

MICHIGAN STRATEGIC FUND BOARD MEMBERS

Paul Ajegba

*Director, Michigan Department of
Transportation*

Ronald W. Beebe

*Principal Owner & CEO
Euclid Industries, Inc.*

Britany Affolter - Caine, Ph.D.

*Executive Director
Michigan's University Research
Corridor*

Jeff Donofrio

*Director, Department of Labor
& Economic Opportunity*

Rachael Eubanks

*State Treasurer, Department of
Treasury*

Paul Gentilozzi

President, Gentilozzi Real Estate

September Hargrove

*Vice President, Global
Philanthropy, JP Morgan Chase*

Jeff Mason

*President and Chairman; CEO:
Michigan Economic Development
Corporation*

Charles Rothstein

*Founder & Senior Managing Director
Beringea, LLC*

Susan Tellier

*President
JetCo Packaging Solutions*

Cindy Warner

*Technology Executive
Consultant Founder &
Chairperson 360ofme, Inc.*

MICHIGAN STRATEGIC FUND (MSF) BOARD

Meeting Packet

November 2019

**MICHIGAN STRATEGIC FUND BOARD
FINAL MEETING AGENDA
November 26, 2019
10:00 am**

Public comment – Please limit public comment to three (3) minutes

Communications

A. Consent Agenda

Proposed Meeting Minutes – October 22, 2019

Challenge Manufacturing – MBDP Grant Amendment – Trevor Friedeberg

City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC – MCRP Re-approval – Julius Edwards

2020 MSF Board Meeting Calendar – Amendment – Mark Morante

Delegation of Authority for SHPO – Mark Morante

B. Business Investment

a. Business Growth

Michigan Manufacturing Technology Center – Grant Renewal – Colin Dillon

Wayfair, LLC – MBDP Grant and Jobs Ready Michigan Program – Erik Wilford

GTB Agency, LLC – MBDP Grant – Jibrán Ahmed

b. Capital Access

Loose Plastics – SSBCI Collateral Support Program – Chris Cook

Graphic Packaging International, LLC – Bond Inducement – Chris Cook

C. Community Vitality

166 Oak Redevelopment – Brownfield Act 381 Work Plan – Dominic Romano

Project River Watch, City of Grand Haven – CDBG Request – Sarah Rainero

**MICHIGAN STRATEGIC FUND
FINAL MEETING MINUTES
October 22, 2019**

Members Present

Britany L. Affolter-Caine
Amanda Bright-McClanahan (on behalf of Chairman Mason)
Jeff Donofrio
Paul Gentilozzi
Michael B. Kapp (on behalf of Director Ajegba)
Andrew Lockwood (on behalf of Treasurer Eubanks)
Charles P. Rothstein
Susan Tellier

Members joined by phone

September Hargrove
Cindy Warner

Member Absent

Ronald W. Beebe

Ms. Amanda Bright-McClanahan called the meeting to order at 10:03 am.

Public Comment: Ms. Bright-McClanahan asked that any attendees wishing to address the Board come forward at this time. No public comment.

Communications: Rhonda Bishop, Board Liaison, advised the Board that a signed term sheet for the MyLocker LLC project under the consent agenda was provided to them at the table. She also advised the Board that the Quarterly Report of the Chief Compliance Officer was provided to them in the briefing packet, along with several program quarterly reports.

Ms. Bright-McClanahan asked if there were any questions from the Board regarding the items under the Consent Agenda.

Paul Gentilozzi motioned to move Recovery Park – MSF Agreement Amendment to regular discussion items. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

Paul Gentilozzi motioned to move Michigan Community Capital – Attainable Housing Agreement Amendment to regular discussion items. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

A1. CONSENT AGENDA

Resolution 2019-149 Approval of Amended Consent Agenda Items

Michael B. Kapp motioned to amend the consent agenda to reflect the two items that were moved to regular discussion items. Andrew Lockwood seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

Ms. Bright-McClanahan asked if there were any questions from the Board regarding the remaining items on the consent agenda. Board members asked for additional information for the following items, which was provided by MEDC staff.

- FY2020 Allocation of Funding: *Mark Morante, MSF Fund Manager*
- FY2020 Small Business Services and Council of Great Lakes Governors, Inc. – Budget Recommendations: *Natalie Chmiko, Vice President of PMBC & International Trade*
- My Locker LLC – MBDP Grant Reapproval: *Julia Veale, Business Development Project Manager*
- McCann-Erickson – Travel Marketing Amendment: *Doug Kuiper, Senior Vice President of Marketing and Communications*

Following discussion, Andrew Lockwood motioned to approve the following:

Proposed Meeting Minutes – September 24, 2019

FY2020 Allocation of Funding – **2019-150**

FY2020 Small Business Services – Budget Recommendation – **2019-151**

Council of Great Lakes Governors, Inc. – Budget Recommendation – **2019-152**

MyLocker LLC – MBDP Grant Reapproval – **2019-153**

Autoliv ASP Inc./Veoneer US, Inc. – MBDP Grant Amendment – **2019-154**

Coyote Logistics, LLC – MBDP Grant Reapproval – **2019-155**

Detroit Entrepreneur Development, LLC – MCRP Loan Participation Award Amendment – **2019-156**

McCann-Erickson – Travel Marketing Amendment – **2019-157**

Weber Shandwick – Public Relations Amendment – **2019-158**

2020 MSF Board Meeting Dates

Jeff Donofrio seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

A2. Resolution 2019-159 Recovery Park – MSF Agreement Amendment

Julius Edwards, Commercial Real Estate Investment Manager, provided the Board with information regarding this action item. The Board asked for a project analysis that summarized the project and its outcome.

Following discussion, Britany L. Affolter-Caine motioned to amend the resolution to include an annual reporting requirement. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

Paul Gentilozzi then motioned for the approval of Resolution 2019-159 as amended. Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

A3. Resolution 2019-160 Michigan Community Capital – Attainable Housing Agreement Amendment

Lori Mullins, Director of Community Development Incentives, provided the Board with information regarding this action item. Following discussion, Paul Gentilozzi motioned for approval of Resolution 2019-160.

Andrew Lockwood seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

Ms. Bright-McClanahan announced a ten-minute recess.

B. BUSINESS INVESTMENT

B1. Capital Access

Loose Plastics – SSBCI Collateral Support Program

Aileen Cohen, Capital Project and Portfolio Manager, provided the Board with information regarding this action item.

CLOSED SESSION

Jeff Donofrio 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 for this item. Paul Gentilozzi seconded the motion. **The motion carried unanimously: 10 ayes; 0 nays, 0 recused.**

The Board went into closed session at 11:09 am.

Jeff Donofrio moved that the Board return to open session. Paul Gentilozzi seconded the motion. **The motion carried unanimously: 10 ayes; 0 nays, 0 recused.**

Open session resumed at 11:33 a.m.

Paul Gentilozzi motioned to table the Loose Plastics agenda item until the November 26, 2019 meeting. Charles P. Rothstein seconded the motion. **The motion carried: 9 ayes; 1 nay; 0 recused.**

Resolution 2019-161 Hosler Mechanical, Inc. – MSDF Collateral Support Program

Aileen Cohen, Capital Project and Portfolio Manager, provided the Board with information regarding this action item. Following brief discussion, Paul Gentilozzi motioned for the approval of Resolution 2019-161. Andrew Lockwood seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

B2. Entrepreneurship

Resolution 2019-162 Michigan Small Business Development Center – Grant Approval

Maggie McCammon, Portfolio Manager, provided the Board with information regarding this action item. Following brief discussion, Paul Gentilozzi motioned for the approval of Resolution 2019-162. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

C. COMMUNITY VITALITY

Resolutions 2019-163 & 2019-164 Versa Wanda LLC and City of Ferndale / City of Ferndale Brownfield Redevelopment Authority (Development on Troy Project) – MCRP Loan Participation and Brownfield Act 381 Work Plan

Dominic Romano, Community Assistance Team Specialist, provided the Board with information regarding these action items. Following brief discussion, Jeff Donofrio motioned for the approval of Resolution 2019-163. Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.** Andrew Lockwood then motioned for the approval of Resolution 2019-164. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

Ms. Bright-McClanahan adjourned the meeting at 12:21 pm.

July 18, 2019

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

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan 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



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MEMORANDUM

Date: November 26, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Trevor Friedeberg, Director, Business Development Projects
Subject: Challenge Mfg. Company, LLC (“Company”)
Michigan Business Development Program (“MBDP”) Grant Agreement Amendment

Request

The Company is requesting an amendment to the MBDP Grant Agreement to modify the Project Description to include statewide locations for the purposes of Qualified New Job (“QNJ”) creation, remove Disbursement Milestones Three through Five which will reduce the maximum amount of the grant from \$2.238 million to \$1.4 million, reduce the total QNJ requirement from 450 to 250, and modify the Term of Agreement to reflect August 11, 2019 (collectively, “MBDP Amendment Request”).

Background

On May 27, 2014, the MSF approved an incentive for the Company in the amount of up to \$2.5 million in the form of a performance-based grant under the MBDP. This grant was for the creation of 450 QNJ and a capital investment of up to \$50,000,000 in the City of Pontiac. The incentive assistance was to secure the project for a new 400,000 square foot facility in Michigan and was in competition with Ontario, Canada.

On December 15, 2015, the MSF approved an amendment to the Company’s existing MBDP grant agreement to reduce the Base Employment Level from 2,024 to 1,805. Additionally, the total grant amount was reduced from \$2.5 million to \$2.238 million as a consideration for this modification.

On April 25, 2017, the MSF approved a second amendment to the Company’s MBDP grant agreement to clarify the project address as well as extend the due dates for Disbursement Milestones Three through Five to better align with the Company’s growth schedule.

Current Status and Default

The Company has had trouble meeting the full amount of QNJs projected when the grant agreement was executed. The Company achieved its first milestone of creating 100 QNJs and a disbursement of \$550,000 by March 31, 2016. The Company also received disbursement of \$850,000 for the creation of 150 additional QNJs (for a total of 250 QNJs) by January 31, 2017. After receiving the second milestone disbursement, the Company experienced trouble due to the decline in demand for the Buick LaCrosse and Cadillac CT6. This has impacted the Company’s ability to maintain staff at the Pontiac facility and is also struggling with the tight labor market at its Walker facility. The Company is pursuing new contracts but is not able to commit to additional QNJs creation.

As a result of these difficulties, the Company has been in default of its grant agreement due to a reduction in QNJs since October 10, 2017. This default triggered a repayment event under the grant agreement for the elimination of 111 qualified new jobs amounting to \$552,039.63. However, a recent headcount verification was completed by the MEDC compliance staff showing the Company was able to maintain a base of 1,805 and had created 251 new jobs in Michigan. Therefore, if the Project Description is amended

to include Statewide job creation the Company can demonstrate it has achieved the other conditions set forth in Milestone 2.

Approval of the MBDP Amendment Request would reduce the award to align with the reduced scope of the project as well as terminate the grant agreement barring the Company from receiving further disbursements. This would result in \$838,000 being released back to the MSF under the MBDP Program. As an additional consideration for this amendment request, the Company has invested over \$100 million in Michigan since entering into its grant agreement in 2014, far exceeding the originally anticipated level of investment of \$50 million in Michigan, showcasing the Company's commitment to Michigan investment.

Recommendation

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

MEMORANDUM

Date: November 26, 2019

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Commercial Real Estate Investment Manager

Subject: City Modern 440 Alfred Street LLC and
Brush Park Development Company Phase I, LLC
Michigan Community Revitalization Program
Request for Re-Approval of a Performance-Based Loan

Request

City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC (“Company”) are requesting re-approval of a \$7,500,000 Michigan Community Revitalization Program (“MCRP”) Performance-Based Loan award in order to allow additional time to finalize and execute a MCRP agreement. Additionally, staff is requesting to reaffirm the original transfer of funds from the Investment Fund to the Michigan Community Revitalization Program through MCL 125.2088b(2) for the specific purpose of this project.

Background

On March 28, 2017, the Michigan Strategic Fund Board approved a \$7,500,000 Michigan Community Revitalization Program Performance-Based Loan award for the Company for the purpose of developing a building that would contain approximately 69 residential units above approximately 7,874 square feet of retail space, and a two levels of sub-grade parking consisting of approximately 136 parking spaces in total.

The development has changed slightly since its original approval and currently consists of 74 market residential units, 7,743 square feet of retail and a 121-space parking structure. The project is currently anticipated to complete construction by year end. The project is part of the overall “City Modern” development, located within the Brush Park Historic District between John R. Street, Edmund Place, Brush Street, and along both sides of Alfred Street within a primarily residential part of the neighborhood in the City of Detroit. The overall City Modern project which consists of the redevelopment of an 8.4-acre site that was mostly vacant, with an overall investment of well over \$100 million in private investment. City Modern includes the renovation of four existing historic homes on the site. City Modern also includes the construction of 24 buildings resulting in over 420,000 gross square feet of new or rehabilitated building space consisting of 408 units, both for sale and for rent (includes affordable rentals), and 25,000 sf of ground floor retail space. Construction is well underway with the overall project expected to be completed in 2021 (approx. 50% completed). The first development (The Flats at City Modern) was completed in December 2018 and began leasing in February 2019. The building consists of 54 affordable residential units targeted at between 30%-60% of Area Median Income. As of September, 50 of the 54 units had been leased. The for-sale product has done well, with 84 of 104 homes currently having reservation with an average sales price of just under \$628,000. It anticipated, upon

completion, the 440 Alfred residential units will garner an average rent of around \$2.44/sf. Despite the significant rents anticipated to be achieved by the project it is still in need of the MCRP loan award to fill gap for the project due to the significant cost of construction which exceeds \$370/sf. The overall cost for construction is anticipated to come in at just under \$47,000,000. It is anticipated that upon reaching stabilization the project should be able to attract approximately in \$18,500,000 in financing, while maintaining an overall equity investment north of \$20,800,000 or 44.4% of the total development cost.

The City Modern project is a major part of the City's plan to revitalize the Brush Park Historic District which is strategically located between Detroit's Central Business District and Midtown . The redevelopment will create high quality mixed income housing for employees of the major business districts while helping to bring a connection between the two. The MSF's and the City's investments equate to a small percentage of the overall investment creating a significant return on investment for the City and State at well over 10 times its investment.

