



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

October 22, 2024

9:00am

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT**
- III. COMMUNICATIONS**
  - a. Chief Compliance Officer Quarterly Report ..... 3
- IV. CONSENT AGENDA**
  - a. Proposed September 24, 2024, Meeting Minutes .....5
  - b. MSF 2025 Board Meeting Dates .....13
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- V. DEVELOP ATTRACTIVE PLACES**
  - a. Fisher 21 Lofts, LLC: A resolution to approve a Michigan Community Revitalization (MCRP) Performance-Based Grant in the amount of up to \$1,500,000, a MCRP Loan in the amount of up to \$8,500,000, and a Brownfield Act 381 Work Plan for Fisher 21 Lofts, LLC, and the City of Detroit Brownfield Redevelopment Authority. ....89  
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- VI. SUPPORT SMALL BUSINESS**
  - a. Augment Michigan Opportunity Fund IV, LP: A resolution to approve SSBCI 2.0 Small Business Venture Capital Program funding in the amount of up to \$11,000,000 in the form of a limited partner investment in Augment Ventures Fund IV – MI, L.P. .... 115
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*\*NOTE:* Hyperlinked bookmarks are included on this page to aid document navigation - click on the project title to access the project memo.



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE CHIEF COMPLIANCE OFFICER  
LANSING

KEVIN FRAN CART, ESQ.  
CHIEF COMPLIANCE OFFICER

## MEMORANDUM

October 8, 2024

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

Quentin L. Messer Jr.  
President  
Michigan Strategic Fund Board

FROM: Kevin L. Francart  
Chief Compliance Officer

RE: FY2024 Q4 Report of the Chief Compliance Officer. July 1, 2024 – September 30, 2024

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures as well as applicable laws related to MSF programs. I am pleased to report that all compliance matters addressed during the fourth quarter of the 2024 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law. The Chief Compliance Officer (CCO), along with the AG and MEDC Legal, assisted with the Finance and Investment Subcommittee and the Policy and Planning Subcommittee. The review of the relationship with and the economic incentives provided to Michigan Community Capitol, as reported previously, continued. The CCO continued to assist the Department of Technology, Management, and Budget with the workgroup to implement the requirements of the Economic Development Incentive Evaluation Act, MCL 18.1751 *et seq.* The Match on Main program is currently being evaluated. As reported previously, the CCO was advised by the AG that an analysis of Board delegations and guidelines was being conducted, in addition the AG requested that the CCO assist the MSF Board with the creation, implementation, monitoring, and enforcement of an Investment Policy. These issues are being address by this office, the AG, MEDC, and the MSF Board through a workgroup established by Board Member Warner to address multiple topics including investments, delegations, and program guidelines. This office will assist with the drafting, monitoring, and enforcement of any policies adopted. The question previously referred to the AG regarding MCL 423.321 *et sec.*, and *Wisconsin Dept of Indus, Labor & Human Relations v Gould Inc*, 475 US 282; 106 S Ct 1057; 89 L Ed 2d 223 (1986), remains outstanding. Additionally, a question from a Board member referred to the AG in November 2023 regarding “does the MEDC have a fiduciary responsibility to the MSF Board? If so, what is it and how is it enforced/monitored?” remains outstanding as well. As reported previously, the site visit

guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits, thus, site visits are being performed pursuant to the site visit guidelines.

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

**MICHIGAN STRATEGIC FUND**  
**APPROVED MEETING MINUTES**  
**September 24, 2024**

**Member Present**

Quentin L. Messer, Jr.

**Members Joined Remotely**

Britany L. Affolter-Caine

Wesley Eklund

John Groen (on behalf of Director Corbin)

Dimitrius Hutcherson

Michael B. Kapp (on behalf of Director Wieferich)

Mr. Lockwood (on behalf of Treasurer Eubanks)

Dan Meyering

Charles P. Rothstein

Cindy Warner

**Absent**

Leon Richardson

Susan Tellier

Randy Thelen

**I. CALL TO ORDER & ROLL CALL**

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

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

**II. PUBLIC COMMENT**

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

*Dan Meyering joined the meeting remotely at 9:03 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 Monday, September 23<sup>rd</sup>.

#### IV. CONSENT AGENDA

##### Resolution 2024-130, Approval of Consent Agenda Items

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

- a. Proposed August 27, 2024, Meeting Minutes
- b. Business Marketing Lambert Contract Amendment **2024-131**
- c. Chelsea Rockwell, LLC: MCRP Amendment **2024-132**
- d. FY 2025 Memorandum of Understanding MSF & MEDC **2024-133**
- e. May Mobility, Inc: MBDP Grant Amendment **2024-134**
- f. The Michigander Scholars Program Grant Amendments **2024-135**
- g. Michigan International Technology Center: Act 381 Work Plan Amendment **2024-136**
- h. FY 2025 Funding Allocations: Contractual Small Business Solutions & Services **2024-137**
- i. Travel Marketing & Advertising Campaign Contract Amendment **2024-138**
- j. FY 2025 Funding Allocations **2024-139**
- k. MICEF Program Funding Allocations **2024-140**

Michael B. Kapp motioned for the approval of Resolution 2024-130 to approve the consent agenda. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** 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.

#### V. ATTRACT, RETAIN, AND GROW BUSINESS

##### a. Resolutions 2024-141 & 2024-142 Saab, Inc. Michigan Business Development Program Performance-Based Grant & State Essential Services Assessment (SESA) Exemption

Michelle Grinnell, Senior Vice President of Market Growth & Business Attraction, supported by Brad Barnard of Saab, Inc., provided the Board with information regarding the requested action. This action involves the consideration of 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 for Saab, Inc. 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.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-141 for the Michigan Business Development Program grant. Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** 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.

Dimitrius Hutcherson motioned for the approval of Resolution 2024-142 for the State Essential Services Assessment exemption. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** 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.

**b. Resolutions 2024-143 & 2024-144 Laepple Automotive US, Inc. Michigan Business Development Program Grant & State Essential Services Assessment (SESA) Exemption**

Vlatko Tomic-Bobas, Investment Director of Europe at the Michigan Economic Development Corporation, supported by Brittney Mizer, Business Development Project Manager, and Oliver Wackenhut of Laepple Automotive, provided the Board with information regarding the requested action. This action involves the consideration of 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. 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.

Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2024-143 for the Michigan Business Development Program grant. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** 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.

Cindy Warner motioned for the approval of Resolution 2024-144 for the State Essential Services Assessment exemption Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** 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.

## **VI. DEVELOP ATTRACTIVE PLACES**

### **a. Resolution 2024-145 The Plaza Midtown, LLC Michigan Community Revitalization Program Other Economic Assistance Equity Agreement Amendment**

Julius Edwards, Director of Commercial Real Estate Investment, supported by David Di Rita with The Roxbury Group and Brittney Hoskiw with the City of Detroit, provided the Board with information regarding this action. This action involves the consideration of a resolution to approve an amendment to a Michigan Community Revitalization Program Other Economic Assistance Equity Agreement, including a request to waive payment of accrued returns totaling approximately \$840,000 and restructure the repayment of the existing MCRP award.

Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-145 for the Michigan Community Revitalization Program agreement amendment. Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** 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.

### **b. Resolution 2024-146 Fulton and Seward, L.L.C. Michigan Community Revitalization Program Other Economic Assistance Loan Participation Amendment**

Julius Edwards, Director of Commercial Real Estate Investment provided the Board with information regarding this action. This action involves the consideration of a resolution to approve an amendment to a Michigan Community Revitalization Program Other Economic Assistance Agreement, including the waiver of a “Success Fee” of \$500,000 due at maturity.

Cindy Warner motioned for the approval of Resolution 2024-146 for the Michigan Community Revitalization Program agreement amendment. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** 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.

## **VII. INFORMATIONAL**

Mr. Messer noted that the meeting packet included the Michigan Strategic Fund Delegation of Authority Report from August 1, 2024, to August 31, 2024. There were no questions regarding the report. Mr. Messer adjourned the meeting at 10:07 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



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



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



**THE SENATE  
STATE OF MICHIGAN**

**MICHAEL WEBBER**

9TH DISTRICT  
P.O. BOX 30036  
LANSING, MI 48909-7536  
PHONE: (517) 373-0994  
FAX: (517) 373-5981  
[senmwebber@senate.michigan.gov](mailto:senmwebber@senate.michigan.gov)

**COMMITTEES:**  
HEALTH POLICY,  
MINORITY VICE CHAIR  
ECONOMIC AND  
COMMUNITY DEVELOPMENT  
REGULATORY AFFAIRS

Michigan Strategic Fund  
300 North Washington Square  
Lansing, Michigan 48913

September 23, 2024

Re: Support for Saab, Inc. Project

To Whom It May Concern,

Representative McKinney and I are writing to you today to offer our full support for a Saab, Inc. project that will be up before the Michigan Strategic Fund this week.

As Co-Chairs of the Michigan Aerospace and Defense Caucus which roughly represents a third of the Michigan Legislature, we have been briefed by the MEDC on the nature of the Saab, Inc. project. After hearing the specifics of this project, we as the caucus Co-Chairs are very much in support of this Saab, Inc. project.

This Saab, Inc. project will bring high-paying jobs to a distressed region of the state while helping build out the ecosystem of aerospace and defense companies in Michigan. Additionally, the Saab, Inc. project will also help us secure our national security interest by building up a strong domestic military supply chain/suppliers.

If you have any questions for either of us regarding this letter of support and/or the Saab, Inc. project, please do not hesitate to contact my office at (517) 373-0994 or [SenMWebber@Senate.Michigan.Gov](mailto:SenMWebber@Senate.Michigan.Gov) or Representative McKinney's office at (517) 373-0140 or [DonavanMcKinney@house.mi.gov](mailto:DonavanMcKinney@house.mi.gov).

Sincerely,

Michael Webber  
State Senator  
9<sup>th</sup> Senate District

Donavan McKinney  
State Representative  
14<sup>th</sup> House District



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** October 22, 2024

**TO:** Michigan Strategic Fund Board

**FROM:** Matthew Casby, Senior Advisor and MSF Fund Manager

**SUBJECT:** 2025 MSF Board Meeting Dates

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Each October following the start of the fiscal year, the MSF Board adopts its regular meeting schedule for the subsequent calendar year. It is recommended that the MSF Board adopt the proposed schedule of regular meetings attached as Exhibit A.

Pursuant to MCL 15.265(2) of the Open Meetings Act (OMA), for regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings.

Attachments: Proposed 2025 MSF Board Regular Meeting Schedule

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-148**

**APPROVAL OF 2025 SCHEDULE OF MSF REGULAR MEETINGS**

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

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

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

**WHEREAS**, the MSF Board wishes to adopt the proposed schedule of regular meetings attached hereto as Exhibit A (the “2025 MSF Board Regular Meeting Schedule”);

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board approves the 2025 MSF Board Regular Meeting Schedule;

**BE IT FURTHER RESOLVED**, within 10 days of this meeting, the 2025 MSF Board Regular Meeting Schedule shall be posted online, at the principal office of the MSF, and at any other locations considered appropriate by the MSF, stating the dates, times, and places of its regular meetings.

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 2024

**MICHIGAN STRATEGIC FUND**  
*Michigan Economic Development Corporation*  
300 N. Washington Square, Lansing, Michigan 48913  
Lake Michigan Conference Room, 1<sup>st</sup> Floor

**Approved 2025 MSF Board Regular Meeting Schedule**

Tuesday, January 28, 2025  
9:00 am  
Tuesday, February 25, 2025  
9:00 am  
Tuesday, March 25, 2025  
9:00 am  
Tuesday, April 22, 2025  
9:00 am  
Tuesday, May 20, 2025  
9:00 am  
Tuesday, June 24, 2025  
9:00 am  
Tuesday, July 22, 2025  
9:00 am  
Tuesday, August 26, 2025  
9:00 am  
Tuesday, September 23, 2025  
9:00 am  
Tuesday, October 28, 2025  
9:00 am  
Tuesday, December 9, 2025\*  
9:00 am

\*Combined November/December Meeting

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

If you are a presenter or SME requiring a “Panelist” meeting link, please contact the MSF Administrator,  
Natalie Davenport, at [davenportn3@michigan.org](mailto:davenportn3@michigan.org).



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director





October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**Date:** October 22, 2024  
**To:** Michigan Strategic Fund Board  
**From:** Matthew Casby, MSF Fund Manager and MEDC Senior Advisor  
**Subject:** MSF Board Delegation of Authority

---

#### Request

The MSF Fund Manager, in collaboration with the Attorney General, Chief Compliance Officer, and the MEDC, requests that the Michigan Strategic Fund Board approve and adopt additions to the Strategic Fund Compiled Resolutions (SFCR) to clarify the general authority of the MSF President and the Fund Manager to act on behalf of the Fund and to supplement the existing delegated authority to take the specific actions detailed in Exhibit A (collectively, “the Request”).

#### Background

The Michigan Strategic Fund (MSF or the Fund) is an autonomous agency created under the Michigan Strategic Fund Act MCL 125.2001 *et seq.* (the Act) within the Department of Labor and Economic Opportunity. MCL 125.2005(1). The MSF is tasked with a wide-ranging mandate to help diversify the economy of this state, promote economic stability and growth, reduce the cost of business and production, meet the growing competition for business enterprises, preserve existing jobs, and create new jobs. MCL 125.2002.

In general, the purposes, powers, and duties of the MSF are vested in and exercised by a board of directors. MCL 125.2005(2). The MSF Act, however, provides that the MSF Board has the power and duty to “[d]o all other things necessary or convenient to achieve the objectives and purposes of the fund, [and the Act]...” MCL 125.2007(y). And that “[t]he board may delegate to its president, vice-president, staff, or others, including the MEDC, those functions and authority that the board deems necessary or appropriate...” MCL 125.2005(8).

The MEDC was established under the Urban Cooperation Act of 1967, MCL 124.501 *et seq.* and through an Interlocal Agreement as a separate legal entity (a public body corporate) authorized to jointly exercise shared powers with the MSF. The essential functions of the MEDC include coordinating state and federal economic development programs, facilitating and advancing projects for MSF Board approval, and providing general day-to-day operational and administrative services to the MSF.

MSF programs are generally administered and operated by the MEDC, however, the MSF - as a state agency - is the entity that formally executes and ratifies the final project and incentive documents. To operate effectively and efficiently and carry out its duties, the MSF Board has found it necessary and appropriate to delegate these administrative functions and authority to the MSF President or MSF Fund



Manager, a civil-service position at the Senior Executive Service level, who is authorized by the Board to execute the final contractual documents that memorialize and effectuate the decisions made by the MSF Board.

Pursuant to the MSF bylaws, these delegated powers are set forth in the Strategic Fund Compiled Resolution (SFCR). These delegations allow the MSF Board to give adequate and proper attention to its core mission, while ensuring that administrative, operational, and ministerial functions are handled by appropriate MSF staff.

As projects become more complex and the MSF is asked to create and operate new programs, the number of day-to-day administrative and operational tasks required to carry out the Board's decisions has increased. Under the current scope of delegation, this results in an excess of administrative tasks that must be presented and approved at a monthly MSF Board meeting – creating a bottleneck that negatively impacts MSF & MEDC staff, Board members, local economic development organizations, developers, and the business community.

Additionally, the MSF Board has delegated certain activities in regard to the Revitalization and Placemaking Program in July 2024 pursuant to MSF resolution 2024-118 and the waiver of financial reporting requirements in regard to the Community Revitalization Program in July 2024 pursuant to MSF resolution 2024-124.

In order to ensure the continued ability of the MSF Board to operate effectively and efficiently, it is appropriate and necessary to periodically update the SFCR to account for additional administrative functions created by new MSF Board approved programs and guidelines. It is therefore recommended that the MSF Board adopt the attached resolution to incorporate the tasks in Exhibit A into the SFCR.

### **Recommendation**

To ensure the continued ability of the MSF Board to operate effectively and efficiently, the MSF Fund Manager, in collaboration with the Attorney General, Chief Compliance Officer, and the MEDC, recommend that the Board adopt the additions to the Strategic Fund Compiled Resolutions (SFCR) detailed in Exhibit A. (collectively, “the Request”).

### **EXHIBITS**

A. Proposed additions to the Strategic Fund Compiled Resolutions (SFCR)

## MICHIGAN STRATEGIC FUND

### RESOLUTION 2024-149

#### STRATEGIC FUND DELEGATION OF AUTHORITY

**WHEREAS**, the Michigan Strategic Fund (the “MSF” or the “Fund”) is an public body corporate and politic and an autonomous entity within the department of labor and economic opportunity created under the Michigan Strategic Fund Act MCL 125.2001 et seq. (the “Act”) as provided for in MCL 125.2005(1);

**WHEREAS**, under MCL 125.2005(2) the purposes, powers, and duties of the MSF are vested in and exercised by a board of directors;

**WHEREAS**, the Act provides that the MSF Board has the power and duty to “[d]o all other things necessary or convenient to achieve the objectives and purposes of the fund, [and the Act]...” MCL 125.2007(y);

**WHEREAS**, under MCL 125.2005(8), the MSF Board may delegate to its president, vice-president, staff or others those functions and authority the MSF Board deems necessary or appropriate; or others, unless otherwise prohibited by law;

**WHEREAS, under**, MCL 125.2091. the MSF Act “...shall be construed liberally to effectuate the legislative intent and the purpose of the act ... and all powers granted in the act shall be broadly interpreted to effectuate such intent and purposes and not as to limitation of powers.”

