

**MICHIGAN STRATEGIC FUND  
FINAL MEETING MINUTES  
July 25, 2017**

**Members Present**

Paul Anderson  
Roger Curtis  
Paul Gentilozzi  
Stephen Hicks  
Larry Koops  
Andrew Lockwood (on behalf of Treasurer Khouri)  
Greg Tedder (on behalf of Chairman Mason)  
Jody DePree Vanderwel  
Shaun Wilson

**Members Absent**

Terri Jo Umlor  
Wayne Wood

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

Stephen Hicks joined the meeting by phone at 10:04 am.

**Public Comment:** Mr. Tedder said that a letter was received from Representative Stephanie Chang in support of The Corner-Michigan & Trumbull Project in Detroit; the letter is attached to the minutes. He then asked that any attendees wishing to address the Board come forward at this time. Mr. John Lauve spoke and provided the Board with information related to the Little Caesars Arena project (frequently referenced by other names); the information is attached to the minutes.

**Communications:** Andrea Robach, Partner Relationship Manager, informed the Board that the Ford Motor Company item under the Consent Agenda was pulled from the Agenda. A revised Agenda and Consent Resolution were provided to the Board at the table. She also informed the Board that a revised Transformational Brownfield Plans Program Guidelines document was provided to them at the table. In addition, she noted that the Quarterly Report of the Chief Compliance Officer was provided to the Board in the briefing packet.

**A. CONSENT AGENDA**

**Resolution 2017-102 Approval of Consent Agenda Items**

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

Proposed Meeting Minutes – June 27, 2017

Amazon - MBDP Amendment – **2017-103**

Intrepid Web, LLC dba Mindutopia/City of Grand Rapids – Renaissance Recovery Zone  
Amendment/Transfer – **2017-104**

Midland DTH LLC – MCRP Amendment – **2017-105**

Third and Grand LLC – MCRP Amendment – **2017-106**

Moran Iron Works – MBDP Amendment – **2017-107**

Exchange Building, LLC/W. Michigan & Rose Development LLC – City of Kalamazoo – MCRP Loan  
Reauthorization – **2017-108**

Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

## **B. ADMINISTRATIVE**

### **Resolution 2017-109 Transformational Brownfield Plans Program Guidelines – Approval Request**

*Katharine Czarnecki, Senior Vice President Community Development, provided the Board with information regarding this action item.* Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-109. Jody DePree Vanderwel seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

### **Resolution 2017-110 International Trade Contractor – Request to Issue RFP**

*Natalie Chmiko, Director International Trade, provided the Board with information regarding this action item.* Following brief discussion, Andrew Lockwood motioned for the approval of Resolution 2017-110. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

## **C. COMMUNITY VITALITY**

### **Resolutions 2017-111 & 2017-112 The Corner Lender, LLC and Tiger Stadium Partners, LLC (The Corner-Michigan & Trumbull Project)/City of Detroit Brownfield Redevelopment Authority – Act 381 Work Plan & MCRP Loan**

*Stacy Esbrook, Regional Director Community Assistance Team, provided the Board with information regarding these action items.* Following brief discussion, Paul Gentilozzi motioned for the approval of Resolutions 2017-111 & 2017-112. Larry Koops seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

Mr. Tedder recognized Representative Tim Greimel who spoke in support of the Pontiac East Gateway Redevelopment Project.

### **Resolution 2017-113 Pontiac East Gateway Redevelopment Project/County of Oakland Brownfield Redevelopment Authority – Act 381 Work Plan**

*Stacy Esbrook, Regional Director Community Assistance Team, provided the Board with information regarding this action item.* Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-113. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

### **Resolution 2017-114 Grand Rapids Downtown Market Holdings LLC – MCRP Amendment**

*Julius Edwards, Manager Underwriting and Incentive Structuring, provided the Board with information regarding this action item.* Following discussion, Paul Anderson motioned to amend the resolution to extend the interest only period by an additional 90 days to September 30, 2017 in order to allow the Board and MEDC Staff additional time to review the market's financial information. Larry Koops seconded the motion. Paul Gentilozzi then motioned for the approval of Resolution 2017-114, as amended. Roger Curtis seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

