

**MICHIGAN STRATEGIC FUND
PROPOSED MEETING MINUTES
August 23, 2016**

Members Present

Steve Arwood
Dan Boge
Stephanie Comai (on behalf of Director Edgerton)
Andrew Lockwood (on behalf of Treasurer Khouri)
Terri Jo Umlor
Jody DePree Vanderwel
Shaun Wilson
Wayne Wood

Members Absent

Paul Anderson
Larry Koops

Mr. Arwood called the meeting to order at 10:00 am.

Public Comment: Mr. Arwood asked that any attendees wishing to address the Board come forward at this time. No public comment.

Mr. Arwood recognized Andrea Robach for her service to the Board and thanked her for a job well done. He introduced Jennifer Tebedo as the new MSF Administrator.

Mr. Arwood recognized the following legislator and legislative staff in attendance: Senator Dale Zorn and Morgan Pickering on behalf of Representative Nancy Jenkins speaking in support of the Inteva project in Adrian under Business Growth on the agenda. Written comments and letter of support are attached.

Communications: Jennifer Tebedo, MSF Administrator, advised the Board of the following changes to the agenda: the Tool & Die Recovery Zone Policy item under Administrative has been withdrawn and will be considered at the September meeting; the American Center for Mobility item has been moved from the Consent Agenda to Administrative; and a FY 2017 MSF Budget Overview by the Chief Financial Officer has been added under Informational. An updated agenda was provided to the Board at the table.

Mr. Arwood congratulated and thanked staff for their continued work with the Michigan Department of Natural Resources on the Memorandum of Understanding (MOU), an item under the Consent Agenda.

A. CONSENT AGENDA

Resolution 2016-130 Approval of Consent Agenda Items

Mr. Arwood asked if there were any questions from the Board regarding the items under the Consent Agenda. There being none, Dan Boge motioned for approval of the following:

Proposed Meeting Minutes – **July 26, 2016**

Pixel Velocity, Inc. – Loan Amendment – **2016-131**

Everist Genomics, Inc. – Loan Amendment – **2016-132**

Woodward Brown Associates, LLC – City of Birmingham – MCRP Amendment – **2016-133**

Lofts on Michigan, LLC – Grand Rapids – MCRP Amendment – **2016-134**

Mid Towne Hospitality, LLC – Grand Rapids – MCRP Amendment – **2016-135**

Marketing Memorandum of Understanding with DNR – MOU – **2016-136**
Niowave – MBDP Amendment – **2016-137**
Networks Northwest – PTAC Grant Amendment – **2016-138**

Terri Jo Umlor seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Mr. Arwood recused from next item, leaves the room. Wayne Wood acted as Chairman during this time.

B. ADMINISTRATIVE

Resolution 2016-139 American Center for Mobility – Board of Directors Designees

Eric Shreffler, Director Automotive Programs, provided the Board with information regarding this action item. Following brief discussion, Dan Boge motioned for the approval of Resolution 2016-139. Stephanie Comai seconded the motion. **The motion carried: 7 ayes; 0 nays; 1 recused.**

Mr. Arwood rejoined the meeting.

C. BUSINESS INVESTMENT

C1. Entrepreneurship

Resolution 2016-140 University of Michigan Battery User Facility – 21st Century Grant

Eric Shreffler, Director Automotive Programs, provided the Board with information regarding this action item. Following brief discussion, Wayne Wood motioned for the approval of Resolution 2016-140. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

C2. Business Growth

Resolution 2016-141 Council of Great Lakes Governors – FY17 Contract Extension

Jeanne Broad, Director International Trade, provided the Board with information regarding this action item. Following brief discussion, Andrew Lockwood motioned for the approval of Resolution 2016-141. Shaun Wilson seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-142 Inteva Products LLC – MBDP Incentive

Trevor Friedeberg, Business Development Project Manager, provided the Board with information regarding this action item. Following brief discussion, Dan Boge motioned for the approval of Resolution 2016-142. Wayne Wood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

C3. Access to Capital

Resolution 2016-143 Holland Home – Bond Inducement

Chris Cook, Director Capital Programs, provided the Board with information regarding this action item. Following brief discussion, Andrew Lockwood motioned for the approval of Resolution 2016-143. Wayne Wood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-144 F.P. Horak Company/H&J Realty– Bond Authorizing

Chris Cook, Director Capital Programs, provided the Board with information regarding this action item. Following brief discussion, Stephanie Comai motioned for the approval of Resolution 2016-144. Wayne Wood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Steve Arwood, Dan Boge, Stephanie Comai (on behalf of Director Edgerton), Andrew Lockwood (on behalf of Treasurer Khouri), Terri Jo Umlor, Jody DePree Vanderwel, Shaun Wilson, Wayne Wood; Nays: None; Recused: None

D. COMMUNITY VITALITY

Resolution 2016-145 Market Avenue Place LLC/City of Grand Rapids – Act 381 Work Plan

Ryan Kilpatrick, Community Assistance Team, provided the Board with information regarding this action item. Following brief discussion, Stephanie Comai motioned for the approval of Resolution 2016-145. Dan Boge seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-146 Green Cane Property/City of Grand Rapids – Act 381 Work Plan

Ryan Kilpatrick, Community Assistance Team, provided the Board with information regarding this action item. Following brief discussion, Andrew Lockwood motioned for the approval of Resolution 2016-146. Stephanie Comai seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

E. IMAGE/STATE BRANDING

Resolution 2016-147 Public Relations RFP – Award Recommendation

Emily Guerrant, Vice President Marketing, Communications & Public Relations, provided the Board with information regarding this action item. Following brief discussion, Wayne Wood motioned for the approval of Resolution 2016-147. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-148 Business Marketing RFP – Award Recommendation

Emily Guerrant, Vice President Marketing, Communications & Public Relations, provided the Board with information regarding this action item. Following brief discussion, Dan Boge motioned for the approval of Resolution 2016-148. Wayne Wood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2016-149 Travel Marketing RFP – Award Recommendation

Kelly Wolgamott, Director Travel Michigan, provided the Board with information regarding this action item. Following brief discussion, Wayne Wood motioned for the approval of Resolution 2016-149. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

F. INFORMATIONAL

FY 2017 Budget Overview

Amanda Bright McClanahan, Chief Financial Officer, provided the Board with an overview of the FY 2017 MSF Budget. The handout that was provided to the Board at the table is attached.

Mr. Arwood adjourned the meeting at 11:13 am.

Dale W. Zorn
Senator District 17
Michigan Strategic Fund Board Meeting
Inteva Expansion
August 22, 2016

Thank you for allowing me to testify at this hearing concerning a request from the Inteva Products LLC in Adrian, Lenawee County for a request for \$1.27 million from the Michigan Business Development Program incentive.

There is great economic growth happening throughout Southeast Michigan, the same holds true in Adrian. Downtown Adrian is seeing major investment in restoring and rehabilitating historic properties that will make the area a better place to live, work, and shop.

Public/private relationships have transformed the county into a place of new development and most importantly, jobs.

The unemployment rate in Lenawee County is at 4.1% the lowest since April of 2001.

Adrian has a long history of automotive manufacturing and the area has been home to this company in one form or another for many years.

From the old Fisher Body plant to the Inteva plant of today, Adrian automotive plants has contributed to the region, our state and our country's success.

Inteva is a leading global automotive supplier providing automakers with innovative, reliable, and environmentally friendly products that enhance vehicle quality, safety and performance.

It is global resource for O.E.M. products such as interior systems, electric motors, electronics, and roof systems.

Since 2008, the tier-one supplier has focused on achieving sustainable local and global growth.

It employs more than 11,000 people in 18 countries and is headquartered in Troy, Michigan.

