



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA December 7, 2021 10:00am

I.	CALL TO ORDER & ROLL CALL	
II.	PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES	
III.	COMMUNICATIONS	
IV.	CONSENT AGENDA	
	a. Proposed Meeting Minutes: October 26, 2021.....	2
	b. Sweetwater Development Partners, LLC The Leonard: MCRP Loan Amendment.....	8
	c. 3820 West End: MCRP Loan Amendment	12
	d. Gemini Capital Management VI, LLC/131 North Mill Street: MCRP Amendment.....	15
	e. Industry 4.0 Grant Amendments	18
V.	ADMINISTRATIVE	
	a. American Rescue Plan Act Revitalization and Placemaking Program Guidelines A resolution to adopt the Revitalization and Placemaking (RAP) Program Guidelines and approve Delegate of Authority for individual projects.....	27
	b. Community Development Block Grant Program Public Gathering Spaces Initiative A resolution to approve the Public Gathering Spaces Initiative and allocate CDBG Funds for the initiative	40
VI.	BUSINESS INVESTMENT	
	a. Livonia West Commerce Center 2, LLC: A resolution to approve a Brownfield Act 381 Work Plan in the amount of \$3,689,531.....	48
	<i>Capital Investment: \$32,000,000 Job Creation: 185 jobs; Location: City of Livonia</i>	
	b. Procurement Technical Assistance Centers: A resolution to approve the PTAC Grant Allocations.....	57
	c. Kroger Fulfillment Network, LLC: MBDP Reauthorization.....	64
VII.	INFORMATIONAL	
	a. Delegation of Authority Report.....	70

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
October 26, 2021**

Member Present

Britany L. Affolter-Caine

Members joined remotely

Ronald W. Beebe

Paul Gentilozzi

John Groen (on behalf of Director Corbin)

September Hargrove

Michael B. Kapp (on behalf of Director Ajegba)

Andrew Lockwood (on behalf of Treasurer Eubanks)

Quentin L. Messer, Jr.

Charles P. Rothstein

Susan Tellier

Cindy Warner

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 9:01 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with an option to participate virtually via Microsoft Teams.

Mr. Messer introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENTS

Ms. Wilcox Surmann explained the process for members of the public to participate; there were no public comments.

III. COMMUNICATIONS

Ms. Wilcox Surmann advised Board members that the Quarterly Report of the Chief Compliance Officer was provided to them in the briefing packet. She noted that a Resolution of Tribute was received for Amanda Bright McClanahan, former Chief Operating Officer of the MEDC. In addition, a letter was received from State Representative Julie Rogers in support of the 619 Porter Project in Kalamazoo. Both the tribute and letter were shared electronically with Board members and are attached to the minutes.

Valerie Hoag, MSF Fund Manager, provided an update on recent Policy and Planning Subcommittee activity and Ronald W. Beebe, Chair of the Finance and Investment Subcommittee, provided an update on recent activity.

IV. CONSENT AGENDA

Resolution 2021-131 Approval of Consent Agenda Items

Mr. Messer asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Andrew Lockwood motioned for the approval of the following:

- a. Proposed Meeting Minutes: September 28, 2021
- b. Mayville Engineering Company, Inc.: MBDP Grant Amendment – **2021-132**
- c. CDBG: Program Year 2021 Action Plan & Funding Guide Excerpt – **2021-133**
- d. 2022 MSF Board Meeting Dates

Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

V. MSF SUBCOMMITTEE APPOINTMENT

a. Finance and Investment Subcommittee Appointment

Mr. Messer asked for nominations to fill a fifth position on the Finance and Investment Subcommittee. Ronald W. Beebe nominated Paul Gentilozzi; however, he was not present to accept the nomination and consideration of the item was postponed until later in the meeting.

VI. ANNUAL FUNDING ALLOCATIONS

a. Resolution 2021-134 FY2022 MSF Annual Funding Allocations

Jill Trepkoski, Chief Financial & Procurement Officer, provided the Board with information regarding this action item. The action involves authorization of FY2022 funding allocations for MSF programs and activities. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2021-134. Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Gentilozzi joined the meeting at 9:20 a.m.

