



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

March 26, 2024

9:00am

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

**II. CONSENT AGENDA**

- a. Approval of February 27, 2024, Meeting Minutes .....3
- b. Chelsea Rockwell, LLC: MCRP Grant Amendment .....9
- c. Uptown Reinvestment Corporation: Performance-Based Grant Amendment... 14
- d. Selden Partners, LLC: MCRP Amendment .....19
- e. Wixom Site Redevelopment Project: MBT Brownfield Credit Amendment....25
- f. MSF Public Comment Policy Revisions .....38

**III. PUBLIC COMMENT**

**IV. COMMUNICATIONS**

**V. ATTRACT RETAIN AND GROW BUSINESS**

- a. Copperwood Resources, Inc.: A resolution to approve a Strategic Site Readiness Program grant in the amount of up to \$50,000,000.....48  
*Location: Wakefield Township; Ironwood Township*
- b. M-1 Rail: A resolution to approve an amendment to a Michigan Business Development Program loan agreement. ....66  
*Location: City of Detroit*
- c. Piston Automotive, LLC: A resolution to approve a Michigan Business Development Program performance-based grant in the amount of up to \$8,500,000 and a State Essential Services Assessment Exemption for a period of 15 years estimated to be worth \$1,789,480. ....73  
*Location: City of Auburn Hills*
- d. Alticor Inc.: A resolution to approve a Michigan Business Development Program performance-based grant in the amount of up to \$2,000,000. ....86  
*Location: Ada Township*

**VI. DEVELOP ATTRACTIVE PLACES**

- a. Hotel Rose, LLC: A resolution to approve a Michigan Community Revitalization Program Other Economic Assistance Loan Participation in the amount of up to \$3,250,000.....95  
*Location: City of Rockford*

**VII. SUPPORT SMALL BUSINESS**

- a. Future Heritage Fund GP, LLC: A resolution to approve SSBCI 2.0 Small Business Venture Capital Program funding in the amount of up to \$11,000,000

in the form of a limited partnership investment to The Future Heritage Fund, LP  
..... 112

b. Venture Investors Health Fund 7 (Michigan) LP: A resolution to approve SSBCI  
2.0 Small Business Venture Capital Program funding in the amount of up to  
\$11,000,000 in the form of a limited partner investment to Venture Investors  
Health Fund 7 (Michigan) LP..... 125

**VIII. INFORMATIONAL**

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

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

**MICHIGAN STRATEGIC FUND**  
**APPROVED MEETING MINUTES**  
**February 27, 2024**

**Member Present**

Quentin L. Messer, Jr.  
Susan Tellier

**Members Joined Remotely**

Britany L. Affolter-Caine  
Susan Corbin  
Wesley Eklund  
Rachael Eubanks  
Dimitrius Hutcherson  
Leon Richardson  
Charles P. Rothstein  
Randy Thelen  
Cindy Warner

**Absent**

Dan Meyering  
Bradley Wieferich

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

Mr. Messer called the meeting to order at 10:03 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 Natalie Davenport, MSF Board Liaison, who conducted the attendance roll call.

*Leon Richardson joined the meeting remotely at 10:06 a.m.*

*Britany L. Affolter-Caine left the meeting at 10:08 a.m. due to connection issues. Britany L. Affolter-Caine rejoined the meeting remotely at 10:10 a.m.*

*Susan Corbin joined the meeting remotely at 10:18 a.m.*

**II. PUBLIC COMMENT**

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

*Mr. Messer motioned to change the agenda to allow agenda items V.b “Lucid USA, Inc.” and V.a. “Corning Incorporated” to go before Section III “Communications.” Susan Tellier seconded*

*the motion. The motion carried unanimously.*

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

**a. Resolution 2024-027 Lucid USA, Inc. Michigan Business Development Program performance-based grant.** Rachel Donaldson, Managing Director of Global Attraction, supported by Matt Chasnis, Senior Business Development Project Manager, Erin Hass of Lucid Motors, and Daniel Witt of Lucid Motors, provided the Board with information regarding this action item. This action involves the consideration of a resolution to approve a Michigan Business Development Program performance-based grant in the amount of up to \$6,000,000, involving the creation of up to 262 Qualified New Jobs and a capital investment of up to \$10,000,000 in the City of Southfield, Oakland County for Lucid USA, Inc.

Cindy Warner motioned for the approval of Resolution 2024-027 for the approval of the Michigan Business Development Program grant. Dimitrius Hutcherson seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

**b. Resolutions 2024-028, 2024-029, 2024-030 Corning Incorporated Critical Industry Program performance-based grant, Strategic Site Readiness Program performance-based grant, and State Essential Services Assessment Exemption.** Josh Hundt, Senior Project Marketing Advisor, supported by JoAnn Crary of Saginaw Future, and Scott Forester of Corning Incorporated, provided the Board with information regarding this action. This action involves the consideration of three resolutions to approve a Critical Industry Program grant request in the amount of \$68,000,000 for Corning Incorporated, a State Essential Services Assessment Exemption estimated to be worth \$12,281,500 for Corning Incorporated, and a Strategic Site Readiness Program performance-based grant in the amount of \$29,000,000 for Thomas Township.

Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2024-028 for the Critical Industry Program grant. Susan Corbin seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-029 for the Strategic Site Readiness Program grant. Susan Tellier seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein,

Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

Leon Richardson motioned for the approval of Resolution 2024-030 for the State Essential Services Assessment Exemption. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Dimitrius Hutcherson, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

*Dimitrius Hutcherson was removed from the meeting at 11:45 a.m. in error following several unwarranted meeting disruptions.*

Cindy Warner motioned to move to an in-person meeting format, to be held quarterly on the second Tuesday of every fourth month, and that if public comment is to be had, public comment must be in person.

Following discussion, Quentin L. Messer, Jr. amended the motion to refer to the MSF Policy and Planning Subcommittee to evaluate technological options while ensuring statutory compliance and accessibility for individuals who need it to provide public comment, and that an after-action plan be provided to the MSF Board members. Randy Thelen seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

#### IV. COMMUNICATIONS

Ms. Davenport stated that communications were emailed to the MSF Board on Friday, February 23<sup>rd</sup>, and Monday, February 26<sup>th</sup>.

##### **MSF Subcommittee Reports**

Cindy Warner, Chair of the MSF Policy and Planning Subcommittee, provided updates on subcommittee activities.

#### V. CONSENT AGENDA

##### **Resolution 2024-031, Approval of Consent Agenda Items**

Quentin L. Messer Jr. asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Randy Thelen motioned for the approval of the following:

- a. Approval of January 30, 2024, Special Meeting Minutes
- b. Designation of Fund Manager **2024-032**
- c. GT Housing, LLC: MCRP Amendment **2024-033**
- d. 7303 West McNichols, LLC: MCRP Amendment **2024-034**
- e. Detroit Food Commons: MCRP Amendment **2024-035**

- f. Fuel Cell System Manufacturing LLC: MBDP Reauthorization **2024-036**
- g. SHPO MOAs **2024-037, 2024-038, 2024-039, 2024-040**
- h. MSF Designees to the American Center for Mobility's Board of Directors **2024-041**
- i. SSRP Awardee Amendment: Economic Development Organization Allocation **2024-042**

Randy Thelen motioned for the approval of Resolution 2024-031 to approve the consent agenda; Brittany Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

## **VI. DEVELOP ATTRACTIVE PLACES**

**a. Resolution 2024-043 Detroit Crosswinds Runway Project Strategic Site Readiness Program grant amendment for the Detroit Brownfield Redevelopment Authority.** Terri Fitzpatrick, Senior Real Estate Advisor, provided the Board with information regarding this action. This action involves the consideration of a resolution to amend a Strategic Site Readiness Program grant award amount for the Brownfield Redevelopment Authority to a total of \$12,963,038.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-043 for the Strategic Site Readiness Program grant amendment. Cindy Warner seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

## **VII. SUPPORT SMALL BUSINESS**

**a. Resolution 2024-044 Match on Main Program Adoption.** Chelsea Beckman, Senior Small Business Services Manager, provided the Board with information regarding this action item. This action involves the consideration of a resolution to approve the creation of the Match on Main Program and corresponding Program Guidelines and allocate \$750,000 from the MSHDA Housing Development Fund to select grantees and implement the program.

Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2024-044 for the Match on Main Program Adoption. Cindy Warner seconded the motion. **The motion carried: 10 ayes, 0 nays, 0 recused.**

**ROLL CALL VOTE:** Ayes: Britany L. Affolter-Caine, Susan Corbin, Wesley Eklund, Rachael Eubanks, Quentin L. Messer, Jr., Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner; Nays: None; Recused: None.

**I. INFORMATIONAL**

- a. Quentin L. Messer, Jr., noted the Michigan Strategic Fund Delegation of Authority Report for the period January 1, 2024, to January 31, 2024, was included in the meeting packet. He asked if there were any questions from Board members regarding the information. There being none, Quentin L. Messer, Jr. adjourned the meeting at 12:14 p.m.



# MIDDLE MICHIGAN DEVELOPMENT CORPORATION

February 27th, 2024

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

Dear Michigan Strategic Fund Committee Members,

I am writing to express our strong support for the formal creation and ongoing funding of the Match on Main program under the Michigan Strategic Fund (MSF). As the President and CEO of Middle Michigan Development Corporation (MMDC), I have had the privilege of witnessing the transformative impact of this program in the communities and small businesses in our service area: Clare, Gladwin, Isabella, and Osceola Counties.

Middle Michigan Development Corporation has been actively involved in supporting local businesses through the Match on Main program. To date, we have been able to support 13 small businesses through this program across our region: Blue Gator Pub, Ginkgo Tree Inn, Hardy Insurance, Juneberry Cottage, Longer Table Restaurant, McEwan Fudge Shop, Mountain Town Station, Not So Shabby Gifts, Pale Blue Barbeque Parlor, Pleasant City Coffee, Pure Vitality, Redeemed Marketplace, and Rubbles Bar.

By providing grants for building renovations, equipment purchases, marketing, and other essential expenses, Match on Main has encouraged our local entrepreneurs to further invest in their businesses and strengthen our commercial districts. In rural areas such as ours, the Match on Main program has had an immense impact on the vibrancy of our communities, which has aided us in attracting talent. As I am sure you are aware, rural counties often struggle to attract larger projects, while this program has allowed us to support our communities in very real, tangible ways.

Formalizing the Match on Main program under the Michigan Strategic Fund and securing a substantial annual allocation will greatly strengthen its impact and sustainability. By integrating Match on Main into the MSF process, we can ensure that it will continue to be a cornerstone program for supporting our small businesses and communities statewide.

In conclusion, I would urge the Michigan Strategic Fund to approve the formal creation of the Match on Main program and allocate the necessary funding to sustain this vital work. MMDC is committed to supporting and collaborating in the implementation of this program for the benefit of our communities and small businesses.

Thank you so much for considering our request. Please feel free to reach out to me if you have any questions or if you would like any further information.

Sincerely,

James McBryde  
President and CEO  
Middle Michigan Development Corporation





## MEMORANDUM

**Date:** March 26, 2024

**To:** Michigan Strategic Fund Board

**From:** Jake Winder, Director of Community Development Incentives

**Subject:** Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #1  
Chelsea Rockwell, LLC

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### **Request**

Chelsea Rockwell, LLC (“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 October 24, 2023, includes a request to extend Milestone 1 from October 31, 2023, to May 1, 2024, extend Milestone 2 from April 30, 2025, to October 31, 2025, and Milestone 3 from March 31, 2025, to January 31, 2026. All other terms of the current Agreement will remain the same.

### **Background**

The Michigan Strategic Fund Board approved a \$1,500,000 MCRP Performance-Based Grant on October 25, 2022, to the Company for the purpose of supporting community development project located in the city of Chelsea that will rehabilitate a three-story, 43,752 square foot building that is functionally obsolete, representing over \$8.8 million in total capital investment. The project, upon completion, will create 51 new residential units on this 0.33-acre site.

Due to cost increases and labor shortages over the last year and a half, the project has experienced significant delays. The development team has secured financing to cover the cost increases and is prepared to move forward with the project.

No progress has been made on the project to date, due to the aforementioned reasons. 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 amend all project milestones per the Company’s request dated October 24, 2023.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-046**

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

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

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

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

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

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

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

**WHEREAS**, the Company is requesting and MEDC is recommending that the MSF amend the Award to extend all project milestones, with all other requirements as outlined in the term sheet attached as Exhibit A (the “Term Sheet”) remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferrich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



## MEMORANDUM

**Date:** March 26, 2024

**To:** Michigan Strategic Fund Board

**From:** Jake Winder, Director, Community Development Incentives

**Subject:** Uptown Reinvestment Corporation – MSU CHM Department of Public Health Expansion at Flint Campus – Request for Approval of a Michigan Strategic Fund (MSF) Performance-Based Grant – Amendment 1

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### **Request**

Uptown Reinvestment Corporation (the “Applicant”) is requesting an amendment to the \$3,400,000 Michigan Strategic Fund (“MSF”) Performance-Based Grant that will change the disbursement schedule.

### **Background**

On October 24, 2023, the MSF approved a \$3,400,000 MSF Performance-Based Grant for the purpose of constructing a new, approximately 40,000 square foot building for the MSU College of Human Medicine Department of Public Health. This expansion at the Flint campus will be the newest addition to the Flint Health & Wellness District, which received a \$5,600,000 performance-based equity investment from the MSF Board in 2013.

The original approval provided that the \$3,400,000 award is scheduled to be disbursed upon project completion. However, due to high interest rates, the applicant is requesting that the funds be disbursed after the applicant has incurred and expended \$3,400,000 in costs. Therefore, the grantee has not executed the grant agreement and is requesting an amended approval. The agreement will still contain a completion milestone which will require a Certificate of Occupancy upon completion. Total development costs are estimated at approximately \$24.5 million with the C.S. Mott Foundation contributing \$15.0 million for the new construction of the building.

### **Recommendation**

Amend the disbursement schedule to allow for full award disbursement after the applicant has incurred and expended \$3,400,000 in costs.

**MICHIGAN STRATEGIC FUND  
RESOLUTION 2024-047**

**UPTOWN REINVESTMENT CORPORATION AND HWD ON SECOND, INC.  
GRANT AWARD AMENDMENT 1**

**WHEREAS**, the Michigan legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., to enable the Michigan Strategic Fund (the “MSF”) to provide incentives in the form of grants, loans and other economic assistance for the development and improvement of Michigan’s economy, including through blight removal and job creation;

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

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

**WHEREAS**, on September 27, 2022, the MSF Board allocated \$58,942,251 for Business and Community Development Programs and Activities (the “FY23 Funding Allocation”)

**WHEREAS**, Uptown Reinvestment Corporation and HWD on Second, Inc. (collectively the “Grantee”) has requested funds to support the new construction of a new three-story approximately 40,000 square foot building for Michigan State University’s (MSU) College of Human Medicine (CHM) Department of Public Health (the “Grant Request”);

**WHEREAS**, the MEDC recommends that the MSF Board approve an amendment to the grant award to support the Grant Request with an allocation of \$3,400,000 from the FY23 Funding Allocation and a term of four years with the option to extend the term up to an additional 24 months at the discretion of the MSF Fund Manager (the “Grant”) as detailed in the term sheet attached as Exhibit A; and

**WHEREAS**, the MSF Board wishes to approve the amended Grant award.

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

**BE IT FURTHER RESOLVED**, the MSF Fund Manager is authorized to negotiate the final terms and conditions of the Grant and to execute all documents necessary to effectuate the Grant, consistent with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024

## EXHIBIT A

### “Term Sheet”

#### **Grant Terms**

<b>MSF Facility:</b>	MSF Performance-based grant
<b>Grantee:</b>	Uptown Reinvestment Corporation or HWD on Second, Inc., as determined by the MSF Fund Manager
<b>Grant Amount:</b>	Not to exceed \$3,400,000
<b>Total Capital Investment:</b>	Estimated to be approximately \$24,300,000 incurred by one or more of the entities listed above
<b>Term:</b>	An initial term of four years with the option to extend the term up to an additional 24 months at the discretion of the MSF Fund Manager
<b>Disbursement of Funds:</b>	Up to \$3,400,000 to be disbursed from the MSF on a reimbursement basis <del>upon</del> <del>project completion</del>





GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



## MEMORANDUM

**Date:** March 26, 2024

**To:** Michigan Strategic Fund Board

**From:** Julius L. Edwards

**Subject:** Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreement Amendment #3  
Selden Partners, LLC

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### Request

Selden Partners, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Loan Participation Agreement and any related ancillary agreements (the “Agreement”). The Company is requesting consent for a 50% interest in the Company to be transferred and the replacement of a guarantor. All other terms of the current Agreement will remain the same (the “Request”).

### Background

The Michigan Strategic Fund Board approved a \$1,000,000 Michigan Community Revitalization Program (MCRP) Economic Assistance Loan Participation on March 28, 2017, to the Company for the purpose of the redevelopment of a .23-acre parcel of property located at 644 Selden in the City of Detroit, commonly known as the Casket Company building. The Casket Company building would be rehabilitated and a two-floor addition of residential space would be added over a portion of the building, creating a mixed-use development with a destination restaurant, creative innovation work space and approximately eight residential units.

An amendment to the project was approved on July 24, 2018, to extend the Construction Loan Maturity Date, the Conversion Date, the interest only period expiration date, the start of principal and interest repayments to the MSF, the Milestone Two Project Completion deadline, and the Certification of the Construction Loan deadline due to construction delays.

An amendment to the project was approved on May 21, 2019, to replace WCIF as the permanent lender with the original construction loan lender, Capital Impact Partners (the “Lender”), and ratification of Lender’s conversion.

The Company is requesting to transfer a 50% interest from an entity controlled by Midtown Inc. with an entity controlled by Invest Detroit. Additionally, the Company is also looking to replace Midtown Inc. as a guarantor with Invest Detroit. Overall, staff believes the changes are a benefit to the project and the MSF’s position. Invest Detroit is a larger organization with more resources to support the project.

The Company is current with reporting and payment requirements.

**Recommendation**

The MEDC staff recommends approval of the Request to amend the MCRP Other Economic Assistance Loan Participation Agreement as presented above.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-048**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM  
OTHER ECONOMIC ASSISTANCE  
LOAN PARTICIPATION AWARD FOR  
SELDEN PARTNERS, LLC**

**WHEREAS**, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“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 (“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 (“Guidelines”);

**WHEREAS**, pursuant to SFCR 125.2090-1 (the “Delegation”), on January 25, 2022 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, (“Transaction Documents”);

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

**WHEREAS**, by Resolution 2017-044 on March 28, 2017, the MSF Board awarded an MCRP Other Economic Assistance Loan Participation Award to Selden Partners, LLC (the “Company”) in furtherance of the Project of up to \$1,000,000 (“MCRP Award”);

**WHEREAS**, by Resolution 2018-106 on July 24, 2018, the MSF Board approved an MCRP amendment to extend the Construction Loan Maturity Date, the Conversion Date, the interest only period expiration date, the start of principal and interest repayments to the MSF, the Milestone Two Project Completion deadline, and the Certification of the Construction Loan deadline.

