate \$3,050,000 in additional funding.

International Trade: International Trade Services Contracts - \$472,000

On July 26, 2022, the MSF Board awarded International Trade Services selection of vendors (the “ITS Contractors”) to Ares Technology Group (“Ares”), Foster Swift Collins & Smith, P.C. (“Foster Swift”), IBT Online, Michigan State University – International Business Center (“MSU-IBC”), the Michigan Small Business Development Center (“MI-SBDC”), Networks Northwest, and Van Andel Global Trade Center (“VAGTC”) following a formal request for proposals, for an initial term of October 1, 2022 to September 30, 2023, with the option to extend each contract up to four additional years and allocate additional funding at the sole discretion of the MSF. On September 27, 2022 the MSF Board allocated \$726,100 in funding to support FY23 services. On September 26, 2023 the MSF Board approved the first extension option of the agreements, allocating funding to the FY24 contracts. This request is the second extension option of the agreements, allocating funding to the FY25 contracts with some changes made to contractors described below. We are seeking reduced funding for FY25 as we are modifying the framework of International Trade program delivery and discontinuing FY25 contracts for Foster Swift, IBT Online, and Networks Northwest, with reduced contracts for MSU-IBC and MI-SBDC.

The MEDC recommends that the MSF allocate \$472,000 in the amounts listed below to the SBS Contracts to support a continuation of services through September 30, 2025:

- Ares - \$25,000 to support international defense market research and B2B matchmaking
- MSU- IBC - \$90,000 to support Michigan Export Growth Program custom research reports providing multi-country and industry-specific market research reports, statewide support for ExporTech participants, and maintenance of ExportMI.org.
- MI-SBDC - \$200,000 to support projects including International Search Engine Optimization (SEO), Early Export Assistance and self-directed RISE modules to assess export readiness and provide export planning for new exporters, and landed cost analysis.
- VAGTC - \$157,000 to support customized export training on topics including export documentation and export control compliance, workshops for new to export companies navigating the export process and available resources, worldwide credit reports, and more.

MSF Approval Date	Term	Total International Trade Services Contractor Allocation
September 27, 2022	10/1/22-9/30/27	\$726,100
September 26, 2023	10/1/22-9/30/27	\$726,100

The MEDC recommends that the MSF to exercise its second option to extend the term of the agreement for each contractor to September 30, 2025 and allocate \$472,000 in additional funding.

International Trade: Michigan State Trade Expansion Program (MI-STEP) - \$1,200,000

On September 27, 2012, the MSF Board approved the first acceptance of federal award dollars from the SBA State Trade Expansion Program (STEP) to be utilized by Michigan companies through the

International Trade program. In subsequent years, MSF has approved award dollars from SBA to be utilized exclusively for the MI-STEP grant program offered to Michigan small businesses in support of eligible export expenses. MEDC Staff anticipates the notice of award from SBA to be delivered September 2024 for FY25 STEP funding of \$900,000 (the “SBA Award”) out of an award pool of \$20 million. To accept the award, MSF must commit to matching 25% of the total SBA Award, up to \$300,000 (the “Match”), for \$1,200,000 total in STEP funding. MSF must accept the SBA Award and approve the Match within the 30-day deadline provided after the SBA Award is announced. The SBA Award combined with required state Match funds will make up to \$1,200,000 in funds available through MI-STEP beginning Oct. 1, 2024.

In the past 12 years since the program’s inception, Michigan has been awarded \$13,973,885 in federal STEP dollars and MSF Board has approved \$4,658,292 in match funds. MI-STEP incentivizes small businesses in Michigan to begin exporting or expand their current exports by supporting allowable export development activities into international markets. The program will provide reimbursement of up to 50% of expenses for eligible export related activities for a maximum of \$15,000 per business per award year in FY25. This amount has been lowered back to the original 50% rate for FY24, after raising temporarily to 75% to provide additional support to exporting small businesses during the COVID-19 pandemic. Eligible export activities include: participation in foreign trade missions; international business development travel including trade show participation, and trade show exhibition. This list is reduced from FY23 due to changes in International Trade program delivery and team structure. In FY23, MEDC’s International Trade program allocated more than more than \$2.14 million in incentives to 254 companies through 394 completed STEP and PEP (discontinued) grants. Since the program was established in 2011, Michigan’s International Trade program has facilitated over \$5.75 billion in export sales for Michigan businesses through federally and non-federally funded programs.

RECOMMENDATION

MEDC staff recommends the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-137

SMALL BUSINESS SOLUTIONS & SERVICES ALLOCATION OF FUNDING FOR FISCAL YEAR 2025

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 MSF Board through Resolution 2024-XXX approved the transfer of appropriated funds to the MSF for business attraction and community development, and the entrepreneurship ecosystem for the 2024-2025 fiscal year (the “FY25 Funding Allocation”);

WHEREAS, the MSF anticipates receiving \$900,000 from the U.S. Small Business Administration (“SBA Award”) for the Michigan State Trade Expansion Program (“MI-STEP”) for fiscal year 2025, provided the MSF authorizes the MSF Fund Manager to accept the award and commits to match funding of up to \$300,000 (the “SBA Award and Match”);

WHEREAS, the MSF Board through Resolution 2019-162 authorized a grant to the Michigan Small Business Development Center to support its core service program with the option to extend the term for up to five additional one-year terms and allocate additional funding at the sole discretion of the MSF (“MI-SBDC Grant”);

WHEREAS, the MSF Board through Resolution 2023-032 approved a grant award to the Edward Lowe Foundation with the option to extend the grant for up to four additional one-year terms and allocate additional funding at the sole discretion of the MSF (the “ELF Grant”);

WHEREAS, the MSF Board through Resolution 2022-071 approved funding for state Industry 4.0 technology implementation projects with the option to extend the term for an additional two years and allocate additional funding at the sole discretion of the MSF (“I4.0 Implementation Grants”);

WHEREAS, the MSF Board through Resolution 2020-149 approved a grant award to Automation Alley with the option to extend the grant for up to five additional one-year terms and allocate additional funding at the sole discretion of the MSF (“Automation Alley Grant”);

WHEREAS, the MSF Board through Resolution 2022-185 approved a grant award to Michigan Manufacturing Technology Center with the option to extend the grant for up to four additional one-year terms and allocation additional funding at the sole discretion of the MSF (“MMTC Grant”);

WHEREAS, the MSF Board through Resolution 2022-115 approved a grant awards to selected vendors for implementation of international trade services with the option to extend each grant up to four additional one-year terms and allocate additional funding at the sole discretion of the MSF (“ITS Contractor Grants”);