## **D. IMAGE/STATE BRANDING**

### **Resolution 2017-115 2017 Pure Michigan Campaign Insights Study – Request to Issue RFP**

*Kelly Wolgamott, Director Travel Advertising, provided the Board with information regarding this action item.* Following brief discussion, Larry Koops motioned for the approval of Resolution 2017-115. Andrew Lockwood seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

Jody DePree Vanderwel left the meeting at 11:25 am.

## **CLOSED SESSION**

Larry Koops moved that the Board meet in closed session under Section 8(h) of the Open Meetings Act, to consider material exempt from discussion or disclosure by state or federal statute. Roger Curtis seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

**ROLL CALL VOTE: Ayes:** Paul Anderson, Roger Curtis, Paul Gentilozzi, Stephen Hicks, Larry Koops, Andrew Lockwood (on behalf of Treasurer Khouri), Greg Tedder (on behalf of Chairman Mason), Shaun Wilson; **Nays:** None; **Recused:** None

The board went into closed session at 11:30 am.

The board returned to open session at 11:45 am. Mr. Hicks was called direct to participate in the final item on the agenda.

**Resolution 2017-116 Morrell Incorporated – MEGA Settlement**

Paul Anderson motioned for the approval of Resolution 2017-116. Larry Koops seconded the motion.

**The motion carried: 8 ayes; 0 nays; 0 recused.**

Mr. Tedder adjourned the meeting at 11:50 am.



6TH DISTRICT  
STATE CAPITOL  
P.O. BOX 30014  
LANSING, MI 48909-7514  
PHONE: (517) 373-0823  
FAX: (517) 373-5993  
E-MAIL: [stephaniechang@house.mi.gov](mailto:stephaniechang@house.mi.gov)

MICHIGAN HOUSE OF REPRESENTATIVES

**STEPHANIE CHANG**  
STATE REPRESENTATIVE

July 25, 2017

Mr. Jeff Mason, President  
Michigan Strategic Fund  
300 N. Washington Square  
Lansing, MI 48913

Dear Mr. Mason:

I am pleased to write the Michigan Economic Development Corporation a letter of support for the construction of a mixed-use development at the site of the former Tigers Stadium by Larsen Realty Group. This project is a worthy endeavor for the Michigan Community Revitalization Program. It will revitalize a piece of Detroit's history, and it will provide much-needed retail space, jobs, and affordable housing and business opportunities in the Corktown neighborhood.

This mixed-use commercial development will be an economic boon to the neighborhood and the City of Detroit. I believe that this kind of development draws interest to the City and could potentially be a wonderful venue for residents to live and work. I also believe that supporting this development can improve our economy. I am particularly pleased that the developer has committed to offering 60% of the commercial space and 20% of the residential space at affordable and below-market rates as the rising rents in parts of my district are a major concern for many of my residents. While I hope that future developments may include greater percentages of affordable units that reflect the needs of more Detroiters, this is a very positive step. I am also excited to see that some green building standards have been planned to reduce the new building's energy usage.

I apologize for being unable to make these comments in person today, but I am attending a local city council hearing regarding a critical issue in my district. I look forward to being able to watch this new construction develop, and I ask that the Michigan Strategic Fund Board approve this request.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Chang".