**WHEREAS**, by Resolution 2019-073 on July 24, 2018, the MSF Board approved an MCRP amendment to allow for an extension of several dates in the Loan Participation Agreement, changes in several dates in the Construction Loan Agreement, replacement of WCIF with Capital Impact Partners, Inc. as the permanent lender by the original construction loan lender, and changes to the Loan Participation Agreement language to ratify the Lenders conversion

**WHEREAS**, the Company is requesting approval of an amendment to the MCRP Agreement to allow for the a transfer 50% interest in the Company to an entity controlled by Invest Detroit and replace an existing guarantor with Invest Detroit (the “Amendment Request”);

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File





## MEMORANDUM

**Date:** March 26, 2024

**To:** Michigan Strategic Fund Board

**From:** Rob Garza, Director, Statutory Analysis

**Subject:** Request for Approval of Amendments to Michigan Business Tax (MBT) Brownfield Credits Wixom Site Redevelopment Project

---

### REQUEST

This amendment request effectuates legislative carve outs for changes to two Brownfield MBT Credits previously awarded for 2 distinct project areas located at 29311 South Wixom Road (“Area A” and “Area B”) in the City of Wixom. Area A, Credit M-1111, currently has an MBT Credit award with a value of \$10,000,000 and Area B, Credit M-1112, currently has an MBT Credit award with a value of \$2,833,750. Detroit Wixom, LLC, the existing qualified taxpayer, requests the following amendments:

- The addition of Wixom Logistics Park LLC and Wixom Logistic Park II LLC as qualified taxpayers to the Area A Project
- A scope change to both project areas
- A time extension of 5 years to complete each project
- A reallocation of eligible investment and associated credit value from Area B to Area A

### PROJECT BACKGROUND

This project is located on the former site of the Ford Wixom Assembly Plant which ceased operations in 2007. Industrial Commercial Properties, LLC (“ICP”), through its development entity, Detroit Wixom, LLC, purchased the remaining undeveloped 182-acre site and an amendment request was approved by the MSF Board in March of 2019 to support the construction of up to six buildings or approximately 1,340,000 square feet of commercial or industrial space within Area A and the construction of one building with approximately 320,000 square feet of commercial or industrial space within Area B. In addition, the Board also approved a time extension that required the projects to be completed by the statutory expiration date of December 13, 2021.

In October 2023, the MBT Legislation was amended to allow an additional 5 years beyond the original statutorily allowed 10 years for projects using these credits to be completed, as well as allowing for the reallocation of eligible investment and subsequent credit amounts between the two areas given that the total credit amount already approved for both credits is not exceeded.

The scope of Area A now consists of four buildings totaling approximately 1,440,417 square feet. All four buildings are complete as of winter 2023, and only one remains without a tenant. The two new qualified taxpayers were brought in to assist in the completion of the project. Their formal addition to this project will allow for their incurred costs to qualify as eligible investment. The scope of Area B now consists of

the new construction of up to two buildings totaling approximately 864,000 square feet. Construction is slated to begin in Spring 2024.

The Applicant anticipates that the project will result in a total capital investment of approximately \$151.7 million. The three completed buildings account for 114 full-time equivalent jobs in the logistics and warehousing sectors.

**MBT Area A**

	Previous Approval	Amendment
Project Eligible Investment:	\$87,030,000	\$81,909,316
Requested Credit Amount:	\$10,000,000	\$10,238,665
	(capped)	
Requested Credit Percentage:	12.5%	12.5%

**MBT Area B**

	Previous Approval	Amendment
Project Eligible Investment:	\$22,670,000	\$30,000,000
Requested Credit Amount:	\$2,833,750	\$2,595,085
		(capped)
Requested Credit Percentage:	12.5%	12.5%

**ELIGIBLE INVESTMENT BREAKDOWN AREA A**

Site Improvements	+	27,730,605
New Construction	+	54,178,711
<b>Total</b>	<b>\$</b>	<b>81,909,316</b>

**ELIGIBLE INVESTMENT BREAKDOWN AREA B**

Site Improvements	+	8,000,000
New Construction	+	22,000,000
<b>Total</b>	<b>\$</b>	<b>30,000,000</b>

**APPLICANT HISTORY**

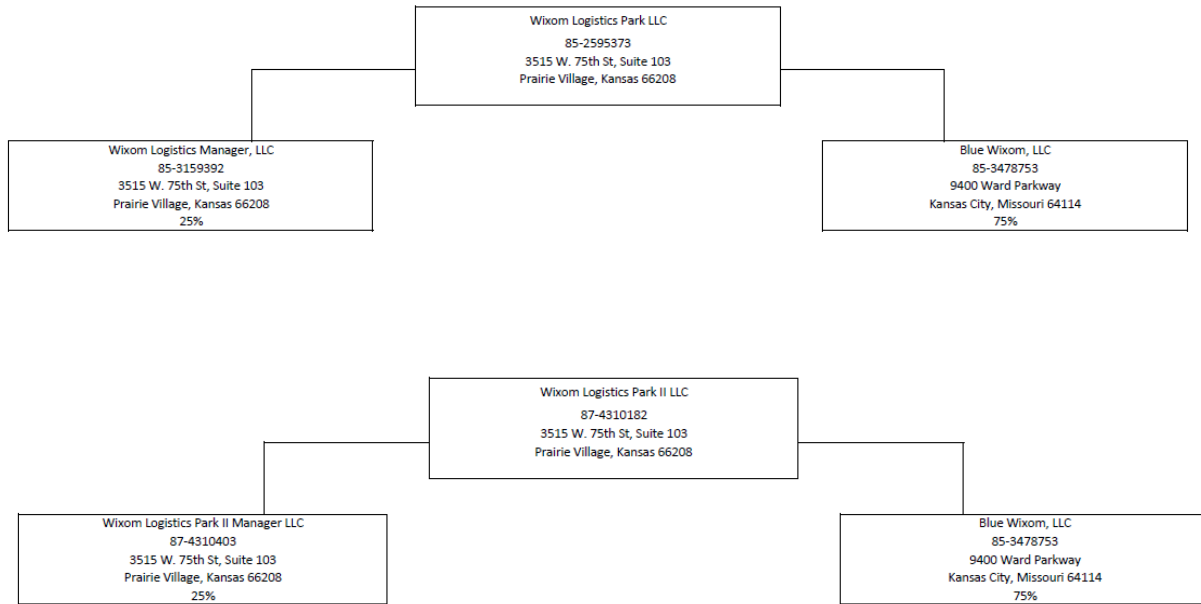
Wixom Logistics Park LLC and Wixom Logistics Park II LLC are single use entities created by Flint Development, which is the parent company. Flint Development is a commercial real estate development firm based in Kansas City, specializing in industrial, multi-family and senior living development throughout the country. Flint Development has strategically developed over \$568 million and nearly 7,440,000 square feet of speculative industrial space to deliver solutions that meet future demands and growth opportunities in key markets. Within Michigan, in addition to Wixom Assembly Park, Flint completed a new Class-A, 711,360-square-foot Oakland Logistics Center at 2100 S. Opdyke Road in Pontiac. Flint has over 50 years of combined experience and a proven history in development projects that realize successful returns for partners and make positive impacts in communities. Organizational Charts for Wixom Logistics Park LLC and Wixom Logistics Park II LLC are provided in Appendix A. The background review process was completed in accordance with the MSF Background Review Policy on February 27, 2024.

**RECOMMENDATION**

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

- a) The Brownfield MBT Area A (Project #M-1111) credit amendment requests to construct up to 4 buildings or approximately 1,440,117 square feet of commercial or industrial space, add 5 years to complete the project, add Wixom Logistics Park LLC and Wixom Logistics Park II LLC as qualified taxpayers, and increase the available credit to \$10,238,665 by reallocating \$238,665 from Area B.
- b) The Brownfield MBT Area B (Project #M-1112) credit amendment requests to construct up to 2 buildings or approximately 864,000 square feet of commercial or industrial space, add 5 years to complete the project, and decrease the available credit to \$2,595,085 by reallocating \$238,665 from Area B to Area A.

### APPENDIX A – Organizational Chart



### APPENDIX B – Project Map and Renderings



**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-049**

**WIXOM SITE REDEVELOPMENT PROJECT AREA A  
DETROIT WIXOM LLC  
BROWNFIELD REDEVELOPMENT MBT CREDIT – AMENDMENT #2  
CITY OF WIXOM**

At the meeting of the Michigan Strategic Fund (“MSF”) held on March 26, 2024 in Lansing, Michigan;

**WHEREAS**, the Michigan Economic Growth Authority (“MEGA”) is authorized by 1995 PA 24, as amended, to amend projects for brownfield redevelopment tax credits authorized by Section 437 of the Michigan Business Tax Act, PA 36 of 2007, as amended (the “Act”), or by former section 38(g) of the Michigan Single Business Tax Act, PA 228 of 1975;

**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 MSF;

**WHEREAS**, by Resolution 2011-154 on December 13, 2011, the MEGA Board awarded a Brownfield MBT Tax Credit to Ford Motor Company (the “Applicant”) to make eligible investment up to \$80,000,0000 at an eligible property in the City of Wixom (the “Project”);

**WHEREAS**, by Resolution 2019-046 on March 26, 2019, the MSF Board amended the Project;

**WHEREAS**, Section 437(9) of the Act allows approved projects to request an amendment to the Project if the Project is unable to be completed as described in the original application;

**WHEREAS**, a request has been submitted to amend the Project to include the new construction of up to 4 buildings with approximately 1,440,417 square feet of space, add 5 years to complete the project, add Wixom Logistics Park LLC and Wixom Logistics Park II LLC as qualified taxpayers, and increase the credit value up to \$238,665 by reallocating an equivalent amount from the project approved via Resolution 2019-047 (“Area B”) to the Project; and

**WHEREAS**, no certificate of completion has been issued for the Project; and

**WHEREAS**, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and recommends approval of the amendment by the MSF Board, provided that the maximum credit amount does not exceed \$10,238,665;

**NOW, THEREFORE, BE IT RESOLVED**, that the MSF Board amends the Project by modifying the scope of the Project to include the new construction of up to 4 buildings with approximately 1,440,417 square feet of space.

**BE IT FURTHER RESOLVED**, that the Project is amended to extend the date of completion by five (5) years to December 13, 2026.

**BE IT FURTHER RESOLVED**, that Wixom Logistics Park LLC and Wixom Logistics Park II LLC are added as qualified taxpayers.

**BE IT FURTHER RESOLVED**, that an increase of up to \$238,665 in credit value is reallocated from Area B to the Project.

**BE IT FURTHER RESOLVED**, that the Project is required to submit a Certificate of Completion request for the final phase within one year of project completion.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-059**

**WIXOM SITE REDEVELOPMENT PROJECT AREA B  
DETROIT WIXOM LLC  
BROWNFIELD REDEVELOPMENT MBT CREDIT – AMENDMENT #2  
CITY OF WIXOM**

At the meeting of the Michigan Strategic Fund (“MSF”) held on March 26, 2024 in Lansing, Michigan;

**WHEREAS**, the Michigan Economic Growth Authority (“MEGA”) is authorized by 1995 PA 24, as amended, to amend projects for brownfield redevelopment tax credits authorized by Section 437 of the Michigan Business Tax Act, PA 36 of 2007, as amended (the “Act”), or by former section 38(g) of the Michigan Single Business Tax Act, PA 228 of 1975;

**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 MSF;

**WHEREAS**, by Resolution 2011-155 on December 13, 2011, the MEGA Board awarded a Brownfield MBT Tax Credit to Ford Motor Company (the “Applicant”) to make eligible investment up to \$80,000,0000 at an eligible property in the City of Wixom (the “Project”);

**WHEREAS**, by Resolution 2019-047 on March 26, 2019, the MSF Board amended the Project;

**WHEREAS**, Section 437(9) of the Act allows approved projects to request an amendment to the Project if the Project is unable to be completed as described in the original application;

**WHEREAS**, a request has been submitted to amend Area B of the Project to include the new construction of up to 2 buildings with approximately 864,0007 square feet of space, add 5 years to complete the project, add Wixom Logistics Park LLC and Wixom Logistics Park II LLC as qualified taxpayers, and a reduction of up to \$238,665 in credit value from the Project while reallocating an equivalent amount to the project approved via Resolution 2019-046 (the “Area B Amendment”); and

**WHEREAS**, no certificate of completion has been issued for the Project; and

**WHEREAS**, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and recommends the MSF Board approve the Area B Amendment, provided that the maximum credit amount does not exceed \$2,595,085;

**NOW, THEREFORE, BE IT RESOLVED**, that the MSF Board approves the Area B Amendment.

**BE IT FURTHER RESOLVED**, that the Project is required to submit a Certificate of Completion request for the final phase within one year of project completion.

Ayes: Britany L. Affolter-Caine, Rachael Eubanks, John Groen (in lieu of Director Corbin), Michael B. Kapp (in lieu of Director Wieferich),

Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

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Thank you.

Sincerely,

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Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

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Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**Date:** March 26, 2024  
**To:** Michigan Strategic Fund Board  
**From:** Matthew Casby, Senior Advisor and Fund Manager  
**Subject:** MSF Public Comment Policy Revisions

---

#### **Request**

The MSF Fund Manager, in collaboration with the Chief Compliance Officer, the Attorney General, and MEDC Legal, requests that the Michigan Strategic Fund (“MSF”) Board approve and adopt the attached revised MSF Public Comment Policy, as well the delegation of authority to the MSF President and Fund Manager to develop, finalize, and revise any processes and procedures needed to implement the policy (collectively, the “Request”).

#### **Background**

MSF Board meetings are conducted pursuant to the Open Meetings Act, MCL 15.261 *et seq.*; see also MCL 125.2005(10). Accordingly, all Board meetings are open to the public, and members of the public attending a Board meeting are permitted to address the Board under rules established and recorded by the Board. MCL 15.263(5). The MSF adopted a public comment policy on June 27, 2023.

In order to ensure that members of the public have a fair and adequate opportunity to be heard at Board meetings, and to facilitate the orderly conduct of the meeting, it is recommended that the MSF adopt the revised Public Comment Policy attached as Exhibit A.

#### **Recommendation**

The MSF Fund Manager recommend that the MSF Board approve this Request.

#### **EXHIBITS**

A. Revised MSF Public Comment Policy

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-050**

**APPROVAL OF MSF PUBLIC COMMENT POLICY REVISIONS**

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

**WHEREAS**, under Section 5(10) of the MSF Act, MCL 125.2005(10), MSF Board meetings are conducted in accordance with the Michigan Open Meetings Act, MCL 15.261 *et seq.*, (the “OMA”) and the Michigan Strategic Fund Act, MCL 15.2001 *et seq.*,

**WHEREAS**, under Section 3(5), MCL 15.263(5), of the OMA, members of the public attending a meeting of a public body are permitted to address the public body under rules established and recorded by the public body;

**WHEREAS**, in order to ensure that members of the public have a fair and adequate opportunity to be heard at meetings of the MSF Board and to facilitate the orderly conduct of MSF Board meetings, the MEDC recommends that the MSF Board adopt the revised Public Comment Policy attached to this Resolution (the “MSF Public Comment Policy”); and

**WHEREAS**, the MSF Board wishes to adopt the MSF Public Comment Policy.

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board adopts the MSF Public Comment Policy , effective as of March 26, 2024.

**BE IT FURTHER RESOLVED**, the MSF Board approves MSF President and Fund Manager to develop, finalize, and revise any processes and procedures needed to implement the policy.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024

# Michigan Strategic Fund

## Public Comment Policy

### Background

Meetings of the MSF Board are conducted pursuant to the Open Meetings Act MCL 15.261 *et seq.*; see also MCL 125.2005(10). Meetings are held In-Person with Board member attendance permitted by use of telecommunications or other electronic equipment as authorized by the MSF Board bylaws and MCL 125.2005(9). Accordingly, all MSF Board meetings are open to the public, and members of the public attending an MSF Board meeting (In-Person Commentors) are permitted to address the MSF Board during the Public Comment period pursuant to rules established and recorded by the MSF Board. MCL 15.263(5).

In order to allow the greatest opportunity for public participation, it is the policy of the MSF Board to additionally allow individuals to pre-register to address the MSF Board using telecommunications technology (“Virtual Commentor”) during the Virtual Public Comment period pursuant to the rules established under this policy and in a manner provided by the MSF Board. Individuals may also submit written public comment.

In order to ensure that members of the public have a fair and adequate opportunity to be heard at MSF Board meetings, and to facilitate the orderly conduct of the meeting, the following public comment policy shall apply at all MSF Board meetings:

### Policy

#### I. General Rules

- a. Public comment is limited to the designated public comment period(s) as listed on the agenda. Unless requested by a MSF Board member, the public has no right to address the MSF Board during its deliberations on a particular matter.
- b. No individual may make a comment until recognized. Upon being recognized and prior to making their public comment, an individual shall state their name and city of residence.
- c. The public comment periods are an opportunity for the public to express their comments regarding any subject matter. Board members may engage in dialogue with an individual making a public comment, however no Board member is required to respond to a public comment. In general, the MSF Board will not respond to comments made during the public comment period unless it becomes necessary to ask a clarifying question, correct a factual error, or provide or request specific factual information.
- d. No individual may be recognized to speak more than once during the designated public comment periods.
- e. Individuals making a public comment shall direct all comments to the MSF Board and not to staff or other participants.
- f. Groups are encouraged to designate one or more individuals to speak on their behalf to avoid cumulative comments.



- g. Individuals making a public comment may submit materials in support of their comments. In order to ensure that members of the MSF Board have access to materials being used by public commentors during the public comment period, such materials must be provided to the MEDC no later than noon the day prior to the scheduled MSF Board meeting. The MEDC cannot guarantee that materials provided after this deadline will be incorporated into the Board materials for the scheduled meetings. Materials in support of comments may be submitted by the public in the manner specified on the MSF website.

## II. Procedure

- a. Individuals who are in attendance at the MSF Board meeting may submit a public comment in writing or by registering as an In-Person Commentor. Individuals who do not register before the end of the Public Comment Period at the meeting are not eligible to make a public comment. In-Person Commentors must stay within the area designated for the public.
- b. Individuals who are not in attendance at the MSF Board meeting may submit a public comment in writing or by pre-registering as a Virtual Commentor in the manner specified on the MSF website. Individuals who do not pre-register are not eligible to make a public comment.
- c. During the designated Public Comment period, In-Person Commentors will be directed to the area designated for public comment. After all In-Person public commentors have completed their remarks, the Virtual Public Comment period will begin and individuals who pre-registered as Virtual Commentors will be called upon.

## III. Time Limits

- a. Each individual public comment is limited to the time set forth below. Individuals making a public comment cannot reserve or yield this time, however, the time limitations may be increased at the request of any MSF Board member.
- b. Time Limitations:
  - i. 1-20 pre-registered Virtual Commentors and registered In-Person commentors in total: 3 minutes each.
  - ii. 21-30 pre-registered Virtual Commentors and registered In-Person commentors in total: 2-minutes each.
  - iii. 31-40 pre-registered Virtual Commentors and registered In-Person commentors in total: 1 minute and 30 seconds each.
  - iv. 41 or more pre-registered Virtual Commentors and registered In-Person commentors in total: 1 minute and 30 seconds each, or if at the beginning of the meeting the Chair (as defined in the MSF Bylaws) determines that the total number of public comments will interfere with the orderly conduct of the meeting, the Chair) may:
    - 1. Limit the Virtual Public Comment period to 1 and a half hours and encourage those individuals to submit a written comment, or
    - 2. Move the Virtual Public Comment period to the end of the meeting agenda, or
    - 3. Omit the public comment period for pre-registered Virtual Commentors and encourage those individuals to submit a written comment.