**WHEREAS**, under Article III, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on September 26, 2023 (the “Bylaws”), the MSF Board “may delegate by resolution those functions and authority it deems necessary or appropriate to one or more Board Members, one or more MSF employees, one or more MEDC employees, the MEDC, or others, unless otherwise prohibited by law”;

**WHEREAS**, under Article IV, Section 1 of the Bylaws, the MSF President will provide for compilations of all general delegated authority; standard processes; and standard policies, in force (the “Strategic Fund Compiled Resolutions” or “SFCR”);

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

**WHEREAS**, the MEDC recommends that the MSF Board amend the Strategic Fund Compiled Resolutions to delegate authority to the MSF President and the MSF Fund Manager as set forth in Exhibit A attached to this Resolution (the “New Delegations”); and

**WHEREAS**, the MSF Board wishes to amend the Strategic Fund Compiled Resolutions to incorporate the New Delegations.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that effective October 22, 2024, the MSF Board hereby amends the Strategic Fund Compiled Resolutions to add the New Delegations;

**BE IT FURTHER RESOLVED**, the MSF President shall compile and publish the amended Strategic Fund Compiled Resolutions to incorporate the New Delegations as required under Article IV of the Bylaws.

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 2024

## **Exhibit A**

### **125.2005-1 General Delegations of Authority**

(6) Any request or action taken under these delegations is invalid and unenforceable if the MSF Board has previously denied or tabled the same request or a substantially similar request on the same project.

(7) The MSF Fund Manager shall be authorized to take all administrative, operational, non-discretionary, and ministerial actions that are required of the Fund by the MSF Act for the administration and operation of the MSF's programs and that are not specifically vested in the Board under Chapter 8A of the MSF Act nor otherwise prohibited by law.

### **125.2005-7 Revitalization and Placemaking Program**

(7) The MSF President or the MSF Fund Manager may authorize amendments to the first disbursement milestone deadlines within any RAP Agreement to a date no later than November 15, 2024, and to extend other milestone dates as necessary to account for construction delays and as necessary to administer the RAP Program within the ARPA Regulations, but no longer than 6 months.

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

### **125.2090-1 Michigan Community Revitalization Program**

(4) The MSF President or the MSF Fund Manager may make a one-time extension to milestone due dates, maturity dates, or other dates within an existing loan, grant, or equity agreement for up to twenty-four (24) months so long as:

1. The awardee is otherwise currently in compliance with its agreement.
2. The awardee has demonstrated its ability to successfully complete its obligations under the agreement if the extension is granted.
3. The Scope of the project is not being materially altered.
4. Senior Lender (if applicable) has approved the extension.
5. All other terms of the agreement remain unchanged.

(5) The MSF President or the MSF Fund Manager may make a one-time deferral of payments on an existing loan or equity agreement for no more than twenty-four (24) months in total so long as:

1. The awardee is otherwise currently in compliance with its agreement.
2. The awardee has demonstrated its ability to successfully complete its obligations under the agreement if the payment deferral is granted.

3. The Scope of the project is not being materially altered.
  4. Senior Lender (if applicable) does not object to the extension.
  5. All other terms of the agreement remain unchanged.
- (6) The MSF President or the MSF Fund Manager may reduce the Eligible Investment required under an existing loan, grant, or equity agreement so long as:
1. The awardee is otherwise currently in compliance with its agreement.
  2. The awardee has demonstrated its ability to successfully complete its obligations under the agreement if the reduction in Eligible Investment is granted.
  3. The scope of the project is not being materially altered.
  4. The award is proportionally reduced by the amount of decrease in Eligible Investment (i.e. a 25% reduction in Eligible Investment necessitates a 25% reduction in the award amount).
  5. All other terms of the agreement remain unchanged.
- (7) The MSF President or the MSF Fund Manager may approve the addition of one or more co-applicants to an existing loan, grant, or equity agreement so long as:
1. The awardee is currently in compliance with its existing agreement.
  2. The co-applicant(s) meet the eligibility requirements of the MCRP.
  3. The co-applicant(s) successfully pass review under the MSF Background Review Policy.
- (8) The MSF President or the MSF Fund Manager may approve a subordination of an MSF Incentive, in standalone and loan participation transactions, to the refinancing of existing debt or new debt vehicles which support a project including the extension of the term to match new lender so long as:
1. The awardee is currently in compliance with its existing loan, grant, or equity agreement.
  2. The refinanced existing debt or new senior debt is equal to or less than the existing senior debt.
  3. The term extension matches that of the new senior lender and does not exceed sixty (60) months
- (9) The MSF President or the MSF Fund Manager may approve a one-time forbearance of up to twenty-four (24) months from the date of default on any payment required under an existing loan, grant, or equity agreement so long as:
1. The awardee is currently in compliance with all other terms of its agreement.
  2. All known existing defaults under the agreement will be cured within the forbearance period.
  3. The awardee has acknowledged the default(s) and demonstrated its ability to successfully complete its obligations under the agreement if the forbearance is granted.
  4. The awardee has paid a forbearance fee equal to one (1) percent of the original award amount.
  5. All other terms of the agreement remain unchanged.
- (10) The MSF President or the MSF Fund Manager may approve collateral assignments of any existing loan, grant, or equity agreement so long as:
1. The awardee is currently in compliance with all terms of its agreement.
  2. The collateral assignment is necessary to obtain project financing for project success.
  3. All terms of the agreement remain unchanged.
  4. The collateral assignment does not waive any of the MSF's rights under the agreement.

(11) The MSF President or the MSF Fund Manager may approve an assignment of grant rights and responsibilities to the lead lender of a project so long as:

1. The awardee is currently in compliance with all terms of its existing loan, grant, or equity agreement.
2. The collateral assignment is necessary to obtain project financing for project success.
3. All terms of the agreement remain unchanged.
4. The collateral assignment does not waive any of the MSF's rights under the agreement.

(12) The MSF President or the MSF Fund Manager may approve a one-time change to the term, amortization, interest rate or debt service coverage ratio of any existing loan, grant, or equity agreement so long as:

1. The awardee is otherwise currently in compliance with all terms of its agreement.
2. The awardee has demonstrated its ability to successfully complete its obligations under the agreement if the change in term, rate, or debt service coverage ratio is granted.
3. The Term is not extended more than sixty (60) months.
4. The interest rate is not reduced below one (1) percent.
5. The amortization is not increased to greater than three hundred sixty (360) months.
6. The debt service coverage ratio is not reduced below 1:1.
7. All other terms of the agreement remain unchanged.

(13) The MSF President or the MSF Fund Manager may approve changes to a Senior Lender's term, amortization, interest rate, or debt service coverage ratio so long as:

1. The awardee is otherwise currently in compliance with its existing loan, grant, or equity agreement.
2. The overall debt service coverage ratio does not fall below 1:1.
3. The scope of the project is not being materially altered.
4. The approval does not negatively affect the MSF's financial position.
5. All other terms of the agreement remain unchanged.

(14) The MSF President or the MSF Fund Manager may approve a one-time modification to the project scope to accommodate changes in design and use so long as:

1. The awardee is currently in compliance with all terms of its existing loan, grant, or equity agreement.
2. The awardee has demonstrated that the modification of project scope is necessary to obtain project financing or for project success.
3. The modification affects no more than ten percent (10%) of the building's square footage.
4. The modification does not result in a reduction in projected rents by more than ten percent (10%) or the approved debt service coverage ratio.
5. All other terms of the agreement remain unchanged.

(15) The MSF President or the MSF Fund Manager may make a one-time waiver of accrued late fees so long as:

1. The amount of waived late fees is fifteen thousand dollars (\$15,000) or less.
2. The waiver is made to facilitate (1) a cure to existing defaults or (2) the entering of a forbearance agreement.
3. The awardee cures all existing defaults or enters in a forbearance agreement.



4. All terms of the agreement remain unchanged.

(16) The MSF President or the MSF Fund Manager may approve changes to the ownership structure of any MSF incentive that includes a New Market Tax Credit so long as:

1. The awardee is currently in compliance with all terms of its existing loan, grant, or equity agreement.
2. The New Market Tax Credit compliance period has concluded.
3. The modification is required to unwind the New Market Tax Credit transaction.
4. The modification complies with both 26 U.S. § 45D, and 26 C.F.R. § 1.45D-1.

(17) The MSF President or the MSF Fund Manager may approve a release of collateral, an exchange of collateral or a change to the priority of collateral relating to an existing loan, grant, or equity agreement so long as:

1. The awardee is currently in compliance with all terms of its agreement.
2. The awardee has demonstrated that the modification of collateral is necessary to obtain project financing or for project success.
3. The modification does not result in a reduction in the MSF's approved loan-to-value ratio by more than ten percent (10%).
4. The modification does not negatively affect the MSF's financial position
5. All other terms of the agreement remain unchanged.

(18) The Grant Manager, Project Manager, or similarly identified Compliance staff administrator to waive the Financial Statement Requirement in any Legacy Agreement provided that:

1. The MCRP awardee is otherwise in compliance with their MCRP Agreement.
2. The MSF retains its right to demand financial statements from the MCRP awardee upon request.
3. No reasonable cause currently exists for the MSF to demand financial statements from the MCRP awardee.

#### **125.2088r-1 Michigan Business Development Program**

(4) The MSF President or the MSF Fund Manager may make a one-time extension to milestone due dates, maturity dates, or other dates within an existing loan, grant, or equity agreement for up to twenty-four (24) months so long as:

1. The awardee is otherwise currently in compliance with its agreement.
2. The awardee has demonstrated its ability to successfully complete its obligations under the agreement if the extension is granted.
3. The Scope of the project is not being materially altered.
4. Senior Lender (if applicable) has approved the extension.
5. All other terms of the agreement remain unchanged.

(5) The MSF President or the MSF Fund Manager may make a one-time deferral of payments on an existing loan or equity agreement for no more than twenty-four (24) months in total so long as:

1. The awardee is otherwise currently in compliance with its agreement.

2. The awardee has demonstrated its ability to successfully complete its obligations under the agreement if the payment deferral is granted.
3. The Scope of the project is not being materially altered.
4. Senior Lender (if applicable) does not object to the extension.
5. All other terms of the agreement remain unchanged.

(6) The MSF President or the MSF Fund Manager may reduce the Eligible Investment or Qualified New Jobs required under an existing loan, grant, or equity agreement so long as:

1. The awardee is otherwise currently in compliance with its agreement.
2. The awardee has demonstrated its ability to successfully complete its obligations under the agreement if the reduction is granted.
3. The scope of the project is not being materially altered.
4. The award is proportionally reduced by the amount of decrease (i.e. a 25% reduction in Eligible Investment or Qualified New Jobs necessitates a 25% reduction in the award amount).
5. All other terms of the agreement remain unchanged.

(7) The MSF President or the MSF Fund Manager may approve the addition of one or more co-applicants to an existing loan, grant, or equity agreement so long as:

1. The awardee is currently in compliance with its existing agreement.
2. The co-applicant(s) meet the eligibility requirements of the MBDP.
3. The co-applicant(s) successfully pass review under the MSF Background Review Policy.

(8) The MSF President or the MSF Fund Manager may approve a one-time forbearance of up to twenty-four (24) months from the date of default on any payment required under an existing loan, grant, or equity agreement so long as:

1. The awardee is currently in compliance with all other terms of its agreement.
2. All known existing defaults under the agreement will be cured within the forbearance period.
3. The awardee has acknowledged the default(s) and demonstrated its ability to successfully complete its obligations under the agreement if the forbearance is granted.
4. The awardee has paid a forbearance fee equal to one (1) percent of the original award amount.
5. All other terms of the agreement remain unchanged.

(10) The MSF President or the MSF Fund Manager may make a one-time waiver of accrued late fees so long as:

1. The amount of waived late fees is fifteen thousand dollars (\$15,000) or less.
2. The waiver is made to facilitate (1) a cure to existing defaults or (2) the entering of a forbearance agreement.
3. The awardee cures all existing defaults or enters in a forbearance agreement.
4. All terms of the agreement remain unchanged.



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



October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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



**MEMORANDUM**

**Date:** October 22, 2024  
**To:** Michigan Strategic Fund Board  
**From:** Ben Marchionna, Chief Innovation Ecosystem Officer  
**Subject:** 2025 Funding Allocations for Entrepreneurship and Innovation

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**Request**

The MEDC Staff requests that the MSF Board approve funding allocations for Entrepreneurship and Innovation for the fiscal year 2025 totaling \$10,378,720 as distributed below. This funding will enable the continuation of high-tech entrepreneurship programs administered on behalf of the MEDC by the SBIR/STTR Assistance Program (BBCetc), the Michigan Small Business Development Center (“SBDC”) and the Statewide University Technology Programs (“SUTP”).

**Background**

On September 24, 2024 the MSF Board approved the MSF Annual Allocation of the 21st Century Jobs Trust Fund Appropriations, allocating \$14,241,500 for FY 2025 Entrepreneurial Programs and Grants. The BBCetc, SBDC, and SUTP programs provide expertise and funding to assist universities and companies in commercializing competitive-edge technologies, building successful, innovative businesses with the potential for high-growth and job retention, and promoting a culture of entrepreneurship in Michigan.

**SBIR/STTR Assistance Program (BBCetc) - \$600,000**

On December 17, 2019, the MSF Board approved an allocation of \$480,000 to BBCetc to support the BBCetc program from January 1, 2020 to December 31, 2020, with the option to extend the term for up to five additional years and to allocate further funding at the sole discretion of the MSF (the “BBCetc Grant”). On October 27, 2020, October 26, 2021, and September 27, 2022, the MSF approved additional allocations of \$500,000 and extended the program for one year on each occasion. On October 24, 2023, the MSF Board allocated \$600,000 in additional funding to the grant and extended the term by one year, to December 31, 2024.

**Results.** Since January 1, 2020, BBCetc has supported 308 MI companies in securing over \$145 million in federal SBIR/STTR awards.

The MEDC recommends that the MSF extend the term of the agreement to December 31, 2025, and allocate \$600,000 in additional funding to the BBCetc.

## **Michigan Small Business Development Center (SBDC) Administered Programs**

### ***Emerging Technology Fund (ETF) - \$2,250,000***

The ETF program is administered by the Michigan SBDC to make Michigan more competitive in attracting federal dollars into the State, primarily in the form of Small Business Innovation Research (“SBIR”) and Small Business Technology Transfer (“STTR”) awards, which can be worth up to several million dollars each. The ETF provides matching funds of up to \$25,000 for Phase I and \$125,000 for Phase II clinical studies associated with these awards.

On December 17, 2019, the MSF Board approved an allocation of \$2,155,000 to the Michigan SBDC to support the ETF for an initial term of one year, with the option to allocate additional funding at the sole discretion of the MSF. On August 25, 2020, the MSF Fund Manager, on behalf of the MSF, approved a transfer of \$700,000 from the ETF to the Business Acceleration Fund. On October 27, 2020, the MSF approved an allocation of \$1,155,000 to the ETF with a 1-year extension of the term. On October 26, 2021, the MSF approved an allocation of \$1,700,000 and on January 19, 2022, the MSF Fund Manager, on behalf of the MSF, approved a no-cost extension of the term to December 31, 2025. On September 27, 2022, the MSF approved an additional allocation of \$2,250,000, and on October 24, 2023, the MSF approved an additional allocation of \$2,250,000 and ratified the action of the MSF Fund Manager to extend the program to December 31, 2025.

**Results.** Since January 1, 2020, the ETF program has provided 140 awards that have leveraged over \$382 million in follow on funding and generated 544 new jobs.

The MEDC recommends that the MSF allocate \$2,250,000 in additional funding to the ETF.

### ***Business Acceleration Fund (BAF) - \$1,500,000***

The BAF program is administered by the Michigan SBDC and provides a series of small grants for high tech businesses to access the required specialized services they need to grow and compete. These funds are used toward the delivery of specialized commercialization services that are not otherwise available from business accelerators, to assist advanced technology companies regardless of the company’s geography. A participating business accelerator will engage a third-party specialist to help advance the client’s path to commercialization, company success, and economic impact for the state of Michigan. BAF requests are reviewed and awarded through a competitive process.

On December 17, 2019, the MSF authorized an allocation of \$1,430,000 to the Michigan SBDC to support the BAF for an initial term of one year, with the option to extend for an additional five years and to allocate additional funding at the sole discretion of the MSF. On August 25, 2020, the MSF Fund Manager, on behalf of the MSF, approved a transfer of \$700,000 from the ETF to the BAF. On October 27, 2020, the MSF approved an allocation of \$1,430,000 with a 1-year extension. On October 26, 2021, the MSF approved an allocation of \$1,430,000 and on January 19, 2022, the MSF Fund Manager, on behalf of the MSF, approved a no-cost extension of the term to December 31, 2025. On September 27, 2022, the MSF approved an additional allocation of \$1,500,000, and on October 24, 2023, the MSF approved an additional allocation of \$1,500,000 and ratified the action of the MSF Fund Manager to extend the program to December 31, 2025.

**Results.** Since January 1, 2020, the program has provided 329 awards that have leveraged over \$187 million in follow on funding and generated 649 new jobs.

The MEDC recommends that the MSF allocate \$1,500,000 in additional funding to the BAF.

***Business Consulting Services (BCS) - \$1,953,720***

The BCS program is administered by the Michigan SBDC to provide specialized assistance to tech start-up companies, the vast majority of which are very early-stage, primarily pre-revenue and often pre-proof of concept. These services include business plan review, marketing strategies, management team development and providing connection to other statewide resources, including early-stage capital.

On October 22, 2019, the MSF authorized an allocation of \$3,855,000 to the Michigan SBDC to support the BCS 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. On October 27, 2020, the MSF approved an allocation of \$1,720,000 with a 1-year extension. On October 26, 2021, the MSF approved an allocation of \$1,800,000 and on January 19, 2022, the MSF Fund Manager, on behalf of the MSF, approved a no cost extension of the term to December 31, 2027. On September 27, 2022, the MSF approved an additional allocation of \$1,953,720, and on October 24, 2023, the MSF approved an additional allocation of \$1,953,720 and ratified the action of the MSF Fund Manager to extend the program to December 31, 2027.