VII. ADMINISTRATIVE

a. Resolutions 2021-135 & 2021-136 Michigan Build Ready Sites Program: Guidelines Amendment and Delegation of Authority Approval Amount Increase

Nicole Whitehead, Director of Sales & Service Operations, provided the Board with information regarding these action items. The actions involve approval of amendments to the Michigan Build Ready Sites Program guidelines to include agencies in the state of Michigan and state and local land banks as eligible applicants for site readiness grants, expand eligible activities to include land assembly, land acquisition, quieting title and quiet title actions, and increase the delegated authority approval amount from \$800,000 to \$1,000,000. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2021-135. September Hargrove seconded the motion. **The motion carried: 10 ayes; 1 nay; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: Susan Tellier; Recused: None

Ronald W. Beebe then motioned for the approval of Resolution 2021-136. Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 1 nay; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Cindy Warner; Nays: Susan Tellier; Recused: None

V. MSF SUBCOMMITTEE APPOINTMENT (Continued)

a. Finance and Investment Subcommittee Appointment

Mr. Messer reminded members that Ronald W. Beebe earlier nominated Paul Gentilozzi to serve on the Finance and Investment Subcommittee, but no vote was taken due to his absence. Mr. Gentilozzi confirmed his presence at the meeting and accepted the nomination. A roll call vote was conducted to appoint him to the Finance and Investment Subcommittee. **The appointment was adopted: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VIII. COMMUNITY VITALITY

a. Resolutions 2021-137 & 2021-138 619, LLC / City of Kalamazoo Brownfield Redevelopment Authority: Michigan Community Revitalization Program Loan Participation Award and Brownfield Act 381 Work Plan (619 Porter Project)

Michelle Audette-Bauman, Community Assistance Team Specialist, provided the Board with information regarding these action items. The actions involve approval of a \$2,200,000 Michigan Community Revitalization Program loan participation award and state tax capture for Act 381 eligible activities capped at \$537,226 to support a community development project in the City of Kalamazoo. The project is expected to result in a total capital investment of \$13,236,421.

Ronald W. Beebe disconnected from the meeting temporarily at 10:01 a.m. due to a technical issue.

Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2021-137. Cindy Warner seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Gentilozzi then motioned for the approval of Resolution 2021-138. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Ronald W. Beebe rejoined the meeting at 10:05 a.m.; he stated his support for both resolutions for the 619 Porter project.

b. **Resolution 2021-139 Homestretch Nonprofit Housing Corporation: Michigan Community Revitalization Program Grant and Property Qualification (10889 Main Street Project)**

*Dan Leonard, Senior Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of a \$459,434 Michigan Community Revitalization Program performance-based grant and property qualification consistent with the finding and declarations in Section 90 of the MSF Act to support a community development project in the Village of Honor. The project is expected to result in a total capital investment of \$1,676,698. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2021-139. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Gentilozzi disconnected from the meeting at 10:15 a.m.

c. **Resolutions 2021-140 & 2021-141 Detroit Food Commons, LLC / City of Detroit Brownfield Redevelopment Authority: Michigan Community Revitalization Program Grant and Brownfield Act 381 Work Plan (Detroit Food Commons Redevelopment Project)**

*Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. The actions involve approval of a \$1,500,000 Michigan Community Revitalization Program performance-based grant and state tax capture for Act 381 eligible activities capped at \$509,634 to support a community development project in the City of Detroit. The project is expected to result in a total capital investment of \$18,440,894. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2021-140. John Groen seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

September Hargrove then motioned for the approval of Resolution 2021-141. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

IX. CAPITAL ACCESS

a. **Resolution 2021-142 Michigan Freshwater Oceans, LLC: Bond Inducement**

*Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves adoption of a resolution to authorize the inducement of private activity bond financing not to exceed \$37,000,000 for a water treatment and aquaculture project in the City of St. Johns. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2021-142. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused; 1 abstained***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None; Abstained: September Hargrove

X. BUSINESS INVESTMENT

a. Resolutions 2021-143, 2021-144, 2021-145 & 2021-146 Request Foods, Inc. / Holland Charter Township / Ottawa County / Michigan Business Development Program Grant, Community Development Block Grant Program Funding, Agricultural Processing Renaissance Zone, and Alternative State Essential Services Assessment Exemption

Jeremy Webb, Senior Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of a \$2,000,000 Michigan Business Development Program performance-based grant, \$6,930,000 Community Development Block Grant Program funding, establishment of a 15-year Agricultural Processing Renaissance Zone for a new Ready to Eat facility, and a 50% Alternative State Essential Services Assessment exemption for up to five years valued at up to \$1,637,850 for \$98,750,000 in eligible personal property to support a business expansion project. The project is expected to result in the creation of up to 198 jobs and up to \$205,000,000 in direct investment in Holland Charter Township. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2021-143. Andrew Lockwood seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Quentin L. Messer, Jr. motioned for the approval of Resolution 2021-144. Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Cindy Warner motioned for the approval of Resolution 2021-145. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Finally, Michael B. Kapp motioned for the approval of Resolution 2021-146. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

