

**MICHIGAN STRATEGIC FUND
FINAL MEETING MINUTES
September 24, 2019**

Members Present

Britany L. Affolter-Caine
Ronald W. Beebe
Jeff Donofrio
Paul Gentilozzi
Melissa Gibson (on behalf of Treasurer Eubanks)
September Hargrove
Michael B. Kapp (on behalf of Director Ajegba)
Jeff Mason
Susan Tellier
Cindy Warner

Member joined by phone

Charles P. Rothstein

Mr. Jeff Mason called the meeting to order at 10:05 am. He welcomed the new Board members to their first meeting and acknowledged returning Board member Paul Gentilozzi.

Mr. Mason informed the Board that a conference report for the FY 2020 General Government budget, which includes appropriated funding for the Michigan Strategic Fund, is expected to be adopted by State Senate and House this week. It represents approximately a 25 percent cut in MSF funding for the new fiscal year. Because of expected budget reduction, the Façade Restoration Initiative item that includes a request for \$5 million in additional funding has been pulled from the agenda until more certainty is known about next year's budget.

Mr. Mason introduced the following legislative staff members:

- Natalie Purser on behalf of Senator Sean McCann speaking in support of the Graphic Packaging International, LLC project in Kalamazoo
- Luke Arends on behalf of Representative Matt Hall speaking in support of the Graphic Packaging International, LLC (GPI) project in Kalamazoo; he also submitted a letter that shared Representative Hall's concerns as well as those of Senator John Bizon and Representative Jim Haadsma about the impact the project could have on the GPI mill in Battle Creek (letter attached)
- Phoebe Biermann on behalf of Senator Kim LaSata speaking in support of the Benton Harbor Flats LLC project in Benton Harbor

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

Communications: Rhonda Bishop, Board Liaison, informed Board members that revised material for the Acrisure, LLC project was provided to them at the table.

A. CONSENT AGENDA

Resolution 2019-124 Approval of Consent Agenda Items

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

Proposed Meeting Minutes – July 23, 2019

Moran Iron Works, Inc.– MBDP Loan Restructure – **2019-125**

International Trade Program – FY2020 Small Business Services Contracts Extension – **2019-126**

International Trade Program – Council of Great Lakes Governors, Inc. Contract Extension – **2019-127**

SAPA Transmission, Inc. – MBDP Grant Amendment – **2019-128**

Plastic Trim International, Inc. – MBDP Grant Amendment – **2019-129**

Northern Michigan University – MSF Investment Award Agreement Amendment – **2019-130**

Michigan Manufacturing Technology Center – Manufacturing Support Services Contract Extension – **2019-131**

University of Michigan MTRAC Statewide Life Science Innovation Hub – Grant Extension – **2019-132**

Community Development Block Grant Program – Approval of Program Year 2019 Action Plan and Funding Guide Excerpt – **2019-133**

Michigan Strategic Fund and Michigan Economic Development Corporation – MOU Renewal and Allocation of 4% Annual Appropriation from 21st Century Jobs Fund – **2019-134**

MSF Delegation of Authority Modification – Façade Restoration Initiative, University Grants and MI-STEP Programs – **2019-135**

Jeff Donofrio seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

B. BUSINESS INVESTMENT

B1. Business Growth

Resolutions 2019-136 & 2019-137 Graphic Packaging International, Inc./Kalamazoo County Brownfield Redevelopment Authority – SESA Exemption and Brownfield Act 381 Work Plan

Mike Gietzen, Business Development Project Manager, provided the Board with information regarding these action items. Following brief discussion, Melissa Gibson motioned for the approval of Resolution 2019-136. Michael B. Kapp seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.** Melissa Gibson then motioned for the approval of Resolution 2019-137. Charles P. Rothstein seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

Resolution 2019-138 Faurecia Automotive Seating LLC – MBDP Grant

Jibran Ahmed, Business Development Project Manager, provided the Board with information regarding this action item. Following brief discussion, Ronald W. Beebe motioned for the approval of Resolution 2019-138. Susan Tellier seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

Resolutions 2019-139 & 2019-140 Acrisure, LLC – Good Jobs for Michigan Award and MBDP Grant

Julia Veale, Business Development Project Manager, provided the Board with information regarding these action items. Following brief discussion, Susan Tellier motioned for the approval of Resolution 2019-139. Jeff Donofrio seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.** Jeff Donofrio then motioned for the approval of Resolution 2019-140. Melissa Gibson seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

B2. Access to Capital

Resolution 2019-141 Dominican Health Care Corporation – Bond Authorization

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. Following brief discussion, Ronald W. Beebe motioned for the approval of Resolution 2019-141. Jeff Donofrio seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Jeff Donofrio, Paul Gentilozzi, Melissa Gibson (on behalf of Treasurer Eubanks, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Resolution 2019-142 Consumers Energy Company – Bond Authorization

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item.

Following brief discussion, Ronald W. Beebe motioned for the approval of Resolution 2019-142. Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Jeff Donofrio, Paul Gentilozzi, Melissa Gibson (on behalf of Treasurer Eubanks, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None; Abstained: September Hargrove

Resolution 2019-143 QCI Fuels – MI Plant 1, LLC – Bond Inducement

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item.

Following brief discussion, Melissa Gibson motioned for the approval of Resolution 2019-143. Jeff Donofrio seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

C. COMMUNITY VITALITY

Resolution 2019-144 Eastern Elementary Apartments LDHA LP – MSF Direct Loan and Approval for MSF Purchase of MSHDA Tax-Exempt Bonds

Sarah Rainero, Regional Director of Community Development, provided the Board with information regarding this action item. Following brief discussion, Ronald W. Beebe motioned for the approval of Resolution 2019-144. Cindy Warner seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.**

The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.

Charles P. Rothstein disconnected from the meeting at 11:25 am.

Resolution 2019-145 Benton Harbor Flats LLC – MCRP Grant

Michelle Audette-Bauman, Community Assistance Team Specialist, provided the Board with information regarding this action item. Following brief discussion, Jeff Donofrio motioned for the approval of Resolution 2019-145. Melissa Gibson seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused; 1 abstained.**

The motion carried: 9 ayes; 0 nays; 0 recused; 1 abstained.

Resolutions 2019-146 & 2019-147 RainCheck Development LLC / City of Detroit Brownfield Redevelopment Authority (40 Hague Redevelopment Project) – MCRP Direct Loan and Brownfield Act 381 Work Plan

Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. Following brief discussion, Paul Gentilozzi motioned for the approval of Resolution 2019-146. September Hargrove seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.** Michael B. Kapp then motioned for the approval of Resolution 2019-147. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

The motion carried: 10 ayes; 0 nays; 0 recused.

Resolution 2019-148 City of Lansing Brownfield Redevelopment Authority (Farnum Building Redevelopment Project) – Brownfield Act 381 Work Plan

Adam Cummins, Community Assistance Team Specialist, provided the Board with information regarding this action item. Following brief discussion, Paul Gentilozzi motioned for the approval of Resolution 2019-148. Cindy Warner seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

The motion carried: 10 ayes; 0 nays; 0 recused.

Mr. Mason adjourned the meeting at 12:04 pm.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

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



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MICHIGAN HOUSE OF REPRESENTATIVES

MATT HALL
STATE REPRESENTATIVE

COMMITTEES:
OVERSIGHT, CHAIR
EDUCATION
REGULATORY REFORM
TAX POLICY

September 24, 2019

Michigan Strategic Fund
Jeff Mason, President & Chairman, MSF
Chief Executive Officer, MEDC
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Graphic Packaging International, LLC Incentive Consideration

Members of the Michigan Strategic Fund Board & CEO,

State Senator Dr. John Bizon, State Representative Jim Haadsma, and I applaud the MEDC and the MSF Board for considering a strong incentive package that not only gives Michigan a competitive advantage but also retains and anchors 725 high wage positions in our region of the State.

We are also aware that Graphic Packaging International, LLC operates a facility 25 miles east of Kalamazoo in downtown Battle Creek, Michigan with a capacity of nearly 180 ton of Coated Recycled Paperboard (CRB). The plant also employs nearly 200 workers. It has been publicly published that the \$600,000,000 investment will be a capacity neutral investment, thus possibly affecting the Battle Creek facility.

To the extent that the Battle Creek facility is impacted with a new investment in Kalamazoo, we ask that the MEDC and the MSF Board consider working with the Battle Creek Community and GPI to make additional resources available above and beyond this initial incentive offer to help offset a potential plant decommissioning and potential job losses. Additional resources could help offset job shifts (both communities share the same labor pool) and lead to a redeveloped site for the Battle Creek community thus, making this a true regional and Michigan win! You have our support on such an initiative.

Again, we are supportive of the current incentive package and thrilled by GPI's continued investment in Michigan and the region.

Regards,

A handwritten signature in blue ink, appearing to read "Matt Hall", with a long horizontal flourish extending to the right.

State Representative, Matt Hall – 63rd District

A handwritten signature in blue ink, appearing to read "John Bizon", with a small flourish at the end.

State Senator, Dr. John Bizon – 19th District

A handwritten signature in blue ink, appearing to read "Jim Haadsma", with a long horizontal flourish extending to the right.

State Representative, Jim Haadsma – 62nd District