The MCRP loan for the City Modern 440 Alfred Street LLC was reapproved March 27, 2018. The parties have been unable to execute the final agreement in order to effectuate the approval; therefore, staff is once again requesting re-approval of the loan under the originally approved terms.

See the attached "Original Approval" for the terms of the loan.

Bedrock and its affiliates are currently in compliance with all reporting requirements with the MSF.

Recommendation

The MEDC staff recommends re-approval of the following:

- a) Transfer of funds for the specific purpose of this project through MCL 125.2088b(2) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.
- b) A MCRP Performance-Based Loan in the amount of \$7,500,000 for the City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC.

ORIGINAL APPROVAL



MEMORANDUM

Date: March 28, 2017

To: Michigan Strategic Fund Board

From: Brittney Hoszkiw, Community Assistance Team Specialist
Julius Edwards, Manager, Incentive Structuring and Underwriting
Mary Kramer, Senior Brownfield and MCRP Program Specialist

Subject: City of Detroit Brownfield Redevelopment Authority
Request for Approval of an Act 381 Work Plan

**City Modern 440 Alfred Street LLC and Brush Park Development Company
Phase I LLC - Request for Approval Michigan Community Revitalization
Program Performance-Based Loan**

Request

The proposed City Modern project includes the infill development of an approximately 8.4 acre site located within the Brush Park Historic District between John R Street, Edmund Place, Brush Street, and along both sides of Alfred Street in the City of Detroit. The Act 381 Work Plan includes the entire 8.4 acre site. The proposed MCRP Award would be utilized to fund one phase of the overall project which is the redevelopment of the "440 Alfred Street" site. The 440 Alfred Street site is comprised of seven parcels that total nearly one acre, located on the southeast corner of the overall City Modern project site. The overall project will include the restoration of three existing historic residential structures and the construction of approximately 24 new buildings. The proposed project will be undertaken by City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC, whose parent company is Bedrock Real Estate Services. The project qualifies for a Michigan Community Revitalization Program (MCRP) award and Act 381 Work Plan because it is a facility and blighted.

In order to alleviate Brownfield conditions and prepare the proposed project site for redevelopment, the City of Detroit Brownfield Redevelopment Authority is seeking approval of local and school tax capture for MSF eligible activities in the amount of \$15,796,867.

City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC (Applicants) are requesting approval of a MCRP incentive in the amount of \$7.5 million in the form of a Performance-Based Loan. As part of the MCRP request, staff is requesting two deviations from the MCRP Incentive Parameters. Staff is requesting to waive the requirements that the project meet a 1.20 to 1.00 debt service coverage and inclusion of federally-insured senior lender on the project. It is projected that the project may not be able to meet the 1.20 to 1.00 service coverage ratio requirement in the first couple years of operation, but is expected to meet this requirement by at least the third year of operations. The project is not utilizing a senior lender for construction of the project and is utilizing an affiliate for construction financing. To mitigate the risk associated with not having a senior lender in place to handle normal construction due diligence, MEDC staff is recommending to disburse the MCRP Award following construction completion. It is anticipated that the project will pursue traditional senior financing upon the project reaching stabilization.

The development team is providing approximately 82.6% or \$35.6 million of the total development cost to finance construction of the 440 Alfred Street project. It is anticipated upon the project reaching stabilization the project will be able to support approximately \$19 million in traditional senior debt. The remaining financing gap will be filled by a \$7.5 million MCRP Performance Based Loan Award. The MCRP Award will allow the development team to achieve an acceptable level of return and assist in jumpstarting what is anticipated to be over a \$100 million real estate investment in the Brush Park area of Detroit.

The City Modern development is a particular economic challenge due to its large sub-grade parking components and costs related to Brownfield conditions. The eligible activities will alleviate Brownfield conditions across the site and make it suitable for redevelopment, and protect human health and the environment. Without Brownfield tax increment reimbursement, the cost burden related to Brownfield conditions would make the project financially unfeasible. MCRP detailed structure is provided in **Appendix A.**

The Applicants anticipate that the overall City Modern project will result in total capital investment of over \$100 million and the creation of approximately 83 permanent full-time equivalent jobs with an average hourly wage of \$16.83. Of that total, the MCRP portion of the project will result in total capital investment of \$43,067,728, along with the creation of approximately 26 permanent full-time equivalent jobs with an average hourly wage of \$16.83.

Background

The overall City Modern project will infill an 8.4 acre site that is mostly vacant, while also renovating the four existing historic homes that currently sit on the site. It will include construction of 24 buildings resulting in over 420,000 gross square feet of new or rehabilitated housing consisting of 408 units, both for sale and for rent. Residential building typologies ranging from two to six stories and include approximately 25,000 square feet of ground floor retail. There will be public green space throughout the project area. The project is located in a primarily residential part of the neighborhood, although it is just one block from Woodward Avenue, the commercial center.

The 440 Alfred Street site is the subject of the MCRP application and is a portion of the overall project that consists of an apartment building that will sit on the southeast corner of the overall City Modern site.

The building will contain approximately 69 residential units above approximately 7,874 square feet of retail space and two levels of sub-grade parking consisting of approximately 136 parking spaces in total. The sub-grade parking will support much of the overall City Modern project's residential and transient parking needs.

Lead and asbestos abatement will be necessary prior to demolition activities in order to protect human health. Demolition activities will be necessary to locate, empty, excavate, and dispose of underground storage tanks. Site preparation activities include geotechnical evaluation and engineering, staking, temporary construction roads and traffic controls, clearing and grubbing, grading, and more. Infrastructure improvements including right of way improvements, underground parking, and storm water management are necessary to support the new development.

City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC are owned by Brush Park Development Company, whose parent company is Bedrock Real Estate Services. Bedrock Real Estate Services LLC is a full service, Detroit-based real estate firm with over 300 team members specializing in leasing, financing, developing and managing commercial and residential space. Since its founding in 2011, Bedrock and its affiliates have invested more than \$2.2 billion in acquiring, renovating and developing 90 properties in downtown Detroit totaling more than 14 million square feet. Bedrock's investment in the Capitol Park neighborhood in particular serves as a tangible example of Bedrock's experience tackling challenging, mixed-use redevelopment projects with a focus on multi-family residential. Bedrock has invested in several key properties in the district including 1215 Griswold. Bedrock and its' affiliates have utilized Brownfield Tax Credits, Brownfield Tax Increment Financing and MCRP for various projects in the past including 1215 Griswold LLC and The Madison. **Appendix B** addresses the programmatic requirements and **Appendix C** includes a project map and renderings.

Recommendation

MEDC staff recommends approval of the following:

- A) Local and school tax capture for the Act 381 eligible activities totaling \$15,796,867. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$6,091,902.
- B) Approval of funds to be transferred for the specific purpose of this project through MCL 125.2088b(2) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.
- C) A MCRP performance-based loan in the amount of \$7.5 million for City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC.
- D) Approval to waive the MCRP Incentive Parameters debt service coverage and senior lender requirements.

APPENDIX A

FINANCING OPPORTUNITY – MCRP PERFORMANCE-BASED DIRECT LOAN

The development team is seeking a MCRP Loan in an amount of up to \$7,500,000. The MSF would be in a senior secured position until a traditional lender has been secured. At that time it is anticipated the MSF security would be subordinated to that of the senior lender and payments would be subordinated on a limited basis. It is anticipated that upon achieving stabilization the project will be able to secure approximately \$19 million in senior financing. Below outlines a summary of the development sources and investment for the proposed project.

SUMMARY OF DEVELOPMENT SOURCES:

Senior Debt (anticipated)	\$ 18,861,357	43.79%
MCRP Direct Loan	\$7,500,000	17.41%
Developer Equity	\$16,706,371	38.80%
TOTAL	\$43,067,728	100.0%

LOAN FACILITY

MSF Facility:	MCRP Performance-Based Loan
Borrower:	City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC or a Related Entity
Loan Amount:	Up to the lesser of \$7,500,000 or 20% of “Eligible Investment”
Term:	Anticipated to be 120 months
Amortization:	Anticipated to be 300 months
Interest Rate:	Anticipated to be 2% per annum
Repayment Terms:	Anticipated to be 12 monthly interest only payments, followed by 108 equal principal and interest payments with the remaining principal balance due at maturity.
Collateral:	Anticipated to be lien interest in the property and the corresponding TIF reimbursements. The MSF’s lien interest can be subordinated to a third-party senior lender.

Guarantee:	Guarantees acceptable to the MSF Fund Manager limited to statutory defaults under the MCRP Agreement
MSF Fees:	A one-time fee equal to one percent of the MSF Loan Award.
Funding:	The MSF will fund up to \$7,500,000 to be disbursed following completion of construction of the 440 Alfred Street project and other performance criteria.
Other Conditions:	Milestones or closing conditions anticipated to include: <ul style="list-style-type: none">• Receipt of a Guaranteed Maximum Price contract• Final Development Budget• Receipt of State approval of the tax abatement

APPENDIX B – Programmatic Requirements & Screening Guidelines

Property Eligibility – Act 381 Work Plan and MCRP

The project is located within the boundaries of the City of Detroit, which is a Qualified Local Governmental Unit, and has 29 parcels that have been deemed blighted because they are tax reverted properties. There are 10 properties that have been determined to be a facility as determined by the Michigan Department of Environmental Quality on January 27, 2017 and the remaining 8 parcels are adjacent and contiguous to qualifying parcels. The seven parcels that are part of the 440 Alfred Street/MCRP portion qualify as a facility.

The property is the subject of a Brownfield Plan, duly approved by the City of Detroit on May 31, 2016.

In addition, the project is requesting from the DEQ \$987,564 in TIF to assist with environmental eligible activities.

MCRP Program and its Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on September 22, 2015, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. The total eligible investment for this project is estimated to be \$39,617,199.

Source of Information

It is the role of the Project Management staff (MEDC Staff) to review for eligibility, completeness, and adherence to MCRP guidelines, the information provided by the applicant and to manage the MSF's investment. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from materials submitted by the applicant, and, as applicable, from other relevant third party sources utilized by staff.

As required under the MCRP, the following statutory criteria is being considered by the MSF:

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

The redevelopment of the City Modern development site is critically important to the City of Detroit. The site has long been vacant and is located a block off of the light rail public transit route (QLINE). The project provides mixed income housing in an area of the City that includes major employers such as John D. Dingell VA Medical Center, Wayne State University School of Medicine, and Children's Hospital of Michigan.

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

This project will support and tie into the City of Detroit's plan to revitalize the Brush Park Historic District, which was once a premier urban neighborhood. Brush Park is strategically located between Detroit's Central Business District and Midtown, two of Detroit's fastest developing areas and its' largest employment centers. The redevelopment of Brush Park will provide a high quality, sustainable residential area for employees in these major business districts

who desire to live within walking distance of where they work, play, and shop. The development will bring new companies and visitors into this downtown area, which will help make this area of the city an attractive and viable neighborhood.

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

A Public Act 210 Commercial Rehabilitation Act tax exemption has been approved for the 440 Alfred Street portion of the project with an estimated value of approximately \$1.8 million over a 10 year period. The project as a whole plans to receive approximately \$16.8 million in Brownfield TIF reimbursements, of which approximately \$9.7 million is expected to be the local portion. The project as whole also includes a Neighborhood Enterprise Zone on approximately 100 units.

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

The development team is providing approximately 82.6% or \$35.6 million of the total development cost to finance construction of the 440 Alfred Street project. It is anticipated upon the project reaching stabilization the project will be able to support approximately \$19 million in traditional senior debt. The remaining financing gap will be filled by a \$7.5 million MCRP Direct Loan Award. The MCRP Award will allow the development team to achieve an acceptable level of return (less than 5%) and assist in jumpstarting what is anticipated to be over a \$100 million real estate investment in the Brush Park area of Detroit with the overall City Modern project.

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

The MCRP project does not include the reuse of vacant or historical buildings and is not redeveloping blighted property.

F. Creation of jobs:

It is estimated that 26 full-time equivalent jobs will be created with an average hourly wage estimated to be \$16.83.

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

The development team is contributing approximately \$35.6 million in private financing to the project in the form of debt and equity.

H. Whether the project is financially and economically sound:

Upon reaching stabilized occupancy it is anticipated the project will be able to support up to \$19 million in traditional debt and the \$7.5 million in MCRP debt. Additionally, the project will be supported by the Bedrock Development group of companies and is part of a larger redevelopment effort taking place in the area.

Staff review of the proposed rental structure has determined that the rents are in line with other comparable developments. Additionally, this area of the City is anticipated to see a significant amount of future development and an increase in rental rates.

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

The project is located in a primarily residential part of the neighborhood, although it is just one block from Woodward Avenue, the commercial center. The intent is to provide neighborhood scale retail for residents of the new 408 housing units, while ensuring that larger scale retail is pointed toward Woodward Avenue in proximity to transit.

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

The City Modern development at Brush Park includes a variety of strategies to promote walkability such as neighborhood-scale retail, public mews, and increased residential density of over 40 units per acre from the current average of 7.

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

The project does not convert abandoned public buildings to private use.

L. Whether the project promotes sustainable development:

The project incorporates several sustainable elements such as investing in alley treatments to manage water runoff, green roofs, pedestrian mews to include rain gardens, bioswales, and flow-through planters, and access to shared transportation systems such as bike share and car share to reduce dependency on the automobile.

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

The MCRP project does not involve the rehabilitation of a historic resource.

N. Whether the project addresses area-wide redevelopment:

The project will increase residential density and add more affordable housing units to the city. The project increases walkability of lower Midtown to the entertainment district and is expected to spur additional development.

O. Whether the project addresses underserved markets of commerce:

This project will address the lack of supply and ongoing demand for housing among the city's largest employment centers.

P. The level and extent of environmental contamination:

The size and historical uses of the property present unique redevelopment challenges. The costs related to eligible environmental and non-environmental tasks such as conducting a due care evaluation, removal of USTs, and excavation and disposal of approximately 92,000 tons of contaminated fill soil and approximately 52,000 tons of unstable fill soil are approximately \$19 million for the City Modern development as a whole, an extraordinary cost specifically relates to the site being a Brownfield. About 11% of the environmental costs and \$7.8 million of the parking infrastructure costs can be allocated to the 440 Alfred Street portion of the project.