Stephanie Chang  
State Representative, HD-6  
Detroit, Ecorse, River Rouge

11/28/2016

PROPERTY #: 02-14-02-300-021  
CLASS: 201  
TAXABLE VAL: 16,464,120

PALACE

SCHOOL: 210  
PRE/MBT %: 0.0000  
SEV: \$ 16,773,480  
MORTGAGE CODE: \$ 3,547,020

TAXPAYER: PISTONS PALACE HOLDINGS LLC  
6 CHAMPIONSHIP DR  
AUBURN HILLS MI 48326-1753

Market VALUE \$34M

PROP ADDRESS: 6 CHAMPIONSHIP DR

SUMMER TAX INFO

AD VALOREM TA 549,532.79  
SP. ASSMENTS: 0.00  
ADMIN. FEE: 5,438.95  
INTEREST: 0.00  
TOTAL: 554,971.74

WINTER TAX INFO

AD VALOREM TAX: 202,755.59  
SP. ASSMENTS: 758.42  
ADMIN FEE: 2,027.55  
INTEREST: 0.00  
TOTAL: 205,541.56

TOTAL PAID 554,971.74  
DATE PAID 09/10/2015  
BALANCE DUE 0.00

TOTAL PAID 205,541.56  
DATE PAID 02/09/2016  
BALANCE DUE 0.00

TOTAL BALANCE DUE 0.00

Property TAX PAID \$760,000 \$3/4M

PROJECTS

Authorization to Enter into Memoranda of Understanding Relating to Catalyst Development Project

Mr. Duggan advised that the purpose of the Special meeting today is to discuss the prospect of the Pistons moving to Detroit. We are not looking for any final approvals today. Financial information will be before the Board the first part of next year. The purpose today is to get approval to enter into Memoranda of Understandings. Mr. Duggan introduced Mr. Turay to give a PowerPoint presentation and summary of the proposed development.

Mr. Duggan advised that half of the \$34.5 million will be generated from anticipated savings by refinancing the bonds at a lower interest rate. The rest will be paid for by extending the terms of the bonds by an additional three years.

SCHOOL AID \$ + 3 years

Ms. Navin added that the DDA TIF plan will need to be amended to reflect additional bonded indebtedness, so that would be the refinancing plus the increase on the existing tax-exempt bonds, as well as the possibility of issuing the revenue bonds. In addition, as referenced, we expect that the Plan will need to be extended by three years in order to accommodate an extension of the maturity on the existing 2014 bonds, and we expect that we will also seek an additional five-year extension on top of that in order to continue to promote economic growth in the area surrounding the arena. In addition, finally, the scope of the project with respect to the arena and the incorporation of the NBA Basketball requirements into the arena, that also will be updated. Those Plan amendments will be brought back to the DDA Board. They will then be submitted to City Council for approval which will include engagement with the DDA with a Development Area Citizens Council, will include a public hearing. Twenty days after the public hearing, City Council will be asked to take a vote. In addition, the Michigan Strategic Fund will have to approve the Plan

+ 5 years

8 years

248-820-2434

John Lauve  
200 N Saginaw St  
Holly, MI 48442-1407



PUBLIC COMMENT

Mr. Duggan called for public comment. John Lauve, Steve Phillips, Woodards were given one minute each to speak.

Needs OK

To: Det DDA From: J. LAUVE April 18, 2017

Subj: The \$34 M Piston Gift

from DDA to Elitch

Violates the Hockey Lease  
Section 6.2(c)

"Concessionaire shall pay  
such excess costs."

ALSO

① The reason for dumping  
the "Jo"

was to compete with  
the PALACE

Now the Palace is dumped  
to save \$3/4 M in property tax

② What ~~is~~ are the claimed costs:  
Details?

What is the <sup>Piston</sup> lease agreement

③ When the \$ 1/4 Billion Bonds  
were loaned, an agreement made  
that NO MORE loans would be sold,

Elitch pay ZERO Rent  
+ Taxes



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

January 12, 2017

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

Dear Ms. Robach,

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

Sincerely,

A handwritten signature in black ink, appearing to be "N.A. Khouri", with a long horizontal stroke extending to the right.

N.A. Khouri  
State Treasurer

Cc: Andrew Lockwood

July 12, 2017

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

RE: Designation of Greg Tedder

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Greg Tedder 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 not unable to attend.

Sincerely,



Jeff Mason  
President & Chairman, MSF  
Chief Executive Officer, MEDC