XI. IMAGE BRANDING

a. Resolution 2021-147 Travel Marketing and Advertising Contract: Award Approval

*Kelly Wolgamott, Director of Travel Advertising, provided the Board with information regarding this action item. The action involves awarding a contract to MMGY Global for travel marketing and advertising initiatives that promote Michigan as a premier four-season destination utilizing state appropriated American Rescue Plan Act federal funds for an initial three year term of November 1, 2021, through October 31, 2024, with two one-year extensions at the sole discretion of the MSF, with a first-year allocation of up to \$20,000,000 for the period of November 1, 2021, to October 31, 2022. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2021-147. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, John Groen (on behalf of Director Corbin, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

XII. INFORMATIONAL

Mr. Messer noted the MSF delegated authority report for the period September 1 to September 30, 2021, was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Messer adjourned the meeting at 11:28 a.m.



MEMORANDUM

Date: December 7, 2021

To: Michigan Strategic Fund Board

From: Lynda Franke, Underwriting and Incentive Structuring Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program Loan Agreement Amendment #4
Sweetwater Development Partners, LLC

Request

Sweetwater Development Partners, LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Loan Agreement (“Agreement”) and any related ancillary agreements. The amendment request, dated September 28, 2021, includes a request to modify the scope of the project to build residential units on the third floor instead of office space, extend the due date for Milestone Three: Completion of Construction by nine months from February 28, 2022, to November 30, 2022 and allow a new Honor Credit Union (“Lender”) loan of approximately \$994,000 to be in first position over the MSF Award. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund Board approved a \$1,500,000 MCRP Award on December 17, 2019, to the Company to construct a new 51,565 square foot, six-story mixed use building in the heart of downtown Muskegon in the former Muskegon Mall area. The first floor will be retail space, the second and third floor will be office space, and the remaining three floors will contain 18 one and two-bedroom residential apartments. The development will include approximately 30 parking spaces, both underneath and behind the building.

Two amendments were completed under the Awardee Relief Initiative and resulted in an extension of the original approval expiration date by a total of 210 days. A third amendment to the award was approved on October 27, 2020, to change the structure of the Award from an Other Economic Assistance Loan Participation Award with a DSCR dependent repayment to the MSF to a Direct Loan with a new lender without a DSCR dependent repayment.

The project under the current terms is approximately 55% completed. All six stories are in place and work has begun on framing units on floors four through six. The project has experienced numerous delays in construction, primarily due to the pandemic’s impact on materials and labor availability. In re-assessing the real estate market, the Company believes that it makes sense to transition one of the floors currently designated for office space to residential space. The makeup of the building would then be one floor of retail, one floor of office and four floors of residential space. Total residential units would increase from 18 to 24 units.

The change in scope, as well as revisions to finishes in the original plans (lobby, kitchens, lighting, lobby bathroom) increase the project cost by approximately \$1,242,200. The portion attributed to the conversion of the third floor is approximately \$860,000. The Company is not requesting more funds from the MSF,

instead, the Lender will loan an additional \$994,000, with the MSF in second lien position. The Lender had a new appraisal completed, which supports the conversion to add more residential space. Muskegon's market for residential units has been improving and has demonstrated lower vacancy rates compared to office space.

The remainder of the financial gap, approximately \$284,440, would be contributed by the Company, bringing the Company's investment to approximately \$1,984,723 or 19% of the revised Eligible Investment. The increase in equity is warranted according to the revised pro forma. An increase in rental rates overall covers the additional Lender debt and has the MSF debt in a better position compared to the original approval in 2019.

Milestones One and Two have been met, and the Company has paid approximately \$12,000 in interest to the MSF. The Company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Loan Agreement and any related ancillary agreements to modify the scope of the project to build residential units on the third floor instead of office space, and to extend the due date for Milestone Three: Completion of Construction by nine months to November 30, 2022 and allow a new Lender loan of approximately \$994,000 to be in first position over the MSF Award, per the Company's request dated September 28, 2021.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-149**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM LOAN AWARD FOR
SWEETWATER DEVELOPMENT PARTNERS, LLC**

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

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

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

WHEREAS, pursuant to SFCR 125.2090-1, the 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 2019-193 on December 17, 2019, the MSF Board awarded a MCRP Other Economic Assistance Loan Participation Award to Sweetwater Development Partners, LLC, in furtherance of the Project of up to \$1,500,000 (“Award”);

WHEREAS, by Resolution 2020-129 on October 27, 2020, the MSF Board approved a MCRP amendment to change the structure of the award to a Performance-Based Direct Loan;