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

The MCRP project does not include the rehabilitation of a historic resource.

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

The project will not compete with or affect existing Michigan businesses within the same industry.

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

No additional criteria needs to be considered.

Brownfield Act 381 Program Additional Project Information:

A. Reuse of functionally obsolete buildings and/or redevelopment of blighted property:

The project does not include any functionally obsolete buildings. Of the total 47 parcels that are included in the Act 381 Work Plan, 29 parcels are considered blighted as they are tax reverted properties.

B. Cost gap that exists between the property and a similar greenfield property:

The Brownfield Tax Increment Financing is needed to offset the significant costs related to site preparation and construction of integrated parking structures on two mixed-use buildings.

C. Whether project will create a new brownfield property in the State:

No new Brownfields will be created by this project.

Tax Capture Breakdown

There are 63.62 non-homestead mills available for capture, with school millage equaling 24 mills (37.72%) and local millage equaling 39.62 mills (62.28%). Tax increment capture will begin in 2017 and is estimated to continue for 21 years. Due to an Act 210 Commercial Rehabilitation Act tax exemption and Neighborhood Enterprise Zones on portions of the property, the blended ratio for the requested tax capture for the MSF eligible activities breaks down as follows:

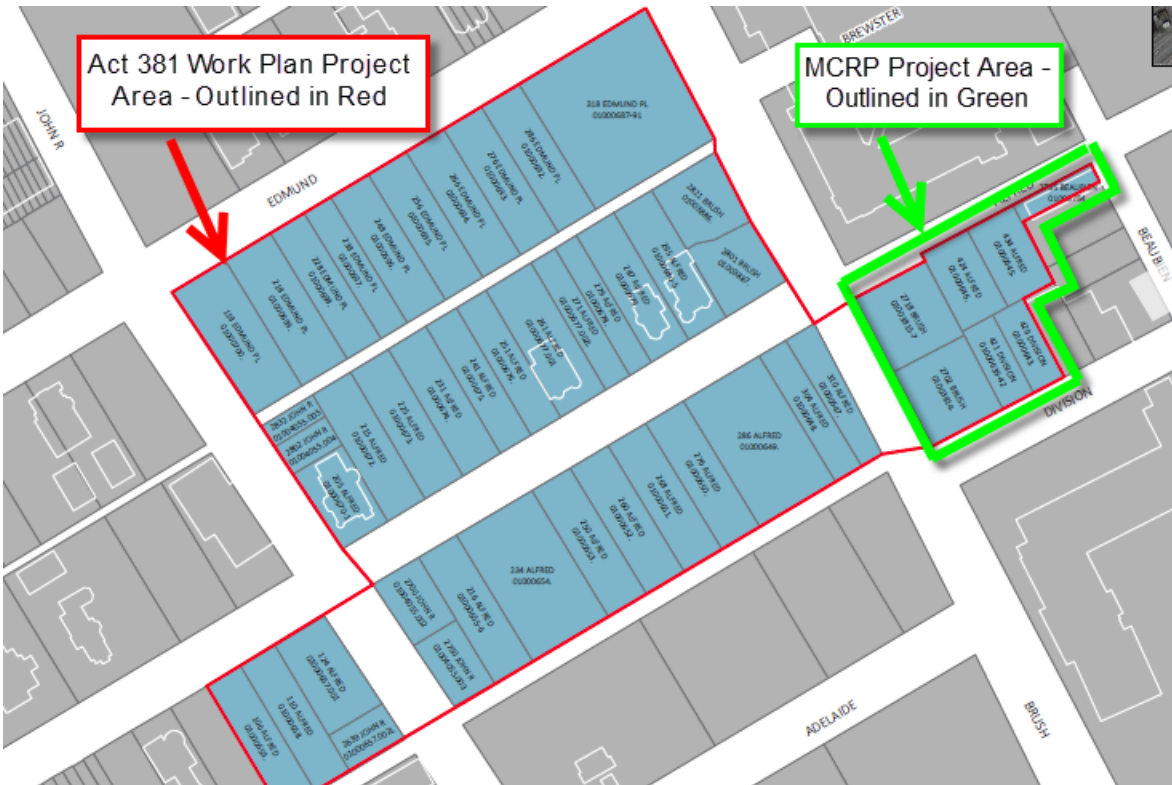
School tax capture	(38.56%)	\$	6,091,902
Local tax capture	(61.44%)	\$	9,704,965
TOTAL		\$	15,796,867

Cost of MSF Eligible Activities

Demolition		\$	60,000
Lead or Asbestos Abatement			45,000
Infrastructure Improvements			11,633,773
Site Preparation		+	1,984,590
Sub-Total		\$	13,723,363

Contingency (15%)	+	<u>2,058,504</u>
Sub-Total	\$	15,781,867
Brownfield/Work Plan Preparation	+	<u>15,000</u>
TOTAL	\$	15,796,867

APPENDIX C – Project Map and Renderings



BEFORE PHOTOS



RENDERINGS – ACT 381 WORK PLAN PROJECT AREA





MICHIGAN STRATEGIC FUND

Michigan Economic Development Corporation
300 N. Washington Square, Lansing, Michigan
Lake Michigan Conference Room

2020 **Revised** Meeting Dates

Tuesday, January 28, 2020
10:00 am

Tuesday, February 25, 2020
10:00 am

Tuesday, March 24, 2020
10:00 am

Tuesday, April 28, 2020
10:00 am

Tuesday, May 26, 2020
10:00 am

Tuesday, June 23, 2020
10:00 am

Tuesday, July 28, 2020
10:00 am

Tuesday, August 25, 2020
10:00 am

Tuesday, September 22, 2020
10:00 am

Tuesday, October 27, 2020
10:00 am

Tuesday, December 8, 2020
10:00 am

MEMORANDUM

Date: November 26, 2019

To: Michigan Strategic Fund (“MSF”) Board

From: Mark Morante, Fund Manager

Subject: State Historic Preservation Office Delegation of Authority

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board modify the MSF Compiled Delegation of Authority to include delegations of authority for certain duties, functions and activities related to the State Historic Preservation Office (the “Request”).

Background

Executive Order 2019-13 transferred the State Historic Preservation Office from the Michigan State Housing Development Authority to the MSF. The transfer was effective August 11, 2019. MEDC staff proposes the following updates to the MSF Compiled Delegation of Authority related to the duties, functions, and activities of the State Historic Preservation Office:

10.7-2 Michigan State Historic Preservation Office

(1) The MSF Fund Manager may make all decisions with respect to expenditures and funding of awards for programs or activities related to the State Historic Preservation Office.

(2) The MSF Fund Manager and the State Historic Preservation Officer, with both required to act, may execute all contracts, grants, or other agreements for programs or activities on behalf of the State Historic Preservation Office.

Recommendation

MEDC Staff recommends the MSF Board approve the Request.

MEMORANDUM

Date: November 26, 2019
To: Michigan Strategic Fund Board
From: Colin Dillon, Data & Strategy Manager, Pure Michigan Business Connect
Subject: Michigan Manufacturing Technology Center Grant Extension

ACTION

MEDC staff requests that the MSF Board grant and allocate funding up to \$2,125,000 to the Michigan Manufacturing Technology Center (“MMTC”) for the term of December 1, 2019 to September 30, 2020, as an extension of the one-year MSF grant that was awarded to the MMTC in October 2018 and approved to be extended for up to three years, and to allocate additional funding at the sole discretion of the MSF Board and subject to available funding.

BACKGROUND

The MMTC (<https://www.the-center.org/>) provides manufacturing support services to the Michigan manufacturing (and related) industry with the goal of increasing sales, profitability, the Michigan tax base, as well as creating and retaining jobs. MMTC provides the following services to Michigan companies:

- Consulting and training related to process improvement and efficiency.
- Matchmaking assistance in support of Pure Michigan Business Connect (“PMBC”) initiatives.
- Provide business outreach and services in support of the PMBC and business development efforts.

MMTC is the sole program of the 501c3 Industrial Technology Institute, Inc. (ITI), a not-for-profit Michigan corporation. Founded in 1981, in 1991 ITI proposed and was awarded the charter to operate the Michigan portion of the National Institute of Standards and Technology (NIST) Hollings Manufacturing Extension Partnership (MEP) program. The MMTC is a public/private network and in a normal operating year the MMTC receives \$2.15M from the State of Michigan and the MSF. Matching funds received from the federal Department of Commerce/National Institute of Standards and Technology (Manufacturing Extension Partnership) level is \$4.59M. The MMTC’s manufacturing clients in Michigan also pay \$5.8M.

FY2019 MMTC Performance Results for Consulting and Training and FY2020 Goals

The MMTC offers personalized consulting to small and medium-sized manufacturers in Michigan that enable them to work smarter, compete and prosper. Support from state and federal funding makes it possible for the center to offer services that would not otherwise be affordable for those businesses.

In FY2019, the MMTC worked with 471 Michigan companies on projects resulting in \$1.2 billion in new or retained sales and 8,058 new or retained jobs directly attributed to assistance

provided by the MMTC. The corresponding metrics for FY2019 were \$200 million in new or retained sales and 2,115 new or retained jobs. For FY2020, the MMTC has set \$250 million new or retained sales and 3,000 new or retained jobs as its primary metrics.

This impact was determined through the MMTC quarterly surveying process in which 370 manufacturers reported that MMTC programming directly lead to new/retained jobs and/or increased sales. Projects, in this case, being those designed to help Michigan companies with product and process innovation, lean manufacturing and continuous improvement, quality systems, costing systems, supervisory training, cybersecurity, market research, food processing and business development.

The MMTC is accredited as an authorized provider by the International Association for Continuing Education and Training (IACET), offering several courses with continuing education units (CEUs). The goal of the projects to provide critical services and assistance to meet clients' current and future strategic needs. In addition to providing consulting and training, the MMTC offers a unique, complimentary performance benchmarking service that compares a company's performance to that of its peers and competitors to identify areas for improvement.

Pure Michigan Business Connect Matchmaking Assistance

The assistance that the MMTC provides to the Pure Michigan Connect Program is vital to PMBC's ability to efficiently and effectively connect established procurement demand to the Michigan supply base. Recent MEDC benchmarking determined that PMBC's custom research program is unique in the United States, and over the past five years working with the MMTC, PMBC has developed a capability-focused research platform designed to quickly identify Michigan suppliers based on a purchaser's specific criteria for products and services.

Since the beginning of FY2015, PMBC has processed over 1,300 custom research requests for companies from 17 states and 26 countries. Over those years, PMBC has also supported companies from every county in Michigan. Manufactured products represent most of the research demand that PMBC receives, and the MMTC has been directly involved in over 560 searches, with supplier lists provided as deliverables for those searches reused to support hundreds of additional similar search requests. These requests are usually time-sensitive, and the process that PMBC and the MMTC developed has reduced the average response time for research requests from 19 business days at the end of FY2014 to 3.3 business days at the end of FY2019. In total, PMBC has used the research lists provided by the MMTC to make nearly 11,000 Michigan supplier recommendations to procurement demand. PMBC anticipates requiring MMTC support on 125 custom research requests in FY2020.

Additionally, the global competitiveness of the Michigan supply base is critical to PMBC being able to make strong recommendations that lead to connections and revenue for Michigan companies. As PMBC looks to establish more demand for advanced manufacturing and Industry 4.0 capabilities, it is essential that the in-state supply base be capable of meeting demand criteria in those areas. The consulting and training services provided by the MMTC play a strong role in helping Michigan manufacturers elevate their competitiveness so that PMBC can continue to make fruitful connections.

Business Outreach to Determine MMTC Impact

The MMTC, through NIST, their federal sponsor, uses an independent third-party organization to conduct a survey of their clients. The survey collects client level data on the business impact of the services provided by the MMTC. These results gauge the impact of the MMTC's work with Michigan's manufacturers and its economic impact on state, and regional economies. Clients are surveyed two quarters after an initial project is completed. These surveys are the way that the MMTC evaluates its impact and provides the MEDC with updates to its metric targets for a given fiscal year.

RECOMMENDATION

MEDC Staff recommends that the MSF Board award a grant of up to \$2,125,000 for a term of December 1, 2019 to September 30, 2020, as an extension of the one-year MSF grant that was awarded to the MMTC in October 2018 and approved to be extended for up to three years, and to allocate additional funding at the sole discretion of the MSF Board and subject to available funding. MEDC Staff further recommends that the MSF Board authorize the MSF Fund Manager to negotiate the final terms and conditions of the grant, which will include disbursement milestones, standard reporting, and other MSF-required provisions.

MEMORANDUM

Date: November 26, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Erik Wilford, Business Development Project Manager
Subject: Wayfair LLC (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request
Jobs Ready Michigan Program (“JRMP”) Grant Request

Request Summary

This is a request from the Applicant for a \$1,760,500 MBDP performance-based grant as outlined in the attached MBDP Term Sheet (“MBDP Request”). Additionally, the Applicant is requesting a \$750,000 JRMP performance-based grant as outlined in the attached JRMP Term Sheet (“JRMP Request”). This project involves the creation of 503 Qualified New Jobs and a capital investment of up to \$8,922,000 in the Township of Meridian, County of Ingham.

Applicant History

Founded in 2002, the Company is the largest online-only home furniture retailer and sells many home furnishings and décor items including over 10,000,000 products from over 11,000 suppliers. Headquartered in Boston, the Company has offices and warehouses throughout the United States as well as Canada, Germany, Ireland and the United Kingdom. The Company offers products from brands including AllModern, Birch Lane, Joss & Main and Perigold. As of June, the Company employed more than 14,500 worldwide, of which 26 were located in Michigan.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy.