**Results.** Since January 1, 2020, the program has leveraged over \$636 million in follow on funding and generated 959 new jobs.

The MEDC recommends that the MSF allocate \$1,953,720 in additional funding to the BCS.

**Statewide University Technology Programs (“SUTP”)**

***Michigan Translational Research and Commercialization (MTRAC) - \$2,875,000***

The MTRAC Program was created pursuant to Section 88o of the MSF Act, MCL 125.2088o, to: 1) encourage work with the State of Michigan’s public universities to identify commercial potential in advanced technologies from individual institutions of higher education; 2) facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities; 3) encourage business formation efforts in institution of higher education technology transfer offices to increase the number of institution of higher education-related start-up companies; 4) encourage institutions of higher education to provide their faculty with incentives for participating in the technology transfer and commercialization activities; and 5) facilitate the use of applied research expertise within institutions of higher education by qualified businesses.

The four statewide MTRAC Innovation Hub Programs are administered by:

- MTRAC Agriculture-Biology Innovation Hub - Michigan State University (\$550,000)
- MTRAC Life Sciences Innovation Hub - University of Michigan (\$1,000,000)
- MTRAC Advanced Materials Innovation Hub - Michigan Technological University (\$325,000)

- MTRAC Advanced Transportation Innovation Hub - University of Michigan (\$1,000,000)

**Results.** Since the MTRAC Programs were expanded to statewide offerings in 2016, the combined total of the Five Innovation Hubs are 706 Proposals Reviewed, 357 Proposals Awarded by the Oversight Committees, 64 Startups Created, 199 Jobs Created, 32 Licenses to Michigan Companies, 26 Licenses to Non-Michigan Companies, and \$296,663,394 in Follow-on-Funding.

The MEDC recommends that the MSF allocate \$2,875,000 in additional funding distributed as set forth above to continue the MTRAC program.

***University Technology Acceleration and Commercialization Program (UTACP) - \$800,000***

UTACP was created pursuant to MCL 125.2088c, it states the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for the commercialization of competitive edge and bioeconomy technologies. The Technology Transfer Talent Network (T3N) program is administered on behalf of MEDC by the University of Michigan to provide a statewide university network supporting the commercialization of university technologies, licenses to industry partners, and startup creation through key talent and business expertise programs, mentors-in-residence, postdocs, fellows, and shared services.

**Results.** For the Technology Transfer Talent Network (T3N) in 2023, there were 505 projects engaged and supported by the 18 Mentors-in-Residence, 16 new Companies Created, 950 New Patents Applied For, 464 Patents Issued, 311 License Agreements entered into, and \$595,938,397 in Follow-on-Funding obtained.

The MEDC recommends that the MSF allocate \$800,000 in additional funding to continue the UTACP.

***University Early-Stage Proof of Concept Fund (UPOCF) - \$400,000***

UPOCF was created pursuant to Public Act 215 of 2005, Section 88k(2) which allows the MSF Board to award grants and loans from the 21st Century Jobs Fund for “basic research, applied research, university technology transfer and commercialization of products, processes and services to encourage the development of competitive-edge technologies to create jobs in the state.” Furthermore, the act permits grants to be provided to one or more Michigan institutions of higher education to provide resources and specialized services that will enhance and support the transition of institutions of higher education projects from scientific research to applied research to translational research to the commercial market. The UPOCF is administered on behalf of MEDC by the University of Michigan

**Results.** The ADVANCE Early-Stage Proof of Concept Fund’s results which are compiled from a beginning date in October 2021 are seven new Patents Applied For, one Patent Issued, one License Agreement signed, \$7,889,360 in federal Small Business Innovation Research and Small Business Technology Transfer Research (SBIR/STTR), leading to a total of \$8,761,740 in Follow-on-Funding.

The MEDC recommends that the MSF allocate \$400,000 in additional funding to continue the UPOCF.



**Recommendation**

MEDC staff recommends the MSF Board approve the Request.

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-150**

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION  
PROGRAM LIFE SCIENCES INNOVATION HUB  
ALLOCATION OF FUNDING**

**WHEREAS**, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (the “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 (the “MEDC”) provides administrative services to the MSF;

**WHEREAS**, pursuant to Section 88o of the MSF Act, the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

**WHEREAS**, on April 26, 2016, the MSF Board 1) created the Michigan Translational Research and Commercialization Program (the “MTRAC Program”) to award grants to Michigan institutions of higher education for the purpose of advancing of competitive edge technologies and bio economy technologies into commercial applications and increasing the number of startups, jobs, industry licenses and investment for Michigan and 2) adopted guidelines for operation of the MTRAC Program (the “MTRAC Program Guidelines”);

**WHEREAS**, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology (“Ag-Bio”), and Life Sciences;

**WHEREAS**, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Innovation Hub;

**WHEREAS**, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

**WHEREAS**, on June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of up to six years to coincide with the term of the Innovation Hub designation;

**WHEREAS**, on October 25, 2022, the MSF Board designated the University of Michigan (“U of M”) as the Life Sciences Innovation Hub and allocated initial funding of \$1,000,000 to support Life Sciences Innovation Hub activities for a six-year term beginning July 1, 2022 and

ending on June 30, 2028 (the “Term”), with the option to allocate additional funds during the Term at the sole discretion of the MSF;

**WHEREAS**, on December 12, 2023, the MSF Board allocated \$1,000,000 in additional funding to U of M to support Life Sciences Innovation Hub activities;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation \$1,000,000 to U of M to support a continuation of Life Sciences Innovation Hub activities during the Term (the “Allocation Request”); and

**WHEREAS**, the MSF Board wishes to approve the Allocation Request.

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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



October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-151**

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION  
PROGRAM ADVANCED MATERIALS INNOVATION HUB  
ALLOCATION OF FUNDING**

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

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

**WHEREAS**, pursuant to Section 88o of the Act, the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

**WHEREAS**, on April 26, 2016, the MSF Board 1) created the Michigan Translational Research and Commercialization Program (the “MTRAC Program”) to award grants to Michigan institutions of higher education for the purpose of advancing of competitive edge technologies and bio economy technologies into commercial applications and increasing the number of startups, jobs, industry licenses and investment for Michigan and 2) adopted guidelines for operation of the MTRAC Program (the “MTRAC Program Guidelines”);

**WHEREAS**, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Hub;

**WHEREAS**, on June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of up to six years to coincide with the term of the Innovation Hub designation;

**WHEREAS**, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology, and Life Sciences;

**WHEREAS**, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

**WHEREAS**, on March 28, 2023, the MSF Board designated Michigan Technological University (“Michigan Tech”) as the Advanced Materials Innovation Hub and allocated initial funding of \$325,000 to support Advanced Materials Innovation Hub activities for a six-year term

beginning March 1, 2023 and ending on February 28, 2029 (the “Term”), with the option to allocate additional funds during the Term at the sole discretion of the MSF;

**WHEREAS**, on December 12, 2023, the MSF Board allocated \$325,000 in additional funding to Michigan Tech to support Advanced Materials Innovation Hub activities;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation \$325,000 to Michigan Tech to support a continuation of Advanced Materials Innovation Hub Activities during the Term (the “Allocation Request”); and

**WHEREAS**, the MSF Board wishes to approve the Allocation Request.

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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





October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-152**

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION  
PROGRAM ADVANCED TRANSPORTATION INNOVATION HUB  
ALLOCATION OF FUNDING**

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

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

**WHEREAS**, pursuant to Section 88o of the Act, the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

**WHEREAS**, on April 26, 2016, the MSF Board 1) created the Michigan Translational Research and Commercialization Program (the “MTRAC Program”) to award grants to Michigan institutions of higher education for the purpose of advancing of competitive edge technologies and bio economy technologies into commercial applications and increasing the number of startups, jobs, industry licenses and investment for Michigan and 2) adopted guidelines for operation of the MTRAC Program (the “MTRAC Program Guidelines”);

**WHEREAS**, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Hub;

**WHEREAS**, on June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of up to six years to coincide with the term of the Innovation Hub designation;

**WHEREAS**, under the MTRAC Program Guidelines, the MSF may provide funding to up to five Innovation Hubs in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology, and Life Sciences;

**WHEREAS**, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

**WHEREAS**, on March 28, 2023, the MSF Board designated the University of Michigan (“U of M”) as the Advanced Transportation Innovation Hub and allocated initial funding of \$750,000 to support Advanced Transportation Innovation Hub activities for a six-year term

beginning March 1, 2023 and ending on February 28, 2029 (the “Term”), with the option to allocate additional funds during the Term at the sole discretion of the MSF;

**WHEREAS**, on December 12, 2023, the MSF Board allocated \$1,000,000 in additional funding to U of M to support Advanced Transportation Innovation Hub activities;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation \$1,000,000 to U of M to support a continuation of Advanced Transportation Innovation Hub activities during the Term (the “Allocation Request”); and

**WHEREAS**, the MSF Board wishes to approve the Allocation Request.

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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



October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-153**

**ADVANCE EARLY STAGE PROOF OF CONCEPT FUND GRANT  
ALLOCATION OF FUNDING**

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

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

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

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

**WHEREAS**, the ADVANCE Early-Stage Proof of Concept Fund (the “ADVANCE Fund”) provides resources and specialized services to enhance and support the transition of institution of higher education projects from scientific research to applied research to translational research to the commercial market;

**WHEREAS**, on March 23, 2021, the MSF Board awarded a grant to Michigan State University (“MSU”) to support the ADVANCE Fund with an initial allocation of \$250,000 and with an initial term of one year, with the option to extend for up to an additional five one-year terms and allocate additional funding at the sole discretion of the MSF;

**WHEREAS**, on May 21, 2021, the MSF Fund Manager authorized a no-cost extension of the term to March 31, 2026;

**WHEREAS**, on September 27, 2022, the MSF Board allocated \$300,000 in additional funding to MSU to support the ADVANCE Fund;

**WHEREAS**, on December 12, 2023, the MSF Board allocated \$400,000 in additional funding to MSU to support the ADVANCE Fund;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation \$400,000 to MSU to support a continuation of the ADVANCE Fund (the “Allocation Request”); and

**WHEREAS**, the MSF Board wishes to approve the Allocation Request.

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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





October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-154**

**SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS  
TECHNOLOGY TRANSFER RESEARCH MICHIGAN ASSISTANCE PROGRAM**

**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 (the “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 (the “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**, BBCetc (the “Company”) provides consulting support to individual companies and entrepreneurs seeking federal Small Business Innovation Research and Small Business Technology Transfer Research awards (the “BBCetc Services”);

**WHEREAS**, on December 17, 2019, the MSF Board approved a grant to the Company in the amount of \$480,000 to support the BBCetc Services with an initial one-year term, with the option to extend the term for an additional five years and allocate additional funding at the sole discretion of the MSF (the “BBCetc Grant”);

**WHEREAS**, on October 27, 2020, the MSF Board approved an extension of the BBCetc Grant for one year and allocated \$500,000 in additional funding;

**WHEREAS**, on October 26, 2021, the MSF Board approved an extension of the BBCetc Grant for one year and allocated \$500,000 in additional funding;

**WHEREAS**, on September 27, 2022, the MSF Board approved an extension of the BBCetc Grant for one year and allocated \$500,000 in additional funding;

**WHEREAS**, on October 24, 2023, the MSF Board approved an extension of the BBCetc Grant for one year and allocated \$600,000 in additional funding;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board: (1) extend the term of the BBCetc Grant for one year, to December 31, 2025, and (2) allocate \$600,000 in additional funding from the FY2025 E&I Programs Funding Allocation to the BBCetc Grant (collectively, 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 authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Request.

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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



October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-155**

**SMALL BUSINESS DEVELOPMENT CENTER  
BUSINESS CONSULTING 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 (the “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 (the “MEDC”) provides administrative services to the MSF;

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

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

**WHEREAS**, the Small Business Development Center (the “SBDC”) provides small business support services to companies throughout the State of Michigan, including business counseling, market education, grant writing assistance, talent development, access to business capital, and acceleration of innovative technologies (the “SBDC Services”);

**WHEREAS**, on October 22, 2019, the MSF Board approved a grant to the SBDC in the amount of \$3,855,000 to support the SBDC Services with an initial term of January 1, 2020 to December 31, 2022, with the option to extend the term for up to an additional five years and allocate additional funding at the sole discretion of the MSF (the “SBDC Grant”);

**WHEREAS**, on October 27, 2020, the MSF Board approved a one-year extension of SBDC Grant and allocated additional funding in the amount of \$1,720,000;

**WHEREAS**, on October 26, 2021, the MSF Board approved a one-year extension of SBDC Grant and allocated additional funding in the amount of \$1,800,000;

**WHEREAS**, on January 19, 2022, the MSF Fund Manager authorized a no-cost extension of the SBDC Grant to December 31, 2027;

**WHEREAS**, on September 27, 2022, the MSF Board allocated additional funding in the amount of \$1,953,720;

**WHEREAS**, on October 24, 2023, the MSF Board allocated additional funding in the amount of \$1,953,720 and ratified the action of the MSF Fund Manager to extend the term to of the SBDC Grant to December 31, 2027;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation \$1,953,720 in additional funding to the SBDC Grant (collectively, 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 authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Request.

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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





October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-156**

**TECHNOLOGY TRANSFER TALENT NETWORK GRANT  
ALLOCATION OF FUNDING**

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

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

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

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

**WHEREAS**, the Technology Transfer Talent Network (“T3N”) is a statewide university network supporting the commercialization of university technologies, licenses to industry partners and startup creation through key talent and business expertise programs; mentors-in-residence, postdocs, fellows and shared services (the “T3N Program”);

**WHEREAS**, on October 25, 2022, the MSF Board awarded a grant to the University of Michigan (“U of M”) to support the T3N Program with an initial allocation of \$750,000 and with a term of five years with the option to allocate additional funding during the term at the sole discretion of the MSF Board;

**WHEREAS**, on December 12, 2023, the MSF Board allocated \$800,0000 to U of M to support the continuation of the T3N Program;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation \$800,000 to U of M to support the continuation of the T3N Program (the “Allocation Request”); and

**WHEREAS**, the MSF Board wishes to approve the Allocation Request.

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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:

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

Sincerely,

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

Susan R. Corbin  
Director



October 15, 2024

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

Dear Fund Manager,

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- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-157**

**SMALL BUSINESS DEVELOPMENT CENTER  
EMERGING TECHNOLOGY FUND AND THE BUSINESS ACCELERATOR FUND**

**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 (the “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 (the “MEDC”) provides administrative services to the MSF;

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

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

**WHEREAS**, the Small Business Development Center (the “SBDC”) provides support to individual companies and entrepreneurs seeking through administration of the Emerging Technology Fund (“ETF”) and the Business Accelerator Fund (“BAF”) on behalf of the MSF (the “SBDC Services”);

**WHEREAS**, on December 17, 2019, the MSF Board authorized a grant to the Michigan Small Business Development Center (“SBDC”) in an initial amount of \$3,585,000 to support the SBDC Services for a term of one year;

**WHEREAS**, the MSF Fund Manager, on behalf of the MSF Board, negotiated and executed grant agreements in the amount of \$2,155,000 for the ETF program (the “ETF Grant Agreement”) and in the amount of \$1,430,000 for the BAF program (the “BAF Grant Agreement”);

**WHEREAS**, on August 25, 2020, the MSF Fund Manager authorized reallocation of \$700,000 from the ETF Grant Agreement to the BAF Grant Agreement;

**WHEREAS**, on October 27, 2020, the MSF Board authorized a grant to the SBDC for the ETF in the amount of \$1,155,000 and the BAF in the amount of \$1,430,000 with an initial one-year term with the option to extend the term for an additional five years and allocate funding at the sole discretion of the MSF Board (the “SBDC Grant”);

**WHEREAS**, on October 26, 2021, the MSF Board approved a one-year extension of SBDC Grant and allocated additional funding in the amount of \$1,700,000 to the ETF and \$1,430,000 to the BAF;

**WHEREAS**, on January 19, 2022, the MSF Fund Manager authorized a no cost extension of the term for both the SBDC Grant to December 31, 2025;

**WHEREAS**, on September 27, 2022, the MSF Board allocated additional funding in the amount of \$2,250,000 to the ETF and \$1,500,000 to the BAF;

**WHEREAS**, on October 24, 2023, the MSF Board allocated additional funding in the amount of \$2,250,000 to the ETF and \$1,500,000 to the BAF and ratified the action of the MSF Fund Manager to extend the term of the ETF Grant Agreement to December 31, 2025;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation (1) \$2,250,000 in additional funding to the ETF; and (2) \$1,500,000 in additional funding to the BAF (collectively, 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 authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the Request.