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to modify the scope of the project to build residential units on the third floor instead of office space, extend the due date for Milestone Three: Completion of Construction by nine months to November 30, 2022, and allow a new Lender loan of approximately \$994,000 to be in first position over the MSF Award, with all other requirements remaining in place from the original approval (“MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 7, 2021

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Michigan Community Revitalization Program Performance Based Direct Loan Agreement Amendment #1
3820 West End LLC

Request

3820 West End LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (MCRP) Performance Based Direct Loan Agreement and any related ancillary agreements (“Agreement”). The amendment request dated October 27, 2021, includes a request to allow for the subordination the MSF’s lien priority in the Brownfield Tax Increment Financing (TIF) reimbursements to a new approximately \$275,000 loan from the City of Detroit’s Brownfield Redevelopment Authority (DBRA). All other terms of the current Agreement will remain the same.

Background

On January 27, 2020, the Michigan Strategic Fund approved a \$1,200,000 Performance Based MCRP Direct Loan award to the Company for the purpose of constructing an infill, mixed-use development located at the .36-acre vacant site of 3820 Grand River in the Woodbridge neighborhood. In total, the project will consist of approximately 26,114 square feet with 16,297 square feet dedicated to 30 studio, one-bedroom, and two-bedroom units and 4,976 square feet for first floor retail space.

The Company is requesting that the MSF subordinate its lien priority in the TIF reimbursements to a new anticipated \$275,000 loan from the DBRA. Construction on the project is well under way with environmental remediation and foundation installation completed. During the environmental remediation, expenses related to contaminated soil removal and the associated backfill were far more than anticipated leading to approximately \$500,000 in the additional costs. The development team has been able to identify sources to fill this gap through a \$100,000 grant and \$275,000 loan from the DBRA, and an additional \$100,000 investment from the ownership team.

The requested amendment will have a nominal impact on the MSF’s position as the resulting development cost increases will result in approximately \$150,000 in additional eligible TIF reimbursements.

The company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Performance Based Direct Loan Agreement to allow for the subordination of the MSF’s lien priority in the TIF reimbursements, per the Company’s request dated October 27, 2021.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-150**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM DIRECT LOAN AWARD FOR
3820 WEST END LLC**

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

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

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

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

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

WHEREAS, by Resolution 2020-006 on January 22, 2020, the MSF Board awarded a MCRP Direct Loan Award to 3820 West End LLC (the “Company”), in furtherance of the project of up to \$1,200,000 (“Award”);

WHEREAS, the Company has requested and the MEDC recommends that the MSF amend the award by subordinating the MSF’s security priority in TIF reimbursement to a new \$275,000 loan by the City of Detroit Brownfield Redevelopment Authority with all other requirements remaining in place for the Award (“MCRP Amendment Recommendation”);

WHEREAS, the MEDC recommends the MSF approve the MCRP Amendment Recommendation.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 7, 2021

To: Michigan Strategic Fund Board

From: Jacob Winder, Senior Program Specialist – Brownfield & MCRP

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Amendment #1
Gemini Capital Management VI, LLC/131 North Mill Street Project

Request

Gemini Capital Management VI, LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Grant Agreement (“Agreement”) and any related ancillary agreements. The amendment request dated September 13, 2021, includes a request to move the Hard Costs Date, which is the start date of MSF eligible investment, back to October 1, 2018, from May 1, 2020. All other terms of the current Agreement will remain the same. This request is a deviation from the MCRP Guidelines that allow MSF eligible investment to be “expenditures which may have occurred up to one year prior to the MSF approval of the application”.

Background

The Michigan Strategic Fund Delegates approved a \$373,913 MCRP grant on August 24, 2020, to the Company for the purpose of rehabilitating a historic building in downtown St. Louis by upgrading the façade of the building and creating 5 market-rate residential apartments.

This amendment is needed to correct the start date of MSF eligible investment so that the applicant’s investment in the property is included in the eligible investment calculation. The developer incurred eligible investment for architectural and engineering costs, which took place before May 1, 2020.

This project is now complete. The milestones have been submitted and funds are ready to be disbursed. The company is current with reporting requirements.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Grant Agreement and any related ancillary agreements to move the Hard Costs Date back to October 1, 2018, from May 1, 2020, per the Company’s request dated September 13, 2021, and waiver of the MCRP guidelines policy regarding timing of eligible investment.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-151**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM GRANT AWARD FOR
GEMINI CAPITAL MANAGEMENT VI, LLC
131 NORTH MILL 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,

WHEREAS, on August 24, 2020, the MSF Delegates awarded a MCRP Grant Award to Gemini Capital Management VI, LLC (the “Company”) in furtherance of the Project of up to \$373,913 (“Award”);

