



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

July 26, 2022

10:00AM

I.	CALL TO ORDER & ROLL CALL	
II.	PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES	
III.	COMMUNICATIONS	
	a. Chief Compliance Officer Quarterly Report	3
IV.	CONSENT AGENDA	
	a. Proposed Meeting Minutes: June 28, 2022	5
	b. Harbor Shores Community Redevelopment, LLC: MCRP Amendment	16
	c. Cooke Capital, LLC: MCRP Amendment	20
	d. Loc Performance: MBDP Amendment	24
	e. Assignment of Grant Agreement from the Sault Ste. Marie EDC to the City of Sault Ste. Marie	30
	f. Dow, Inc.: MSF Designated Renaissance Zone Amendment	35
V.	COMMUNITY VITALITY	
	a. 501 South Capitol: A resolution to approve a Brownfield Act 381 Work Plan including state tax capture in the amount of \$855,628.....	42
	<i>Location: City of Lansing</i>	
	b. 503 South Capitol: A resolution to approve a Brownfield Act 381 Work Plan including state tax capture in the amount of \$427,482.....	53
	<i>Location: City of Lansing</i>	
VI.	BUSINESS INVESTMENT	
	a. American Rheinmetall Vehicles LLC: A resolution to approve an MBDP Grant in the amount of \$1,500,000.	64
	<i>Location: City of Sterling Heights</i>	
	b. NorthPoint Development/Former AMC Headquarters: A resolution to approve a Brownfield Act 381 Work Plan including state tax capture in the amount of \$5,089,583....	72
	<i>Location: City of Detroit</i>	
	c. Gentex Corporation: A resolution to approve an MBDP Performance-Based Grant in the amount of \$5,500,000, a 100% SESA Exemption for up to fifteen years valued at up to \$3,863,325, a waiver of the EDA Requirement, and a JRMP Performance-Based Grant in the amount of \$1,890,000.....	82
	<i>Location: City of Zeeland and Zeeland Charter Township, Ottawa County</i>	
	d. International Trade Services: A resolution to authorize JEC awards recommendations for seven service providers for agreements for an initial one-year term, with the option to extend the term for up to an additional four years.	98

VII. IMAGE BRANDING

- a. Travel Michigan: A resolution to approve awarding a contract to MMGY Global for Travel Marketing and Advertising Initiatives for the state of Michigan using EDA Grant funds in the amount of \$9,307,393..... 104

VIII. INFORMATIONAL

- a. Delegation of Authority Report..... 109



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

KEVIN FRAN CART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

July 7, 2022

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

Quentin L. Messer Jr.
President
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2022 Q3 Report of the Chief Compliance Officer. (April 1, 2022 – June 30, 2022)

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures as well as applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the third quarter of the 2022 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law.

The Chief Compliance Officer (CCO) assisted MSF Board Members with question regarding conflicts of interest. The CCO, along with the AG and MEDC Legal, assisted with the Finance and Investment Subcommittee and the Policy and Planning Subcommittee. The CCO, along with the AG and MEDC Legal, assisted with editing the Consent Agenda Guidelines for presentation and recommendation to the Policy and Planning Subcommittee and eventually the Board. The CCO, along with the AG and MEDC Legal, assisted with editing the Bylaws and drafting rules of order for presentation and recommendation to the Policy and Planning Subcommittee and eventually the Board. At the request of the Fund Manager and various Board Members a review of the relationship with and the economic incentives provided to Michigan Community Capitol is being reviewed. The CCO continued to assist the Department of Technology, Management, and Budget; Department of Treasury; the AG; and the MSF Fund Manager in coordinating with the workgroup to implement the requirements of the Economic Development Incentive Evaluation Act, MCL 18.1751 *et seq.*

As reported previously, because of the staffing changes the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines.

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

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
JUNE 28, 2022**

Members Present

Susan Corbin
Michael B. Kapp (on behalf of Director Ajegba)
Jennifer Nelson (on behalf of Chairman Messer)

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Rachael Eubanks
Paul Gentilozzi
Dimitrius Hutcherson
Charles P. Rothstein
Susan Tellier
Cindy Warner

I. CALL TO ORDER & ROLL CALL

Ms. Nelson called the meeting to order at 10:00 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. She welcomed Dimitrius Hutcherson to the MSF Board who made brief comments.

Ms. Nelson introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENTS

Ms. Wilcox Surmann explained the process for members of the public to participate. Faye Nelson, Michigan Director of the W.K. Kellogg Foundation, and State Senator John Bizon, M.D. spoke in support of the 50 Capital Ave Development Corporation project in Battle Creek.

III. COMMUNICATIONS

Ms. Wilcox Surmann informed Board members that letters were received from State Representative Tyrone Carter in support of the Bagley + 16th Redevelopment project in Detroit; State Senator John Bizon, M.D. and State Representative Jim Haadsma in support of the 50 Capital Ave Development Corporation project in Battle Creek; and State Representative Terry Sabo in support of the Global Life Sciences Solutions USA project in Muskegon Charter Township. The letters are attached to the minutes.

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported the subcommittee met recently and discussed two items that will be considered by the MSF Board later. There was no MSF Policy and Planning Subcommittee update.

IV. CONSENT AGENDA

Resolution 2022-087 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: June 2, 2022
- b. 234 W. Cedar: MCRP Amendment and Delegation of Authority – **2022-088**
- c. MCRP Program Guidelines: Delegation of Authority – **2022-089**
- d. GT Housing: MCRP Amendment – **2022-090**
- e. Request Foods: MBDP Grant Reauthorization – **2022-091**
- f. State Historic Preservation Office (SHPO): Delegation of Authority Amendment– **2022-092**

Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Cindy Warner joined the meeting at 10:19 a.m.

V. COMMUNITY VITALITY

- a. **Resolutions 2022-093 50 Capital Ave Development Corporation: Michigan Community Revitalization Program Loan Participation Award (Battle Creek Doubletree Project)**
*Michelle Audette-Bauman, Senior Community Development Manager, provided the Board with information regarding this action item. The action involves approval of up to a \$7,500,000 Michigan Community Revitalization Program performance-based loan participation award and transfer of funds from the Jobs for Michigan Investment Fund for the specific purpose of this project through MCL 125.2088b(2)(c) to support a community development project in the City of Battle Creek, Calhoun County. The project is expected to result in total capital investment of \$45,230,853. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-093. Dimitrius Hutcherson seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Dimitrius Hutcherson, recused from the next item, temporarily disconnected from the meeting; a recusal letter is attached to the minutes.

- b. **Resolutions 2022-094 & 2022-095 Bagley + 16th LLC / City of Detroit Brownfield Redevelopment Authority: Michigan Community Revitalization Program Direct Loan and Brownfield Act 381 Work Plan (Bagley + 16th Redevelopment Project)**
*Brittney Hoszkiw, Senior Community Development Manager, provided the Board with information regarding these action items. The actions involve approval of a \$3,763,130 Michigan Community Revitalization Program performance-based direct loan and transfer of funds from the Jobs for Michigan Investment Fund for the specific purpose of this project through MCL 125.2088b(2)(c), as well as approval of state tax capture for Act 381 eligible activities capped at \$647,991 to support a community development project in the City of Detroit, Wayne County. The project is expected to result in total capital investment of \$22,819,905. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-094. Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 1 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: Dimitrius Hutcherson

Paul Gentilozzi then motioned for the approval of Resolution 2022-095. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 1 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: Dimitrius Hutcherson

Dimitrius Hutcherson rejoined the meeting at 10:35 a.m.

c. **Resolution 2022-096 CHN Annex Limited Partnership and Community Housing Network, Inc.: Michigan Community Revitalization Program Grant**

Lindsey Miller, Community Development Manager, provided the Board with information regarding this action item. The action involves approval of up to a \$1,363,000 Michigan Community Revitalization Program performance-based grant to support a community development project in the City of Sault Ste. Marie, Chippewa County. The project is expected to result in total capital investment of \$3,224,528. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-096. Paul Gentilozzi seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

d. **Resolution 2022-097 Diamond Place, LLC: Michigan Community Revitalization Program Loan Participation Agreement Amendment**

Julius Edwards, Director of Commercial Real Estate Investment, provided the Board with information regarding this action item. The action involves approval of an amendment to the Michigan Community Revitalization Program loan participation agreement to reduce the interest rate on the MSF Share to one percent, and a half percent reduction in interest rate on the Capital Impact Partners' Share until maturity. Following discussion, Susan Corbin motioned for the approval of Resolution 2022-097. Michael B. Kapp seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VI. CAPITAL ACCESS

a. **Resolution 2022-098 Superior Foods Company: SSBCI Michigan Business Growth Fund – Collateral Support Program Approval (Increase)**

Amber Westendorp, Capital Project & Portfolio Manager, provided the Board with information regarding this action item. The action involves approval to increase collateral support from \$2,500,000 to \$3,750,000 for an increased working capital line of credit through Macatawa Bank.

Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-098. Susan Corbin seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Gentilozzi disconnected from the meeting at 10:49 a.m.

VII. BUSINESS INVESTMENT

a. **Resolutions 2022-099, 2022-100 & 2022-101 Global Life Sciences Solutions USA LLC: Michigan Business Development Program Grant, Jobs Ready Michigan Program Grant, and State Essential Services Assessment Exemption**

Jeremy Webb, Strategic Projects Advisor, provided the Board with information regarding these action items. The actions involve approval of a \$1,500,000 Michigan Business Development Program performance-based grant, \$1,500,000 Jobs Ready Michigan Program performance-based grant, a 100% State Essential Services Assessment (SESA) Exemption for up to five years valued at up to \$2,707,884, and an Eligible Distressed Area Requirement Waiver related to the SESA Exemption to support a business development project in Muskegon Charter Township, Muskegon County. The project is expected to result in total capital investment of up to \$430,000,000 and the creation of up to 200 jobs Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2022-099. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Susan Corbin then motioned for the approval of Resolution 2022-100. Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Finally, Dimitrius Hutcherson motioned for the approval of Resolution 2022-101. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

VIII. INFORMATIONAL

Ms. Nelson noted the MSF delegated authority report for the period May 1 to May 31, 2022, was included in the meeting packet. She asked if there were any questions from Board members regarding the information; there were none.

Ms. Nelson adjourned the meeting at 11:03 a.m.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

Quentin L. Messer, Jr.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



7310 WOODWARD AVE., STE. 101 DETROIT, MI 48202
TELEPHONE 313-256-8400

June 16, 2022

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 Tuesday, June 28, 2022.

- Bagley + 16th Item of Business

The reason for my recusal is that I have a potential conflict of interest with respect to the grantee, The Detroit Economic Growth Corporation (DEC), and with my involvement as a Board Member of the Detroit Economic Growth Corporation.

Sincerely,

A handwritten signature in black ink, appearing to read 'D Hutcherson', with a stylized flourish at the end.

Dimitrius M. Hutcherson
Executive Vice President, Chief Administrative Officer/Chief Technology Officer
First Independence Bank



STATE OF MICHIGAN

P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-2426
FAX: (517) 373-2964
senjbizon@senate.michigan.gov

June 23, 2022

STATE SENATOR

JOHN BIZON, M.D.

MAJORITY WHIP

19TH DISTRICT

Quentin L. Messer, Jr.
Chairperson, Michigan Strategic Fund Board
300 North Washington Square
Lansing, MI 48913

RE: Letter of support for the 50 Capital Ave Development Corporation

Dear Chairperson Messer:

I am pleased to place my full support behind 50 Capital Ave Development Corporation's project. I understand that the Michigan Strategic Fund board is considering a request from 50 Capital Ave Development Corporation for approval of a \$7.5 million Michigan Community Revitalization Program performance-based loan participation award to support the community development project in Battle Creek.

My office has worked alongside Battle Creek Unlimited and the 50 Capital Ave Development Corporation over the past two years to ensure that there is continued prosperity and revitalization in the downtown Battle Creek business district. Creation of the 50 Capital Ave Development Corporation and its commitment to seeing the revitalization of the 15-floor former hotel into a 239-room DoubleTree hotel was a key move in this rewarding project.