- c. In an effort to provide the public a full opportunity to be heard, if an MSF Board member provides a response to an individual's public comment, the time used by the MSF Board member shall not count against that individual's time limit for making their comment, i.e. the time limit for an individual public comment shall be tolled while a MSF Board member is speaking. However, once an individual has used their time, there is no right to additional time to make a "rebuttal" or follow-up comment in response to a MSF Board member's reply unless specifically granted by a MSF Board Member.

IV. Enforcement

- I. The Chair has the authority to maintain order during the meeting.
- II. In an effort to maintain order during the public comment period, the Chair is empowered to enforce the public comment policy and may:
  - a. Terminate an individual's comment period when the comment exceeds the time limit allowed;
  - b. Require that any individual leave the meeting if that individual commits a breach of the peace;
  - c. request the assistance of law enforcement officers in the removal of an individual when an individual commits a breach of the peace.

Meeting minutes

- a. Pursuant to the Open Meetings Act, minutes of the meeting shall consist of the date, time, place, members present, members absent, any decisions made at the meeting open to the public and as appropriate, the purpose or purposes for which a closed session is held. Additionally, the minutes will include a record of all roll call votes taken at the meeting.

Effective: March 26, 2024



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File

**MICHIGAN STRATEGIC FUND  
RESOLUTION**

**2024-045**

**APPROVAL OF THE MARCH 26, 2024, CONSENT  
AGENDA FOR THE MICHIGAN STRATEGIC FUND  
BOARD**

**WHEREAS**, on November 20, 2013, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines (the “Consent Agenda”);

**WHEREAS**, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently amended and restated by the MSF Board on October 24, 2023,

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

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

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

Consent Agenda Items:

- a. Approval of February 27, 2024, Meeting Minutes
- b. Chelsea Rockwell, LLC: MCRP Grant Amendment
- c. Uptown Reinvestment Corporation: Performance-Based Grant Amendment
- d. Selden Partners, LLC: MCRP Amendment
- e. Wixom Site Redevelopment Project: MBT Brownfield Credit Amendment
- f. MSF Public Comment Policy Revisions

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



**MEMORANDUM**

**Date:** March 26, 2024

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

**From:** Vicki Schwab, Managing Director, Regional Prosperity  
Erik Wilford, Strategic Project Advisor

**Subject:** Grant Request  
Strategic Site Readiness Program (“SSRP”)  
Copperwood Resources Inc. (“Company” or “Applicant”)

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**Background**

On January 30, 2024, the Michigan Strategic Fund (“MSF”) Board considered a request to award a Strategic Site Readiness Program (“SSRP”) grant of up to \$50,000,000 to Copperwood Resources Inc. (the “Company”) for the creation of 380 Qualified Jobs and capital investment of \$425,000,000 in Wakefield and Ironwood Townships, Gogebic County, Michigan (the “Project”). After discussion of the Project terms, the MSF Board referred the Project to the Finance and Investment Subcommittee (the “Finance Subcommittee”) for further review before it would consider approval of the Project.

The Subcommittee reviewed the proposed project with a focus on the following three categories: 1) Economic and Community Impact; 2) Financial Assurances; and 3) Environmental Considerations. Those categories are discussed in more detail below. In addition, the statutory considerations for the SSRP Program are addressed in Attachment A to this memorandum.

**Economic and Community Impact**

The Project will have a transformational impact on Gogebic County and the Upper Peninsula. Over the years, the community has endured the closure of the White Pine Mine in 1995, closure of the Ontonagon Paper Mill in 2010 and then the Ojibway Correctional Facility in Marenisco in 2018. These large businesses provided family sustaining careers to residents of the Western Upper Peninsula, and they have yet to be replaced. Following these local government and business leaders developed a strategic economic plan to drive sustainable growth in the region, of which the Copperwood mine is an important part. A return-on-investment analysis based on the anticipated, minimum 11-year life of the mine shows that the project will generate approximately \$1,337,790,512 in new personal income and \$121,731,408 in tax revenue to the state. This figure includes local and state revenue of approximately \$62,782,500 generated through the Michigan Severance Tax, which represents significant additional revenue to support local investments that create additional economic development in the region long after the mine is gone. This tax is specific to the mining industry and would not be realized by other types of business investments; the Project would be only the second business in the state to pay this tax representing the unique revenue opportunity it would afford the local community. The mining severance tax is split between local units of government (\$40,808,625) and the Michigan Rural Development Fund (\$21,973,875), which supports rural investments on a statewide basis.

Direct jobs created by this Project are expected to have average wages from \$80,000-\$120,000. This is twice the median regional wage of \$41,000. These jobs present life-changing opportunities that would propel residents into the middle class. In the absence of these mining jobs, residents in the region will continue to rely on tourism as the major economic industry. In 2022, visitor spending in Gogebic County



was \$79,900,000 and supported \$38,500,000 in direct and indirect income in the county. The Project presents an opportunity to create an additional economic industry in the region and could drive a minimum of \$134,600,000 in new personal income annually over the life of the mine.

The site preparation work and infrastructure improvements that Copperwood is undertaking with the support of this incentive is taking place on the land owned by the company. However, the benefits of these investments will directly impact surrounding communities as well. Key infrastructure improvements include:

- Transportation/roads – addressing significant structural issues, as well as bringing additional seasonality and capacity to the roads.
  - 2023, almost all of Thomaston and Presque Isle roads (CR519) was rated 2 (poor) on a scale of 1-10.
- Power – the electrical improvement project will provide a new main connection from the large substation south of Ironwood across western Gogebic County.
  - This will increase reliability for all the residents of Ironwood, Bessemer, Wakefield, Erwin Township, Charter Township of Ironwood, Bessemer Township and Wakefield Township
- Telecommunications – increased access to cellular and broadband for the entire community
  - At least 25% of the Ironwood Township, 50% of the Wakefield township as well as park visitors would see an improvement in cell phone and cell data useability.
  - The broadband improvements will benefit 100% of Wakefield Township residents and 25% of the City of Wakefield residents on the north and east portions of the City on the way to the project.

The local public support for this Project by residents and elected and appointed officials is significant. In a public opinion survey that was conducted as part of the Wakefield Township Master planning process, 91% of respondents expressed support for mining. The Wakefield Township Master Plan notes mining is one of the best opportunities for job creation in the region. The local community not only supports the Project, they have indicated it is core to their plans for long-term economic growth. Across the Upper Peninsula as a whole, a poll conducted by InvestUP showed 82% of residents support mining in this region. Local officials and trade organizations who have the greatest line of sight on what this investment, wages/job and new tax revenue would mean for these communities in the Upper Peninsula have expressed strong support for the Project.

### **Financial Assurances**

The Finance Subcommittee reviewed the original term sheet for the Project and recommended the Company be required to secure financing of at least \$150,000,000 before it is able to request disbursement of the SSRP grant funds. Taking an approaching that has been implemented for past projects, the Company will have a pre-disbursement milestone requiring it to confirm that it has obtained \$150,000,000 in financing by providing binding term sheets, executed agreements, or the equivalent thereof, to the satisfaction of the MEDC Compliance Manager and the MSF Fund Manager. This financing could include debt, asset finance, equity, additional local, state or federal assistance, or other form of project investment.

This pre-disbursement milestone must be satisfied before the Company may begin seeking reimbursement for its SSRP eligible activities. This pre-disbursement milestone must be met on or before December 31, 2025. If the Company fails to meet the pre-disbursement milestone, the MSF has the option to terminate the agreement. If the Company meets the pre-disbursement milestone, then it may begin seeking disbursements under the SSRP grant. Disbursements for this SSRP grant will be reimbursement-based, where the Company may request reimbursement for a percentage of eligible activities. A project budget will be incorporated into the final written agreement. Grant funds must be spent in accordance with the

project budget. The Company may not reallocate more than five percent (5%) between budget lines without the prior written approval of the MEDC Compliance Manager. They cannot add new budget line items without an amendment to the agreement, which amendment can only be approved by the MSF Board. In addition, this SSRP grant award will have a jobs creation commitment that must be achieved for the Company to retain all disbursements made under the award.

### **Environmental Considerations**

There has been considerable attention given to the environmental impact of the Project to the surrounding area. While the fact that the Company has received all relevant permits is important, understanding the process and due diligence that is required to receive these permits is critical to demonstrating the safety requirements and contingency planning that has been required of the Company to get to this point in the process. The Michigan Department of Environment, Great Lakes, and Energy (“EGLE”) is responsible for all permits and regulations for the act of extracting minerals from the land. EGLE has primary responsibility for enforcing compliance with all air, water, and mining regulations, as well as mine reclamation once mining is complete. The mining regulations are administered by the Oil, Gas, and Minerals Division (“OGMD”) pursuant to the statutory requirements of Part 632, of the Michigan Natural Resources and Environmental Protection Act, 1994 PA 451, as amended MCL 324.6301. The mining industries are also regulated by other environmental statutes and divisions within the EGLE such as Air Quality Division and Water Resources Division. EGLE confirms that the Project has all the key permits required for site construction and operation, including mining, wetlands and streams, air, water discharge, and dam safety permits. All submittals and reports are posted and available to the public on the EGLE website: [Non-Ferrous Metallic Mining \(michigan.gov\)](https://www.michigan.gov/egle).

As part of the permitting process, the Project must provide a sum of money called a financial assurance to the State of Michigan before mining can start. These funds are a security for taxpayers and the community if the Company is not able to complete all required reclamation activities at closure. If that happens, the State will use the financial assurance funds to close the mine according to the approved plans. The amount of money held by the State will be reviewed and updated every three years to reflect changes in the cost of reclamation, remediation, or post-closure monitoring. The Company has a bond in place with the state of Michigan of approximately \$6.5 million for the Project. Additional bonding will be put in place as they progress through the different stages of construction. Every time the project plans to build further infrastructure, additional financial assurance must be put in place with EGLE to cover all costs of compliant closure by a third party. The amount of the financial assurance is approved by EGLE and reviewed every three years as a condition of the mining permit.

In addition, there are many federal environmental regulations that apply to mining operations. Such as: Clean Air Act, Clean Water Act, Water Pollution Control Act, Safe Drinking Water Act: Underground Injection Control provisions; Resource Conservation and Recovery Act (“RCRA”); Toxic Substances Control Act (“TSCA”); National Environmental Protection Act (“NEPA”); Federal Endangered Species Act; Wilderness Act; National Historic Preservation Act; Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”); Surface Mining Control and Reclamation Act (“SMCRA”)

The mining permits address issues such as transportation, storage, treatment, and disposal of ore, waste rock, and plans for mining and reclamation. The mining permitting process requires an environmental impact assessment that includes a baseline of conditions and features as they currently exist, an identification and analysis of proposed mining activities that may impact those conditions or features, proposed measures to mitigate those impacts and predicted effects of those measures, and analysis of feasible and prudent alternatives and finally an analysis of the potential cumulative impacts on each identified condition or feature. The contingency plan required in the permitting process includes both an

assessment of risk to the environment and public safety, but also response measures (and procedures for public notification) that would be followed in the cases of any of the following: release or threat of toxic materials; storage, transportation and handling of explosives; fuel storage and distribution; fires; wastewater collection and treatment system; settling pond or tailings disposal area embankment failure; air emissions; spills of hazardous substances; other specific natural risks; power disruption; unplanned subsidence; and leaks from containment systems for stockpiles or storage or disposal facilities.

The plan for tailings management and reclaiming the natural state when mining operations ceased is already being planned for with conditions laid out in the mine permit. One of the requirements of the reclamation plan is a ground and surface water quality monitoring plan that must be in place for a minimum of 20 years. As part of project engineering, a comprehensive closure plan has been prepared, aligned to Michigan's standard – including seepage prevention structures such as seals and bulkheads and other means to protect the surface and surrounding surface water resources. The mine area, particularly the tailings disposal facility, will be covered and revegetated with native plants that will integrate with the surrounding landscapes.

The tailings from the Project will be mixed with water and pumped in a slurry form to a Tailings Disposal Facility (“TDF”). As the solids decant, water will rise to the surface. Water collected in the TDF will be returned to the mill or stored for future use. Excess water is treated to rigorous standards before discharging to the environment. The detailed dam design and construction will be in alignment with the Global Integrated Standard on Tailings Management which establishes and updates best management practices for Tailings Facilities. The tailings dam required to support the mine life will be built up to a maximum height of approximately 128-feet above the natural ground level, with the south side dam being only approximately 50-feet. The construction of the facility is planned in three stages and be spread out over many years. The footprint will be gradually increased to accommodate material as the operation progresses. EGLE must approve the final design plans before any TDF construction can occur. At closure, the TDF will remain on site permanently. The closure includes draining and treating the water from the facility until essentially no more drainage is present. The facility will be covered with an impermeable layer and revegetated with native plants. The process leaves the facility looking similar to the surrounding landscapes. Monitoring of the facility will be done for 20 years following the site's closure.

### **Company Information**

Copperwood Resources Inc. is a wholly owned subsidiary of Highland Copper Company Inc., which is a Canadian copper development company founded in 2006 with headquarters in Brossard, Quebec. The Company is focused on advancing sediment-hosted copper projects in the Copper Range District of the Western Upper Peninsula. The Copperwood Mine is a 100% owned asset of the Company located in Wakefield and Ironwood Townships, Gogebic County and a fully permitted greenfield copper mine for construction and operation. Copperwood Mine has a non-acid generating copper ore body with a predicted life of approximately 11 years. Copper was recently added as a critical material by the Department of Energy and is 100% recyclable. The background review process was completed for the Company in accordance with the MSF Background Review Policy on September 14, 2023, and the project may proceed for MSF consideration.

The Company plans to employ 300 people through the course of construction and create approximately 380 long-term jobs for the full duration of production paying wages in the range of \$80,000 to \$120,000 depending on skills and positions. Construction of the mine is slated to begin in 2024, with an expected start of production in 2026. The development of the mine facilities will consist of approximately 505 acres, less than a square mile, for the process plant, ore stockpile area, support facilities, and tailings disposal facility.

**Recommendation**

MEDC Staff recommends approval of an SSRP grant of up to \$50,000,000 to the Company, as outlined in the attached resolution and term sheet.

**Funding**

The SSRP Request will be funded through the SOAR Fund. Upon MSF Board approval of the recommendation for the SSRP grant, the process for legislative transfer of actual funds through the SOAR Fund will be initiated to the MSF to implement funding these incentives.

## APPENDIX A – SSRP Programmatic Considerations

### Key Statutory Criteria

Per section 88t of the MSF Act, to the extent reasonably applicable as reasonably determined by the MSF board to the type of project proposed, the MSF shall consider and document at least all of the following criteria for all SSRP awards before entering into a written agreement:

- **The importance of the project or Eligible Activities to the community in which is located and Michigan;**

The Project will have a transformational impact on Gogebic County and the Upper Peninsula. The project would result in the creation of up to 380 new jobs and a capital investment of up to \$425 million in Gogebic County. Over the years, the community has endured the closure of the White Pine Mine in 1995, closure of the Ontonagon Paper Mill in 2010 and then the Ojibway Correctional Facility in Marenisco in 2018. These large businesses provided family sustaining careers to residents of the Western Upper Peninsula, and they have yet to be replaced. Following these local government and business leaders developed a strategic economic plan to drive sustainable growth in the region, of which the Copperwood mine is an important part.

- **If the project will act as a catalyst for additional revitalization of the community where it is located and Michigan;**

The rural community is located in a Geographically Disadvantaged Area which has experienced economic and population decline. The project will result in significant job creation and capital investment revitalizing a blighted community. A return-on-investment analysis based on the anticipated, minimum 11-year life of the mine shows that the project will generate approximately \$1,337,790,512 in new personal income and \$121,731,408 in tax revenue to the state. In addition, the project will result in local and state revenue of approximately \$62,782,500 through the Michigan Severance Tax, which represents significant additional revenue to support local investments that create additional economic development in the region long after the mine is gone.

- **The amount of local community and financial support for the project;**

The local public support for this Project by residents and elected and appointed officials is significant. In a public opinion survey that was conducted as part of the Wakefield Township Master planning process, 91% of respondents expressed support for mining. The Wakefield Township Master Plan notes mining is one of the best opportunities for job creation in the region. The local community not only supports the Project. They have indicated it is core to their plans for long-term economic growth. Across the Upper Peninsula as a whole, a poll conducted by InvestUP showed 82% of residents support mining in this region. Local officials and trade organizations who have the greatest line of sight on what this investment, wages/job and new tax revenue would mean for these communities in the Upper Peninsula have expressed strong support for the Project. More than 60 additional resolutions and letters of support have been received and are included in the MSF packet.

- **The amount of any other economic assistance or support provided by Michigan for the project;**

Additional incentive support includes requested approval of a \$5,000,000 Michigan Department of Transportation (“MDOT”) Transportation Economic Development Fund grant.

- **The amount of any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations or tax credits;**

At this time no economic assistance or support is being provided by the federal government, however, the Company may seek federal financial support in the future if such support becomes available for this type of Project.

- **The amount of any private funds or investments for the project, including the Eligible Applicant’s own investments in the project;**  
Private capital investment is estimated to reach \$425,000,000 and will support new construction, machinery and equipment and other personal property.
- **The Eligible Applicant’s financial need for a grant, loan, or other economic assistance under the SSRP;**  
In order to begin operations at the mine, the Company has identified investment required of \$425,000,000, which includes \$145,000,000 million in site preparation and infrastructure costs. The grant request will support a portion of the site readiness investment while securing job creation guarantees with the project. Incentive assistance will assist to offset the public infrastructure costs associated with the project. In addition, the MSF support for the Project will provide significant incentive for other entities to provide the investment and financing necessary to complete the Project.
- **The extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property;**  
There are no vacant buildings on the site.
- **Creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan;**  
Due to the new operation of a new facility, all new and retained jobs will be the result of a fundamental technological shift in production.
- **Whether and how the project is financially and economically sound;**  
A financial review of the Company was completed and confirmed the Company’s ability to finance the project. The Canadian-based company is publicly traded on the Toronto Stock Exchange and is considered to have an excellent balance sheet.
- **Whether and how the project converts abandoned public buildings to private use;**  
There are no abandoned public buildings on the site.
- **Whether and how the project promotes sustainable development;**  
Mining in Michigan is regulated by the Department of Environmental, Great Lakes and Energy (“EGLE”) and companies are required to adhere to strict environmental laws. The tailings dam design and construction will be in alignment with the Global Integrated Standard on Tailings Management which establishes and updates best management practices for Tailings Facilities. Additionally, local regulations will ensure that the copper extracted from the mine will have minimized negative environmental impacts. The project supports the transition to a lower carbon economy due to a reliance on copper to produce electric vehicles.
- **Whether and how the project involves the rehabilitation of a historic resource;**  
No historic resources are impacted by the Project. SHPO has conducted the S.106 review required by the Army Corp of Engineers and concurred with the determination that no historic properties are affected.
- **Whether and how the project addresses areawide redevelopment;**  
The Project will positively impact the entire Western Region of the Upper Peninsula. The labor market area is regional and will reach as far as the Central Upper Peninsula for employees. Partnerships with regional community colleges for training will build capacity for re-skilling the workforce. The impact of new taxes (Michigan Mining Severance Tax) will infuse revenue into local units of government, increasing services, reversing tax base decline, and provide resources to support other strategic economic development projects and business investments in the region.
- **Whether and how the project addresses underserved markets of commerce;**  
The Western Upper Peninsula is recognized as an underserved market of commerce and job opportunities and the Project is located in a Geographically Disadvantaged Area. The Project will help revitalize a region of the Upper Peninsula which is underperforming economically compared

to more developed areas of the State and of the Upper Peninsula. Currently tourism is the major economic industry in the region. The Project presents an opportunity to create additional economic industry in the region.