WHEREAS, the Company is requesting and the MEDC is recommending that the MSF approve (1) an amendment to the award to move the Hard Costs Date back to October 1, 2018, from May 1, 2020, and (2) a waiver of the Guidelines regarding timing of the eligible investment; and with all other requirements of the Award remaining in place, (“MCRP Amendment Recommendation”),

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 7, 2021

To: Michigan Strategic Fund Board

From: Natalie Chmiko, Vice President PMBC & International Trade

Subject: **FY22 Funding Allocation – Industry 4.0 Signature Initiative Statewide Services
Michigan Manufacturing Technology Center & Automation Alley**

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board allocate \$5,550,000 in funding to support Industry 4.0 (I4.0) statewide services, supplier matchmaking services, and global initiatives to the Michigan Manufacturing Technology Center (“MMTC”) and Automation Alley. A total of \$3,050,000 in funding is requested to fund the FY2022 agreement with MMTC. A total of \$2,500,000 in funding is requested to fund the FY2022 agreement with Automation Alley, with \$1,150,000 from the FY2022 allocation for Business and Community Development Programs and Activities and \$1,350,000 from the FY2022 allocation for Entrepreneurial Programs and Grants.

Industry 4.0 Signature Initiative

On December 8, 2020, MSF approved \$5,500,000 in funding to support the statewide Industry 4.0 Initiative with the mission to ensure that 50% of Michigan small and medium-sized manufacturers (6,200 businesses) will be prepared to adopt I4.0 technologies by 2025. This included statewide services provided by MMTC and Automation Alley, 10 regional awardees and a statewide awareness campaign.

In the first year of the initiative, the initial goal of 1,200 businesses served was exceeded and the program ended the fiscal year with 1,471 individual businesses reached by the initiative. Additionally, I4.0 individual engagements totaled 3,682, including nearly 2000 participants in outreach events and webinars, 616 attendees in the MMTC Technology Roadshows, 559 companies registered for an essential membership and 150 companies received an in-depth assessment from MMTC.

The statewide awareness campaign reached nearly 500,000 people with 62,000+ website visits and 1600+ partner site referrals. Through this campaign, MEDC earned 20+ headlines and developed eight custom content pieces in collaboration with Crain’s Detroit Business. Additionally, the MEDC marketing team launched a monthly email campaign to share news and resources with Michigan manufacturers. Finally, a quarterly meeting was established with I4.0 awardees and manufacturing stakeholders to ensure alignment and collaboration among all partners.

For year two of the initiative, MEDC and its partners will continue working to increase awareness of I4.0 and digitization in the manufacturing industry and provide resources to help small business manufacturers understand what these changes mean for their business. A critical component of the initiative is providing statewide tools, offered by MMTC and Automation Alley.

MMTC

On November 27, 2018, the MSF board awarded the MMTC an initial grant of \$2,125,000 for the term of October 1, 2018 through September 30, 2019 with the option to extend the grant for up to three additional years and to allocate additional funding at the sole discretion of the MSF Board. On September 24, 2019, the MSF Board approved a one-year, no-cost extension through September 30, 2020. On November 26, 2019, the MSF Board allocated \$2,125,000 for the MMTC through September 30, 2020. On August 25, 2020, the MSF Board approved a no-cost extension through September 30, 2021. On December 8, 2020, the MSF Board allocated \$3,050,000 for the MMTC through September 30, 2021. On August 24, 2021, the MSF Board approved a no-cost extension through September 30, 2022. Approval of the funding allocation in this request will support existing MSF deliverables, including core MMTC programming as well as activities specific to the I4.0 strategic initiative.

MMTC is the sole program of the 501c3 Industrial Technology Institute, Inc. (ITI), a not-for-profit Michigan corporation. In 1991, ITI was awarded the charter to operate the Michigan portion of the National Institute of Standards and Technology (“NIST”) Hollings Manufacturing Extension Partnership (“MEP”) program. MMTC is a public-private network and receives federal match funds in addition to support from MSF. MMTC receives \$7.15 million in matching funds from the Federal Department of Commerce/National Institute of Standards and Technology (Manufacturing Extension Partnership) along with \$5.71 million from the MMTC’s manufacturing clients in Michigan.

Since 1991, MMTC has assisted Michigan's small and medium-sized businesses to operate smarter, compete and prosper. MMTC develops more effective business leaders, drives product and process innovation, assists with navigating governmental and industry regulations, promotes company-wide operational excellence and fosters creative strategies for business growth and greater profitability.