When Battle Creek's downtown hotel closed and the promised plans for a revitalized hotel and conference center fell through, I, like many others in my hometown of Battle Creek, was left wondering how the downtown would survive. Then another layer of uncertainty hit when the state shutdown for months. This generous funding proposed from the Michigan Strategic Fund Board will help secure needed funding for a project that will have a long-lasting effect in Battle Creek's city-center for decades to come.

Thank you for your consideration of this worthwhile project. If you have any questions, please contact my office at 517-373-2426.

Sincerely,


John Bizon, M.D.

State Senator
The 19th District



62ND DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

JIM HAADSMa
STATE REPRESENTATIVE

PHONE: (517) 373-0555
FAX: (517) 373-5761
JimHaadsma@house.mi.gov

June 27, 2022

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

Re: Support for McCamly Hotel Project

To Quentin L. Messer, Jr.,

I write today to urge the Michigan Strategic Fund to approve the \$7.5 million Michigan Community Revitalization Program performance-based loan participation award to support a community development project in Battle Creek.

Current plans call for a nearly \$60 million revamp of the hotel campus. Renovations include energy efficient upgrades, a new HVAC system, lobby, ballroom, meeting spaces, and conference rooms. The restaurant will have a farm to table menu, a new bar and beer garden, and a brand-new kitchen.

The new hotel is vital for the growth of Battle Creek and developing a more diverse local economy. There have not been any new hotels built in downtown Battle Creek in many years. The resulting weddings, increased tourism, and business meetings will benefit small businesses operating nearby. I also want to bring to your attention the plans for a hospitality school operating in the hotel. The hotel will include a workforce training/educational component with an anticipated 165 jobs. This will create meaningful career opportunities for residents and local youth.

I recommend approval of the performance-based loan without reservation.

Respectfully,

Jim Haadsma

Jim Haadsma
State Representative
62nd District





6TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

TYRONE A. CARTER

STATE REPRESENTATIVE

PHONE: (517) 373-0823
FAX: (517) 373-5993
TyroneCarter@house.mi.gov

May 24, 2022

Quentin L. Messer, Jr
Chairperson of the Michigan Strategic Fund Board
300 N. Washington Square
Lansing, Michigan 48913

Mr. Messer,

I am pleased to offer my support for the Bagley + 16th Redevelopment project. This project will be a significant addition to the City of Detroit's Mexicantown neighborhood. The welcomed project will construct a new five-story mixed-use mixed income building on a currently vacant 0.7-acre lot. In addition to the new housing opportunities that this project will bring, it also includes four retail bays on the first floor which will help boost the local economy and bring jobs to the area. Finally, there will also be public improvements that consist of sidewalks, parking, and public seating all of which will revitalize the currently empty property.

As a member of the State House of Representatives, I strongly recommend the Michigan Strategic Fund Board grant Bagley + 16th, LLC, the request for approval of a \$3,763,130 Michigan Community Revitalization Program performance-based direct loan. The transformation of this property will help stimulate local economic activity and house the citizens of our community. The additional public improvements will also continue to enhance the Mexicantown area and encourage further developmental projects in the city. If you have further questions, feel free to contact my office at 517-373-0823.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyrone Carter".

Representative Tyrone Carter
6th District



92ND DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-2646
FAX: (517) 373-9646
E-MAIL: TerrySabo@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

TERRY J. SABO
STATE REPRESENTATIVE

COMMITTEES:
WORKFORCE, TRADES, AND TALENT (MVC)
APPROPRIATIONS –
GENERAL GOVERNMENT (MVC)
CORRECTIONS
TRANSPORTATION

June 27, 2022

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

Dear Chairperson Messer,

I write today urging your full support of a request from Global Life Sciences Solutions USA LLC for approval of several incentives to support a business development project in Muskegon Charter Township. Those incentives include a \$1,500,000 Michigan Business Development Program performance-based grant, a \$1,500,000 Jobs Ready Michigan Program performance-based grant, and a 100% SESA Exemption for up to five years valued at up to \$2,707,884.

Specifically, I hope you, along with the rest of the Michigan Strategic Fund Board Members will approve these incentives at the upcoming meeting on Tuesday, June 28th. These economic incentives will play a huge role in bringing hundreds of jobs and hundreds of millions of dollars in economic development to Muskegon.

This is a great opportunity to ensure greater economic development and there is no doubt that these incentives will benefit not only Global Life Sciences Solutions USA LLC, but also the entire greater Muskegon area. Please support these incentives in the upcoming MSF Board Meeting.

Thank you for your service to the citizens of Michigan.

Sincerely,

Terry J. Sabo
State Representative
District 92-Muskegon



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund Board

From: Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #1
Harbor Shores Community Redevelopment, LLC

Request

Harbor Shores Community Redevelopment, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (the “MCRP”) Grant Agreement between the MSF and the Company dated February 15, 2022 (the “Agreement”) and any related ancillary agreements. The amendment request dated June 6, 2022 includes a request to add a co-applicant, Brunson Place Properties, LLC. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund Board approved a \$750,000 MCRP Grant on June 22, 2021 to the Company for the purpose of constructing a multifamily development with 80 residential units and 120 parking spaces over a 10.65 acre site in the City of Benton Harbor.

The project was approved with Harbor Shores Community Redevelopment, LLC as the sole applicant but the Company has subsequently identified a different entity that will incur project costs and therefore, they need to add a co-applicant to ensure access to the Grant. Brunson Place Properties, LLC is the entity incurring the eligible investment. Whirlpool Corporation is the sole member of Brunson Place Properties, LLC.

The project is currently approximately 30% complete with expected substantial completion by the first quarter of 2023. The Company is current with reporting requirements.

Recommendation

MEDC staff recommends approval of an amendment to the Agreement, and any related ancillary agreements, to add Brunson Place Properties, LLC as a co-applicant, per the Company’s request dated June 6, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-103**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM GRANT AWARD FOR
HARBOR SHORES COMMUNITY REDEVELOPMENT, 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;

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

WHEREAS, by Resolution 2021-084 on June 22, 2021 the MSF Board awarded a MCRP Grant award to Harbor Shores Community Redevelopment, LLC (the “Company”), in furtherance of the project, of up to \$750,000 (the “Award”); and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to add Brunson Place Properties, LLC as a co-applicant, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

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

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund Board

From: Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program
Direct Loan Approval Amendment #1
Cooke Capital, LLC – The Ville Project

Request

Cooke Capital, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (the “MCRP”) Performance-based Direct Loan approved on March 22, 2022 (the “Approval”). The amendment request dated May 11, 2022 includes a request to modify the proposed structure from a Direct Loan to a Loan Participation. All other terms of the current Approval will remain the same.

Background

The Michigan Strategic Fund Board approved a \$1,450,000 performance-based Direct Loan on March 22, 2022 to the Company for the purpose of supporting a community development project located in the Village of Fowlerville that will construct a new two-story, approximately 13,564 square foot mixed-use building on a vacant downtown lot. The development will include eight residential units and approximately 5,360 square feet of first-floor commercial space.

The Senior Lender, Level One Bank, prefers a loan participation structure as it will eliminate the need to bridge MSF funds. Construction has not yet commenced. Construction is projected to begin in August 2022 with project completion anticipated by the summer of 2023.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP performance-based Direct Loan Approval to modify the proposed loan structure from a Direct Loan to a Loan Participation, per the Company’s request dated May 11, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-104**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
DIRECT LOAN AWARD FOR
COOKE CAPITAL, 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;

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

WHEREAS, by Resolution 2022-043 on March 22, 2022 the MSF Board awarded a MCRP performance-based Direct Loan award to Cooke Capital, LLC (the “Company”), in furtherance of the project, of up to \$1,450,000 (the “Award”); and

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award approval to modify the loan structure from a Direct Loan to a Loan Participation, with all other requirements remaining in place for the Award (the “MCRP Amendment Recommendation”).

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

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

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund Board

From: Colleen Horton, Director – Business Compliance

Subject: Loc Performance Products Inc. – Michigan Business Development Program Grant Forbearance and Amendment

Request

Loc Performance Products, Inc. (“Loc” or “Company”) is requesting a forbearance and amendment to its Michigan Business Development Program (“MBDP”) grant to 1) forbear taking acting on the repayment event for eliminated Qualified New Jobs (“QNJ”) until June 30, 2023; 2) extend the MBDP grant term to the earlier of December 31, 2028 or six months after the final grant disbursement; and 3) restructure Milestones Two through Five to allow disbursements based on flexible QNJ achievement as follows:

- Milestone Two - \$9,500 per QNJ for the creation of at least 200 total cumulative QNJs and up to a maximum of 700 QNJs by June 30, 2025
- Milestone Three - \$9,500 per QNJ for the creation of at least 300 total cumulative QNJs and up to a maximum of 700 QNJs by June 30, 2026
- Milestone Four - \$9,500 per QNJ for the creation of at least 400 total cumulative QNJs and up to a maximum of 700 QNJs by June 30, 2027
- Milestone Five - \$9,500 per QNJ for the creation of at least 525 total cumulative QNJs and up to a maximum of 700 QNJs by June 30, 2028

(the aforementioned, collectively, the “Request”).

In consideration for the Request, the Company will pay a forbearance fee equal to 1% of the grant award (\$70,000).

Background

On June 26, 2018, Loc was awarded a \$7,000,000 MBDP performance-based grant the creation of 700 QNJs above a statewide base job requirement of 470 and projected investment of \$71,500,000 in Ingham County (the “MBDP Agreement”). The Company successfully achieved Milestone One on March 9, 2020, receiving a disbursement of grant funds totaling \$1,680,000. On June 23, 2020, the MSF Board approved an amendment to the MBDP Agreement to include additional project locations in Lapeer, Plymouth, and Sterling Heights.

The amended MBDP Agreement includes the following key milestones:

- Key Milestone One: disbursement of \$1,680,000 for the creation of a minimum of 140 QNJs above the Base Employment Level of 470 by October 31, 2019.
- Key Milestone Two: disbursement of \$1,330,000 for the creation of an additional 140 QNJs (for a cumulative total of 280 QNJs) above the Base Employment Level of 470 by October 31, 2020.

- Key Milestone Three: disbursement of \$1,330,000 for the creation of an additional 140 QNJs (for a cumulative total of 420 QNJs) above the Base Employment Level of 470 by October 31, 2021.
- Key Milestone Four: disbursement of \$1,330,000 for the creation of an additional 140 QNJs (for a cumulative total of 560 QNJs) above the Base Employment Level of 470 by October 31, 2022.
- Key Milestone Five: disbursement of \$1,330,000 for the creation of an additional 140 QNJs (for a cumulative total of 700 QNJs) above the Base Employment Level of 470 by October 31, 2023.

In its fiscal year 2020 progress report the Company reported that it had eliminated 54 QNJs. A default notice was issued on October 30, 2020, providing the Company with a 180-day cure period in which to resolve the default. The cure period expired on April 28, 2021. The Company was unable to reestablish the QNJs during the cure period. In follow up discussions with the MEDC Compliance Team, the Company indicated it had eliminated a total of 71 QNJ's, which triggered repayment of \$710,000. The default remains uncured. To that end, the Company has been in active discussions with the MEDC regarding a forbearance and amendment in order to grant additional time for the Company to cure the default and earn out the remaining grant funds.

As a prime defense contractor to the U.S. Army, Loc continues to compete against traditional defense companies and win long term contracts to support major ground combat weapon system programs. COVID-19, along with other factors, directly impacted companies at the national, state, and local level. Furthermore, Executive Order 14042 requiring full compliance with COVID Safety Protocols for Federal Contractors and requiring all employees to be fully vaccinated by January 18, 2022 created additional hiring challenges for the Company.

Although business has remained stable, the Company continues to face challenges impacting overall operations, primarily with hiring and maintaining a skilled workforce to support current and new business activities. Since 2018, Loc posted over a hundred openings for jobs ranging from manufacturing to engineering, program management and finance. Several factors continue to impact hiring including a skilled labor shortage (manufacturing and welding), fierce competition with other companies also seeking skilled workers, and pandemic concerns. Currently, Loc has between 70-80 job openings posted on their website.