Inteva has achieved great success in automotive innovation, and supplying automotive manufacturer's (O.E. M.) quality components.

That success has earned the Adrian plant the General Motors "2012 Platinum Supplier Status"; in 2016 they received top honors from CLEPA (European Association for Automotive Suppliers) for product innovation; and were recognized as one of Ohio's best employers in 2016.

This request comes as the result of new company contracts and is in support of a \$32 million expansion project that will support new automotive technologies, and have the potential to create up to 127 jobs. And that is what it's about JOBS!

The community and I are in full support of this project.

Again, thank you for this opportunity to speak on behalf of this project and the Lenawee community.



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MICHIGAN HOUSE OF REPRESENTATIVES

NANCY E. JENKINS
STATE REPRESENTATIVE
DEPUTY MAJORITY WHIP

APPROPRIATIONS
SUBCOMMITTEES:
STATE POLICE (VC)
MILITARY AND
VETERANS AFFAIRS (VC)
AGRICULTURE AND
RURAL DEVELOPMENT
JUDICIARY
TRANSPORTATION

August 23, 2016

Mr. Steve Arwood, Director
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, Michigan 48913

Dear Mr. Arwood:

I am writing today in support of the Inteva Products, LLC's request for a \$1.27 million Michigan Business Development Program incentive that will support an expansion project in the City of Adrian. I apologize I am not able to be with you in person.

Since 2008 when Inteva located a plant in Adrian, the company has been an important economic driver in Lenawee County. Although Lenawee was hit hard by the economic downturn of our state during the "lost decade," Inteva has remained one of our county's top employers. Records indicate that in 2012, Inteva employed nearly 200 people at its Adrian location, which manufactures automotive interior parts, particularly instrument panels for General Motors pickup trucks.

Inteva's request for a \$1.27 million Michigan Business Development Program incentive, along with the company's own planned investment of \$32 million will allow the Adrian plant to expand and create new programs as a result of newly awarded automotive contracts. Seventy-seven jobs are anticipated to be created, with the potential for up to 127 jobs. The investment and resulting job creation will help to improve the economic climate in Lenawee County.

Thank you for your consideration of Inteva Products, LLC's request for a \$1.27 million Michigan Business Development Program incentive. I encourage your support.

Sincerely,

Nancy Jenkins
State Representative
District 57

**Michigan Strategic Fund
Summary of Spending -- FY2013 through FY2016 YTD**

	FY2013			FY2014			FY2015			FY2016****		
	Total Authorized Budget	Total Committed Funding**	Total Remaining Balance	Total Authorized Budget	Total Committed Funding**	Total Remaining Balance	Total Authorized Budget	Total Committed Funding**	Total Remaining Balance	Total Authorized Budget	Total Committed Funding**	Total Remaining Balance *****
Administrative Services	\$2,976,600	\$2,976,600	\$0	\$3,058,700	\$3,058,700	\$0	\$3,131,700	\$3,031,736	\$99,964	\$5,692,500	\$2,583,453	\$3,109,047
Job Creation Services	\$16,993,200	\$14,874,206	\$2,118,994	\$22,344,000	\$20,378,544	\$1,965,456	\$17,932,800	\$15,925,565	\$2,007,235	\$17,080,500	\$13,855,148	\$3,225,352
Community College Skilled Trades Equipment Program	\$0	\$0	\$0	\$0	\$0	\$0	\$4,600,000	\$4,600,000	\$0	\$4,600,000	\$4,600,000	\$0
Business Attraction and Community Revitalization	\$100,000,000	\$99,621,940	\$378,060	\$120,000,000	\$119,052,952	\$947,048	\$127,800,000	\$127,244,266	\$555,734	\$114,000,000	\$66,483,509	\$47,516,491
Entrepreneurship Eco-System (Innovation and Entrepreneurship)	\$25,000,000	\$25,000,000	\$0	\$28,500,000	\$28,500,000	\$0	\$17,200,000	\$17,200,000	\$0	\$21,400,000	\$20,169,155	\$1,230,845
Community Development Block Grant*	\$47,000,000	\$16,771,987	\$30,228,013	\$47,000,000	\$24,761,560	\$22,238,440	\$47,000,000	\$33,144,420	\$13,855,580	\$47,000,000	\$16,767,550	\$30,232,450
Pure Michigan (Michigan Promotion Program)	\$25,000,000	\$24,885,877	\$114,123	\$29,000,000	\$28,999,169	\$831	\$29,000,000	\$28,866,781	\$133,219	\$33,000,000	\$32,116,945	\$883,055
Facility for Rare Isotope Beams	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,300,000	\$7,300,000	\$0
TOTAL	\$216,969,800	\$184,130,610	\$32,839,190	\$249,902,700	\$224,750,925	\$25,151,775	\$246,664,500	\$230,012,769	\$16,651,731	\$250,073,000	\$163,875,760	\$86,197,240
Federal	\$49,780,700	17,638,536.21	\$32,142,164	49,780,700.00	25,737,259.92	\$24,043,440	\$49,780,700	\$34,160,237	\$15,620,463	\$52,386,600	\$18,186,987	\$34,199,613
Other	\$293,100	\$105,514	\$187,586	255,500.00	\$136,114	\$119,386	\$255,500	\$211,084	\$44,416	\$307,800	\$212,929	\$94,871
21st Century Jobs Program	\$75,000,000	74,623,876.73	\$376,123	\$75,000,000	74,899,169.14	\$100,831	\$75,000,000	\$74,372,900	\$627,100	\$75,000,000	\$60,152,372	\$14,847,628
General Fund	\$91,896,000	91,762,682.76	\$133,317	124,866,500.00	123,978,382.63	\$888,117	\$121,628,300	\$121,268,548	\$359,752	\$122,378,600	\$85,323,472	\$37,055,128
<i>Remaining Total Balance for Ongoing Projects***</i>			<i>\$2,538,358</i>			<i>\$3,201,847</i>			<i>\$6,383,666</i>			

Note: This summary includes all programs currently appropriated through the Michigan Strategic Fund and their historical funding levels. Any programs that have been transferred are not included.

* Community Development Block Grant authorization exceeds available revenue annually. The state fully expends its available federal funding for this purpose.

** Total committed funding includes all spending that has occurred in addition to anticipated spending that has been formally approved.

*** A portion of funding from 2013, 2014, and 2015 is available to support final spending for projects that were funding initially in those fiscal years.

**** Identified through July 31, 2016

***** Additional projections still pending approval will reduce many of these balances significantly before year-end.

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

August 22, 2016

Ms. Jennifer Tebedo
Michigan Strategic Fund Administrator
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, Michigan 48913

Dear Jennifer,

Please consider this communication as a letter of recusal for the American Center for Mobility (ACM) – Board of Directors Designees agenda item listed for the **Tuesday, August 23, 2016,** Michigan Strategic Fund board meeting.

I will be recusing myself because I am the individual the board will consider for appointment to the ACM Board of Directors.

Sincerely,



Steve Arwood
Chief Executive Officer

PURE MICHIGAN®



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

DESIGNATION OF AUTHORITY

As Director of the Michigan Department of Licensing and Regulatory Affairs, I hereby designate Stephanie Comai to serve as the LARA representative at the August 23, 2016, meeting of the Michigan Strategic Fund Board.

A handwritten signature in cursive script that reads "Shelly Edgerton". The signature is written over a horizontal line.

Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Dated: 8/10/2016



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

January 22, 2016

Ms. Andrea Robach
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Dear Ms. Robach,

I hereby designate Andrew Lockwood to represent me at Michigan Strategic Fund Meetings I am unable to attend.

Sincerely,

A handwritten signature in black ink, appearing to read "N.A. Khouri".

N.A. Khouri
State Treasurer

Cc: Andrew Lockwood