As part of the proposed funding allocation, MMTC will continue to collaborate with Automation Alley and MEDC/MSF to advance adoption of I4.0 technologies by Michigan small and medium-sized manufacturers. The I4.0 initiatives MMTC will provide are comprised of six development areas including Outreach, Technology Roadshows, Process Development, Course Trainings, Technology Assessments and Project Management.

In FY2021, MMTC worked with 481 Michigan companies on projects resulting in \$247.3 million in new or retained sales and 3,487 new or retained jobs directly attributed to assistance provided by the MMTC. Projects included in this definition are 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. This impact was determined through the MMTC quarterly surveying process in which 273 manufacturers reported that MMTC programming directly led to new/retained jobs and/or increased sales.

The MMTC Industry 4.0 email campaign reached over 53,000 Michigan manufacturers throughout the year and led to I4.0 course trainings to 62 people from 24 distinct manufacturers, and six technology roadshows across the state with 617 attendees. MMTC completed 150 in-depth Industry 4.0 readiness assessments in FY21 with an additional 30 on hold or scheduled at the end of the fiscal year.

In addition to the I4.0 work, MMTC provides critical support to the MEDC’s Pure Michigan Business Connect Program (“PMBC”) by connecting established procurement demand to the Michigan supply base. PMBC works with MMTC to provide custom supplier lists and recommendations to procurement demand. As a result, nearly 13,700 Michigan supplier recommendations have been made since FY2015.

In FY2022, MMTC plans to assist 303 Michigan companies on projects resulting in \$250 million in new or retained sales and 3,000 new or retained jobs directly attributed to assistance provided by the MMTC. For the Industry 4.0 initiative in FY2022, the MMTC expects to provide 150 I4.0 Assessments, 10 I4.0 Roadshows to different geographies across the state, host sixteen courses on relevant I4.0 topics, support outreach efforts and continue to develop the content and resources based on the latest trends and technologies.

Automation Alley

MEDC signed a five-year Memorandum of Agreement (“MOA”) with Automation Alley, from October 1, 2019 through September 30, 2024. On December 22, 2020, the MSF entered into an agreement with Automation Alley in the amount of \$2,500,000 for the term of October 1, 2020 through September 30, 2021, with the option to extend the grant for up to five additional years and to allocate additional funding at the sole discretion of the MSF Board. On August 24, 2021, the MSF board approved a no-cost extension through September 30, 2022. Approval of the funding allocation in this request will support existing MSF deliverables, including Automation Alley global initiatives as well as activities specific to year two of the I4.0 strategic initiative.

As a globally recognized leader in I4.0 knowledge, Automation Alley provides programming that will help manufacturing and technology companies increase revenue, reduce costs, and think strategically as they adapt and implement I4.0 technologies.

In FY2021, Automation Alley hosted 59 events, tech takeovers and roundtables related to I4.0 and International Trade with a total of 3,226 participants. Automation Alley released its 2021 Technology in Industry report in June, in collaboration with leading academic and industry leaders. This year, Automation Alley worked with Sales Hive, an outbound call center, to engage with Michigan manufacturers and invite them to receive an essential membership. Of the 18,000+ manufacturers contacted, Automation Alley was able to connect with 1,810 companies and over 30% (559) signed up for the free essential membership. The essential membership allows manufacturers to access all gated content on the Automation Alley website as well as a complimentary ticket to the Integr8 Conference in May 2022. Automation Alley continued to leverage its partnership with the World Economic Forum to highlight Michigan’s advanced manufacturing leadership on a global scale. Additionally, because of Automation Alley’s international trade support in the last 10 years, Michigan companies have reported \$1.6 billion in export sales.

During FY2022, Automation Alley will help prepare Michigan companies to adopt I4.0 technologies through education, conducting I4.0 Readiness Leadership Assessments and Evaluations, and by providing opportunities to share I4.0 knowledge with other Michigan companies. Additionally, Automation Alley will work with MEDC, MMTC and statewide regional partners to reach and offer Michigan manufacturers an Automation Alley Essential Membership.

Automation Alley will continue to track outreach, events, attendance and engagement to ensure alignment with MEDC’s I4.0 Strategic Initiative.