The Company has taken measures to compete in the current economy which include increasing wages, seeking recruiting support from staffing agencies, offering sign-on bonuses, providing pathways with additional training opportunities to increase employee skill levels, and implementing additional cleaning and safety protocols. If the MSF Board does not approve this forbearance and amendment, the Company would be required to immediately pay back \$710,000 and would also lose the opportunity to earn out the remaining grant funds.

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-105**

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
AMENDMENT
LOC PERFORMANCE PRODUCTS, INC.**

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

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

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

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

WHEREAS, on June 26, 2018, the MSF Board authorized a performance-based MBDP grant of up to \$7,000,000 to Loc Performance Products, Inc. (the “Company”);

WHEREAS, on September 7, 2018, the Company and the MSF entered into an MBDP Grant Agreement under which the Company agreed to create 700 Qualified New Jobs (“QNJs”) above a statewide Base Job requirement of 470 jobs at facilities located in Plymouth Township and a location in Ingham, Eaton, or Clinton County (the “MBDP Grant Agreement”);

WHEREAS, on March 9, 2020 the Company demonstrated that it had successfully achieved Key Milestone One under the MBDP Grant Agreement and subsequently received a disbursement of \$1,680,000;

WHEREAS, on June 23, 2020, the MSF Board approved an amendment to the MBDP Grant Agreement to 1) add the following locations for the purpose of counting Base Employment and QNJs: 290 McCormick Drive, Lapeer, MI 48446; 38 S Elm St, Lapeer, MI 48446; 3852 Sterling Ponds Blvd. Sterling Heights, MI 48312; and a location within Lapeer County and 2) add LOC PAC, Inc. for the purpose of Base Employment and QNJs (“Amendment One”);

WHEREAS, on July 22, 2020, the Company and the MSF entered into the First Amended and Restated MBDP Grant Agreement to effectuate Amendment One (the “Amended MBDP Grant”);

WHEREAS, the Company is in default under Section 5.1(e) of the Amended MBDP Grant for eliminating QNJs and has triggered repayment of \$710,000 (the “Repayment Event”);

WHEREAS, the Company has requested that the MSF approve a forbearance with respect to the Repayment Event and an amendment with respect to the remaining term of the Amended MBDP Grant with terms and conditions that shall include:

- a) Forbearance by the MSF from exercising its rights under the Repayment Event until the earlier to occur of 1) cure of the Repayment Event by the Company or 2) June 30, 2023 (the “Forbearance”);
- b) Forbearance fee of \$70,000, payable upon Company’s execution of a forbearance agreement;
- c) Modification to Key Milestones as follows (the “Milestone Request”):
 - 1. Key Milestone One: No change. Company previously received disbursement of \$1,680,000 for creation of 140 QNJs over the Base Employment Level of 470 jobs.
 - 2. Key Milestone Two: Disbursement of \$9,500 per QNJs for the creation of at least 200 total cumulative QNJs up to a maximum of 700 QNJs by June 30, 2025.
 - 3. Key Milestone Three: Disbursement of \$9,500 per QNJs for the creation of at least 300 total cumulative QNJs up to a maximum of 700 QNJs by June 30, 2026.
 - 4. Key Milestone Four: Disbursement of \$9,500 per QNJs for the creation of at least 400 total cumulative QNJs up to a maximum of 700 QNJs by June 30, 2027.
 - 5. Key Milestone Five: Disbursement of \$9,500 per QNJs for the creation of at least 525 total cumulative QNJs up to a maximum of 700 QNJs by June 30, 2028.
- d) Extension of the Amended MBDP Grant term to the earlier of 1) December 31, 2028 or 2) six months following the final grant disbursement (the “Term Request”).

WHEREAS, the MEDC recommends approval of the Forbearance, the Milestone Request, and the Term Request (collectively, the Forbearance and Amendment Request”); and

WHEREAS, the MSF Board wishes to approve the Forbearance and Amendment Request.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Forbearance and Amendment Request; and

BE IT FURTHER RESOLVED, the MSF authorizes the MSF Fund Manager to negotiate the final terms and conditions of the final documents necessary to effectuate the Forbearance and Amendment Request.

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
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RACHAEL EUBANKS
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January 6, 2022

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

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund Board

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

Subject: Transfer of Gateway Grant from Sault Ste Marie EDC to the City of Sault Ste Marie

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board approve the assignment of the Sault Ste Marie SmartZone Gateway grant from the Economic Development Corporation of Sault Ste Marie (the “Sault Ste Marie EDC”) to the City of Sault Ste Marie (the “City”).

Background

On February 22, 2022, the MSF Board approved 19 Gateway grants across Michigan’s SmartZone network. The Sault Ste Marie Gateway grant was awarded to the Sault Ste Marie Economic Development Corporation, which at that time was administering the Sault Ste Marie SmartZone. On May 2, 2022, the Sault Ste Marie City Commission voted unanimously to terminate the lease agreement with the Sault Ste Marie EDC for the management of the SmartZone Breeder Building, transfer all SmartZone operations to the City, and to designate the City Manager or his designee as the Staff liaison to the SmartZone LDFA Board (“the Request”). The City is requesting the transfer of the Gateway grant from the Sault Ste Marie EDC to the City for support of the local SmartZone.

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-106**

**ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF SAULT STE.
MARIE
BUSINESS INCUBATOR GRANT ASSIGNMENT**

WHEREAS, Public Acts 215 and 225 of 2005, as amended, established the 21st Century Jobs Fund initiative;

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

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

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

WHEREAS, on February 23, 2021, the MSF Board authorized a business incubator program grant of \$100,000 to the Economic Development Corporation of the City of Sault Ste. Marie (the “Sault Ste. Marie EDC”) with an initial term of April 1, 2021 to March 31, 2022, with the option to extend for an additional four years and allocate additional funding at the sole discretion of the MSF (the “Sault Ste. Marie EDC Incubator Grant”);

WHEREAS, on February 22, 2022, the MSF Board exercised its first option to extend the term of the Sault Ste. Marie EDC Incubator Grant to March 31, 2023, and allocated \$100,000 in additional funding;

WHEREAS, on May 2, 2022, the Sault Ste. Marie City Commission voted to terminate its lease agreement with the Sault Ste. Marie EDC and transfer all SmartZone operations to the City of Sault Ste. Marie (the “City”);

WHEREAS, the Sault Ste. Marie EDC wishes to assign all of its right, title, interest and obligations under the Sault Ste. Marie EDC Incubator Grant to the City and the City agrees to assume, perform and discharge all right, title, interest and obligations of the Sault Ste. Marie EDC under the Sault Ste. Marie EDC Incubator Grant (the “Grant Assignment”);

WHEREAS, the Sault Ste. Marie EDC Incubator Grant prohibits the Sault Ste. Marie EDC from assigning its rights or obligations under the Sault Ste. Marie EDC Incubator Grant without the prior written consent of the MSF;

WHEREAS, the MEDC recommends that the MSF Board approve the Grant Assignment;
and

WHEREAS, the MSF wishes to approve the Grant Assignment.

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

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

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund (“MSF”) Board

From: Stacy Bowerman, Senior Project Executive

Subject: City of Midland (the “Applicant”) – Dow, Inc. (the “Company”)
MSF Designated Renaissance Zone – Resolution Amendment

Request

This is a request from the Applicant to amend the existing approval of an MSF Designated Renaissance Zone to replace all references to Dow, Inc. and the Company with The Dow Chemical Company and Dow Silicones Corporation.

Company Background

On January 25, 2022, the MSF Board authorized a MSF Designated Renaissance Zone for a period fifteen (15) years for the Dow Michigan Operations Modernization Project (the “Project”). The Project included \$150 million of capital investment and the retention of 800 employees to support the modernization of key Silicones manufacturing and research and development (“R&D”) assets at its Michigan operations in Midland, Michigan (the “Dow Zone”).

At the time of the approval Dow, Inc. was identified as the applicant. However, The Dow Chemical Company and Dow Silicones Corporation, wholly owned subsidiaries of Dow, Inc., will be the entities that will be investing in and operating on the site of the Dow Zone. As a result, the approval requires an amendment to accurately reflect the entities conducting business operations within the Dow Zone. All other aspects of the agreement remain unchanged.

Recommendation

MEDC Staff recommends approval of an amendment to MSF Resolution 2022-014 to replace all references to “Dow, Inc.” and the “Company” with “The Dow Chemical Company and Dow Silicones Corporation, as outlined in the attached resolution.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-107**

**AMENDMENT TO MSF DESIGNATED RENAISSANCE ZONE APPROVAL
The Dow Chemical Company and Dow Silicones Corporation**

WHEREAS, Section 8a(2) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) Board to designate up to twenty-seven (27) renaissance zones (a “Renaissance Zone”) in one or more city, village, or township if consented to by the local unit of government in which the proposed renaissance zone will be located;

WHEREAS, on January 25, 2022, via MSF Resolution 2022-014, the MSF Board approved a fifteen (15) year Renaissance Zone for Dow, Inc. to support its expansion of operations in the City of Midland (the “Dow Zone”);

WHEREAS, it is now understood that The Dow Chemical Company and Dow Silicones Corporation, wholly owned subsidiaries of Dow, Inc., will be the entities pursuing the investments and operating on the site of the Dow Zone;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the Renaissance Zone program; and

WHEREAS, the MEDC recommends that the MSF approve an amendment to MSF Resolution 2022-014 to replace all references to “Dow, Inc.” and the “Company” with “The Dow Chemical Company and Dow Silicones Corporation.”

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board amends MSF Resolution 2022-014 to replace all references to “Dow, Inc.” and the “Company” with “The Dow Chemical Company and Dow Silicones Corporation;” and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to execute any documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
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PAUL AJEGBA
DIRECTOR

February 3, 2020

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Paul C. Ajegba, P.E.
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Executive File



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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-102**

**APPROVAL OF THE JULY 26, 2022 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

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

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

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

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

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

Consent Agenda Items:

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

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund Board

From: Rachel Elsinga, Community Development Manager
Julius Edwards, Director, Commercial Real Estate Investment
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan
City of Lansing Brownfield Redevelopment Authority (BRA)
501 S. Capitol Project (500 Block Redevelopment)

Project Summary & Request

501 S. Capitol, LLC (the “Developer”) is proposing an adaptive re-use of the former Lake Trust Credit Union’s Headquarters in the heart of downtown Lansing. The project will renovate the seven-story vacant professional office building into 55 new multifamily residential apartments and commercial space. The project will also improve the surrounding property to provide parking and enhanced outdoor space for tenants, as well as public improvements including curbs, sidewalks, and utility mains. In order to support this community development project, the Applicant is requesting approval of state tax capture of \$855,628. This project is related to 503 S. Capitol which is also on the MSF Board agenda this month, in that it has the same developer, and the projects are adjacent. Staff is bringing the two workplans to the board rather than seeking approval through delegated authority because together the two projects exceed the \$1 million threshold for delegation.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility and Functionally Obsolete
Total Approximate Square Feet Revitalized	73,614
Estimated # of Residential Units	55
Estimated Commercial Square Footage	18,101
Current Taxable Value	\$2,008,958
Projected Taxable Value at Completion	\$3,523,700
Total Anticipated Capital Investment	\$17,925,048
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$855,628

The City of Lansing has struggled for years to combat the ‘after 5, clock-out ghost town’ impacts of the large professional workforce housed in numerous buildings within the downtown. As a result of the pandemic, the city is navigating a significant and critical shift in downtown occupancy rates and is actively looking for ways to facilitate mixed-use redevelopment, with a focus on additional housing. By facilitating the redevelopment of this brownfield property, this project intends to promote the economic growth for the benefit of the residents of the city and the taxing units located within. The project is consistent with MEDC’s Strategic Plan as it develops attractive places and supports small businesses. The project is also consistent with MEDC’s Community Development Objectives as it is located within a Traditional Downtown, in a geographically disadvantaged area, and contributes to a traditionally dense, contextually appropriate, pedestrian oriented development.

In addition, Lansing is also home to two Main Street Communities and is a Certified Redevelopment Ready Community.