WHEREAS, the MEDC recommends that the MSF Board approve the following from the FY25 Funding Allocation as described in Exhibit A to this Resolution and as more specifically detailed as follows: (i) the SBA Award and Match; (ii) the approval to exercise the third one-year option to extend the MI-SBDC Grant to December 31, 2025 and allocate an additional \$1,500,000 in funding; (iii) the approval to exercise the third one-year option to extend the ELF Grant and allocate an additional \$300,000 in funding; (iv) the approval to exercise the second one-year option to extend the I4.0 Implementation Grants and allocate an additional \$2,500,000 in funding as identified in Exhibit B to this Resolution ; (v) the approval to exercise the fourth one-year option to extend the Automation Alley Grant and allocate an additional \$2,500,000 in funding; (vi) the approval to exercise the second one-year option of extend the MMTC Grant and allocate an additional \$3,050,000 in funding; and (vii) the approval to exercise the second one-year option to extend the ITS Contractor Grants and allocate an additional \$472,000 in funding as identified in Exhibit B to this Resolution (collectively, the “FY2025 SBS&S Funding Allocations and Agreement Extensions”);

WHEREAS, the MSF Board desires to approve the FY2025 SBS&S Funding Allocations and Agreement Extensions;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the FY2025 SBS&S Funding Allocations and Agreement Extensions; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the FY2025 SBS&S Funding Allocations and Agreement Extensions.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2024



EXHIBIT A
FY25 Contractual Small Business Solutions & Services

Allocations for Approval	21st Century Jobs Trust Fund Allocation	Federal Awards	Extension Request
Automation Alley	\$2,500,000.00	-	Fourth
Edward Lowe Foundation	\$300,000.00	-	Third
Industry 4.0 Implementation Grants	\$2,500,000.00	-	Third
International Trade Services	\$472,000.00	-	Second
International Trade State Trade Expansion Program (SBA)	\$300,000.00	\$900,000.00	-
Michigan Manufacturing Technology Center	\$3,050,000.00	-	Second
Michigan Small Business Development Center	\$1,500,000.00	-	Third
Total	\$10,622,000.00	\$900,000.00	

Allocations do not include any prior year funding.

EXHIBIT B

I4.0 and ITS Contractor Grant Modifications

I4.0 Contractor Grant Modifications

Grantee	Award Amount
Great Lakes Bay Manufacturers Association	\$ 367,500
Macomb County Department of Planning and Economic Development	\$ 245,000
Manufacturing Growth Alliance	\$ 1,177,500
Networks Northwest	\$ 72,500
Southwest Michigan First	\$ 270,000
The Right Place	\$ 367,500
Total	\$ 2,500,000

International Trade Services “ITS” Contractor Grant Modifications

Grantee	Award Amount
Ares	\$ 25,000
Michigan State University International Business Center	\$ 90,000
Van Andel Global Trade Institute	\$ 157,000
Michigan Small Business Development Center	\$ 200,000
Total	\$ 472,000



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF 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



MEMORANDUM

Date: September 24, 2024
To: MSF Board Members
From: Kelly Wolgamott, Vice President of Pure Michigan
Subject: Travel Marketing & Advertising Campaign Contract Amendment

REQUEST

On July 24, 2024, Public Act 121 of 2024 was signed into law setting the FY25 appropriated budget for the state. This request is for the Michigan Strategic Fund (the “MSF”) Board to approve an allocation of \$14 million in FY25 appropriated American Rescue Plan Act (ARPA) federal funds to MSF’s existing contract with MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season destination and extend the agreement by one year. This award will be year four of the current contract with MMGY Global.

BACKGROUND

MMGY Global, which was selected in September 2021, as the travel marketing agency of record for the MSF through a competitive RFP process. On October 26, 2021, the MSF Board authorized a contract with MMGY Global utilizing federal ARPA funds appropriated by the legislature for an initial three-year term of November 1, 2021, through October 31, 2024, with two one-year extensions at the sole discretion of the MSF Board (the MMGY Contract). \$20 million of appropriated ARPA funding was approved by the MSF Board for the initial year of the contract.

On July 20, 2022, Public Act 166 of 2022 was signed into law setting the FY23 appropriated budget for the state, including a \$15 million allocation of ARPA federal funds to promote travel marketing in the state.

On August 23, 2022, the MSF Board authorized an allocation of \$15 million in FY23 appropriated funds to MSF’s existing contract with MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season destination.

COMPANY BACKGROUND

MMGY Global is a Michigan-owned company and the leading integrated marketing agency in the travel, tourism, and hospitality industry for over four decades. The company showcases extensive travel industry knowledge; a critical understanding of the challenges facing the travel industry; deep expertise in thought-leadership, advertising execution and research related to diverse travelers and the specific challenges they face; a data-driven approach with industry-leading custom authored research white papers; and a high-level of creativity to elevate the Pure Michigan brand – while maintaining its authentic and original heart – that will positively impact Michigan tourism for years to come. Since being named the advertising agency of record for Travel Michigan, MMGY Global has opened a new office in Detroit.

Campaign advertising development and placement in 2023 focused on reaching both in and out-of-state travelers in targeted markets to augment the national message. Advanced research was deployed to better understand the post-pandemic needs and expectations of the traveler to guide the overall marketing strategy. Marketing initiatives across broadcast, connected TV, social and digital channels were used to regain and grow travel volume and spending statewide.

RECOMMENDATION

Staff recommends approval of (1) a one-year extension of the MMGY Contract and (2) an award of \$14 million for year four of the current contract with MMGY Global to continue travel marketing efforts that support and help drive MEDC efforts to increase leisure travel in the state and position Michigan as a world-class travel destination.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-138

MMGY GLOBAL CONTRACT FOR TRAVEL MARKETING

WHEREAS, Public Acts 215 and 225 of 2005 established the 21st Century Jobs Trust Fund initiative within the Michigan Strategic Fund Act, Public Act 27 of 1984, as amended (the “Act”);

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

WHEREAS, Section 88b(2)(d) of the Act, allows money transferred or appropriated by law to the 21st Century Jobs Fund may be used for promotion of tourism in this State;

WHEREAS, on October 26, 2021, the MSF Board approved the selection of MMGY Global as the vendor for the development and implementation of the marketing and advertising efforts for travel marketing and advertising campaigns for the period of three years, with the option for two additional one-year extensions and allocated an initial amount of \$20,000,000;

WHEREAS, the MSF entered into a contract with MMGY Global on November 1, 2021 to augment statewide Pure Michigan marketing efforts (the “Contract”);

WHEREAS, on July 26, 2022, the MSF allocated \$9,307,393 from an Economic Development Administration grant to the Contract;

WHEREAS, on August 23, 2022, the MSF Board approved additional funding to the Contract in the amount of \$15,000,000 from part of the American Rescue Plan Act funds as appropriated by the State Legislature in Public Act 166 of 2022 for the development and implementation of the marketing and advertising efforts for the travel marketing and advertising campaigns.