Project Description

The Company intends to locate a customer support center to service its customers in the west, midwest or southeast region of the United States to diversify its North American coverage. The customer support facility center will house customer service representatives, support functions such as human resources, training, recruiting, workforce management, as well as management. Based on a response to a Request for Proposal (“RFP”), the Company reviewed two sites in Michigan and has since narrowed consideration to a location in Meridian Township, Ingham County. If incentive assistance is secured, the Company will sign a 7-10 year lease and begin ramping up job creation in the first quarter of 2020. Consideration of a site included long-term sustainability and scalability with the opportunity for future growth. This project would be the Company’s first large scale investment in the state. The Company recently decided not to renew its lease at its Livonia distribution center which employed 26 people. The Company continues to explore real estate options in southeast Michigan, however has not been able to commit to a new location at this time. The Company noted it was not able to renew its lease partly due to the building design and overall conditions of the building that would not allow the Company to scale for future growth. However, the Company has committed to incorporating the 26 base jobs either at the new Meridian Township facility or at a new distribution center in Michigan.

Business Case

Economic incentives are necessary to assist in narrowing the overall financial gap that exists between Michigan and other sites in the west, Midwest or southeast region of the United States. The Company has

acknowledged that one of the finalist locations in a competing state is able to offer a multi-million dollar incentive package and has an overall lower cost of doing business, including lower real estate costs and labor wage rates. The proposed offer from Michigan will utilize two programs to support this project; the MBDP and the JRMP.

The MBDP grant will be utilized to address lease costs and lease holder improvement costs. The grant agreement will require the company to create and maintain 503 new jobs in Meridian Township, Ingham County over 3 years. Additionally, the support will be provided on a performance basis and no disbursements will be made until milestones have been met and verified.

The JRMP grant will be utilized to address employee training and talent needs. The JRMP was created by the MSF in 2019 to meet the talent needs of companies that are expanding or locating into Michigan. The program is designed to be flexible and responsive to the specific talent requirements of companies and was created in response to overwhelming feedback from the business community that acknowledged the difficulties of finding talent and providing ongoing training, especially in the current climate of low unemployment. The JRMP grant will require the Company to show investment in training facilities, talent recruitment as well as evidence of continued training that will give employees skills that will be beneficial in promotion and future employment opportunities. The Company structures a tiered human resources system where employees are able to advance up a tier only after 1) customized training, 2) job experience and 3) passing a proficiency examination. The tier advancement results in an increase in the employee's wages. The JRMP will require employees to receive the training necessary to advance in tiers in order to receive grant distribution. Increased proficiencies will provide a path for employees both outside the Company as well as opportunities within which include a management staff of about 50. Support under this program is critical to show Michigan is committed to supporting workforce development and addressing the current needs of the business community.

Request

The proposed project will be the Company's first large scale project in the state and will impact the local region with immediate job growth with a large and expanding American e-commerce company. Location of a customer support center will result in the creation of 503 new jobs and \$8,922,000 in investment in the Township of Meridian, County of Ingham. In order to secure the project, the Applicant is requesting a \$1,760,500 MBDP performance-based grant and a \$750,000 JRMP performance-based grant. Without support under both the MBDP and the JRMP programs, Michigan stands to lose this project to a competing state that has provided an offer of support.

Recommendation

MEDC Staff recommends approval of the following:

- Approval of the MBDP Request as outlined in the attached resolution; and
- Approval of the JRMP 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: September 20, 2019

Company Name: Wayfair LLC and/or its affiliates and subsidiaries.

Project Location: 4700 South Hagadorn Road
East Lansing, Michigan 48823

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$1,760,500

Base Employment Level: At least 26

Qualified New Jobs: At least 503 at the Project Location

Municipality Supporting Project: Meridian 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

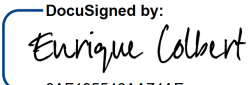
Term of the Agreement: July 31, 2023

Milestone Based Incentive: Disbursements will be made over a 3 year period and will be performance based on job creation as follows:
Milestone 1: \$175,000 for the creation of 50 jobs.
Milestone 2: \$1,050,000 for the creation of 300 jobs.
Milestone 3: \$535,500 for the creation of 153 jobs.

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

Acknowledged as received by:

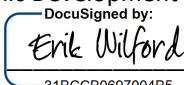
Wayfair LLC

By: 
8AF495546AA74E...

Printed Name: Enrique Colbert

Its: General Counsel

Michigan Economic Development Corporation

By: 
31BCCB0697004B5...

Printed Name: Erik Wilford

Its: Business Development Project Manager



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

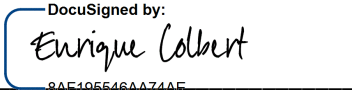
The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Jobs Ready Michigan Program (“JRMP”).

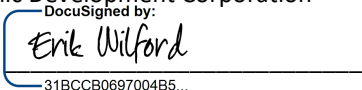
Date: October 1, 2019

- Company Name:** Wayfair LLC and/or its affiliates and subsidiaries.
- Project Location:** 4700 South Hagadorn Road
East Lansing, Michigan 48823
- JRMP Incentive Type:** Performance Based Grant
- Maximum Amount of JRMP Incentive:** Up to \$750,000
- Municipality Supporting Project:** Meridian Township has agreed to provide staff, financial or economic assistance in support of the project.
- Start Date for Measurement of Eligible Activities:** Date of MSF Approval
- Term of the Agreement:** July 31, 2023
- Milestone Based Incentive:** Disbursements will be made over a 3 year period and will be performance based as follows:
Milestone 1: \$300,000 for investment in construction of training facilities.
Milestone 2: \$150,000 for employee recruitment expenses.
Milestone 3: \$300,000 for employee training and promotion.

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

Acknowledged as received by:

Wayfair LLC
 By: 
8AF106846AA74AE...
 Printed Name: Enrique Colbert
 Its: General Counsel

Michigan Economic Development Corporation
 By: 
31BCCB0697004B5...
 Printed Name: Erik Wilford
 Its: Business Development Project Manager

MEMORANDUM

Date: November 26, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jibran Ahmed, Business Development Project Manager
Subject: GTB Agency, LLC (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request

Request Summary

This is a request from the Applicant for a \$1,650,000 MBDP performance based grant as outlined in the attached Term Sheet (“MBDP Request”). This project involves the creation of 182 Qualified New Jobs and a capital investment of up to \$19,237,714 in the City of Detroit, Wayne County.

Applicant History

The Company was formed as a Ford-dedicated communications agency in 2006 as a joint venture of five agencies. Since establishing, the Company has expanded its client base to include various companies from different industries. The Company has 21 locations globally with 2,625 employees in the media industry, providing advertising and marketing services. The Company currently has an office in Dearborn, Michigan with 850 employees.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy.

Project Description

In order to accommodate new client business and attract new talent, the Company needs to expand into a space that can support the Company’s headcount needs. As part of the Company’s hiring strategy, they are looking to create a world-class working space in a vibrant community that will assist in recruiting and retention efforts. To achieve this vision, the Company is considering expanding into an existing building in the City of Detroit or Kansas City, Missouri. If done in Detroit, the Company transfer its existing 850 employees currently working in Dearborn to the new location and add 182 new jobs as a result of the project. Activities at the new site would include client engagement, finance, human resources, innovation, design, and analytics. Significant improvements to the interior of the space would take place with an estimated \$19,237,714 of capital investment. The local community, Dearborn is aware of this project and that the Company is considering a move to downtown Detroit or Kansas City.

Business Case

The project remains highly competitive across two markets: Detroit, Michigan and Kansas City, Missouri. Kansas City is an attractive location due to the parent company, WPP plc, and related brand agency, VMLY&R, having a large presence in the city with around 900 employees. Being in close proximity to these related entities would provide the Company with additional synergies. The major cost disadvantages for Michigan are related to lease costs, wages, and the availability of media talent. In addition, Missouri has offered incentives to help offset a portion of the project.

State and local support is necessary to ensure the project move forward in Michigan. To support the project and reduce tax burden, the City of Detroit has offered to assist the Company with a personal property tax abatement for a period of up to 10-years, with an estimated value of \$992,961. The MBDP award under consideration will primarily be used to offset some of the cost of building out the new location in downtown

Detroit that is expected to help recruit and retain new employees. The MBDP funds will be provided on a performance basis and no disbursements will be made until milestones have been met and verified. Without incentive assistance to offset the cost of doing the project in Detroit, this relocation and consolidation will occur elsewhere, putting the State of Michigan at risk of losing the Company's existing footprint.

Request

With the help of MBDP funds, the project will create a world-class workplace that will attract and retain high skill and high wage employees in the City of Detroit. The addition of these creative jobs and the creation of an exciting workplace in the City of Detroit will continue to build a more diverse and vibrant business ecosystem within the city. The Applicant is requesting a \$1,650,000 MBDP grant which will help secure 850 employees as well as lead to the creation of 182 new jobs and \$19,237,714 in investment in the City of Detroit. Without incentive assistance, there is a potential that Michigan would lose a significant number of high wage positions to the competing location in Kansas City.

Recommendation

MEDC Staff recommends approval of the following:

- 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: November 5, 2019

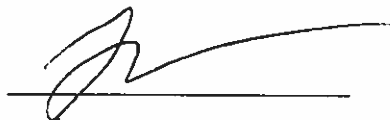
Company Name:	GTB Agency, LLC
Project Location:	City of Detroit
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$1,650,000
Base Employment Level:	At least 850
Qualified New Jobs:	At least 182
Municipality Supporting Project:	The City of Detroit to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	MSF Board Date
Term of the Agreement:	May 30, 2023
Milestone Based Incentive:	Disbursements will be made over a 3-year period and will be performance based on job creation as follows: Milestone 1: \$545,000 for the creation of 60 jobs. Milestone 2: \$540,000 for the creation of 60 jobs. Milestone 3: \$565,000 for the creation of 62 jobs.

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

Acknowledged as received by:

GTB Agency, LLC

By:



Printed Name:


Thomas Graziano

Its:

Assistant Secretary

Michigan Economic Development Corporation

By:



Printed Name:

Jibran Ahmed

Its:

Business Development Project Manager

MEMORANDUM

To: Michigan Strategic Fund Board
From: Chris Cook, Director, Capital Access
Date: November 26, 2019
Subject: Loose Plastics, Inc. (and/or related borrowers)
SSBCI Collateral Support Proposal

Capital Access Program History

The Michigan Economic Development Corporation's (MEDC) Capital Access Programs began in 2009 with a state allocation of \$26 million. In 2011, the Federal government deployed an additional \$79 million to the State of Michigan to continue its efforts towards providing access to capital for small businesses. The programs under the Capital Access department assist small business and financial lending institutions by providing collateral support or loan participation. In either case, there is always a closing fee and annual fee charged, in addition to all principal returned as well as any fees and interest expense that the MEDC may receive through its support with the transactions. To date the program has funded over \$195 million to 274 companies, leveraged over \$953 million in Private Investments, received a total of \$10.9 million in program revenue, and has had losses of just over 1% of the total loan funded.

Source of Information

It is the role of Capital Services Team staff ("CST") to review for eligibility, completeness, and adherence to industry standards and practices, the information provided by the financial institution and to manage the MSF's structural risk. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from material submitted by the lending institution and from third party research sources such as Dunn and Bradstreets FirstResearch database.

Request

Loose Plastics, Inc. ("Loose Plastics" or "Company") is a custom plastic sheet extrusion manufacturer located in Gladwin, MI. The Company has been in operation over 30 years and is working with Horizon Bank to refinance its existing term debt and working capital line of credit to improve overall cash flow. Loose Plastics is solely owned by Scott Loose.

Horizon Bank ("Bank") has proposed financing of an equipment term loan and working capital line of credit, to pay off its existing notes and increase its availability. The Bank is also making a related commercial real estate mortgage to the Company's real estate holding company JASCO Properties, LLC. Due to collateral shortfall on the term loan, the Bank is requesting collateral support from the MSF for the following:

Bank Facility and MSF Support

The Bank has proposed the following credit facilities:

Term = Equipment Loan	\$4,660,000
Revolving – Line of Credit	\$4,250,000
Term – Real Estate Loan	\$1,300,000
<u>Total Loans Leveraged</u>	<u>\$10,210,000</u>

Given the above structure, the proposed MSF exposure is a maximum of:

<u>Term = Equipment Loan</u>	<u>\$1,369,375</u>
<u>Total MSF Contribution</u>	<u>\$1,369,375</u>

Under definitions provided by the US Department of Treasury related to the calculation of leverage, the reported leveraged lending as compared to MSF exposure is 7.46:1.

Borrower History

Loose Plastics, Inc. was established in 1985 by Scott Loose in Gladwin, Michigan. Since 2015, the Company has increased revenue by nearly \$13 million and they currently employs 114 people. Loose Plastics has additional plans for growth and expects to see an increase in sales of \$3 million by 2020. See Exhibit A for full borrower history.

Recommendation

MEDC Staff recommends (the following, collectively, "Recommendation"):

a. Approval of the MBGF-CSP proposal contained herein and;

b. Subject to available funding under the MBGF-CSP at the time of closing ("Available Funding"), completion of due diligence, the results of which are satisfactory to the MEDC (collectively, "Due Diligence"), finalization of a MBGF-CSP Cash Collateral Deposit Agreement, and further subject to the following terms and conditions:

Facility 1 - Loose Plastics, Inc.

Borrower:	Loose Plastics, Inc.
Lender:	Horizon Bank
Loan Amount:	up to \$4,660,000
MSF Cash Collateral:	up to \$1,369,375
Loan Type:	6 year term loan and 6 year amortization Fees:
	Tier II: 1.75% at Closing
	1.00% annually thereafter on the MSF Cash Collateral.

Exhibit A

Credit Presentation

GENERAL INFORMATION

Company Name Loose Plastics, Inc.	Address 1016 E. 1st St.	City, State Zip Gladwin, Michigan 48624
Entity Type C Corporation	Type of Operation - Primary Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufact NAICS: 326130	
Lender Russ Matthews	Lender Contact rmatthews@horizonbank.com	

Bank Facility and MSF Support

The Bank has proposed the following credit facilities:

Term = Equipment Loan	\$4,660,000
Revolving – Line of Credit	\$4,250,000
Term – Real Estate Loan	\$1,300,000
<u>Total Loans Leveraged</u>	<u>\$10,210,000</u>

Given the above structure, the proposed MSF exposure is a maximum of:

<u>Term = Equipment Loan</u>	<u>\$1,369,375</u>
<u>Total MSF Contribution</u>	<u>\$1,369,375</u>

Under definitions provided by the US Department of Treasury related to the calculation of leverage, the reported leveraged lending as compared to MSF exposure is 7.46:1.