Act 381 of 1996 (the “Act”), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing Program Guidelines (the “Guidelines”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Guidelines and programmatic requirements, and a financial review has been completed.

Demonstrated Needs

In addition to the current high costs for construction, property values and rents in downtown Lansing are not sufficient to support the project. The total cost to renovate this building is estimated at \$17,925,048. This limits the total debt and equity that the project can support. The senior lender has provided terms for a \$10,000,000 loan, and the project is receiving PACE financing of approximately \$2,977,500. The Developer is contributing over 27% of the total project budget in cash equity. Participation in the State portion of Brownfield TIF will support cash flow and returns, helping to make the project financially viable.

The new apartments will add residents to the downtown, helping to support existing small businesses while also providing access to walkable amenities such as a variety of restaurants, retail and services, grocery options at the Capital Market, entertainment, comprehensive health care services, city and state government. In addition, the project provides convenient access to public greenspace including Rotary Park and the 20-mile Riverwalk Trail along the Grand River. Without support from the State Brownfield TIF program, this project’s ability to create new and needed housing units within the downtown area would not be financially feasible.

Local Support

Local support for the project includes the local portion of the Brownfield TIF valued at \$1,772,831.

Applicant Background / Qualifications

501 S. Capitol, LLC is a single member, single purpose mixed-use entity created by WestPac Investments (“WestPac”). WestPac is a real estate development and management firm handling a diversified, privately held investment portfolio. At present, WestPac Companies employ over 350 employees and have operations throughout California, New Mexico, Colorado, and Michigan. Patrick Smith, the principal and owner of Westpac and sole member of the Developer, has expertise in acquisition, growth strategy, organizational leadership, financial management, external communications, marketing, and sales. His investment portfolio spans 46 years of business, and the total value of the projects with which Mr. Smith has been involved is in excess of \$6.5 Billion.

Relevant Project Experience:

- Elevation at Okemos Pointe, Okemos, Meridian Township – This is a mixed-use multifamily residential and commercial project. creating 287 multifamily residential units and 2,500 square feet commercial space.
- The Rocks at MSU, Bath Township – This is an eight-building student housing community consisting of 119 apartment units.
- The Village at Chandler Crossings, Bath Township – This is a residential project situated on 25 acres and consists of 336 units.

An Organizational Chart for 501 S. Capitol, 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.

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

Recommendation

MEDC staff recommends approval of the state tax capture for Act 381 eligible activities capped at \$855,628, utilizing the current state to local capture ratio.

Rendering of Proposed Development



APPENDIX A – Organizational Chart

Organizational Structure

Company Name: 501 S Capitol, LLC

Employer Identification Number: 82-3889648

Manager: Blue Sky Development Group, LLC

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Patrick N Smith 2004 Living Trust	100.00%		California

APPENDIX B – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Lansing, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on December 2, 2019. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 22, 2022.

There are 72.0308 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.4478 mills (32.55%) and local millage equaling 48.5830 mills (67.45%). Tax increment capture will begin in 2022 and is estimated to continue for 11 years. The state tax capture is recommended to be capped at \$855,628, which is the amount of tax increment revenue anticipated to be generated in 11 years. Total MSF eligible activities are estimated at \$2,628,459. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(32.55%)	\$	855,628
Local tax capture	(67.45%)	\$	<u>1,772,831</u>
TOTAL		\$	2,628,459

Cost of MSF Eligible Activities

Demolition		\$	518,792
Lead, Asbestos, or Mold Abatement			1,318,306
Infrastructure Improvements			43,423
Site Preparation		+	<u>68,693</u>
Sub-Total		\$	1,949,214
Contingency (15%)		+	<u>292,382</u>
Sub-Total		\$	2,241,596
Interest (3%)		+	<u>368,113</u>
Sub-Total		\$	2,609,709
Brownfield/Work Plan Preparation		+	15,000
Brownfield/Work Plan Implementation		+	<u>3,750</u>
TOTAL		\$	2,628,459

In addition, the project is requesting \$138,837 in TIF from EGLE to assist with environmental eligible activities.

APPENDIX C – Programmatic Requirements

Key Statutory Criteria

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

a) Overall Benefit to the Public:

The project will add much needed residential units to downtown Lansing and promote economic growth for the benefit of the residents of the city and the taxing units located within.

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

This project is expected to create approximately 9 new, full-time equivalent jobs in job property management with an average hourly wage of \$14.43.

c) Area of High Unemployment:

The City of Lansing unadjusted jobless rate was 4% in April 2022.

d) Level and Extent of Contamination Alleviated:

The developer is seeing Work Plan support through EGLE be reimbursed for the remediation of contaminated soils. In addition, asbestos abatement will take place within the existing building.

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

The project is also qualifying as functionally obsolete.

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

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

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

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-108**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF LANSING BROWNFIELD REDEVELOPMENT AUTHORITY
501 S. CAPITOL PROJECT**

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

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

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

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

WHEREAS, the City of Lansing Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated June 10, 2022 for property located at 501 S. Capitol within the City of Lansing, known as 501 S. Capitol Project (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 32.55% to 67.45% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for

school operating purposes is based on costs of MSF eligible activities with a maximum of \$2,241,596 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$368,113 in interest, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$3,750 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$855,628.

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

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund Board

From: Rachel Elsinga, Community Development Manager
Julius Edwards, Director, Commercial Real Estate Investment
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan
City of Lansing Brownfield Redevelopment Authority (BRA)
503 S. Capitol Project (500 Block Redevelopment)

Project Summary & Request

503 S. Capitol, LLC (the “Applicant”) is proposing new construction on the vacant parking lot of the former Lake Trust Credit Union’s Headquarters site in the heart of downtown Lansing. The project is qualifying as a facility and will consist of a new five-story mixed-use building that will include 117 new multifamily residential apartments and approximately 3,459 square feet of first floor commercial space. The project will also improve the surrounding property to provide parking and enhanced outdoor space for tenants; public improvements including curbs, sidewalks, and utility mains. In order to support this community development project, the Applicant is requesting approval of state tax capture of \$427,482. This project is related to 501 S. Capitol which is also on the MSF Board agenda this month, in that it has the same developer, and the projects are adjacent. Staff is bringing the two workplans to the board rather than seeking approval through delegated authority because together the two projects exceed the \$1 million threshold for delegation.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility
Total Approximate Square Feet Revitalized	108,481
Estimated # of Residential Units	117
Estimated Commercial Square Footage	3,459
Current Taxable Value	\$878,849
Projected Taxable Value at Completion	\$5,877,600
Total Anticipated Capital Investment	\$31,283,865
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$427,482

The City of Lansing has struggled for years to combat the ‘after 5, clock-out ghost town’ impacts of the large professional workforce housed in numerous buildings within the downtown. As a result of the pandemic, the city is navigating a significant and critical shift in downtown occupancy rates and is actively looking for ways to facilitate mixed-use redevelopment, with a focus on additional housing. By facilitating

the redevelopment of this Brownfield property, this project intends to promote the economic growth for the benefit of the residents of the city and the taxing units located within. The project is consistent with MEDC's Strategic Plan as it develops attractive places and supports small businesses. The project is also consistent with MEDC's Community Development Objectives as it is located within a Traditional Downtown, in a geographically disadvantaged area, and contributes to a traditionally dense, contextually appropriate, pedestrian oriented development.

In addition, Lansing is also home to two Main Street Communities and is a Certified Redevelopment Ready Community.

503 S. Capitol also includes Parcel C, the proposed future site of Lansing's new Performing Arts Center. The current Work Plan is solely for Parcel A. An amendment for Parcel C would be necessary for any requests pertaining to that site.

Act 381 of 1996 ("the Act"), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing Program Guidelines ("Guidelines"). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Guidelines and programmatic requirements, and a financial review has been completed.

Demonstrated Needs

In addition to the current high costs for construction, property values and rents in downtown Lansing are not sufficient to support the project. The total cost to renovate this building is estimated at \$31,283,865. This limits the total debt and equity that the project can support. The senior lender has provided terms for a loan valued at \$23,000,000, and the project is receiving PACE financing of approximately \$3,850,000. The developer is contributing over 14% of the total project budget in cash equity. Participation in the State portion of Brownfield TIF will support cash flow and returns, helping to make the project financially viable. Based on the current financing structure the project is projected to have a debt service coverage ratio of less than 1.00 to 1.00, due to the high cost of financing. It is anticipated that upon reaching stabilized occupancy the project will be able to access lower cost longer term financing, improving the financial viability of the project.

The project will add new residents to the downtown district, helping to support existing small businesses while also providing access to walkable amenities such as a variety of restaurants, retail and services, grocery options at the Capital Market, entertainment, comprehensive health care services, city, and state government. In addition, the project provides convenient access to public greenspace including Rotary Park and the 20-mile Riverwalk Trail along the Grand River. Without support from the State Brownfield TIF program, this project's ability to create new and needed housing units within the downtown area would not be financially feasible.

Local Support

Local support for the project includes the local portion of the Brownfield TIF valued at \$885,727.

Applicant Background / Qualifications

503 S. Capitol, LLC is a single member, single purpose mixed-use entity created by WestPac Investments ("WestPac"). WestPac is a real estate development and management firm handling a diversified, privately held investment portfolio. At present, WestPac Companies employ over 350 employees and have operations throughout California, New Mexico, Colorado, and Michigan. Patrick Smith, the principal and owner of

Westpac and sole member of the Developer, has expertise in acquisition, growth strategy, organizational leadership, financial management, external communications, marketing, and sales. His investment portfolio spans 46 years of business, and the total value of the projects with which Mr. Smith has been involved is in excess of \$6.5 Billion.

Relevant Project Experience:

- Elevation at Okemos Pointe, Okemos, Meridian Township – This is a mixed-use multifamily residential and commercial project. creating 287 multifamily residential units and 2,500 square feet commercial space.
- The Rocks at MSU, Bath Township – This is an eight-building student housing community consisting of 119 apartment units.
- The Village at Chandler Crossings, Bath Township – This is a residential project situated on 25 acres and consists of 336 units.

An Organizational Chart for 503 S. Capitol, 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.

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

Recommendation

MEDC staff recommends approval of state tax capture for Act 381 eligible activities capped at \$427,482, utilizing the current state to local capture ratio.

Rendering of Proposed Project



APPENDIX A – Organizational Chart

Organizational Structure

Company Name: 503 S Capitol, LLC

Employer Identification Number: 85-1209808

Manager: Blue Sky Development Group, LLC

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Patrick N Smith 2004 Living Trust	100.00%		California

APPENDIX B – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Lansing, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on December 2, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 22, 2022.

There are 72.0308 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.4478 mills (32.55%) and local millage equaling 48.5830 mills (67.45%). Tax increment capture will begin in 2022 and is estimated to continue for 6 years. The state tax capture is recommended to be capped at \$427,482, which is the amount of tax increment revenue anticipated to be generated in 6 years. Total MSF eligible activities are estimated at \$1,313,210. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(32.55%)	\$	427,482
Local tax capture	(67.45%)	\$	885,727
TOTAL		\$	1,313,210

Cost of MSF Eligible Activities

Demolition		\$	211,027
Lead, Asbestos, or Mold Abatement			23,956
Infrastructure Improvements			246,911
Site Preparation		+	560,535
Sub-Total		\$	1,042,429
Contingency (15%)		+	156,364
Sub-Total		\$	1,198,793
Interest (3%)		+	95,667
Sub-Total		\$	1,294,460
Brownfield/Work Plan Preparation		+	15,000
Brownfield/Work Plan Implementation		+	3,750
TOTAL		\$	1,313,210

In addition, the project is requesting \$156,016 in TIF from EGLE to assist with environmental eligible activities.

APPENDIX C – Programmatic Requirements

Key Statutory Criteria

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

a) Overall Benefit to the Public:

The project will add much needed residential units to downtown Lansing and promote economic growth for the benefit of the residents of the city and the taxing units located within.