- **The level and extent of environmental contamination;**

An environmental assessment of the site has been completed and shows soil conditions are suitable for construction of the planned facility. EGLE confirms that the Project has all the key permits required for site construction and operation, including mining, wetlands and streams, air, water discharge, and dam safety permits. As part of the permitting process, the Project must provide a sum of money called a financial assurance to the State of Michigan before mining can start. These funds are a security for taxpayers and the community if the Company is not able to complete all required reclamation activities at closure. If that happens, the State will use the financial assurance funds to close the mine according to the approved plans. The amount of money held by the State will be reviewed and updated every three years to reflect changes in the cost of reclamation, remediation, or post-closure monitoring. The Company has a bond in place with the state of Michigan of approximately \$6.5 million for the Project. Additional bonding will be put in place as they progress through the different stages of construction. Every time the project plans to build further infrastructure, additional financial assurance must be put in place with EGLE to cover all costs of compliant closure by a third party. The amount of the financial assurance is approved by EGLE and reviewed every three years as a condition of the mining permit. The Company's operations will be monitored by EGLE. Monitoring of the site will continue a minimum of 20 years after the mine's closure and the site has been returned to its original state.

- **Whether and how the project will compete with or affect existing Michigan businesses within the same industry;**

The other critical material mine in the region is Eagle Mine, a high-grade nickel mining and copper mining project owned by Lundin Mining. When the project achieves production it will generally coincide with the end of mine life for Eagle Mine and Highland Copper will make every effort to work with Eagle Mine to retain the talent pool, construction, and logistics efficiencies existing in the area.

- **Whether and how the project's proximity to rail and utility will impact the performance of the project and will maximize energy and logistics needs in the community in which it is located, and in Michigan;**

Rail does not currently reach a location near the project site, so the final product, copper concentrate, must leave the facility on trucks. It will be transported to the nearest transload location to be transferred onto rail for shipment to the smelter. A transloading facility closer to the site would be economically beneficial to the project but would require significant improvements to currently unoperated rail lines to bring them back online. This is not economically feasible.

- **The risk of obsolescence that the project, products, and investments in the future;**

The project will produce a copper concentrate. There is a growing supply/demand imbalance for copper in the US and globally. Estimates from 2021 indicate that approximately 150 million tons of copper and 210 million tons of aluminum are in operation today in the electric grid (IEA, 2021b). With projected deployment of clean energy technologies, both distribution and transmission line expansions are expected to grow, leading to increased copper and aluminum demand. There is limited risk of product obsolescence.

- **The overall return on investment to Michigan;**

- A return-on-investment analysis based on the anticipated, minimum 11-year life of the mine shows that the project will generate approximately \$1,337,790,512 in new personal income and \$121,731,408 in tax revenue to the state. In addition, the project will result in local and state revenue of approximately \$62,782,500 through the Michigan Severance Tax, which represents significant

additional revenue to support local investments that create additional economic development in the region long after the mine is gone.

- **Whether the proposed Strategic Site is incorporated into a strategic plan of a political subdivision of Michigan;**

No, however, the Wakefield Township Master Plan does indicate that mining is one of the best opportunities for job creation in the region. This Strategic Site and Project aligns with that sentiment.

Additionally, under Section 88t of the MSF Act, since the end user of the Strategic Site is identified, the MSF Board shall also consider:

- **The strategic economic importance of the project to the community where it is located and Michigan;**

The proposed project will impact the regions around Gogebic County with immediate job growth and significant and continued investment. The project would result in the creation of up to 380 new jobs and a capital investment of up to \$425,000,000 in Gogebic County. Stakeholders in the Western Upper Peninsula have verbalized much support for the development of this project. Over the past 10 years, Highland Copper has held regular update meetings with local governments and community leaders and organizations. The reception of the project is overwhelmingly positive and the expected economic benefits for the project are seen as a key trigger to the economic revitalization of the area.

- **Whether the financial assistance is needed to secure the project in Michigan;**

In order to begin operations at the mine, the Company has identified investment required of \$425,000,000 which includes \$145,000,000 in site preparation and infrastructure costs. The grant request will support a portion of the site readiness investment while securing job creation guarantees with the project. Incentive assistance will assist to offset the public infrastructure costs associated with the project. In addition, the MSF support for the Project will provide significant incentive for other entities to provide the investment and financing necessary to complete the Project. This Project would not happen in Michigan if it does not have financial assistance from the State.

- **The degree to which the project is a priority for the local governmental unit or local economic development corporation in the jurisdiction of which the site is located;**

The economic decline of the region started with the closure of the White Pine Mine, followed by the closure of the Ontonagon Paper Mill and then the Ojibway Correctional Facility in Marenisco. These large businesses provided family sustaining careers to residents of the Western Upper Peninsula, and they have yet to be replaced. The absence of good jobs has contributed to the decrease in population and the increase in the average age of residents. The creation of long-term, family sustaining jobs in the area will provide an opportunity for younger people, from regional colleges and universities, to obtain gratifying long-term employment and remain in the Upper Peninsula. Spending from the mine project, as well as its commitment to prioritizing local procurement when feasible, will support the creation of local service and supply businesses, which can serve the mine locally, but also grow to cater to the national and international mining industry.

- **The level of creation or retention of Qualified Jobs as a result of a technological shift in product;**

Due to the new operation of a new facility, all new and retained jobs will be the result of a fundamental technological shift in production.

- **Whether the Qualified Jobs created or retained as a result of a technological shift in product or production equal or exceed the average wage for the county in which the project is located;**



The Direct jobs created by this Project are expected to have average wages from \$80,000-\$120,000. This is twice the median regional wage of \$41,000. These jobs present life-changing opportunities that would propel residents into the middle class.

- **The level of capital investment;**

The Project is anticipated to result in \$425,000,000 in capital investment.

- **The evidence of the End User's commitment to the site;**

The Company is committed to developing and leading the project responsibly through its full life cycle, from site preparation activities and early engagement with the communities, through responsibly mining its full life of mine to site closure and remediation activities to restore the site to a natural state. When the Project reaches the end of its mine life, the intent is for the mine to have supported the significant strengthening of the Western UP's economic situation and for the region's economy to be self-supporting without the input from the mine. The Company will reclaim the site and return it to a natural state. The project will leave behind over 13,000 lineal feet of streams and over 730 acres of wetlands preserved in conservation easements for perpetuity and a revegetated site available for re-use.

**MICHIGAN STRATEGIC FUND  
RESOLUTION 2024-051**

**APPROVAL OF MICHIGAN STRATEGIC SITE READINESS PROGRAM  
GRANT TO COPPERWOOD RESOURCES INC.**

**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 88t of the MSF Act, MCL 125.2088t, the MSF shall create and operate the Michigan strategic site readiness program to provide grants, loans, and other economic assistance for eligible applicants to conduct eligible activities for the purpose of creating investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites (the “Strategic Site Readiness Program”);

**WHEREAS**, the Strategic Site Readiness Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

**WHEREAS**, on January 11, 2022, the MSF Board created the Strategic Site Readiness Program and approved the guidelines which have been updated from time to time for the implementation and operation of the Strategic Site Readiness Program (the “Strategic Site Readiness Program Guidelines”);

**WHEREAS**, Copperwood Resources Inc. (the “Company”) submitted an application on October 23, 2023 seeking a Strategic Site Readiness Program grant in the amount of \$50,000,000 and in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A to this Resolution (the “Grant Request”);

**WHEREAS**, subject to transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MEDC recommends the MSF approve the Grant Request; and

**WHEREAS**, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board wishes to approve the Grant Request.

**NOW THEREFORE, BE IT RESOLVED**, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board approves the Grant Request;

**BE IT FURTHER RESOLVED**, the MSF President and the MSF Financial Officer are authorized to take all actions necessary to request transfer of SOAR funds to the MSF to fund the Grant Request; and

**BE IT FURTHER RESOLVED**, the MSF Fund Manager is authorized to negotiate final terms and conditions of the Grant Request and to execute all documents necessary to effectuate the Grant Request.

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024

## Strategic Site Readiness Program Grant

### Summary of Terms

This document summarizes the key terms and conditions of the potential Strategic Site Readiness Program (“SSRP”) Award for Copperwood Resources Inc. (the “Company”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement (the “Grant Agreement”). Any obligations that may be deemed to arise under this Term Sheet are contingent on the Company obtaining all necessary approvals, and the Michigan Economic Development Corporation (“MEDC”) obtaining all necessary Michigan Strategic Fund (“MSF”) Board and State of Michigan Legislature approvals.

**SSRP Award:** Up to \$50,000,000 to the Company for Eligible Activities to support the Company’s copper mining facility in Gogebic County, Michigan that will result in the creation of 380 new jobs and \$425,000,000 in capital investment. Eligible Activities, as defined below, are necessary to support the development of the new copper mining facility (collectively, the “Project”).

- **Grant Disbursement Milestone:** Due on or before December 31, 2025, which date can be extended up to 12 months if the Company provides sufficient evidence to the Fund Manager that it will be able to meet the Grant Disbursement Milestone within that time frame.
  - Demonstrate in the form of binding term sheets, executed agreements, or the equivalent thereof, to the satisfaction of the Fund Manager, that Company has obtained \$150,000,000 in financing which could include debt, asset finance, equity, additional local, state or federal assistance, or other form of project investment.

Failure to meet the Grant Disbursement Milestone may result in no Grant disbursements and termination of the Grant.

- **Grant Disbursements:** Upon verification that the Company has completed the Grant Disbursement Milestone, the Company may request disbursements on a reimbursement basis for 100% of expenses for Eligible Activities (defined below) up to \$50,000,000, in accordance with the terms of the Grant Agreement and after verification by the Compliance Unit of the MEDC. The Company shall submit one or more reimbursement requests, but no more frequently than quarterly, together with a certification of the Company’s compliance with the Grant Agreement. Company’s final reimbursement request must be submitted to the Grant Manager on or before March 31, 2029.
  - “Eligible Activities” includes the following activities related to the Project, for which costs are incurred after July 15, 2023 through December 31, 2028 in accordance with the Project budget, which shall be incorporated into the Grant Agreement: site preparation and improvement; infrastructure improvements, including without limitation transportation, infrastructure, water and wastewater infrastructure, and utilities necessary to service the site; demolition, construction, alteration, rehabilitation, or improvement of buildings on the site; environmental remediation; architectural, engineering, surveying, similar professional fees, and other predevelopment work required to commence construction on site improvements; and any activities outlined in the SSRP Guidelines, as amended, necessary to support the development of the Project. Eligible Activities do not include those activities related to the purchase or assembly of real property. The Company may reallocate expenditures between categories within the Budget of up to five percent

(5%) of the total SSRP Award without the prior written approval of the Grant Manager.

- **Project Completion Milestone:** On or before March 31, 2029, the Company shall submit those materials, records, and information reasonably necessary to demonstrate, to the satisfaction of the Grant Manager, the achievement of all of the following:
  - Creation of at least 380 Qualified Jobs at the Project site (“Qualified Jobs”).
    - A “Qualified Job” is defined as a job for the Company or a Specialized Employer at the Project, created on or after August 11, 2023, maintained for the previous six (6) months, and performed by either: (i) a Michigan resident whose state income taxes are withheld by the Company or a Specialized Employer, as applicable, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident who is employed by the Company or a Specialized Employer at the Project, as determined and verified by the MSF.
      - A “Specialized Employer” is an organization providing workers with expertise in mining in an operational or training support capacity for and at the Project and listed in an Exhibit in the final agreement, with any changes subsequent to agreement execution subject to MSF Fund Manager approval.
  - Submittal of a final milestone certificate in the form determined by the MEDC, and attesting to the completion of all Eligible Activities outlined in the Budget;
  - Submittal of a spreadsheet describing and itemizing the actual expenditure of grant disbursements for all Eligible Activities completed during the Term. The spreadsheet shall include the corresponding reference category of the Budget, identify the name of the actual vendor or recipient of each expenditure, and be accompanied by supporting documentation of each expenditure and demonstrated verification that 100 percent of the funds disbursed have been expended for Eligible Activities; and
  - Documentation satisfactory to the grant manager that the Eligible Activities necessary to support the development of the copper mining facility have been completed.

**Term of the Grant Agreement:** From the effective date of the Grant Agreement through the earlier of: (i) June 30, 2029; (ii) the Grant Manager’s approval of the Project Completion Milestone; (iii) when the Parties otherwise agree in writing; or (iv) if terminated in accordance with the Grant Agreement.

**Project Status Report:** Means reports provided to the MEDC that may be required from time to time following the execution of the agreement and continuing until completion of the Project Completion Milestone. Project Status Reports shall include a narrative on the status of the Project and updates on the Eligible Activities.

**Security Interest and Other Interests:** Security interests and other interests in favor of the MSF must comply with the requirements of Section 88t(4) of the MSF Act, MCL 125.2088t(4), and

notwithstanding anything to contrary, may include, but is not limited to, real and/or personal property at Project, such as transfer and reconveyance rights, a mortgage, right of first offer, reverter rights, equipment, fixture, deposit account control, intangibles, inventory, or other personal property interests. Such interests will be used to secure repayment of any amounts owed to the MSF under the Grant Agreement and exercise other MSF rights through the end of the Term.

**Suspension of Disbursements:** The MSF may immediately suspend making disbursements of the SSRP Award upon the occurrence of: (i) an event of default, which shall be defined in the Grant Agreement, but shall include, without limitation, material noncompliance with the terms of the Grant Agreement, (ii) default in any other agreement with the State of Michigan, or (iii) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

**Clawback Provisions:** The Company shall repay all of the grant disbursements made under the SSRP Award upon the occurrence of one or more of events of default, which shall include without limitation: project abandonment, bankruptcy or insolvency (with any such proceedings against the Applicant not being set aside within sixty (60) calendar days from the date of institution thereof), material misrepresentation, misuse of funds, and material failure to comply with the terms of the Grant Agreement.

- Provided, however, in the event the Company fails to create the New Jobs as required by the Project Completion Milestone, the Company shall repay an amount calculated by dividing (A) the Peak Overall Jobs Attained by (B) the Required New Jobs (the “Jobs Performance Percentage”). The Company shall repay the difference between (A) the amount of grant funds received by the Company and (B) the amount of grant funds received by the Company multiplied by the Jobs Performance Percentage. “Peak Overall Jobs Attained” is the peak number of New Jobs created within one year prior to the date the Company submits the Project Completion Milestone.
- All amounts owed to the MSF must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis.

#### **Additional State Required Terms:**

- **Amendments.** As required under Section 88t(8) of the MSF Act, MCL 125.2088t(8) (“Section 88t”), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written Grant Agreement and will otherwise comply with requirements of Section 88t(8) prior to taking any action on such amendment request.
- **Assignment and Assumption.** The Company may not assign its rights or obligations under the Grant Agreement without the prior written consent of the MSF Board.
- **Annual Compliance Certificate.** During the Term, in addition to the Project Status Reports, the Company will be required to sign and submit an annual compliance certificate certifying that the Company is in compliance with the terms and conditions of the Grant Agreement.
- **Annual Progress Report.** During the Term, the Company will be required to submit annual progress reports. This information will be transmitted by the MSF to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights.** During the Term, and for a period of three years after the expiration of the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of

Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.

- **Other provisions.** The Grant Agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, non-discrimination and unfair labor practices, termination of funding, any other requirements of the SSRP Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of Section 88t.



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



## MEMORANDUM

**Date:** March 26, 2024

**To:** Michigan Strategic Fund Board

**From:** Jake Winder, Director of Community Development Incentives

**Subject:** Request for Approval of a Michigan Business Development Program Loan Agreement Amendment #1  
M-1 RAIL

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### Request

M-1 RAIL (“Company”) is requesting approval of an amendment to the Loan Agreement (“Agreement”) and any related ancillary agreements. The amendment request dated November 22, 2023, includes a request to change the repayment terms of the loan by substituting the current payment structure with an Acknowledgement Rights model, which will allow for new marketing opportunities. These opportunities include wrapping the streetcars with promotional materials, affixing logos to the base exterior of the streetcar, and running static video content to each of the 20 streetcar stations. Third party organizations estimate that these new promotional opportunities are valued at approximately \$4.8 million over the original term of the loan, which exceeds the remaining balance of 3,527,319. All other terms of the current Agreement will remain the same.

### Background

The Michigan Strategic Fund Board approved a \$10,000,000 loan on March 25, 2014, to the Company for the purpose of constructing a new public transit option in Detroit known as the QLine. The lack of public transit in Detroit had long been a detriment to economic growth in the area, but since construction began on the QLine in 2014, the Woodward Corridor has seen \$10 billion in investment. This philanthropic-public partnership consists of the Kresge Foundation, Penske Corporation, Rock Family of Companies, USDOT, MDOT, Wayne County, and the MSF, among others.

The amendment request stems from the unique structure of M-1 RAIL. It was originally structured as a non-profit corporation during the Detroit bankruptcy, with a long-term goal in mind of being donated to a public entity after an initial period of operations. As a non-profit, M-1 RAIL is not eligible for traditional federal and state transit funding that every public system receives. The long-term philanthropic commitments for M-1 RAIL have been exhausted over the last 10+ years and there is a critical need to unlock new sources of funding. M-1 RAIL’s leaders are working closely with local and regional officials to effectuate the donation of the system to the Regional Transit Authority, with the agreed upon stipulation that the budget must be balanced. In order to ensure that happens, M-1 RAIL is requesting an alternative method of repayment.

The company is current with reporting requirements.

**Recommendation**

The MEDC staff recommends approval of an amendment to the Loan Agreement and any related ancillary agreements to replace the cash obligation repayment model with an Acknowledgement Rights model, per the Company's request dated November 22, 2023.

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-054**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN BUSINESS DEVELOPMENT  
PROGRAM LOAN FOR  
M-1 RAIL**

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

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

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

**WHEREAS**, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

**WHEREAS**, by Resolution 2014-043, on March 25, 2014, the MSF Board awarded an MBDP Loan award to M-1 RAIL (the “Company”) of up to \$10,000,000, in furtherance of the development and operation of the Q-Line in the City of Detroit (the “Loan Award”);

**WHEREAS**, the Loan Award was funded through the Michigan investment fund authorized under MCL 125.2088h (the “Permanent Fund”);

**WHEREAS**, the Company is requesting and MEDC is recommending that the MSF Board approve an amendment of the Loan Award to modify the terms as outlined in Exhibit A (the “Loan Amendment Recommendation”); and

**WHEREAS**, the MEDC also recommends the MSF Board ratify funding the Loan Award through the Permanent Fund (the “Funding Ratification”).