Background

Loose Plastics, Inc. was established in 1985 by Scott Loose. The Company was originally a one man operation cleaning and grinding automotive dunnage trays. In November 1985 Scott purchased a plastic sheet extruder, and by 1986 he added his first employee. In 1987, a 6000 sq. ft. addition was added that allowed for a second extruder and expanded to 12 employees. By 1993, a state of the art computerized extruder was purchased and another addition, this time of 12,000 sq. ft. was added to the facility. Currently, they manufacture custom plastic sheet extrusion. They have World Class ABC Coex or Mono Layer Capabilities with 10 extruders and over 120 employees.

Loose Plastics has been run by the founder, Scott Loose, since being founded in 1985. In 2012, Scott stepped away from many of his responsibilities with Loose Plastics, including the financial reporting, to care for his terminally ill wife. In his absence, Scott's son Josh assumed the day to day leadership role. Josh did an excellent job on the sales aspect, but struggled with understanding cash flow, financials, and accurate costing.

In order to fill the void on the financial side of the business, Josh made personnel changes that included the addition of multiple members of his family. These individuals quickly ascended to positions of management, but most of them lacked the experience or ability related to their respective roles in the Company. In order to make room for these individuals, the Company separated from a number of individuals who had significant experience and an elevated understanding of Loose Plastic's processes.

The biggest change was the financial reporting responsibilities. Unfortunately, new staff lacked the financial reporting knowledge, advanced knowledge of accounting, and the level of understanding of the Company's operations to effectively do the job.

The lack of the internal capabilities to compile reliable financial info resulted in materially inaccurate financial reporting that was used to make capital expenditure and investment decisions over the course of multiple years. The weakened inventory controls and lack of accurate financial reporting also created an environment that failed to recognize material as a percentage of sales continued to grow between 2013 and 2017, ultimately leading to an overstatement of inventory and net income. Loose Plastics continued to post solid net income numbers on monthly financials during this time, but suffered from a lack of working capital.

After Scott's wife passed, he returned to Loose Plastics in 2017 and found the Company a mess. The issues resulted in the Company requesting additional funding from its lender and the Company was subsequently placed in the workout group. With Scott's return he made numerous changes to bring the Company back to its success it was having before his departure in 2012. This included: Removing over a dozen positions that were not related to manufacturing (mostly related to the hiring of Josh's family members); added a consultant, Calderone Advisory Group, to manage cash flow, operations, and expense control; price increases; brought back stronger inventory control; and made multiple process and manufacturing improvements. Since uncovering an inventory overstatement and implementing numerous operating changes, financial performance and reporting has improved significantly.

Financing Opportunity

Horizon Bank is working with Loose Plastics, Inc. to provide new financing for the refinance of its equipment and capital lease obligations. The Company has been in business over 30 years, and is owned solely by Scott Loose. Loose Plastics has seen steady growth in sales over the past 5 years. The Company has invested in the Company to ensure that it has the correct equipment and people needed to continue to grow the company.

The Bank is asking for the MSF's support through the SSBCI Collateral Support Program for its equipment loan. The Bank is also providing a working capital line of credit and a real estate loan, however, there is no need for collateral support from the MSF on those.

Loan #	Purpose	Type	Balance/ Request Amt	Accrued Interest	Commit.	Interest Rate	Payment Amt. P&I	# Pmts.	Term	Amort	Orig Date	Mat Date
	Equipment Loan	Term	4,660,000			6						
Total			4,660,000									

Collateral	Type	Value	Adv Rate	Disc. Value	Prio r Lien	Coll. Amt.
Equipment	Used	4,700,750	70%	3,290,525		3,290,525
SSBCI-CSP	Cash	1,369,375	100%	1,369,375		1,369,375
Total		6,070,125		4,659,900		4,659,900

Total Loan Amount	4,660,000	Margin of Collateral to Loan	1.00
Total Collateral Amount	4,659,900	% Loan to Collateral	100.00%

Summary

Total Loan Amount	4,660,000	Margin of Collateral to Loan	1.00
Total Collateral Amount	4,659,900	% Loan to Collateral	100.00%

Collateral

The Bank is requesting collateral support on the proposed term loan of up to \$1,369,375 or 29.3% of the \$4,660,000 loan. The Bank is refinancing existing debt the Company has with another lending institution. This refinance will lower the company's interest rate, monthly payment, eliminate forbearance/restructuring fees, and increase overall cash flow. As shown by the above collateral chart the existing equipment is not valued high enough to support the proposed loan amount, therefore would not be able

to provide the loan without the assistance of the MSF's collateral program.

**INDUSTRY
COMPARISON****Balance Sheet:** 12/31/2018**Income/Expense:** 01/01/2018 to 12/31/2018**NAICS:** 326130 - Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufact

Unqualified: 5, Reviewed: 4, Compiled: 2, Tax Return: 3, Other: 17, Total Number Stmt: 31

	Client	Industry	Variance		Client	Industry	Variance	Quartile
Assets				Liquidity Ratios				
Cash & Equivalents	1.0	9.3	-8.3	Current Ratio	0.5	2.2	-1.7	4
Trade Receivables (net)	31.9	23.6	8.3	Quick Ratio (Acid Test)	0.3	1.1	-0.8	4
Inventory	26.3	25.6	0.7	Sales / Receivables	9.1	8.0	1.1	2
All Other Current	0.5	2.0	-1.5	Days' Receivables	40.0	46.0	-6.0	2
Total Current	59.8	60.5	-0.7	Cost of Sales / Inventory	9.5	5.7	3.8	1
Fixed Assets (net)	32.4	28.3	4.1	Days' Inventory	38.3	64.0	-25.7	1
Intangibles (net)	0.0	5.3	-5.3	Cost of Sales / Payables	6.1	11.8	-5.7	4
Other Non-Current	7.8	5.9	1.9	Days' Payables	60.1	31.0	29.1	4
Total Assets	100.0	100.0		Sales / Working Capital	-5.1	5.6	-10.7	
Liabilities				Coverage Ratio				
Notes Payable	60.8	9.1	51.7	EBIT / Interest	1.5	9.6	-8.1	4
Cur. Mat.	8.1	3.1	5.0	Net Prof. + Depr / Cur. Mat.	0.5			
L/T/D Trade	41.3	11.6	29.7	L/T/D				
All Other Current	6.2	5.8	0.4	Leverage Ratios				
All Other Current	6.2	5.8	0.4	Fixed / Net Worth	-1.5	0.6	-2.1	
Total Current	116.5	29.7	86.8	Debt / Net Worth	-5.7	0.8	-6.5	
Long Term Debt	4.7	17.4	-12.7	Operating Ratios				
Deferred Taxes	0.0	0.3	-0.3	% Prof. Bf. Taxes / Net Worth	-15.4	25.4	-40.8	4
Other Non-Current	0.0	1.3	-1.3	% Prof. Bf. Taxes / Total Assets	3.3	12.1	-8.8	4
Net Worth	-21.2	51.4	-72.6	Sales / Net Fixed Assets	9.0	6.7	2.3	2
Total Liab. & Net Worth	100.0	100.0		Sales / Total Assets	2.9	1.7	1.2	1
Income Data				Expense to Sales Ratio				
Net Sales	100.0	100.0	0.0	% Depreciation / Sales	0.3	2.5	-2.2	1
Gross Profit	13.8	29.3	-15.5	Officers' Compensation/Sales	0.0			
Operating Expenses	10.3	19.6	-9.3					
Operating Profit	3.4	9.7	-6.3					
All Other Expenses (net)	2.3	0.6	1.7					
Profit Before Taxes	1.1	9.1	-8.0					

Last Updated 10/02/2019 9:04:28 AM From RMA 2018 Data

OWNERSHIP / GUARANTORS

Name	Address	Relationship	% Own	Amt Guar.
Scott Loose		Guarantor	100	
JASCO Properties, LLC		Guarantor		

Source SSBCI	Program CSP	
Committed Date	Loan Closing Date	Total Loan \$4,660,000
MSF Share \$1,369,375	Additional Leverage (at closing) \$5,550,000	Additional Leverage (ongoing)
Leverage 7.46	Closing Fee 1.75% of MSF share	Annual Fee 1% of MSF annual balance
FTE @ Closing (in State) 114	FTE @ Closing (out of state)	Projected FTE Increase 16
FTE @ Annual Review	FTE Net Increase/Decrease	Support \$ per new job \$87,500
Associate	# Co's 1	Loan Type Term

Employment

Loose Plastics, Inc. has 114 full-time equivalent employees. The Company anticipates adding 8 fulltime employees within the next 6 months and an additional 8 within the next 2 years. The anticipated annual salary for employees of Loose Plastics, Inc. is \$41,052.

Exit Strategy

The Bank has implemented the following loan covenants in conjunction with its existing financing to Loose Plastics, Inc.

- Minimum Debt Service Coverage of 1.25x
 - Measured quarterly beginning 12/31/2019
 - Defined as: (Net Income + Interest Expense + Depreciation + Amortization - Cash Dividends-Loans to Owner-Extraordinary Gains and Income)/(Actual Principal Payments of Loose Plastics, Inc. and JASCO Properties, LLC)
- Maximum Additional Debt
 - No additional indebtedness above \$50,000 annually by Loose Plastics, Inc. or JASCO Properties, LLC without prior bank approval
- Distribution Limit
 - No Distributions allowed other than for the owner's tax liability for Loose Plastics, Inc.
- Net Worth
 - Company shall maintain a Net Worth that does not fall below (\$1,000,000) for the period starting 12/31/2019. The Net Worth will be evaluated for each annual statement and quarterly statement. Net Worth is defined as Total Net Worth.
- Annual Net Worth Step Up
 - Company shall maintain an annual Net Worth of \$750,000 beginning 12/31/2019. The Net Worth will be evaluated for each annual statement. Net Worth is defined as Total Net Worth.
- Officer Compensation

- Company shall maintain an officer compensation that does not exceed \$300,000 for the period starting 12/31/2019. Officer compensation does not include distributions for individual tax liability and is limited to the officer's salary. The officer compensation will be evaluated for each annual statement. Calculations o be based on reviewed statements.

These covenants are intended to require re-investment in the balance sheet of Loose Plastics, Inc. and ultimately the release of the pledged collateral from the MSF.

Conditions

- Commitment will remain valid for 90 days with approval for MSF Fund Manager to extend the commitment an additional 30 days.
- Unlimited, unsecured personal guaranty of Scott Loose, and the unlimited, unsecured corporate guaranty of JASCO Properties, LLC
 - *Guarantees are for the benefit of the MSF, subordinated to the senior lender and limited by senior lender's exposure at time of closing, but the subordination of the guarantees to the MSF in favor of the senior lender may not exceed a principal balance of \$10,210,000, along with reasonable interest and fees.
- The proposed financing will be subject to the following:
 - A Minimum Debt Service Coverage Ratio, as calculated by the Bank. Required minimum debt service coverage ratio will be set at a level acceptable to Bank and CST.
 - A maximum additional debt covenant to be set at a level acceptable to Bank and CST.
 - A distribution limit, whereas no distributions are allowed other than for the owner's tax liability for Loose Plastics, Inc.
 - An annual Net Worth Step up covenant which shall be set at a level acceptable to Bank and CST.
 - A Net Worth covenant shall be set at a level acceptable to Bank and CST.
 - An officer compensation covenant to be set at a level acceptable to Bank and CST.

SCORING & RATING

SCORING & RATING : MBGF_CSP_2019

Score = **3.20**

3 Average

Model Used: MEDC CRE Model - Board

Last Scored: 11/07/2019 2:01 PM Aileen Cohen

Financial Statements and Forms calculated from:

Balance Sheet: Inc. / Exp.:
:12/31/218 12/31/2018

Criteria		Criteria Score	Wt %	Weighted Criteria Score	Review
Debt / Tang Net Worth:	-5.72	0.00	20.00	0.000	
Debt Coverage Ratio:	1.22	4.00	20.00	0.800	
MSF Leverage Ratio	7.46	3.00	20.00	0.600	
Management / Borrower Character	Excellent team/Well exper	5.00	20.00	1.000	
Business & Industry Trends	Ltd vulnerability to sudd	4.00	20.00	0.800	
				3.200	

MEMORANDUM

Date: November 26, 2019

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Bond Inducement
Graphic Packaging International, LLC
Solid Waste – New - \$615,000,000*

Request:

Graphic Packaging International, LLC is requesting private activity bond financing for a solid waste project in the City of Kalamazoo and Kalamazoo Charter Township located in Kalamazoo County.

Background:

Graphic Packaging International, LLC (together with its subsidiaries, the “Company”), indicates it is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage, foodservice and other consumer products companies. The Company’s history extends more than 100 years through its legacy companies and it is the primary operating subsidiary of Graphic Packaging Holding Company, a publicly-traded company on the New York Stock Exchange. The Company operates on a global basis with over 80 facilities worldwide and is one of the largest producers of folding cartons and paper-based foodservice products in the United States and holds leading market positions in solid bleached sulfate paperboard, coated unbleached kraft paperboard and coated recycled paperboard.

The MEDC has completed civil and criminal background checks in accordance with the MSF background review policy.

Description of Project:

The Company is seeking to expand its Kalamazoo facility located in the City of Kalamazoo and Kalamazoo Charter Township.

The anticipated project is an estimated \$615,000,000 capital investment in a solid waste disposal facility consisting of a new paper machine (K2) that recycles paper to produce coated recycled paperboard (CRB) and a 70,000 – 85,000 sq. ft. warehouse at the Graphic Packaging Kalamazoo mill site. It will increase the output of the mill and consolidate the production of approximately 500,000 tons of CRB annually from other Graphic Packaging CRB machines to one “state of the art” paper machine. Once complete, the Kalamazoo mill will recycle approximately 800,000 tons of paper.

Key elements of the expansion include:

New Paper Machine (K2)	Approximately \$513,000,000
Expansion of Current Warehouse	Approximately \$ 24,000,000
New State of the art Powerhouse	Approximately \$ 22,000,000
Advanced stock prep which allows for the recycling of most grades of recyclable paper.	Approximately \$ 56,000,000

Please note that these capital expenses are estimates and the final capital expense may vary.