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

This project is expected to create approximately 5 new, full-time equivalent jobs in property management with an average hourly wage of \$14.43.

c) Area of High Unemployment:

The City of Lansing unadjusted jobless rate was 4% in April 2022.

d) Level and Extent of Contamination Alleviated:

The developer is seeing Work Plan support through EGLE be reimbursed for the remediation of contaminated soils.

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

The project is not qualifying as functionally obsolete or blighted.

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

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

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

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-109**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF LANSING BROWNFIELD REDEVELOPMENT AUTHORITY
503 S. CAPITOL PROJECT**

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

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

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

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

WHEREAS, the City of Lansing Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated June 10, 2022, for property located at 503 S. Capitol and 520 S. Washington within the City of Lansing, known as 503 S. Capitol Project (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 32.55% to 67.45% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for

school operating purposes is based on costs of MSF eligible activities with a maximum of \$1,198,793 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$95,667 in interest, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$3,750 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$427,482.

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

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Sara Bishop, Business Development Project Manager
Subject: Grant Request
Michigan Business Development Program (“MBDP”)
American Rheinmetall Vehicles LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$1,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of up to 150 Qualified New Jobs and a capital investment of up to \$3,045,000 in the City of Sterling Heights, Macomb County.

Applicant History

The Company, established in 2019 and headquartered in Sterling Heights, is a part of Rheinmetall AG, a global commercial automotive and defense company. The Company specializes in the development of combat vehicle platforms that provide next-generation products to the U.S. Department of Defense and Federal and State Law Enforcement agencies, but also brings the global group’s portfolio of vehicle systems to the U.S. market. The Company offers both tracked and wheeled combat vehicle platforms with associated sub-systems and works in conjunction with customer program offices to ensure their products meet specification and performance requirements for programs of interest. The Sterling Heights location currently employs 50 team members. Rheinmetall Aktiengesellschaft (Rheinmetall AG), with its corporate headquarters in Düsseldorf, Germany, is the parent company and employs about 25,000 employees worldwide across 133 locations.

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

Project Description

The Company is currently contemplating the location for its new North American headquarters, engineering center and prototype testing facility. With its growing employee base, the Company’s capabilities include providing design and development, engineering, and system integration for its key customers including the United States Army, Air Force, and Marine Corps. As a part of its growth the Company is seeking to identify a new strategic location between 40,000 to 80,000 square feet including both office space and manufacturing space to accommodate its prototyping capabilities. The Company anticipates hiring approximately 150 new full-time employees as a part of its new location. The Company’s current location in Sterling Heights can no longer accommodate its growing operations and has an expiring lease.

The Company is considering Sterling Heights for the project and anticipates the project will result in capital investment of up to \$3,045,000. The project will also result in the creation of up to 150 new jobs paying an average wage of \$2,986 per week plus benefits.

Demonstrated Need

The Company is exploring a few key strategic locations, including South Carolina, Ohio, and Tennessee. The location selected will be key for future manufacturing growth and will need to provide ample access to

its customer and vendor base. The Company wants to identify a location that offers a quicker timeline for project execution and that has access to the workforce the Company requires.

The disadvantage of remaining in Michigan is the lack of real estate and availability; the Company only has one viable option for an existing leased building. Additionally, the out-of-pocket costs for the Company to retrofit the building as needed is expensive and more than the Company anticipated. Lastly, remaining in Michigan means the Company would only realize support for new job creation versus relocating out of state where the Company would see additional support for all employees, including the 50 employees already in Michigan.

If this new North American headquarters, engineering center, and prototype testing facility ends up out of State, the Company plans to open a small sales/engineering office locally. The intention of the new office would be to retain 10-20 employees to execute sales and engineering activities, but the executive team and additional positions would all be relocated to the new facility. Therefore, Michigan is trying to retain those 30-40 employees instead of losing them to a competing state. It is also important to note that with the success of this new North American headquarters, engineering center, and prototype testing facility could lead to consideration of manufacturing growth in the near future.

Request

In order to secure the project, the Applicant is requesting a \$1,500,000 MBDP performance-based grant. The MBDP request will help address the competition Michigan is facing due to competing sites in South Carolina, Ohio, and Tennessee. The MBDP funds will help offset the cost of retrofitting a leased building to accommodate the Company's expansion needs.

This project aligns with the MEDC's Strategic Focus Industry of Advanced Manufacturing – Military Armored Vehicle, Tank, and Tank Component Manufacturing. This project also falls within the MEDC Innovation Industry of Other Transportation Equipment. Additionally, the Company hopes to pursue a site for greater manufacturing capabilities in the near future. Proximity to its North American headquarters provides a great opportunity for Michigan to be a consideration for that future search.

The proposed project will also impact the local region with immediate job growth; this expansion will result in the creation of up to 150 new jobs and up to \$3,045,000 in capital investment in the City of Sterling Heights, Macomb County.

Recommendation

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



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

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

Date: July 5, 2022

Company Name: American Rheinmetall Vehicles LLC and/or its affiliates and subsidiaries.

Project Location: 35801 - 35875 Mound Road
Sterling Heights, MI 48310

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$1,500,000

Base Employment Level: At least 50, at the time of first disbursement of funds and thereafter

Maximum Number of Qualified New Jobs ("QNJ"): Up to 150 Full-Time Jobs at the Project Location

Municipality Supporting Project: The City of Sterling Heights has agreed to provide staff, financial or economic assistance in support of the project.

Start Date for Measurement of Creation of Qualified New Jobs: May 2, 2022


Term of the Agreement: July 31, 2026

Milestone Based Incentive: Disbursements will be made over a three-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
 \$10,000 per QNJ for the creation of a minimum of 35 jobs up to a maximum of 50 jobs.
 \$10,000 per QNJ for the creation of a minimum of 51 jobs up to a maximum of 99 jobs.
 \$10,000 per QNJ for the creation of a minimum of 100 jobs up to a maximum of 150 jobs.

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

Acknowledged as received by:

American Rheinmetall Vehicles LLC

By: 

Printed Name: DANIEL V. FELSKÉ

Its: DIRECT INDUSTRIALIZATION CAPTURE

Michigan Economic Development Corporation

By: Sara Bishop

Printed Name: Sara Bishop

Its: BDPM

July 5, 2022 – American Rheinmetall Vehicles LLC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-110**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
AMERICAN RHEINMETALL VEHICLES LLC**

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

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

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

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

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

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

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

WHEREAS, pursuant to the Guidelines, the project is eligible as an Innovation BDP because American Rheinmetall Vehicles LLC (the “Company”) has committed to the creation of at least 25 qualified new jobs and the project falls within Other Transportation Equipment, an Innovation Industry;

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

WHEREAS, The Company has requested a performance based MBDP Grant of up to \$1,500,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

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

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

BE IT FURTHER RESOLVED, that the MSF Fund Manager, or the MSF President, is authorized to negotiate the final terms and conditions of and to execute an MBDP agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



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

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

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Sterling Heights, MI 48310

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Maximum Number of Qualified New Jobs ("QNJ"): Up to 150 Full-Time Jobs at the Project Location

Municipality Supporting Project: The City of Sterling Heights has agreed to provide staff, financial or economic assistance in support of the project.

Start Date for Measurement of Creation of Qualified New Jobs: May 2, 2022


Term of the Agreement: July 31, 2026

Milestone Based Incentive: Disbursements will be made over a three-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
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 \$10,000 per QNJ for the creation of a minimum of 51 jobs up to a maximum of 99 jobs.
 \$10,000 per QNJ for the creation of a minimum of 100 jobs up to a maximum of 150 jobs.

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

American Rheinmetall Vehicles LLC

By:


 Printed Name: DANIEL V. FELSKÉ
 Its: DIRECTOR INDUSTRIALIZATION & CAPTURE

Acknowledged as received by:

Michigan Economic Development Corporation

By:



Printed Name:

Sara Bishop

Its:

BDPM

July 5, 2022 – American Rheinmetall Vehicles LLC



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022

To: Michigan Strategic Fund Board

From: Sara Bishop, Business Development Project Manager
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan
City of Detroit Brownfield Redevelopment Authority (BRA)
Former AMC Headquarters Redevelopment Project

Project Summary & Request

NP Detroit Commerce Center, LLC (the “Developer”) intends to redevelop the former American Motor Company (“AMC”) Headquarters site, which consists of 50 acres and 41 parcels, and is located in the City of Detroit. The Developer has identified two possible configurations that may be developed based on best use and ability to attract tenants. Regardless of the configuration, the project anticipates warehousing and light assembly industrial tenants. The first option includes the construction of two buildings, one consisting of approximately 513,000 square feet and the other approximately 215,000 square feet ("Option A"). The second option includes construction of one building consisting of approximately 761,000 square feet ("Option B"). The project is expected to create approximately 350 new full time commercial/light industrial, manufacturing, professional and/or commercial jobs. It is currently anticipated that demolition work will begin by late 2022, with construction being completed by March of 2023. In order to support this business development project, the City of Detroit BRA is requesting approval of state tax capture in the amount of \$5,089,583.

PROJECT SUMMARY	
Project Eligibility (Facility/Historic/F.O./Blighted/Other)	Facility and Blighted
Total Approximate Square Feet Revitalized	Up to 761,000
Total Approximate Acres Activated	50
Current Taxable Value	\$14,256
Projected Taxable Value at Completion	\$14,560,000
Total Anticipated Capital Investment	\$72,100,000
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$5,089,583

The redevelopment of the former AMC Headquarters is critical to the community as it will bring new commercial tenants to an area in need of investment. The project is anticipated to create up to 350 full-time



equivalent jobs and address existing contamination on the site. The project is also anticipated to act as a catalyst for additional investment in the area.

Act 381 of 1996 (the “Act”), as amended, authorizes the Michigan Strategic Fund (the “MSF”) to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing MSF Program Guidelines (the “Brownfield TIF”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF and programmatic requirements, and a financial review has been completed.

Demonstrated Needs

The property includes several old buildings that require demolition and lead asbestos abatement in order to clear the site for vertical construction. In addition, both site preparation activities and infrastructure activities will be undertaken to further prepare the site. Without Act 381 Work Plan support, the costs to prepare the site for vertical construction would make the project financially unfeasible.

Local Support

Local support for the project includes an Industrial Facilities Exemption pursuant to the Plant Rehabilitation And Industrial Development District Act MCL 207.551 et seq. (PA 198) tax abatement valued at \$7,420,181 and the local portion of the Work Plan valued at \$7,547,417.

Applicant Background / Qualifications

NP Detroit Commerce Center, LLC is the single purpose entity created by NorthPoint Development, LLC to undertake this project. Established in 2012, NorthPoint Development, LLC is a privately held real estate development firm specializing in the development of Class A industrial facilities. NorthPoint Development, LLC is headquartered in Riverside, Missouri with over 355 team members. The Developer has been awarded Act 381 Work Plan support by the MSF Board for the following projects:

- Former Cadillac Stamping Plant in December 2020
- Former Eastland Mall Redevelopment in January 2022.
- Warren Transmission Redevelopment Project in March 2022.

An Organizational Chart for NP Detroit Commerce Center, 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.

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

Recommendation

MEDC staff recommends approval of state tax capture for Act 381 eligible activities capped at \$5,089,583, utilizing the current state to local capture ratio.

Rendering of Proposed Development



APPENDIX A – Organizational Chart

Organizational Structure

Company Name: NP Detroit Commerce Center, LLC

Employer Identification Number: 88-0565197

Manager: NPD Management, LLC

	Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
NorthPoint Holdings, LLC		100.00%	45-4362865	Michigan
Nathaniel Hagedorn	38.00%			
NP Employees (collectively 32% - NO individual over 10%)	32.00%			
FFIP III, LP	15.00%			
Brandmeyer Holdings/NorthPoint LLC/NorthPoint II, LLC	15.00%			
		100.00%		

APPENDIX B – MSF Eligible Activities and Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on June 21, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on May 25, 2022, and qualifies as blighted due to it being owned by the Detroit Land Bank Authority at the time of Brownfield Plan adoption by the City of Detroit.

There are 64.1424 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 22.8579 mills (35.64%) and local millage equaling 41.2845 mills (64.36%). Tax increment capture will begin in 2026 and is estimated to continue for 30 years.