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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





October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-158**

**MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION  
PROGRAM AGRICULTURE-BIOLOGY INNOVATION HUB  
ALLOCATION OF FUNDING**

**WHEREAS**, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (the “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 (the “MEDC”) provides administrative services to the MSF;

**WHEREAS**, pursuant to Section 88o of the MSF Act, the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

**WHEREAS**, on April 26, 2016, the MSF Board 1) created the Michigan Translational Research and Commercialization Program (the “MTRAC Program”) to award grants to Michigan institutions of higher education for the purpose of advancing of competitive edge technologies and bio economy technologies into commercial applications and increasing the number of startups, jobs, industry licenses and investment for Michigan and 2) adopted guidelines for operation of the MTRAC Program (the “MTRAC Program Guidelines”);

**WHEREAS**, under the MTRAC Program Guidelines, the MSF may provide funding to up to five “Innovation Hubs” in the following key technology areas: Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology (“Ag-Bio”), and Life Sciences;

**WHEREAS**, on October 23, 2018, the MSF Board amended the MTRAC Program Guidelines to eliminate the Bio-Medical Sciences Hub and add the Advanced Computing Innovation Hub;

**WHEREAS**, under the MTRAC Program Guidelines, an Innovation Hub designation is valid for a period of six years;

**WHEREAS**, on June 22, 2021, the MSF Board amended the MTRAC Program Guidelines to permit grants of up to six years to coincide with the term of the Innovation Hub designation;

**WHEREAS**, on October 25, 2022, the MSF Board designated Michigan State University (“MSU”) as the Ag-Bio Innovation Hub and allocated initial funding of \$550,000 to support Ag-Bio Innovation Hub activities for a six-year term beginning July 1, 2022 and ending on June 30,

2028 (the “Term”), with the option to allocate additional funds during the Term at the sole discretion of the MSF;

**WHEREAS**, on December 12, 2023, the MSF Board allocated \$550,000 in additional funding to MSU to support Ag-Bio Innovation Hub activities;

**WHEREAS**, on September 24, 2024, by Resolution 2024-139, the MSF Board allocated \$14,241,500 to support Entrepreneurial Programs and Grants (the “FY2025 E&I Programs Funding Allocation”);

**WHEREAS**, MEDC staff recommends that the MSF Board allocate from the FY2025 E&I Programs Funding Allocation \$550,000 to MSU to support a continuation of Ag-Bio Innovation Hub Activities during the Term (the “Allocation Request”); and

**WHEREAS**, the MSF Board wishes to approve the Allocation Request.

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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



October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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



**MEMORANDUM**

**Date:** October 22, 2024

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

**From:** Matt Chasnis, Senior Business Development Project Manager

**Subject:** Reauthorization of Performance-based Grant Request  
Michigan Business Development Program (“MBDP”)  
Lucid USA, Inc. (“Company” or “Applicant”)

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**Background**

On February 27<sup>th</sup>, 2024, the MSF approved a MBDP performance-based grant in the amount of \$6,000,000 for the Company. The MBDP approval required that an Agreement be entered into within 120 days of the date of the approval and may be extended for an additional 60 days with approval from the MSF Fund Manager.

Due to administrative limitations, all parties have been unable to enter into the Agreement within the allowable 180 days. The Company requested several discussions and edits to the agreement before it could be finalized. The timeframe required for the edits, along with the Company’s project manager leaving the organization, delayed the approval and execution. Due to these delays, it has taken longer than expected to execute the agreement. The Company has come to an agreement to the language in the final draft and has provided a signed copy of the Agreement to the MEDC. The Company has requested reauthorization and additional time to execute its Agreement. The MEDC is in receipt of the signed Agreement, and it is anticipated the document will be executed shortly after the reauthorization.

**Recommendation**

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

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-159**

**REAUTHORIZATION OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM  
GRANT TO  
LUCID USA, INC.**

**WHEREAS**, the Michigan legislature passed legislation establishing the 21<sup>st</sup> 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 21<sup>st</sup> 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**, on February 27, 2024, by Resolution 2024-027, the MSF Board approved a \$6,000,000 MBDP performance based grant (the “Award”) to Lucid USA, Inc. (the “Company”) to establish a new automotive engineering HUB in Oakland County in accordance with the term sheet attached as Exhibit A (the “Term Sheet”);

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

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

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

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

Lansing, Michigan  
October 22, 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 Lucid USA 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 establish an engineering hub in Southfield, Michigan and Oakland or Wayne County (the “Project Site”). The Company expects to ramp up over the course of the next three (3) years resulting in an expected creation of at least 262 new jobs at the Project Site and a projected investment of \$10,000,000 by December 31, 2026 at the Project Site (collectively, the “Project”).

**Award Amount:** A maximum grant of \$6,000,000 (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 September 30, 2027 (the “Term”).

**Overall Jobs Commitment:** Creation of a minimum of 262 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above the Company and/or Lucid Group USA, Inc. (collectively, the “Company Group”) Statewide Base of 27 employees (the “Overall Base”), on June 30, 2027 (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 December 2, 2023 (Date of Offer Letter Acceptance), 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/Lucid Group USA, Inc. 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 December 2, 2023, (Date of Offer Letter Acceptance) for the Project, at the Project Site, in Hard Costs for construction related to 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, instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as

administrative costs, debt payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 100 percent of Eligible Expenses, related to the Project and paid by the Company Group. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than March 31, 2027 together with a certification of the Company Group's compliance with the grant agreement.

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

### **CLAWBACK PROVISIONS AND REPAYMENT EVENTS**

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

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

#### **ADDITIONAL STATE REQUIRED TERMS**

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



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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



## MEMORANDUM

**Date:** October 22, 2024

**To:** Michigan Strategic Fund Board

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

**Subject:** Request for Reauthorization of a Michigan Community Revitalization Program  
Direct Loan  
Henry Street Renaissance, LLC

---

### **Request**

Henry Street Renaissance, LLC (the “Company”) is requesting reauthorization of a Michigan Community Revitalization Program (MCRP) Direct Loan (the “MCRP Loan Award”). All terms of the original approval will remain the same. See Appendix A for the detailed MCRP loan terms.

### **Background**

The Michigan Strategic Fund approved a \$6,493,000 MCR Direct Loan Award on September 26, 2023, to the Company for the historic renovation of 86 market residential units spread over 4 buildings in the Midtown area of the City of Detroit. The redevelopment is a part of the overall Henry Street Redevelopment made up of a total of 170 residential units over 7 buildings.

The Company has been unable to close the transaction due to final negotiations and documentation of the project financing. It is anticipated that project will be able to close before the end of the calendar year.

### **Recommendation**

The MEDC staff recommends reauthorization of the MCRP Loan Award.

## APPENDIX A

### Loan Terms

<b>MSF Incentive:</b>	MCRP Direct Loan
<b>Borrower:</b>	Henry Street Renaissance or a Related Entity
<b>Total Capital Investment:</b>	Currently estimated at \$40,533,876
<b>MSF Eligible Investment:</b>	Currently estimated at \$32,466,902
<b>Minimum Eligible Investment:</b>	Currently estimated at \$25,974,000
<b>MSF Share:</b>	Up to the lesser of 20% of “Eligible Investment” or \$6,493,000
<b>Term:</b>	Shall match that of the senior lender not to exceed 60 months
<b>Amortization:</b>	Currently anticipated to be up to 360 months
<b>Interest Rate:</b>	1.0% per annum
<b>Repayment Terms:</b>	Currently anticipated to be monthly interest only payments for 36 months, followed by equal monthly payments of principal and interest for 12 months. Remaining principal balance due at maturity.
<b>Collateral:</b>	To reasonably match that of the senior lender, currently anticipated to be a mortgage interest in the underlying real estate. MSF share of collateral will be subordinated to that of the Lender.
<b>Guarantee:</b>	To be determined.
<b>MSF Fees:</b>	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. Additionally, the Borrower will be responsible for any third-party costs incurred by the MEDC to close the project.
<b>Reserves/Contingencies:</b>	Anticipated to be approximately \$4,142,000.
<b>Deferred Developer Fees:</b>	The developer and related-party fees equal to \$1,338,000 of which \$669,000 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
<b>Funding:</b>	MSF will fund up to \$6,493,000 to be disbursed following Certificate of Occupancy and completion of other performance criteria.

**Other Conditions:**

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

- Receipt of final construction documents, including a "Guaranteed Maximum Price" construction contract
- Receipt of final National Park Service Part 2 approval
- Evidence of local approval of tax abatement(s)
- Minimum owner equity investment equal to the lesser of 20% of the total development cost or \$13,750,000



**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-160**

**REAUTHORIZATION OF A MICHIGAN COMMUNITY REVITALIZATION  
PROGRAM  
PERFORMANCE BASED DIRECT LOAN  
AWARD TO  
HENRY STREET RENAISSANCE, 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 and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

**WHEREAS**, by Resolution 2023-163 on September 26, 2023, the MSF Board approved a \$6,493,000 Michigan Community Revitalization Direct Loan Award to Henry Street Renaissance, LLC (the “Award”);

**WHEREAS**, the MEDC is recommending that the MSF Board reauthorize the Award 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 (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (collectively, the “MCRP Award Recommendation”)

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

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Britany L. Affolter-Caine

**EXHIBIT A  
“TERM SHEET”**

**Loan Terms**

<b>MSF Incentive:</b>	MCRP Direct Loan
<b>Borrower:</b>	Henry Street Renaissance or a Related Entity
<b>Total Capital Investment:</b>	Currently estimated at \$40,533,876
<b>MSF Eligible Investment:</b>	Currently estimated at \$32,466,902
<b>Minimum Eligible Investment:</b>	Currently estimated at \$25,974,000
<b>MSF Share:</b>	Up to the lesser of 20% of “Eligible Investment” or \$6,493,000
<b>Term:</b>	Shall match that of the senior lender not to exceed 60 months
<b>Amortization:</b>	Currently anticipated to be up to 360 months
<b>Interest Rate:</b>	1.0% per annum
<b>Repayment Terms:</b>	Currently anticipated to be monthly interest only payments for 36 months, followed by equal monthly payments of principal and interest for 12 months. Remaining principal balance due at maturity.
<b>Collateral:</b>	To reasonably match that of the senior lender, currently anticipated to be a mortgage interest in the underlying real estate. MSF share of collateral will be subordinated to that of the Lender.
<b>Guarantee:</b>	To be determined.
<b>MSF Fees:</b>	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. Additionally, the Borrower will be responsible for any third-party costs incurred by the MEDC to close the project.
<b>Funding:</b>	MSF will fund up to \$6,493,000 to be disbursed following Certificate of Occupancy and completion of other performance criteria.
<b>Other Conditions:</b>	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none"><li>- Receipt of final construction documents, including a “Guarantee Maximum Price” construction contract</li><li>- Receipt of final National Park Service Part 2 approval</li><li>- Evidence of local approval of tax abatement(s)</li></ul>

- Minimum owner equity investment equal to the lesser of 20% of the total development cost or \$13,750,000



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



October 15, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the Consent Agenda because of one item that presents a potential conflict of interest during the Michigan Strategic Fund Board Meeting on Tuesday, October 22, 2024.

- MTRAC within the E&I budget

Many thanks –

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

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

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-147**

**APPROVAL OF THE OCTOBER 22, 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 September 24, 2024, Meeting Minutes
- b. MSF 2025 Board Meeting Dates
- c. MSF Board Delegation of Authority
- d. FY2025 E&I Allocations
- e. Lucid USA, Inc.: MBDP Reauthorization
- f. Henry Street Renaissance, LLC: MCRP Reauthorization

Ayes: Wesley Eklund, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), Dimitrius Hutcherson, Quentin L. Messer, Jr., Dan Meyering, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: Brittany L. Affolter-Caine

Lansing, Michigan  
October 22, 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

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

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Susan R. Corbin  
Director



October 15, 2024

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

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- MTRAC within the E&I budget

Many thanks –

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





## MEMORANDUM

**Date:** October 22, 2024

**To:** Michigan Strategic Fund Board

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

**Subject:** Request for Approval of a Michigan Community Revitalization Program (MCRP) Grant, a MCRP Loan and a Request for Approval of an Act 381 Work Plan Fisher 21 Lofts LLC and Fisher 21 Lofts Manager LLC and City of Detroit Brownfield Redevelopment Authority (DBRA) – Former Fisher Body Plant Redevelopment Project

---

### **Recommendation**

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

- a) State tax capture for Act 381 eligible activities capped at \$8,734,425, utilizing the current state to local capture ratio.
- b) A MCRP Performance-Based Loan in the amount of up to \$8,500,000 and a MCRP Performance-Based Grant in the amount of up to \$1,500,000 for Fisher 21 LLC and related entities on terms and conditions outlined in Exhibit A found in the resolution.
- c) Approval of \$8,500,000 in funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088h(3)(e) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

### **Financial Highlights**

This development seeks to transform an iconic 30-year vacant building into a state-of the art, mixed-use facility, restoring and activating nearly 500,000 square feet and expanding opportunities for economic development in Detroit. Due to the condition of the property, prioritization of 63 affordable residential units, and interest rates and market conditions, a significant financial gap remains after the developers maximized traditional financing. The city is supporting the project with a Neighborhood Enterprise Zone (PA147) tax exemption valued at approximately \$25,025,196, an Obsolete Property Rehabilitation Act (PA146) tax exemption valued at approximately \$1,442,829 and a Local Brownfield Tax Capture valued at \$12,648,870. The City of Detroit has also committed \$6,900,000 and Wayne County has committed \$2,500,000 in funding to the project.

- Construction Cost: \$255.25/sf
- Debt financing as a percentage of total development cost: 56.79%
- Average debt service coverage ratio: 1.34
- Owner equity investment: \$13,364,805 8.64% of total development cost

- Anticipated owner return of 6.9% from operations
- Developer fee of \$10,738,596 (100% deferred)
- Average residential rent/sf: \$3.03/sf with monthly rents ranging from \$997 to \$3,594
- Commercial rent/sf: \$24-\$30/sf
- City contribution of \$6,900,000 and County contribution of \$2,500,000
- State RAP 2.0 Grant through subgrant to the Detroit Economic Growth Corporation of \$5,000,000
- State Budget Allocation Grant of \$5,000,000
- Federal Historic Tax Credit Equity of \$24,043,124
- New Market Tax Credit Equity of \$3,603,600
- EGLE Remediation Grant of \$1,000,000
- The project includes a couple of deviations from the MCRP preferred underwriting criteria:
  - The ownership is contributing equity in the amount of 8.64% of the total development costs which is below the preferred level of 10%. Staff is comfortable with the deviation due to the anticipated returns being achieved and the HTC and NMTC equity being contributed to the project.
  - The development budget includes developer fees of 6.94% of total development costs which is above the preferred level of 4%. Staff is comfortable with this deviation due to the 100% of the fees will be deferred and the additional fees are allowing the project to leverage additional HTC equity.

A financial summary including project sources and uses and financial terms for the MCRP Incentive is included in Appendix C.

The MSF Eligible Activities and Tax Capture Summary is included in Appendix D.

### **Project Summary & Request**

The project is anticipated to rehabilitate a blighted industrial building, transforming it into 433 market rate and affordable housing units (with 63 units reserved at 50-80% of Area Median Income), 26,711 sf of retail 17,685 sf of co-working space and over 700 spaces of parking. The result will be nearly 500,000 square feet of renovated space.

<b>PROJECT SUMMARY</b>	
Project Eligibility	Facility
Total Approximate Private Square Feet Revitalized	457,365
Total Approximate Acres Activated	8.68
Total Approximate Public Square Feet Activated	50,000
Estimated # of Residential Units	433
Estimated Commercial Square Footage	44,396
Current Taxable Value	\$1,489,000
Projected Taxable Value at Completion	\$23,366,200
Total Anticipated Capital Investment	\$154,777,963
Brownfield TIF / MSF Eligible Activities State Tax Capture Request	\$8,734,425
MCRP Grant and Loan Request	Loan - \$8,500,000 Grant - \$1,500,000

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

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.

**Applicant Background / Qualifications**

Fisher 21 Lofts LLC is a partnership between Richard Hosey and Gregory Jackson. Richard Hosey has decades of real estate experience, including on projects that have secured MSF funds, Historic Tax Credits, New Markets Tax Credits and traditional financing. Gregory Jackson is a successful executive from the auto industry, who has a particular interest in real estate redevelopment and in supporting Detroit and minority contractors. To that end, the developers have dedicated \$5 million out of their \$13 million of equity in the project to carry the cost of materials, shortening the draw process and resulting in significantly higher rate of Detroit and minority contractors on site during the demolition processes.

**Richard Hosey – Hosey Development**

- Bagley Development Group – United Artist Building (CRP/TIF – closed 9/23)
- 7303 West McNichols LLC – McNichols Redevelopment (CRP/TIF – closed 10/21)
- 3820 West End, LLC – Osi Art Apartments (CRP/TIF – closed 1/21)
- 655 W Willis Partners, LLC (CRP – closed 4/20)
- 1145 Griswold LLC – Capitol Park Lofts (CRP/MBT – closed 3/2015)

- 1212 Griswold Street LLC – (CRP/MBT – closed 3/2014)
- 609 E Kirby Lofts, LLC (CRP/MBT – closed 2/2014)
- 1249 Griswold Street LLC – The Farwell (CRP/MBT – closed 12/2011)

An Organizational Chart for Fisher 21 Lofts LLC and Fisher 21 Lofts Manager LLC is provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on September 13, 2024.

## APPENDIX A – Organizational Chart

### Organizational Structure

Company Name: Fisher 21 Lofts LLC  
 Employer Identification Number: 86-2745018  
 MANAGER: Gregory Jackson

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
<b>Fisher 21 Lofts Manager LLC</b>	<b>100.00%</b>	93-2656495	Michigan
Jackson Land Holding Company LLC	78%		
Hosey Development LLC	22%		

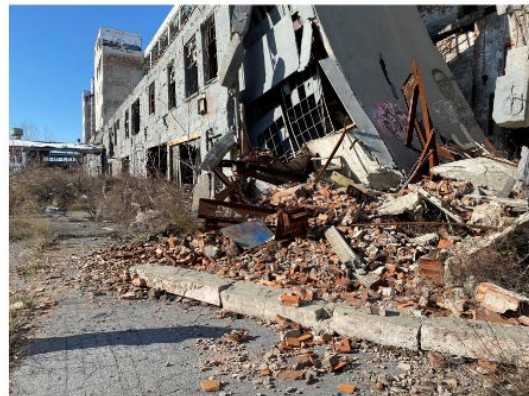
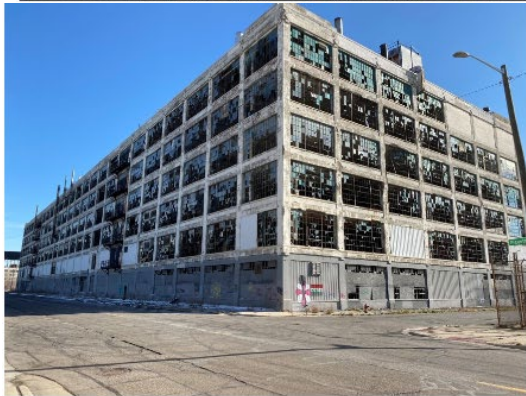
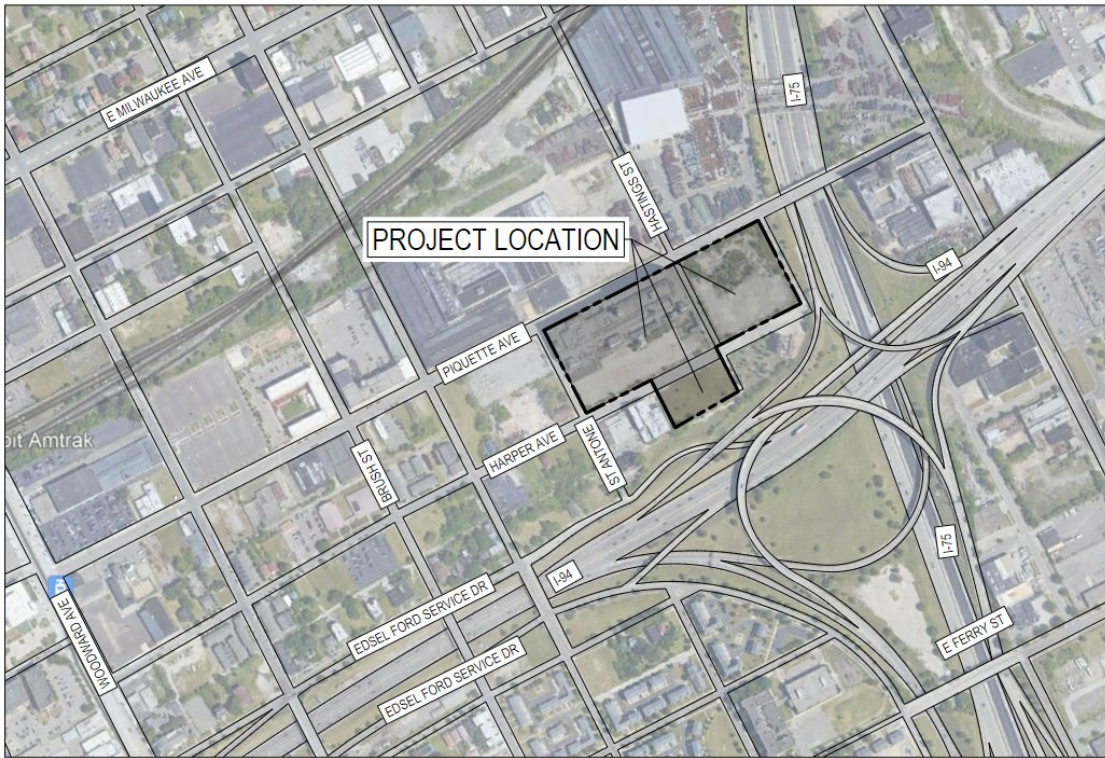
### Organizational Structure

Company Name: Fisher 21 Lofts Manager LLC  
 Employer Identification Number: 93-2656495  
 MANAGER: Gregory Jackson

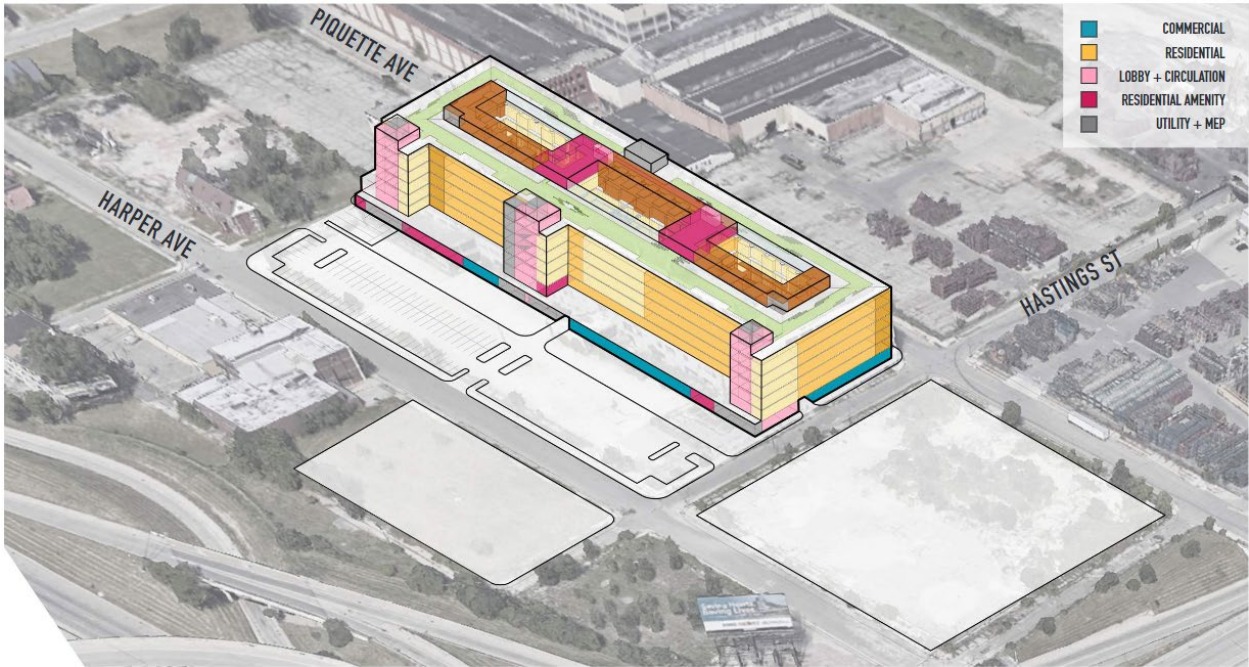
Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
<b>Jackson Land Holding Company LLC</b>	<b>78.00%</b>		Michigan
The Gregory Jackson Trust under Agreement dated 1/1/2018	99.80%		
Anika Share Jackson	0.10%		
Gregory Jordan Jackson	0.10%		
<b>Hosey Development LLC</b>	<b>22.00%</b>	81-2278070	Michigan
Richard Hosey	100.00%		



**APPENDIX B – Project Map and Renderings**







### **APPENDIX C – Financial Terms**

**Summary of Development Sources:**

First Merchants Bank	\$	25,000,000	16.17%
Pace Equity (PACE Loan)	\$	40,000,000	25.86%
Invest Detroit	\$	5,000,000	3.23%
Capital Impact Partners	\$	2,500,000	1.62%
MCRP	\$	10,000,000	6.47%
MEDC RAP Grant	\$	5,000,000	3.23%
City of Detroit	\$	6,900,000	4.46%
Wayne County		2,500,000	1.62%
State Allocation Grant	\$	5,000,000	3.23%
EGL E Grant	\$	1,000,000	0.65%
Federal HTC Equity	\$	24,043,124	15.55%
NMTC Equity	\$	3,603,600	2.33%
Deferred Developer Fees	\$	10,738,596	6.94%
Developer Equity	\$	13,364,805	8.64%
<b>TOTAL</b>	<b>\$</b>	<b>154,650,125</b>	<b>100.00%</b>

**Summary of Development Uses:**

Acquisition	\$	1,000,000
Hard Construction Costs	\$	116,742,335
Eligible Soft Costs	\$	2,800,000
Other	\$	34,107,790
<b>TOTAL</b>	<b>\$</b>	<b>154,650,125</b>

**MCRP Award Terms**

- Awardee:** Fisher 21 Lofts LLC and/or a Related Entity
- Total MCRP Award:** Up to the lesser of 20% of “Eligible Investment” or \$10,000,000.
- Total Capital Investment:** Currently estimated at \$154,650,125
- MCRP Eligible Investment:** Currently estimated at \$119,542,335
- Minimum Eligible Investment:** Currently estimated at \$95,633,900
- Reserves:** Anticipated reserves and contingencies totaling approximately \$40,869,000.
- Deferred Developer Fees:** Developer and related-party fees equal to \$10,738,596 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.



<b>Funding:</b>	The MSF will fund up to \$10,000,000 to be disbursed following closing of the financing and other performance criteria.
<b>Other Conditions:</b>	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none"><li>- Receipt of final construction documents, including a fixed price construction contract</li><li>- Receipt of final development budget</li><li>- Receipt of final capital lease agreement</li><li>- Minimum owner equity investment of \$13,360,000</li></ul>
<b>MSF Loan Amount:</b>	Up to \$8,500,000
<b>Term:</b>	Currently anticipated to be up to 120 months
<b>Amortization:</b>	N/A
<b>Interest Rate:</b>	1.0% per annum
<b>Repayment Terms:</b>	Currently anticipated to be interest only for 120 months. Principal due at maturity.
<b>Collateral:</b>	Currently anticipated to be assignment of a \$800,000 controlled disbursement reserve account, Act 381 Brownfield TIF proceeds, and the Managing Member's interest in the project, and other collateral allowable under the NMTC structure.
<b>Guarantee:</b>	Personal guarantees of the owners and associated trusts.
<b>MSF Fees:</b>	The MSF shall be paid a one-time fee equal to one percent of the MCRP loan and any out-of-pocket costs incurred by the MEDC in closing the transaction.
<b>MCRP Grant Amount:</b>	Up to \$1,500,000

## **MCRP Programmatic Requirements**

### **MCRP Program and Guidelines**

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

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

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

This 30-year vacant structure has been a visible source of blight and economic depression on the Medbury Park/Milwaukee Junction neighborhood and broader Detroit for decades. Highly visible from two major freeways, the rehabilitation of this site will transform the skyline and expand economic development opportunities in Detroit.

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

The addition of 457,365 sf of rehabilitated space will add unprecedented economic activity in this neighborhood and signal opportunity for adjacent development.

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

The city is supporting the project with a Neighborhood Enterprise Zone (PA147) valued at approximately \$25,025,196, an Obsolete Property Rehabilitation Act (PA146) valued at approximately \$1,442,829 and a Local Brownfield Tax Capture valued at \$12,588,168. The City of Detroit has also committed \$6,900,000 and Wayne County has committed \$2,500,000 in funding to the project.

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

The project is in the process of securing approximately \$65 million in senior debt financing, \$7.5 million in subordinate debt financing. The project will also include grants and other financing resources from state, county, and local governments totaling \$13.5 million. Additionally, the owner team is contributing over \$13.3 million in equity and anticipates securing over \$27.4 million in HTC and NMTC tax credit equity. The remaining gap would be filled by the proposed \$10 million MCRP, allowing the owners to achieve an anticipated return of 6.9% from operations. Without the MCRP award the project would not be feasible.

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

This long-vacant structure with significant historic value had previously been considered for demolition due to the financial challenges it presented for redevelopment. The project is leveraging Historic Tax Credits alongside a capital stack supported heavily by state and local incentives to preserve this important and impactful site.

**F. Creation of jobs:**

During construction, the project is expected to create 400 construction jobs. After completing, the project expects to have 5 full-time employees created by the management company including a property manager, leasing agent and onsite maintenance person and two cleaning staff. The remaining 74-77 employees are expected to be created by commercial tenants, with the expectation of predominantly retail and grocery positions. The average hourly wage is estimated to be \$20.

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

Between traditional debt, PACE lending, CDFI subordinate debt, Federal Historic Tax Credits and New Markets Tax Credits, there is \$116,139,367 in private investment modeled in the Fisher 21 Lofts project.

**H. Whether the project is financially and economically sound:**

The project is not without risk given the significant amount of residential and commercial space being proposed. The project is being heavily supported by state, county, and local governments due to its importance to the vitality to this area of the City of Detroit. The governmental funding is being provided as grants or other flexible repayment instruments.

It is anticipated that upon reaching stabilized occupancy the project will be able to achieve a debt service coverage ratio of over 1.20 to 1.00. Additionally, the project is being supported financially by the owners of the project. MEDC staff considers the MCRP loan to be adequately secured.

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

By adding 433 residential units, this project will drastically increase the density within the Medbury Park/Milwaukee Junction neighborhood

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

This mixed-use development contains over 40,000 sf of commercial as well as 433 residential units and therefore promotes walkable communities by being a commercial destination of adjacent development and increasing residential density.

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

The City of Detroit sold the property to Fisher 21 Lofts LLC under the condition that it would be rehabilitated to private, productive use.

**L. Whether the project promotes sustainable development:**

The Fisher 21 Lofts project promotes sustainable development in two major ways. First and foremost, by rehabilitating a historic structure instead demolishing it, thereby erasing the historic energy and materials in place and adding additional energy to recreate a lesser version of the building. Additionally, the Fisher 21 Lofts project has qualified for the PACE Equity Cirrus Low Carbon program by working with the PACE engineers to assure our project achieves a lower carbon footprint than required by even the upcoming building standards.

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

The Fisher 21 Lofts project is the historic rehabilitation of a 105-year-old auto body factory. The building is a contributing resource to the Federal Historic District and will be rehabilitated in

accordance with National Park Service standards. The project has a full unconditional Part II approval from the Michigan SHPO and the NPS.

**N. Whether the project addresses area-wide redevelopment:**

The project has already been a catalyst for development. The Fortesque plant conditioned their purchase of the Piquette street property on the viability of the Fisher 21 project. Detroit Public Television has announced it is moving its headquarters two blocks from the Fisher site and even the Piquette Lofts project was able to close only after the announcement of Fisher 21. The Fisher 21 building was the anchor on development in the area and density has flourished since its announcement. The city is now able to market all other remaining parcels in the area for development and is actively doing so.

**O. Whether the project addresses underserved markets of commerce:**

Through its Community Benefits Agreement, the project will proactively market to local resident both with its affordable housing and with its commercial space and is donating \$500,000 to the community to assist with its commercial needs. Indirectly, all other businesses in the area have benefited as the project removes the primary barrier to vibrancy in the area. The project has been and will continue to be a catalyst in an area historically underserved.

**P. The level and extent of environmental contamination:**

This site had a known automotive manufacturing use and some parts of the site have had known industrial uses since at least 1897. There is considerable subsurface contamination on the site as is evidenced in the Act 381 Brownfield Workplan.

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

The project has a full unconditional Part II approval from the Michigan SHPO and the NPS and meets the Secretary of the Interior's Standards for Rehabilitation with no conditions.

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

This project is expected to support nearby residential, commercial and industrial businesses with no expectation that it will compete or negatively affect said businesses.

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

There are no additional recommended criteria

**APPENDIX D – MSF Eligible Activities Summary**

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a Brownfield Plan for this property on August 1, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 13, 2024.

There are 64.1424 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 22.8579 mills (35.64%) and local millage equaling 41.2845 mills (64.36%). Tax increment capture will begin in 2025 and is estimated to continue for 30 years. The state tax capture is recommended to be capped at \$8,734,425, which is the amount of tax increment revenue anticipated to be generated in 30 years. Total MSF eligible activities are estimated at \$21,383,295. MSF eligible activities breaks down as follows:

**Tax Capture Summary:**

State tax capture	(40.85%)	\$ 8,734,425
Local tax capture	(59.15%)	\$ 12,648,870
<b>TOTAL</b>		<b>\$ 21,383,295</b>

**Cost of MSF Eligible Activities**

Demolition	\$	3,105,000
Lead, Asbestos, or Mold Abatement		4,725,000
Infrastructure Improvements		5,150,000
Site Preparation	+	750,000
Sub-Total	\$	13,730,000
Contingency (15%)	+	2,059,500
Sub-Total	\$	15,789,500
Interest (2.5%)	+	5,578,795
Sub-Total	\$	21,368,295
Brownfield/Work Plan Preparation	+	15,000
<b>TOTAL</b>	<b>\$</b>	<b>21,383,295</b>

In addition, the project is requesting \$3,474,202 in TIF from EGLE to assist with environmental eligible activities.

**Brownfield Act 381 Program Additional Project Information:**

**A. Area of High Unemployment:**

The City of Detroit unadjusted jobless rate was 13.8% in July 2024.

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

The project is not qualifying as either functionally obsolete or blighted.

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

No new Brownfields will be created by this project.