**NOW, THEREFORE, BE IT RESOLVED**, the MSF Board approves: (i) the Loan Amendment Recommendation, and (ii) the Funding Ratification.

Ayes:                   Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen  
(in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in

lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024

## EXHIBIT A

### SUMMARY OF LOAN AMENDMENT TERMS

<b>Current Loan Status:</b>	MBDP Loan Award contingent on Company getting current on all required loan payments through December 31, 2023
<b>Remaining Loan Balance:</b>	Outstanding loan balance to be considered “paid in full.” Company to provide in-kind payment in the form of acknowledgement rights and marketing services for the production and installation of streetcar wrapping, and marketing imagery on display monitors, annually through December 31, 2028.
<b>Asset Transfer:</b>	Company’s assets to be transferred to the Regional Transit Authority of Southeast Michigan



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File





**MEMORANDUM**

**Date:** March 26, 2024  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Matt Chasnis, Senior Business Development Project Manager  
**Subject:** Incentives Request

**Michigan Business Development Program (“MBDP”) Grant Request  
State Essential Services Assessment (“SESA”) Exemption Request  
Piston Automotive, L.L.C. (“Company” or “Applicant”)**

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**Request Summary**

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

- Approval of a \$8,500,000 MBDP Grant, as outlined in the attached Term Sheet.
- Approval of a 15-year 100% SESA Exemption with an estimated value of up to \$1,789,480 for its \$80,382,857 eligible investment in Eligible Personal Property (“SESA Request”).
  - Additionally, due to the competitive nature of the project and the desire to capture as much investment as possible, the Applicant is requesting the following waivers to the SESA Guidelines (1) that the project to be located in an Eligible Distressed Area and (2) qualified investments to be greater than \$100,000,000 (collectively, the “Waiver Request”).
- This project involves the creation of up to 900 Qualified New Jobs and a capital investment of up to \$85,186,000 in the City of Auburn Hills, Oakland County.

**Applicant History**

The Applicant, a subsidiary of Piston Group LLC, was founded in 1996 as an automotive supplier. The Applicant, which is headquartered in Redford, Michigan supplies powertrain systems, front-end cooling systems, chassis systems, BEV and PHEV battery packs and interior systems for the automotive industry. The Company was formed by former NBA and Detroit Piston star Vinnie “The Microwave” Johnson to serve major auto makers and related OEM suppliers in the greater Detroit area. The Company’s parent is minority owned enterprise and is the largest African American owned automotive supplier in the US. Additionally, the Company’s parent is the 24 largest automotive OEM supplier in the US. The Company’s parent currently has 14 locations in six states and five locations in Mexico with employees totaling more than 11,000 individuals in the North America, 267 of them located at two facilities in Michigan.

The background review process was completed in accordance with the MSF Background Review Policy on August 29, 2023, and the project may proceed for MSF consideration.

The Applicant has received incentives from the MSF in the past. The Company was disbursed \$300,000 for the creation of 60 qualified new jobs but staff levels were impacted by supply chain problems associated with the COVID-19 pandemic. The Company was issued a cure period and forbearance and has cured the default. The Company is currently in good standing.

**Project Description**

The Applicant has been awarded a six year contract with an automotive OEM to assemble and supply component modules for a new electric pickup truck. The Company is considering leasing a newly

constructed building at the former palace site in Auburn Hills and will require approximately 713,000 sq ft of the facility. The new facility will be part of the Company's long-term strategy to secure future business in the electric vehicle segment as the automotive industry shifts to electric.

The Company is considering the City of Auburn Hills for the project and anticipates the project will result in capital investment of up to \$85,186,000. The project will also result in the creation of up to 900 new jobs paying an average wage of \$845.60 per week plus benefits.

Employees are compensated according to the UAW Collective Bargaining Agreement schedule and are provided wage increases every six months for the first two years, ultimately increasing compensation by over \$4 an hour. Additionally, employees are offered full benefits that include paid holiday and vacation, medical and prescription plans, dental and vision, 401k match of 3%, and tuition reimbursement for full-time employees earning high school diplomas, skills certificates, associate degrees and bachelor's degrees.

### **Demonstrated Need**

The Company is also considering placing this project in Ohio, Kentucky, Tennessee, and South Carolina, many of which already have existing locations. The Company is considering these locations because of their proximity to other automotive facilities and available talent. The Company has also received incentive offers to support this project's investment and job creation.

The Company, founded and headquartered in Michigan, is considering the location in Auburn Hills because of its proximity to its customers, existing Michigan facilities, and a suitable workforce. Even though the Company would like to locate in Michigan, incentive assistance is necessary to offset competing offers.

### **Request**

In order to secure the project, the Applicant is requesting a \$8,500,000 MBDP performance-based grant and a \$1,789,480 15-year 100% SESA Exemption. The incentive request will help address the cost disadvantage of locating the project in Michigan when compared to competing sites outside of Michigan. 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 immediate job growth with a large and expanding automotive supplier. This facility will result in the creation of up to 900 new jobs and up to \$85,186,000 in capital investment in the City of Auburn Hills, Oakland County.

### **Recommendation**

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-055**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO  
PISTON AUTOMOTIVE, L.L.C.**

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

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

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

**WHEREAS**, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

**WHEREAS**, Piston Automotive, L.L.C. (the “Company”) has requested a performance based MBDP grant of up to \$8,500,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) establish a new facility to assemble and supply component modules for automotive vehicles (the “Project”);

**WHEREAS**, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs.;

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024

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

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

### **PROJECT SUMMARY**

**Scope of the Project:** The Company intends to lease a new facility to assemble and supply component modules for automotive vehicles in Auburn Hills, Michigan (the “Project Site”). The Company expects to ramp up over the course of the next three (3) years resulting in an expected creation of at least 900 new jobs at the Project Site and a projected investment of \$85,186,000 by June 30, 2027, at the Project Site (collectively, the “Project”).

**Award Amount:** A maximum grant of \$8,500,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

**Term of the Agreement:** Effective Date of the Grant Agreement through February 28, 2028 (the “Term”).

**Overall Jobs Commitment:** Creation of a minimum of 900 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above a Statewide Base of 267 employees (the “Overall Base”), on November 30, 2027 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company for the Project at the Project Site on or after March 26, 2024 (Date of MSF Approval), and maintained continuously for the previous six (6) months, and performed for the Company by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company at the Project Site, provided that the Company certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

### **GRANT DISBURSEMENTS**

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

“Eligible Expenses” means the actual expenditure by the Company on or after March 26, 2024, (Date of MSF Approval) for the Project, at the Project Site, in Hard Costs for construction related to the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than August 31, 2027, together with a certification of the Company's compliance with the grant agreement.

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

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

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

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

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

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



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director





STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-056**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO  
PISTON AUTOMOTIVE, L.L.C.**

**WHEREAS**, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

**WHEREAS**, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (the “SESA”) and the Alternative State Essential Services Assessment Act (the “Alternative SESA”);

**WHEREAS**, the SESA and the Alternative SESA authorized the creation and operation of the SESA Exemption and the Alternative SESA Exemption Program by the Michigan Strategic Fund (the “MSF”) pursuant to MCL 211.1059;

**WHEREAS**, on October 28, 2014, by Resolution 2014-176, the MSF Board approved (i) the SESA Exemption (the “SESA Program”) and Alternative SESA Exemption Program (the “Alt SESA Program”) (“collectively, the “SESA Exemption Program”) and (ii) program guidelines for the SESA Exemption Program (the “Program Guidelines”);

**WHEREAS**, on October 28, 2014, by Resolution 2014-177, the MSF Board approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the SESA Exemption Program;

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

**WHEREAS**, Piston Automotive, L.L.C. (the “Company”) is an Eligible Claimant, as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e);

**WHEREAS**, the Program Guidelines require that: (i) qualifying investments be greater than \$100 million in order to qualify for the SESA Program of up to 15 years, and (ii) projects be located in Eligible Distressed Areas to qualify for the SESA Program (the “Investment and EDA Requirements”);

**WHEREAS**, the Company is requesting a waiver to the Investment and EDA Requirements (the “Investment and EDA Requirements Waiver”);

**WHEREAS**, the Company has requested that the MSF Board approve a fifteen-year SESA exemption estimated to be worth \$1,789,480 for up to \$80,382,857 in qualified investment in Eligible Personal Property, as defined in the Program Guidelines, in Auburn Hills, Oakland County (“SESA Exemption Recommendation”);

**WHEREAS**, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the Investment and EDA Requirements Waiver, and require a one-time administrative

fee in the amount of \$10,000 payable to the MSF upon completion of the first performance milestone (collectively, the “Request”);

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



**MEMORANDUM**

**Date:** March 26, 2024  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Christopher Buck, Strategic Accounts Executive  
Brittney Mizer, Business Development Project Manager  
**Subject:** Grant Request  
Michigan Business Development Program (“MBDP”)  
Alticor Inc. (“Company” or “Applicant”)

---

**Request Summary**

- This is a request from the Applicant for a \$2,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 260 Qualified New Jobs and a capital investment of up to \$127,600,000 in Ada Township, Kent County.

**Applicant History**

The Company was founded by Rich DeVos and Jay Van Andel in 1959 in Michigan. Today, the Company has over 14,000 global employees, and over 3,000 in Michigan alone, across multiple entities. The Company is committed to helping people live better, healthier lives across more than 100 countries and territories worldwide. According to Forbes magazine, it is among the Top 100 privately held companies in the United States. Top-selling brands for Amway are Nutrilite™, Artistry™ and XS™ energy drinks – all sold exclusively by entrepreneurs who are known as Independent Business Owners. Amway is the Number 1 direct selling business in the world, according to the 2023 Direct Selling News Global 100 list.

The background review process was completed in accordance with the MSF Background Review Policy on February 5, 2024, and the project may proceed for MSF consideration.

**Project Description**

The proposed project includes the renovation of the Company’s existing Spaulding Plaza facility and an expansion of the existing Fulton Street facility.

The Spaulding updates include the renovation of approximately 48,000 square feet of currently unused space, into a state-of-the-art, Nutrition Solid Dose Manufacturing center. Here, the Company will be able to provide additional state-of-the-art blending, tableting, two-piece hard-shell, soft gel manufacturing capabilities, and other manufacturing capabilities.

The existing Innovation & Science Pilot Plant Facility on Fulton Street is expected to see an expansion of 18,750 square feet, to support Nutrition Research and Development capabilities. This space will include Nutrition Laboratories, support offices, cool chambers, storage, pilot manufacturing equipment, and other assets to support research and development activities.

The Company is considering Ada Township for the project and anticipates the project will result in capital investment of approximately \$127,600,000. The project is anticipated to also result in the creation of up to 260 new jobs paying an average wage of \$46.24 per hour plus benefits, well in excess of the average Regional Median Wage of \$20.09 per hour.

### **Demonstrated Need**

The Company is considering shuttering an existing out-of-state facility and moving it to West Michigan. The Company has available real estate at the existing sites in Ada Township, Michigan. In order to increase efficiency and reduce overhead costs, the Company is considering locating all operations in close proximity. The Company believes this close proximity will facilitate integration for faster design and scale of programs and solutions across all categories and brands. However, it would be much cheaper and less disruptive to leave operations as-is. State support is vital to the Company deciding that consolidating operations in West Michigan is the best course of action.

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

### **Request**

In order to secure the project, the Applicant is requesting a \$2,000,000 MBDP performance-based grant. The MBDP Request will help address the cost disadvantage of consolidating current out-of-state operations in Michigan. The MBDP funds will partially offset the cost of renovating and expanding the existing facilities, as well as mitigating the disruption of business that is anticipated to occur during the transition. This project is vital to the Company securing its long-term home in the region and continuing to grow as a strong employer in a small community.

This project aligns with the state's goal to position itself as the leader for research and development opportunities. The proposed project will also impact the local region with immediate job growth with a large and expanding company. This facility is projected to result in the creation of up to 260 new jobs and up to \$127,600,000 in capital investment in Ada Township, Kent County.

### **Recommendation**

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-057**

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

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

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

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

**WHEREAS**, on December 21, 2011, by Resolution 2011-184, the MSF Board (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “Guidelines”);

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

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

**WHEREAS**, Alticor Inc. (the “Company”) has requested a performance based MBDP grant of up to \$2,000,000 (the “Request”), along with other general terms and conditions which are outlined in the term sheet attached (the “Term Sheet”) to renovate approximately 48,000 square feet of one facility to provide state-of-the-art nutrition manufacturing capabilities and add approximately 18,750 square feet to another facility for more research and development capacity (the “Project”);

**WHEREAS**, pursuant to the Guidelines, the Company is a Qualified Business and the Project is eligible as an Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs; and

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

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

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



Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024

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

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

### **PROJECT SUMMARY**

**Scope of the Project:** The Company intends to renovate approximately 48,000 square feet of one facility to provide state-of-the-art nutrition manufacturing capabilities and add approximately 18,750 square feet to another facility for additional research and development capacity, both in Ada, Michigan (the “Project Site”). The Company expects to ramp up over the course of the next five (5) years resulting in an expected creation of at least 260 new jobs at the Project Site and a projected investment of approximately \$127,600,000 by April 30, 2029, at the Project Site (collectively, the “Project”).

**Award Amount:** A maximum grant of \$2,000,000 (the “Award”), all or a portion of which is also referred to as the “Grant”).

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

**Overall Jobs Commitment:** Creation of a minimum of 260 Qualified New Jobs (the “Overall Jobs Minimum”) at the Project Site, above the Company and/or its affiliates or subsidiaries (including Access Business Group LLC, Access Business Group International LLC, ABGI Corp., Amway Corp., and Amway International Inc., collectively, the “Company Group”) Statewide Base of 3,415 employees (the “Overall Base”), on April 30, 2029, (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

- A “Qualified New Job” or “QNJ” is defined as a new, full-time job created by the Company Group for the Project at the Project Site on or after December 18, 2023, (Date of Signed Offer Letter), and maintained continuously for the previous six (6) months, and performed for the Company Group by an individual who is either (i) a resident of the State of Michigan whose Michigan income taxes are withheld by the Company Group, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident of the State of Michigan who is employed by the Company Group at the Project Site, provided that the Company/applicable entity certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that Company Group are residents of Michigan. In both cases, the QNJs must be in excess of the Overall Base.

### **GRANT DISBURSEMENTS**

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

“Eligible Expenses” means the actual expenditure by the Company Group on or after December 18, 2023, (Date of Signed Offer Letter) for the Project, at the Project Site, in Hard Costs for construction related to

the Project, and infrastructure, machinery, equipment, tooling, computers, furniture, fixtures, lease payments, costs related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, instructor and training materials costs. Certain costs, to be more particularly described in the grant agreement, such as administrative costs, debt payments, meals and entertainment expense and on-the-job training, are not eligible for reimbursement.

The Company may request disbursements on a reimbursement basis for 50 percent of Eligible Expenses, related to the Project and paid by the Company Group. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly, no later than January 31, 2029, together with a certification of the Company's compliance with the grant agreement.

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

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

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

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

MSF on or before the end of the Term, it will be required to repay 100% of grant disbursements made under the Award.

- **Misuse of Funds:** If the Company uses the Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the Award.

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

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



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

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Thank you.

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Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
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BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

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Michigan Strategic Fund Office  
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Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



## MEMORANDUM

**Date:** March 26, 2024

**To:** Michigan Strategic Fund Board

**From:** Mackenzie Miller, Community Development Manager  
Julius L. Edwards, Director, Commercial Real Estate Investment  
Tori LaDuke, Program Specialist

**Subject:** Request for Approval of a Michigan Community Revitalization Program (MCRP)  
Other Economic Assistance Loan Participation for Hotel Rose, LLC– 12 S. Main  
Street NE

### Project Summary & Request

Hotel Rose, LLC (“Hotel Rose”) is proposing to redevelop the vacant parcel located at 12 S. Main Street NE, Rockford (the “Property”) into an approximately 40,370 square foot, three-story hotel operated by Amway Hotel Corporation with 54 guest rooms, approximately 2,645 square feet of restaurant space, and 7,495 square feet of leased retail space (the “Project”). The Project will address the existing contamination located on the Property and prepare it for construction of the hotel and associated site improvements. Additionally, the Project will support downtown businesses by keeping travel and tourism spending in the community and providing new accommodations and amenities for residents and visitors in the heart of downtown Rockford. Total capital investment is estimated to be approximately \$14 million, and the Project is expected to commence in the spring of 2024 and be completed by summer 2025. The Project is expected to support approximately 40 new full-time jobs with an average wage of approximately \$20/hour. The development team is seeking support for the project with an MCRP loan participation award of \$3,250,000.

<b>PROJECT SUMMARY</b>	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility
Total Approximate Square Feet Revitalized	40,370
Total Approximate Acres Activated	0.43
Estimated # of Residential Units	0
Estimated Commercial Square Footage	7,495
Current Taxable Value	\$0
Projected Taxable Value at Completion	\$3,463,967
Total Anticipated Capital Investment	\$14,000,000
MCRP Loan	\$3,250,000

This project will remediate a brownfield site in the traditional downtown of Rockford, which will create significant improvements to a corridor prepped for development. This will add a new block to the city's downtown and will assist with a natural slowing of traffic. This project is of high priority for the City of Rockford, as it will provide new hospitality downtown, which has been a preference for redevelopment and written in the city's business plan since its inception. This will be the first MSF requested support by the City of Rockford. The project supports the MEDC strategic plan focus area of Developing Attractive Places that transform underutilized property into activated places that are inviting to a talented workforce.

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

### **Demonstrated Needs**

Without the MCRP incentive there will be a financial gap in the project. The need is being driven by increased construction costs and higher interest rates which has impacted the project's ability to be financially viable without MCRP support. The development team has maximized traditional financing of \$7 million (53% of total development costs), they are also contributing \$2.4 million in cash equity (17% of total development costs) and are receiving local support in the form of DDA and local brownfield tax increment revenue reimbursement and parking donation valued at approximately \$1.48M.

### **Local Support**

This is a priority project for the City of Rockford. In addition to anticipated sale of the property for a discounted price, The City is currently making utility improvements to the downtown and stubbed the site in preparation for this development. Finally, the City of Rockford is contributing 42 public parking spaces to the project and will be supporting the Project with DDA and Local Brownfield TIF reimbursements valued at approximately \$1.48 million. The local economic development organization that supports the City of Rockford is The Right Place, and provided a letter of support laying out a variety of reasons that this project will benefit the community. As noted in the letter: *Downtown Rockford is the epitome of a walkable, dense, attractive, vibrant and thriving traditional downtown district. The community defines the term "Quality of Place." The Hotel Rose project will amplify that, as well as providing a much needed lodging amenity to the community, its visitors, and businesses.*

### **Applicant Background / Qualifications**

The development team on this project is Wheeler Development Group. This development team has successfully completed and partnered with MEDC on the following projects:

- Arena Place - 55 Ottawa Ave SW, Grand Rapids, MI 49503
- The Venue Tower – 15 Ottawa Ave NW, Grand Rapids MI 49503
- The Warner Building – 150 Ottawa Ave NW, Grand Rapids MI 49503
- Gateway at Belknap – 513 Clancy Ave NE, Grand Rapids MI 49503

An Organizational Chart for Hotel Rose, 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.



### **Financial Highlights**

- construction cost of \$293.93 per square foot
- initial average daily rate of \$198.43
- average debt service coverage ratio of above 1.30 to 1.00
- equity contribution of over 17% of total development costs
- developer return of just under 11.0%
- note any deviations from underwriting benchmarks as well as anything unusual in our underwriting or proposed terms, such as a longer interest only period or anticipated forgiveness.

From the materials received and reviewed, staff considers the project to be financially and economically sound. A detailed Sources and Uses and financial terms for the MCRP Incentive are included in Appendix C.

### **Recommendation**

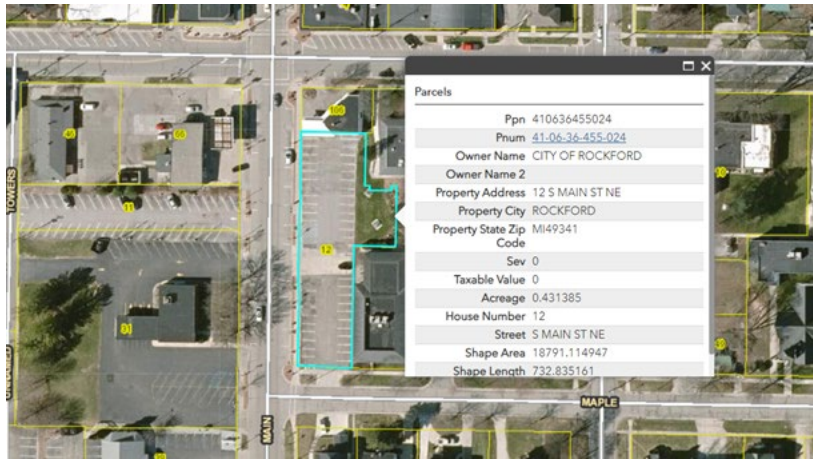
MEDC staff recommends approval of the following (the “Recommendation”):

- a) A MCRP Other Economic Assistance Loan Participation in the amount of up to \$3,250,000 for Hotel Rose, LLC on terms and conditions outlined in Exhibit A found in the resolution.
- b) Approval of funds to be transferred from the Investment Fund for the specific purpose of this project through MCL 125.2088h(3)(e) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.

## APPENDIX A – Organizational Chart

Organizational Structure					
Company Name: Hotel Rose, LLC					
Employer Identification Number: 99-0692259					
MANAGER: Ryan Kenneth Wheeler and John Joseph Wheeler					
	Member		Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
MRE Rose, LLC			50.00%	27-1028997	Michigan
	Mensa Capital, LLC		100.00%		
		Nan Van Andel Trust	100.00%		
John J Wheeler Trust			14.67%		
Ryan Kenneth Wheeler Trust			14.67%		
Michael A Maier Trust			14.66%		
Dan Clappison			2.00%		
Anne Ficeli			2.00%		
Jason Wheeler			2.00%		
			<b>100.00%</b>		

## APPENDIX B – Project Map and Renderings



**APPENDIX C – Financial Terms**

**Summary of Development Sources:**

Mercantile Bank Share	\$	7,750,000	55.36%
MSF Share	\$	3,250,000	23.21%
Deferred Developer Fees	\$	560,000	4.00%
Developer Equity	\$	2,440,000	17.43%
<b>TOTAL</b>	<b>\$</b>	<b>14,000,000</b>	<b>100.00%</b>

**Summary of Development Uses:**

Acquisition	\$	450,000
Hard Construction Costs	\$	9,686,000
Eligible Soft Costs	\$	1,485,000
Other	\$	2,379,000
<b>TOTAL</b>	<b>\$</b>	<b>14,000,000</b>

**Loan Terms**

<b>MSF Incentive:</b>	MCRP Performance Based Other Economic Assistance Loan Participation
<b>Borrower:</b>	Hotel Rose, LLC
<b>Senior Lender:</b>	Mercantile Bank
<b>Total Amount of Loans:</b>	Currently estimated at \$11,000,000
<b>Lender Share:</b>	Currently estimated at \$7,750,000
<b>Total Capital Investment:</b>	Currently estimated at \$14,000,000
<b>MSF Eligible Investment:</b>	Currently estimated at \$11,171,000
<b>Minimum Eligible Investment:</b>	Currently estimated at \$8,936,800
<b>MSF Share:</b>	Up to the lesser of 50% of “Eligible Investment” or \$3,250,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Rockford is less than 15,000.
<b>Term:</b>	To match that of the senior lender anticipated to be 90 months
<b>Amortization:</b>	To match that of the senior lender anticipated to be 300 months
<b>Interest Rate:</b>	1.00% per annum
<b>Repayment Terms:</b>	Currently anticipated to be monthly interest only payments for 30 months, followed by equal monthly principal and interest payments for 60 months. Remaining principal balance due at maturity.

- Collateral:** To reasonably match that of the Lender, currently anticipated to be a security in the real estate and TIF, and assignment of rents and leases. MSF share of collateral will be subordinated to that of the Lender.
- Guarantee:** To reasonably match that of the Lender, currently anticipated to be the unlimited joint and several guarantees of project partners and the associated trusts. MSF share of the guarantees will be subordinated to that of the Lender.
- MSF Fees:** The MSF shall be paid a one-time fee equal to one percent of the MSF's share of the loan. The Lender may charge the borrower for this fee.
- Reserves:** The development budget includes approximately \$1.8 million in reserves and contingencies.
- Deferred Developer Fees:** The developer and related-party fees equal to \$560,000 will be deferred until such time that the project is producing cash flow in excess of that required for priority debt and other operating obligations.
- Funding:** The MSF will fund up to \$3,250,000 to be disbursed following closing of the financing and other performance criteria.
- Other Conditions:** The MSF's investment will be contingent upon the following:
- Receipt of final construction documents, including a guaranteed maximum price construction contract
  - Receipt of final development budget
  - Minimum owner equity investment of \$2,440,000

## **MCRP Programmatic Requirements**

### **MCRP Program and Guidelines**

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

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

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

This project is of high priority for the City of Rockford, as it will provide new hospitality downtown, which has been a preference for redevelopment and written in the city's business plan since its inception. The need for hospitality is present for a variety of reasons:

- Rockford is home to dozens of high-quality employers, with nearly 3,500 (and growing) total employees. These range from well-known brands such as Wolverine Worldwide, with over 650 employees at its Rockford HQ, to Byrne Electrical (500+ employees), Grand Rapids Controls (200+ employees) and more. Corporate travel is significant in the community, and with no local lodging options, all corporate visitors must stay outside of town despite their Rockford destination. Numbers reported by just a handful of these local corporations put the number of out-of-area corporate travelers at approx. 1,800 annually.
- In addition, the expanding Meijer Sports Complex nearby, has generated an estimated \$52 million since it opened in 2014, with those numbers slated to increase after its coming facility expansion. As noted in several reports provided by the West Michigan Sports Commission, over the last 21 marquee events held at the Meijer complex dating back to September of 2022, 8,455 event attendees utilized area lodging. This generated over \$9.1 Million in lodging spending. In short, the demand for lodging in Rockford is significant, as is the positive economic impact to the community.
- The closest hotels are 9 miles (approximately 15 minutes) north and south of the city in Cedar Springs and Comstock Park. This is not conducive to building a critical mass of commercial opportunities in the community, nor is it convenient for the many visitors or business clients who frequent Rockford throughout the year.

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

This project will remediate a brownfield site in a traditional downtown area that will create significant improvements to a corridor prepped for development. This will add a new block to the city's downtown and will assist with a natural slowing of traffic. The Project will serve as a catalyst for additional investment in the downtown by providing new retail and restaurant space and by bringing guests to the downtown that will support existing and expanded retailers. The existing parking lot has been vacant since 2008 and the Project will bring density and new job growth to the City of Rockford.

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

This is a priority project for the City of Rockford. In addition to anticipated sale of the property for a discounted price, The City is currently making utility improvements to the downtown and stubbed the site in preparation for this development. Finally, the city is contributing 42 public parking spaces to the project and will be supporting the Project with DDA and Local Brownfield TIF reimbursements valued at approximately \$1.38 million.

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

The need is being driven by increased construction costs and higher interest rates which has impacted the project's ability to be financially viable without MCRP support. The development team has maximized traditional financing of \$7million (53% of total development costs), they're contributing \$2.25M in cash equity (17% of total development costs) and are receiving local support in the form of DDA, local BTIF reimbursement and parking donation valued at approximately \$1.48M.

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

The project intends to redevelop contaminated, vacant property located at 12 S. Main Street in the traditional downtown corridor of Rockford. The Property was historically operated as an auto dealership prior to being acquired by the city in 2008. The city demolished the building and paved it for use as public parking, which has been its use since.

**F. Creation of jobs:**

The Project is expected to support approximately 40 new full-time jobs with an average wage of approximately \$20/hour.

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

The City of Rockford's Downtown Development Authority approved tax increment financing development support in the amount of \$940,100.

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

Upon reaching stabilized occupancy levels it is anticipated that the project will generate adequate cash flow to meet its debt obligations. Additionally, the project will be supported financially by the owners. An appraisal completed by CBRE determined that the revenue estimates were reasonable. As with all hotel and restaurant projects there is a certain level of inherent risk that cannot be mitigated.

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

The Project will increase density in the downtown by providing infill development of a three-story hotel on a lot that is currently vacant and used for parking.

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

The Project promotes mixed-use development by bringing a new hotel, retail and restaurant to downtown Rockford, a vibrant and walkable community.

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

This project will redevelop a vacant and contaminated lot.

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

The Project includes redevelopment and reuse of a brownfield site and will include the use of sustainable building materials, high-efficiency appliances and mechanical systems.

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

This project is not rehabilitating a historic resource.

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

The Project addresses area-wide redevelopment with the addition of a new hotel in downtown Rockford that will help serve area businesses and further support tourism for guests attending the Meijer Sports Complex.

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

The Project will add a hotel in downtown Rockford that will provide lodging for business travelers associated with area employers as well as other travelers while keeping travel and tourism spending in the community where it will support downtown restaurants and retailers. There is currently no hotel in the community.

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

The Project site is contaminated and will require approximately \$549,000 of due care and site demolition expenses associated with the Project. Most of the costs are associated with contaminated soil removal and disposal.

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

This project is not rehabilitating a historic resource.

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

Not applicable

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

Not applicable



**MICHIGAN STRATEGIC FUND**

**RESOLUTION 2024-058**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM  
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION  
AWARD TO  
HOTEL ROSE, LLC**

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

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

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

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

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

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

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

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

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

**WHEREAS**, Hotel Rose, LLC (“Company”) has requested a performance based Other Economic Assistance Loan Participation of up to \$3,250,000 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (the “Term Sheet”) and;

**WHEREAS**, the MEDC recommends that the MSF Board approve funding of \$3,250,000 from the Investment Fund to fund the Award Request (the “Funding”); and

**WHEREAS**, the MEDC has recommended that the MSF approve the Funding and the Award 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 (the “Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 30 days (collectively, the “MCRP Award Recommendation”);

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: Randy Thelen

Lansing, Michigan  
March 26, 2024

**EXHIBIT A**  
**“TERM SHEET”**

**Loan Terms**

<b>MSF Incentive:</b>	MCRP Performance Based Other Economic Assistance Loan Participation
<b>Borrower:</b>	Hotel Rose, LLC
<b>Senior Lender:</b>	Mercantile Bank
<b>Total Amount of Loans:</b>	Currently estimated at \$11,000,000
<b>Lender Share:</b>	Currently estimated at \$7,750,000
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<b>Term:</b>	To match that of the senior lender anticipated to be 90 months
<b>Amortization:</b>	To match that of the senior lender anticipated to be 300 months
<b>Interest Rate:</b>	1.00% per annum
<b>Repayment Terms:</b>	Currently anticipated to be monthly interest only payments for 30 months, followed by equal monthly principal and interest payments for 60 months. Remaining principal balance due at maturity.
<b>Collateral:</b>	To reasonably match that of the Lender, currently anticipated to be a security in the real estate and TIF, and assignment of rents and leases. MSF share of collateral will be subordinated to that of the Lender.
<b>Guarantee:</b>	To reasonably match that of the Lender, currently anticipated to be the unlimited joint and several guarantees Joh Wheeler, Michael Maier, Ryan Wheeler, and the associated trusts. MSF share of the guarantees will be subordinated to that of the Lender.
<b>MSF Fees:</b>	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. The Lender may charge the borrower for this fee.

**Funding:**

The MSF will fund up to \$3,250,000 to be disbursed following closing of the financing and other performance criteria.

**Other Conditions:**

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

- Receipt of final construction documents, including a guaranteed maximum price construction contract
- Receipt of final development budget
- Minimum owner equity investment of \$2,440,000

March 20, 2024

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on March 26, 2024.

- Hotel Rose, LLC, MCRP loan request

The reason for my recusal is I have a potential conflict with this item due to a potential MSF grant to RPI related to this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Thelen". The signature is written in a cursive style with a long horizontal stroke at the end.

Randy Thelen



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



## MEMORANDUM

**To:** Michigan Strategic Fund Board

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

**Date:** March 26, 2024

**Subject:** SSBCI 2.0 – MBGF Small Business Venture Capital Program – The Future Heritage Fund, LP  
– Request for Investment

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### **Request**

To provide up to \$11 million of SSBCI 2.0 Small Business Venture Capital Program funding in the form of a limited partner investment to The Future Heritage Fund, LP (“Future Heritage” or “Fund”).

### **Background**

Future Heritage is being launched as a venture capital investment fund with a general purpose of realizing long-term appreciation from early-stage venture capital investments in private companies which are primarily led by underrepresented and/or socially and economically disadvantaged founders or provide a product/service that addresses an issue that disproportionately affects SEDI populations. The Fund has a target size of \$25 million and will operate exclusively within the State of Michigan. The proposed MSF investment will constitute no more than 44% of the Michigan Fund.

The Future Heritage Fund GP, LLC (“General Partner”) will be the Fund’s general partner. Union Heritage Venture Partners, LLC (“UHVP” or “Management Company”) will provide certain advisory, administrative, and support services to the Fund.

### **Investment Strategy**

The investment strategy involves sourcing companies in Michigan with underrepresented founders or addressing challenges underrepresented communities face. While not a strict investment criterion, the principals will leverage their networks to identify diverse opportunities in the information technology, consumer, agribusiness, mobility, life sciences, advanced manufacturing, climate tech, and media sectors. Their goal for the next five years is to invest in and support the growth of 30 Michigan-based companies while also aiming to achieve significant returns for their portfolio.

Over the Fund’s anticipated 5-year investment period, and assuming a Fund size of at least \$25 million, the Fund is targeting 30 investments, with 5-7 investments in the pre-seed stage and 17-20 in the seed stage. The remaining investments would be provided through investment in a series A round, in many cases as a follow-on investment. The investment amounts will vary, with initial pre-seed checks averaging around \$100,000, seed investments (both first check and follow-on) ranging from \$250k to \$500k, and Series A checks primarily as follow-on, but potentially some initial investments, amounting to approximately \$1-\$1.5 million. Should the fund not reach its \$25 million commitment goal, it is anticipated that the number



of pre-seed and seed investments may decrease, as well as the average check size for those investments. There will be no limit on the amount of potential follow-on investment, provided that all investments in any portfolio company shall not exceed 20% of the Fund's total commitments.

While the fund managers do not have a strict quota for investing in founders from socially and economically disadvantaged backgrounds, they aim for 40-60% of their investments to support individuals falling under the SEDI (socially and economically disadvantaged individuals) definition. Furthermore, their fund's core premise is promoting diversity across racial, ethnic, sexual orientation, and gender lines within the private equity ecosystem. This objective is achieved through investments in underrepresented founders and fostering a diversified cap table. The fund managers recognize the importance of establishing a more equitable, efficient, and just economy that maximizes wealth creation for historically underrepresented communities. Furthermore, the Fund will seek out opportunities for investment in portfolio companies which provide a product or service that addresses SEDI populations. For example, the principals of the Fund previously made an angel investment in Espervita Therapeutics ("Espervita"), a preclinical stage pharmaceutical development company. Espervita is developing new treatments for liver cancer, a disease which disproportionately affects African American and Hispanic populations.

Given the early-stage nature of the target companies, the fund expects that nearly 100% of their initial investments will be in very small businesses (VSBs). However, some series A investments may involve teams larger than ten employees.

The relatively high-volume strategy for pre-seed and seed investment is based on efficient deal sourcing and evaluation to allow portfolio companies to increase commercial traction and achieve critical milestones. The principals believe that this approach allows them to work on select initiatives with a goal of more significant seed investment.

### **Management**

Derek Batts, Nia Batts, Sophia Bush, and Louis Carr will each act as managing directors for both the GP and Management Company. UHVP employs four full-time professionals, including Derek Batts, Nia Batts, Joshua Tooker, and Ashley Reid. There has been no turnover in the senior management since inception. The Management Company anticipates adding an Investment Analyst and Executive Assistant by Fund close in conjunction with reaching a first closing.

The Management Company is planning a nationwide search to add a Sr. Analyst/Associate level member. The search is focused on identifying an individual with a connection to Michigan. The individual must have early-stage investment experience and be willing to relocate to Michigan. The goal is to have this individual in place in time for the first close of the Fund.

The GP commitment is 1%, and the carried interest split among investment professionals follows a vesting schedule.

<b>Name</b>	<b>Position</b>	<b>Carried Interest</b>
Derek Batts	GP	47.00%
Nia Batts	GP	27.50%
Josh Tooker	Director	4.00%
Ashley Reid	Director	2.00%
Sophia Bush	GP	15.00%
Louis Carr	GP	4.50%
<b>Total</b>		<b>100.00%</b>

Derek Batts – Mr. Batts has over 35 years of investment management experience and has been a portfolio manager for 33 years. He began managing portfolios at the firm he founded, Union Heritage Capital Management, before being acquired by Morgan Stanley as the Union Heritage Group. For the following 9 years, Mr. Batts managed his institutional equity team on the Morgan Stanley platform. In 2021, Mr. Batts spun out of Morgan Stanley and took the company private, adding a venture capital line of business. Over these 33 years, his strategy has consistently focused on creating value in the Small to Large Cap Core Equity space. He has served as the Vice President of the Detroit Chapter of the National Association of Securities Professionals and is currently a Detroit Country Day School trustee. He earned his bachelor’s degree in finance from Wayne State University and his law degree from Michigan State University College of Law. Mr. Batts holds FINRA Series 7, 24, 27, 52, 53, and 65 investment licenses. Mr. Betts lives in Michigan and is involved in day-to-day operations of the Management Company.

Nia Batts – Ms. Batts is the Chief Marketing Officer of Union Heritage Capital, one of the nation’s leading minority-owned, diversified financial services companies. A former entertainment and media executive, most recently serving as the Head of Strategic Partnerships and Social Innovation at Viacom CBS Inc. (now Paramount International). Ms. Batts co-founded Detroit Blows, a non-toxic salon and impact-driven retail store that served as a model of inclusive community redevelopment in her hometown Detroit’s downtown core. She continues to Chair its affiliated philanthropic arm, Detroit Grows, which makes micro-grants to Detroit-based women entrepreneurs and programs helping women enter or reenter the workforce. Ms. Batts, alongside Sophia Bush and Billie Jean King, serves as a Strategic Advisor to First Women’s Bank, a first-of-its-kind, purpose-driven bank with a mission to grow the economy and advance the role of women within it. The Bank is the only women-founded, women-owned, and women-led commercial bank in the country with a strategic focus on serving the women's economy. She earned a B.A. from Columbia University, Executive Education Certificates in Corporate Social Responsibility and Alternative Investments from Harvard Business School, a Certificate in Venture Capital from the University of California, Berkeley Law School, and a professional certificate in Film Producing from New York University. She is an MBA candidate at the University of California Berkeley Haas School of Business. Ms. Betts lives in Michigan and is involved in day-to-day operations of the Management Company.