The total MSF Eligible Activity costs are estimated to be \$18,955,500; however, The Work Plan projects the maximum capture to be \$12,637,000, with state capture limited to \$5,089,583. The state tax capture is recommended to be capped at \$5,089,583, which is the amount of tax increment revenue anticipated to be generated in 30 years. Tax capture is impacted by the PA 198 tax abatement and the blended ratio is shown below. Total MSF eligible activities are estimated at \$18,955,500. MSF eligible activities break down as follows:

Tax Capture Summary:

			Activities	Capture
State tax capture	(40.28%)	\$	7,635,275	5,089,583
Local tax capture	(59.72%)	\$	11,320,225	7,547,417
TOTAL		\$	18,955,500	12,637,000

Cost of MSF Eligible Activities

Demolition		\$	11,870,000
Lead and Asbestos Abatement			2,600,000
Infrastructure Improvements			1,000,000
Site Preparation		+	1,000,000
Sub-Total		\$	16,470,000
Contingency (15%)		+	2,470,500
Sub-Total		\$	18,940,500
Brownfield/Work Plan Preparation		+	15,000
TOTAL		\$	18,955,500

In addition, the project is requesting \$13,742,254 in TIF from EGLE to assist with environmental eligible activities.

APPENDIX C – Programmatic Requirements

Key Statutory Criteria

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

- a) **Overall Benefit to the Public:**
This project will address the continued regional need for flexible warehousing/light industrial space and create a significant number of jobs.
- b) **Jobs Created (Excluding Construction and other Indirect Jobs):**
This project is expected to create approximately 350 new, full-time equivalent jobs in the commercial/light industrial/manufacturing sector with an average hourly wage of \$15.
- c) **Area of High Unemployment:**
The City of Detroit unadjusted jobless rate was 9.4% in April 2022. This compares to the statewide unadjusted average of 4.2% in April 2022.
- d) **Level and Extent of Contamination Alleviated:**
The developer is requesting EGLE work plan support to assist in the alleviation of contamination in both the water and soil.
- e) **Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:**
The project is qualifying as functionally obsolete, and all existing buildings will be demolished to allow construction of the new building(s).
- f) **Whether Project will Create a New Brownfield Property in the State:**
No new Brownfields will be created by this project.
- g) **Whether the Project is Financially and Economically Sound:**
From the materials received, the MEDC infers that the project is financially and economically sound.
- h) **Other Factors Considered:**
No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-111**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
FORMER AMC HEADQUARTERS REDEVELOPMENT PROJECT**

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

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

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

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

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated June 9, 2022 for property located at multiple addresses identified in the Brownfield Work Plan within the City of Detroit, known as the Former AMC Headquarters Redevelopment Project (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 40.28% to 59.72% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all

available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$18,940,500 for the principal activity costs of non-environmental activities and a contingency, and a maximum of \$15,000 for Brownfield/Work Plan preparation, and with the total capture of state school taxes capped at a maximum of \$5,089,583 (the “Max Capture”). Based on the Max Capture in the Work Plan, the maximum amount of MSF eligible activities subject to reimbursement is \$12,637,000.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Susan Tellier, Cindy Warner

Nays: None

Recused: None

Abstained: Charles P. Rothstein

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

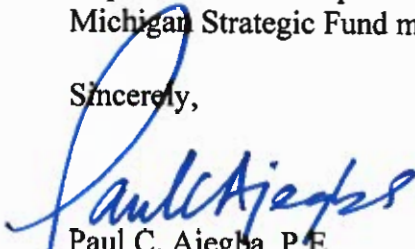
February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,



Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jeremy Webb, Interim Managing Director, Economic Dev. Incentives & Services
Subject: Incentives Request
Michigan Business Development Program (“MBDP”) Grant Request
State Essential Services Assessment (“SESA”) Exemption Request

Jobs Ready Michigan Program (“JRMP”) Grant Request
Gentex Corporation (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for (collectively, the “Incentives Request”):
 - \$5,500,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”);
 - 100% SESA Exemption for up to fifteen years valued at up to \$3,863,325 for its \$178,500,000 eligible investment in Eligible Personal Property (“SESA Request”);
 - In accordance with the SESA and Alternative SESA Program Guidelines (“Program Guidelines”), SESA Exemptions can be considered for those projects locating in an Eligible Distressed Area (“EDA Requirement”). As part of the SESA Request, staff is recommending the MSF waive the EDA Requirement for this project (“EDA Requirement Waiver Request”) as this is a transformational project for Ottawa County; and
 - \$1,890,000 JRMP Grant, as outlined in the attached Term Sheet (“JRMP Request”).
- This project involves the creation of up to 500 Qualified New Jobs and a capital investment of up to \$300,000,000 in the city of Zeeland and Zeeland Charter Township, Ottawa County.

Applicant History

The Company was incorporated as a Michigan corporation in 1974. The Company designs, develops, manufactures, markets, and supplies digital vision, connected car, dimmable glass, and fire protection products, including automatic-dimming rearview and non-dimming mirrors and electronics for the automotive industry; dimmable aircraft windows for the aviation industry; and commercial smoke alarms and signaling devices for the fire protection industry. The Company’s largest business segment involves designing, developing, manufacturing and marketing interior and exterior automatic-dimming automotive rearview mirrors that utilize proprietary electrochromic technology to dim in proportion to the amount of headlight glare from trailing vehicle headlamps. Within this business segment, the Company also designs, develops and manufactures various electronics that are value added features to the interior and exterior automotive rearview mirrors as well as electronics for interior visors, overhead consoles, and other locations in the vehicle. The Company ships its products to all of the major automotive producing regions worldwide, which it supports with numerous sales, engineering and distribution locations worldwide. The Company currently occupies 1,500,000 square foot of production space in Zeeland and employs nearly 5,000 residents of Michigan.

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

Project Description

The Company is looking to construct a new 250,000 square foot high-tech manufacturing facility and 350,000 square foot distribution center in Zeeland Charter Township, as well as a 60,000 square foot expansion of an existing manufacturing facility in the city of Zeeland. The expansion will allow the Company to increase capacity of glass processing including cutting, thin-film coating, bending and forming, as well as further processing. Additionally, the Company will expand its high-tech manufacturing of electrochromic (auto-dimming) interior and exterior mirrors and displays for automobiles, digital display products, PCB and other electronics assembly, large area dimmable devices for aerospace and automotive applications, and brand-new technology of in vehicle sensor products, consumer wearables, medical lighting and new products in the fire protection industry.

The Company is considering the city of Zeeland and Zeeland Charter Township for the project and anticipates the project will result in capital investment of up to \$300,000,000. The project will also result in the creation of up to 500 new jobs paying an average wage of over \$1,100 per week plus benefits.

The Company supports personal growth of its employees by offering career discussions for its team members to further engage and grow their skillsets. The growth of employee skillsets also leads to wage increases. The Company offers a variety of training opportunities for its employees that include basic professional skills, English as a second language, professional development, and technical training including Programmable Logic Controller Training, Strain Gauge Training, Human Factors Engineering Training, 8D Problem Solving Methodologies, Precision Machine Design and Tolerancing, On-Site Safety Training, IPC 7711/7721 + J Standard Training, Lock-Out Tag-Out systems, Engineering Change Orders (ECO), Operational Excellence Training (OpEx), and eCornell Leadership and Project Management training. The Company utilizes Michigan Works and Lakeshore Advantage to reach local talent and is open to helping employees obtain access to its facility for career positions.

Demonstrated Need

The Company is considering facilities in South Carolina, Alabama, Tennessee, Ohio and Virginia. Historically, the Company has solely invested in Michigan. However, due to COVID-19 and being considered non-essential for a period of time, the Company is now looking at its risk perspectives for future investment. The other states provided comprehensive incentive proposals to the Company which, coupled with mitigating the risk perspectives, made the Company take a more serious look at establishing a presence outside of Michigan.

Michigan is the Company's home, and the proposed project would continue to build on its synergies in Ottawa County. Even though the Company would like to locate in Michigan, incentive assistance is necessary to ensure the project move forward in Michigan. In addition to MSF support, Zeeland Charter 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 \$5,500,000 MBDP performance-based grant, a \$1,890,000 JRMP performance-based grant, a 100% SESA Exemption for up to fifteen years valued at up to \$3,863,325, and an EDA Requirement Waiver Request. The collective request will help address the competitive nature of the project and help to offset the competing incentive offers from the 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 automotive manufacturing building on the state's work to position itself as the global leader in the future of mobility. 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 500 new jobs and up to \$300,000,000 in capital investment in the city of Zeeland and Zeeland Charter Township, Ottawa County. Adding 500 new jobs in the State of Michigan would further solidify the Company's presence and future business in the state.

Recommendation

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

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-112**

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

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

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

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

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

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

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

WHEREAS, the 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, pursuant to the Guidelines, the project is eligible as an Innovation BDP because Gentex Corporation (the “Company”) has committed to the creation of 25 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;

WHEREAS, the Company has requested a performance based MBDP Grant of up to \$5,500,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

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

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

BE IT FURTHER RESOLVED, that the MSF Fund Manager, or the MSF President, is authorized to negotiate the final terms and conditions of and to execute an MBDP agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



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

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


Date: July 1, 2022

Company Name:	Gentex Corporation and/or its affiliates and subsidiaries.
Project Location:	Ottawa County
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$5,500,000
Base Employment Level:	At least 4,839, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs (“QNJ”):	Up to 500 Full-Time Jobs in at the Project Location
Municipality Supporting Project:	Zeeland Charter Township has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	Date of MSF Approval
Term of the Agreement:	October 31, 2025
Milestone Based Incentive:	Disbursements will be made over a three-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$11,000 per QNJ for the creation of a minimum of 78 jobs up to a maximum of 111 jobs. \$11,000 per QNJ for the creation of a minimum of 162 jobs up to a maximum of 231 jobs. \$11,000 per QNJ for the creation of a minimum of 350 jobs up to a maximum of 500 jobs.

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

Acknowledged as received by:

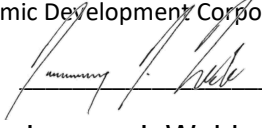
Gentex Corporation

By: 

Printed Name: Kevin Nash

Its: CFO

Michigan Economic Development Corporation

By: 

Printed Name: Jeremy J. Webb

Its: Interim Managing Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-113**

**APPROVAL OF A JOBS READY MICHIGAN PROGRAM GRANT TO
GENTEX CORPORATION**

WHEREAS, the Michigan legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (“MSF Act”) to enable 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, pursuant to the MSF Act, specifically MCL 125.2088(b)(2)(c), funds appropriated to the MSF under the Michigan Business Development Program (“MBDP”) are authorized to be expended for programs or activities authorized under the MSF Act, so long as the programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable milestones;

WHEREAS, on April 23, 2019, via MSF Resolution 2019-066, the MSF (i) created the Jobs Ready Michigan Program (“JRMP”) by transferring funds from the MBDP to fund grants to eligible business applicants to support talent recruitment or training needs to retain or create jobs, and (ii) adopted the guidelines for the JRMP (the “Guidelines”);

WHEREAS, Gentex Corporation (“Company”) has requested a JRMP grant of up to \$1,890,000 (“Grant Request”) for attainment of the milestones and other general terms and conditions outlined in the term sheet attached as Exhibit A (“Term Sheet”);

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

WHEREAS, the MEDC recommends that the MSF approve the Grant Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of a grant agreement in accordance with the MSF Act and the Guidelines, 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 (“JRMP Award Recommendation”).

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the JRMP Award Recommendation; and

BE IT FURTHER RESOLVED, the MSF Fund Manager, or the MSF President, is directed to negotiate the terms and conditions and execute all final documents necessary to effectuate the JRMP Award Recommendation in accordance with the MSF Act and the Guidelines.

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022

EXHIBIT A
JOBS READY MICHIGAN PROGRAM
Performance Based Incentive - Term Sheet - Summary

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

Date: July 1, 2022

Company Name: Gentex Corporation and/or its affiliates and subsidiaries.