Recommendation

MEDC staff recommends that the MSF Board approve a budget allocation of \$3,050,000 to MMTC and \$2,500,000 to Automation Alley for the term through September 30, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-152**

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 \$2,125,000 to the Michigan Manufacturing Technology Center (“MMTC”) for an initial one year term, 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, on November 26, 2019, the MSF allocated \$2,125,000 in additional funding to the MMTC Grant;

WHEREAS, on August 25, 2020, the MSF approved an amendment to extend the MMTC Grant to September 30, 2021;

WHEREAS, on December 8, 2020, the MSF allocated \$3,050,000 in additional funding to the MMTC Grant;

WHEREAS, on August 24, 2021, the MSF approved an amendment to extend the MMTC Grant to September 30, 2022;

WHEREAS, the MEDC recommends that the MSF allocate \$3,050,000 in additional funding to the MMTC Grant to support grant activities through September 30, 2022 (the “Funding Request”); and

WHEREAS, the MSF wishes to approve the Funding Request.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-153**

AUTOMATION ALLEY GRANT FUNDING REQUEST

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

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

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

WHEREAS, Automation Alley programming helps manufacturing and technology companies increase revenue, reduce costs, and think strategically as they adapt and implement Industry 4.0 (“I4.0”) technologies (the “Automation Alley I4.0 Services”);

WHEREAS, on December 8, 2020, the MSF awarded a grant of \$2,500,000 to support the Automation Alley I4.0 Services with an initial term of one year, with the option to extend the term for an additional five one-year terms and allocate additional funding at the sole discretion of the MSF (the “Automation Alley Grant”);

WHEREAS, on August 24, 2021, the MSF exercised its first option to extend the term of the Automation Alley Grant to September 30, 2022;

WHEREAS, the MEDC recommends that the MSF allocate \$2,500,000 in additional funding (the “Funding Request”)

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

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

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Sincerely,

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-148**

**APPROVAL OF THE DECEMBER 7, 2021 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

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

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

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

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

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

Consent Agenda Items:

- a. Proposed Meeting Minutes: October 26, 2021
- b. Sweetwater Development Partners, LLC – The Leonard: MCRP Loan Amendment
- c. 3820 West End: MCRP Loan Amendment
- d. Gemini Capital Management VI, LLC/131 North Mill Street: MCRP Amendment
- e. Industry 4.0 Grant Amendments

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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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



MEMORANDUM

Date: December 7, 2021

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

From: Michele Wildman, Senior Vice President, Community Development
Lori Mullins, Managing Director, Community Development Incentives

Subject: Revitalization and Placemaking Program Guidelines

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board adopt the Revitalization and Placemaking (RAP) Program Guidelines which provide program information and policies for the use of American Rescue Plan Act funding approved for this program as part of the State of Michigan’s fiscal year 2022 budget. Additionally, staff requests that the MSF Board delegate individual project approval authority to Delegates of the MSF Board for projects requesting awards of up to \$1 million through the RAP program or amendments to RAP grant agreements with awards of no more than \$1 million.

Background

COVID-19 has changed many aspects of life, including the location where work is performed and the vacancy rates in Michigan’s downtowns and commercial business districts. Researchers from Global Workplace predict that approximately 25-30% of the workforce will be working from home multiple days per week post-pandemic. There are many potential negative impacts to Michigan’s cities if office space is vacant and business districts lose vitality, including additional loss of restaurants and retailers. When coupled with as many as 30% of small businesses shuttered, communities are faced with the repurposing and reimagining of spaces and need resources for redevelopment.

In order to address these impacts of COVID-19, the State of Michigan fiscal year 2022 budget was approved with \$100 million allocated to community revitalization and placemaking investments that will enable population and tax revenue growth through the revitalization and repurposing of vacant, underutilized, blighted or historic buildings and place-based infrastructure. As proposed, the RAP program will accommodate a variety of different applicant types including local and non-profit economic development organizations, private developers and local authorities and units of government to request gap financing grants through a funding round. Evaluation of the project’s financial need will be determined through a financial underwriting process that mirrors the Community Revitalization Program and the maximum grant amount for any individual project will be \$5 million, while regional partner applicants may request up to \$20 million to implement a subgrant program around a local or regional revitalization strategy.

RAP application scoring criteria will be developed based on the program considerations included in the proposed guidelines included in Appendix A.

Timeline

Staff has discussed this proposed program with multiple stakeholders include the Collaborative Development

Council members and representatives of local units of government, local land bank authorities and local brownfield authorities who have provided feedback that has informed the proposal. If approved by the MSF Board, MEDC staff anticipates officially opening the application round early in 2022. In the event there are remaining funds, or that awardees fail to meet milestones and awards are not issued, additional funding rounds may be necessary in advance of the ARPA deadline for funds to be incurred, meaning committed by the MSF, which is December 31, 2024.

Recommendation

MEDC staff recommend that the Michigan Strategic Fund (“MSF”) Board adopt the Revitalization and Placemaking (RAP) Program Guidelines. Additionally, staff requests that the MSF Board delegate individual project approval authority to Delegates of the MSF Board for projects requesting awards of up to \$1 million through the RAP program or amendments to RAP grant agreements with awards of no more than \$1 million.

APPENDIX A

AMERICAN RESCUE PLAN REVITALIZATION AND PLACEMAKING PROGRAM GUIDELINES

Program Overview

The American Rescue Plan Revitalization and Placemaking Program (RAP) is an incentive program that will proactively deploy \$100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities through rehabilitation of vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. Administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF), this tool provides access to real estate development gap financing in the form of grants of up to \$5 million for real estate rehabilitation and development, grants of up to \$1 million for place-based infrastructure per project, and grants of up to \$20 million to local or regional partners who develop a subgrant program.

Program Goals

Through the RAP, the MSF will partner with local communities to proactively address the negative economic impacts of the pandemic in Michigan communities by investing in projects that promote population and tax revenue growth. These investments will help create the environment necessary to attract and retain talent, add new housing options, enable business creation and attraction and provide resources for Michigan citizens and communities. These investments will help local governments avoid budget crises, retain current residents and enhance downtown vitality.

Eligible Applicants

Eligible applicants are individuals or entities working to rehabilitate vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure¹ associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. These applicants may include, but are not limited to:

- Non-profits and local economic development organizations;
- Developers; or
- Brownfield Authorities, Downtown Development Authorities's, local units of government, or local Land Bank Fast Track Authorities² or other entities approved by the MSF.

Eligible Costs

"Eligible Costs" are at least one, or any combination, of the following expenditures:

- a. Acquisition fees or costs for real property;
- b. Fees or costs for alteration, new construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections;
- c. Costs associated with site improvements such as access (including ADA improvements) and streetscaping elements such as lighting, fencing, street furniture, etc;
- d. Fees or costs for site improvements to an approved project, including, a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing;
- e. Fees or costs for the addition of machinery, equipment or fixtures for an approved project;
- f. Professional fees or costs for an approved project for the following services; architectural, engineering s, environmental, surveying, insurance, accounting and legal;

¹ Amenity that is not intended to be temporary, including but not limited to a site improvement or building, and that positively contributes to a traditional downtown or a mixed-use area with abundant accommodations for non-motorized transportation.

² Local authority created under Act 258 of 2003.

- g. Developer fees not to exceed 4% of total project costs;
- h. Other costs associated with real estate development may be considered on a case-by-case basis.

Award Structures and Funding

All awards will be structured as grants with performance milestones and reporting requirements. All awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 (“APRA”) and comply with its attendant federal regulations, 31 CFR 35, as amended from time to time. Grant awards may be made directly to individual projects, or to local or regional partner organizations for regranting to local communities or projects that address disproportionate impacts to COVID-19.

The minimum grant award is \$500,000 and the maximum awards are \$5 million for real estate rehabilitation and development, \$1 million for place-based infrastructure per project, and \$20 million for local or regional partner applicants that develop a subgrant program. Requests for subgrant awards must demonstrate local or regional coordination to implement a revitalization strategy. The following limits are also in place for all projects:

- Grant awards associated with the rehabilitation of vacant and blighted buildings or costs associated with the repurposing of space left vacant as a result of COVID-19 on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment or revitalization of historic properties in coordination with the Michigan Certified Local Government program or other historic redevelopment programs on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment of priority sites identified by certified Michigan Redevelopment Ready Communities (RRC) on a single place-based infrastructure project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the development of permanent place-based infrastructure associated with social zones³, outdoor dining, and place-based public spaces for a single project in a traditional downtown shall not exceed the lesser of \$1,000,000 or 50% of Eligible Costs.

Project Considerations

The MSF must expend all Grant funding before December 31, 2026. The most competitive project submissions will clearly address the impacts of the COVID-19 pandemic by responding to the criteria below:

1. Local support and match. All submissions must include a letter of support from the local or regional economic development organization and/or municipality. The most competitive proposals will also include a financial contribution from the local unit of government.
2. Location: Preference will be given to projects located in ARPA [qualified census tracts](#) and also to projects located in traditional downtowns or traditional commercial corridors.
3. Covid impact: Applicants must address how the proposal is responsive to the impacts of the COVID-19 pandemic, including (but not limited to) quantifying the amount of space left vacant by pandemic-related business closures and articulate a measurable plan to use the grant funds to reverse that impact; addressing deferred property investment due to financial and/or capacity restraints resulting from the pandemic.
4. Capacity: the applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope.
5. Long-term impacts: Competitive applicants will be able to articulate how the proposal will have a long-term impact in the community including addressing how it will enable growth in population and tax revenue.
6. Projects that include housing must include units that are priced to be attainable to the local workforce including households with less than 120 percent of the area median income.
7. Financial Viability:
 - