



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

August 23, 2022

9:00AM

I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES

III. COMMUNICATIONS

- a. AMC Project Update: Letter from Wendy Caldwell-Liddell..... 3
- b. AMC Project Update: Letter from Conrad L. Mallett, Jr. 5

IV. CONSENT AGENDA

- a. Proposed Meeting Minutes: July 26, 2022..... 10
- b. 1108 Water Street, LLC: MCRP Amendment 21
- c. Business Marketing: Contract Amendment 25
- d. Travel Marketing: Contract Amendment 30
- e. Michigan Translational Research and Commercialization (MTRAC) Statewide Program, Advanced Materials Hub, Michigan Technological University: Funding Allocation..... 35

V. DEVELOP ATTRACTIVE PLACES

- a. 105 Alfred Street – Proposed Coda Brush Park Project: A resolution to approve a Brownfield Act 381 Work Plan in the amount of \$1,218,829..... 43
Location: City of Detroit
- b. Neogen Corporation: A resolution to approve a performance based Michigan Business Development Program grant in the amount of up to \$324,000 and a Brownfield Act 381 Work Plan in the amount of \$1,576,751. 53
Location: City of Lansing
- c. North Flint Reinvestment Corporation: A resolution to amend the existing Michigan Community Revitalization Program Grant Agreement and any ancillary agreements to increase the MCRP Award by \$250,000 to \$1,500,000..... 69
Location: City of Flint
- d. The Hudson’s Site, Monroe Blocks, One Campus Martius Expansion and Book Building and Book Tower Redevelopment Projects: Transformational Brownfield Plan Amendment and Scope Change 73

VI. ATTRACT, RETAIN AND GROW BUSINESS

- a. Dana Thermal Products, LLC: A resolution to approve a performance based Michigan Business Development Program grant in the amount of \$2,500,000. 92
Location: City of Auburn Hills
- b. Michigan Build Ready Sites Program: A resolution to allocate funds in the amount of \$5 million to the Michigan Build Ready Sites Program. 99
- c. LG Energy Solution Michigan, Inc.: A resolution to approve an Inducement Resolution in the amount of \$500,000,000..... 104

VII. ACCELERATE HIGH-TECH INNOVATION

- a. Design for Michigan Manufacturing Program: A resolution to approve funds in the amount of \$1,500,000 for the statewide Design for Michigan Manufacturing Program administered by the Centrepolis Accelerator at Lawrence Technological University..... 110

VIII. SUPPORT SMALL BUSINESS

- a. Authorization of Amendments or Revisions to Bond Documents Related to Discontinuation of LIBOR: A resolution to amend the existing Delegation of Authority to authorize the MSF Fund Manager or the Fund’s Authorized Bonding Officer to execute and deliver any amendment, supplement, or agreement necessary for modification of outstanding Variable Rate Bonds, issued by the Fund for the transition of LIBOR to a Qualified Rate. 118
- b. SSBCI Technical Assistance: A resolution to create the SSBCI Technical Assistance Program, approve adoption of the corresponding guidelines, approve a delegation of authority to the MSF Fund Manager or MSF Chairperson to make awards under the program, to further negotiate grant agreements with selected TA providers, and to executive all documents with US Treasury related to the program. 125

IX. INFORMATIONAL

- a. Delegation of Authority Report..... 127

August 1, 2022

TO: Robert Nguyen, North Point Development

CC: City of Detroit Councilmember Fred Durhal
City of Detroit Councilmember Mary Waters
Jean Belanger, Detroit Economic Growth Corporation (DEGC)
Katelyn Wilcox, Michigan Economic Development Corporation (MEDC)
MEDC MSF Board Members (ALL)

RE: AMC Follow up from MEDC MSF Board Meeting

Hello Robert,

Wendy Caldwell-Liddell here. I am sending you this email as a follow up to the Michigan Economic Development Corporation (MEDC's) Michigan Strategic Fund (MSF) Board meeting on Tuesday, July 26. The "good faith" requests that we heard from the MSF Board and the subsequent commitments made by yourself on behalf of North Point are encouraging and we are looking forward to continued discussions with you around the environmental impact concerns at American Motor Corporation (AMC).

I want to begin by responding to your comments to clarify how the City of Detroit and North Point have addressed the community's concerns thus far:

1. On the City's review and approval of the AMC Development package:

- a. The AMC Project was originally approved by Detroit City Council in 2021, at the height of the COVID-19 pandemic and while [District 7 residents were without an active elected representative following the resignation of former Council Member Gabe Leland](#).¹ It should be also noted that this was a time when Detroit City hall was nearly inaccessible to the general public without appointment and community meetings were only being held via zoom ([a known inequitable option for many of our digitally disconnected families and seniors](#)).² While City Council and the Detroit Economic Growth Corporation (DEGC) were approving this project, the District 7 elected Community Advisory Council (CAC) was not informed of the project's existence at all, a direct violation of the Detroit City Charter and an issue that has yet to be addressed by the previous or current Council. The community has been informed that because the AMC redevelopment decision was approved by the previous council, opportunities to require environmental mitigation **beyond the site remediation itself at this point**, may not be possible. This narrative persists in our local government despite the environmental data and information about disproportionate impact in our neighborhoods that has been presented to City Council, the DEGC, and North Point in multiple formal occasions since at least May of this year. Our inability to get a response or support from the City Administration, City Council, or the DEGC regarding resident's environmental concerns is the primary reason why we have brought our concerns to the State via the MSF Board meeting.

2. On the environmental impact study and the City's review of this information:

- a. During the MSF meeting, it was shared that the findings on North Point development's potential for air contamination were below the Department of Environment, Great Lakes and Energy's (EGLE) allotment. We want to respond to this by noting that our local and state laws have not kept pace with the proliferation of manufacturing facilities or regulations tied to the diesel trucks that service them. [This is especially true in Michigan](#)³ where there are little to no emissions standards for diesel trucks, [and even more so in Detroit where bills to create cleaner diesel standards have been stymied in the House](#).⁴ The lack of adequate diesel truck standards creates major consequences for low income Black and Brown communities like those located near the AMC development and for Detroit in general where diesel truck traffic is more prevalent than anywhere else in the state.
- b. Despite this, and as correctly stated by North Point's team during the MSF Board meeting, the environmental impact study was not an initial requirement of the AMC approval package. This information was provided directly to the Buildings, Safety, Environmental, and Engineering Department (BSEED) only after more than 100 residents organized and signed petitions and asking for environmental mitigations

¹ <https://www.freep.com/story/news/local/michigan/detroit/2021/05/03/gabe-leland-resigns-detroit-city-council/4922019001/>

² <https://www.freep.com/story/news/local/michigan/detroit/2021/10/02/internet-access-computers-detroit-covid-19/5294137001/>

³ <https://www.detroitnews.com/story/business/autos/2020/12/08/emissions-cheating-widespread-michigan-has-no-laws-catch/3801488001/>

⁴ <https://planetdetroit.org/2021/09/reining-in-the-fumes-new-efforts-aim-to-get-control-over-idling-trucks-and-buses-in-detroit-and-michigan/>

around this project. The community has requested on multiple formal occasions to receive information regarding this study and the 3rd party consultants who have by North Point's description, estimated a "zero sum impact" of the truck traffic in the residential neighborhood around the AMC site. While we are aware that this study was delivered to our City Administration (via the BSEED department), neither residents nor elected CAC members have attested to reviewing this physical study with our elected council representatives or the Developer during community meetings.

3. On the proposed truck route(s) and truck traffic associated with the project:
 - a. Member Tellier made a comment on the basic science around how air pollution moves in neighborhoods, and we want to uplift that in this letter. As a professional Urban Planner, myself, I have supported my fellow residents with reviewing multiple studies about manufacturing facilities and how the diesel trucks that service them have a disproportionate impact on communities like ours here in District 7. From the EPA data we've gathered about how diesel truck exhaust accumulates around homes near the roads that service them, and the wind patterns in the area, the residents who live within [~1/8 mile windward of roads serving diesel truck traffic and ~1/3 miles downwind of roads serving diesel truck traffic](#)⁵ are considered residents of "High Exposure Zones" - where the short and long term [consequential health risks related to mobile pollution are most significant and detrimental](#).⁶ We want to reiterate our above comments about the need to analyze the air quality study completed by the 3rd party consultants, especially given this and other data that is very contrary to what we have heard from North Point thus far. As one of the US cities hardest hit by the pandemic, residents are concerned about the [increased vulnerability to COVID-19 infection when there is poor air circulation and especially when the risk of pollution increases](#).⁷

The Specific Request from residents:

To respond to questions raised by North Point and Jean Belanger, a representative from the Detroit Economic Growth Corporation (DEGC) about not being clear on the specifics of the community's request we want to provide the following:

Impact area residents **ASK** is that the Developer make funding and/or programming available to support the installation of [high efficiency Furnace and HVAC system filters and/or upgrades to the existing air filters in resident's furnaces or central HVAC systems to improve indoor air quality and filter out pollutants](#)⁸ specifically in the homes of residents who live in "High Exposure Zones."

To this end, we would like to request a meeting with the North Point AMC development team to walk through this request and discuss directly impacted resident environmental concerns and the desired mitigations.

We look forward to working with you and providing a positive update to the MSF Board when this project is revisited later.

Wendy Caldwell-Liddell
District 7 Resident
8792 Orangelawn
Detroit, MI 48204

⁵ https://www.epa.gov/sites/default/files/2015-11/documents/420f14044_0.pdf

⁶ <https://www.catf.us/deathsbydiesel/>

⁷ <https://www.hsph.harvard.edu/c-change/subtopics/coronavirus-and-pollution/#:~:text=For%20communities%20of%20color%2C%20air,of%20dying%20from%20Covid%2D19.>

⁸ https://www.epa.gov/sites/default/files/2018-07/documents/guide_to_air_cleaners_in_the_home_2nd_edition.pdf



LAW DEPARTMENT

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BY EMAIL

August 12, 2022

Michigan Strategic Fund Board Members
Attention: Quentin Messer, Chair

RE: Explanation of City of Detroit’s community engagement regarding redevelopment of former American Motor Corporation headquarters at 14250 Plymouth Road, Detroit, Michigan (the “AMC Headquarters”).

Dear Michigan Strategic Fund Board Members:

The City of Detroit (the “City”) received a letter dated August 1, 2022, from Wendy Caldwell-Liddell and addressed to Robert Nguyen of NorthPoint Development (“NorthPoint”) regarding procedural and environmental concerns related to the redevelopment of the former AMC Headquarters, on which you were copied. The Mayor’s Office has requested that the City’s Law Department provide this letter responding to alleged violations of the City’s Charter and explaining the community engagement which the City performed regarding redevelopment of the AMC Headquarters site. This letter is not intended to respond to specific environmental concerns raised in the August 1st letter, many of which are addressed in a Development Agreement between the Detroit Brownfield Redevelopment Authority (the “DBRA”) and NorthPoint, and which NorthPoint or the DBRA may respond to directly.

1. The City engaged in robust public outreach in compliance with the City’s Community Outreach Ordinance prior to action by the Detroit City Council (“City Council”) in connection with the redevelopment of the AMC Headquarters and has held appropriate public hearings at each action by the City Council related to the project.

The DBRA is the lead public agency involved in the redevelopment of the AMC Headquarters site. The DBRA is a public authority that is independent and separate from the City of Detroit, and in its role on the AMC Headquarters project entered into a Development Agreement with Northpoint on December 15, 2021. Pursuant to this Development Agreement the DBRA has

been assembling land in the vicinity of the AMC Headquarters to be conveyed to Northpoint and subsequently redeveloped for industrial use. The Mayor's Office announced the potential redevelopment of the AMC Headquarters on December 9, 2021. Following the Mayor's announcement, the City published outreach notices on January 14, 2022, and held two community outreach meetings on January 26, 2022 and February 2, 2022, which were attended by 99 and 77 community members, respectively. This outreach was consistent with the requirements for Class A Neighborhood Proposals pursuant to the Detroit Community Outreach Ordinance, 2019 Detroit City Code, Section 12-10-1 *et. seq.*

On February 22, 2022, the City Council voted to approve transferring land near the AMC Headquarters from the City to the DBRA to support the redevelopment of the site. This was the first action by the City Council related to the AMC Headquarters project, and accordingly the first binding action by the City in connection with the project. The August 1st letter alleges that the redevelopment of the AMC Project was originally approved by City Council in 2021 when District 7 was without an active elected representative and the City of Detroit was inaccessible to the general public. Contrary to what is stated in the August 1st letter, this action occurred in February 2022 after Councilmember Durhal had been elected and filled the District 7 seat vacated by former Councilmember Leland, and following significant community outreach as required by the Detroit Community Outreach Ordinance. Furthermore, in accordance with the Michigan Open Meetings Act, in-person meetings of the City Council resumed on January 2022, and members of the public have since that time been able to access City Council meetings both in person and virtually.

The DBRA, the City, and NorthPoint have subsequently provided multiple opportunities for community participation since February 2022, including the following:

- The DBRA hosted a public hearing on May 5, 2022, regarding the proposed AMC Brownfield Plan, attended by 12 members of the public;
- The DBRA Board voted to approve the Brownfield Plan at a public meeting on May 11, 2022;
- NorthPoint conducted an in-person Community Meeting on June 13, 2022 with the Pride/Paveway Block Clubs;
- The Planning and Economic Development Committee held a public hearing on June 16, 2022 regarding the AMC Brownfield Plan;
- The City Council approved the AMC Brownfield Plan at a public meeting on June 21, 2022;
- The Planning and Economic Development Committee held a public hearing on June 30, 2022, regarding establishment of an Industrial Development District at the AMC Headquarters site;
- The City Council approved establishment of an Industrial Development District at the AMC Headquarters site at a public meeting on July 7, 2022;
- The Planning and Economic Development Committee held a public hearings on July 7, 2022, and July 22, 2022, regarding designating the AMC Headquarters

redevelopment as a “Speculative Building” pursuant to the Plant Rehabilitation and Industrial Development Districts Act (MCL 207.551 *et. seq.*); and

- The City Council approved the designation of the AMC Headquarters redevelopment as a “Speculative Building” on July 26, 2022.

At each of the foregoing events members of the public had opportunities to be heard and to voice their support and concerns regarding the redevelopment of the AMC Headquarters. Throughout each action taken by the City in connection with the AMC Headquarters redevelopment, the City has engaged in robust community outreach and provided many opportunities for public engagement, in compliance with applicable requirements of the 2019 Detroit City Code.

2. A Community Advisory Council (“CAC”) is a body that serves as a liaison between a district’s councilmember and the residents and businesses of that district, but does not have a specific role in approving a development project or any other specific action of the City Council.

Ms. Caldwell-Liddell’s August 1st letter alleges that “While City Council and the Detroit Economic Growth Corporation (DEGC) were approving [the AMC Headquarters] project, the District 7 elected Community Advisory Council (CAC) was not informed of the project’s existence at all, a direct violation of the Detroit City Charter and an issue that has yet to be addressed by the previous or current Council.” This alleged breach of the Detroit City Charter appears to be based on a misunderstanding of the role of the CAC.

Section 9-101 of the 2012 Detroit City Charter (the “City Charter”) required the City to provide for the establishment Community Advisory Councils for each non-at-large district by adoption of an ordinance. The City of Detroit adopted such an ordinance in April of 2014, which is codified at Section 12-2-1 *et. seq.* of the City Code. The express purpose of the Community Advisory Councils in both the City Charter and the City Code is “to improve citizen access to the City government” (2012 Detroit City Charter Sec. 9-101, 2019 Detroit City Code Sec. 12-2-1). The City Code elaborates on this by stating that “Direct citizen participation in government in a formal and institutionalized manner is considered an effective means to achieve community objectives and improve the overall condition of a city.” (2019 Detroit City Code Sec. 12-2-1).

The powers and duties of the Community Advisory Council are nearly identically described by the City Charter and the City Code, and include that “a Community Advisory Council may require that the City Council representative receive prior consultation from the Community Advisory Council on all issues which relate exclusively to that district” (2012 Detroit City Charter Sec. 9-103, 2019 Detroit City Code Sec. 12-2-7). The City Code clarifies that this requirement for “prior consultation” may be satisfied by a discussion with the Chairperson of the Community Advisory Council (2019 Detroit City Code Sec. 12-2-7). Other powers and duties of the Community Advisory Council generally involve serving as a liaison between City Council and

members of the community, being familiar with the City Charter and City policies, and meeting annually with the Mayor and the City Council.

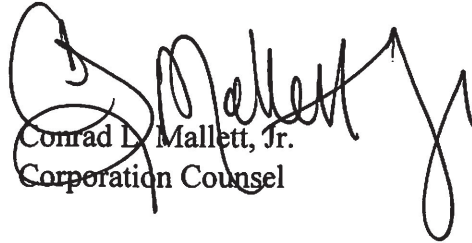
Unlike the Community Benefits Ordinance (2019 Detroit City Code Sec. 12-8-1 et. seq.) or the Community Outreach Ordinance (2019 Detroit City Code Sec. 12-10-1 et. seq.), engagement between the City and a Community Advisory Council is not triggered by a specific project size or level of financial benefits provided to a project. A Community Advisory Council further does not have any specific role in City Council's evaluation and approval of specific development projects. Rather the role of the Community Advisory Council is to serve as an ongoing liaison. The City Council representative for a district is required to attend all regular meetings of an established Community Advisory Council (2019 Detroit City Code Sec. 12-2-41). A Community Advisory Council may further compel a consultation with their City Council representative if there is a matter which "relate[s] exclusively to that district." City Council representatives should ideally be in close contact with their district's Community Advisory Council, to the extent one has been established, so that the Community Advisory Council may perform its role of serving as a liaison between the district and City Council representative.

Assuming that a development project in a district "relate[s] exclusively to that district," it is the duty of the Community Advisory Council to reach out to their City Council representative to consult about issues related to such development project. This meeting, per the Detroit City Code, may be satisfied by a discussion between the City Council representative and the Chairperson of the Community Advisory Council. A City Council representative is not required to consult with their Community Advisory Council on all matters which affect their district, rather the City Charter and City Code place the responsibility on the Community Advisory Council to require and provide consultation to a City Council representative when a matter relates exclusively to that district.

Contrary to the statement in the August 1st Letter that the District 7 CAC was not informed of the AMC Headquarters Project, and that this issue has not been addressed, Councilmember Durhal, who represents District 7 where the AMC Headquarters site is located, has met regularly with the District 7 CAC, including attending at least two regular meetings since his term as a City Councilmember started in January 2022, where the redevelopment of the AMC Headquarters was discussed. Assuming again that the redevelopment of the AMC Headquarters "relates solely" to District 7, this engagement would satisfy the requirements of the City Charter and the City Code that Councilmember Durhal consult with the District 7 CAC. This is in addition to the many opportunities that members of the general public have had to engage in each step of the City's process related to this project, as detailed in the first part of this letter.

I hope that this letter demonstrates the lengths to which the City of Detroit has gone to ensure that members of the community are involved in the City's actions to assist in the revitalization and redevelopment of its neighborhoods, specifically the AMC Headquarters project. Please do not hesitate to contact my office if you have any further questions.

Sincerely,



Conrad L. Mallett, Jr.
Corporation Counsel

cc: Councilmember Durhal
Councilmember Waters
Luke Polcyn, Mayor's Office
Nicole Sherard-Freeman, Mayor's Office
Jean Belanger, Detroit Economic Growth Corporation
Kenyetta Bridges, Detroit Economic Growth Corporation
Katelyn Wilcox, Michigan Economic Development Corporation
Rob Garza, Michigan Economic Development Corporation
Sara Bishop, Michigan Economic Development Corporation
Tim Conder, NorthPoint Development
Robbie Nguyen, NorthPoint Development
Brian Vosburg, Detroit Brownfield Redevelopment Authority
Jennifer Kanalos, Detroit Brownfield Redevelopment Authority

**MICHIGAN STRATEGIC FUND
PROPOSED MEETING MINUTES
JULY 26, 2022**

Members Present

Quentin L. Messer, Jr.
Michael B. Kapp (on behalf of Director Ajegba)

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Susan Corbin
Dimitrius Hutcherson
Andrew Lockwood (on behalf of Treasurer Eubanks)
Charles P. Rothstein
Susan Tellier
Cindy Warner

Member Absent

Paul Gentilozzi

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 10:01 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely.

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

II. PUBLIC COMMENTS

Ms. Wilcox Surmann explained the process for members of the public to participate. State Representative Sarah Anthony and Lansing Mayor Andy Schor offered comments in support of the 501 and 503 S. Capitol, LLC redevelopment projects in Lansing, noting their importance to the community.

Angela Johnson of Washtenaw County shared her personal history and professional experience as she did when she offered public comments in February 2021. She is founder of Invest in Access, a non-profit organization dedicated to furthering social equity for individuals living with physical and psychological differences. She said there remains an urgent need for services accommodations for these individuals and encouraged the MSF/MEDC to consider providing unrestricted funds to Invest in Access over a three-year period to support the organization's efforts.

Wendy Caldwell-Liddell, a resident of District 7 in Detroit where the AMC Headquarters Redevelopment Project is planned, a mother with small children, and an urban planner, offered comments on behalf of more than 100 residents who also live in the area about the environmental impact of the project during construction and after it is operational. She noted the residential area is home to approximately 5,000 health vulnerable black children and senior citizens. She encouraged project developer, NorthPoint Development, to increase its commitment to mitigate the impact of the truck traffic on the environment, including consideration of funding air filtration systems in the homes of the residents along the planned truck route.

III. COMMUNICATIONS

Ms. Wilcox Surmann advised Board members that the Quarterly Report of the Chief Compliance Officer was provided to them in the briefing packet. She also advised them that a letter was received from State Representative Sarah Anthony in support of the 501 and 503 S. Capitol, LLC redevelopment projects in Lansing. The letter was shared with Board members prior to the meeting and is attached to the minutes.

A communication was received during the meeting from Wendy Caldwell-Liddell of Detroit, who also offered public comments, further outlining the concerns of the area residents regarding the environmental impact of the AMC Headquarters Redevelopment Project in Detroit. The email communication was shared with Board members and is attached to the minutes.

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported the subcommittee met recently and discussed vetting an advisor for reviewing firms that want to invest in the \$75 million Michigan Community Development Financial Institution (CDFI) fund, SSBCI investment program. The funding was included in the FY 2023 Omnibus Budget recently signed into law by the governor. They also discussed financial reporting for the MSF/MEDC.

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, said the subcommittee did not meet in July. However, she noted that she will be asking for a presentation on internet initiatives launched by other state agencies and how these are dovetailing with Michigan's statewide broadband initiative collectively. The information will be shared with all Board members.

IV. CONSENT AGENDA

Resolution 2022-102 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, Ronald W. Beebe motioned for the approval of the following:

- a. Proposed Meeting Minutes: June 28, 2022
- b. Harbor Shores Community Redevelopment, LLC: MCRP Amendment– **2022-103**
- c. Cooke Capital, LLC: MCRP Amendment – **2022-104**
- d. Loc Performance Products, Inc.: MBDP Amendment – **2022-105**
- e. Assignment of Grant Agreement from the Sault Ste. Marie EDC to the City of Sault Ste. Marie – **2022-106**
- f. Dow Inc.: MSF Designated Renaissance Zone Amendment – **2022-107**

Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

V. COMMUNITY VITALITY

- a. **Resolution 2022-108 City of Lansing Brownfield Redevelopment Authority / 501 S. Capitol, LLC: Brownfield Act 381 Work Plan (500 Block Redevelopment Project)**

Rachel Elsinga, Community Development Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$855,628 to support a community development project in the City of Lansing, Ingham County. The project is expected to result in total capital investment of \$17,925,048. The project is related to 503 S. Capitol, LLC that has the same developer, and the projects are adjacent. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-108. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

b. **Resolution 2022-109 City of Lansing Brownfield Redevelopment Authority / 503 S. Capitol, LLC: Brownfield Act 381 Work Plan (500 Block Redevelopment Project)**

Rachel Elsinga, Community Development Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$427,482 to support a community development project in the City of Lansing, Ingham County. The project is expected to result in total capital investment of \$31,283,865. The project is related to 501 S. Capitol, LLC that has the same developer, and the projects are adjacent. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-109. Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

VI. **BUSINESS INVESTMENT**

a. **Resolution 2022-110 American Rheinmetall Vehicles LLC: Michigan Business Development Program Grant**

Sara Bishop, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a \$1,500,000 Michigan Business Development Program performance-based grant to support a business development project in the City of Sterling Heights, Macomb County. The project is expected to result in total capital investment of up to \$3,045,000 and the creation of up to 150 jobs. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-110. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

b. **Resolution 2022-111 City of Detroit Brownfield Redevelopment Authority / NorthPoint Development: Brownfield Act 381 Work Plan (Former AMC Headquarters Redevelopment Project)**

Sara Bishop, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture capped at \$5,089,583 for Act 381 eligible activities to support a business development project in the City of Detroit, Wayne County. The project is expected to result in total capital investment of \$72,100,000 and the creation of approximately 350 jobs. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-111. Michael B. Kapp seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused; 1 abstained.**

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

c. **Resolutions 2022-112, 2022-113 & 2022-114 Gentex Corporation: Michigan Business Development Program Grant, Jobs Ready Michigan Program Grant, and State Essential Services Assessment Exemption**

Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of a \$5,500,000 Michigan Business Development Program performance-based grant, a \$1,890,000 Jobs Ready Michigan Program performance-based grant, a 100% State Essential Services Assessment (SESA) Exemption for up to fifteen years valued at up to \$3,863,325, and an Eligible Distressed Area Requirement Waiver related to the SESA Exemption to support a business development project in the City of Zeeland and Zeeland Charter Township, Ottawa County. The project is expected to result in total capital investment of up to \$300,000,000 and the creation of up to 500 jobs Following discussion, Andrew Lockwood motioned for the approval of Resolution 2022-111. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Quentin L. Messer, Jr. then motioned for the approval of Resolution 2022-113. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Finally, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-114. Ronald W. Beebe seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

d. **Resolution 2022-115 International Trade Services – Joint Evaluation Committee (JEC) Request for Proposals (RFP) Award Recommendations**

Alyssa Tracey, Director of International Trade, provided the Board with information regarding this action item. The action involves approval of JEC award recommendations for seven international trade service providers for agreements for an initial one-year term, with the option to extend the term for up to an additional four years. Following discussion, Susan Tellier motioned for the approval of Resolution 2022-115. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

VII. IMAGE BRANDING

a. Resolution 2022-116 Travel Michigan: Travel Marketing and Advertising Initiatives Contract Award to MMGY Global

*Kelly Wolgamott, Director of Travel Marketing, provided the Board with information regarding this action item. The action involves approval of a contract award to MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season destination utilizing state appropriated American Rescue Plan Act (ARPA) State Travel, Tourism, and Outdoor Recreation Grant funds in the amount of \$9,307,393. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-116. Britany L. Affolter-Caine and Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

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

VIII. INFORMATIONAL

Mr. Messer noted the MSF delegated authority report for the period June 1 to June 30, 2022, was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Messer adjourned the meeting at 11:29 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



68TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-0826
FAX: (517) 373-5698
E-MAIL: sarahanthony@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

SARAH ANTHONY
STATE REPRESENTATIVE

July 25, 2022

Quentin L. Messer, Jr.
President and Chairperson
Michigan Strategic Fund Board
300 N. Washington Sq.
Lansing, MI 48913

Dear Chairperson Messer,

I am writing to lend my formal support for WestPac Investments' project proposals for the 500 Block Redevelopment in downtown Lansing. These projects are exactly the kind of investments our community needs, as evidenced by the support of the City of Lansing Brownfield Redevelopment Authority and the administration of Lansing Mayor Andy Schor.

As Lansing's State Representative, I have seen the significant need to fund innovative projects like these to ensure ongoing revitalization in this area of our community. WestPac Investments' proposals for the former Lake Trust Credit Union's Headquarters site will help meet these needs. By creating residential and commercial space while revamping the surrounding area, this placemaking effort will transform this section of downtown Lansing.

I appreciate the inclination to utilize this location to better serve our region's people and businesses while the city continues to recover from the Covid-19 pandemic. By approving such projects, Lansing will continue to be a destination for residents, business owners, and tourists. Ultimately, the approval of these requests will provide an opportunity for positive change for downtown Lansing and the greater Lansing region.

Thank you for your time and attention. Please feel free to reach out to me with questions or concerns.

In Service,

Sarah Anthony
State Representative – Lansing

From: [Wendy Caldwell-Liddell](mailto:Wendy.Caldwell-Liddell@urcmich.org)
To: [Katelyn Wilcox \(MEDC\)](mailto:Katelyn.Wilcox@medc.org); britanycaine@urcmich.org
Subject: AMC Public Comment & Supporting Documents
Date: Tuesday, July 26, 2022 11:06:09 AM

Hi Ms. Wilcox and Ms. Caine

I am sending this email to accompany and support my public comments from today's MSF Board meeting. See below.

My name is Wendy Caldwell-Liddell. I am a resident of District 7 where the AMC Project is planned, a mother with small children, and an urban planner. I am providing this public comment today on behalf of more than 100 residents who live around the AMC Project.

Residents in this community have been organizing since April of this year raising concerns about environmental impacts related to project construction and post construction operations at this site.

The newly proposed AMC Redevelopment will be located in the center of a residential neighborhood – one that is home to more than 5,000 health vulnerable overwhelming Black children and seniors. Data shows that industrial pollution sources and the mobile pollution sources, which include diesel trucks, trains and other vehicles which service these facilities, emit a substantial amount of PM2.5, NOx, and other pollutants. These pollutants have a substantial impact on the health of people who live closest to industrial facilities and the truck routes that service them

Even with the amount of data that we have available, our state and local laws have not kept pace with the proliferation of manufacturing facilities like AMC, and we as residents are often told that because we don't see smokestacks, the pollution is not there. The data says otherwise however, where people in Detroit, especially the most vulnerable children and seniors suffer from more than 290 hospitalizations for respiratory and cardiovascular diseases, up to 30,000 respiratory symptom days among children with asthma, 4,500 lost days at work, and 40 deaths per year.

Based on EPA data on diesel truck pollution. According to EPA data about how diesel truck exhaust accumulates, and the wind patterns in the area, the most impacted residents live in the green and red "high exposure zones" shown in the map to the left. That means, residents who live within ~1/8 mile windward of roads serving diesel truck traffic and residents who live ~1/3 miles downwind of roads serving diesel truck traffic are considered residents of "High Exposure Zones" - where the consequential health risks are most significant and detrimental.

We believe that North Point, a multi million dollar corporation also stated to receive roughly \$30 million dollars in public tax support for this private development, should increase their commitment to mitigate the negative environmental impacts of this project on an already vulnerable population.

Lastly, we all recognize the incredible power that MEDC wields over the allocation of precious public tax resources here in the state of Michigan. Today, as impacted residents we

call on you to center the needs of vulnerable Black seniors and children in the impacted neighborhood and embrace the principles of equitable development which declares that All benefit - wealthy developers and every day residents. Our ASK is that alongside the Project approval, MEDC require North Point to support the installation of air filter systems in the homes of residents located along the planned Truck Route.

--

Wendy Caldwell-Liddell

8792 Orangelawn

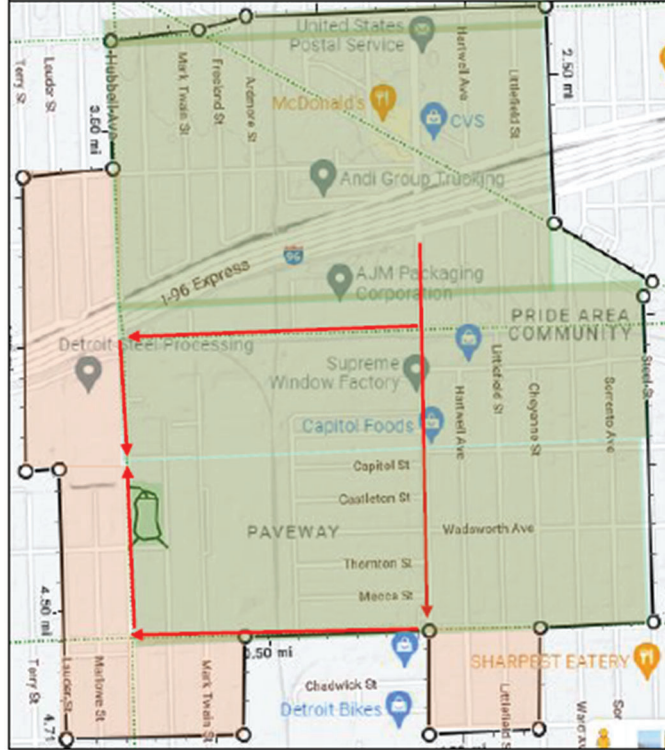
Detroit, MI 48204

Cell: 313 - 296 - 5500

Personal: wmcliddell@gmail.com

Business: wendy@d-src.com

Residents to be most impacted by toxic diesel truck pollution from AMC during construction phase





MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #1
1108 Water Street, LLC

Request

1108 Water Street, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (“MCRP”) Grant Agreement between the Michigan Strategic Fund (the “MSF”) and the Company dated June 29, 2022 (the “Agreement”), and any related ancillary agreements, to allow for the assignment of its rights and responsibilities regarding the Grant to the Bank of Ann Arbor (the “Lender”).

Background

The MSF Board approved a \$1,499,301 MCRP Grant on April 26, 2022 to the Company (the “Grant”) for the purpose of supporting a community development project located in the City of Bay City that will redevelop two adjacent historic buildings, 1100 and 1108 Water Street. The reactivated buildings total 14,337 square feet and will create a restaurant/bar space on the first floor and three residential loft style apartments on the second floor.

The Company has requested an Acknowledgement of Assignment as part of its lending agreement with the Lender. Within the Agreement, Section 8.8 allows the Company to submit a request to the MSF for the MSF’s approval of the assignment by the Company of all or a portion of its rights or obligations under the Grant Agreement, including rights to grant disbursement.

Construction is slated to begin late summer 2022 with anticipated completion in 12 to 15 months.

Recommendation

MEDC staff recommends approval of an amendment to the Agreement, and any related ancillary agreements, to allow for the assignment of the Grant rights and responsibilities to the Lender, per section 8.8 of the Agreement.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-118**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM GRANT AWARD FOR
1108 WATER STREET, 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 125.2090(d)), 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;

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

WHEREAS, by Resolution 2022-063 on April 26, 2022 the MSF Board awarded a MCRP Grant award to 1108 Water Street, LLC (the “Company”), in furtherance of the project, of up to \$1,499,301 (the “Award”); and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to allow for the assignment of the Company’s Grant rights and responsibilities to the Bank of Ann Arbor, per section 8.8 of the Grant Agreement, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022
To: MSF Board Members
From: Michelle Grinnell, Senior Vice President Marketing and Communications
Subject: Business Marketing Funding

REQUEST

This request is for the Michigan Strategic Fund (the “MSF”) Board to approve the FY23 allocation of \$5,782,500 to MSF’s existing contract with Lambert/9th Wonder for business marketing and advertising activities that attract, retain and grow businesses that deliver economic opportunity to Michigan.

BACKGROUND

On July 20, 2022, Public Act 166 of 2022 was signed into law setting the FY23 appropriated budget for the state, including \$100 million for Business Attraction and Community Revitalization and \$15.6 million for Entrepreneurship and Innovation – of which up to five percent may be used for business marketing efforts.

On September 28, 2021, the MSF Board authorized an initial allocation of \$7.1 million to Lambert/9th Wonder for the initial year of a three-year contract term. MEDC staff advised at that time that additional contract year allocations under the authority of the MSF will come before the Board. Today’s request is to authorize \$5,782,500 in additional funding to Lambert/9th Wonder for the second contract year toward initiatives to promote Michigan as a world-class business destination. Lambert/9th Wonder was selected in September 2021 as the business marketing agency of record for the MSF through a competitive RFP process.

COMPANY BACKGROUND

Lambert is a well-known and Michigan founded communications and marketing firm. 9th Wonder is a full-service international branding and advertising agency recognized as one of Adweek’s fastest-growing firms. 9th Wonder is a certified Minority Business Enterprise. Since being named advertising agency of record for MSF, Lambert and 9th Wonder have continued to expand their presence and teams in Michigan.

In first year of the contract, Lambert/9th Wonder has:

- Led business marketing initiatives including a successful transition of the ongoing paid media campaign from the previous agency of record without a disruption in execution or the campaign going dark.
- Orchestrated a paid media strategy around transformational project investments by GM, Ford and LGES in Michigan.

- Completed research with national and in-state business leaders, startups and economic development stakeholders to inform recommendations on marketing impact across all MSF paid and owned channels.

RECOMMENDATION

Staff recommends approval of an award of \$5,782,500 for year two of the current three-year contract with Lambert/9th Wonder to continue business marketing efforts that support and help drive MSF's efforts to attract, retain and grow businesses that deliver economic opportunity to the State of Michigan.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-119**

LAMBERT/9TH WONDER CONTRACT FOR BUSINESS MARKETING

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

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

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

WHEREAS, on September 28, 2021, the MSF approved the selection of Lambert/9th Wonder as the vendor for the development and implementation of the marketing and advertising efforts for business marketing campaigns for the period of three years, with the option for two additional one-year extensions and allocated an initial amount of up to \$7,100,000;

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

WHEREAS, the MSF desires to allocate \$5,782,500 for the development and implementation of the marketing and advertising efforts for business marketing campaigns.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board allocates \$5,782,500 for the development and implementation of the marketing and advertising efforts for business marketing campaigns.

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to execute the agreement with Lambert/9th Wonder consistent with the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022
To: MSF Board Members
From: Dave Lorenz, Vice President of Travel Michigan
Subject: Travel Marketing & Advertising Campaign Funding

REQUEST

This request is for the Michigan Strategic Fund (the “MSF”) Board to approve an allocation of \$15,000,000 in FY23 appropriated American Rescue Plan Act (ARPA) federal funds to MSF’s existing contract with MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season destination.

BACKGROUND

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

On October 26, 2021, the MSF Board authorized a contract with MMGY Global utilizing federal ARPA funds appropriated by the legislature for an initial three-year term of November 1, 2021, through October 31, 2024, with two one-year extensions at the sole discretion of the MSF Board. \$20 million of appropriated ARPA funding was approved by the MSF Board for the initial year of that contract. MEDC staff advised at that time that additional appropriations under the authority of the MSF will come before the Board. Today’s request is to authorize an additional \$15 million in appropriated ARPA funding for travel marketing to MMGY Global, which was selected in September 2021, as the travel marketing agency of record for the MSF through a competitive RFP process.

COMPANY BACKGROUND

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

In their first year as the advertising agency of record for Travel Michigan, MMGY Global has:

- Established Detroit-based office with nine employees

- Orchestrated three seasonal campaigns and expanded target demographic profiles
- Launched a comprehensive travel industry partner program including the creation of an online partner portal
- Completed integral research on Accessible Travel and Canadian Traveler Sentiment
- Worked collaboratively with Travel Michigan and across agencies on a strategic framework for the Pure Michigan campaign in FY23.

RECOMMENDATION

Staff recommends approval of the award of \$15 million for year two of the current three-year contract with MMGY Global to continue travel marketing efforts that support and help drive MEDC efforts to increase leisure travel in the state and position Michigan as a world-class travel destination.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-120**

MMGY GLOBAL CONTRACT FOR TRAVEL MARKETING

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

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

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

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

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

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

WHEREAS, the MEDC recommends allocating an additional \$15,000,000 from part of the American Rescue Plan Act funds as appropriated by the State Legislature in Public Act 166 of 2022 for the development and implementation of the marketing and advertising efforts for travel marketing and advertising campaigns; and

WHEREAS, the MSF desires to allocate \$15,000,000 from part of the American Rescue Plan Act funds as appropriated by the State Legislature in Public Act 166 of 2022 for the development and implementation of the marketing and advertising efforts for the travel marketing and advertising campaigns.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board allocates \$15,000,000 from part of the American Rescue Plan Act funds as appropriated by the State Legislature in Public Act 166 of 2022 for the development and implementation of the marketing and advertising efforts for the travel marketing and advertising campaigns.

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Fredrick Molnar, Senior Vice President, Entrepreneurship and Innovation

Subject: Funding Allocation for the Michigan Translational Research and Commercialization (MTRAC) Statewide Program, Advanced Materials Innovation Hub

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board allocate \$134,567 from the Michigan Translational Research and Commercialization (“MTRAC”) Statewide Program in additional funding for the Michigan Technological University MTRAC Advanced Materials Innovation Hub (the “Request”).

Background

On February 28, 2017, the MSF Board approved Michigan Technological University MTRAC Advanced Materials Innovation Hub (the “Advanced Materials Innovation Hub”). The Advanced Materials Innovation Hub focuses on commercializing technologies related to advanced applied material, systems, processing technologies, or devices which serve a well-documented market need. As outlined in the MTRAC guidelines approved by the MSF Board on June 22, 2021, the designation as an Innovation Hub and its ability to receive funding from the MSF under the MTRAC Statewide Program is valid for a period not to exceed six (6) years from the effective date of designation. On June 22, 2021, the MSF Board approved an extension of hub activities through February 28, 2021 and allocated \$34,798 in additional funding.

In October 2021 the MSF Board allocated \$325,000 from the FY2022 MTRAC Program budget to support a continuation of hub activities. The MEDC recommends that the MSF allocate \$134,567 in additional funding to the MTRAC Advanced Materials Innovation Hub at MTU.

From February 2017 through September 2021, the MTRAC Advanced Materials Innovation Hub has reported the following metrics:

Number of proposals reviewed by Oversight Committee	38
Number of projects funded by Oversight Committee	18
Startups formed	7
Jobs created	21
Licenses and Options	7
Follow on funding	\$22,413,073
Institutions where projects received funding	3 (MTU, MSU, UMICH)

Recommendation

MEDC Staff recommends that the MSF Board approve this allocation of \$134,567 through 02/28/2023, from the MTRAC Program budget for the MTRAC Advanced Materials Innovation Hub.



MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-121**

**AMENDMENT TO THE MICHIGAN TRANSLATIONAL RESEARCH
AND COMMERCIALIZATION ADVANCED MATERIALS INNOVATION HUB
GRANT TO MICHIGAN TECHNOLOGICAL UNIVERSITY**

WHEREAS, Public Acts 215 and 225 of 2005 (collectively, the “Act”) established the 21st Century Jobs Fund initiative;

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

WHEREAS, pursuant to Section 880 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 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 (the “MTRAC Program”) and 2) adopted the MTRAC Program Guidelines;

WHEREAS, under the MTRAC Program Guidelines, the MSF Board provides funding to Innovation Hubs in key technology areas of Advanced Computing, Advanced Transportation, Advanced Materials, Agriculture-Biology, and Life Sciences;

WHEREAS, under the MTRAC Guidelines adopted on April 26, 2016, the MSF may designate a state research university as an Innovation Hub, a designation which lasts for up to six years, and may authorize grants of up to two years during the term of the Innovation Hub;

WHEREAS, on February 28, 2017, the MSF the MSF Board designated Michigan Technological University (“Michigan Tech”) as the Innovation Hub for Advanced Materials activities;

WHEREAS, on October 27, 2020, the MSF Board authorized a grant of up to \$275,000 to Michigan Tech with an initial term of one year, with the option to extend the term for an additional one year and allocate additional funding at the sole discretion of the MSF Board (the “Advanced Materials MTRAC Grant”);

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 Innovation Hub designation;

WHEREAS, on June 22, 2021, the MSF Board authorized an extension of the Advanced Materials MTRAC Grant term to February 28, 2023, and allocated \$34,798 in additional funding;

WHEREAS, on October 26, 2021, the MSF Board allocated \$325,000 in additional funding to support a continuation of activities under the Advanced Materials MTRAC Grant;

WHEREAS, the MEDC recommends that the MSF allocate \$134,567 in additional funding to support activities under the Advanced Materials MTRAC Grant through February 28, 2023 (the “Funding Allocation”);

WHEREAS, the MSF Board wishes to approve the Funding Allocation.

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

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to take all action necessary to effectuate the Funding Allocation, consistent with the terms and conditions of this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-117**

**APPROVAL OF THE AUGUST 23, 2022 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, on February 25, 2014, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines;

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently revised by the MSF Board on December 19, 2017 (the “Consent Agenda Guidelines”)

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

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

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

Consent Agenda Items:

- a. Proposed Meeting Minutes: July 26, 2022
- b. 1108 Water Street, LLC: MCRP Amendment
- c. Business Marketing: Contract Amendment
- d. Travel Marketing: Contract Amendment
- e. Michigan Translational Research and Commercialization (MTRAC) Statewide Program, Advanced Materials Hub, Michigan Technological University: Funding Allocation

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Brittney Hoszkiw, Senior Community Development Manager
Julius Edwards, Commercial Real Estate Investment Director
Jake Winder, CD Incentives Manager

Subject: Request for Approval of an Act 381 Work Plan
Brush Park Properties, LLC, and City of Detroit Brownfield Redevelopment Authority (BRA) – 105 Alfred St.

Project Summary & Request

The project includes the rehabilitation of an existing single-story building on the site and construction of additions that will result in a five-story, mixed-use development. The building will include a ground-level restaurant and bar, second-story office, and three stories of for-sale condo units. The project will activate almost 90,000 square feet with an additional 2,302 square feet of public improvements. In order to offset the costs associated with development on a brownfield site, the development team is seeking Brownfield Tax Increment Financing reimbursement of \$1,218,829 of state tax capture over 24 years.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Functionally Obsolete
Total Approximate Square Feet Revitalized	89,996
Total Approximate Acres Activated	1.07
Estimated # of Residential Units	10
Estimated Commercial Square Footage	15,775
Current Taxable Value	\$69,178
Projected Taxable Value at Completion	\$5,542,611
Total Anticipated Capital Investment	\$27,934,414
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$1,218,829

The proposed project is a sustainable re-use of the historic carriage house in Brush Park neighborhood of Detroit into a contemporary mixed-use development using first of its kind design in Detroit. The design work, led by Oombra Architects, LLC, won an AIA Philadelphia award for the creative approach to preserving the existing structure. The project is also consistent with the Design Guidelines established by the City of Detroit for the Brush Park neighborhood and received a Certificate of Appropriateness from the City of Detroit Historic District Commission. This project brings the City one step closer to re-establishing density in a historic downtown neighborhood which was largely razed beginning in 1920’s leaving surface



parking on many sites, including this one. The project will further catalyze economic development in the area, increasing daytime foot traffic and consumer spending in the Central Business District.

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 (the “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 Guidelines and programmatic requirements, and a financial review has been completed. Key statutory criteria and a tax capture summary are included in Appendix B.

Demonstrated Needs

A financing gap exists due to the high costs of construction in the city of Detroit which is only exacerbated by the historic nature of the project, the environmental condition of the soils and the constricted urban site available for staging and construction work. In addition, the project includes integrated public and private parking which is an expensive addition to any project. Given the necessary project costs, the development team is leveraging 68% total project costs in traditional debt and contributed or raised another 31% of total project costs in the form of equity. Due to the significant equity contribution necessary to make the project a reality, the development team is anticipating just 0.8% IRR over 20 years. Without the Brownfield reimbursement, cash flow falls slightly and returns drop to just -2% making the project infeasible.

Local Support

The City of Detroit is supporting the project through the local portion of the Brownfield Tax Increment Financing which is anticipated to be \$3,586,071. In addition, the development team anticipates the approval of a Neighborhood Enterprise Zone tax abatement which would provide tax relief to future condo buyers and would not be a direct financial benefit to the development team.

Applicant Background / Qualifications

The project is being led by Brush Park Properties, LLC whose founder is Michael VanOverbeke. VanOverbeke has a long history of development and historic preservation in Detroit’s Brush Park neighborhood dating to 1993. Completed projects include the HP Pulling Home at 48 Edmund, Hudson/Evans Home at 79 Alfred, and the Lucien Moore Estate at 104 Edmund. This is VanOverbeke’s first request of the MSF board. ***An Organizational Chart for Brush Park Properties, LLC is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.***

Recommendation

MEDC staff recommends approval of State tax capture for Act 381 eligible activities capped at \$1,218,829, utilizing the current state to local capture ratio.

Rendering of Proposed Development



APPENDIX A – Organizational Chart

Brush Park Properties, LLC Organizational Structure
Brush Park Properties EIN: 38-3787508
Brush Park Properties Managing Member: Michael John VanOverbeke

Member	Ownership Interest	EIN	State of Organization
Michael John VanOverbeke	100.00%	-	N/A

APPENDIX B – 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 March 1, 2022. The property has been deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on September 8, 2021.

There are 64.1607 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 22.8579 mills (35.63%) and local millage equaling 41.3028 mills (64.37%). Tax increment capture will begin in 2023 and is estimated to continue for 24 years. The state tax capture is recommended to be capped at \$1,218,829, which is the amount of tax increment revenue anticipated to be generated in 24 years. The Neighborhood Enterprise Zone tax abatement impacts the total capture, so the blended ratio is shown below. Total MSF eligible activities are estimated at \$4,804,900. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(25.37%)	\$	1,218,829
Local tax capture	(74.63%)	\$	<u>3,586,071</u>
TOTAL		\$	4,804,900

Cost of MSF Eligible Activities

Demolition	\$	138,400
Infrastructure Improvements		3,719,600
Site Preparation	+	<u>268,000</u>
Sub-Total	\$	4,126,000
Contingency (15%)	+	<u>618,900</u>
Sub-Total	\$	4,744,900
Brownfield/Work Plan Preparation	+	30,000
Brownfield/Work Plan Implementation	+	<u>30,000</u>
TOTAL	\$	4,804,900

In addition, the project is requesting \$2,500 in TIF from EGLE to assist with environmental eligible activities.

Key Statutory Criteria

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

- a) **Overall Benefit to the Public:**

The project will help meet demand for restaurant, office, housing, and parking in Detroit's Brush Park Neighborhood while bringing the property back to productive use after years of vacancy and neglect. This project is part of a larger effort by the City of Detroit Planning and Development Department to bring vibrancy, connectivity, and housing to Brush Park that was outlined in the City's Master Plan. The plan specifically speaks to the adaptive reuse and preservation of a neighborhood that saw considerable demolition. This project is consistent with both that plan and the Design Guidelines adopted for the district. The additional commercial and residential space will contribute to new income tax for Detroit. The tenants are anticipated to be a destination within the district, increasing density and improving security by creating 24-hour occupancy. Local businesses will benefit from the influx in new jobs and residents in the area and spinoff consumer spending. The project is also planned to have low-impact green roof which will slow the flow of discharge into the City's infrastructure.

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

This project is expected to create approximately 45 new, full-time equivalent jobs with an average hourly wage of \$23.25. 21 of those jobs will be in the restaurant operations industry, 21 will be office jobs, and 3 will be in parking operations.

c) Area of High Unemployment:

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

d) Level and Extent of Contamination Alleviated:

The project is not qualifying as a facility.

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

The project is qualifying as functionally obsolete and will restore the façade of an existing building and construct extensive additions to add a new, five-story, mixed-use building with a ground-level restaurant and bar, second floor office space, and three floors of condominiums.

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

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

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

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-122**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
PROPOSED CODA BRUSH PARK 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 April 29, 2022, for property located at 79 Alfred Street, 105 Alfred Street, and 2827 John R Street within the City of Detroit, known as the Proposed Coda Brush Park project (the “Project”);

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

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the 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 25.37% to 74.63% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, 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 \$4,744,900 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$30,000 for brownfield and work plan preparation, and a maximum of \$30,000 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$1,218,829.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Erik Wilford, Senior Business Development Project Manager
Rob Garza, Manager, Statutory Analysis

Subject: Request for a Michigan Business Development Program (MBDP) Grant and a Request for Approval of an Act 381 Work Plan
City of Lansing Brownfield Redevelopment Authority (BRA)
Neogen Expansion Brownfield Redevelopment Project

Project Summary & Request

Neogen Properties IX, LLC (the “Developer”), a single purpose development entity created by Neogen Corporation (“Company”), intends to redevelop 1 parcel consisting of approximately 2.568 acres in downtown Lansing. The property will be redeveloped to include the construction of a new three-story manufacturing and research building comprising 176,000 square feet, including a 23,000 square foot high-bay production space. The project is expected to create approximately 77 new, full-time equivalent jobs in research and development/manufacturing and retain approximately 350 full time equivalent jobs with an average hourly wage of \$23.16, with a capital investment of \$71,500,000. It is anticipated that demolition work will begin by September 2022, with construction being completed by December 2023. In order to support this business development project, the company is requesting a MBDP Grant in the amount of \$324,000 and the City of Lansing BRA is requesting approval of state tax capture in the amount of \$1,576,751.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility
Total Approximate Square Feet Revitalized	176,000
Total Approximate Acres Activated	2.568
Estimated Commercial Square Footage	176,000
Current Taxable Value	\$0
Projected Taxable Value at Completion	\$9,853,000
Total Anticipated Capital Investment	\$71,500,000
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$1,576,751
MBDP Grant Request	\$324,000

The project would be significant to the area by consolidating existing operations and creating a state-of-the-art manufacturing and R&D facility in Michigan. The Company is committed to its employees and their

career advancement by utilizing a combination of job banding, career ladders, and succession planning as a robust approach to employee advancement. The Company also provides a tuition reimbursement program up to \$3,000/year and has established a Quality Technician Apprentice program with the Department of Labor.

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 (“the 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 Guidelines and programmatic requirements, and a financial review has been completed. Key statutory criteria and a tax capture summary are included in Appendix B.

Demonstrated Needs

As part of the overall expansion project, the Company is considering expanding its operations in Lansing as well as its facility in Lexington, Kentucky, where incentives have been offered. Without Act 381 Work Plan support, the significant costs to prepare the site for vertical construction would make the project financially unfeasible. A MBDP performance-based grant is necessary to help offset the cost gap and incentive assistance offered by Kentucky.

Local Support

Local support for the project includes the local portion of the Work Plan valued at \$3,267,339.

Applicant Background / Qualifications

Neogen Properties IX, LLC is the single purpose development entity created by Neogen Corporation to undertake this project. Founded in Lansing, Michigan in 1982, Neogen Corporation develops, and markets products dedicated to food and animal safety. The Company employs 1,794 worldwide with over 600 in Lansing and has an annual revenue of \$450 million. The Company has manufacturing plants in Michigan, Kentucky, Wisconsin, North Carolina, Tennessee, California, Iowa, and Scotland.

An Organizational Chart for Neogen Properties IX, LLC is provided in Appendix A. Neogen Corporation is a publicly traded company with no individual owner holding more than a 20% stake. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Appendix B contains an MSF Eligible Activities and Tax Capture Summary. Appendix C contains the key statutory criteria of Act 381.

Recommendation

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

- a) State tax capture for Act 381 eligible activities capped at \$1,576,751, utilizing the current state to local capture ratio.
- b) A MBDP performance-based grant in the amount of up to \$324,000 for Neogen Corporation.

Rendering of Proposed Development



Map of Proposed Development



APPENDIX A – Organizational Chart

Organizational Structure

Company Name: Neogen Properties IX, LLC

Employer Identification Number: 38-2367843

Manager: John Adent, CEO ; Steve Quinlan, CFO

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Member/Company name and manager	100.00%	38-2367843	Michigan
Neogen Corporation	100.00%		
Publicly traded, no one stakeholder of >20%	0%		

APPENDIX B– MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Lansing, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on July 18, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 22, 2022.

There are 72.0308 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.4478 mills (32.55%) and local millage equaling 48.5830 mills (67.45%). Tax increment capture will begin in 2023 and is estimated to continue for 10 years. The state tax capture is recommended to be capped at \$1,576,751, which is the amount of tax increment revenue anticipated to be generated in 10 years. Total MSF eligible activities are estimated at \$4,844,090. MSF eligible activities breaks down as follows:

Tax Capture Summary:

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

Cost of MSF Eligible Activities

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

In addition, the project is requesting \$22,680 in TIF from EGLE to assist with environmental eligible activities.

APPENDIX C – Programmatic Requirements

Key Statutory Criteria

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

a) Overall Benefit to the Public:

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

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

This project is expected to create approximately 77 new, full-time equivalent jobs in research and development/manufacturing and retain approximately 350 full time equivalent jobs with an average hourly wage of \$23.16.

c) Area of High Unemployment:

The Lansing-East Lansing Metropolitan Statistical Area unadjusted jobless rate was 4.7% in May 2022. This compares to the statewide seasonally adjusted average of 4.3% in May 2022.

d) Level and Extent of Contamination Alleviated:

Contaminated soils will be removed from the site and clean backfill will be imported to fill the void.

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

The project is not qualifying as functionally obsolete or blighted.

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

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

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

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-123**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
NEOGEN CORPORATION**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP;

WHEREAS, on December 8, 2020, by Resolution 2020-146, the MSF adopted an amendment to the guidelines for the MBDP (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1, 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 MBDP in accordance with the Guidelines (“the Delegation”);

WHEREAS, the Guidelines require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, Neogen Corporation (“Company”) has requested a performance based MBDP Grant of up to \$324,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”) to construct a new three-story manufacturing and research building (the “Project”);

WHEREAS, pursuant to the MSF Act, MCL 125.2001 et seq and the Delegation, the project is eligible as a Standard BDP because the Applicant committed to the creation of at least 50 Qualified New Jobs;

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

WHEREAS, the MEDC recommends that the MSF approve the Grant 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 (“MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan

August 23, 2022



**EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary**

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

Date: August 9, 2022

Company Name:	Neogen Corporation and/or its affiliates and subsidiaries.
Project Location:	Lansing, Michigan
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$324,000
Base Employment Level:	At least 660, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs ("QNJ"):	Up to 77 Full-Time Jobs in Michigan
Municipality Supporting Project:	City of Lansing has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	Date of MSF Approval
Term of the Agreement:	May 31, 2026
Milestone Based Incentive:	Disbursements will be made over a 1 year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$4,207 per QNJ for the creation of a minimum of 50 jobs up to a maximum of 77 jobs.

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

Acknowledged as received by:

Neogen Coporation

By:

Printed Name:

Jesome Hagedorn

Its:

VP of North America Operations

Michigan Economic Development Corporation

By:

DocuSigned by:
Erik Wilford

Printed Name:

Erik Wilford
31BCCB0697004B5...

Its:

Sr. Business Development Project Manager



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

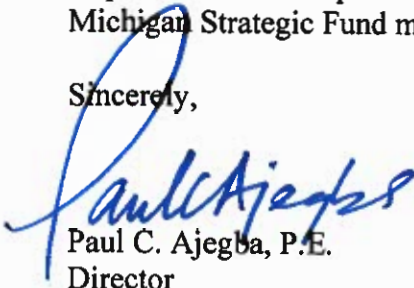
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-124**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF LANSING BROWNFIELD REDEVELOPMENT AUTHORITY
NEOGEN EXPANSION BROWNFIELD 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 Lansing Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated July 18, 2022, for property located at an undetermined address with parcel ID# 33-01-01-15-151-004 within the City of Lansing, known as the Neogen Expansion Brownfield Redevelopment Project (the “Project”);

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

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the 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 32.55% to 67.45% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all

available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$4,294,965 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$521,575 in interest, a maximum of \$21,375 for brownfield and work plan preparation, and a maximum of \$6,175 for brownfield and work plan implementation, and with the total capture of state school taxes capped at a maximum of \$1,576,751.

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Jake Winder, Manager, Community Development Incentives

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #1
North Flint Reinvestment Corporation

Request

The North Flint Reinvestment Corporation (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Grant Agreement (“Agreement”) and any related ancillary agreements. The amendment request dated June 30, 2022, includes a request to increase the MCRP Award (as defined below) by \$250,000 to \$1,500,000. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund Board approved a \$1,250,000 Michigan Community Revitalization Program (MCRP) Grant Award (“MCRP Award”) on July 27, 2021, to the Company for the purpose of supporting a community redevelopment project located in the City of Flint that will redevelop a vacant, 21,225 square foot building into a new co-op urban grocery store development. The North Flint Reinvestment Corporation is a non-profit entity that started working on this project in 2016, on the heels of the Flint water crisis and the closure of a grocery store in the neighborhood, in an effort to address the food desert on the north side of Flint.

The Project is experiencing challenges due to significant increases in furniture, fixtures, and equipment costs which has led to an approximately \$1,663,000 increase in the project budget, or over 23%. The development team has worked diligently to identify resources to fill this gap and position itself to move forward with the project. Additional funding is coming in the form of grants from the Ruth Mott Foundation and CS Mott Foundation.

The project is currently 70% complete, with project completion expected to occur in the first quarter of 2023. The company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Grant Agreement and any related ancillary agreements to increase the MCRP Grant Award amount by \$250,000 to \$1,500,000 per the Company’s request dated June 30, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-125**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM GRANT AWARD FOR
NORTH FLINT REINVESTMENT CORPORATION**

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

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

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

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

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

WHEREAS, by Resolution 2021-101 on July 27, 2021, the MSF Board awarded a MCRP Grant award to North Flint Reinvestment Corporation (the “Company”), in furtherance of the project of up to \$1,250,000 (the “Award”); and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to increase the award amount by \$250,000, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of a Transformational Brownfield Plan Amendment #1
City of Detroit Brownfield Redevelopment Authority
The Hudson’s Site, Monroe Blocks, One Campus Martius Expansion, and Book Building and Book Tower Redevelopment Projects

Request

The City of Detroit Brownfield Redevelopment Authority (the “BRA”) is requesting approval of an amendment to the Transformational Brownfield Plan (the “TBP”) and Reimbursement Agreement that will not increase the amount of the previously approved award. The amendment request dated July 6, 2022, includes the following components:

- Approval of the modification of square footages and programming for the Hudson Building site and Book Building/Book Tower site,
- Approval of the safe harbor calculation for income tax capture and withholding tax capture revenue streams attributable to the Hudson Building Site, Book Building/Book Tower site, and One Campus Martius Expansion with the originally approved maximum of \$307,977,593 in income tax capture revenues and withholding tax capture revenues (post-construction) to remain unchanged for the TBP, and
- Approval of up to 100% of Income Tax Capture revenue for the Plan with the originally approved maximum of \$307,977,593 in income tax capture revenues and withholding tax capture revenues (post-construction) to remain unchanged for the TBP.
- Update the anticipated completion dates for the Hudson Building site from December 31, 2022 to December 31, 2024; One Campus Martius Expansion from December 31, 2019 to December 31, 2020; and the Book Building/Book Tower site from March 31, 2021 to December 31, 2022.

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

Background

The MSF approved a Transformational Brownfield Plan in May 2018 with a total award of up to \$652,452,925 in reimbursement to Bedrock Management Services, LLC (the “Company”) for the rehabilitation and new construction of 4 distinct projects on the Hudson’s Site, Monroe Blocks site, One Campus Martius Expansion, and Book Building and Book Tower Redevelopment sites in the city of Detroit.

The requested changes to the programming and square footages are a response to market feedback and the continued value engineering for the project. No changes are currently requested for the Monroe Blocks

portion of the project, and only very minor changes have been made to the One Campus Martius Expansion. The total square footage for the Hudson Building site is increasing from 1.41 million square feet to 1.52 million square feet and programming changes include a reduction in residential units and square footage, a newly added hotel component, reduction in retail space square footage, and increase in office space square footage. The Book Building and Book Tower will see a reduced total square footage from 592,043 square feet to 483,889 and programming changes will include an increase in residential units and square footage, an increase in hotel space square footage, reduction in office space square footage, reduction in event/exhibition space, and removal of the planned parking structure.

The original approval and delegation of authority resolution 2017-208 allowed for the MSF President or Fund Manager to amend a work plan, brownfield plan, or reimbursement agreement for a previously approved transformational brownfield plan for changes in use up to 15% of the gross square footage so long as the amended brownfield plan would still result in an overall positive fiscal impact to the State of Michigan. Staff has evaluated the requested scope changes and has determined that they fall within the above parameters. This request is being brought in front of the MSF Board for consideration because it is coupled with additional requests.

The Brownfield Redevelopment Financing Act, MCL 125.5651 et seq. (the “Act”) was amended in December 2021, to include a safe harbor calculation for income tax capture revenue and withholding tax capture revenue that would help establish a more stable anticipated revenue stream for the project. The MSF TBP Guidelines (“the Guidelines”) were amended by the MSF in March 2022 and established the safe harbor calculation methodology (see appendix A), which the Company is now looking to incorporate into its existing TBP. The individual amounts for the income tax capture and withholding tax capture revenue streams will differ from original estimates but the total amount requested is unchanged from the original maximum of \$307,977,593 in income tax capture revenues and withholding tax capture revenues (post construction). This amount will comply with the program guidelines, which limit safe harbor amounts to no more than 90% of the estimated annual taxable income for households residing within the eligible property or portion of the eligible property and 90% of the average estimated employee occupancy that corresponds to the size and use of the eligible property or portion of the eligible property and a safe harbor of no more than 90 percent of the estimated average annual taxable wage for the individuals employed within the eligible property or portion of the eligible property.

The also allowed for the capture of up to 100% of income tax capture revenue if the eligible properties within the TBP are subject to a binding affordable housing agreement with the local governmental unit. This amendment was also included in the Guidelines. The Company is required to ensure that 20% of its total portfolio of housing units are set aside as affordable units for households at no more than 80% AMI and is requesting that the TBP is allowed to capture up to 100% of income tax capture for the TBP. The originally approved amount of state income tax capture estimated was \$51,694,296 and the new amount is \$75,230,667. Again, the original approval authorized a maximum of \$307,977,593 in income tax capture revenues and withholding tax capture revenues (post-construction) and that combined maximum amount will remain unchanged.

A third-party underwriting analysis and net fiscal benefit analysis were completed for the purpose of this amendment request, and those analyses concluded that the incentive was still needed in order to complete the project and that there is still a significant net fiscal benefit to the state.

Staff has continued to work with both the BRA and the Company to ensure reporting requirements remain current.

Recommendation

The MEDC staff recommends approval of an amendment to the TBP and Reimbursement Agreement per the Company's request dated July 6, 2022, to:

- Approve the modification of square footages and programming for the Hudson Building site and Book Building/Book Tower site, as detailed in the background section of this memorandum
- Approve the safe harbor calculation for income tax capture and withholding tax capture revenue streams attributable to the Hudson Building Site, Book Building/Book Tower site, and One Campus Martius Expansion with the originally approved maximum of \$307,977,593 in income tax capture revenues and withholding tax capture revenues (post-construction) to remain unchanged for the TBP, and
- Approve of up to 100% of Income Tax Capture revenue for the TBP with the originally approved maximum of \$307,977,593 in income tax capture revenues and withholding tax capture revenues (post-construction) to remain unchanged for the TBP.
- Approval of updating the anticipated completion dates for the Hudson Building site from December 31, 2022 to December 31, 2024; One Campus Martius Expansion from December 31, 2019 to December 31, 2020; and the Book Building/Book Tower site from March 31, 2021 to December 31, 2022.

APPENDIX A – Excerpts

Excerpt from TBP Guidelines Approved March 22, 2022 – Safe Harbor Calculation

- In lieu of traditional calculations of Income Tax Capture, the owner or developer may elect to utilize a safe harbor method of calculating Income Tax Capture Revenues.
 - The MSF shall establish the safe harbor amount by imputing no more than 90 percent of the estimated annual taxable income for households residing within the eligible property or portion of the eligible property.
 - The safe harbor shall be effective only to the extent that the residential units within the eligible property or portion of the eligible property are actively leased or, in the case of units made available for sale, sold in arms-length transaction. The owner or developer will be required to submit copies of all leases and certification of the percentage of space in the project or specific phase of project that is leased or sold with each request for reimbursement.
 - The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Income Tax Capture Revenues from the initial approval amount.
 - The owner or developer may elect to utilize the safe harbor method any time prior to the first reimbursement of Income Tax Capture Revenues, provided that an election, once made, cannot be rescinded.
- In lieu of traditional calculations of Withholding Tax Capture Revenues, the owner or developer may elect to utilize a safe harbor method of calculating Withholding Tax Capture Revenues.
 - The MSF shall establish the safe harbor amount by imputing no more than 90 percent of the average estimated employee occupancy that corresponds to the size and use of the eligible property or portion of the eligible property and a safe harbor of no more than 90 percent of the estimated average annual taxable wage for the individuals employed within the eligible property or portion of the eligible property.
 - The safe harbor shall be effective only to the extent the eligible property or portion of the eligible property is actively occupied, as evidenced by the existence of a binding lease agreement or similar instrument. The owner or developer will be required to submit copies of all leases and certification of the percentage eligible property occupied with each request for reimbursement.
 - The MSF may adjust the safe harbor amount after approval to reflect changes in the TBP, provided that any changes to the TBP do not result in an aggregate increase in the level of Withholding Tax Capture Revenues from the initial approval amount.
 - The owner or developer may elect to utilize the safe harbor method any time prior to the first reimbursement of Withholding Tax Capture Revenues, provided that an election, once made, cannot be rescinded.

Memorandum

To: The Michigan Economic Development Corporation
From: The Research Seminar in Quantitative Economics at the University of Michigan
Date: February 8, 2022
Subject: RSQE's Revised Economic and Fiscal Impact Assessment of the Bedrock TBP

Executive Summary

This memo presents a revised economic and fiscal impact analysis of the Transformational Brownfield Redevelopment Plan for the Hudson's Block, Monroe Blocks, One Campus Martius (OCM) Expansion, and Book Building and Tower Redevelopment Projects (hereafter called the proposed TBP) proposed by Bedrock Management Services, LLC (hereafter called Bedrock). The analysis was conducted by a team of researchers from the University of Michigan's Research Seminar in Quantitative Economics (RSQE).¹ A new economic and fiscal analysis of the TBP became necessary when Bedrock altered its development program in ways that exceeded the revision thresholds that are allowed for previously approved TBPs under Michigan law.²

RSQE analyzed revised plans for three of the four original development sites: the Hudson's Block, the Book Building and Tower site, and the One Campus Martius Expansion. In our analysis, the development proposal for the Monroe Blocks site is unchanged from the original TBP. We produce comprehensive metrics for the full development program as it currently stands by combining new estimated impacts for the three revised sites with the original results that we generated in April 2018 for the Monroe Blocks site. Although the total amount of Bedrock's \$618 million incentive package has not changed since the original analysis, the distribution of incentives across years has been modified.

In April 2018, we estimated that the original TBP for the four Bedrock development sites would produce a net fiscal benefit of \$596 million to the state of Michigan on a net present value basis from 2017–2052 (measured in nominal dollars as of 2017). The ratio of the present value of the increase in projected tax revenues to the present value of the total tax incentives was estimated to be 3.2 to 1 at that time.

With the revised development plans, we now estimate a net fiscal benefit of \$683 million to Michigan from 2017–2052. The estimated increase in state tax revenues generated by the proposed TBP through the end of our analysis period in 2052 is \$2.8 billion, with a present value of \$950 million. As in the original analysis, we estimate that the increase in state tax revenues generated by the proposed TBP will be larger than the cost of the tax incentives in each year of the analysis period. The ratio of the present value of the increase in projected tax revenues to the present value of the total tax incentives is now estimated to be 3.6 to 1.

¹ The same team from RSQE, along with researchers from the W.E. Upjohn Institute for Employment Research, produced the economic and fiscal impact analysis of the original Bedrock TBP in April 2018. The original report can be viewed here: <https://www.michiganbusiness.org/4a81a7/globalassets/documents/reports/medc-reports/economic-fiscal-impact-rsqe.pdf>.

² The TBP legislation consists of Michigan Public Acts 46–50 of 2017, which collectively amend the existing Brownfield Redevelopment Financing Act (Act 381 of 1996).

The two most significant factors that have led to a higher net fiscal benefit to the state compared with the original analysis are an increase in construction costs and a greater share of office employment at the sites. Under the new plans, total construction costs have increased by 44 percent, from \$1.2 billion to \$1.7 billion at the three revised sites.³ That brings total construction costs including the Monroe Blocks to \$2.5 billion. The new plans also include a 20 percent increase in rentable square footage of office space at the three sites, which is partially offset by a 17 percent decrease in soft retail square footage and a 65 percent decrease in food and beverage square footage. By 2026, the square footage adjustments are expected to lead to an estimated 291 additional office jobs at the three sites, along with a decrease of 52 jobs for soft retail and 366 fewer jobs for food and beverage. In total, we now expect 3,345 direct jobs at the three sites by 2026, down 406 from the original total of 3,750 jobs.⁴ Altogether, these changes lead the combined office share of direct employment across the four TBP sites to rise from 74 percent in the original analysis to 82 percent in the revised analysis. A full list of changes to the Bedrock TBP, as it pertains to our analysis, can be seen in Table 1 on page 3.

We estimate that the proposed TBP will create or support an annual average of 8,675 “net new” job additions statewide during the post-construction period from 2025–2052. That is an increase from the 7,927 net new jobs that we estimated for the original Bedrock TBP and is largely a result of the shift away from square footage for the retail, accommodation, and food services sectors, which are more likely to replace existing jobs in the state, in favor of additional office space, which typically produce a greater share of “net new” jobs.

We further project that the revised TBP will lead to an average increase in real statewide personal income of \$839 million per year, in 2009 dollars, over the entire analysis period 2017 to 2052. The increase in real wage and salary income per net job addition averages \$72,000 per year over that period, reflecting the high proportion of net job additions in white-collar industries.

We consider the results of our revised analysis to be conservative for several reasons. First, we have lowered the developer’s occupancy assumptions for office space at the revised sites. That change results in fewer net new jobs and, therefore, reduced benefits to the state of Michigan compared with an analysis that allows for higher occupancy rates. We also exclude consideration of any tourism benefits that could be generated by the TBP. We do not quantify the extent to which the development could draw out-of-state visitors or lead Michigan residents to substitute trips to Detroit for out-of-state trips.

Based on our conservative assumptions and a careful review of the proposed development sites, we conclude from the results of our analysis that the revised Bedrock TBP will continue to produce a net fiscal benefit to the state of Michigan. In what follows, we present a brief outline of the revisions to the Bedrock TBP, the impacts on our analysis methodology, and the results of our simulation. We consider this memo to be an addendum to our original report on the Bedrock TBP, which contains a full discussion of Michigan’s TBP program and our analysis methodology.⁵

³ The project costs and other development details that we can use as inputs in our analysis may differ from official numbers discussed by Bedrock in their own materials or elsewhere in the press.

⁴ Total estimated direct jobs, including the Monroe sites, have fallen from 7,738 jobs in the original analysis to 7,332 in the revised assessment.

⁵ The original report can be accessed at:

<https://www.michiganbusiness.org/4a81a7/globalassets/documents/reports/medc-reports/economic-fiscal-impact-rsqe.pdf>

Revisions to the Model Inputs

We continue to use the REMI PI+ model to analyze the economic and fiscal impacts of the Bedrock TBP, as we did in the original analysis and as stipulated by the Michigan Economic Development Corporation. A full description of the REMI model and its use in economic impact assessments is provided in our original Bedrock TBP report.

Table 1 compares the model inputs used in the original Bedrock TBP analysis with the revised model inputs used in the current analysis. We provide a brief discussion of changes to the input data on the following pages.

Table 1
Comparison of REMI Model Inputs from the Original Bedrock TBP Analysis with the Revised Analysis

	Combined Inputs for Hudson's, OCM, and Book Building and Tower Sites				Revised Totals Including the Original Monroe Blocks Plan
	Original TBP Analysis 2017–2052	Revised TBP Analysis 2017–2052	Change		
Construction Costs					
Hard Cost Total	\$ 1,089,888,878	\$ 1,288,782,419	\$ 198,893,541	18%	\$ 1,972,661,866
Soft Cost Total	\$ 114,528,213	\$ 443,840,035	\$ 329,311,822	288%	\$ 540,255,771
Total	\$ 1,204,417,091	\$ 1,732,622,454	\$ 528,205,363	44%	\$ 2,512,917,636
Rentable Square Footage					
Office	553,398	662,572	109,174	20%	1,354,472
Soft Retail	40,585	33,520	-7,065	-17%	125,295
Hotel	71,395	318,607	247,212	346%	318,607
Food & Beverage	76,854	26,905	-49,949	-65%	78,695
Event Space	207,958	115,059	-92,899	-45%	115,059
Aud/Conf/ Exhibition Space	116,381	-	-116,381	-100%	-
Residential	443,019	395,354	-47,665	-11%	762,901
Total Rentable Square Footage	1,509,590	1,552,017	42,427	3%	2,755,029
Hotel Rooms & Residential Units					
Number of Hotel Rooms	200	342	142	71%	342
Number of Residential Units	425	309	-116	-27%	791
Direct Employment by 2026					
Office	2,642	2,934	291	11%	6,047
Soft Retail	242	190	(52)	-21%	738
Hotel	204	65	(139)	-68%	65
Food & Beverage	464	98	(366)	-79%	424
Event Space	60	58	(2)	-4%	58
Aud/Conf/ Exhibition Space	138	-	(138)	-100%	-
Total Direct Employment	3,750	3,345	(406)	-11%	7,332
Other Inputs					
Wage Adjustment	\$ (3,307,655,427)	\$ (1,684,347,580)	\$ 1,623,307,847	-49%	\$ (6,651,681,673)
Producer Durables	\$ 146,976,152	\$ 221,980,830	\$ 75,004,678	51%	\$ 391,254,630
Tenant Improvements					
Nonresidential	\$ 240,246,415	\$ 287,496,487	\$ 47,250,073	20%	\$ 522,348,700
Residential	\$ 44,619,749	\$ 32,442,500	\$ (12,177,249)	-27%	\$ 69,046,644
Income Adjustment for Residents on Site (\$ Nominal through analysis period)	\$ 377,787,624	\$ 376,694,766	\$ (1,092,858)	0%	\$ 546,873,518
Brownfield Amenity Effect					
Increase in local property values in 2049 (\$2009)	\$ 126,630,345	\$ 108,079,673	\$ (18,550,672)	-15%	\$ 180,354,156
Tourism Spending (\$2016)	\$ 138,351,423	\$ -	\$ (138,351,423)	-100%	\$ -
Total Incentive Amount	\$ 322,481,509	\$ 322,481,509	\$ -	0%	\$ 618,019,167

Construction costs

- One of the largest changes in the revised analysis is that construction costs have increased by over \$500 million. Approximately two-thirds of that increase is in soft construction costs, with the remaining one-third in hard construction costs. This revision was primarily due to an underestimate of local construction costs in Detroit in the original TBP.
- The construction cost data that we use in our modeling comes from spreadsheets and pro forma statements provided by Bedrock.
- Our methodology for entering construction costs into the REMI model has not changed from the original analysis.

Rentable square footage at the three revised TBP sites

- While total rentable square footage (SF) at the Hudson's, Book, and OCM sites has increased by just 3 percent, there are much larger changes to the composition of the square footage. The compositional changes vary by site.
- The most dramatic changes have occurred at the **Hudson's** site. Development plans at the Hudson's site now call for a new hotel with 235,000 SF, an increase in office space of 105,000 SF, and an additional 8,000 SF for soft retail. Bedrock plans for reduced footprints in all other uses. Combined SF for food & beverage, event & exhibition, and residential at the Hudson's site is expected to be 363,000 SF lower than originally planned.
- Revisions to the **Book Building and Tower** site plans now call for expanded hotel, residential, and food & beverage SF usage. Office, soft retail, event space, and residential are all expected to have smaller footprints in the revised plans.
- The **OCM** site, which was essentially an office project in the original TBP, now plans for an additional 53,000 SF of office space.
- Across the three revised sites, total rentable office space has increased by 20 percent, while hotel square footage has increased by 346 percent. Square footage for all other uses has decreased in the revised plans.
- Including the original Monroe blocks plan, office space continues to occupy the highest share of SF across all four sites at 49 percent, followed by residential with 25 percent, hotel with 21 percent, event & exhibition with 7 percent, and soft retail and food & beverage with 2 percent each.

Direct employment at the three revised TBP sites

- Direct employment refers to jobs that will be onsite at one of the TBP development sites once the site is open for business.
- Changes in the number of direct jobs by industry largely mirror the changes in rentable square footage after accounting for changes in assumptions about the square footage per job, which are based on projections provided by Bedrock.
- In general, most assumptions about the amount of square footage per job are either unchanged from the initial analysis or have risen, i.e. there are fewer expected employees for a given amount of SF. For example, in the initial analysis, Bedrock assumed that the Hudson's site would

host approximately one office job for every 200 SF. Bedrock now expects about one office job for every 236 SF.

- In the original analysis, we used Bedrock’s own assumptions regarding tenant vacancy. Bedrock’s vacancy assumptions, however, have changed significantly since the original analysis for office employment across the development sites. For instance, the developers expect 0 percent ongoing vacancy for both the Hudson’s and OCM sites, as opposed to 10 percent in the original analysis. We continue to use the original vacancy assumptions beginning with the second year of operation and beyond to maintain conservative estimates of the fiscal and economic impacts to the state of Michigan.
- For the REMI model, direct jobs in soft retail, hotel, food & beverage, and events & exhibitions line up well with the industries that are represented in the model. In contrast, the office industry encompasses six major NAICS industries: Information (two-digit NAICS code 51); Finance and Insurance (52); Real Estate and Related (53); Professional and Technical Services (54); Management of Companies (55); and Business Support Services (three-digit NAICS code 561). In our version of the REMI model, these six industries are disaggregated into thirteen industries. Because the exact distribution of office activity will not be known until the developments are complete and tenants have moved in, we estimate employment shares for the thirteen “office” industries using 2019 QCEW annual average data for Wayne County.
- After accounting for the updated occupancy and SF/job assumptions, we expect total direct employment at the three sites to be 406 jobs lower by the time direct employment has achieved its long-run stabilized level (in the year 2026) compared with the original analysis. Still, the increase in office space brings 291 additional office jobs to the TBP sites. Office jobs are less likely to displace pre-existing jobs in the state than new direct jobs in the other industries. The number of direct jobs in every other industry is expected to decrease compared with the original analysis.

Other Model Inputs

- We updated the **wage adjustment** based on the current REMI model and the revised employment and wage projections from Bedrock. As in the original analysis, we are reducing expected wages relative to what the REMI model expects for Wayne County, but the reduction is less than it was for the first TBP impact analysis.
- We used data provided by Bedrock to update **producer durables** and **non-residential tenant improvements**. The amount of expected producer durable and non-residential tenant improvement spending has increased from the original analysis.
- For the Hudson’s site, residential units are no longer planned to be rented and are now expected to be sold. In our previous analysis, we estimated annual **residential tenant improvements** based on expected total annual rental payments. To estimate annual residential tenant improvements for homeowners, we use data from the Joint Center for Housing Studies of Harvard University (JCHS). In its [“2021 Improving America’s Housing”](#) report, the JCHS estimate that average per-owner home improvement spending in Detroit was \$2,284 in 2019. We combine that estimate with the overall U.S. average annual increase in home improvement spending of 2.6% between 2016 and 2019 to forecast residential TI over the REMI simulation horizon.

- As in the original analysis, we make **income adjustments** in the REMI model to account for the fact that residents of the new Bedrock developments will typically have higher incomes than the average resident of Wayne County. We make this adjustment using the same methodology as in the original TBP analysis, but we have updated the calculation to use more current data. We used data from the IRS and the Census Bureau to estimate that 31.6 percent of the residents of Bedrock’s developments will either come from out of state or be people who would have relocated outside of the state in the absence of the developments.⁶ We combine that estimate with Bedrock’s projections for resident household income and an assumed 2 percent growth rate per year to calculate our forecast of the extra household income for net new residents at the proposed sites. Bedrock’s revised projections assume that residential vacancy will be 0 percent for the Hudson’s site on an ongoing basis, as opposed to 5 percent in the original analysis. We have kept the original 5 percent assumption to be conservative.
- The **brownfield amenity effect**, which measures the benefit to local property of cleaning up and revitalizing a brownfield, is computed in the same manner as in the original TBP impact assessment.
- We no longer estimate a **tourism spending effect**. That input was based on the planned “skydeck” at the Hudson’s site in the original analysis and was intended to be a conservative estimate at that time as well. Because the skydeck is no longer part of the Hudson’s site plans, we removed consideration of tourism spending. Our economic and fiscal impacts will represent an underestimate to the extent that the Bedrock TBP will either generate tourism from out-of-state travelers or cause Michigan residents to make trips to Detroit instead of spending money outside of the state.
- In the revised pro forma statements and other documentation that we received from Bedrock, the expected annual receipts of **TBP incentives** was modified from the original analysis. Bedrock currently plans to shift some of the incentive capture it initially requested for the Monroe Blocks site to the Hudson’s and OCM sites, but not to increase the overall level of incentives. In this analysis, however, we are required to maintain the original assumptions for the Monroe Blocks site. If we used the full requested revisions to the Hudson’s and OCM incentive request schedules, however, while keeping the Monroe Blocks unchanged, the full total incentive amount across all four sites would be greater than the initially approved amount. Therefore, to keep the total incentive level from rising above the original approved amount in our analysis and in consultation with MEDC, we use the revised schedule, but we cut off incentives from the end of the incentive period for the Hudson’s, OCM, and Book Building and Tower sites. For those sites, all incentives expire in 2046 as opposed to the initial expiration year of 2052.

Results of the Revised Economic and Fiscal Impacts Analysis

We used the REMI PI+ model, version 2.5.0, to estimate the economic impacts of the Bedrock TBP over the period 2017–2052. As in the original analysis, we use a post-processing approach to translate the

⁶ Internal Revenue Service, 2021. SOI Tax Stats – Migration Data 2018-2019. Retrieved from:

<https://www.irs.gov/statistics/soi-tax-stats-migration-data-2018-2019>

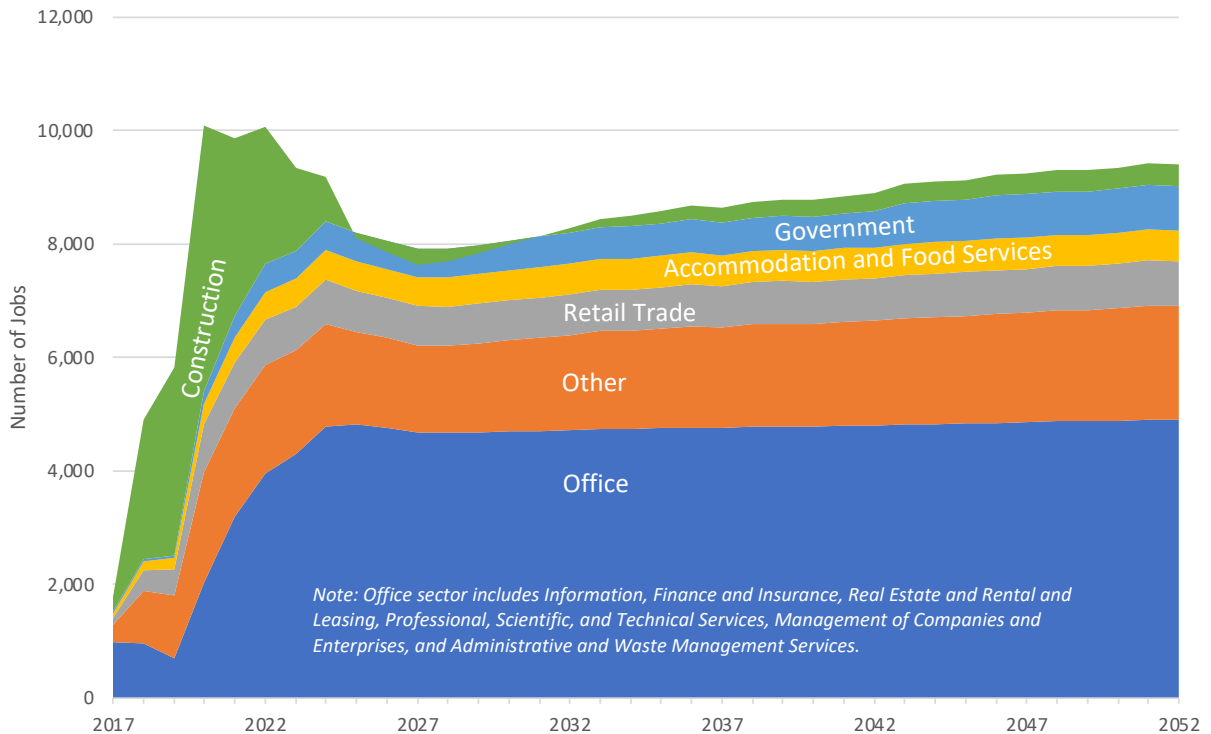
United States Census Bureau, 2021. CPS Historical Migration/Geographic Mobility Tables. Retrieved from:

<https://www.census.gov/data/tables/time-series/demo/geographic-mobility/historic.html>

REMI-estimated economic impacts into revenue impacts for the State of Michigan. See the original TBP analysis for a full discussion of the tax calculator methodology. Note that we present results for all four development sites combined in what follows.

Figure 1 displays our estimates of the proposed TBP’s effect on net jobs in the state of Michigan. The projected job additions are grouped into the Office, Retail Trade, Accommodation and Food Services, Construction, Government, and all other sectors.⁷

Figure 1
Statewide Net Job Additions



The estimated employment impact ramps up through 2022, as construction picks up at the four TBP sites. The increase in Construction sector employment peaks at 4,686 jobs in 2020, before falling to approximately zero by 2025 after the construction phase is complete (the employment totals for each category cannot be read directly from the figure because the categories are stacked). The operations phase also begins to kick off in 2020; combined with the construction jobs, the total estimated job impact peaks at 10,085 net job additions in 2020 and hovers at about that level through 2022. After the construction period finishes, the total job additions begin to fall, reaching 7,638 in 2027 before growing slowly to 9,400 in 2052.

⁷ The “Office” sector includes several sectors in the REMI model: Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services; Management of Companies and Enterprises; and Administrative and Waste Management Services. The “Other” sector comprises Forestry, Fishing, and Related Activities; Mining; Utilities; Manufacturing; Wholesale Trade; Transportation and Warehousing; Private Educational Services; Health Care and Social Assistance; Arts, Entertainment, and Recreation; and Other Services, except Public Administration.

Figure 2 displays our estimate of the increase in Michigan real personal income generated by the proposed TBP, measured in inflation-adjusted 2009 dollars. The increase in personal income rises rapidly during the construction period, reaching \$740 million in 2024 before settling to about \$700 million over 2025–2027. Approximately \$555 million of the increase in 2027 is wage and salary income. Given the total statewide increase in employment of 7,638 jobs in 2027, the average salary of the net new jobs generated by the proposed TBP is projected to be \$72,672 that year. That relatively high average salary reflects the large proportion of jobs generated in the Office sectors, including at the Bedrock Family of Companies. The increase in real personal income generated by the proposed TBP then rises over the remainder of the analysis period, with the projected increase in real incomes reaching over \$1.2 billion in 2052.

Figure 2
Increase in Michigan Real Personal Income

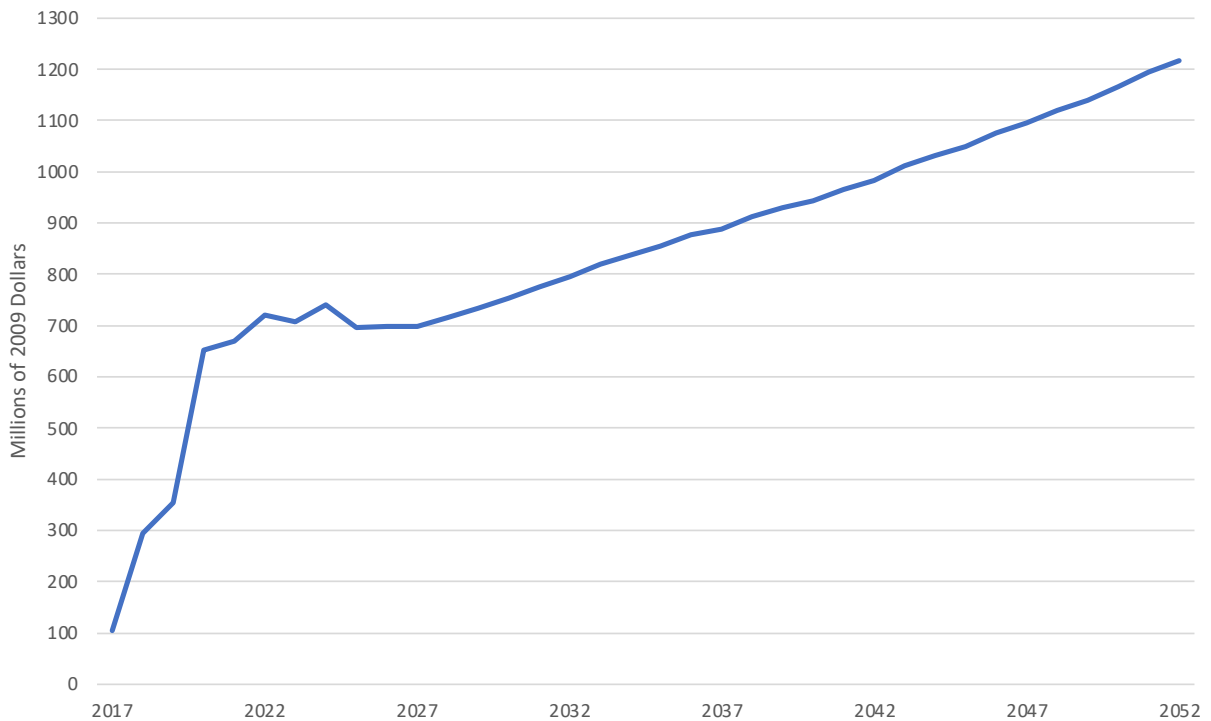
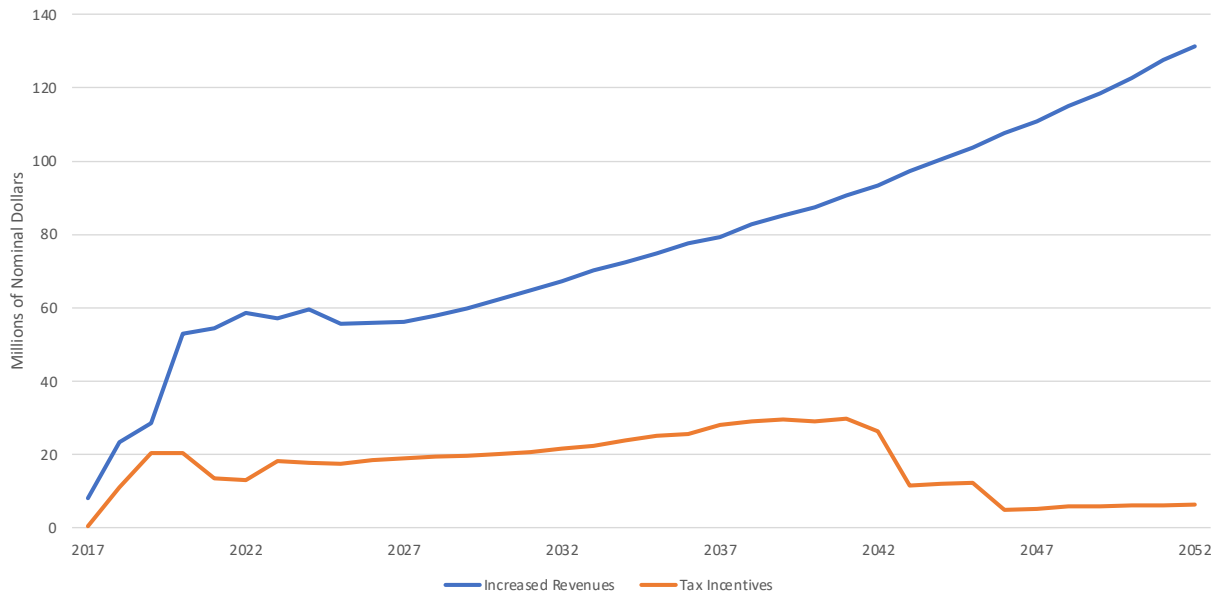


Figure 3 displays our estimates of the total increase in state tax revenues generated by the proposed TBP alongside the cost of the estimated tax incentives. Both amounts are expressed in nominal dollars (unadjusted for inflation).⁸ The value of the increased tax revenues is larger than the cost of the tax incentives in each year of the analysis period. The increase in state tax revenues rises rapidly during the construction phase, reaching \$59.7 million in 2024 while incentives total \$17.6 million. The spread between the increase in state tax revenue and the tax incentives received by Bedrock grows larger as the operation phase stabilizes at the TBP sites.

⁸ See Table 2 on the last page of this memo for a table displaying the numerical values for each year.

Figure 3
Michigan Tax Incentives and Increased Tax Revenues



Discounting both the value of the increased state tax revenues and the cost of the tax incentives at 6.0 percent per year, we project the present value as of 2017, expressed in 2017 dollars, of the increase in tax revenues to be \$950 million and the present value of the cost of the tax incentives to be \$267 million. Therefore, we estimate the net fiscal benefit to the state of the proposed TBP to be positive \$683 million. We estimate that the ratio of the increased tax revenues to the cost of the tax incentives generated by the proposed TBP to be 3.6 to 1.⁹

Figure 4 displays the sources of the projected increase in state tax revenue generated by the proposed TBP, scaled by the proportion of the total increase in the present value of revenues from each source. The personal income tax accounts for the largest increase in state tax revenues, 41 percent. Sales and use taxes account for an additional 34 percent of the increase, followed by business taxes at 9 percent, state property taxes at 7 percent, and gambling taxes at 4 percent. All other taxes account for 6 percent of the increase in state tax revenues.

⁹ Because the increase in tax revenues is projected to be greater than the cost of the tax incentives in every year, our conclusion that the proposed TBP will generate a positive fiscal benefit to the state does not depend on the discount rate. We have not modified the discount rate that we used in the original analysis.

Figure 4
Increased Michigan Tax Revenue by Tax, Present Value

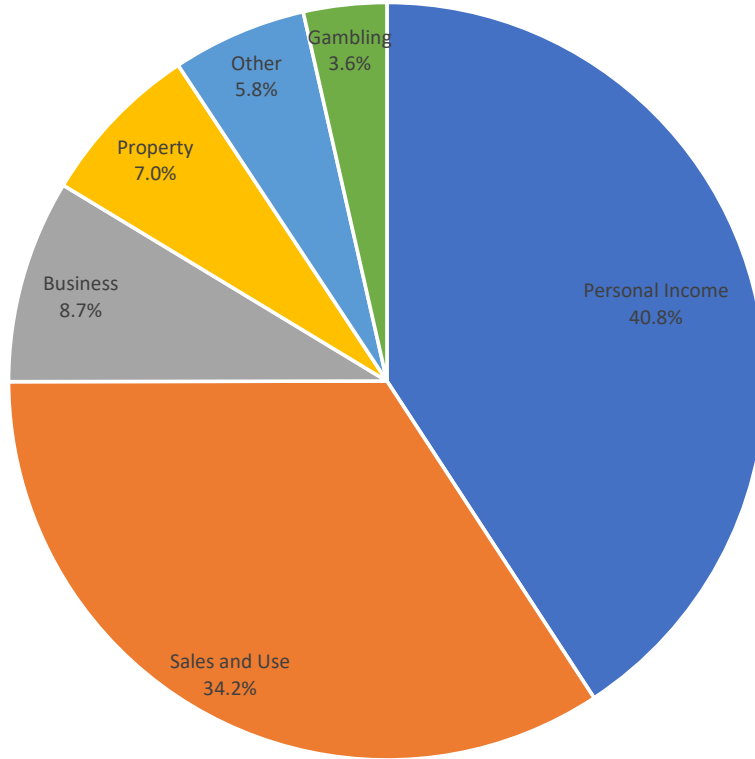


Table 2
Annual Estimates of the Increased Tax Revenues and the Cost of Tax Incentives
Generated by the Revised Bedrock TBP (Millions of Nominal Dollars)

	Increased Tax Revenues	Tax Incentives
2017	8.1	0.6
2018	23.5	11.1
2019	28.5	20.6
2020	52.9	20.5
2021	54.4	13.6
2022	58.5	13.1
2023	57.3	18.3
2024	59.7	17.6
2025	55.7	17.6
2026	56.0	18.5
2027	56.1	18.9
2028	57.9	19.4
2029	59.9	19.8
2030	62.3	20.2
2031	64.7	20.6
2032	67.3	21.6
2033	70.1	22.5
2034	72.3	23.9
2035	74.9	25.1
2036	77.7	25.7
2037	79.4	28.2
2038	82.7	29.0
2039	85.2	29.7
2040	87.5	29.1
2041	90.6	29.8
2042	93.4	26.5
2043	97.4	11.6
2044	100.6	12.0
2045	103.8	12.3
2046	107.6	5.0
2047	111.0	5.1
2048	115.0	5.8
2049	118.5	6.0
2050	122.7	6.1
2051	127.5	6.3
2052	131.3	6.4

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-126**

**APPROVAL OF A BROWNFIELD ACT 381 TRANSFORMATIONAL BROWNFIELD PLAN
AND ASSOCIATED WORK PLAN AMENDMENT
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
THE HUDSON’S SITE, MONROE BLOCKS, ONE CAMPUS MARTIUS EXPANSION, AND
BOOK BUILDING AND BOOK TOWER REDEVELOPMENT PROJECTS**

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

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

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

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

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

WHEREAS, the MSF approved a Transformational Brownfield Plan and Work Plan (the “Plan”) on May 22, 2018 for projects located at 1208 Woodward Avenue; 1000 Woodward Avenue; 1265, 1249, and 1201 Washington Boulevard; and 32, 100, 118, and 126 Monroe, 725 and 815 Bates, and 1000 Farmer Street within the City of Detroit, known as The Hudson’s Site, Monroe Blocks, One Campus Martius Expansion, and Book Building and Book Tower Redevelopment Projects (the “Project”);

WHEREAS, the MSF, City of Detroit Brownfield Redevelopment Authority (the “BRA”), Michigan Department of Treasury, and Bedrock Management Services, LLC entered into a reimbursement agreement for the project effective April 21, 2020;

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

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

- 1) Modification of square footages and programming for the Hudson Building site and Book Building/Book Tower site;
- 2) Allowance of the safe harbor calculation for income tax capture and withholding tax capture revenue streams attributable to the Hudson Building Site, Book Building/Book Tower site, and One Campus Martius Expansion provided that the maximum of \$307,977,593 in cumulative income tax capture revenues and withholding tax capture revenues (post-construction) remain unchanged for the TBP;
- 3) Allowance of up to 100% capture of Income Tax Capture revenue for the Plan provided that the maximum of \$307,977,593 in cumulative income tax capture revenues and withholding tax capture revenues (post-construction) remain unchanged for the TBP.
- 4) Updating the anticipated completion dates for the Hudson Building site from December 31, 2022 to December 31, 2024; One Campus Martius Expansion from December 31, 2019 to December 31, 2020; and the Book Building/Book Tower site from March 31, 2021 to December 31, 2022.

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Amendment Request to the Plan and Reimbursement Agreement; and

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2018-079 are reaffirmed, and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Matt Chasnis, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
Dana Thermal Products, LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$2,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 200 Qualified New Jobs and a capital investment of up to \$54,200,000 in the City of Auburn Hills, Oakland County.

Applicant History

The Applicant, a subsidiary of Dana Incorporated, is a global leader in thermal-management technologies for the mobility industry. The Company’s parent, founded in 1904 and headquartered in Maumee, OH, has continued to evolve with and supply to the mobility industry for more than 115 years. The parent employs over 40,000 people in 31 countries and ships to over 14,000 customers in 141 countries. The business spans across four segments: light vehicle, off-highway, commercial vehicle, and power technologies.

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

Project Description

The automotive industry is shifting from internal combustion engines to focus on sustainability and the electrification of vehicles. The Applicant anticipates one of its largest opportunities for growth is within the electrification market and is investing to position itself as a leader in electric-vehicle technologies as core customers and markets make the shift. As such, the Applicant is in the process of making business decisions related to its electric vehicle (EV) strategy.

The Applicant provides various thermal management technologies, including battery cooling plates, cold plates, and power electronics cooling, to global automakers. The products are designed to extract heat from lithium-ion battery cells to optimize EV performance and enable faster charging. In order to supply growing EV demand, the Applicant is seeking to establish a new battery cooling plate manufacturing operation.

The project would involve leasing a facility to support the manufacturing operations, which include brazing lines and associated stamping/post-powder coating. The project is expected to require approximately \$4 million of leasehold improvements to accommodate and upfit the manufacturing space and would also necessitate an additional \$40 million for necessary machinery and equipment.

The Company is considering the City of Auburn Hills for the project and anticipates the project will result in capital investment of up to \$54,200,000. The project will also result in the creation of up to 200 new jobs which exceed the County average wage.

Demonstrated Need

The Applicant is considering several location scenarios for this project, including existing locations within the Southeast United States and Canada, where this thermal technology is developed and currently being produced. In addition to an experienced and strong local labor pool in the alternative locations, operating cost structures in the alternative locations are favorable. Further, the Southeast U.S. region is home to a concentration of OEM EV manufacturing locations, in addition to key manufacturing locations within the Applicant's existing footprint.

Michigan is being evaluated for this project because of the manufacturing and engineering talent, as well as the proximity to some automotive customers. Given the cost competitiveness of the alternatives, incentive support in Michigan will be a critical factor as the Company's leadership evaluates the overall business case related to the potential for growth in Michigan.

Request

In order to secure the project, the Applicant is requesting a \$2,500,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The MBDP funds will help offset the cost of labor and allow the Company to establish its manufacturing facility and become a strong employer in the region.

Under the MSF Act, the MSF Board has the ability to determine which entity (or entities) it deems to be the qualified business. In this case, it could be the complete Dana umbrella of all facilities in the state, just the Applicant, or any other combination thereof. The qualified business must maintain the number of jobs the qualified business had in the state prior to the expansion or investment (the "Base Jobs") to receive disbursement for Qualified New Jobs. Qualified new jobs are those jobs in excess of the Base Jobs.

The Company requests that the Base Jobs be set at 186, which is the employee headcount under the Applicant, rather than including employees from sister organizations under the Dana umbrella. MEDC staff is supportive of establishing the Base Jobs for this project at 186, which reflects the employment at the Applicant's locations in Michigan. In addition to operating as separate and distinct entities, the positions created by this project will require a different skillset than what is required at the other locations and the likelihood of employees transferring to this site is minimal.

This project aligns with the MEDC's strategic focus area of supporting a business in the target industry of mobility and builds on the state's work to position itself as the global leader in the future of mobility and vehicle electrification. The proposed project will also impact the local region with near term job growth with a large and expanding automotive supplier. This facility will result in the creation of up to 200 qualified new jobs and up to \$54,200,000 in capital investment in the City of Auburn Hills, Oakland County.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-127**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
DANA THERMAL PRODUCTS, LLC**

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

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

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

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP;

WHEREAS, on December 8, 2020, by Resolution 2020-146, the MSF adopted an amendment to the guidelines for the MBDP (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1, 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 MBDP in accordance with the Guidelines (the “Delegation”);

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, Dana Thermal Products, LLC (“Company”) has requested a performance based MBDP Grant of up to \$2,500,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”) to establish new battery cooling plate manufacturing operations (the “Project”);

WHEREAS, pursuant to the Guidelines, 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 motor vehicle parts, an innovation industry;

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

WHEREAS, the MEDC recommends that the MSF approve the Grant 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 (“MBDP Award Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

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

Date: August 2, 2022

Company Name:	Dana Thermal Products, LLC and/or its affiliates and subsidiaries.
Project Location:	City of Auburn Hills
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$2,500,000
Base Employment Level:	At least 186, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs (“QNJ”):	Up to 200 Full-Time Jobs at the Project Location
Municipality Supporting Project:	The City of Auburn Hills has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	June 16, 2022 (date of accepted offer letter)
Term of the Agreement:	June 30, 2025
Milestone Based Incentive:	Disbursements will be made over a 2-year period, and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$12,500 per QNJ for the creation of a minimum of 70 jobs up to a maximum of 100 jobs. \$12,500 per QNJ for the creation of a minimum of 140 jobs up to a maximum of 200 jobs.

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

Acknowledged as received by:

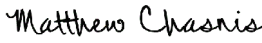
Dana Thermal Products, LLC

By:  _____

Printed Name: Ryan Pierson

Its: Assistant Treasurer

Michigan Economic Development Corporation

DocuSigned by:
 _____

Printed Name: Matthew Chasnis

Its: Business Development Projects Manager



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022
To: Michigan Strategic Fund Board
From: Terri Fitzpatrick, EVP | Chief Real Estate and Global Attraction Officer
Nicole Whitehead, Site Development Director
Subject: Transfer of Funds from Business Development Program Line Item to Michigan Build Ready Sites Program

REQUEST

The Real Estate Development team has been collaborating with the attraction team on several deals that need a large parcel of land. Through this work the Real Estate Development team has identified additional needs required to get three sites ready for development. To accomplish the site due diligence, the team would like to have \$5 million transferred into the Michigan Build Ready Sites program from the Business Development program.

BACKGROUND

Current projects in the MEDC's pipeline are requesting larger and more sites than usual. For Michigan to gain a competitive advantage when it comes to business attraction and expansion projects, it must assist with the development and/or enhancement of sites to make them investment ready and competitive for site selection projects.

Activities required to ensure a site is investment ready including site surveys, title work, land assembly/control/acquisition, environmental reviews, infrastructure analysis, preliminary engineering, site planning, utilities and energy analysis and engineering, water/waste-water analysis, traffic studies, flood plain review, geotechnical surveys, topographical mapping, entitlements, and other related studies and activities. There are several mega and strategic sites currently being investigated and the Build Ready Sites Program funding is depleted.

For example, on March 18, 2022, the Real Estate Development team accepted a request from Flint & Genesee Economic Alliance (Mundy Township Mega site ~981 acres) and Lansing Economic Area Partnership (Lansing Region Mega Site ~1,492 acres) for a site readiness grant in the amount of \$250,000 each. Also, the Real Estate team continues to work with City of Marshall (~1,600 acres) to get the mega site ready for development. Thus far Marshall has been awarded approximately \$1.2 million over the past four years and this site requires additional assistance.

The awarded funds listed above are being used to begin and complete the site due diligence and land acquisition process. All three sites are in consideration for various projects with large job creation and private investment. For example, one of the projects will create up to 5,641 jobs and up to \$50 billion investment. Through the site due diligence process the Real Estate Development team found that additional funds will be needed to complete a few eligible activities such as, water/wastewater analysis, traffic study, housing plan, flood plain review, Geotech survey, ALTA surveys, and topo mapping.

The SOAR legislation did not give immediate access to the MEDC for proactive site readiness activities. As quoted in the Strategic Site Readiness guidelines, to award SOAR/SSRP funds without a specifically identified end-user, the MSF, working in collaboration with the Eligible Applicant, shall prepare a mega-strategic site investment strategy and spending plan that details the sequence and cost of anticipated investments in the selected site, the benchmarks for bringing the site to a marketable condition, and the marketing strategy. Each plan must have the objective of establishing a certified mega-strategic site under a nationally recognized third-party certification program. The cost of studies, investigations, professional experts, and design and engineering necessary to create the plan, along with property control, can be \$1M+ depending on location and other factors.

RECOMMENDATION

The MEDC Staff recommends:

The transfer of \$5 million from the Business Development Program to the Michigan Build Ready Sites program. These funds will be provided to further site readiness efforts as indicated above and prepare more detailed spending plans for requesting SOAR/SSRP funds.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-128**

**ALLOCATION OF FUNDING TO THE
MICHIGAN BUILD READY SITES PROGRAM**

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

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

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

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

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

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

WHEREAS, on October 26, 2021, the MSF Board allocated \$66,890,000 for Business and Community Development Programs and Activities (the “FY22 Funding Allocation”)

WHEREAS, the MEDC recommends the MSF allocate \$5,000,000 from the FY22 Funding Allocation to the Build Ready Program (the “Build Ready Program Funding Allocation”);

WHEREAS, the MSF wishes to approve the Build Ready Program Funding Allocation.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Build Ready Program Funding Allocation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022
To: Michigan Strategic Fund Board
From: Chris Cook, Managing Director - Capital Access
Subject: *Private Activity Bond – Inducement
LG Energy Solution Michigan, Inc.
Sewage/Solid Waste - \$500,000,000*

Request

LG Energy Solution Michigan, Inc. (the “Company”), is seeking financing in connection with the Company’s manufacture of new long cell design batteries with improved energy density thanks to cutting-edge technologies that allow engineers to more fully utilize the space within the battery pack. The long cell design batteries are expected to advance electric vehicles (“EV’s”) driving range and energy storage systems (“ESS”) energy shortage, and, at the same time, simplify the overall structure of the battery pack.

The Company has indicated as the future of the electric vehicle industry grows, additional capacity afforded by this expansion allows for the production, testing and storage of materials needed for battery manufacturing. The project includes the expansion of current facilities and the construction of several new facilities in Holland, Michigan. Specifically, the expansion plan calls for adding a two-story building to its campus that is nearly 963,000 square feet. A warehouse, control room, cell test building, administrative office, utility and safety facilities are also included in the proposal. The facilities to be financed include, but are not limited to, sewage, wastewater treatment, and solid waste disposal facilities required in connection with the manufacturing of long cell design batteries.

The expansion facility will require, among others, systems for the collection and treatment of effluent produced at the site, along with wastewater “catch” systems for an industrial plant. In addition, there will be systems for capturing particulates produced in the manufacturing process within the facility and then potentially to capture particulates produced in the manufacturing process within the facility and then potentially to capture particulates that would be found in the exhaust of the facility.

Background

The Company was founded in 2020 as a wholly-owned subsidiary of its parent company, LG. The Company manufactures large lithium-ion polymer battery cells and packs for electric vehicles (EVs) and other energy storage applications.

The Michigan locations manufacture and research electric vehicle battery technologies for some of the most recognizable car brands in the country, including General Motors, Ford and Chrysler.

The Company currently employs 1,495 employees at its first EV battery plant in Holland, Michigan. The new \$1.7 billion investment, expanding the current factory, is expected to create approximately 1,200 new jobs. The new jobs will pay an average of \$65,000 per year.

Plan of Finance:

BofA Securities has indicated an interest in supporting this bond issue.

Recommendation

After reviewing the private activity bond application for the Company, staff finds this project meets the requirements for an Inducement Resolution in the amount of \$500,000,000.

MICHIGAN STRATEGIC FUND

**INDUCEMENT RESOLUTION
2022-129**

LG Energy Solution Michigan, Inc.

WHEREAS, LG Energy Solution Michigan, Inc. (the “Company”) a Michigan company, and a wholly owned subsidiary of LG, presently located at 1 LG Way, Holland, Michigan;

WHEREAS, the Company desires to expand its current facilities with the construction of several new facilities and purchase of equipment at its existing location in Holland, to allow for the production, testing and storage of materials needed for battery manufacturing, including the construction of certain sewage/wastewater treatment facilities and solid waste disposal facilities required in connection with the manufacturing of such batteries;

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

WHEREAS, the Company has advised the MSF that the cost of the Project will not exceed Five Hundred Million Dollars (\$500,000,000);

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

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141 and 144 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

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

1. The MSF intends to provide the Loan to the Company subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Company's Tax-Exempt Application Form dated June 28, 2022.
3. The maximum principal amount of the bonds (the "Bonds") expected to be issued to provide the Loan to finance the Project shall not exceed Five Hundred Million Dollars (\$500,000,000). 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, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Fredrick Molnar, Senior Vice President, Entrepreneurship and Innovation

Subject: Design for Michigan Manufacturing Program - Centrepolis Accelerator at Lawrence Technological University

Action

The MEDC requests that the Michigan Strategic Fund (“MSF”) Board allocate \$1,500,000 from the Jobs for Michigan investment fund (the “Permanent Fund”) for the statewide Design for Michigan Manufacturing Program administered by the Centrepolis Accelerator at Lawrence Technological University (“Centrepolis at LTU”), in accordance with the term sheet attached as Exhibit A to the Resolution (the “Request”).

Background

LTU is a private fully accredited university in Southfield, Michigan. It was founded in 1932 in Highland Park, Michigan, as the Lawrence Institute of Technology by Russell E. Lawrence. The university moved to Southfield in 1955 and has since expanded to 107 acres. With nearly 3,000 students representing 43 states and 48 countries, the university offers undergraduate, masters, and doctoral programs in science, technology, engineering, architecture and design, and mathematics fields.

Centrepolis Accelerator is a department of the LTU. Founded in 2018, Centrepolis was launched by the Michigan Economic Development Corporation, LTU & the City of Southfield as the only State incubator program solely focused on developing “hardware” technologies which includes 1) physical products; 2) advanced materials; and 3) manufacturing technologies. Centrepolis is house on the campus of LTU and the Executive Director, Dan Radomski, reports to the President of LTU, Dr Tarek Sobh.

Centrepolis’ Design for Michigan Manufacturing Program (DMMP) is an economic development program designed to develop and launch more products made in Michigan. DMMP provides critical design for manufacturability services to ensure products and technologies are developed to be durable, reliable and at the right price points to ensure sustainable businesses. This is accomplished by utilizing 30+ Manufacturing Experts in Residence (MEiRs), professionals with 20+ years of experience in design, engineering, materials, prototyping, testing, machine design, and production processes. This methodology has proven to ensure major cost reductions and improve durability of products. DMMP clients are also connected to promising hardware companies to Michigan manufacturers for both supplier and customer relationships. The program has now secured over 50 corporate manufacturing partners including General Motors, Ford Motor Company, Stellantis, Whirlpool, Stryker, Magna, Faurecia, Denso, Bosch Rexroth, Lear, CAT, Dow Chemical, Exxon Mobile, Shell, Guardian Industries, Siemens, Comau, Accenture, Global Tech Ventures, Prestige, Prefix, etc.

The program provides services to both start-ups as well as established businesses. Some of the best ideas for physical products, advanced materials and manufacturing technologies are generated from established business, especially small to medium sized manufacturers, yet there was no program in the State before Centrepolis to support these important companies and their ideas for new products. Approximately 40% of Centrepolis clients are established small businesses.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background review policy. No issues were identified.

Metrics:

The economic multiplier of supporting physical products has a measurable cascading impact to the local supply chain. There is a clear need for a program to support the physical product ideas developed on an annual basis from inventors, start-ups, university spin offs and established firms. The following key economic development metrics are directly attributable to the program over the last four years (2018-2022):

- Number of Companies Created = 58
- Products Commercialized = 203
- New Investment Capital into Companies = \$89M
- Number of New Patents = 255
- Number of Jobs Created = 387
- Average Salary = \$57,000
- Number of Contracts to Michigan Suppliers = 366
- Dollar Value of Contracts to Michigan Suppliers = \$24M

MEDC staff projects the following outcomes annually in the next three year period:

- 10+ new companies created or attracted to Michigan
- Over 30 clients provided with tactical and deep level services
- At least 70 jobs created and 300 of jobs retained and positively supported
- \$10M+ in new client capital
- \$5M+ in contracts to Michigan suppliers
- Over 30 of new commercialized products made in Michigan

Recommendation

The MEDC recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

RESOLUTION 2022-130

MSF AWARD TO THE CENTREPOLIS ACCELERATOR AT LAWRENCE TECHNOLOGICAL UNIVERSITY TO SUPPORT THE DESIGN FOR MICHIGAN MANUFACTURING PROGRAM

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

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

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

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

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

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

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

WHEREAS, Lawrence Technological University (“LTU”) created the Centrepolis Accelerator (“Centrepolis at LTU”) in 2018 as an incubator program focused on developing hardware technologies, including physical products, advanced materials, and manufacturing technologies;

WHEREAS, the Design for Michigan Manufacturing Program (“DMMP”) operated by Centrepolis at LTU is aimed at developing and launching more Michigan-made products, and provides design for manufacturability services to ensure products and technologies are developed to be durable, reliable and at the right price points to ensure sustainable businesses;

WHEREAS, the MEDC recommends that the MSF authorize an award to Centrepolis at LTU to support the DMMP as set forth in the term sheet attached as Exhibit A to this Resolution (the “Centrepolis at LTU Award”); and

WHEREAS, the MSF Board wishes to approve the Centrepolis at LTU Award.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Centrepolis at LTU Award; and

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022

Summary of Terms - Design for Michigan Manufacturing Program

This memorandum summarizes the key terms for the Design for Michigan Manufacturing Program (“DMMP”) Incentive.

Objective of the Program: To develop and launch more products made in Michigan. Financial ROI is the subordinate objective of this incentive.

Awardee: Centrepolis Accelerator at Lawrence Technological University (“Centrepolis at LTU”)

Amount: Allocation of \$1,500,000 (the “Incentive”) with the option to allocate additional funding throughout the term and subject to available funds at the sole discretion of the MSF Board.

Term: Initial term beginning October 1, 2022 through September 30, 2025, with the option to extend up to an additional five years (the “Term”).

Repayment: Centrepolis at LTU to repay entire Incentive plus a fee equal to one percent (1%) of the total Incentive amount (including any increases to the Incentive that the MSF Board may approve from time to time).

Duties/Milestones:

- a. Centrepolis at LTU will make equity free, zero interest investments (maximum \$50,000 per company) (the “Investment”) into Michigan-based advanced manufacturing companies (the “Companies”) to assist them in getting products to market. The Companies must pay back the Investment within 24 months and pay a fee based on a percentage of their gross revenue (the “Success Fee”) for the five-year period commencing on the date of the Investment. The Success Fee shall be calculated based on the following scale:
 - 1% of gross revenue if achieving \$0-\$49,999 annually
 - 2% of gross revenue if achieving \$50,000-\$99,999 annually
 - 3% of gross revenue if achieving \$100,000-\$149,999 annually
 - 4% of gross revenue if achieving \$150,000-\$199,999 annually
 - 5% of gross revenue if achieving \$200,000+ annually
 - Maximum annual Success Fee payable of \$20,000
 - Maximum Success Fee payable over 5-year term is \$50,000
- b. Centrepolis at LTU will submit semi-annual progress reports due on each April 15 and October 15 during the Term.
- c. Upon expiration of the Term, Centrepolis at LTU will submit annual progress reports to the MSF until the Incentive plus the one percent fee is fully repaid to the MSF.

Disbursements and Administrative Expenses:

- a. Initial Disbursement: An initial payment in the amount of \$500,000 in investment capital will be made within 30 days of the beginning of the Term.
- b. Subsequent Disbursements: Administrative Expenses will be paid on a reimbursement basis. Centrepolis at LTU may request additional funds to make investments throughout the Term, provided that it demonstrates that it has expended at least 90% of Incentive funds previously disbursed for company investments.
- c. Administrative Expenses. Not more than 20% of the Incentive funds may be used for administrative costs incurred by Centrepolis at LTU in administering the DMMP. Centrepolis at LTU's Administrative Expenses will be paid on a reimbursement basis. "Administrative Expense" includes expenses associated directly with program management, client relations, and fund management expenses, and overhead such as accounting for financial transactions, facility operations and other traditional overhead expenses.

Reinvestment and Distribution of Annual Returns

- a. During the Term, Centrepolis at LTU must reinvest Annual Returns. "Annual Returns" means the sum of the earnings, royalties, return on investments, Success Fees, return of principal, payments made, or other money received under agreements related to investments made by Centrepolis at LTU, calculated on an annual 12-month basis for the immediately preceding annual 12-month period ending June 30.
- b. Upon expiration of the Term and until the earlier to occur of (1) repayment to the MSF of the Incentive plus the one percent (1%) fee or (2) the tenth anniversary of the end of the Term, at which time Centrepolis at LTU shall pay the balance of the Incentive plus the 1% fee, Centrepolis at LTU shall use the Annual Returns as follows:
 - (i) First, 25% of the Annual Returns shall continue to be reinvested in Companies. After the 25% reinvestment requirement is met, up to an additional 20% of the Annual Returns may be used to cover Awardee's Administrative Expenses, subject to MSF review and approval..
 - (ii) Second, payment to the MSF based on the following sliding scale:

Amount of Annual Returns	Percent to MSF
\$0 - \$500,000	10%
\$500,000.01 - \$750,000	20%
\$750,000.01 - \$1,000,000	30%
\$1,000,000.01 - \$1,250,000	40%
\$1,250,000.01 - \$1,500,000	50%
Over \$1,500,000	60%

- (iii) Third, the remaining balance of the Annual Returns shall be paid to Centrepolis at LTU.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022

To: Michigan Strategic Fund Board

From: Chris Cook, Managing Director - Capital Access

Subject: *Private Activity Bond –
Authorization of Amendments or Revisions to Bond Documents Related to
Discontinuation of LIBOR*

Request

Staff requests that the Michigan Strategic Fund (the “Fund” or “MSF”) Board amend Delegation 125.2023-1 to authorize the MSF Fund Manager or the Fund’s Authorized Bonding Officer (each, an “Authorized Officer”) to execute and deliver any amendment, supplement or agreement necessary for modification of outstanding Variable Rate Bonds (as defined below) issued by the Fund for the transition of LIBOR to a Qualified Rate, which amendment, supplement or agreement, in the judgment of an Authorized Officer, in consultation with bond counsel and the State of Michigan Attorney General’s office, will have no material adverse effect on the Fund (the “Request”).

Background

The Fund has previously issued numerous series of revenue bonds bearing interest at a variable rate based upon the London Interbank Offered Rate (LIBOR) index (“Variable Rate Bonds”) for the financing of eligible projects, primarily in direct bond placement transactions with commercial lenders. Effective June 30, 2023, LIBOR will cease to be available as an interest rate index. As a result, the holders of such Variable Rate Bonds (primarily commercial lenders) are seeking to modify any outstanding Variable Rate Bonds that do not currently contain hardwired LIBOR transition provisions in order to provide for a qualified replacement interest rate index prior to the discontinuation of LIBOR.

The IRS has published final regulations on LIBOR transition which provide guidance on the tax consequences of the discontinuation of LIBOR and whether a modification of a debt instrument to replace LIBOR with a replacement rate, such as the secured overnight funding rate (SOFR) results in a taxable exchange (the “LIBOR Transition Regulations”). The intent of the LIBOR Transition Regulations is to facilitate the modification of a bond instrument to replace LIBOR with a “Qualified Rate” (as such term is defined in the LIBOR Transition Regulations) without it resulting in a tax realization event.

As a consequence of the discontinuation of LIBOR, substantially all of the outstanding Variable Rate Bonds issued by the Fund prior to 2020 may need to be modified to provide for the transition to a Qualified Rate. Such amendments or revisions may require amendments or revisions to the bond instrument, the trust indenture, the loan agreement or other bond documents related to such Variable Rate Bonds.

Delegated Authority:

On July 22, 2014, the MSF Board approved Delegation 125.2023-1 as follows:

125.2023-1 Bonds

(1) The MSF Fund Manager or the authorized bonding officer may execute bond documents and take all actions necessary or appropriate to administer bond transactions on behalf of the MSF.

Staff recommends approval of the Request which would amend Delegation 125.2023-1 as follows (changes in **bold**):

125.2023-1 Bonds

(1) The MSF Fund Manager or the authorized bonding officer may execute bond documents and take all actions necessary or appropriate to administer bond transactions on behalf of the MSF.

(2) The MSF Fund Manager or the authorized bonding officer may execute and deliver any amendment, supplement, or agreement necessary for modification of variable rate bonds issued by the MSF for the transition of LIBOR to a Qualified Rate (as such term is defined by the IRS in its published final regulations on the LIBOR transition), which amendment, supplement or agreement, in the judgment of the MSF Fund Manager or authorized bonding officer, in consultation with bond counsel and the State of Michigan Attorney General’s office, will have no material adverse effect on the MSF.

Recommendation

Based upon review and recommendation by the State of Michigan Attorney General's office, staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-131**

STRATEGIC FUND DELEGATION OF AUTHORITY

WHEREAS, the Michigan Strategic Fund (the “MSF”) is authorized by the Michigan Strategic Fund Act, as amended, MCL 125.2001 et seq. (the “Act”), to issue bonds for, among other things, the purpose of making loans to enterprises, to finance part of all of the project costs as defined in the Act and to pay costs of issuing bonds;

WHEREAS, under Section 5(7) of the Act, the MSF Board may delegate to its president, vice-president, staff or others those functions and authority the MSF Board deems necessary or appropriate;

WHEREAS, under Article II, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on April 22, 2014 (the “Bylaws”), the MSF Board may delegate by resolution those functions and authority it deems necessary or appropriate to the President, Vice-President, Staff, the MEDC, or others, unless otherwise prohibited by law;

WHEREAS, under Article III, 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, on July 22, 2014, the MSF Board approved Delegation 125.2023-1 which delegated authority to the MSF Fund Manager or the authorized bonding officer to execute bond documents and take all actions necessary or appropriate to administer bond transactions on behalf of the MSF (the “Delegation”);

WHEREAS, the MSF has previously issued numerous series of revenue bonds bearing interest at a variable rate based upon the London Interbank Offered Rate (LIBOR) index (the “Variable Rate Bonds”) for the financing of eligible projects, primarily in direct bond placement transactions with commercial lenders;

WHEREAS, effective June 30, 2023, LIBOR will cease to be available as an interest rate index, and as a result, the holders of such Variable Rate Bonds (primarily commercial lenders) are seeking to modify any outstanding Variable Rate Bonds that do not currently contain hardwired LIBOR transition provisions in order to provide for a qualified replacement interest rate index prior to the discontinuation of LIBOR;

WHEREAS, staff recommends that the MSF Board amend the Delegation to authorize the MSF Fund Manager or the MSF’s Authorized Bonding Officer (each, an “Authorized Officer”) to execute and deliver any amendment, supplement or agreement necessary for modification of outstanding Variable Rate Bonds issued by the MSF for the transition of LIBOR to a Qualified Rate, which amendment, supplement or agreement, in the judgment of an Authorized Officer, in consultation with bond counsel and the State of Michigan Attorney General’s office, will have no material adverse effect on the MSF (the “Request”); and

WHEREAS, the MSF Board wishes to approve the Request in accordance with the terms and conditions of this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the MSF Board approves the Request by amending the Delegation, effective August 23, 2022, as follows:

125.2023-1 Bonds

(1) The MSF Fund Manager or the authorized bonding officer may execute bond documents and take all actions necessary or appropriate to administer bond transactions on behalf of the MSF.

(2) The MSF Fund Manager or the authorized bonding officer may execute and deliver any amendment, supplement, or agreement necessary for modification of variable rate bonds issued by the MSF for the transition of LIBOR to a Qualified Rate (as such term is defined by the IRS in its published final regulations on the LIBOR transition), which amendment, supplement or agreement, in the judgment of the MSF Fund Manager or authorized bonding officer, in consultation with bond counsel and the State of Michigan Attorney General's office, will have no material adverse effect on the MSF.

BE IT FURTHER RESOLVED, the MSF President shall compile and publish the above delegated authority in the SFCR as required under Article III of the Bylaws.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier

Nays: None

Recused: None

Lansing, Michigan
August 23, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

A handwritten signature in blue ink that reads "Paul C. Ajegba".

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

Quentin Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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

Sincerely,

A handwritten signature in cursive script that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: August 23, 2022
To: Michigan Strategic Fund Board
From: Chris Cook, Managing Director – Capital Access
Suzanne Perreault, Manager – Small Business Services
Subject: Creation of SSBCI 2.0 Technical Assistance Program and Guidelines

Request

Staff recommends that the Michigan Strategic Fund (the “MSF”) Board take several actions related to the MSF’s potential receipt of SSBCI 2.0 Technical Assistance (“TA”) Funding (“the “TA Funding”). This includes the creation of the MSF SSBCI Technical Assistance Program (the “SSBCI 2.0 – TAP”), approval and adoption of the guidelines (the “Guidelines”), a delegation of authority to the MSF President or MSF Fund Manager to execute all documents necessary for MSF to receive funding and effectuate approved awards, and a delegation of authority to the MSF President or MSF Fund Manager to approve SSBCI 2.0 TAP grants.

Background

On March 11, 2021, the American Rescue Plan (“ARP”) was signed into law. Among the actions included in ARP was a reauthorizing of the State Small Business Credit Initiative (“SSBCI 2.0”). SSBCI 2.0 is a federal program administered by the US Department of Treasury (“Treasury”) that is intended to expand access to capital, promote economic resiliency, create new jobs, and increase economic opportunity. Michigan will receive up to \$237,990,950 in funding provided through SSBCI 2.0 for operation of its capital programs, based on an allocation agreement which was executed between Treasury and MSF on May 18, 2022. Additionally, Treasury intends to award an additional \$200 million in TA Funding for operation of TA programs which will be available for distribution to states, the District of Columbia, territories, and Tribal Governments. The proposed SSBCI 2.0 TAP will allow approved awardees to operate TA programs for the provision of legal, accounting, and financial advisory services to small businesses. Treasury has announced an allocation to Michigan of up to \$5,290,414 of the initial \$200 million in TA Funding (the “MI TA Funding”), contingent upon approval the MSF’s application by Treasury.

Staff proposes to increase the availability of TA to small businesses by providing the MI TA Funding through grants to eligible TA providers throughout the state. Eligible TA providers will be selected by MSF based on responses provided through a competitive open application process. Selected grant recipients will use MI TA Funding in accordance with the Guidelines to provide legal, accounting, and/or financial advisory services to qualifying small businesses.

The SSBCI 2.0 TAP shall prioritize services that meet MSF goals including increasing awareness and readiness to apply for capital, the successful acquisition of capital, and support throughout the length of the loan, increased financial and business management skills of SEDI-owned and very small businesses, and geographic coverage across the State.

Federal Requirements of SSBCI 2.0

SSBCI 2.0 is designed to increase the availability of capital to small businesses through loans and equity investment that would otherwise not be available in the market through conventional terms. The MI TA Funding is required to serve eligible beneficiaries including (1) those businesses owned by social and economically disadvantaged individuals (“SEDI”) and/or very small businesses (“VSB”) which is defined as businesses having 10 employees or less. SEDI businesses are defined as small businesses owned by individuals that have faced barriers to access the capital, markets, and networks they need to grow their businesses because of certain statuses or membership in certain groups, including membership in a group that has been subjected to racial or ethnic prejudice or cultural bias within American society; and (2) small businesses in CDFI Investment Areas, which are generally low-income, high-poverty geographies that receive insufficient support for the needs of small businesses, including minority-owned businesses. In addition, businesses must be applying for, preparing for, or have previously applied for a SSBCI 2.0 capital program or other federal or other jurisdiction small business program in order to receive TA services.

The MSF has been designated as the entity which will administer the MI TA Funding on behalf of Michigan through the SSBCI 2.0-TAP.

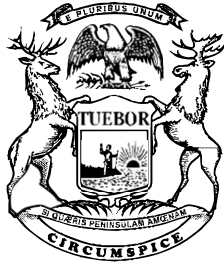
Delegation of Authority

As a part of the approval of program guidelines and authority for the SSBCI 2.0 TAP, staff requests that the MSF Board provide delegated authority to the MSF Chairperson or MSF Fund Manager to make awards under the SSBCI 2.0-TAP, to further negotiate SSBCI 2.0 TAP grant agreements with eligible TA providers, and to execute all final documents with US Treasury related to the MI TA Funding.

Recommendation

MEDC staff recommends approval of the following related to the SSBCI Technical Assistance Programs:

- Creation of the SSBCI 2.0 TAP
- Approval and adoption of the Guidelines
- Delegation of authority to MSF President or MSF Fund Manager to effectuate all final documents with Treasury for the MI TA Funding
- Delegation of authority to the MSF President or MSF Fund Manager to make decisions with respect to SSBCI 2.0-TAP grants



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: August 23, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from July 1, 2022 to July 31, 2022, as well as information about the impact that those projects have had on communities across the state.

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

As always, we are committed to evaluating the ways in which we can continue to ensure we are transparent and accountable to Board members moving forward. Please let me or Val Hoag know if you have any questions or comments about this new reporting layout or with the contents of these reports.

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from July 1, 2022 to July 31, 2022.

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

MONTHLY IMPACTS

We are pleased to share the July delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout July 2022, 34% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all July approved projects through delegated authority have committed to create just over 190 jobs and over \$136 million in private investment.

MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during July 2022, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

The Michigan Business Development Program is available from the MSF, in cooperation with MEDC. The program is designed to provide grants, loans or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Niagara Bottling	7/21/2022	Shelby Township	\$350,000	Michigan Business Development Program - Beverage maker Niagara Bottling is establishing a new manufacturing facility in Shelby Township with support from the Michigan Strategic Fund. The project is expected to generate a total capital investment of up to \$103.6 million and create at least 50 jobs, supported by a \$350,000 Michigan Business Development Program performance-based grant. Niagara chose Michigan for the project over competing sites in other states.

Jobs Ready Michigan Program

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
C & S Machine Products, Inc.	7/20/2022	Bertrand Township	\$750,000	C&S Machine Products, founded 1966 in Buchanan, manufactures ultra-precision components for a variety of industries. Historically, the company has specialized in aerospace components. The company moved from Buchanan to Bertrand Township in 2016, where it currently employs 106 people. The company is expanding its operations in Bertrand Township (Berrien County) with support from the Michigan Strategic Fund. The project is expected to generate a total capital investment of \$34.5 million and create up to 85 high-wage jobs, supported by a \$750,000 Jobs Ready Michigan performance-based grant. Michigan was chosen for the project over several competing sites in Indiana.

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 – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Mercato Place, LLC	7/8/2022	Zeeland	\$199,600	Mercato is a distributor / warehouse with office operations located in Zeeland. Mercato Place is working with Mercantile Bank to establish a working capital line of credit. Due to a collateral shortfall Mercantile is requesting assistance from the SSBCI CSP.
W-L Molding Company	7/21/2022	Portage	\$800,000	W-L Molding of Michigan, LLC (WLM) is a plastic injection molding company that has been in business since 1945. WLM serves many different industries including consumer products, industrial, furniture, and other markets. Citizens Bank is providing a line of credit n to W-L Molding of Michigan for working capital needs. Due to collateral shortfall the bank is requesting assistance from the MBGF CSP.

Brownfield Tax Increment Financing (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
Jefferson Holcomb Development, LLC	7/5/2022	Wayne	\$154,129	The Michigan Strategic Fund board supported a community development project located in the City of Detroit that will include a new two-story mixed-use building, rehabilitation of an existing building and creation of a community gathering space that together represents \$2.4 million in total capital investment. The buildings will include four retail bays, cafe, roof deck and outdoor courtyard space. The project was supported with \$154,129 in Brownfield Tax Increment Financing state tax capture.

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
Airflow Sciences Corporation - International Market Campaign ASE and Azore	7/6/2022	Livonia	\$6,600
AMBE Engineering, LLC - Farnborough International Airshow	7/14/2022	Northville	\$4,956
Backyard Brains, Inc - Forum of European Neuroscience	7/14/2022	Ann Arbor	\$7,149
Blue Photon Technology & Workholding Systems, LLC - IMTS in Chicago	7/8/2022	Shelby	\$15,000
Chrysan Industries, Inc. - South Korea Trade Mission	7/21/2022	Plymouth	\$10,785
Component Solutions - International Woodworking Fair	7/8/2022	Menominee	\$2,369
Devereaux Sawmill, Inc. - Sales Trip Austria and UK	7/7/2022	Lyons Township	\$5,234
Electro-Matic Products, Inc. - Hannover Messe Automation Alley	7/8/2022	Farmington Hills	\$6,990
Fairrer Samani Group - Canada North East Sales Trip	7/18/2022	River Rouge	\$1,821
Fairrer Samani Group - USDOC Trade Mission to India	7/18/2022	River Rouge	\$7,963
FlexPost Inc. - IFMA International Tradeshow TN	7/7/2022	Holland	\$9,678
Healthmark Industries Co, Inc - FIME	7/25/2022	Fraser	\$9,893
IMPCO Microfinishing - Country local websites and redesign	7/26/2022	Lansing	\$6,488
Maelstrom Chemical Technologies, LLC - Q3 Fastener and Fixing Print Ad Podcast	7/7/2022	Shelby Twp	\$2,100
MIC Customs Solutions - 2022 ICPA Canada Conf	7/18/2022	Southfield	\$6,149
National Research Company - CDDA Annual Meeting	7/27/2022	Chesterfield	\$3,431
Oak Press Solutions Inc - ELBC Battery Conference France	7/8/2022	Sturgis	\$9,444
OG Technologies - Mexico Sales Trip	7/25/2022	Ann Arbor	\$1,910
Oxford Biomedical Research, Inc.	7/14/2022	Rochester Hills	\$1,808
Oxus America, Inc - Sales Trip to Belgium	7/26/2022	Auburn Hills	\$2,996
SNA Sports Group LLC - Intl Assoc of Venue Managers Conf AZ	7/26/2022	Grand Rapids	\$7,371

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
United Precision Products Company - Farnborough International Airshow	7/26/2022	Dearborn Heights	\$10,334
VS Aviation LLC - Farnborough International Airshow 22	7/26/2022	Grand Rapids	\$5,712
Weldaloy Products Co.	7/8/2022	Warren	\$10,568

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in July 2022.

Michigan Business Development Program (MBDP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
RPM Freight Systems, LLC	7/3/2022	Royal Oak	Forbearance on repayment for period of 2 years and elimination of Milestones 2 – 5
Almond Products, Inc.	7/19/2022	Spring Lake Township	Extends Milestone 3 from June 30, 2022 to June 30 2023; extends grant term from December 30, 2022 to December 30, 2023.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from July 1, 2022, to July 31, 2022, for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

BD Awardee Relief

From July 1, 2022, to July 31, 2022, the MSF Awardee Relief Program had no amendments.

CD Awardee Relief

From July 1, 2022, to July 31, 2022, the MSF Awardee Relief Program had no amendments.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

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

MSF Confidentiality Memos



As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

Via MCL 125.2005(9), as amended by Public Act 251 of 2011, information of a financial or proprietary nature considered by the applicant as confidential and acknowledged as confidential by the Michigan Strategic Fund Board or its designee is exempted from disclosure by the Michigan Freedom of Information Act, Public Act 442 of 1976, as amended. On February 27, 2012, the MSF Board approved by resolution the delegation of this authority to the MSF Fund Manager, who acknowledges the confidentiality of eligible information on behalf of the MSF Board by executing a confidentiality memo.

Approvals by Authorized Delegate

During the period between July 1, 2022, and July 31, 2022, the following confidentiality memos were approved by the MSF Fund Manager:

Company Name and Location	Overview of Confidential Information
Waymo, LLC 1840 Holbrook Ave Detroit, MI 48211	Staffing/employment agreements; internal human resource and payroll records.
Mercato Place LLC 8191 Logistics Drive, Zeeland, Michigan 49464	Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.
Component Engineering Solutions 1740 Chicago Dr. SW, Wyoming, Michigan 49519	Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.