Project Location: Ottawa County

JRMP Incentive Type: Performance Based Grant

Maximum Amount of JRMP Incentive: Up to \$1,890,000

Start Date for Measurement of Eligible Activities: Date of MSF Approval

Term of the Agreement: October 31, 2025


Milestone Based Incentive: Disbursements will be made over a three-year period and will be performance based on job creation as follows:
Milestone 1: Up to \$419,580 based on \$3,780 per employee upon demonstrated documentation of the completion of the fully trained and certified program.
Milestone 2: Up to \$453,600 based on \$3,780 per employee upon demonstrated documentation of the completion of the fully trained and certified program.
Milestone 3: Up to \$1,016,820 based on \$3,780 per employee upon demonstrated documentation of the completion of the fully trained and certified program.

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

Acknowledged as received by:

Gentex Corporation

By:



Printed Name:


Kevin Nash

Its:

CFO

Michigan Economic Development Corporation

By:



Printed Name:

Jeremy J. Webb

Its:

Interim Managing Director



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-114**

**APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO
GENTEX CORPORATION**

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 (“SESA”) and the Alternative State Essential Services Assessment Act (“Alternative SESA”);

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

WHEREAS, on October 28, 2014, the MSF Board approved the SESA and Alternative SESA Exemption Program Guidelines (“Program Guidelines”);

WHEREAS, Gentex Corporation (“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 eligible investments will be made after MSF approval and completed within three years of December 31, 2022 (“Commencement of the Project”);

WHEREAS, the MSF intends to authorize SESA exemptions for projects located in Eligible Distressed Areas in accordance with Program Guidelines (“EDA Requirement”);

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) is requesting the MSF Board approve a SESA exemption in a non-Eligible Distressed Area for the project by waiving the EDA Requirement due to the transformational nature of the project (“EDA Requirement Waiver”);

WHEREAS, the Company has requested that the MSF Board approve a SESA exemption of up to fifteen years valued at up to \$3,863,325 for its \$178,500,000 eligible investment in Eligible Personal Property, as defined in the Program Guidelines, in the city of Zeeland and Zeeland Charter Township (“SESA Exemption Recommendation”); and

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemption Recommendation, the EDA Requirement Waiver, and require a one-time administrative fee in the amount of \$10,000 payable to the MEDC upon completion of the first performance milestone (the “Admin Fee”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the SESA Exemption Recommendation, the EDA Requirement Waiver, and the Admin Fee; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager, or the MSF President, is authorized to negotiate the final terms and conditions of and to execute a SESA agreement and any other related documents necessary to effectuate the terms of this Resolution on behalf of the MSF.

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022
To: Michigan Strategic Fund Board
From: Alyssa Tracey, Director International Trade
Subject: International Trade Services Proposed RFP Recommendations

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) Board authorize JEC award recommendations for seven service providers for agreements for an initial one-year term, with the option to extend the term for up to an additional four years (the “Request”).

Background

The International Trade Program (the “ITP”) assists Michigan-based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The ITP focuses on small businesses, determined by the United States Small Business Administration’s (SBA) Size Standards. The ITP will also support companies outside of SBA Size Standards on a limited basis if assistance will have an identifiable economic impact. Through its network of strategic export partners, the ITP will assist companies statewide and ensure connectivity to critical resources enabling evaluation of export opportunities, access to existing export resources, and increase in global competitiveness.

The ITP supports the MEDC’s strategic goals to increase jobs, investment, and wages by increasing export sales. In FY21, the ITP assisted 321 Michigan companies who participated in 662 export related activities, resulting in reported sales to 117 international markets. From FY17-21, the ITP delivered 651 small business support services projects to Michigan exporters. Export sales facilitated as a direct result of ITP assistance totaled \$558 million, generating 2,595 Michigan jobs (calculating \$215,000 in export sales to equal one job created). With over \$309 million reported in facilitated export sales through Q2 of FY22, the ITP anticipates achieving the annual target of \$475 million. Since the ITP was re-established in FY12, companies have reported \$4.6 billion in facilitated export sales, equating to 21,395 Michigan jobs created or retained.

On July 25, 2017, MSF approved funding to support statewide small business export development through Small Business Services (SBS) contracts. Additionally, MSF contracted with organizations statewide to deliver export development support through the designation of Regional Export Network (REN) partners promoting the ITP and delivering services within designated territories. To streamline service delivery and offer new services to Michigan exporters, MSF seeks to award contracts to recommended vendors under the umbrella of International Trade Services (ITS).

On March 22, 2022, MSF approved the issuance of a request for proposals (RFP), appointment of the joint evaluation committee (JEC) and approval of the scoring and evaluation criteria to support companies with

evaluating, entering, and successfully competing in international markets. The MEDC solicited proposals from entities that were Michigan-based and those with demonstrated Michigan employment that are currently engaged in and have prior experience with supporting new and experienced exporting companies.

RFP Results

The MEDC received 10 proposals in response to the RFP. The JEC reviewed the proposals and are recommending proposals that received a consensus score of 80 or higher. Of the 10 proposals, 7 are being recommended for funding, pending FY23 budget approval. Collectively, the recommended awardees offer statewide geographic coverage and will expand the current offerings of the ITP. ITS vendors will provide customized small to medium-sized professional business services aimed at export development. The objective is to assist new and growing exporters in customer diversification through international trade technical assistance offerings that lead to international sales expansion.

Applicant	Regional Coverage	Consensus Score	Proposed Type of Service
Corson International Trade Consulting	Statewide	60	N/A
SPROUTwide Global	Statewide	65	N/A
Ares Technology Group	Statewide	80	Defense export consulting and meeting-setting
Foster Swift	Statewide	80	Individual and group customized legal trainings
Goalpost Global	Statewide	81	N/A
IBT Online	Statewide	85	International microsites and digital marketing
Networks Northwest	Regions 1-3	80	Outreach & events, export apprenticeship pilot
Michigan Small Business Development Center	Statewide	80	Early export assistance, international SEO, export landed cost calculations, self-guided export modules
Michigan State University International Business Center	Statewide	95	Export development services including industry roundtables, seminars, ExporTech support, multi-country market research, export diversification
Van Andel Global Trade Center	Statewide	95	Export trainings and compliance, early export workshops, logistics consulting, worldwide credit reports, country-specific trainings

The JEC is recommending Ares Technology Group, Foster Swift, IBT Online, Networks Northwest, Michigan Small Business Development Center, Michigan State International Business Center, and Van Andel Global Trade Center to be selected as vendors for ITP delivery. Final selection of proposed service providers was determined based on scoring of technical proposal contents and ability to effectively serve Michigan’s small business export community, as well as price proposals with estimates on individual service delivery offerings.

Recommendation: MEDC staff recommends that MSF Board approve the Request.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-115**

**INTERNATIONAL TRADE SERVICES
REQUEST FOR PROPOSALS – AWARD RECOMMENDATIONS**

WHEREAS, the Michigan Strategic Fund (“MSF”) desires to assist eligible Michigan based small businesses, increase the number of small businesses that are exporting, increase the value of exports for those small businesses that are currently exporting, and to expand their customer base through a variety of international trade services that lead to international market expansion;

WHEREAS, under the Michigan Strategic Fund Act, MCL 125.2001 et seq. (“Act”), and in particular Section 88b of the Act, the MSF has the power to make grants, loans and investments, which includes business development and business marketing, creating or retaining jobs, and increasing capital investment activity;

WHEREAS, Section 88b(6) of the Act provides that the MSF Board may select all vendors for all expenditures and for program awards by issuing a request for proposal or an alternative competitive process as determined by the MSF Board;

WHEREAS, pursuant to Resolution 2013-165, the MSF approved the creation and operation of the Pure Michigan Export Program, subsequently renamed the International Trade Program (the “International Trade Program”), to increase the number of Michigan small businesses that are exporting, increase the value of exports for those small businesses that are currently exporting, and to expand their customer base by marketing to persons or entities outside of the State of Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides certain administrative services to the MSF for the International Trade Program;

WHEREAS, on March 22, 2022, the MSF reviewed a scope of work, timeline and eligibility requirements for awarding grants to solicit proposals from entities to provide customized export services to small and medium sized Michigan companies for the purpose of expanding of these companies’ customer base through a variety of international trade technical assistance and training (the “ITS RFP”);

WHEREAS, on March 22, 2022, by Resolution 2022-054, the MSF approved issuance of the ITS RFP, appointed a Joint Evaluation Committee (“JEC”) to review proposals received in response to the ITS RFP, and adopted scoring and evaluation criteria for use by the JEC in reviewing proposals received in response to the ITS RFP;

WHEREAS, ten proposals were received in response to the ITS RFP;

WHEREAS, the JEC determined that seven proposals earned sufficient scores to warrant funding under the ITS RFP; and

WHEREAS, the JEC and the MEDC recommend that the MSF Board authorize grants for the following entities for: (i) an initial term of one year with a funding allocation request forthcoming to the MSF Board accompanying the fiscal year 2023 budget allocations, and (ii) with the option to extend the term for up to an additional four years with additional funding allocations at the sole discretion of the MSF Board in each subsequent extension year: (the aforementioned and the foregoing, collectively, the “ITS RFP Awards”)

Entity
Ares Technology Group
Foster Swift
IBT Online
Networks Northwest
Michigan Small Business Development Center
Michigan State University International Business Center
Van Andel Global Trade Center

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the ITS RFP Awards;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate final terms and conditions of the ITS RFP Awards and to execute all documents necessary to effectuate the ITS RFP Awards in accordance with this Resolution.

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: July 26, 2022
To: MSF Board Members
From: Dave Lorenz, Vice President of Travel Michigan
Subject: Award of Travel Marketing & Advertising Contract

REQUEST

The Michigan Economic Development Corporation (“MEDC”) requests the Michigan Strategic Fund (“MSF”) Board to approve awarding a contract to MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season destination utilizing state appropriated American Rescue Plan Act (“ARPA”) State Travel, Tourism, and Outdoor Recreation Grant Funds.

BACKGROUND

On November 10, 2021, the U.S. Department of Commerce’s Economic Development Administration (“EDA”) awarded Travel Michigan a \$10,307,393 EDA State Travel, Tourism, and Outdoor Recreation Grant (the “EDA Grant”) for statewide travel and tourism marketing and advertising efforts which will help the travel industry rebound from the effects of COVID. This federal investment is administered as a reimbursement of funds expended. Therefore, \$10,307,393 in supplemental funding was appropriated to the MEDC/MSF, which will be reimbursed by EDA as it is expended through the term of the agreement

On March 22, 2022, the MSF Board ratified actions taken by the MSF Fund Manager to accept the EDA Grant award of \$10,307,393. At this time, we request approval to allocate \$9,307,393 of the EDA Grant to MMGY Global, to augment statewide Pure Michigan marketing efforts and to support the continued recovery of the tourism industry statewide.

On October 26, 2021, the MSF Board authorized \$20 million in ARPA federal funds appropriated in the FY 2022 budget toward a contract with MMGY Global, for an initial three-year term of November 1, 2021, through October 31, 2024, with two one-year extensions at the sole discretion of the MSF. MEDC staff advised at that time that additional appropriations under the authority of the MSF will come before this Board. Today’s request to authorize \$9,307,393, in EDA-reimbursable appropriated funding to augment statewide Pure Michigan marketing efforts and to support the continued recovery of the tourism industry statewide to MMGY Global, which was selected in September 2021, as the travel marketing agency of record for the MEDC through a competitive RFP process.