Sophia Bush – Ms. Bush is an American actress, activist, entrepreneur, and investor. Bush is a member of the Directors Guild of America and has starred in various independent projects, shows, and movies such as John Tucker Must Die, Incredibles 2, One Tree Hill, and Chicago PD. As an investor, Ms. Bush was an

early angel in companies such as Uber, Seed, Dirty Lemon, CrowdRise, StyleSeat, Better Battery Co., AllVoices, Detroit Blows, Bev, and Genexa. She is also an investor and co-owner of the LA-based women's soccer club Angel City FC. In 2021 Ms. Bush joined Union Heritage Venture Partners as a General Partner.

Louis Carr – Mr. Carr has been with BET Networks for 35 years, serving as the President of Media Sales for the last 19 years. He founded the Louis Carr Internship Foundation (LCIF) 18 years ago to help improve diversity in corporate America through paid internships. The foundation has provided 179 paid internships, in which 55 alumni now have full-time jobs within the industry. He has also created The Blueprint Men's Summit, which brings together some of Black America's high-profile thought leaders to educate Black men in Finance, Health, Careers, Relationships, and Entrepreneurship. Mr. Carr has served on many advertising industry boards, including the International Radio and Television Society (IRTS), the Video Advertising Bureau (VAB), the Advertising Council, and the American Advertising Federation (AAF). He serves on The United States Track and Field Foundation (USATF) Board, Cedar Fair's Board of Directors, Drake University's Board of Trustees, and Chicago State University's Board of Trustees. Carr attended Drake University on a full athletic scholarship and received a B.A. in Broadcast Journalism.

Joshua Tooker – Mr. Tooker is a Principal at Union Heritage Venture Partners. He supports the firm's sourcing and diligence processes and is an investment committee member. Mr. Tooker spent his early career leading digital transformation and supply chain strategy across public, private, and non-profit sectors. Notably, he was one of the first five members of Pepsi's eCommerce team and an early member of Disney's ESPN global product management team. He earned his bachelor's degree in international Affairs from Michigan State University and holds two master's degrees from the University of Michigan: Master of Business Administration from the Ross School of Business and a Master of Science in Information. Mr. Tooker lives in Michigan and is involved in day-to-day operations of the Management Company.

Ashley Reid – Ms. Reid recently joined Union Heritage as Principal and Director of Platform. In this role, she sources, invests in, and supports portfolio companies, and leads the firm's operations and platform development. Prior to joining Union Heritage, Ms. Reid worked at Female Founders Fund, a seed-stage venture fund that invests exclusively in female-founded companies; Kapor Capital, a seed stage-fund that invests in startups that close gaps of access and expand economic opportunity; and Bain & Company Management Consulting in the Social and Public sector practice. She earned an MBA from Harvard Business School and a BA in Politics, Philosophy, and Economics from Spelman College. Ms. Reid divides her time evenly between Michigan and New York and is involved in day-to-day operations of the Management Company.

Dug Song – Mr. Song is the co-founder and general manager of Duo Security, one of the fastest growing cybersecurity providers in the world. In 2018, Duo Security was acquired by Cisco for \$2.35 billion, making it the largest exit ever for a Michigan-based software company. Mr. Song will be an investor and advisor to the Fund.

### **Past Performance**

The Future Heritage Fund is a first-time fund; however, the GPs are not first-time investors. Derek Batts has been a public equities portfolio manager for the past thirty-three years and an angel investor for the past ten. As experienced investors in the public markets, they intend to utilize a similar level of discipline in diligence and investment processes in venture investments.

UHVP's track record includes angel investments totaling \$897,500. Four of these investments were provided to Michigan-based companies and totaled \$602,500. Two of these companies, Espervita and PassiveBolt, have achieved an additional seed funding round. These additional funding rounds increased the value of these companies by \$5.75 million and \$3.5 million, respectively. The investment made to an additional Michigan-based company, JustAir, resulted in a board seat. This is one of two board seats maintained by the principals of UHVP based on its existing portfolio.

### **Recommendation**

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

**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2024-052**

**APPROVAL OF A STATE SMALL BUSINESS CREDIT INITIATIVE 2.0  
VENTURE CAPITAL PROGRAM INVESTMENT IN  
THE FUTURE HERITAGE FUND, LP**

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

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

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

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

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

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

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

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

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

**WHEREAS**, The Future Heritage Fund, LP (“Fund”) submitted an application seeking an SSBCI 2.0-MBGF-VCP investment by the MSF in the amount of the lesser of: (i) \$11 million or (ii) an MSF investment of not more than 44% of the Fund’s total investible assets, toward further investments in Michigan by the Fund in accordance with the terms and conditions outlined in the Term Sheet attached as Exhibit A (“Term Sheet”) (collectively, the “VC Award”); and

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Randy Thelen

Nays: None

Recused: Cindy Warner

Lansing, Michigan  
March 26, 2024

**EXHIBIT A**  
**TERM SHEET**  
**The Future Heritage Fund, LP**

**Summary of Terms and Conditions**

The following is a summary of the general terms and conditions of The Future Heritage Fund, LP

Limited Partnership:	The Future Heritage Fund, LP (“Fund”)
General Partner:	Future Heritage Fund GP, LLC
Manager of the Fund:	Union Heritage Venture Partners, LLC
General Partner Commitment:	Cash contribution of at least 1% of Fund
Management Fee:	0.5625% per quarter (2.25% annually) of committed capital during the Investment Period. The average annual management fee over the initial ten-year term of the Fund paid by MSF will not exceed 1.7% of MSF’s capital commitment to the Fund, after applying any fee offsets that reduce the average annual management fee actually paid by MSF in respect to its commitment.
MSF Investment Source:	SSBCI 2.0-MBGF-Venture Capital Program (“SSBCI 2.0 MBGF-VCP”)
Purpose:	The Fund’s investments will generally focus on pre-seed and seed equity and/or convertible debt investments in Michigan based companies. The Fund’s investment strategy involves sourcing companies with underrepresented founders or addressing the challenges of underrepresented communities. Initial investments will generally be \$50,000 to \$150,000, and in no case will exceed \$1.5 million.
Michigan Investments:	The Fund will invest only in Michigan-based companies.
Eligible Investments:	The Fund will invest only in operating companies deriving or projecting to derive at least 50% of gross revenue from operations related to the following industries: IT, consumer, agribusiness, life science, technology, media, mobility, and advanced manufacturing, or such other industries approved by the partners of the Fund in accordance with the Fund documents, which must

include the affirmative written approval of the MSF Fund Manager.

MSF Commitment:

The Michigan Strategic Fund will provide the lesser of (i) \$11 million or (ii) 44% of the Fund's total investible assets in capital support to the Fund from the MSF Investment Source, in the form of a limited partner ("LP") investment.

The MSF will make eligible for call of its committed investment from the MSF Investment Source based on a schedule of other LP commitments to the Fund:

- \$2.36 million upon the first \$3 million commitment of other LP investment
- An additional \$2.36 million (aggregate of \$4.72 million) upon the aggregate commitment of \$6 million of other LP investment
- An additional \$2.36 million (aggregate of \$7.08 million) upon the aggregate commitment of \$9 million of other LP investment
- An additional \$2.36 million (aggregate of \$9.44 million) upon the aggregate commitment of \$12 million of other LP investment
- An additional \$1.56 million (aggregate of \$11 million) upon the aggregate commitment of \$14 million of other LP investment

MSF capital shall be called and contributed in installments and pro rata based on the other LP's respective commitments and calls.

Initial Closing:

The initial closing shall occur as soon as reasonably possible, provided however, the Fund shall raise the aggregate of LP commitments (other than the MSF commitment) in the amount of at least \$3 million no later than February 28, 2025.

Investment Period:

The investment period will be for a term of five years from initial closing.

Term of the Fund:

Not more than 10 years from the initial closing, which may be extended for up to two additional periods of one year each. The first extension may be approved at the sole discretion of the GP. The second extension shall require majority consent of all LPs of the Fund, so long as such majority includes the MSF.



**SSBCI 2.0 MBGF-VCP Requirements:** The Fund and GP will comply with all federal, state, and MSF guidelines and requirements of the SSBCI 2.0 MBGF-VCP, including but not limited to, execution and provision of all SSBCI 2.0 MBGF-VCP assurances and disclosures, the conflict-of-interest rules and disclosures, and reporting requirements, and including State of Michigan required terms.

**Distributions:** Fund distributions to partners shall first be in proportion to their respective capital commitments and may thereafter also include a carried interest consideration for the GP. The GP's carried interest shall not be more than 20% of the Fund's net profits up to a 3x return. Thereafter, carried interest shall be 25% of net profits (with a 100% catch-up to the GP once the 3x return has been achieved). Distributions paid to the MSF may not be recalled.

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

**Other:** The Fund documents will include the partnership agreement, private placement memorandum, subscription agreements, and may include a management agreement and other documents and agreements customary to a Fund of this nature. The partnership agreement shall include representations, covenants, and other transaction provisions required by the MSF and SSBCI 2.0-MBGF-VCP rules and regulations, including without limitation, indemnification in favor of the MSF, non-discrimination and unfair labor practices, termination of funding, annual reporting, and access to records requirements. The Fund documents will include other terms and conditions deemed necessary or appropriate by the MSF Fund Manager or MSF President, such as key person provisions, side letter provisions, limitations on capital calls for expenses, and investment and/or advisory or other management committee provisions, and other terms and conditions customary to a fund of this nature.

## Natalie Davenport (MEDC)

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**Subject:** FW: Union Heritage Board Agenda Item

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**From:** Cindy Warner <[cindy.warner@360OFME.com](mailto:cindy.warner@360OFME.com)>

**Sent:** Wednesday, March 20, 2024 3:50 PM

**To:** Matthew Casby (MEDC) <[casbym2@michigan.org](mailto:casbym2@michigan.org)>

**Subject:** Union Heritage Board Agenda Item

Hello Matt,

I will need to recuse myself on the Union Heritage Fund agenda item, as I have spoken to some members of this team regarding funding for my technology company and in general know Derek and his daughter somewhat. I do not feel comfortable making a decision on their request that is on the agenda, therefore would like to recuse myself from the discussion and voting on this item.

Can you please let me know if this is sufficient to do the recusal or if you will need some other form/format to do so.

All the best,  
Cindy

Cindy Warner  
CEO/Founder  
360ofMe.com  
1-844-360-ofme x700  
[cindy.warner@360ofme.com](mailto:cindy.warner@360ofme.com)



*"When the power of love overcomes the love of power, the world will know peace. Jimi Hendrix"*



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File



## MEMORANDUM

**To:** Michigan Strategic Fund Board

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

**Date:** March 26, 2024

**Subject:** SSBCI 2.0 – MBGF Small Business Venture Capital Program – VIHF 7 (Michigan) LP – Request for Investment

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### **Request**

To provide up to \$11 million of SSBCI 2.0 Small Business Venture Capital Program funding in the form of a limited partner investment in VIHF 7 (Michigan) LP (“Michigan Fund” or “Fund”). The Fund is being formed in order to make investments in Michigan-based portfolio companies alongside Venture Investors Health Fund 7 Limited Partnership (“Regional Fund” or “Companion Fund”). The Michigan Fund will be operated as a sidecar to the Companion Fund. The Michigan Fund will follow the investment decisions of the Regional Fund but is allocated solely for investments within Michigan. As a sidecar, the Michigan Fund will benefit from the Regional Fund's due diligence and investment expertise while focusing on a targeted subset of investments that meet the SSBCI criteria and objectives. The MSF will be the sole limited partner (“LP”) in the Michigan Fund.

### **Investment Structure**

The Companion Fund is the primary investment vehicle. This fund focuses on early-stage healthcare companies with a broad geographical scope but emphasizes the Midwest region of the United States. The Michigan Fund will act as a sidecar fund to the primary Regional Fund. It is designed to co-invest exclusively in Michigan-based companies also receiving investments from the Regional Fund.

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

### **Background**

The Regional Fund is designed to invest equity in early-stage companies innovating in the healthcare sector. Its primary focus is identifying and investing in opportunities within the Midwest region. This fund has set a goal to secure \$150 million in commitments from LPs. As of now, it has successfully obtained \$39.6 million in LP commitments.

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

49% of combined investment of the Fund and Companion Fund, or (ii) 15% of the committed capital of the Fund.

VIHF 7 GP LLC (“General Partner”) will be the general partner for the Fund and Companion Fund. Venture Investors LLC (“VI” or “Management Company”) will provide certain advisory, administrative, and support services to the Fund and Companion Fund.

### **Investment Strategy**

VI is a venture capital firm specializing in healthcare investments. Established in 1982, the firm focuses on commercializing early-stage innovations from reputable research universities in the Midwest. Over the years, VI recognized its expertise in the healthcare sector and adjusted its investment strategy accordingly. Starting with Fund 3 in 2000, the firm increased its healthcare investments as a proportion of its overall portfolio in subsequent funds. The firm is headquartered in Madison, Wisconsin. However, they have maintained an Ann Arbor, Michigan office for many years. The lead managing director, Jim Adox, resides in Michigan and has been actively involved in the local venture capital community for an extended period. Since 2006, Venture Investors has invested \$50 million in eleven Michigan investments.

In 2018, VI shifted to an exclusive focus on healthcare and strengthened its team and processes to execute this strategy effectively. Throughout its history, spanning six venture capital funds, VI has invested in over 80 companies. Approximately half of these companies were spinouts from university ecosystems, demonstrating the firm's close ties to academia. Furthermore, VI has exited ten healthcare companies, earning substantial upfront and milestone payments. These exits have been valued between \$250 million and \$1 billion.

The Regional Fund will continue its previous investment strategy, focusing on early-stage healthcare companies developing innovative solutions primarily in the U.S. Midwest's university ecosystems, although not exclusively. The firm's main objective is to source innovations in high-impact verticals that have the potential to become the global standard of care. They prioritize investing in founders who are addressing significant healthcare challenges worldwide. Leveraging its experience, expertise, and global network, the firm creates value by shaping, syndicating, networking, and guiding the growth of its portfolio companies. They aim to transform patients' lives by increasing access, reducing costs, and improving outcomes.

The Fund's investment portfolio will primarily focus on Medical Devices and Diagnostics, Biopharma, Therapeutics, and Vaccines. Across all investments, key themes include simplifying and standardizing complex care pathways, enhancing treatment accuracy, reducing the need for retreatments, improving patient experiences, and enhancing clinical outcomes. The firm believes these elements are crucial in reducing costs, expanding access, and improving patient outcomes.

VI does not have a target for support of SEDI qualifying opportunities. It estimates that 50% of investments will meet SSBCI VSB designation.

### **Management**

James Adox, Joseph Amaral, David Arnstein, Scott Button, John Neis and Paul Weiss will be the managing directors (the “Managing Directors”) of the General Partner. James Adox, David Arnstein, Scott Button and Paul Weiss (the “Principals”) will be the full-time Managing Directors. VI has had an office in Michigan since 2006. Jim Adox, a full-time Michigan resident, staffs that office Jim and devotes most of his time to Michigan.

Jim Adox – Mr. Adox is the Lead Managing Director for the Fund’s General Partner. He is also the Executive Managing Director of VI. He joined Venture Investors in 2006 as a Managing Director of VIESF IV, Managing Director of VIESF V, and Lead Managing Director of VIHF 6. He leverages his technical, operational and venture capital background by focusing on medical devices, diagnostics, and digital health investment prospects. Jim manages the Ann Arbor, Michigan office of Venture Investors.

Mr. Adox’s prior venture capital experience includes nine years as a partner at RidgeLine Ventures and EDF Ventures. He began his career in venture capital in 1997 with EDF Ventures, where he was a partner in two funds through 2004 and led the spin-out, sourcing, financing, syndication and exit of numerous investments. Mr. Adox was a co-investor with Venture Investors while a partner at EDF. He serves on the University of Michigan’s College of Engineering Leadership Advisory Board and the Innovation Partnerships (fka. Tech Transfer) National Advisory Board. He also serves on the Board of Directors of the Michigan Venture Capital Association and was its chairman from 2013-2015.

Joseph Amaral, MD – Dr. Amaral joined VI in 2019 as the Chief Medical and Scientific Officer. He works closely with the Fund’s managing directors and portfolio companies to explore new opportunities, providing guidance and feedback, and leverage his 35-year healthcare career. His diverse and successful experiences in healthcare leadership have created a unique skill set of pioneering clinical experience, healthcare system leadership, worldwide corporate business management, and new technology development and adoption.

“Dr. Joe” most recently was VP of Surgical Innovation (J&J Ethicon); VP of Surgical Science/Chief Scientific Officer (Ethicon Energy); and VP of Science and Technology Medical Devices and Regenerative Medicine (Johnson and Johnson Corporation). Before that, he served as CEO and President of Rhode Island and Hasbro Children’s Hospital in Providence, RI, leading a \$60 million turnaround. Before that, he served as Chairman Department of Surgery Warren Alpert School of Medicine at Brown University, Chief of Surgery of Rhode Island and Lifespan Hospitals and President of University Surgical Associates.

Dr. Amaral graduated Summa Cum Laude with a Bachelor of Science in Biology from Providence College and earned his Doctor of Medicine from The Alpert School of Medicine at Brown University.

Scott Button, CFA – Mr. Button joined Venture Investors in 1996 as an Analyst and became Managing Director of the firm in 2000, with VIESF III. He has been a Managing Director in the firm’s subsequent funds. Scott focuses on medical devices, digital health, and diagnostics investment prospects.

Mr. Button has over twenty years of portfolio company board experience. He uses his network and extensive experience to identify novel technologies in the university ecosystem that have the potential to turn into

start-ups. Scott led the original financing round for NeuWave Medical when the company comprised one employee and the four founders. He was instrumental in identifying and recruiting its CEO and second employee at the time of our original investment. NeuWave was acquired by Johnson & Johnson's Ethicon division for \$300 million and was the single largest return to any VI fund.

Before joining VI, Mr. Button worked for McDonald's Corporation as an Operations Manager and Rockwell Automation as a Field Sales Engineer in the automotive industry. He has a Bachelor of Science in Mechanical Engineering from the University of Wisconsin-Madison and a Master of Business Administration degree from the University of Chicago. He is a Chartered Financial Analyst.

Paul Weiss, PhD – Dr. Weiss joined VI in 2006 as a Managing Director of VIESF IV. He has been a Managing Director in the firm's subsequent funds. Paul focuses on investment prospects in biopharma and diagnostics. Paul worked as a part-time analyst for Venture Investors from 1989 to 1992, after receiving his PhD in Biochemistry, and while receiving his MBA. He was a member of the firm's Investment Advisory Committee from 2001 to joining VI in 2006.