## **MICHIGAN STRATEGIC FUND**

### **RESOLUTION 2024-161**

#### **APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM AWARD TO FISHER 21 LOFTS LLC AND/OR A RELATED ENTITY**

**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 and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

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

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

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

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

**WHEREAS**, Fisher 21 Lofts LLC (“Company”) has requested a Michigan Community Revitalization Program performance based award of up to \$10,000,000 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”);

**WHEREAS**, the MEDC recommends that the MSF Board approve funding of \$8,500,000 from the Investment Fund to fund the loan portion of the Award Request (the “Funding”); and

**WHEREAS**, the MEDC has recommended that the MSF Board approve (1) the Award Request in accordance with the Term Sheet and (2) the funding, subject to: (i) available funding; (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 240 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 120 days (collectively, the “MCRP Award Recommendation”)

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

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

Nays: None

Recused: None

Lansing, Michigan  
October 22, 2024

## EXHIBIT A

### “TERM SHEET”

#### MCRP Award Terms

<b>Awardee:</b>	Fisher 21 Lofts LLC and/or a Related Entity
<b>Total MCRP Award:</b>	Up to the lesser of 20% of “Eligible Investment” or \$10,000,000.
<b>Total Capital Investment:</b>	Currently estimated at \$154,650,125
<b>MCRP Eligible Investment:</b>	Currently estimated at \$119,542,335
<b>Minimum Eligible Investment:</b>	Currently estimated at \$95,633,900
<b>Funding:</b>	The MSF will fund up to \$10,000,000 to be disbursed following closing of the financing and other performance criteria.
<b>Other Conditions:</b>	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none"><li>- Receipt of final construction documents, including a fixed price construction contract</li><li>- Receipt of final development budget</li><li>- Receipt of final capital lease agreement</li><li>- Minimum owner equity investment of \$13,360,000</li></ul>
<b>MSF Loan Amount:</b>	Up to \$8,500,000
<b>Term:</b>	Currently anticipated to be up to 120 months
<b>Amortization:</b>	N/A
<b>Interest Rate:</b>	1.0% per annum
<b>Repayment Terms:</b>	Currently anticipated to be interest only for 120 months. Principal due at maturity.
<b>Collateral:</b>	Currently anticipated to be assignment of a \$800,000 controlled disbursement reserve account, Act 381 Brownfield TIF proceeds, and the Managing Member’s interest in the project, and other collateral allowable under the NMTC structure.
<b>Guarantee:</b>	Personal guarantees of the owners and associated trusts.
<b>MSF Fees:</b>	The MSF shall be paid a one-time fee equal to one percent of the MCRP loan and any out-of-pocket costs incurred by the MEDC in closing the transaction.
<b>MCRP Grant Amount:</b>	Up to \$1,500,000





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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-162**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN  
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY  
FORMER FISHER BODY PLANT REDEVELOPMENT PROJECT**

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

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

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

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

**WHEREAS**, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated September 10, 2024 for property located at 6051 Hastings Street within the City of Detroit, known as Former Fisher Body Plant Redevelopment Project (the “Project”);

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

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

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

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 40.85% to 59.15% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of

MSF eligible activities with a maximum of \$15,789,500 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$5,578,795 in interest, a maximum of \$15,000 for brownfield and work plan preparation, and with the total capture of state school taxes capped at a maximum of \$8,734,425.

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

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

Nays: None

Recused: None

Lansing, Michigan  
October 22, 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



## MEMORANDUM

**Date:** October 22, 2024

**To:** Michigan Strategic Fund Board

**From:** Dominic Romano, Senior Community Development Manager  
Julius L. Edwards, Director, Commercial Real Estate Investment

**Subject:** Request for Reauthorization of a Michigan Community Revitalization Program  
Other Economic Assistance Loan Participation  
3131 Biddle, LLC

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### **Request**

3131 Biddle, LLC (“Company”) is requesting the reauthorization and increase of a Michigan Community Revitalization Program (MCRP) Other Economic Assistance Loan Participation Award from \$1,562,164 to \$1,817,512. For a detailed description of terms see Appendix A.

### **Background**

The Michigan Strategic Fund Board approved a \$1,562,164 MCRP Other Economic Assistance Loan Participation Award on February 28, 2023, to the Company for the purpose of rehabilitating an existing two-story building and construction of two additional floors to include 35 residential rental units, retail, restaurant space, rooftop bar, lobby, and adjacent surface parking in the City of Wyandotte.

The Company did not close on its original MCRP Other Economic Assistance Loan Participation Award as the project was impacted by higher than anticipated construction costs and financing interest rates which led to higher development costs and reduced borrowing capacity. As a result, the development team had to rework the development concept, eliminating the rooftop bar and reducing the number of residential units to 30. To facilitate this iteration of the project, the development is proposing to contribute additional equity capital of approximately \$148,000 and rework their arrangement with the municipality delaying payments on a RLF loan for 7 years, in addition to the proposed \$255,348 increase in the MCRP Award. This will allow the development to achieve an anticipated 9.6% return on the project through operations.

### **Recommendation**

The MEDC staff recommends reauthorization and increase of a MCRP Other Economic Assistance Loan Participation Award from \$1,562,164 to \$1,817,512.

**APPENDIX A**

**Summary of Development Sources:**

Community Choice	\$	5,329,296	54.05%
Federal Credit Union			
MSF Share	\$	1,817,512	18.43%
EPA RLF Loan	\$	1,242,000	12.60%
Developer Equity	\$	1,470,875	14.92%
<b>TOTAL</b>	<b>\$</b>	<b>9,859,683</b>	<b>100.00%</b>

**Summary of Development Uses:**

Acquisition	\$	100,000
Hard Construction Costs	\$	8,301,518
Eligible Soft Costs	\$	786,043
Other	\$	672,122
<b>TOTAL</b>	<b>\$</b>	<b>9,859,683</b>

**Loan Terms**

**MSF Incentive:** MCRP Other Economic Assistance Loan Participation

**Borrower:** 3131 Biddle, LLC

**--Senior Lender:** Currently anticipated to be ~~Bank of Ann Arbor~~ **COMMUNITY CHOICE** or other federally insured lender acceptable to the MSF

**Total Amount of Loans:** Currently estimated at ~~\$7,062,164~~ **\$7,146,808**

**Lender Share:** Currently estimated at ~~\$5,500,000~~ **\$5,329,296**

**Total Capital Investment:** Currently estimated at ~~\$9,727,164~~ **\$9,859,683**

**MSF Eligible Investment:** Currently estimated at ~~\$9,052,820~~ **\$9,087,561**

**Minimum Eligible Investment:** Currently estimated at ~~\$7,242,260~~ **\$9,087,560**

**MSF Share:** Up to the lesser of 20% of "Eligible Investment" or ~~\$1,562,164~~ **\$1,817,512**

**Term:** To match that of the Lender anticipated to be ~~72~~ **84** months

**Amortization:** To match that of the Lender anticipated to be 300 months

**Interest Rate:** 1.00% per annum

**Repayment Terms:** Currently anticipated to be monthly interest only payments for 24 months, followed by equal monthly principal and interest payments for 60 months with principal due at maturity.

- Collateral:** To reasonably match that of the Lender, currently anticipated to be 1<sup>st</sup> priority security position in the real estate. MSF share of collateral will be subordinated to that of the Lender.
- Guarantee:** To reasonably match that of the Lender, currently anticipated to be the personal guarantee of Ron Thomas and related trusts, if applicable. MSF share of guarantee will be subordinated to that of the Lender.
- MSF Fees:** The MSF shall be paid a one-time fee equal to one percent of the MSF's share of the loan. The Lender may charge the borrower for this fee.
- Contingencies Reserves:** Estimated to be approximately \$1 million
- Deferred Developer Fees:** No developer fees
- Funding:** The MSF will fund up ~~\$1,562,164~~ **\$1,817,512** disbursed following closing of the financing and other performance criteria.
- Other Conditions:** The MSF's investment will be contingent upon the following:
- Receipt of final construction documents, including a "~~Guaranteed Maximum Price~~" **FIXED PRICE** construction contract
  - Final development budget
  - Minimum owner equity investment of ~~\$1,323,000~~ **\$1,470,875**

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-163**

**APPROVAL OF A REAUTHORIZATION OF A  
MICHIGAN COMMUNITY REVITALIZATION PROGRAM  
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION  
AWARD TO  
3131 BIDDLE, 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 and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

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

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

**WHEREAS**, by Resolution 2023-024 on February 28, 2023, the MSF Board awarded a \$1,562,164 MCRP Other Economic Assistance Award to 3131 Biddle, LLC (the “Award”);

**WHEREAS**, the MEDC has recommends that the MSF reauthorize and increase the Award in accordance with the Term Sheet, subject to: (i) available funding; (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 180 days of the date of this Resolution (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 90 days (collectively, the “MCRP Award Recommendation”)

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

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

Nays: None

Recused: None

Lansing, Michigan  
October 22, 2024



**EXHIBIT A**  
**“TERM SHEET”**

**Loan Terms**

<b>MSF Incentive:</b>	MCRP Other Economic Assistance Loan Participation
<b>Borrower:</b>	3131 Biddle, LLC
<b>Senior Lender:</b>	Currently anticipated to be <del>Bank of Ann Arbor</del> <b>COMMUNITY CHOICE</b> or other federally insured lender acceptable to the MSF
<b>Total Amount of Loans:</b>	Currently estimated at <del>\$7,062,164</del> <b>\$7,146,808</b>
<b>Lender Share:</b>	Currently estimated at <del>\$5,500,000</del> <b>\$5,329,296</b>
<b>Total Capital Investment:</b>	Currently estimated at <del>\$9,727,164</del> <b>\$9,859,683</b>
<b>MSF Eligible Investment:</b>	Currently estimated at <del>\$9,052,820</del> <b>\$9,087,561</b>
<b>Minimum Eligible Investment:</b>	Currently estimated at <del>\$7,242,260</del> <b>\$9,087,560</b>
<b>MSF Share:</b>	Up to the lesser of 20% of “Eligible Investment” or <del>\$1,562,164</del> <b>\$1,817,512</b>
<b>Term:</b>	To match that of the Lender anticipated to be <del>72</del> <b>84</b> months
<b>Amortization:</b>	To match that of the Lender anticipated to be 300 months
<b>Interest Rate:</b>	1.00% per annum
<b>Repayment Terms:</b>	Currently anticipated to be monthly interest only payments for 24 months, followed by equal monthly principal and interest payments for 60 months with principal due at maturity.
<b>Collateral:</b>	To reasonably match that of the Lender, currently anticipated to be 1 <sup>st</sup> priority security position in the real estate. MSF share of collateral will be subordinated to that of the Lender.
<b>Guarantee:</b>	To reasonably match that of the Lender, currently anticipated to be the personal guarantee of Ron Thomas and related trusts, if applicable. MSF share of guarantee will be subordinated to that of the Lender.
<b>MSF Fees:</b>	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. The Lender may charge the borrower for this fee.
<b>Funding:</b>	The MSF will fund up <del>\$1,562,164</del> <b>\$1,817,512</b> disbursed following closing of the financing and other performance criteria.
<b>Other Conditions:</b>	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none"><li>- Receipt of final construction documents, including a <del>“Guaranteed Maximum Price”</del> <b>FIXED PRICE</b> construction contract</li><li>- Final development budget</li><li>- Minimum owner equity investment of <del>\$1,323,000</del> <b>\$1,470,875</b></li></ul>



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



## MEMORANDUM

**To:** Michigan Strategic Fund Board

**From:** Chris Cook, Managing Director – Capital Access

**Date:** October 22, 2024

**Subject:** SSBCI 2.0 – MBGF Small Business Venture Capital Program – Augment Ventures Fund IV – MI, L.P. – Request for Investment

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### **Request**

To provide up to \$11 million of SSBCI 2.0 Small Business Venture Capital Program funding in the form of a limited partner investment in Augment Ventures Fund IV – MI, L.P. (“Michigan Fund” or “Fund”). The Fund is being formed to make investments in Michigan-based portfolio companies alongside Augment Ventures Fund IV, L.P. (“Regional Fund” or “Companion Fund”). The Michigan Fund will be operated as a sidecar to the Companion Fund. The Michigan Fund will follow the investment decisions of the Regional Fund but is allocated solely for investments within Michigan. As a sidecar, the Michigan Fund will benefit from the Regional Fund's due diligence and investment expertise while focusing on a targeted subset of investments that meet the SSBCI criteria and objectives. The MSF will be the sole limited partner (“LP”) in the Michigan Fund.

### **Investment Structure**

The Companion Fund is the primary investment vehicle. This fund focuses on early-stage technology Companies, targeting high-growth sectors such as automotive and mobility, medical device, high-tech, aerospace, and advanced manufacturing. The Funds aim to support the development of innovative companies that can have a significant economic impact. The Michigan Fund will act as a sidecar fund to the primary Regional Fund. It is designed to co-invest exclusively in Michigan-based companies also receiving investments from the Regional Fund.

Investments of the Fund and Companion Fund will be pari passu in cash flow rights. Each will have equivalent management fees and investment periods.

### **Background**

The Regional Fund is designed to invest equity in early-stage technology companies. Its primary focus is identifying and investing in opportunities throughout the US. This fund has set a goal to secure \$64 million in commitments from LPs. No first closing has occurred for the Companion Fund.

The Michigan Fund is being established to leverage a portion of the Regional Fund’s commitments to invest in Michigan based portfolio companies. Upon achieving specific benchmarks as defined in Exhibit A for closing on additional LP commitments concurrent and/or subsequent to closing of the Michigan Fund commitment, the Regional Fund would invest alongside the Michigan Fund in Michigan based portfolio

companies. The ratio of investment by the Michigan Fund in a portfolio company will be 49% by the Michigan Fund and 51% by the Regional Fund.

Augment Ventures has over 25 years of relationships in Michigan and the greater Midwest. Although its funds invest nationally based on proprietary investment theses, it has deployed about one-third of Fund III dollars in Michigan-based companies. That number is expected to increase in subsequent rounds. Ninety percent of its LPs are Michigan residents. The fund has hosted its Annual Meeting for LPs in Michigan for the last 15 years and plans to continue to do so.

Augment Ventures Fund IV GP, LLC (“General Partner”) will be the general partner for the Fund and Companion Fund. Augment Management, LLC (“Augment Ventures” or “Management Company”) will provide certain advisory, administrative, and support services to the Fund and Companion Fund.

### **Investment Strategy**

Augment Ventures is a venture capital firm based in Ann Arbor that invests in early-stage technology companies. It employs a rigorous investment process involving preliminary screening, detailed due diligence, and unanimous decision-making by the investment committee. Augment Ventures seeks to lead investment deals, typically taking initial ownership stakes of 10- 15%, and provides follow-on capital to help portfolio companies scale effectively. Initial investments are generally between \$1-\$2 million, with follow-on investment reserves to assist portfolio companies scale effectively. The firm is committed to fostering relationships with co-investors and industry stakeholders, leveraging these connections to enhance the growth and success of their investments.

Augment Ventures is committed to social and economic goals, targeting investments that support socially and economically disadvantaged individuals and diverse managers. It estimates that 50% of its investments provided by the Fund will meet the SSBCI SEDI designation, while 90% of investments will meet SSBCI VSB designation.

### **Management**

The investment committee at Augment Ventures is responsible for making final investment decisions. It is composed of Sonali Vijayavargiya (Managing Partner), Jeff Lee (Managing Partner), and David Armstrong (Partner & CFO). The committee operates on a unanimous decision-making process, ensuring all investments are thoroughly vetted and aligned with the firm’s objectives. The committee’s structure and decision-making approach have remained consistent across different funds, providing stability and continuity in the investment process. Ms. Vijayavargiya and Mr. Armstrong have been with Augment Ventures since the launch of its first fund in 2011.

**Sonali Vijayavargiya** – Ms. Vijayavargiya is the Founder and Managing Partner of Augment Ventures. With over 20 years of experience in entrepreneurship, investment, and mentorship, Ms. Vijayavargiya has fostered technology adoption and business growth across various sectors and geographies. She began her career in Mumbai, India, working with Price Waterhouse Coopers and the Industrial Development Bank of India. Her entrepreneurial journey took her to Edelweiss Capital, where she took India’s first internet company, Rediff.com, to NASDAQ. After moving to the United States in 2001, Ms. Vijayavargiya

launched Augment Capital, facilitating multiple fundraisings and customer partnerships. She founded Augment Ventures in 2011. Ms. Vijayavargiya maintains a residence in Michigan.

**Jeff Lee** – Mr. Lee brings extensive experience from the Bay Area’s technology sector. Before joining Augment Ventures, Mr. Lee served as Chief Operating Officer at Origin, guiding the company through its successful acquisition by Stratasys. He also held a position as a Venture Partner with DCM Ventures, where he contributed significantly to the board of RayVio. Jeff’s career reflects a deep understanding of the startup ecosystem and a robust network within the technology industry. He holds an MBA from UCLA and a Bachelor of Science in Electrical Engineering from Stanford University. Mr. Lee’s insights and leadership at Augment Ventures are crucial to identifying and nurturing high-potential technology companies. He is a resident of San Francisco, CA.

**David Armstrong** – Mr. Armstrong is Armstrong is the Partner and Chief Financial Officer at Augment Ventures. With over 25 years of experience in public accounting, Mr. Armstrong is also a partner at the CPA firm Edwards, Ellis, Armstrong & Company, P.C. His expertise lies in taxation, small business tax planning, and over 20 years of personal financial planning and investment management. DHe is also a Principal and Chief Compliance Officer at Pinnacle Investment Advisors, LLC. He holds a Master of Science in Taxation from Walsh College and a Bachelor of Business Administration with a concentration in Accounting from the University of Michigan-Dearborn. Mr. Armstrong is a CPA and CFP. He is a full-time resident of Michigan.

### **Past Performance**

Augment Ventures has previously operated three funds. Those funds have completed 31 investments totaling \$20.8 million in Augment Ventures managed fund investment. Augment Ventures fund I has a realized value of \$6.2 million with a resulting multiple of cost of 4.6x. Total unrealized value for fund I is \$1.2 million with a resulting multiple of cost of 2.1x. Augment Ventures fund II has a realized value of \$460,000 with a resulting multiple of cost of 0.4x. Total unrealized value for fund II is \$4.3 million with a resulting multiple of cost of 1.7x. The total unrealized value for fund III is \$17.8 million with a resulting multiple of cost of 1.2x. Total realized and unrealized returns combined across all three funds result in a 1.4x multiple of cost.

### **Recommendation**

Approval of the investment as detailed in the term sheet in Exhibit A.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2024-164**

**APPROVAL OF A STATE SMALL BUSINESS CREDIT INITIATIVE 2.0  
VENTURE CAPITAL PROGRAM INVESTMENT IN  
AUGMENT VENTURES FUND IV - MI, LP**

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

**WHEREAS**, on March 11, 2021, the American Rescue Plan Act reauthorized and expanded SSBCI to provide \$10 billion to state, the District of Columbia, territories, and Tribal governments to expand access to capital for small businesses, to support opportunity and entrepreneurship, and to create high-quality jobs (the “SSBCI 2.0”);

**WHEREAS**, under the SSBCI 2.0, authorized SSBCI 2.0 Programs include the operation of a state small business capital access program, and other state credit support programs, including state collateral support programs, state loan participation programs, state loan guarantee programs and state venture capital fund programs, in accordance with SSBCI 2.0 requirements;

**WHEREAS**, the State of Michigan (“State”) submitted a Notice of Intent to Apply to receive SSBCI 2.0 funding on May 4, 2021;

**WHEREAS**, the SSBCI 2.0 requires the State to designate a department, agency or political subdivision of the State to implement and participate in the SSBCI 2.0;

**WHEREAS**, in accordance with Michigan Strategic Fund Act, MCL 125.2001, et. seq. (“MSF Act”), and in particular, MCL 125.2005 and MCL 125.2007, the MSF is a public body corporate and politic within the Michigan Department of Labor and Economic Opportunity and has the authority to solicit SSBCI 2.0 funds from the US Treasury to participate in SSBCI 2.0;

**WHEREAS**, by letter dated May 10, 2021 to the US Treasury, Governor Whitmer designated the MSF as the State agency to apply for and receive funds from the SSBCI 2.0;

**WHEREAS**, subject to the control and direction of the MSF Board, the Michigan Economic Development Corporation provides administrative services to the MSF;

**WHEREAS**, on January 25, 2022, the MSF Board approved the creation of the SSBCI 2.0- MBGF- Venture Capital Program (the “SSBCI 2.0-MBGF-VCP”) and adoption of its program guidelines, as such guidelines were further amended on January 23, 2024 (“VC Guidelines”);

**WHEREAS**, Augment Ventures Fund IV – MI, L.P. (“Fund”) is proposed to be a sidecar venture capital fund to that of Augment Ventures Fund IV, L.P. (“Companion Fund”);

**WHEREAS**, the Fund submitted an application seeking an SSBCI 2.0-MBGF-VCP investment by the MSF in the amount of the lesser of: (i) \$11 million or (ii) an MSF investment of not more than 49% of the Fund’s total investible assets in capital support to the Fund on a combined basis with concurrent or subsequent limited partner commitments the Companion Fund, toward further investments in Michigan by the Fund in accordance with the terms and conditions outlined in the Term Sheet attached as Exhibit A (“Term Sheet”) (collectively, the “VC Award”); and

**WHEREAS**, the MEDC recommends that the MSF approve the VC Award, subject to: (i) available funding, and (ii) final due diligence, the results of which must be satisfactory to the MEDC (collectively, the “VC Award Recommendation”).

**NOW, THEREFORE, BE IT RESOLVED**, the MSF hereby approves the VC Award Recommendation.

**BE IT FURTHER RESOLVED** the MSF Board approves the MSF Fund Manager or MSF President to negotiate the final terms and conditions of the VC Award in accordance with the SSBCI 2.0-MBGF-VCP and the VC Guidelines, and to sign all documents necessary to effectuate the VC Award Recommendation.

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

Nays: None

Recused: None

Lansing, Michigan  
October 22, 2024

**EXHIBIT A**  
**TERM SHEET**  
**AUGMENT VENTURES FUND IV – MI, L.P.**  
**Summary of Terms and Conditions**

The following is a summary of the general terms and conditions of Augment Ventures Fund IV – MI, L.P.

Limited Partnership:	Augment Ventures Fund IV – MI, L.P. (“Fund”) with MSF as sole limited partner
Companion Fund:	Augment Ventures Fund IV, L.P.
General Partner:	Augment Ventures Fund IV GP, LP
Manager of the Fund:	Augment Management, LLC
General Partner Commitment:	Cash contribution of at least 1% of commitments of Fund and Companion Fund
Management Fee:	2.5% annually of committed capital during the Investment Period, followed by 1.5% annually of invested capital through the tenth anniversary the final closing date of the Companion Fund.
MSF Investment Source:	SSBCI 2.0-MBGF-Venture Capital Program (“SSBCI 2.0 MBGF-VCP”)
Investment Split:	The maximum contribution by the Fund for any initial investment in an Eligible Investment will be the lesser of (i) 49% of combined investment of the Fund and Companion Fund, or (ii) 20% of the committed capital of the Fund.
Purpose:	The Fund will make Eligible Investments with a strategic focus on early-stage technology companies within high-growth sectors, including automotive and mobility, medical devices, high-tech, aerospace, and advanced manufacturing.
Michigan Investments:	The Fund will invest in Eligible Investments on a concurrent basis with the Companion Fund only in Michigan-based companies.
Eligible Investments:	The Fund will invest only in operating companies deriving or projecting to derive at least 50% of gross revenue from operations related to the following industries: automotive and mobility, medical devices, high-tech, aerospace, and advanced



manufacturing, or such other industries approved by the partners of the Fund in accordance with the Fund documents, which must include the affirmative written approval of the MSF Fund Manager. Initial investments size from the Fund shall not exceed \$2 million per Michigan Investment and will be provided as equity and/or convertible debt instruments

MSF Commitment:

The Michigan Strategic Fund will provide the lesser of (i) \$11 million or (ii) 49% of the Fund's total investible assets in capital support to the Fund from the MSF Investment Source combined with concurrent or subsequent private sector limited partner commitments in the Companion Fund, in the form of a limited partner ("LP") investment.

The MSF will make eligible for call of its committed investment from the Investment Source based on a schedule of private sector LP commitments to the Companion Fund occurring on or after October 22, 2024:

- \$2.75 million upon the first \$2.875 million commitment of other private sector LP investment
- An additional \$2.75 million (aggregate of \$5.5 million) upon the aggregate commitment of \$5.75 million of other private sector LP investment
- An additional \$2.75 million (aggregate of \$8.25 million) upon the aggregate commitment of \$8.625 million of other private sector LP investment
- An additional \$2.75 million (aggregate of \$11 million) upon the aggregate commitment of \$11.5 million of other private sector LP investment

MSF capital shall be called and contributed in installments and pro rata based on the Companion Fund LP's respective commitments and calls. Commitments funded by any State of Michigan managed funds will not count toward the matching LP commitments for the purpose of matching by the MSF.

Initial Closing:

The initial closing shall not occur until the Companion Fund has raised an aggregate of LP commitments for the Companion Fund in the amount of at least \$2.875 million, which shall occur no later than June 30, 2025.

**Investment Period:** The investment period will begin at the first close of the Fund and end on the fifth anniversary of the last closing date of the admission of any LP to the Companion Fund or the increase of a commitment of any LP or General Partner of the Companion Fund.

**Term of the Fund:** The Fund term shall continue until the tenth anniversary of the final closing date (the “Fund Term”), which Fund Term may be extended for up to two additional one-year periods at the discretion of the General Partner.

**SSBCI 2.0 MBGF-VCP Requirements:** The Fund and, with respect to Eligible Investments including the MSF Investment Source, the GP, and the Companion Fund and its partners, will comply with all federal, state, and MSF guidelines and requirements of the SSBCI 2.0 MBGF-VCP, including but not limited to, execution and provision of all SSBCI 2.0 MBGF-VCP assurances and disclosures, the conflict-of-interest rules and disclosures, reporting requirements, State of Michigan required terms, including execution of all documents deemed necessary or appropriate by the MSF Fund Manager related to the Fund, MSF Investment Source, Eligible Investments of the Fund and Companion Fund contributions thereto, and all other documents arising out of or related to any of the foregoing.

**Distributions:** Fund distributions to partners shall first be in proportion to their respective capital commitments until each has received a return of its contributed capital and shall thereafter be made 80% to the LPs and 20% to the General Partner (in respect of its carried interest). Distributions paid to the MSF may not be recalled.

**MSF Funding Claw Back:** MSF reserves the right to require a return of capital back to the MSF on the pro rata share of any investment which is determined does not comply with SSBCI 2.0 MBGF-VCP statutory requirements, rules, regulations and guidelines, or there is an event which otherwise does not comply with the Fund documents.

**Other:** The Fund documents will include the partnership agreement, private placement memorandum, subscription agreements, and may include a management agreement and other documents and agreements customary to a Fund of this nature. The partnership agreement shall include representations, covenants, and other transaction provisions required by the MSF and SSBCI 2.0-MBGF-VCP rules and regulations, including without limitation, indemnification in favor of the MSF, non-discrimination and

unfair labor practices, termination of funding, annual reporting, and access to records requirements. The Fund documents will include other terms and conditions deemed necessary or appropriate by the MSF Fund Manager or MSF President, such as key person provisions, side letter provisions, limitations on capital calls for expenses, and investment and/or advisory or other management committee provisions, and other terms and conditions customary to a fund of this nature.



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



## MEMORANDUM

**Date:** October 22, 2024

**To:** Michigan Strategic Fund Board

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

**Subject:** *Private Activity Bond – Bond Authorizing  
Chevron Corporation  
Solid Waste - Not to Exceed \$100,000,000*

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### **Request**

Chevron Corporation (“Chevron”) is requesting private activity bond financing for the purpose of financing solid waste disposal facilities related to the production of renewable natural gas.

The MSF previously adopted Inducement Resolution 2021-107 on July 27, 2021 in connection with the Chevron project and on July 25, 2023 the MSF adopted Inducement Resolution 2023-123 to approve the extension of this inducement.

### **Background**

Chevron is primarily in the business of petroleum refining, operating as an integrated energy company with exploration, production and refining operations worldwide. Chevron is the second largest oil company in the United States with production of approximately 3.2 million barrels of oil equivalent per day.

Chevron U.S.A. Inc. is a wholly owned subsidiary of Chevron and provides fuels, motor oil, fuel additives, chemicals natural gas, lubricants and other related services. It is currently anticipated that Chevron U.S.A. Inc. will be the borrower in connection with the bonds. The project is expected to be owned and/or operated by a joint venture formed between Chevron U.S.A. Inc. and Brightmark LLC, a global waste solutions company.

The project will produce renewable natural gas (“RNG”) for transportation fuel sourced from biomethane from dairy farms. The project will use anaerobic digesters at the farms to capture raw biogas and then clean, upgrade, and compress it. RNG from the project will be used to power trucks, buses, and other vehicles operating on compressed natural gas. The RNG will be transported through local, state, and/or interstate pipelines.

The project will consist of the acquisition, construction, rehabilitation, installation, development and equipping of solid waste disposal facilities related to the production of renewable natural gas, including,

but not limited to handling and sorting systems, conveyance systems, anaerobic digesters, purification and refinement systems, collection systems, pumps, pipes, monitoring control systems, site improvements, digestate handling and treatment systems and all other assets (including land) necessary to support the foregoing improvements and to place them into service in one or more locations in Michigan.

Chevron indicates the project will benefit the local community and state environmentally and economically. Anaerobic digestion of manure reduces local pollution and greenhouse gas emissions. The process recovers elements from the manure so that it does not escape into the air or waterways through run off. It prevents methane from entering the atmosphere, reducing greenhouse gases.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy and no issues were identified.

**Plan of Finance:**

BofA Securities has indicated an interest in providing underwriting services for this bond issue.

If the project size remains at \$100,000,000 the MSF issuance fee will be \$137,500.

**Recommendation**

Based upon a determination by Miller Canfield, as bond counsel and the State of Michigan Attorney General's Office that the issuance of the bonds complies with state and federal requirements for tax-exempt private activity bond financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount of not to exceed \$100,000,000.

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN  
STRATEGIC FUND SOLID WASTE DISPOSAL LIMITED OBLIGATION  
REVENUE BONDS (CHEVRON U.S.A. INC. PROJECT) SERIES 2024 (THE  
“BONDS”)

Resolution 2024-165

Background

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the cost of a project (as defined in the Act) or to refund certain revenue bonds.

B. Chevron U.S.A. Inc., a corporation formed under the laws of the Commonwealth of Pennsylvania and qualified to do business in the State of Michigan (the “Company”), has requested a loan from the Fund to finance the cost of five (5) dairy renewable natural gas projects located in the State of Michigan (the “Projects”) consisting of, but not limited to: (i) developing, designing, engineering, equipping, procuring, constructing, starting up, commissioning, and acquiring the Projects and all related infrastructure and (ii) paying costs of issuance relating to the issuance of the Bonds. Chevron U.S.A. Inc. is a wholly owned subsidiary of Chevron Corporation.

C. The Company has requested the Fund to issue bonds in a principal amount not to exceed \$100,000,000 pursuant to this resolution (the “Resolution”) and an indenture (the “Indenture”), between the Fund and Deutsche Bank National Trust Company, as trustee (the “Trustee”) dated as of November 1, 2024, to obtain funds which will be loaned to the Company pursuant to a loan agreement, dated as of November 1, 2024, between the Fund and the Company (the “Loan Agreement”) for the purpose of funding the Projects.

D. Payment of the principal of and interest on the Bonds as due will be unconditionally guaranteed by Chevron Corporation pursuant to a Guaranty Agreement between Chevron Corporation and the Trustee (the “Guaranty”), as assignee of the Fund.

E. The Bonds will be issued as fully registered bonds in the denominations of \$100,000 and integral multiples of \$5,000 in excess thereof,

F. The Bonds will be purchased by BofA Securities, Inc. (the “Underwriter”) pursuant to a Bond Purchase Agreement with the Fund, the Company and the Underwriter (the “Bond Purchase Agreement”).

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

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

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund's Board of Directors (a "Member") or of a Fund employee authorized by Board Resolution to sign Bond documents on behalf of the Fund (an "Authorized Officer"), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

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

SECTION 2. Approval, Execution, and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Loan Agreement,
- b. Indenture, and
- c. Bond Purchase Agreement.

Any Member or Authorized Officer is authorized to execute and deliver the Loan Agreement and the Indenture and any Member and an Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement, in substantially the forms approved, with such completions as are authorized by this Resolution and any changes as are considered necessary or desired by them, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 10% per annum, and the principal amount of the Bonds shall not exceed \$100,000,000. The final maturity of the Bonds shall be not later than 30 years from the date of issuance of the Bonds. Approval of these terms shall be evidenced by a Member's execution of the Bond Purchase Agreement.



SECTION 4. Acknowledgment of Collateral Documents. The forms of the Continuing Disclosure Undertaking and the Guaranty, on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, is acknowledged with such changes as are permitted by the Act or otherwise by law and not materially adverse to the Fund.

SECTION 5. Sale and Delivery of the Bonds. The Bonds shall be sold to the Underwriter in accordance with the terms of the Bond Purchase Agreement. A Member or an Authorized Officer shall execute and seal the Bonds, if necessary, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds by the Underwriter:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the “Attorney General”),
- b. an opinion of counsel to the Company and necessary certificates and representations of the Company acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the Bond proceeds shall be credited and applied in accordance with the Indenture.

SECTION 6. Preliminary Official Statement and Official Statement. The use and distribution by the Underwriter of a Preliminary Official Statement to solicit offers to purchase the Bonds, in substantially the form on file with the Fund and on which an Authorized Officer shall endorse the date of adoption of this Resolution, is approved. The use and distribution of an Official Statement in substantially the form as the Preliminary Official Statement is approved. Any Member or Authorized Officer may approve changes in the Official Statement as may be necessary or desirable, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 7. Designation of Certain Parties. Deutsche Bank National Trust Company’s acceptance of duties as Trustee shall be evidenced by its execution of the Indenture.

SECTION 8. Authorization of Filings and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Loan Agreement, the Indenture, or the Bond Purchase Agreement or as may be necessary to effectuate the valid issuance, sale, and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 9. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Indenture, the Bonds, the Loan Agreement and the Bond Purchase Agreement are not delivered on or before February 1, 2025, the authority granted by this Resolution shall lapse.

Adopted.

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

Nays: None

October 22, 2024 Meeting  
Lansing, Michigan

2024-0411193-A/MSF Chevron Corp RNG Project/Resolution Final



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



## MEMORANDUM

**Date:** October 22, 2024

**To:** Michigan Strategic Fund Board

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

**Subject:** *Private Activity Bond – Bond Authorizing  
BerQ US Investments, LLC and related subsidiaries  
Solid Waste - \$235,000,000*

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### **Request**

BerQ US Investments, LLC (“BerQ US”) is seeking financing in connection with the cost of acquisition, construction, installation, and equipping of certain solid waste disposal facilities relating to four Renewable Natural Gas (RNG) facilities to be located at Schaendorf Dairy - Hopkins, Allegan County, Michigan (“Monterey-Schaendorf Project”), Green Meadow Farms – Elsie, Clinton County, Michigan (“Green Meadow Project”), Cow Pleasant Dairy – Farwell, Clare County, Michigan (“Cow Pleasant Project”), and VDS Farms – Fulton, Kalamazoo County, Michigan (“VDS Project”) (Monterey-Schaendorf Project, Green Meadow Project, Cow Pleasant Project and VDS Project are collectively the “Projects”).

MSF previously adopted Inducement Resolution 2022-067 on April 26, 2022 in connection with the Monterey-Schaendorf Project and Green Meadow Project. On April 16, 2024, an inducement extension was approved with Resolution 2024-063. On July 9, 2024, the MSF adopted resolution 2024-109 to approve the addition of the Cow Pleasant Project and VDS Project and an increase to the inducement from \$165,000,000 to \$235,000,000.

### **Background**

BerQ US was incorporated in September of 2021 in the state of Delaware and is indirectly owned by Lotus Infrastructure Partners.