WHEREAS, the MEDC recommends the MSF Board approve (1) a one-year extension to the Contract and (2) an additional \$14,000,000 from part of the American Rescue Plan Act funds as appropriated by the State Legislature in Public Act 121 of 2024 for the development and implementation of the marketing and advertising efforts for travel marketing and advertising campaigns (the Request); and

WHEREAS, the MSF Board wishes to approve the Request;

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

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to take all actions necessary to effectuate the Request, consistent with the terms and conditions of this resolution.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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,

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Susan R. Corbin
Director



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,

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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



MEMORANDUM

Date: September 24, 2024
To: Michigan Strategic Fund Board
From: Jill Trepkoski, Chief Financial Officer
Subject: MSF Annual Allocation of the 21st Century Jobs Trust Fund Appropriations

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board approve the funding allocations of the 21st Century Jobs Trust Fund appropriations set forth in the attached exhibit to the proposed Resolution (the “Request”).

Background

Each year MEDC Staff requests that the MSF Board accept and allocate 21st Century Jobs Trust Funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. For FY2025, the MSF received \$115,650,000 in appropriations consists of tobacco settlement funds from 21st Century Jobs Trust Fund and funds from the general fund that transfer to the 21st Century Jobs Trust Fund. These funds are appropriated to business attraction and community development and revitalization programs and activities, and to the entrepreneurship ecosystem. The requested allocation of these appropriated funds is outlined below.

Administration Allocation – \$4,626,000

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

Business Development and Marketing Allocation – \$5,782,500

These funds are used for business marketing campaigns, media, and public relations activities to attract, retain, and grow target industries that deliver economic benefit to the people of the state. Under section 88b(4) of the MSF Act, the MSF may allocate up to 5% of the annual appropriation from the 21st Century Jobs Trust Fund for these activities. Specific agreements are funded from this allocation upon approval of the MSF board or its delegates.

Community Revitalization Program – \$20,000,000

These funds represent the boilerplate requirement in Public Act 121 of 2024 section 514 that not less than 20% of the \$100 million FY2025 Business Attraction and Community Revitalization appropriation shall be granted by the MSF Board for brownfield redevelopment and historic preservation projects under the Community Revitalization Program. Specific projects are funded from this allocation upon approval of the MSF board or its delegates.

Business and Community Development Programs and Activities - \$71,000,000

These funds are used to support programs such as the Michigan Business Development Program (“MBDP”), and other business and community development programs and activities, including small business support and talent retention and attraction activities. Support is offered as a grant, loan, or other economic assistance. Specific projects or programs are funded from this allocation upon approval of the MSF board or its delegates.

Entrepreneurial Programs and Grants - \$14,241,500

These funds are used for university technology programs and entrepreneurial support services grants and programs that support Michigan’s statewide technology ecosystem. Specific projects and programs are funded from this allocation upon approval of the MSF board or its delegates.

Recommendation

MEDC staff recommends the MSF Board adopt the request approving the FY2025 Funding Allocations and requests the State Treasurer to transfer \$115,650,000 from the 21st Century Jobs Trust Fund to the MSF.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-139

ALLOCATION OF FUNDING FOR FISCAL YEAR 2025

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, 2024 PA 121 appropriated \$75,000,000 from the 21st Century Jobs Trust Fund and \$40,650,000 from the State General Fund for business attraction and community development, and the entrepreneurship ecosystem for the 2023-2024 fiscal year;

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

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

WHEREAS, the MEDC recommends that the MSF allocate funding from the 21st Century Jobs Trust Fund to the programs and activities for fiscal year 2024 as described in Exhibit A to this Resolution (the “FY2025 Funding Allocations”);

WHEREAS, after consideration of that recommendation, the MSF Board desires to approve the FY2025 Funding Allocations.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the FY2025 Funding Allocations and requests the State Treasurer to transfer \$115,650,000 from the 21st Century Jobs Trust Fund to the MSF;

BE IT FURTHER RESOLVED, the MSF Board approves the FY2025 Funding Allocations; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate and execute all final documents necessary to effectuate the FY2025 Funding Allocations.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2024

Michigan Strategic Fund FY2025 Funding Allocations

Allocations for Approval	21st Century Jobs Trust Fund Allocation
Administration Allocation - 4% of Appropriated Funds	\$4,626,000
Business Development and Marketing Allocation - 5% of Appropriated Funds	\$5,782,500
Business and Community Development Programs and Activities	\$71,000,000
Community Revitalization Program	\$20,000,000
Entrepreneurial Programs and Grants	\$14,241,500
TOTAL ALLOCATIONS OF FY2024 APPROPRIATED FUNDS	\$115,650,000

* Allocations do not include any prior year funding.



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 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 "B. Wieferich", written over the printed name.

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MEMORANDUM

Date: September 24, 2024

To: Michigan Strategic Fund Board

From: Nataliya Stasiw, Equity Capital Program Director, Capital Access

Subject: Michigan Innovate Capital Fund Program (MICF) Funding Request

Request

The Michigan Economic Development Corporation (the “MEDC”) requests that the Michigan Strategic Fund (the “MSF”) Board approve an allocation in the amount of \$5,000,000 from the Jobs for Michigan investment fund (the “Investment Fund”) to the Michigan Innovate Capital Fund Program (the “MICF”) (the “Allocation”)

Background

Section 88b(2)(c) of the MSF Act (the “Act”) provides that money transferred or appropriated to the Investment Fund may be expended for programs or activities under any chapter of the Act. According to Section 2 of the Act, the purpose of the MSF is to, among other things, help diversify the economy of the State of Michigan, to assist business enterprise in obtaining additional sources of financing to aid the State in achieving the goal of long-term economic growth and full employment, to meet the growing competition for business enterprises, to preserve existing jobs, to create new jobs, to reduce the cost of business and production.

On June 27, 2023, the MSF Board approved the creation of the Michigan Innovate Capital Fund (MICF) with an initial allocation of \$23,000,000 from the Investment Fund and adopted program guidelines. This program awards incentives to non-profit organizations that operate fund programs to invest in pre-seed and start-up stage competitive edge technologies that require capital in the earliest stages of the commercialization process. The MICF makes awards through two tracks: 1) a track for applicants that have previously received financial support from the MSF or MEDC for pre-seed fund activities (“Established Applicants”) and 2) a track for applicants that have not previously received financial support from the MSF or MEDC for pre-seed fund activities (“Emerging Applicants”).

Progress to date:

As of January 31, 2024, the initial allocation of \$23,000,000 has been fully committed through five agreements each with an initial term of five years, with the option to extend up to an additional five years, and with the option to allocate additional funding throughout the term.

As of last reporting period through March 31, 2024, three of five funds have begun actively investing. Grantees reported the following metrics:

- Total number of investments - 14
- Total Dollars Invested - \$2,500,000
- Follow-on Funding attracted - \$10,500,000
- Total number of companies in pipeline – 208
- Total Dollars in Pipeline - \$11,800,000

Recommendation

In order to fund the continuing operation of the MICF program, the MEDC staff recommends that the MSF Board approve an additional \$5,000,000 allocation from the Investment Fund to MICF.

**MICHIGAN STRATEGIC FUND
RESOLUTION 2024-140**

**APPROVAL OF THE
MICHIGAN INNOVATE CAPITAL FUND
FUNDING ALLOCATION**

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, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to Section 88h(1) of the MSF Act, MCL 125.2088h(1), the Jobs for Michigan investment fund was created as a permanent fund authorized by Section 19 of Article IX of the Michigan Constitution (the “Investment Fund”);

WHEREAS, pursuant to Section 88h(3) of the MSF Act, MCL 125.2088h(3), the Investment Fund shall be invested as authorized under Chapter 8A for the purpose of creating incentives for activities arising out of retaining or creating jobs, or increasing capital investment activity, or increasing commercial lending activity or encouraging the development and commercialization of competitive edge technologies, or revitalizing Michigan communities;

WHEREAS, pursuant to Section 88h(5)(b) of the MSF Act, MCL 125.2088h(5)(b), the Investment Fund consists of, among other things, return on investments, return on principal, payments made, or other money received by or payable to the MSF under agreements related to grants, loans, or investments made by the MSF under Chapter 8A or Chapter 8C;

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

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

WHEREAS, on June 27, 2023, the MSF Board: (1) created the Michigan Innovate Capital Fund (the “MICF”) to increase capital being invested in Michigan-based technology companies in the earliest stages of commercialization; (2) adopted guidelines for the operation of the MICF; (3) allocated \$23,000,000 from the Investment Fund to the MICF; and (4) approved delegation of authority to the MSF delegates to approve MICF grants in the amount of up to \$5,000,000;

WHEREAS, the MEDC recommends that MSF Board allocate \$5,000,000 in additional funding from the Investment Fund to the MICF to fund the continued operation of the MICF program (the “Request”); and

WHEREAS, the MSF Board wishes to approve the Request.

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

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Request.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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,

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Susan R. Corbin
Director



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

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and Investment Subcommittee Designees for Treasurer Eubanks

Dear Ms. Davenport:

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

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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

**MICHIGAN STRATEGIC FUND
RESOLUTION**

2024-130

**APPROVAL OF THE SEPTEMBER 24, 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 August 27, 2024, Meeting Minutes
- b. Business Marketing Lambert Contract Amendment
- c. Chelsea Rockwell, LLC: MCRP Amendment
- d. FY 2025 Memorandum of Understanding MSF & MEDC
- e. May Mobility, Inc: MBDP Grant Amendment
- f. The Michigander Scholars Program Grant Amendments
- g. Michigan International Technology Center: Act 381 Work Plan Amendment
- h. FY 2025 Funding Allocations: Contractual Small Business Solutions & Services
- i. Travel Marketing & Advertising Campaign Contract Amendment
- j. FY2025 Funding Allocations
- k. MICF Program Funding Allocations

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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,

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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



MEMORANDUM

Date: September 24, 2024
To: Michigan Strategic Fund (“MSF”) Board Members
From: Vlatko Tomic-Bobas, Investment Director, Europe
Brittney Mizer, Business Development Project Manager
Subject: Incentives Request
Michigan Business Development Program (“MBDP”) State Essential Services Assessment (“SESA”) Exemption Request
Saab, Inc. (“Company” or “Applicant”)

Request Summary

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

- Approval of a \$3,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”);
- Approval of a 15-year, 100% SESA Exemption based on at least \$30,000,000 in eligible investment in Eligible Personal Property (“SESA Request”).
 - In accordance with the SESA and Alternative SESA Program Guidelines (“Program Guidelines”), it is required that projects be located in Eligible Distressed Areas, as defined in the Program Guidelines (the “EDA Requirement”) and that projects have at least \$100,000,000 in qualified investment, as defined in the Program Guidelines, in order to be eligible for a 15-year SESA (“the “Investment Requirement”). As part of the SESA Request, staff are recommending the MSF waive the EDA Requirement and the Investment Requirement (“EDA Requirement Waiver” and “Investment Requirement Waiver” respectively), due to the transformational nature of the project.
- This project involves the creation of up to 69 Qualified New Jobs and a capital investment of up to \$75,000,000 in the Township of Grayling, Crawford County.

Applicant History

The Company was founded in 1937 to provide military aircraft for Sweden, where the global headquarters are located. Today, the Company serves customers in over 100 countries around the globe, with world-leading products, services and solutions from military defense to civil security. The Company has operations on every continent, with 22,000 total employees in over 300 countries. The Company’s United States (US) business, Saab, Inc., is governed by an independent board and operates with an US Department of Defense special security agreement that enables it to handle classified information in support of US contracts. Saab, Inc. is headquartered in Syracuse, New York and has nine US locations, employing roughly 900 individuals.

The background review process was completed in accordance with the MSF Background Review Policy on August 13, 2024, and the project may proceed for MSF consideration.

Project Description

The Company is evaluating locations to establish an integration and assembly facility to support the engineering and production of cutting-edge products which meet the needs of the United States military. Despite the collaboration with the military, the project is not dependent upon the Company winning or executing on a specific government contract. This facility would house all aspects related to the Company's land-based systems products, from office workers to assemblers.

Due to Arms, Ammunition, & Explosive (AA&E) building code and safety requirements, renovating an existing facility would take too much money and time. Therefore, the Company is looking for green space to build these operations. The Company is considering a section of land in the Township of Grayling and anticipates the project will result in capital investment of up to \$75,000,000. The project will also result in the creation of up to 69 new jobs paying an average wage of \$39.91 per hour, which is over double the Regional Median Wage of \$18.62 per hour.

Demonstrated Need

The Company implemented a competitive site selection process which evaluated numerous financial and non-financial metrics vital to the success of the project. The high-level factors included financial incentives, site readiness and timeline, operating costs, up-front construction costs, access to talent, and ability to expand within the site footprint in future years. The MSF's offer of financial incentives is a critical element to the Michigan business case. The selection process began with six states, with Michigan and Indiana being the fore runners.

The Company is attracted to the site in Grayling, Michigan largely due to the proximity to Camp Grayling. The Company has already been in contact with individuals at Camp Grayling about partnership opportunities around the testing of products as required by the Department of Defense as well as the training of Army and National Guard personnel.

In addition to MSF support, the Township of Grayling anticipates approval of a real property tax abatement in support of the project. The MEDC also authorized a State Education Tax abatement to be used in conjunction with the locally approved abatement.

Request

In order to secure the project, the Incentives Request is imperative. The Applicant is requesting a \$3,500,000 MBDP performance-based grant, along with a SESA exemption. These will help offset the cost of constructing a new facility, allowing the Company to establish an integration and assembly plant in Grayling, and become a strong employer and community partner in the region. Securing this initial project would expand the growth of the defense industry in Michigan and would also open up several potential future expansions, both for the Company and potentially for its suppliers.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of advanced manufacturing and builds on the state's work to position itself as the global leader in the future of defense and national security. The proposed project will also impact the local region with immediate job growth with a large and expanding company. This facility will result in the creation of up to 69 new jobs and up to \$75,000,000 in capital investment in the Township of Grayling, Crawford County. This project's job growth and investment in a geographically disadvantaged area in the State of Michigan would solidify the Company's presence and future business in the state.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-141

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
SAAB, INC.**

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

WHEREAS, the Michigan Economic Development Corporation (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, Saab, Inc. (the “Company”) has requested a performance based MBDP grant of up to \$3,500,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to construct an integration and assembly facility to support the engineering and production of cutting-edge products which meet the needs of the United States military in the Township of Grayling, Crawford County (the “Project”);

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

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2024

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

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

PROJECT SUMMARY

Scope of the Project: The Company intends to construct an integration and assembly facility to support the engineering and production of cutting-edge products which meet the needs of the United States military to house manufacturing and office space in the Township of Grayling (the “Project Site”). The Company expects to ramp up operations over the course of the next approximately three (3) years resulting in an expected creation of at least 69 new jobs at the Project Site and a projected investment of \$75,000,000 by December 31, 2028, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$3,500,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through March 31, 2029, (the “Term”).

Overall Investment Commitment: Investment by the Company of no less than a total of \$75,000,000 for the Project by December 31, 2028, (the “Investment Performance Deadline”), which the Company shall invest at the Project Site (collectively, the “Investment Commitment”).

Overall Jobs Commitment: Creation of a minimum of 69 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 0 employees (the “Overall Base”), on December 31, 2028, (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after June 13, 2024 (Date of Signed Offer Letter), and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

GRANT DISBURSEMENTS

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

“Eligible Expenses” means the actual expenditure by the Company on or after June 13, 2024 (Date of Signed Offer Letter), for the Project at the Project Site of Hard Costs for construction for the Project, and

infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training material costs. Provided, however, in no event shall any of the Eligible Expenses include: (i) costs, fees, or expenses for salaries, wages, benefits, meals and entertainment expenses, on-the-job training costs, debt payments, or administrative services for any of the Company or its employees, board members, officers, directors, or other administrative contractors, or (ii) any other expenses reimbursed or paid for under another grant or other public economic assistance.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than September 30, 2028, together with a certification of the Company's compliance with the grant agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

- **Failure to Meet Investment Commitment:** The Company's failure to satisfy the Investment Commitment by the Project Completion Milestone deadline will result in the Company's obligations to repay a proportionate amount of the Grant funds received by the Company to the MSF.
- **Failure to Meet Overall Jobs Commitment:** The Company's failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company's obligation to repay to the MSF a proportionate amount of the Grant funds received by Company (or the remainder of which following any repayment required by the failure to meet the Investment Commitment).
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment and the Overall Investment Commitment, it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all, or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after the Award is disbursed and on or before the end of the Term it will be required to repay the amount of Grant disbursements made under the Award.

- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.
- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF 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,

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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,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-142

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
SAAB, INC.**

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, Saab, Inc. (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 projects be located in Eligible Distressed Areas, as defined in the Program Guidelines, in order to be eligible for the SESA Program (the “EDA Requirement”);

WHEREAS, the Program Guidelines require that projects have at least \$100,000,000 in qualified investment, as defined in the Program Guidelines, in order to be eligible for the 15-year SESA Program (the “Investment Requirement”);

WHEREAS, the Company has requested that the MSF Board approve a fifteen-year 100% SESA exemption based on at least \$30,000,000 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the Township of Grayling, Crawford County (“SESA Exemption Recommendation”);

WHEREAS, the MEDC is requesting the MSF Board approve a 100% exemption under the SESA Program in a non-Eligible Distressed Area for the project by waiving the EDA Requirement due to the transformational nature of the project (the “EDA Requirement Waiver”);

WHEREAS, the MEDC is requesting the MSF Board approve a 15-year exemption under the SESA Program for the project by waiving the \$100 Million Investment Requirement due to the transformational nature of the project (the “Investment Requirement Waiver”);

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the EDA Requirement Waiver, the Investment Requirement Waiver, and require a one-time administrative fee in the amount of \$6,645.00 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, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2024



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STATE OF MICHIGAN
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January 3, 2023

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: September 24, 2024
To: Michigan Strategic Fund (“MSF”) Board Members
From: Vlatko Tomic-Bobas, Investment Director, Europe
Brittney Mizer, Business Development Project Manager
Subject: Incentives Request
Michigan Business Development Program (“MBDP”) State Essential Services Assessment (“SESA”) Exemption Request
Laepple Automotive US, Inc. (“Company” or “Applicant”)

Request Summary

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

- Approval of a \$3,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”);
- Approval of a 5-year, 100% SESA Exemption with an estimated value of up to \$653,760 for its \$78,850,000 eligible investment in Eligible Personal Property (“SESA Request”).
 - In accordance with the SESA and Alternative SESA Program Guidelines (“Program Guidelines”), it is required 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”). As part of the SESA Request, staff are recommending the MSF waive the three-year Commencement Requirement and allow the Company to include all eligible investment made over the five (5) year timeframe for the project (“Commencement Requirement Waiver”).
- This project involves the creation of up to 173 Qualified New Jobs and a capital investment of up to \$93,400,000 in the City of Detroit, Wayne County.

Applicant History

The Company’s parent entity was founded in 1919 in Weinsberg, Germany as a metal repair shop. In the 1920s as automobiles began to increase in demand, the parent company established itself as a tool supplier, with very high precision. Over the years, the business grew and adapted, eventually entering the metal pressing space and became a partner with the automobile industry, rather than just another supplier. This growth allowed the operation to purchase Fibro GmbH and establish an in-house training center. The Company, nor the parent have any existing Michigan operations or employees; however, there are currently 18 employees in Michigan that are part of the training center under a separate entity Fibro Laepple Technology Inc.

The background review process was completed in accordance with the MSF Background Review Policy on August 12, 2024, and the project may proceed for MSF consideration.

Project Description

METD Detroit, Inc. is purchasing the Mount Elliott Tool and Die facility located in the City of Detroit. This building is 428,000 square feet and is currently vacant. The Company works closely with the new building owner and is reviewing plans to lease 270,000 square feet to house its new US headquarters and main operations. The building itself will be significantly rehabilitated, with improvements and modifications to the structure itself, as well as installation of new, state-of-the-art automotive manufacturing equipment within.

The Company manufactures stamped spare body parts for automobiles such as hoods, fenders, doors, and trunk lids. These parts are produced by stamping sheet metal in presses to form rough structural shapes that will then be further refined and finished in robotic unicells. These unicells can be set up or reprogrammed to produce any part for any OEM. Longer term plans include the establishment of in-house training capabilities. For this, a dedicated area of the facility will be used for training, initially for the Company's employees, but over time this will include training and certification for external workforce and employees.

The Company is considering the City of Detroit for the project and anticipates the project will result in capital investment of up to \$93,400,000. The project will also result in the creation of up to 173 new jobs paying an average wage of \$26.82 per hour plus benefits, which is above the Regional Median Wage of \$23.73 per hour.

Demonstrated Need

The Company is also considering a facility in Birmingham, Alabama. A partner company already owns a facility in Alabama in which the Company could lease space for the same operations. This facility would allow the Company to operate much faster, and with a much smaller capital investment.

The Company is interested in Michigan due to the ability to bring back into operation a historic manufacturing site; as well as the unique position it would allow them to be in for future growth. The Company is working on contracts with additional OEMs and once these partnerships take off, the Company is hoping to use those success stories to approach additional OEMs across the State. Incentive assistance is necessary to offset the costs compared to the Alabama option and ensure the project moves forward in Michigan. In addition to MSF support, Detroit Regional Partnership (DRP) and Detroit Economic Growth Corporation (DEGC) are in full support of this project, with the DRP offering support in the form of promotional videos and talent support.

Request

In order to secure the project, the Incentives Request is imperative. The Applicant is requesting a \$3,500,000 MBDP performance-based grant, along with a SESA exemption. Both incentives will help address the cost disadvantage of locating the project in Michigan when compared to the competing site in Alabama.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and automotive manufacturing, while building on the state's work to position itself as the global leader in the future of mobility. The proposed project will also impact the local region with immediate job growth. This facility will result in the creation of up to 173 new jobs and up to \$93,400,000 in capital investment in the City of Detroit, Wayne County. Adding 173 new jobs to a geographically disadvantaged area in the State of Michigan will also solidify the Company's presence and future business in the state.

Recommendation

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

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-143

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
LAEPPLE AUTOMOTIVE US, INC.**

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

WHEREAS, the Michigan Economic Development Corporation (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, Laepple Automotive US, Inc. (the “Company”) has requested a performance based MBDP grant of up to \$3,500,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to rehabilitate a vacant building to house its US headquarters for manufacturing and operations in the City of Detroit (the “Project”);

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

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2024

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

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

PROJECT SUMMARY

Scope of the Project: The Company intends to rehabilitate a vacant building to house its US headquarters for manufacturing and operations in the City of Detroit (the “Project Site”). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 173 new jobs at the Project Site and a projected investment of \$93,400,000 by September 30, 2029, at the Project Site (collectively, the “Project”).

Award Amount: A maximum grant of \$3,500,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

Term of the Agreement: Effective Date of the Grant Agreement through December 31, 2029, (the “Term”).

Overall Investment Commitment: Investment by the Company Group of no less than a total of \$80,000,000 for the Project by September 30, 2029, (the “Investment Performance Deadline”), which the Company shall invest at the Project Site (collectively, the “Investment Commitment”).

Overall Jobs Commitment: Creation of a minimum of 173 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above the Company and/or its affiliates or subsidiaries (including Fibro Inc., and Fibro Laepple Technology Inc.), collectively, the “Company Group”) Statewide Base of 18 employees (the “Overall Base”), on September 30, 2029, (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

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

GRANT DISBURSEMENTS

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

“Eligible Expenses” means the actual expenditure by the Company Group on or after July 2, 2024 (Date of Signed Offer Letter), for the Project at the Project Site of Hard Costs for construction for the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, and instructor and training material costs. Provided, however, in no event shall any of the Eligible Expenses include: (i) costs, fees, or expenses for salaries, wages, benefits, meals and entertainment expenses, on-the-job training costs, debt payments, or administrative services for any of the Company or its employees, board members, officers, directors, or other administrative contractors, or (ii) any other expenses reimbursed or paid for under another grant or other public economic assistance.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than June 30, 2029, together with a certification of the Company’s compliance with the grant agreement.

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

CLAWBACK PROVISIONS AND REPAYMENT EVENTS

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

- **Failure to Meet Investment Commitment:** The Company’s failure to satisfy the Investment Commitment by the Project Completion Milestone deadline will result in the Company’s obligations to repay a proportionate amount of the Grant funds received by the Company to the MSF.
- **Failure to Meet Overall Jobs Commitment:** The Company’s failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company’s obligation to repay to the MSF a proportionate amount of the Grant funds received by Company (or the remainder of which following any repayment required by the failure to meet the Investment Commitment).
- **Default of Project Contracts:** The fully executed written agreement will include repayment and remedy language for events of default in other contracts with the MSF, MEDC, or State of Michigan arising out of the Project.
- **Failure to Submit Commitment Documentation:** If the Company fails to submit, when due, required documentation described in the Agreement to verify achievement of the Overall Jobs Commitment and the Overall Investment Commitment, it will be required to repay all of the Grant funds received by the Company.
- **Mass Relocation:** If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all, or a portion of Grant disbursements made under the Award.
- **Project Abandonment:** If the Company abandons Eligible Expense activities or production at the Project at one or more of the Project Sites for a period of one hundred twenty (120) consecutive

days after the Award is disbursed and on or before the end of the Term it will be required to repay the amount of Grant disbursements made under the Award.

- **Company Bankruptcy or Insolvency:** If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company's operations at the Project, it will be required to repay 100% of Grant disbursements made under the Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the Award.
- **Material Misrepresentation:** If the Company makes any material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.
- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

ADDITIONAL STATE REQUIRED TERMS

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



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin
Director



STATE OF MICHIGAN
DEPARTMENT OF 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

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-144

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
LAEPPLE AUTOMOTIVE US, INC.**

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, Laepple Automotive US, Inc. (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 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 Commencement Requirement to allow qualified investments to be made up to five (5) years from commencement of the project (the “Commencement Waiver Request”);

WHEREAS, the Company has requested that the MSF Board approve a five-year, 100% SESA exemption estimated to be worth \$653,760 for up to \$78,850,000 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in the City of Detroit, Wayne County (“SESA Exemption Recommendation”); 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 \$6,537.60 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, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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



MEMORANDUM

Date: September 24, 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
Other Economic Assistance – Equity Agreement Amendment #1
The Plaza Midtown, LLC and Related Entities

Request

The Plaza Midtown, LLC and Related Entities (the “Company”) are requesting approval of an amendment to the Michigan Community Revitalization Program (MCRP) Other Economic Assistance – Equity Agreement and any related ancillary agreements (the “Agreement”). The amendment request includes a request to waive payment of accrued returns totaling approximately \$840,000 and restructure the repayment of the existing MCRP award. All other terms of the current Agreement will remain materially unchanged.

Background

The Michigan Strategic Fund Board approved a \$3,500,000 MCRP Other Economic Assistance Equity Award on October 27, 2015, to the Company for the purpose of historically redeveloping a vacant mid-rise medical office tower in Midtown Detroit into 72 apartments and 2,000 square feet of first floor retail.

The Company is requesting to waive accrued returns due to the MSF of approximately \$840,000 and restructure the existing equity waterfall to a 90/10 split with 90% of available cash flow going to the ownership team and 10% going to the MSF. In addition, the restructuring will include a minimum 5% IRR paid to the MSF upon exit. For a detailed explanation of the changes to the MCRP investment please see “Exhibit A” of the Resolution.

The project completed construction in the 4th quarter of 2017. Since that time, leasing of the project has gone well but cash flow has barely broken even after required debt payments. As such, the project has been unable to provide any returns to the MSF or the ownership team. The project’s cash flow has lagged behind original cash flow projections due to lower than anticipated residential rents and higher operating costs. The Company currently has the opportunity to increase cash flow significantly by converting the existing residential units to a hospitality use under the Marriott Bonvoy flag. In order to accomplish this transition, it is anticipated that the Company will need to attract approximately \$7 million in new private equity capital. The new equity will require a higher level of return which is necessitating the current request. Overall, it is anticipated that the restructuring will be beneficial to the MSF and the Company financially in the long term. In the project continued to operate under the current structure there would be little to no anticipated ability to see a return on the MSF’s investment. Under the proposed structure, it is anticipated that MSF will achieve a return on its investment between 4-5% in addition to repayment of its principal investment.

The development team has a track record of developing other hospitality projects in the Detroit which includes the A Lofts hotel as part of the David Whitney building historic rehabilitation. As part of the transaction the MSF was paid off in whole for its loan to the project. The City of Detroit’s Mayor’s office

and Detroit Economic Growth Corporation is in support of the proposed request due the development team's successful track record and the need for additional hospitality units.

The Company is current all payment and reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the Agreement as described above.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-145

APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE EQUITY AWARD FOR THE PLAZA MIDTOWN, LLC AND RELATED ENTITIES

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

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

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

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

WHEREAS, by Resolution 2015-164 on October 27, 2015, the MSF Board awarded a MCRP Other Economic Assistance – Equity award to The Plaza Midtown, LLC and Related Entities (the “Company”), in furtherance of the project of up to \$3,500,000 (the “Award”);

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to waive accrued returns due to the MSF and restructure the repayment waterfall, with all other requirements remaining materially unchanged for the Award. See Exhibit A for the amended terms (the “MCRP Amendment Recommendation”).

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

EXHIBIT A

EXHIBIT A

MCRP EQUITY INVESTMENT

- Applicant(s):** The Plaza Midtown, LLC or a Related Entity (“Company” or “Applicant”)
- Investor Investment Amount:** Cash contributions of not less than ~~\$1,656,000~~ **\$8,156,000** (“Investor Equity”).
- MSF Investment Amount:** Up to the lesser of 25% of eligible investment or \$3,500,000. The structure of the MSF Investment will be subject to the historic tax credit structure. (“MSF Equity”)
- Interest Purchased:** MSF will acquire an equity interest into The Plaza Midtown, LLC or an entity to be determined. The MSF will provide no guarantees on debt or accept any recourse obligation.
- “Put” Right:** The MSF will receive a “Put” right for among other things failure to adhere to MSF statutory requirements. If exercised, The Plaza Midtown, LLC or another entity to be determined shall repay in full the entire contribution provided to the partnership and any earned but unpaid profits available at the time of the notice to exercise the Put on terms and conditions acceptable to the MSF. The owners of the project will be required to guarantee the “Put” right obligation.
- “Exit” Right:** The MSF will have the option to exit the project after 240 months following disbursement of its proceeds. At time of exit the MSF will be due any remaining unpaid returns and the remaining balance of its equity investment.
- Split of Net Cash Flows:**
- ~~1. 10/90 SPLIT OF AVAILABLE CASH FLOW, WITH 10% GOING TO THE MSF AND 90% GOING TO THE INVESTORS. MSF to receive 100% of available distributable cash flow until a 3% annual cash-on-cash return has been received on its original investment. This return will be cumulative but non-compounding.~~
 - ~~2. Investors to receive 100% of remaining available cash flow until a 15% annual cash-on-cash return has been received on its original investment.~~
 - ~~3. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors. Proceeds to be applied towards repayment of MSF and Investor’s equity investments.~~

Split of Proceeds from Sale or Refinance:

1. **10/90 SPLIT OF AVAILABLE PROCEEDS, WITH 10% GOING TO THE MSF AND 90% GOING TO THE INVESTORS, UNTIL THE MSF HAS RECEIVED A 5% IRR. THEREAFTER, THE REMAINING PROCEEDS WILL GO TO THE INVESTORS.** ~~Pro Rata split of proceeds until the remaining original principal equity investments have been repaid to the MSF and the Investors.~~
2. ~~100% of remaining proceeds to the MSF until any accumulated unpaid returns have been paid.~~
3. ~~100% of remaining proceeds to the Investors until any accumulated unpaid returns have been paid.~~
4. ~~Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors.~~

Membership Change:

The MSF will have certain rights to block or consent to any material change in the membership of the project owner entity.

Sale/Liquidation:

The MSF will have certain rights to block or consent to any material liquidation or sale event (e.g., sale to a non-qualified third party).



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 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



MEMORANDUM

Date: September 24, 2024

To: Michigan Strategic Fund Board

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

Subject: Request for Approval Amendment for Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreements
Fulton and Seward, L.L.C.

Request

Fulton and Seward, L.L.C. is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Agreement and any related ancillary agreements (the “Agreement”). The requested amendment will waive a “Success Fee” of \$500,000 due at maturity.

Background

The Michigan Strategic Fund Board approved a \$3,000,000 Other Economic Assistance Performance Based Loan Participation on June 23, 2015, to the Company for the purpose of constructing a five-story building containing 10,000 square feet of ground floor retail and 102 residential, market rate apartments, as well as a two-story, 116 space parking structure on the approximately one-acre site located at 616 West Fulton Street in the City of Grand Rapids.

An amendment was approved by the MSF Board on June 25, 2019 to approve a loan workout to address lease-up difficulties for both the residential and commercial spaces resulting in the: 1) conversion of MSF principal and interest payments to interest only for 24 months, 2) payoff of a senior TIF loan, 3) partial paydown of the other senior loan and restructuring of \$5,000,000 into an unsecured note from the Lender to West Side Village, LLC, the sole member of Fulton and Seward, LLC, 4) substitution of a guarantor and reconfiguration of guarantor percentages, and 5) addition of some DSCR and distribution covenants. As part of the amendment, the Lender took a mortgage on 614 NW Bridge Street to better secure the obligations of the Company.