It is anticipated that 26 or more employees will be added at the Graphic Packaging Kalamazoo mill facility which is approximately one million square feet.

Previous incentives for the project include:

Brownfield Tax Increment Financing Local/State Mills	Up to \$21,900,000
PA 198 Property Tax Abatement (Real Property; 12 years)	\$1,592,000
6 Mill State Education Tax Abatement (12 years)	\$314,000
State Essential Services Assessment	\$7,281,000
MDOT Transportation Economic Development Fund	TBD
Michigan Works! Service Center proposal	\$38,000

Plans of Finance:

BofA securities has indicated an interest in acting as sole manager in connection with the sale or placement of the Bonds.

If the project size remains at \$615,000,000 the MSF issuance fee will be \$781,250.00.

Recommendation:

After reviewing the Private Activity Bond application for the Borrower, staff recommends the adoption of an Inducement Resolution in the amount of \$615,000,000.

MEMORANDUM

Date: November 26, 2019

To: Michigan Strategic Fund Board

From: Dominic Romano, Community Assistance Team Specialist
Rob Garza, Brownfield and MCRP Senior Program Specialist

Subject: Request for Approval of an Act 381 Work Plan
Proposed 166 Oak Redevelopment

REQUEST

The City of Wyandotte Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including local and school tax capture for MSF eligible activities in the amount of \$4,449,257, to support a community development project that will transform a former US Post Office and parking lot into a mixed-use, 5-story retail and residential development with integrated parking. The project is consistent with the MEDC Strategic Plan's focus to develop attractive places which attract talent through innovative placemaking and streamlining development processes at the community level to transform underutilized properties into vibrant areas. The project also meets local objectives, as supported by the Wyandotte 2019 Master Plan, by providing increased residential & commercial density and reactivating a prominent underutilized corner in downtown Wyandotte. A financing gap exists due to the alleviation of brownfield conditions on site and the cost of the integrated parking component. The Applicant anticipates that the project will result in a total capital investment in the amount of \$12,004,970 along with the creation of approximately 60 permanent full-time equivalent jobs with an average hourly wage of \$16.67.

LOCAL SUPPORT

Local support for the project includes a Wyandotte Downtown Development Authority grant of \$180,000, an Obsolete Property Redevelopment Act (OPRA) tax abatement with the projected value of \$576,076 over 12 years, a Neighborhood Enterprise Zone (NEZ) tax abatement valued at \$334,257 and the local portion of the Act 381 Work Plan of approximately \$2,913,916. Wyandotte is engaged with the MEDC's Redevelopment Ready Communities (RRC) program.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Wyandotte, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on September 23, 2019. The property has been deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on May 15, 2019.

There are 61.7350 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (38.88%) and local millage equaling 37.7350 mills (61.12%). Tax

increment capture will begin in 2021 and is estimated to continue for 30 years. The amount of tax increment revenue anticipated to be generated for reimbursement over 30 years is \$3,808,045 and the recommendation is to cap reimbursement from state tax capture at \$894,129. Total MSF eligible activities are estimated at \$4,449,257. Tax capture is impacted by an NEZ tax abatement and an OPRA tax abatement. In addition, 20% of available state and local tax capture will flow through to the taxing jurisdictions, while 80% of available state and local capture will be utilized for reimbursement. The requested blended tax capture for MSF eligible activities breaks down as follows:

State tax capture	(23.48%)	\$	894,129
Local tax capture	(76.52%)	\$	<u>2,913,916</u>
TOTAL		\$	3,808,045

COST OF MSF ELIGIBLE ACTIVITIES

Demolition		\$	714,380
Asbestos Abatement			10,000
Infrastructure Improvements			2,017,500
Site Preparation		+	<u>1,105,300</u>
Sub-Total		\$	3,847,180
Contingency (15%)		+	<u>577,077</u>
Sub-Total		\$	4,424,257
Brownfield/Work Plan Preparation		+	20,000
Brownfield/Work Plan Implementation		+	<u>5,000</u>
TOTAL		\$	4,449,257

In addition, the project is requesting \$9,000 in TIF from EGLE to assist with environmental eligible activities.

PROJECT BACKGROUND

The project will take place on .95 acres of land located at 166 Oak Street and 135 Chestnut Street and will consist of the redevelopment of the single story post office structure into a 92,412 square foot mixed-use building containing approximately 28,751 square feet of first floor retail space and approximately 63,661 square feet of residential space containing 16 apartments and 33 for-sale condos on the upper 4 floors. A target market analysis was completed in 2017 for Wyandotte and the surrounding downriver communities which supports the mix, types and number of residential units of the project. The development will also include integrated parking containing 30 spaces that will occupy space below the building and part of the first floor. The 29-space surface parking lot at 135 Chestnut Street will also be utilized by building residents. The project also includes approximately 6,260 square feet of the public space revitalized in the form of sidewalk installation, public alley improvements, and curb and gutter repair.

Brownfield aspects of the project necessary to support the vision of the community and the completion of the project come at a high initial cost. Since the closure of the post office in 2014, no one except the developer has come forward, willing to make the investment to move this property into a higher and better use. The developer has maximized senior financing and is contributing approximately 15% equity

into the project in the form of cash and land/building acquisition. Tax increment revenues, which will only result if the developer completes the construction, will enhance the cash flow and assist in servicing the senior debt on the project. Without brownfield tax increment reimbursement, the cost burden related to brownfield conditions would make the project financially unfeasible. Act 381 work plans are significant means of support by the MSF to the local communities, developers and their lending institutions, to not only help Michigan communities grow effectively but also create stronger deals which alleviate brownfield conditions and make difficult sites suitable for redevelopment, while protecting human health and the environment.

APPLICANT HISTORY

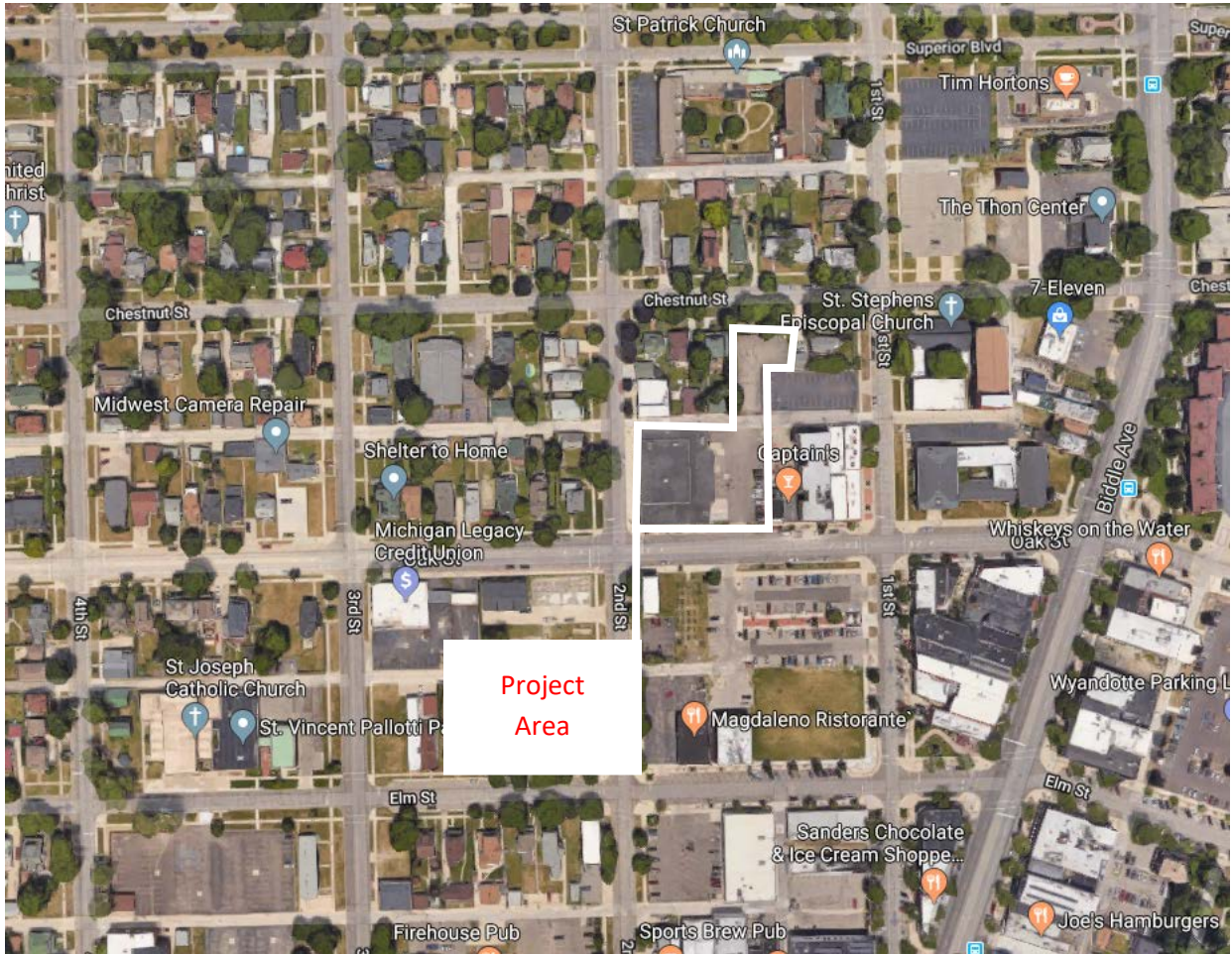
A&J Realty Ventures, LLC is a single purpose LLC created specifically for this project. Neither A&J Realty Ventures, LLC, nor its principals, have previously been awarded incentives from the Michigan Strategic Fund. MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

Appendix A includes a project map and renderings and **Appendix B** addresses the programmatic requirements.

RECOMMENDATION

MEDC staff recommends approval of local and school tax capture for the Act 381 eligible activities totaling \$4,449,257. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is recommended to be capped at \$894,129.

APPENDIX A – Project Map and Renderings





APPENDIX B – Programmatic Requirements

Key Statutory Criteria

Act 381 requires the following information to understand and explain the benefits of the project.

a) Overall Benefit to the Public:

The proposed development will create additional density in the downtown by reactivating a vacant building and creating a mixed-use development containing much needed residential and commercial space. The project is anticipated to spur additional development within the downtown.

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

This project is expected to create approximately 60 new, full-time jobs in property management and retail with an average hourly wage of \$16.67.

c) Area of High Unemployment:

The City of Wyandotte is not an area of high unemployment, having an unadjusted jobless rate of 3.7% in August 2019.

d) Level and Extent of Contamination Alleviated:

The project is not qualifying as a facility and there is no known contamination on the site.

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

The project will activate a functionally obsolete property by creating a 5-story mixed-use development.

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:

MEDC staff have reviewed the project pro forma and consider the project to be financially and economically sound.

h) Other Factors Considered:

A target market analysis was completed in 2017 for Wyandotte and the surrounding downriver communities which supports the mix, types and number of residential units of the project.

MEMORANDUM

Date: November 26, 2019

To: Michigan Strategic Fund Board Members

From: Sarah Rainero, Regional Director, Field Services
Madelaine Clapp, Senior Program Specialist Community Development Block Grant
Christine Whitz, Director, Community Development Block Grant Program

Subject: Community Development Block Grant Program
Project River Watch
City of Grand Haven, County of Ottawa

Request

The City of Grand Haven is requesting \$1,474,983 in Community Development Block Grant (CDBG) funds for public facilities improvements that are needed for Project River Watch located in Ottawa County, Michigan.

Background

Project River Watch will enhance critically underutilized public space in the heart of downtown Grand Haven, which is a main passageway from the City's downtown to the waterfront. Currently, there is limited ADA accessibility to the waterfront and this project will not only create new ADA accessibility pathways, but also create a more engaging public space for the residents of Grand Haven. Current landscaping serves as a barrier to the waterfront. By improving the area, a new overlook deck will enhance the area. Improvements will include widening of the sidewalk along Harbor Drive, which is currently heavily congested and unsafe for residents who are walking from downtown to the waterfront. In addition, the current sidewalks to the waterfront are not ADA accessible, and this project will create pathways that are safe for all residents to use. Overall, this project will greatly enhance the pedestrian safety and walkability from the City's main commercial district to the waterfront.

This project is a priority for the City of Grand Haven and aligns with the vision established in their Waterfront Strategic Plan, in which one of the main goals is to increase public accessibility and gathering space along the waterfront. The City along with several community partners have invested greatly in the waterfront over the past 10 years. Some projects include but are not limited to: significant enhancements to the waterfront stadium, improvements to the musical fountain, renovations to the pier and catwalk, along with maintaining several parks along the channel. This project is a priority to the City of Grand Haven because it will greatly enhance a distressed portion of the waterfront that will be available for all to enjoy and will be catalytic in future waterfront improvements as well. The City of Grand Haven is a certified Redevelopment Ready Community and is also a Master Level Community in the Michigan Main Street Program.

Program specific requirements and screening guidelines are addressed in **Appendix A**.

Project area map, including renderings and before photos are provided in **Appendix B**.

Recommendation

The MEDC Staff recommends:

- A CDBG Public Facilities grant agreement in the amount of \$1,474,983 be authorized for the City of Grand Haven for the project known as Project River Watch.

APPENDIX A – Programmatic Requirements & Screening Guidelines

Program Requirements

The project was evaluated utilizing the CDBG requirements. It has been determined that the project meets the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
This project qualifies for CBDG funding as the project activities will benefit all residents of the project area and 51% percent of the residents of the City of Grand Haven are low- and moderate-income persons as determined by census data provided by an income survey approved by staff. The project meets a national objective by providing benefit to at least 51 percent low- and moderate-income persons.
- **Eligible Activity:**
This project involves eligible activities identified in Section 105(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended.