BerQ US has advised the Fund that it has formed BerQ RNG B Member, L.L.C., a Delaware limited liability company (the “Primary Borrower”), and each of Kalamazoo RNG Partners, L.L.C., a Delaware limited liability company, Isabella RNG Partners, L.L.C., a Delaware limited liability company, Monterey RNG Partners, L.L.C., a Delaware limited liability company, Elsie RNG Partners, L.L.C., a Delaware limited liability company, Woodcrest RNG Investor, LLC, a Delaware limited liability company, North Country RNG Investor, LLC, a Delaware limited liability company, East Branch RNG Investor, L.L.C., a Delaware limited liability company, LaSalle RNG Investor, L.L.C., a Delaware limited liability company, Brook and Scenic Partners, L.L.C., a Delaware limited liability company, and Peru RNG Investor, LLC, a Delaware

limited liability company (collectively, the “Co-Borrowers”, and together with the Primary Borrower, collectively, the “Borrower”) for the purpose of creating a portfolio of RNG projects to facilitate the financing. The Fund will loan the proceeds of the bonds to the Borrower pursuant to a loan agreement to be entered into between the Fund and Borrower for the purpose of financing the costs of the Projects, including a debt service reserve account, capitalized interest and costs of issuance of the bonds.

Berq US has also advised the Fund that it has formed the following companies which will be directly or indirectly owned by the Primary Borrower for the purpose of owning the related Projects: (i) Monterey RNG, L.L.C., a Delaware limited liability company (the “Monterey Project Company”), which will own the Monterey-Schaendorf Project; (ii) Elsie RNG, L.L.C., a Delaware limited liability company (the “Green Meadows Project Company”), which will own the Green Meadows Project; (iii) Isabella RNG, L.L.C., a Delaware limited liability company (the “Cow Pleasant Project Company”), which will own the Cow Pleasant Project; and (iv) Kalamazoo RNG, L.L.C., a Delaware limited liability company (“VDS Project Company”), which will own the VDS Project. The Monterey Project Company, the Green Meadows Project Company, the Cow Pleasant Project Company and the VDS Project Company are collectively the “Project Companies”.

The Project will produce renewable natural gas (“RNG”) for transportation fuel sourced from biomethane from dairy farms. The Project will use anaerobic digesters at the farms to capture raw biogas and then clean, upgrade, and compress it. RNG from the Project will be used to power trucks, buses, and other vehicles operating on compressed natural gas. The RNG will be transported through local, state, and/or interstate pipelines.

The Project will consist of the acquisition, construction, rehabilitation, installation, development and equipping of solid waste disposal facilities related to the production of renewable natural gas, including, but not limited to, handling and sorting systems, conveyance systems, anaerobic digesters, purification and refinement systems, collection systems, pumps, pipes, monitoring control systems, site improvements, digestate handling and treatment systems and all other assets (including land) necessary to support the foregoing improvements and to place them into service in the locations in Michigan specified above.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy and no issues were identified.

**Plan of Finance:**

Barclays Capital Inc. is acting as purchaser on this bond issuance and UMB Bank, N.A. is acting as Trustee.

If the project size remains at \$235,000,000 the MSF issuance fee will be \$318,750

**Recommendation**

Based upon a determination by Dickinson Wright, as bond counsel and the State of Michigan Attorney General’s Office that the issuance of the bonds complies with state and federal requirements for tax-exempt

private activity bond financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount of not to exceed \$235,000,000.

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN STRATEGIC FUND SOLID WASTE FACILITIES LIMITED OBLIGATION REVENUE BONDS (BERQ RENEWABLE NATURAL GAS PROJECT), SERIES 2024 (THE "BONDS")

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Resolution 2024-166

Background

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

B. At the request of BerQ US Investments, LLC, a Delaware limited liability company ("BerQ US"), the Fund previously adopted Inducement Resolution 2022-067 on April 26, 2022, as amended by Inducement Resolution 2024-063 adopted on April 16, 2024, and as further amended by Inducement Resolution 2024-109 adopted on July 9, 2024 (collectively the "Inducement Resolution"), wherein the Fund expressed its intention to issue bonds to finance a loan to BerQ US (the "Loan") to finance the costs of the construction, improvement and installation of certain solid waste disposal facilities relating to four (4) dairy renewable natural gas projects to be located at Schaendorf Dairy - Monterey Township, Allegan County, Michigan ("Monterey-Schaendorf Project"), Green Meadow Farms Dairy – Fairfield Township, Shiawassee County, Michigan ("Green Meadow Project"), Cow Pleasant Dairy, Nottawa Township, Isabella County, Michigan ("Cow Pleasant Project"), and VDS Farms – Wakeshma Township, Kalamazoo County, Michigan ("VDS Project") (Monterey-Schaendorf Project, Green Meadow Project, Cow Pleasant Project and VDS Project are collectively the "Projects").

C. BerQ US has advised the Fund that it has formed BerQ RNG B Member, L.L.C., a Delaware limited liability company qualified to do business in the State of Michigan (the "Primary Borrower"), and each of Kalamazoo RNG Partners, L.L.C., a Delaware limited liability company, Isabella RNG Partners, L.L.C., a Delaware limited liability company, Monterey RNG Partners, L.L.C., a Delaware limited liability company, Elsie RNG Partners, L.L.C., a Delaware limited liability company, Woodcrest RNG Investor, LLC, a Delaware limited liability company, North Country RNG Investor, LLC, a Delaware limited liability company, East Branch RNG Investor, L.L.C., a Delaware limited liability company, LaSalle RNG Investor, L.L.C., a Delaware limited liability company, Brook and Scenic Partners, L.L.C., a Delaware limited liability company, and Peru RNG Investor, LLC, a Delaware limited liability company (collectively, the "Co-Borrowers", and together with the Primary Borrower, collectively, the "Borrower") for the purpose of creating a portfolio of RNG projects to facilitate the financing.

D. BerQ US has also advised the Fund that it has formed the following companies which will be directly or indirectly owned by the Primary Borrower for the purpose of owning the related Projects: (i) Monterey RNG, L.L.C., a Delaware limited liability company (the "Monterey Project Company"), which will own the Monterey-Schaendorf Project; (ii) Elsie RNG, L.L.C., a Delaware limited liability company (the "Green Meadows Project Company"), which will own the Green Meadows Project; (iii) Isabella RNG, L.L.C., a Delaware limited liability company (the "Cow Pleasant Project Company"), which will own the Cow Pleasant Project; and (iv) Kalamazoo RNG, L.L.C., a Delaware limited liability company ("VDS Project

Company”), which will own the VDS Project. The Monterey Project Company, the Green Meadows Project Company, the Cow Pleasant Project Company and the VDS Project Company are collectively the “Project Companies”. The Project Companies will be qualified to do business in the State of Michigan.

E. Borrower has represented to the Fund that the proceeds of the Loan will be used to finance the costs of the Projects including, but not limited to: (i) developing, designing, engineering, equipping, procuring, constructing, starting up, commissioning, and acquiring the Projects and all related infrastructure; (ii) funding the Senior Debt Service Reserve Account; (iii) paying capitalized interest on the Bonds; and (iv) paying costs of issuance relating to the issuance of the Bonds (collectively the “Financing Purposes”).

F. The Borrower has requested the Fund to issue the Bonds in a principal amount not to exceed \$235,000,000 pursuant to this resolution (the "Resolution") and a trust indenture (the "Indenture"), between the Fund and UMB Bank, N.A., as bond trustee (the "Bond Trustee") dated as of November 1, 2024, to obtain funds which will be loaned to the Borrower pursuant to a loan agreement, dated as of November 1, 2024, between the Fund and the Borrower (the "Loan Agreement") for the purpose of funding the costs of the Projects and the other Financing Purposes.

G. The Bonds will be issued as fully registered bonds in the denominations of \$100,000 and integral multiples of \$5,000 in excess thereof.

H. The Bonds will be purchased by Barclays Capital Inc. (the “Purchaser”) pursuant to a Bond Purchase Agreement among the Fund, the Borrower and the Purchaser (the "Bond Purchase Agreement").

I. The Borrower, the Bond Trustee, UMB Bank, N.A. as the Collateral Agent and UMB Bank, as the Depository will enter into a Collateral Agency and Accounts Agreement dated on or about the closing date of the Bonds (the “Collateral Agency Agreement”) which, among other matters, appoints UMB Bank, N.A. as collateral agent for the benefit of the Senior Secured Parties, including the Bond Trustee.

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

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the Loan requested by the Borrower, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund's Board of Directors (a "Member") or of a Fund employee authorized by Board resolution, including this Resolution, to sign Bond documents on behalf of the Fund (an "Authorized Officer"), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan (the “State”) or a debt or general obligation of the Fund within the meaning of any constitutional or statutory provision or limitation and do not constitute a charge against the credit or taxing powers of the State or the general funds or assets of the Fund



(including funds relating to other Fund loans or activities), but shall be a limited obligation of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Indenture.

If the Bonds are issued after December 31, 2024, then the Bonds shall be designated “Michigan Strategic Fund Solid Waste Facilities Limited Obligation Revenue Bonds (BerQ Renewable Natural Gas Project), Series 2025.”

SECTION 2. Approval, Execution, and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Loan Agreement,
- b. Indenture, and
- c. Bond Purchase Agreement.

Any Member or Authorized Officer is authorized to execute and deliver the Loan Agreement and the Indenture and any Member and an Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement (in all cases including any related agreements and certificates attached to or contemplated by the documents identified above), each in substantially the forms approved, with such completions as are authorized by this Resolution and any changes as are considered necessary or desired by them, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 10% per annum, and the principal amount of the Bonds shall not exceed \$235,000,000. The final maturity of the Bonds shall be not later than thirty (30) years from the date of issuance of the Bonds. Approval of these terms shall be evidenced by a Member's execution of the Bond Purchase Agreement.

SECTION 4. Acknowledgment of Collateral Documents. The form of the Collateral Agency Agreement, on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, is acknowledged with such changes as are permitted by the Act or otherwise by law and not materially adverse to the Fund.

SECTION 5. Sale and Delivery of the Bonds. The Bonds shall be sold to the Purchaser in accordance with the terms of the Bond Purchase Agreement. A Member or an Authorized Officer shall execute and seal the Bonds, if necessary, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds by the Purchaser:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State (the "Attorney General"),
- b. opinions of counsel to the Borrower and necessary certificates and representations of the Borrower acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the Bond proceeds shall be credited and applied in accordance with the Indenture.

SECTION 6. Purchase Memorandum. The use and distribution by the Purchaser of a purchase memorandum (the “Purchase Memorandum”), in the form on file with the Fund and on which an Authorized Officer shall endorse the date of adoption of this Resolution, is approved. Any Member or Authorized Officer is authorized to approve changes in the Purchase Memorandum as may be necessary or desirable, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 7. Designation of Certain Parties. UMB Bank, N.A.'s acceptance of duties as Bond Trustee shall be evidenced by its execution of the Indenture.

SECTION 8. Authorization of Filings and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Loan Agreement, the Indenture, or the Bond Purchase Agreement or as may be necessary to effectuate the valid issuance, sale, and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 9. Amendment to Inducement Resolution 2022-067. The Inducement Resolution is amended to reflect the Primary Borrower and the Co-Borrowers as collectively the “Borrower.”

SECTION 10. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Indenture, the Bonds, the Loan Agreement and the Bond Purchase Agreement are not delivered on or before February 19, 2025, the authority granted by this Resolution shall lapse. In the event such sale and delivery occurs later than November 30, 2024, all references to November 1, 2024 herein may be permissibly changed to the month and year reflecting the actual date of delivery of the Bonds.

Adopted.

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

Nays: None

October 22, 2024 Meeting  
Lansing, Michigan



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

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



## MEMORANDUM

**Date:** October 22, 2024

**To:** Michigan Strategic Fund Board

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

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

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### **Request**

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

### **Background**

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

The project is located in Cascade Charter Townships at 5824 Kraft Avenue in Kent County. The land has already been purchased for \$1,200,000. The manufacturing facility building is planned to be 128,160 square feet and all permits for site development and plan approval have been granted. The Company would like to start the project soon, with a projected completion in summer 2025.

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

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

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

### **Plan of Finance:**

Both West Michigan Community Bank and United Bank of Michigan have expressed interest as bond purchasers.

**Recommendation**

After reviewing the private activity bond application for the Company, staff finds this project meets the requirements and recommends the adoption of an Inducement Resolution in the amount of \$9,000,000.

**MICHIGAN STRATEGIC FUND**

**INDUCEMENT RESOLUTION  
2024-167**

**KRAFT AVENUE PROPERTIES, LLC**

**WHEREAS**, Kraft Avenue Properties, LLC (the “Company”), a Michigan limited liability company qualified to do business in Michigan, is presently located at 8516 Homestead Drive, Suite 102, Zeeland, MI 49464;

**WHEREAS**, the Company desires to finance the cost of building a manufacturing facility located in Cascade Charter Township, Michigan, which will be leased to Trane, Inc. to manufacture HVAC equipment (the “Project”);

**WHEREAS**, the Project will include the development of a 128,160 square foot manufacturing facility.

**WHEREAS**, the Company has applied to the Michigan Strategic Fund (the “MSF”) for a loan (the “Loan”) to finance all or a portion of the costs of the Project as defined in 1984 PA 270 (the “Act”);

**WHEREAS**, the Company has advised the MSF that the cost of the Project will be approximately Nine Million Dollars (\$9,000,000);

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

**WHEREAS**, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141, 142(a)(5), 142(a)(6) and 150 of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

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

1. The MSF intends to provide the Loan to the Company subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Company's Tax-Exempt Application Form dated September 9, 2024.
3. The maximum principal amount of the bonds (the “Bonds”) expected to be issued to provide the Loan to finance all or a portion of the costs the Project shall not exceed Nine Million Dollars (\$9,000,000). The Company shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the Bonds under applicable federal and state laws, b) receipt of an allocation from the State Treasurer pursuant to 1988 PA 496 as it relates to limitations on the issuance by states of private activity bonds under the Code, and c) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.
5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.
6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the “Attorney General”) and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.
7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the “Bond Resolution”) for the purpose of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Company and

a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.

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

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

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

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

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

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

**ADOPTED**

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

Nays: None

Recused: None

Lansing, Michigan  
October 22, 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.

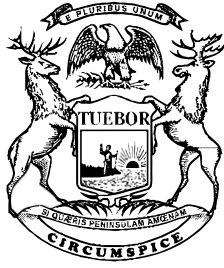
If you need anything additional, please contact Diane Burton at (517) 230-5454.  
Thank you.

Sincerely,

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

Susan R. Corbin  
Director





## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**Date:** October 22, 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 September 1, 2024, to September 30, 2024, as well as information about the impact that those projects have had on communities across the state.

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

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

# Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from September 1, 2024, to September 30, 2024.

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

## **MONTHLY IMPACTS**

We are pleased to share September delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout September 2024, 23% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all September approved projects through delegated authority have committed to creating just over 70 jobs and nearly \$36 million in private investment.

# MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during September 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
Roman R Industries, Inc.	9/16/2024	Hudsonville	\$508,980	Huntington Bank is working with the company to refinance outstanding debt held with another lender. Due to a collateral shortfall on the term loan, the bank is requesting collateral support from the SSBCI 2.0 CSP.
Industrial Metal Products Corp dba IMPCO Microfinishing Systems	9/17/2024	Lansing	\$1,497,000	Mercantile Bank is working with Industrial Metal Products Corp on a new line of credit. Due to a shortfall in collateral, the lender is asking for support through the SSBCI 2.0 collateral support program.
Nationwide Software Solutions, LLC	9/21/2024	Grand Rapids	\$204,590	West Shore Bank is working with Nationwide Software Solutions to provide them with a note to pay off high-interest rate debt. Due to a collateral shortfall, the bank is requesting assistance from the SSBCI 2.0 CSP.
Comfort Research, LLC	9/24/2024	Grand Rapids	\$5,000,000	Pathward is working with Comfort Research on a new working capital line of credit. Due to a shortfall in collateral the lender is asking for SSBCI 2.0 collateral support
Cross Company	9/24/2024	Melvindale	\$1,465,000	Borrowers are working with Northstar Bank to purchase the assets of Cross Enterprises. Due to a collateral shortfall on the machinery and equipment, the bank is asking for support through the SSBCI 2.0 CSP.

### State Small Business Credit Initiative (SSBCI) 2.0 – Loan Participation Program (LPP)

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
WAKA LLC	9/16/2024	Detroit	\$174,650	Detroit Development Fund is working with WAKA LLC on a new commercial loan to provide financing for the restaurant's new location. The lender is asking the MEDC to participate in the loan by using the loan participation program under SSBCI 2.0

## 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
TST of Portage, LLC	9/11/2024	Portage	\$428,193	An Act 381 Work Plan with state tax capture valued at \$428,193 was awarded to the City of Portage Brownfield Redevelopment Authority to construct two manufacturing facilities encompassing up to approximately 106,200 square feet in the City of Portage. The project is expected to create 14 full-time equivalent jobs and \$9,334,162 in private investment.

## 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
Ausco Products, Inc. - Sales Trip - China	9/10/2024	Benton Harbor	\$2,114
Owosso Graphic Arts, Inc. - Printing United Las Vegas	9/11/2024	Owosso	\$3,683
Wilkinson Solutions - Snow and Ice Mngt Association Trade Show	9/12/2024	Mayville	\$1,760
BTM Company, LLC - Blech Expo	9/17/2024	Marysville	\$1,253
BTM Company, LLC - Fabtech 2024	9/19/2024	Marysville	\$8,000
Surplus Coatings - International Web Design	9/19/2024	Kent City	\$3,375

# 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 September 1, 2024, to September 30, 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
Tipping Point Solutions, Inc.	Sault St. Marie	Grant	\$75,000	9/5/2024	Company unable to meet requirements	\$0.00
Ryder Integrated Logistics	Brownstown	Grant	\$115,000	9/18/2024	Company unable to meet requirements	\$0.00
Tung Thih	Northville	Grant	\$797,500	9/18/2024	Company unable to meet requirements	\$0.00