COMPANY BACKGROUND

MMGY Global is a Michigan-owned company and the leading integrated marketing agency in the travel, tourism, and hospitality industry for over four decades. The company showcases extensive travel industry knowledge; a critical understanding of the challenges facing the travel



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

RECOMMENDATION

Staff recommends approval of the award of EDA Grant funds in the amount of \$9,307,393, to augment statewide Pure Michigan marketing efforts and to support the continued recovery of the tourism industry statewide, to MMGY Global, under its current contract with the MSF.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-116**

**FUNDING ALLOCATION TO MMGY GLOBAL
FOR TRAVEL MARKETING AND ADVERTISING**

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

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

WHEREAS, under Section 88b(6) of the Act, the MSF may select all vendors for expenditures by issuing a request for proposals;

WHEREAS, on March 23, 2021, the MSF issued a Request for Proposals (“RFP”) to invite proposals from vendors to develop and implement the marketing and advertising efforts for tourism marketing and advertising campaigns (“Travel Marketing RFP”);

WHEREAS, on October 26, 2021 the MSF Board selected MMGY Global as the vendor for the development and implementation of the marketing and advertising efforts for travel marketing and advertising campaigns;

WHEREAS, the MSF received a U.S. Department of Commerce Economic Development Administration grant in the amount to \$10,307,393 (the “EDA Grant”);

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

WHEREAS, the MEDC recommends that the MSF Board allocate \$9,307,393 of EDA Grant funds to MMGY Global pursuant to the Contract (the “Funding Allocation”); and

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

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

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

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

Nays: None

Recused: None

Lansing, Michigan
July 26, 2022



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: July 26, 2022
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from June 1, 2022 to June 30, 2022, as well as information about the impact that those projects have had on communities across the state.

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

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

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from June 1, 2022 to June 30, 2022.

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

MONTHLY IMPACTS

We are pleased to share the June delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout June 2022, 32% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all June approved projects through delegated authority have committed to create just over 170 jobs and over \$6.5 million in private investment.

MSF Report

Delegate Approvals



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

Michigan Business Development Program (MBDP)

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
AddÉnergie	6/6/2022	Auburn Hills	\$800,000	The Company is looking to establish a new assembly plant in the U.S. The facility will be used to supply new charging stations that will be placed within the US. Most of the production floor will be used for warehousing and a small portion will be used for light manufacturing and assembly of charging stations and outlets. The Company chose the City of Auburn Hills for the project and anticipates the project will result in capital investment of up to \$3,065,000. The project will also result in the creation of up to 110 new jobs paying an average wage of \$2,371 per week plus benefits. Auburn Hills was chosen over a competing site in Rochester, New York and is being supported by an \$800,000 MBDP grant.
Holo Footwear	6/22/2022	Grand Rapids	\$250,000	HOLO Footwear, a minority-owned company founded in 2020 in the Portland, Oregon area, manufactures sustainable outdoor footwear that is accessible to a wide variety of consumers. The company uses recycled material in each shoe with the goal of ensuring its products remain affordable for the average consumer. The company currently sells through retail partners including REI, Nordstrom, and Dick's Sporting Goods, and plans to launch its own e-commerce operations at its facility in Michigan. The project will bring immediate, high-wage advanced manufacturing jobs to West Michigan. HOLO plans to offer a home for design students to begin and grow their careers, and subsequently retain that talent in the state.

Regional Talent Innovation Program

The Regional Talent Innovation Program provides funding via the Community Development Block Grant-CARES Act to local economic development organizations and workforce development partners for competitive training programs that target growth in region-specific occupations.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Upjohn Institute for Employment Research	6/9/2022	Kalamazoo	\$500,000	The intended outcome is to provide credential-based training to individuals within the manufacturing field, as well as retention services to support those workers in completing training and maintaining employment. Targeted, will be manufacturing companies, throughout Branch, Calhoun, Kalamazoo and St. Joseph Counties, to engage in the proposed training opportunities. In total, the program is expected to result in the training (job creation) of 160 individuals, with at least 51% of those individuals qualifying as Low-to-Moderate income under CDBG/HUD guidelines.

Capital Access

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

State Small Business Credit Initiative – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Component Engineering Solutions, LLC	6/22/2022	Wyoming	\$748,500	Level One Bank is providing a line of credit to Component Engineering. Due to collateral shortfall on the line, the bank is requesting support from the MBGF CSP.

Community Development Block Grant (CDBG)

The U.S. Department of Housing and Urban Development (HUD) allocates Community Development Block Grant (CDBG) funding to the State of Michigan, through the Michigan Strategic Fund with assistance from the MEDC, for further distribution to eligible units of general local government (UGLGs) to carry out MSF- approved activities. CDBG program funds are used to provide grants and loans to UGLGs, usually with populations under 50,000 (referred to as non-entitlement jurisdictions), in support of economic or community development projects.

CDBG- Rental Rehabilitation & Housing Partnerships

Project Name	Approval Date	Incentive Amount	Project Highlights
City of Cheboygan	6/6/2022	\$523,580	A two-story commercial building in downtown Cheboygan is expected to receive \$523,580 in Community Development Block Grant funds to transform blighted and underutilized space adding 1 first story residential unit and 4 second story units to provide housing for low to moderate households in the community. A total of 3,415 square feet will be reactivated generating \$328,489 in private investment.

Community Development Block Grant (CDBG) Cont.

CDBG- Rental Rehabilitation & Housing Partnerships

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
City of Laingsburg	6/16/2022	Laingsburg	\$184,119	The City of Laingsburg, in partnership with a local property owner, performed a transformational property improvement by adding 2 new apartments on the 2 nd floor of their building in the traditional downtown. The City of Laingsburg received \$184,119 in Community Development Block Grant (CDBG) funds for rental rehab improvements; and the City expects this project could result in private investment of \$56,189. The building, located at 205 E. Grand River Street, will create two new apartments with both being approximately 750 square feet in size. One of the apartments will be affordable per HUD guidelines.
City of Manistique	6/16/2022	Manistique	\$198,550	The project at 238 Cedar Street will rehabilitate the vacant space on the second story to include 3 new residential units, activating 2,742 sq ft of vacant space above Manistique's main street.

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
Acme Mills Company - AIX Hamburg Germany Sales Trip	6/10/22	Bloomfield Hills	\$12,639
Adaptive Energy - Eurosatory 2022	6/21/22	Ann Arbor	\$6,162
AeroTrain Corp. - GSGP Japan and South Korea Trade Mission	6/13/2022	Flint	\$10,983
Allis Information Management - International Special Libraries Assoc	6/8/2022	Midland	\$10,637
Ausco Products, Inc. - JCB Projects in UK	6/30/2022	Benton Harbor	\$6,003
Automatic Spring Products Corporation - DIVEX Trade Fair in Mexico	6/30/2022	Grand Haven	\$2,081
Banner-Day Engineering - IBIE 2022 Las Vegas	6/27/2022	Saginaw	\$6,055
Barron Industries, Inc. - Eurosatory Trade Show Paris	6/3/2022	Oxford	\$15,000
Beet, Inc. - Sales Trip Germany, Hungary, UK	6/7/2022	Southfield	\$9,911
Celcius Corp - Google and Facebook Ads for India	6/1/2022	Bloomfield hills	\$4,200
Detroit Engineered Products, Inc. - The Energy Show Canada	6/8/2022	Troy	\$6,977

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Detroit Manufacturing Systems, LLC - Hannover Messe - Automation Alley	6/21/2022	Detroit	\$5,663
DLN Integrated Systems, Inc. - LogiMAT in Stuttgart Germany	6/1/2022	Byron Center	\$5,532
eAgile, Inc. - EXIM Export Credit Ins	6/9/2022	Grand Rapids	\$3,750
eFlex Systems - Hannover Messe USA 2022	6/30/2022	Rochester Hills	\$8,337
EigenValue Emission Solutions Inc. - EU Testing Expo Trade Show Trip	6/15/2022	Whitmore Lake	\$12,533
Filler Specialties - Expo Pack Mexico	6/13/2022	Zeeland	\$14,682
GANTEC - Promotion and Export of Bio Tech to Europe	6/3/2022	Midland	\$10,875
Hapman, Division of Prab, Inc. - Calgary Area Customer Visits	6/28/2022	Kalamazoo	\$2,157
Hapman, Division of Prab, Inc. - Canadian Institute of Food and Tech	6/16/2022	Kalamazoo	\$6,365
Hapman, Division of Prab, Inc. - Google AdWords Canada	6/16/2022	Kalamazoo	\$1,125
Hapman, Division of Prab, Inc. - Toronto Sales Visit	6/27/2022	Kalamazoo	\$2,022
Harpco Systems, Inc. - USDOCS Initial Market Check Singapore	6/8/2022	Novi	\$263
Health 4 Hire, Inc. - Digital Marketing for International Sales	6/22/2022	Grand Rapids	\$2,699
IBS Global Consulting - Foreign Sales Trip UK and Ireland	6/8/2022	Detroit	\$4,328
La Salonniere, LLC - Art Basel Biennale Art Fair	6/21/2022	Detroit	\$6,917
Magnetic Products Inc. - Fabtech 2022 Canada	6/14/2022	Highland Township	\$2,249
MCM Learning - Eurosatory 2022 France	6/14/2022	Warren	\$11,562
MIC Customs Solutions - ICPA Bahamas 2022	6/2/2022	Southfield	\$6,446
Michigan Hop Alliance - IBT Website Development Canada Mexico	6/9/2022	Traverse City	\$9,000
Michigan Instruments - Translation of Brochures and Information	6/13/2022	Kentwood	\$150
Mineral Logic, LLC - Sales Trip UK	6/21/2022	Kalamazoo	\$8,961
Nova Shipping - XL Projects AGM 2022 Bangkok Thailand	6/28/2022	West Bloomfield	\$6,558
OASIS Advanced Engineering Incorporated - Eurosatory Defense and Security Exhibit Paris	6/1/2022	Lake Orion	\$7,802
Octava - 2022 EASA Convention and Trade Show	6/8/2022	Warren	\$9,260
Optimal Business Systems - Sales Trip to Nigeria	6/1/2022	Southfield	\$3,671

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Optimal Business Systems - USCS International Partner Search Nigeria	6/7/2022	Southfield	\$675
Paragon Metals, Inc. - Automotive Meeting Queretaro	6/10/2022	Hillsdale	\$5,423
Plascore, Inc. - Innotrans Expo Berlin	6/22/2022	Zeeland	\$13,721
PROLIM Global Corp. - Accelerate Growth in ANZ region	6/1/2022	Farmington Hills	\$14,607
R.A. Miller Industries, Inc. - Military and Aviation Sales Trip	6/8/2022	Grand Haven	\$7,499
Riveer Environmental - Sales Trip to Korea and Indonesia	6/1/2022	South Haven	\$12,131
Saint Clair Systems - Meeting with Ternium Mexico	6/21/2022	Washington Township	\$5,618
Sensitile Systems, LLC - Sample Product Shipping	6/1/2022	Ypsilanti	\$2,625
The Armored Group, LLC - Eurosatory France	6/9/2022	Dearborn Heights	\$11,255
The Armored Group, LLC - International Defense and Security Expo	6/9/2022	Dearborn Heights	\$8,618
Versant Medical Physics and Radiation Safety - SNMMI Annual Meeting	6/1/2022	Kalamazoo	\$8,420
Zero Gravity Filters - Sales Trip Japan	6/23/22	Brighton	\$5,501

Program Amendments



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

Community Revitalization Program (CRP)

Project Name	MSF Delegate Amended Date	Project Location	Type of Request
BGR Investments LLC - Rio Plano Taqueria	6/9/2022	Lowell	Increased grant amount by \$90,000 due to extraordinary construction cost increases.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from June 1, 2022, to June 30, 2022, for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

BD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
Kostal Kontakt Systeme, Inc.	Business Development Program	Rochester Hills	6/6/2022	Extends Milestone 1 due date from 4/30/2022 to 4/30/2024; extends Milestone 2 due date from 4/30/2023 to 4/30/2026 and extends grant term from 10/31/2023 to 10/31/2025.

CD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
Kzoo Hotel Partners, LLC – 303 North Rose Street	Community Revitalization Program	Kalamazoo	6/8/2022	Extended the final milestone to December 2022, which also extends the I/O period.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

From June 1, 2022, to June 30, 2022, the Business Development Program had no terminations.

MSF Confidentiality Memos



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

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

Approvals by Authorized Delegate

During the period between June 1, 2022, and June 30, 2022, the following confidentiality memos were approved by the MSF Fund Manager:

Company Name and Location	Overview of Confidential Information
Twistthink, L.L.C. 43 East 8th Street, Suite 250 Holland, Michigan 49423	Company's financial statements.