Dr. Weiss has over 20 years of operating experience in the biotech and pharmaceutical industries before his venture capital role. Previously, he served as President of the Gala Biotech business unit of Cardinal Health (now Catalent Pharma Solutions). This division was established when the Venture Investors' portfolio company, Gala Design, Inc., under his leadership as CEO, was acquired by Cardinal Health. Before joining Gala, Dr. Weiss served as Vice President of Business Development of 3-Dimensional Pharmaceuticals, Inc., a venture capital-backed biotechnology company with a drug discovery platform that completed an initial public offering during his tenure with the company and was subsequently acquired by Johnson & Johnson. Before that, Dr. Weiss worked as Director of Licensing for the pharmaceutical company Wyeth-Ayerst, which was a division of American Home Products (now part of Pfizer). Earlier, he served as Director of Business Development and Research for the Scientific Protein Labs (SPL) division of American Home Products. He began his career in the industry as the Director of Research and Operations of Columbia Research Labs.

Dr. Weiss received a Bachelor of Science in Biochemistry with Honours from Carleton University in Ottawa, a PhD in Biochemistry and an MBA from the University of Wisconsin-Madison, where he also worked as a postdoctoral research associate.

### **Past Performance**

VI has previously operated six funds, with an increasing focus on healthcare. Those six funds have completed 104 investments totaling \$279 million in VI managed fund investment. As of 3/31/23, the most recent fund has achieved a net IRR of 11.58%.

VI has completed eleven investments for Michigan-based portfolio companies. As of 3/31/23 these investments totaled \$47 million with a multiple of 2.77 and an IRR of 12.88%.

### **Recommendation**

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



**MICHIGAN STRATEGIC FUND**

**RESOLUTION  
2024-053**

**APPROVAL OF A STATE SMALL BUSINESS CREDIT INITIATIVE 2.0  
VENTURE CAPITAL PROGRAM INVESTMENT IN  
THE VENTURE INVESTORS HEALTH FUND 7 (MICHIGAN) LP**

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

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

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

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

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

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

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

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

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

**WHEREAS**, Venture Investors Health Fund 7 (Michigan) LP (“Fund”) is proposed to be a sidecar venture capital fund to that of Venture Investors Health Fund 7 L.P. (“Companion Fund”);

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

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

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

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

Ayes: Britany L. Affolter-Caine, Wesley Eklund, Rachael Eubanks, John Groen (in lieu of Director Corbin), Dimitrius Hutcherson, Michael B. Kapp (in lieu of Director Wieferich), Quentin L. Messer, Jr., Dan Meyering, Leon Richardson, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan  
March 26, 2024

**EXHIBIT A**  
**TERM SHEET**  
**Venture Investors Health Fund 7 (Michigan) LP**

**Summary of Terms and Conditions**

The following is a summary of the general terms and conditions of Venture Investors Health Fund 7 (Michigan) LP

Limited Partnership:	Venture Investors Health Fund 7 (Michigan) LP (“Fund”) with MSF as sole limited partner
Companion Fund:	Venture Investors Health Fund 7 L.P.
General Partner:	VIHF 7 GP LLC
Manager of the Fund:	Venture Investors LLC
General Partner Commitment:	Cash contribution to the Companion Fund of at least 2% of commitments of Companion Fund
Management Fee:	2.5% annually of committed capital during the Investment Period, which may be reduced based on terms of a future fund organized by the Manager of the Fund
MSF Investment Source:	SSBCI 2.0-MBGF-Venture Capital Program (“SSBCI 2.0 MBGF-VCP”)
Investment Split:	The maximum contribution by the Fund for any initial investment in an Eligible Investment will be the lesser of (i) 49% of combined investment of the Fund and Companion Fund, or (ii) 15% of the committed capital of the Fund.
Purpose:	The Fund’s investments will be Eligible Investments generally focusing on seed thru Series C equity and/or convertible debt instruments that solely support Michigan based companies.
Michigan Investments:	The Fund will invest in Eligible Investments on a concurrent basis with the Companion Fund only in Michigan-based companies.

Eligible Investments: The Fund will invest only in operating companies deriving or projecting to derive at least 50% of gross revenue from operations related to the following industries: healthcare, biopharma, vaccines, therapeutics, diagnostics, or such other industries approved by the partners of the Fund in accordance with the Fund documents, which must include the affirmative written approval of the MSF Fund Manager.

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

The MSF will make eligible for call of its committed investment from the Investment Source based on a schedule of other concurrent or subsequent LP commitments to the Companion Fund:

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

MSF capital shall be called and contributed in installments and pro rata based on the Companion Fund LP's respective commitments and calls.

Initial Closing: The initial closing shall not occur until the Companion Fund has raised an aggregate of LP commitments for the Companion Fund in the amount of at least \$2.875 million, which shall occur no later than February 28, 2025.

Investment Period: The investment period will be for a term of five years from the final closing of the Companion Fund.

Term of the Fund: The Fund term shall continue until the tenth anniversary of the final closing date (the “Fund Term”), which Fund Term may be extended (i) for one additional one-year period by the General Partner in its sole discretion, (ii) for a second additional one-year period by the General Partner with the consent of the LP Advisory Committee, and (iii) thereafter by the General Partner with the consent of a majority in interest of the Limited Partners of the Fund.

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

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

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

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

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



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

January 21, 2022

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

Re: Michigan Strategic Fund Board Meeting Designees

Dear Ms. Wilcox:

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

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

Sincerely,

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

Susan R. Corbin  
Director



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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

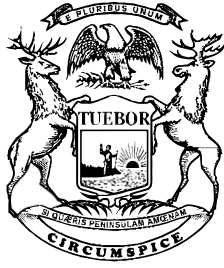
Sincerely,

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

Bradley C. Wieferich, P.E.  
Acting Director

cc: M. Kapp  
Executive File





## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**Date:** March 26, 2024  
**To:** Michigan Strategic Fund (“MSF”) Board Members  
**From:** Quentin Messer, Jr., Chief Executive Officer  
**Subject:** Monthly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from February 1, 2024, to February 29, 2024, as well as information about the impact that those projects have had on communities across the state.

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

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

# Monthly Impacts



To continue providing transparent, intentional, and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from February 1, 2024, to February 29, 2024.

Throughout the Fiscal Year, MSF delegates – with authority granted by the MSF Board – approve various projects within MSF programs in accordance with each program’s guidelines, as approved by the MSF Board. Under no circumstances will MSF delegates approve 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 February delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout February 2024, 41% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all February approved projects through delegated authority have committed to creating just over 580 jobs and over \$12 million in private investment.

# MSF Report

## Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during February 2024, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

### 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
Creative Composites, Inc.	2/9/2024	Rapid River	\$135,000	The Project is to construct an additional 13,600 square feet of space on to the existing facility. The increased production capacity will include hydraulic press upgrades that will double current capacity, a gas-fired oven to cure large parts for defense and aerospace customers, a monitored freezer for materials storage, and aerospace industry-mandated clean rooms for fabric kitting and advanced part layup. The Company is considering Masonville Township, Rapid River for the project and anticipates the project will result in capital investment of up to \$960,000. The project will also result in the creation of up to 17 new jobs paying an average wage of \$901 per week plus benefits.
Uniform Color Company	2/12/2024	Holland	\$195,000	The Company was founded in 1981 and is headquartered in the city of Holland. The Company is an innovative producer and full-service provider of high-performance color and additive masterbatch for thermoplastics and services customers in the automotive, furniture, packaging, and industrial industries among others. The Company currently employs 192 Michigan residents and 1,500 globally. The Company is looking to expand its production capacity in the United States to support the continued growth it is experiencing. The Company is considering a 25,000 square foot expansion at its Holland headquarters to accommodate two additional extrusion lines. The project will result in a capital investment of up to \$12,060,000 and the creation of up to 13 new jobs paying an average wage of \$25.17 per hour plus benefits in the city of Holland.

## Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
LHP Engineering Services	2/13/2024	Pontiac	\$500,000	In 2015, the Company invested \$2,300,000 to open a new location in Pontiac, Michigan. Recently, the Company restructured, formulating new goals focused on autonomous Vehicles (AV), Electric Vehicles (EV) Connected Vehicles and related technologies, while continuing to support its traditional automotive customer base. To stay relevant in the current market, the Company must enhance and increase its EV products. To achieve its "EV Vision", the five-year plan is to invest in an EV test and training center. The Company is looking to renovate an existing 29,000 square foot facility that will partition certain areas into dedicated EV Test Labs. The project is expected to create 35 Qualified New Jobs, such as engineers, test technicians, and support function personnel.
Quantum Fuel Systems	2/14/2024	Wixom	\$870,000	The Company was founded in 2000 and is headquartered in California. The Company develops and manufactures one of the most innovative, advanced, and light weight compressed alternative fuel natural gas and hydrogen storage systems in the world. The Company is looking to purchase a facility to establish a new manufacturing facility in the United States that will produce light weight compressed natural gas storage tanks. This project involves the creation of up to 87 QNJs Qualified New Jobs and a capital investment of up to \$22,500,000 capital investment in the city of Wixom.
Profielnorm USA	2/20/2024	Plainwell	\$320,000	Profielnorm USA, LLC, based in Kalamazoo, is a subsidiary of Profielnorm B.V., a family-owned Dutch mezzanine flooring specialist company. The parent company established the Kalamazoo office in 2023 to grow its U.S. presence. The company now plans to construct its first U.S. manufacturing facility in a newly created industrial park in the City of Plainwell, where it can onshore the production of its U.S.-destined mezzanines and continue growing its U.S. and North American market share. This project involves the creation of up to 32 Qualified New Jobs and a capital investment of up to \$7,532,000 with the support of a \$320,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over a competing site in Georgia for the quality of state's workforce.
Paslin Company	2/26/2024	Warren	\$1,000,000	The Company is looking to add leased space and upgrade its current space to accommodate growth in their business. The total capital investment on the project is \$12,300,000, approximately \$4,000,000 of which will be required to lease space in Pontiac, and the remaining \$8,300,000 will be for machinery and equipment. The Company is considering Pontiac, Warren, and Shelby Township. The project will also result in the creation of up to 100 new jobs paying an average wage of \$35.90 per hour, above the regional median wage of \$23.26.

## Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Paramelt - Muskegon dba M. Argueso & Company	2/27/2024	Norton Shores	\$160,000	The Company was established in 1908 and is headquartered in Germany. It opened a facility in the city of Norton Shores in 2009 and employs 95 Michigan residents. The Company is a supplier of wax blends, adhesives, and dispersions with over 500 employees between seven manufacturing sites in the Netherlands, UK, the US, and China. The Company services customers in the aerospace, medical, automotive, and food packaging industries. The Company is looking to consolidate its Ohio and Michigan locations to establish its U.S. headquarters. The Company is considering purchasing an existing facility that is large enough to accommodate consolidating and offers additional space for future growth. Extensive renovations including constructing new walls and ceilings are needed to accommodate manufacturing equipment and operations. This project involves the creation of up to 20 QNJs Qualified New Jobs and a capital investment of up to \$33,000,000 in the city of Norton Shores.
General Formulations	2/28/2024	Sparta	\$300,000	The Company was formed in 1984 and is a Michigan manufacturer, who makes adhesive vinyl film that is used in the print industry to make advertising signage. Since 1984, the Company has grown to 343 employees. The Company is considering the Village of Sparta, Michigan to house a new coating line and a Reverse Thermal Oxidizer (RTO), which will replace some aging equipment and add capacity to meet increased demand. This project involves the creation of up to 52 Qualified New Jobs and a capital investment of up to \$6,900,000 in the Village of Sparta, Kent County with the support of a \$300,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in other states due to the workforce in West Michigan.
SAVIC Technologies	2/28/2024	Troy	\$600,000	The Company was founded in 2016 and is headquartered in India. The Company provides innovative, custom digital programming services and app developments such as digital process automation, Cloud product services, business process management, artificial intelligence, and robotic process automation. The Company is looking to expand its presence in the U.S. Its strategic growth plan began in 2021 when it opened operations in Tampa, Florida. The Company's U.S. customer base continues to grow at a faster than anticipated pace prompting it to explore further opportunities to grow. This expansion will allow the Company to provide innovative services in systems, applications, and products in data processing to more North American companies. The Company is considering the city of Troy for the project and anticipates the project will result in a capital investment of up to \$1,287,000 and the creation of up to 100 new jobs in the city of Troy.
Future Technologies, Inc.	2/29/2024	Bay City	\$125,000	Future Technologies, Inc. (FTI), a provider of engineering, information systems, and technical support services, is expanding in Monitor Township. FTI provides services to major clients, including automotive companies that are engaged in conventional fuel systems and fuel cells, EV battery trays, and covers and powertrain systems. The company is located in Monitor Township, where it currently houses 28 employees. In order to keep up with the market as the automotive and mobility industry continues to transition from internal combustion engines toward more environmentally sound transportation, FTI plans to make physical improvements to its existing facility in Monitor Township, and also add updated machinery and equipment. The project is expected to generate a total capital investment of \$1 million and create 10 jobs with the support of a \$125,000 Micro Michigan Business Development Program performance-based grant.

## 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
280 Ann, LLC	2/8/2024	Grand Rapids	\$661,360	An Act 381 Work Plan with state tax capture valued at \$661,360 was awarded to the City of Grand Rapids Brownfield Redevelopment Authority to redevelop a new four-story 28,088 square foot mixed-use addition to an existing office building on the north side of the City of Grand Rapids. The new addition will include a total of 44 residential units (20,232 square feet) and is expected to generate \$11,673,193 in private investment and includes the creation of 3 full time equivalent jobs.

## Michigan Community Revitalization Program (MCRP)

The Michigan Community Revitalization Program is available from the MSF, in cooperation with MEDC. The program is designed to accelerate private investment in Michigan's communities through the redevelopment of functionally obsolete properties, reduction of blight, and the reuse of brownfield and historic properties.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Wooden Nickel Properties, LLC	2/24/2024	Zeeland	\$750,000	Located in the heart of downtown Zeeland, the proposed project includes demolition of the existing vacant one-story buildings to prepare the site for construction of a new three-story approximately 10,936 square foot mixed-use building that will include first floor retail space for two tenants totaling approximately 2,795 square feet with eight (8) residential units on the upper two floors totaling approximately 8,141 square feet. The project is expected to create 17 jobs with a total capital investment of approximately \$4,177,708.

## Capital Access

The Capital Access team partners with lenders to assist in helping small businesses obtain financing that would otherwise not be available.

### State Small Business Credit Initiative (SSBCI) 2.0 – Collateral Support Program (CSP)

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
RLK Ventures LLC	2/1/2024	Rochester	\$64,000	Dart Bank is working with RLK Ventures on the purchase of an existing business. Due to a collateral shortfall, Dart is asking for collateral support on the loan.
Superior Foods Company	2/13/2024	Grand Rapids	\$5,000,000	Superior Foods is working with First Merchants Bank to refinance and increase their outstanding line of credit currently with Macatawa Bank. Due to collateral shortfall, First Merchants is requesting collateral support from the SSBCI 2.0 CSP.
N4 Properties LLC	2/16/2024	Whitehall	\$212,075	United Bank is providing financing to N4 Properties to purchase commercial real estate and business assets of a restaurant. Due to collateral shortfall the bank is seeking support of the SSBCI 2.0 CSP.
Rochester Robotic Therapy, LLC	2/21/2024	Bloomfield Hills	\$249,500	The Independent Bank is working with Rochester Robotic Therapy on a new commercial term loan for the purchase of new equipment. Due to a shortfall in collateral, Independent is asking for SSBCI 2.0 collateral support.
Wildwood Coating Inc.	2/24/2024	Dollar Bay	\$39,215	Superior National Bank is working with Wildwood Coating to provide them with a term loan and working capital line of credit to support anticipated growth. The company received a large contract, and these loans will help to support costs associated with this. Due to collateral shortfall on each note the lender is asking for collateral support.
Wildwood Coating Inc.	2/24/2024	Dollar Bay	\$24,510	Superior National Bank is working with Wildwood Coating to provide them with a term loan and working capital line of credit to support anticipated growth. The company received a large contract, and these loans will help to support costs associated with this. Due to collateral shortfall on each note the lender is asking for collateral support.

**State Small Business Credit Initiative (SSBCI) 2.0 – Loan Guaranty Program (LGP)**

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Savory Sensations LLC	2/1/2024	Detroit	\$249,500	Detroit Development Fund is working with Savory Sensations LLC, a start-up restaurant in Detroit. DDF is asking the MSF to participate in the at 49.9%
Opportunity Resource Fund	2/16/2024	Lansing	\$1,250,000	Opportunity Resource Fund is entering into an SSBCI 2.0 LGP agreement.



## 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 - PowerGen International - New Orleans	2/1/2024	Livonia	\$852
Ambe Engineering, LLC - International Website Design and Marketing Collateral	2/1/2024	Farmington Hills	\$12,950
CVX Instruments, LLC - Eurosatory	2/1/2024	Charlevoix	\$6,258
Dataspeed Inc. - Autonomy Mobility World Expo - Paris, France	2/1/2024	Rochester Hills	\$7,405
K. Walker Collective LLC - Pitti Uomo - Italy	2/1/2024	Detroit	\$3,710
MHR, Inc. - Foam Expo Novi Michigan	2/1/2024	Holland	\$4,950
Portland Products - 2024 IATF Renewal Audit	2/1/2024	Portland	\$6,000
Trans-Matic - EXIM Credit Insurance Costs - 2024	2/1/2024	Holland	\$13,430
Vantage Plastics - Automotive Meetings Queretaro, Mexico	2/1/2024	Standish	\$4,584
Workhorse Irons - DC Tattoo Trade Show	2/1/2024	Grandville	\$1,472
Workhorse Irons - NIX Toronto Tattoo Show	2/1/2024	Grandville	\$2,275
Detroit Engineered Products, Inc. - Sales Trip - India, Germany, Sweden	2/2/2024	Troy	\$3,775
MFP Automation Engineering - Automation Alley Trade Mission to India	2/7/2024	Hudsonville	\$4,750
Next Chapter Manufacturing - Costa Rica March 2024	2/7/2024	Grand Rapids	\$2,970
Lifeline Firehose - FDIC International Trade Show 2024	2/8/2024	Lansing	\$7,805
Detroit Engineered Products, Inc.	2/9/2024	Troy	\$1,700
ATEQ CORP	2/12/2024	Livonia	\$5,290
HERCO, LLC	2/12/2024	Auburn Hills	\$6,394
Mrs. Pruitt's Gourmet Cha Cha	2/12/2024	Detroit	\$600
VS Aviation LLC	2/15/2024	Grand Rapids	\$7,082
Egan Food Technologies	2/16/2024	Grand Rapids	\$600
Keenan Hand Dyed Yarn	2/16/2024	Rudyard	\$600
Poly Flex Products, Inc.	2/20/2024	Farmington Hills	\$10,785

## Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Besser Company	2/22/2024	Alpena	\$11,393
MCM Learning	2/27/2024	Madison Heights	\$8,206
Combat Karting, LLC	2/28/2024	Okemos	\$600

# Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. From February 1, 2024, to February 29, 2024, no amendments were approved via delegate approval.

# Financial Data Overview and Terminations



## Michigan Business Development Program - Terminations

Project Name	Project Location	Incentive Type	Amount	Date	Reason for Termination	Repayment
Morley Companies, Inc.	Saginaw	Grant	\$3,333,000	2/8/24	Company unable to reestablish QNJ's	\$22,857