An amendment was approved by the MSF Board on December 17, 2019 to: 1) release property unrelated to the project, 614 NW Bridge St., Grand Rapids, MI as collateral from the CRP Fulton and Seward loan participation, and 2) allow all of the net sale proceeds from the building to be used toward right-sizing the senior loan caused by the collateral release, with the remaining proceeds to be used as a paydown on an unsecured loan also held by the Lender.

An amendment was approved on May 7, 2020, by MSF Delegates under the Awardee Relief Initiative to allow the senior lender to accept interest only payments for three months.

An amendment was approved by the MSF Board on May 23, 2023, to decrease the interest rate on the MSF loan from 3.00% to 1.00%. At that time the MSF Board elected to table a decision on waiver of a \$500,000 “Success Fee” due at maturity.

The project has experienced residential leasing issues related to unit configurations and challenges fully occupying the commercial space. The residential unit configuration issues forced the Company to adjust residential rents. With the adjustments to the residential rental rates occupancy is above 95%, but the commercial space remains 34% vacant. The above has led to the restructuring of project debt.

The Company has been exploring the sale of the project and has requested that the MSF consider waiver of the "Success Fee" to aid in the sale of the project. Staff is supportive of the request as it will allow for the repayment of the full MSF loan.

The projects are current on all reporting and payment requirements. All approvals for the individual projects are detailed in the Resolutions for each.

Recommendation

The MEDC staff recommends approval of the amendment as detailed above.

MICHIGAN STRATEGIC FUND

RESOLUTION 2024-146

**APPROVAL OF A FIFTH AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE
LOAN PARTICIPATION
AWARD FOR
FULTON AND SEWARD, L.L.C.**

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

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

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

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

WHEREAS, by Resolution 2020-039 on April 14, 2020, the MSF Board approved the MSF Awardee Relief Initiative and associated Guidelines (the “Awardee Guidelines”) due to COVID-19, as amended by Resolution 2021-035 on March 23, 2021, and by Resolution 2020-040 on April 14, 2020, delegated to the MSF President, the MSF Fund Manager, and State Treasurer (with any two required to act) the authority to amend any award consistent with the Awardee Guidelines (the “MSF Board Delegates”), as amended by Resolution 2021-036 on March 23, 2021;

WHEREAS, by Resolution 2015-081 on June 23, 2015 the MSF Board awarded a MCRP Other Economic Assistance Performance Based Loan Participation Award to the Fulton and Seward, L.L.C. (the “Company”), in furtherance of the project of up to \$3,000,000 (“Award”);

WHEREAS, by Resolution 2019-093 on June 25, 2019, the MSF Board approved a MCRP amendment to complete a loan workout resulting in the: 1) conversion of MSF principal and interest payments to interest only for 24 months, 2) payoff of the TIF note, 3) partial paydown of the senior loan and restructuring of \$5,000,000 into an unsecured note from Mercantile Bank (the “Lender”) to West Side Village, the sole member of the Company, 4) substitution of a guarantor and reconfiguration of guarantor percentages, and 5) addition of DSCR and distribution covenants;

WHEREAS, by Resolution 2019-190 on December 17, 2019, the MSF Board approved a MCRP amendment to: 1) release property unrelated to the project, 614 NW Bridge Street, Grand Rapids, MI as collateral from the CRP Fulton and Seward loan participation, and 2) allow all of the

net sale proceeds from the building to go toward right-sizing the senior loan caused by the collateral release, with the remaining proceeds to be used as a paydown on an unsecured loan also held by the Lender;

WHEREAS, on May 7, 2020, the MSF Fund Manager and MSF President under the Awardee Relief Initiative approved a consent to allow the Lender to amend their agreement and any related ancillary agreements to accept interest only payments for three months on the Lender note, starting in May 2020;

WHEREAS, by Resolution 2023-088 on May 23, 2023, the MSF Board approved a MCRP amendment to reduce the interest rate on the Award from 3% to 1%; and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF Board amend the Award to waive the “Success Fee” due at maturity, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, John Groen (on behalf of Director Corbin, designation attached), 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., Dan Meyering, Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 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 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:

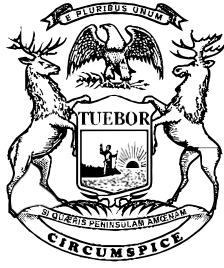
I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

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



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: September 24, 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 August 1, 2024, to August 31, 2024, as well as information about the impact that those projects have had on communities across the state.

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

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Matt Casby know if you have any questions or comments about the content of these reports.

Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from August 1, 2024, to August 31, 2024.

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

MONTHLY IMPACTS

We are pleased to share August delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout August 2024, 50% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all August approved projects through delegated authority have committed to creating just over five jobs and just over \$28 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during August 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.

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
Project Advantage d/b/a Cedar Rock Sportsplex	8/5/2024	Cedar Springs	\$249,500	Consumers Credit Union is working with Project Advantage d/b/a Cedar Rock Sportsplex on a new commercial loan. However, due to a shortfall in collateral the lender is asking for SSBCI collateral support.
Gypsy Dude, LLC	8/23/2024	Baraga	\$7,000	Superior National Bank is working with the company to fund startup costs. Due to collateral shortfall on the equipment, the bank is requesting collateral support from the SSBCI 2.0 CSP.

Brownfield TIF

Through the Brownfield Redevelopment Financing Act, Brownfield TIF allows applicable taxing jurisdictions to receive property taxes on the property at the current level and capture the incremental increase in tax revenue resulting from a redevelopment project.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
9450 Amsterdam, LLC	8/15/2024	Detroit	\$780,747	450 Amsterdam, LLC was approved for a Brownfield State Capture request for \$780,747 to rehabilitate a former industrial property in the New Center neighborhood, steps away from Future of Health campus; into approximately 68,000 SF property with 90 mixed-income residential units. This project is expected to create 1 FTE with a capital investment of \$26,579,066.

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
Dornerworks, Ltd	8/6/2024	Grand Rapids	\$5,500
G3 Acoustics LLC	8/6/2024	Zeeland	\$3,396
Garrison Dental Solutions	8/6/2024	Spring Lake	\$6,323
Huron Industries, Inc.	8/7/2024	Port Huron	\$15,000
Magnetic Products Inc.	8/7/2024	Highland Township	\$4,190
RLS Interventional, Inc. DBA INRAD	8/7/2024	Kentwood	\$5,300
Hurley Marine, Inc.	8/20/2024	Escanaba	\$2,222

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. From August 1, 2024, to August 31, 2024, there were no program amendments that received delegated approval.

Financial Data Overview and Terminations



Michigan Business Development Program – Terminations

Project Name	Project Location	Incentive Type	Amount	Termination Date	Reason for Termination	Repayment
Kostal Kontakt Systeme, Inc.	Rochester Hills	Grant	\$320,000	8/22/2024	Company unable to meet requirements	\$0.00
JR Automation Technologies, LLC	Holland	Grant	\$2,250,000	8/23/2024	Company unable to meet requirements	\$0.00