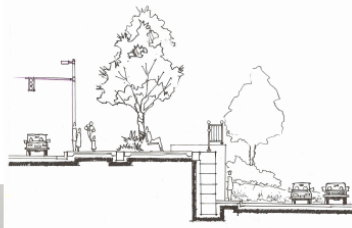
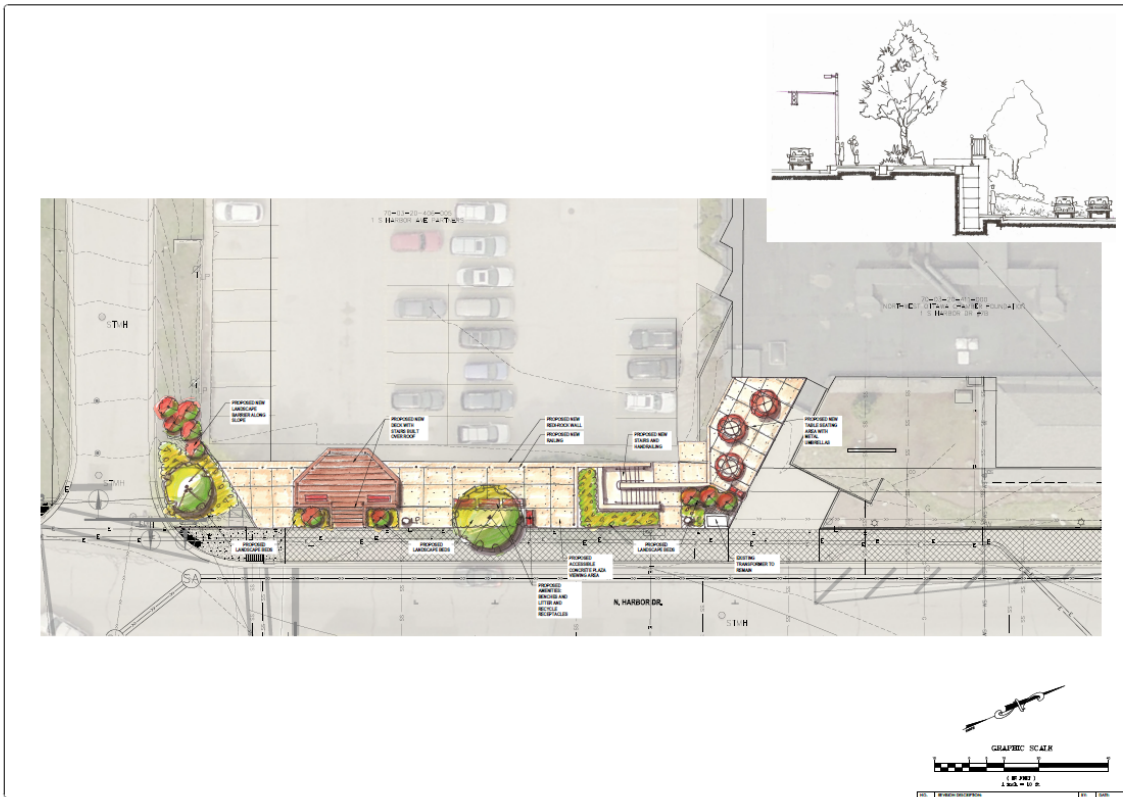
Screening Guidelines

The project was evaluated utilizing the CDBG guidelines. It has been determined that the project meets the following standards to qualify as an eligible project under the CDBG program:

- **Economic Impact:** The economic impact of this project was evaluated. It was determined that the project is:
 - Located in a highly visible location
 - Located in a DDA
 - Local organizational capacity to successfully complete this projectand the community has:
 - A full-time downtown development professional or community staff member able to administer the project
 - Adopted a downtown development plan and Waterfront Strategic Plan
- **Minimum Local Participation:** The City of Grand Haven will make an anticipated contribution of \$163,887, which is ten percent (10%) of the total public facilities costs. The funds will be provided by the City of Grand Haven’s general fund.
- **Financial Viability and Background Check:** The City receiving the benefit from this project has completed a civil and criminal background check in accordance with the MSF Background Review Policy with no concerns and has been determined to be financially viable.

The MEDC staff has concluded that the project meets the minimum program requirements and screening guidelines to be eligible under the CDBG program.

APPENDIX B – Renderings, Map and Site Photos



ABONMARCHÉ
 ARCHITECTS
 1000 W. GRAND AVENUE
 GRAND HAVEN, MICHIGAN 49427
 TEL: 616.835.1100
 WWW.ABONMARCHÉ.COM

PROJECT: CENTENNIAL PARK
CITY: CITY OF GRAND HAVEN
STATE: GRAND HAVEN, MICHIGAN

DATE: 08/20/2018

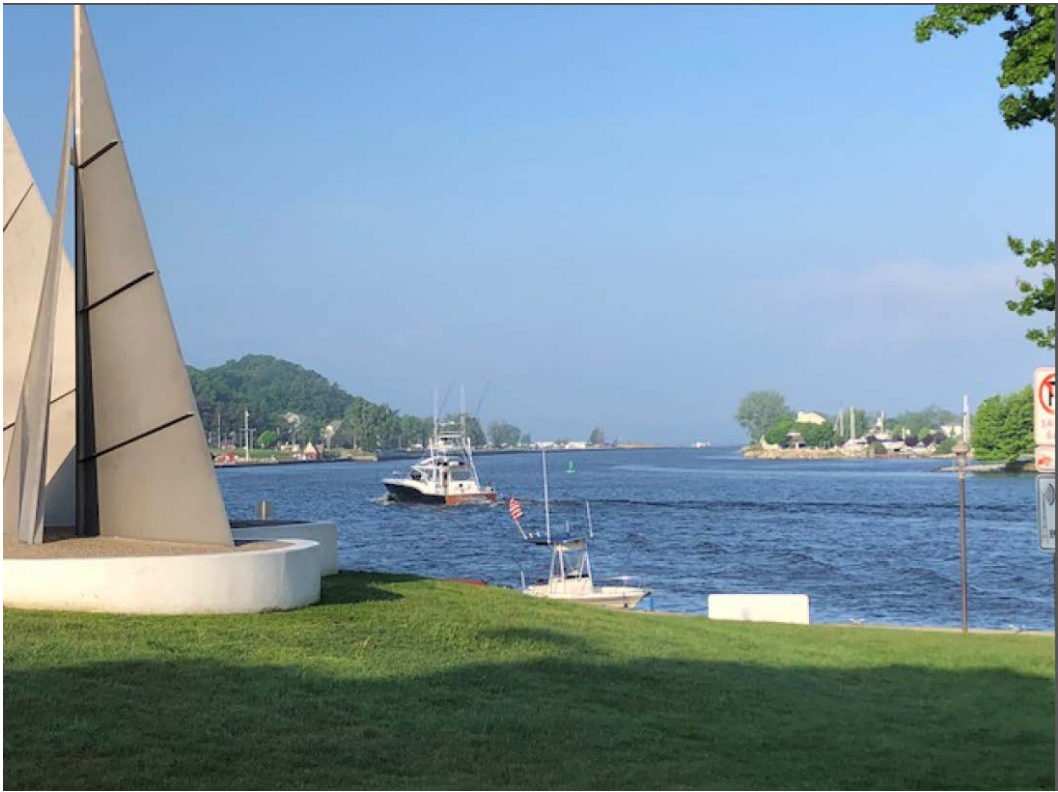
SCALE: 1" = 10'-0"

PROJECT NO.: P18-0018

SHEET NO.: 2 of 2









RESOLUTIONS

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-165**

**APPROVAL OF NOVEMBER 2019 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, the Michigan Strategic Fund (“MSF”), at its February 2014 board meeting, approved the use of consent agendas at future board meetings pursuant to defined guidelines.

WHEREAS, the MSF, at its February 2014 board meeting, approved Guidelines for Preparation and Approval of Consent Agendas for the MSF (“Guidelines”).

WHEREAS, pursuant to the recommendation of MSF and MEDC staff, the MSF Board desires to approve the below Consent Agenda items;

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:

Proposed Meeting Minutes – October 22, 2019
Challenge Manufacturing – MBDP Grant Amendment
City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC –
MCRP Re-approval
2020 MSF Board Meeting Calendar – Amendment
Delegation of Authority for SHPO

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-166**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT
PROGRAM (“MBDP”) GRANT AGREEMENT AMENDMENT FOR
CHALLENGE MFG. COMPANY, 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 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 (“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 (“Transaction Documents”);

WHEREAS, the Guidelines require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, the MSF Board approved a \$2.5 million MBDP Performance based grant for Challenge Mfg. Company, LLC (the “Company”) on May 27, 2014 to secure the project for a new 400,000 square feet facility in Michigan (the “Project”);

WHEREAS, the MSF Board approved an amendment Company’s existing MBDP grant agreement to reduce the Base Employment Level from 2,024 to 1,805 and reduce the total grant amount from \$2.5 million to \$2.238 million on December 15, 2015;

WHEREAS, the MSF Board approved a second amendment to the Company’s MBDP grant agreement to clarify the Project address as well as extend the due dates for Disbursement Milestones Three through Five to better align with the Company’s growth projections on April 25, 2017;

WHEREAS, the Company requests that the MSF Board approve an amendment to the MBDP grant agreement to modify the Project description to include statewide locations for the purposes of Qualified New Job (“QNJ”) creation, remove Disbursement Milestones Three through Five which will reduce the maximum amount of the grant from \$2.238 million to \$1.4 million, reduce the total QNJ requirement from 450 to 250, and modify the Term of Agreement to August 11, 2019 (the “MBDP Amendment Request”);

WHEREAS, the MEDC recommends approval of the MBDP Amendment Request; and

WHEREAS, the MSF Board wishes to approve the MBDP Amendment Request.

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-167**

**RE-APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
LOAN AWARD TO
CITY MODERN 440 ALFRED STREET LLC AND
BRUSH PARK DEVELOPMENT COMPANY PHASE I LLC OR RELATED ENTITY
(440 ALFRED STREET PROJECT)**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

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

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

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

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

WHEREAS, by Resolution 2017-045, on March 28, 2017 the MSF Board awarded an MCRP Performance-Based Loan award to City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC or such entities formed or to be formed in the furtherance of the 440 Alfred Street Project (“Applicant” or “Co-Applicants”) for up to a \$7,500,000 Performance Based Loan award (“Award”);

WHEREAS, by the terms of Resolution 2017-045, on November 17, 2017, the MSF Fund Manager approved an extension of the Award to March 23, 2018 (“Original Expiration Date”);

WHEREAS, by Resolution 2018-041, on March 27, 2018 the MSF reapproved the \$7,500,000 MCRP Performance-Based Loan award to City Modern 440 Alfred Street LLC and Brush Park Development or such entities formed or to be formed in the furtherance of the 440 Alfred Street Project, with all terms of the original approval remaining in place;

WHEREAS, the Applicant was unable to execute the Transaction Documents is requesting re-approval of the Award along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”);

WHEREAS, the MEDC is recommending that the MSF re-approve the Award, with all other requirements remaining in place from the original approval.

WHEREAS, the MEDC is recommending the MSF re-approve the Applicant’s Award Request 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 90 days (the foregoing, collectively, the “MCRP Award Recommendation”); and

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

ADOPTED

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019

EXHIBIT A

“Term Sheet”

LOAN FACILITY

MSF Facility:

MCRP Performance-Based Loan

Borrower:

City Modern 440 Alfred Street LLC and Brush Park Development Company Phase I LLC or a Related Entity

Loan Amount:

Up to the lesser of \$7,500,000 or 20% of “Eligible Investment”

Term:

Anticipated to be 120 months

Amortization:

Anticipated to be 300 months

Interest Rate:

Anticipated to be 2% per annum

Repayment Terms:

Anticipated to 12 monthly interest only payments, followed by 108 equal principal and interest payments with the remaining principal balance due at maturity.

Collateral:

Anticipated to be lien interest in the property and the corresponding TIF reimbursements. Allowance for the MSF’s lien interest to be subordinated to a third-party senior lender.

Guarantee:

Guarantees acceptable to the MSF Fund Manager limited to statutory defaults under the MCRP Agreement

MSF Fees:

A one-time fee equal to one percent of the MSF Loan Award.

Funding:

The MSF will fund up to \$7,500,000 to be disbursed following completion of construction of the 440 Alfred Street project and other performance criteria.

Other Conditions:

Milestones or closing conditions anticipated to include:

- Receipt of a Guaranteed Maximum Price contract
- Final Development Budget
- Receipt of State approval of the tax abatement



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-168**

STRATEGIC FUND DELEGATION OF AUTHORITY

WHEREAS, under Section 125.2005(7) of the Michigan Strategic Fund Act, the Michigan Strategic Fund (“MSF”) Board may delegate to its president, vice-president, staff or others those functions and authority the MSF Board deems necessary or appropriate;

WHEREAS, under Article II, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on April 22, 2014, the MSF Board may delegate by resolution those functions and authority it deems necessary or appropriate to the President, Vice-President, Staff, the MEDC, or others, unless otherwise prohibited by law;

WHEREAS, under Article III, Section 1 of the Bylaws, the MSF President will provide for compilations of all general delegated authority; standard processes; and standard policies, in force (the "Strategic Fund Compiled Resolutions" or "SFCR");

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

WHEREAS, pursuant to Executive Order 2019-13, the State Historic Preservation Office (“SHPO”), including all its authorities, powers, duties, functions, and responsibilities, was transferred from the Michigan State Housing Development Authority to the MSF;

WHEREAS, the MEDC recommends that the MSF Board amend the Strategic Fund Compiled Resolutions to delegate authority to the MSF Fund Manager and the State Historic Preservation Officer for certain duties, functions and activities related to SHPO; and

WHEREAS, the MSF Board wishes to approve revisions to the Strategic Fund Compiled Resolutions in accordance with the terms and conditions of this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the MSF Board delegates the following authority effective November 26, 2019:

10.7-2 Michigan State Historic Preservation Office

(1) The MSF Fund Manager may make all decisions with respect to expenditures and funding of awards for programs or activities related to the State Historic Preservation Office.

(2) The MSF Fund Manager and the State Historic Preservation Officer, with both required to act, may execute all contracts, grants, or other agreements for programs or activities on behalf of the State Historic Preservation Office.

BE IT FURTHER RESOLVED, the MSF President shall compile and publish the above delegated authority as required under Article III of the Bylaws.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-169**

MICHIGAN MANUFACTURING TECHNOLOGY CENTER GRANT AMENDMENT

WHEREAS, Public Acts 215 and 225 of 2005 (the “Act”) established the 21st Century Jobs Trust Fund initiative;

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

WHEREAS, Section 7 of the Act provides that the MSF has the power to make grants, loans and investments;

WHEREAS, Section 2 of the Act provides that the purposes of the Act and of the MSF is to, among other things, help diversify the economy of this state, assist business enterprise in obtaining additional sources of financing to aid this state in achieving the goal of long-term economic growth and full employment, meet the growing competition for business enterprises, preserve existing jobs, create new jobs, and reduce the cost of business and production;

WHEREAS, on November 27, 2018, the MSF awarded a grant of up to \$2,125,000 to the Michigan Manufacturing Technology Center (“MMTC”) for an initial term of November 27, 2018 to October 31, 2019, with the option to extend the grant for up to an additional three years and allocate additional funding at the sole discretion of the MSF Board and subject to available funding (the “MMTC Grant”);

WHEREAS, on September 24, 2019, the MSF approved an amendment to extend the MMTC Grant to September 30, 2020;

WHEREAS, the MEDC recommends that the MSF allocate \$2,125,000 in additional funding to the MMTC Grant (the “Amendment Request”); and

WHEREAS, the MSF wishes to approve the Amendment Request.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-170**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
WAYFAIR 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 (“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 (“Transaction Documents”);

WHEREAS, the Guidelines require that MBDP awards over \$1 million must be approved by the MSF Board;

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

WHEREAS, Wayfair LLC (“Company”) has requested a performance based MBDP Grant, of up to \$1,760,500 (“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 Company’s 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.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Susan Tellier, Cindy Warner

Nays: None

Recused: Charles P. Rothstein

Lansing, Michigan
November 26, 2019



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: September 20, 2019

Company Name: Wayfair LLC and/or its affiliates and subsidiaries.

Project Location: 4700 South Hagadorn Road
East Lansing, Michigan 48823

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$1,760,500

Base Employment Level: At least 26

Qualified New Jobs: At least 503 at the Project Location

Municipality Supporting Project: Meridian 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

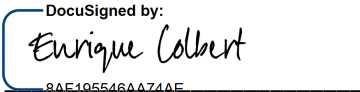
Term of the Agreement: July 31, 2023

Milestone Based Incentive: Disbursements will be made over a 3 year period and will be performance based on job creation as follows:
Milestone 1: \$175,000 for the creation of 50 jobs.
Milestone 2: \$1,050,000 for the creation of 300 jobs.
Milestone 3: \$535,500 for the creation of 153 jobs.

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

Acknowledged as received by:

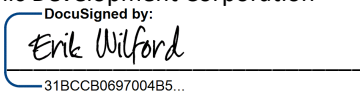
Wayfair LLC

By: 
8AF495546AA74AE...

Printed Name: Enrique Colbert

Its: General Counsel

Michigan Economic Development Corporation

By: 
31BCCB0697004B5...

Printed Name: Erik wilford

Its: Business Development Project Manager

BERINGEA

32330 W. 12 Mile Road
Farmington Hills, MI 48334
Tel: 248-489-9000
Fax: 248-489-8819
www.beringea.com

November 25, 2019

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

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, November 26, 2019.

- Wayfair, LLC

The reason for my recusal relates to the fact that I may have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles Rothstein', written in a cursive style.

Charles Rothstein
Founder & Sr. Managing Director
Beringea, LLC



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-171**

**APPROVAL OF A JOBS READY MICHIGAN PROGRAM GRANT TO
WAYFAIR LLC**

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, Wayfair LLC (“Company”) has requested a JRMP grant of up to \$750,000 (“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 Company’s 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 (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Susan Tellier, Cindy Warner

Nays: None

Recused: Charles P. Rothstein



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”).

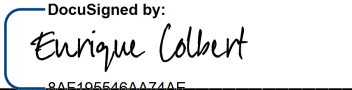
Date: October 1, 2019

- Company Name:** Wayfair LLC and/or its affiliates and subsidiaries.
- Project Location:** 4700 South Hagadorn Road
East Lansing, Michigan 48823
- JRMP Incentive Type:** Performance Based Grant
- Maximum Amount of JRMP Incentive:** Up to \$750,000
- Municipality Supporting Project:** Meridian Township has agreed to provide staff, financial or economic assistance in support of the project.
- Start Date for Measurement of Eligible Activities:** Date of MSF Approval
- Term of the Agreement:** July 31, 2023
- Milestone Based Incentive:** Disbursements will be made over a 3 year period and will be performance based as follows:
Milestone 1: \$300,000 for investment in construction of training facilities.
Milestone 2: \$150,000 for employee recruitment expenses.
Milestone 3: \$300,000 for employee training and promotion.

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

Acknowledged as received by:

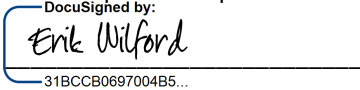
Wayfair LLC

By: 
8AF106846AA74AE...

Printed Name: Enrique Colbert

Its: General Counsel

Michigan Economic Development Corporation

By: 
31BCCB0697004B5...

Printed Name: Erik Wilford

Its: Business Development Project Manager

BERINGEA

32330 W. 12 Mile Road
Farmington Hills, MI 48334
Tel: 248-489-9000
Fax: 248-489-8819
www.beringea.com

November 25, 2019

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

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, November 26, 2019.

- Wayfair, LLC

The reason for my recusal relates to the fact that I may have a potential conflict of interest with respect to the parties involved in the Agenda item.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles Rothstein', written in a cursive style.

Charles Rothstein
Founder & Sr. Managing Director
Beringea, LLC



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-172**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
GTB AGENCY, 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 (“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 (“Transaction Documents”);

WHEREAS, the Guidelines require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, GTB Agency, LLC (“Company”) has requested a performance based MBDP grant of up to \$1,650,000 (“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 Company’s 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.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019

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: November 5, 2019

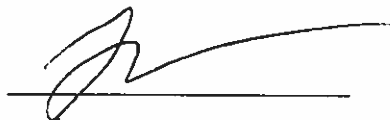
Company Name:	GTB Agency, LLC
Project Location:	City of Detroit
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$1,650,000
Base Employment Level:	At least 850
Qualified New Jobs:	At least 182
Municipality Supporting Project:	The City of Detroit to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	MSF Board Date
Term of the Agreement:	May 30, 2023
Milestone Based Incentive:	Disbursements will be made over a 3-year period and will be performance based on job creation as follows: Milestone 1: \$545,000 for the creation of 60 jobs. Milestone 2: \$540,000 for the creation of 60 jobs. Milestone 3: \$565,000 for the creation of 62 jobs.

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

Acknowledged as received by:

GTB Agency, LLC

By:



Printed Name:

Thomas Graziano

Its:

Assistant Secretary

Michigan Economic Development Corporation

By:



Printed Name:

Jibrán Ahmed

Its:

Business Development Project Manager



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-173**

**SSBCI MBGF-CSP
APPROVAL OF CASH COLLATERAL DEPOSIT AGREEMENT FOR
LOOSE PLASTICS, INC. AND RELATED BORROWERS**

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

WHEREAS, at its May 25, 2011 meeting, the MSF Board approved: (i) the creation of the Michigan Business Growth Fund (the “MBGF”), an SSBCI Program created by the MSF to disburse SSBCI funds in accordance with the SSBCI, and (ii) as part of the MBGF, the creation of a collateral support program designed to facilitate financing of projects for commercial borrowers (the “MBGF-CSP”), and (iii) the guidelines for the MBGF-CSP (“MBGF-CSP Guidelines”) and MBGF-CSP Cash Collateral Deposit Agreement (“MBGF-CSP Agreement”), each to be utilized for the operation of the MBGF-CSP, and (iv) the MSF Fund Manager or Chairperson to negotiate and sign the terms and conditions of the MBGF-CSP Agreement as authorized by the MSF Board;

WHEREAS, on June 21, 2011, the US Department of Treasury approved the State of Michigan, through the MSF, to receive and disburse SSBCI funds within the SSBCI Programs created by the MSF;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the Michigan Strategic Fund (“MSF”) for SSBCI Programs, including the MBGF-CSP;

WHEREAS, Horizon Bank (“Lender”) has proposed a new credit facility to Loose Plastics, Inc. (and/or related borrowers (the “Proposed Borrower”)) of \$4,660,000 for an equipment term loan;

WHEREAS, Proposed Borrower has requested collateral support from the MSF under the MBGF-CSP in an amount not to exceed the lesser of (i) \$1,369,375 or (ii) up to 29.3% of the total amount of the Bank loan (“MBGF-CSP Support”);

WHEREAS, the MEDC has reviewed the Bank’s current credit documents for the Proposed Borrower, and recommends that the MSF Board approve the MBGF-CSP Support, subject to: (i) available funding, and final due diligence performed, to the satisfaction of the MEDC; and (ii) execution of the MBGF-CSP Agreement within 90 days of the date of this Resolution (“Time Period”), or the collateral support approvals under this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 30 days (“MBGF-CSP Support Award”);

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the MBGF-CSP Support Award;

BE IT FURTHER RESOLVED, that the MSF approves a waiver to the MBGF-CSP Guidelines to remove the requirement that the MSF charge an annual fee to the Lender for the MBGF-CSP Support;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate all final terms and conditions and to execute the MBGF-CSP Support Award documents on behalf of the MSF, so long as the final terms and conditions are not materially adverse to the MSF.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**INDUCEMENT RESOLUTION
2019-174**

Graphic Packaging International, LLC

WHEREAS, Graphic Packaging International, LLC, is a Delaware limited liability company, qualified to do business in Michigan, (the "Borrower"):

WHEREAS, the Borrower desires to finance the costs of the installation of solid waste disposal equipment improvements and warehouse improvements at the Borrower's City of Kalamazoo facility located in Kalamazoo County, including a new paper machine (K2), the expansion of the current warehouse, a new state of the art powerhouse and advanced stock prep;

WHEREAS, the Borrower has applied to the Michigan Strategic Fund (the "MSF") for a loan (the "Loan") to finance the Project as defined in 1984 PA 270 (the "Act");

WHEREAS, the Borrower has advised the MSF that the cost of the Project will not exceed Six Hundred Fifteen Million Dollars (\$615,000,000);

WHEREAS, the Act authorizes the MSF to loan moneys to business enterprises for the purpose of financing projects and to obtain the moneys for such loans by the issuance of bonds pursuant to the Act; and

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141 and 142(a)(6) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

NOW, THEREFORE, BE IT RESOLVED, by the Michigan Strategic Fund that:

1. The MSF intends to provide the Loan to the Borrower subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Borrower's Tax-Exempt Application Form dated October 31, 2019.
3. The maximum principal amount of the bonds (the "Bonds") expected to be issued to provide the Loan to finance the Project shall not exceed Six Hundred Fifteen Million Dollars (\$615,000,000). The Borrower shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the bonds under applicable federal and state laws, and b) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.
5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.
6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the "Attorney General") and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.

7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the "Bond Resolution") for the purpose of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Borrower and a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.

8. The Bonds shall not be general obligations of the MSF but shall be payable as to principal and interest solely from the proceeds of the payments to be made by the Borrower to the MSF (or to a trustee appointed by the MSF pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely certain that under no circumstances will the Bonds or this Resolution be a debt or obligation of the State of Michigan or a general obligation of the Michigan Strategic Fund, nor will the State of Michigan be liable on the Bonds.

9. All costs and expenses involved in the authorization, issuance, sale, and delivery of the Bonds and in the making of the Loan shall be paid from the Bond proceeds or, if they are insufficient, by the Borrower.

10. The staff of the MSF is authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the MSF, with a bond purchaser for the sale of the Bonds. Any authorized signatory is authorized to prepare and file with the Michigan Department of Treasury a request for allocation as it relates to the State limitations on the issuance of private activity bonds.

11. Bond counsel to the MSF and the Attorney General are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the MSF to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any authorized signatory is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the bond proceeds or by the Borrower.

12. A preliminary official statement or other offering materials may be used in connection with the sale of the Bonds; provided, however, that no preliminary official statement or other offering materials shall be circulated unless any description of the MSF, the Bonds and documents to which the MSF is a party shall have been approved by bond counsel to the MSF and the Attorney General.

13. All resolutions and parts of resolutions insofar as they conflict with this Resolution are rescinded.

ADOPTED

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

Pursuant to MCLA 16.51, I hereby confirm my designation of Susan Corbin 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.

If you need anything additional, please contact Monica Chrzaszcz at (517) 897-6108.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

RESOLUTION 2019-176

APPROVAL OF CITY OF GRAND HAVEN'S RIVER WATCH PROJECT

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of State of Michigan, consolidated the State's economic development functions and programs and their accompanying powers of the Michigan Strategic Fund ("MSF");

WHEREAS, Executive Order 1999-1 transferred from the Michigan Jobs Commission to the MSF all authority, powers, duties, functions, grants, and responsibilities, including the functions of budgeting, procurement, personnel, and management related functions, of the Community Development Block Grant ("CDBG") program;

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2019 Program Year Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133, authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for area benefit grants;

WHEREAS, pursuant to SFCR 10.1-1, 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 or decisions approved under the CDBG program;

WHEREAS, the City of Grand Haven (the "Community") has submitted a complete application for approval requesting funding to be used to fund the public improvements to their River Watch project within their downtown (the "Project");

WHEREAS, the CDBG program staff reviewed the application and proposed Project in light of the Criteria, Guide and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, and at least 51 percent of the project beneficiaries are low and moderate income persons; and

WHEREAS, staff recommends that a grant agreement be authorized and entered into with the Community for funds from the CDBG program for the reasons set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed \$1,474,983 for the payment or reimbursement of costs associated with the Project, and allocates \$1,474,983 from the Michigan CDBG program for the purpose of funding the Community's proposed Project contingent upon the MSF's continued receipt of CDBG funds and availability of adequate funds; and

BE IT FURTHER RESOLVED, the MSF Fund Manager, in coordination with MEDC staff is directed to negotiate the terms of a grant agreement for the Project consistent with this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin (on behalf of Director Donofrio, designation attached), Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
November 26, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

November 13, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

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Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Donofrio".

Jeff Donofrio
Director

Cc: Susan Corbin



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

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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

February 26, 2019

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

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Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood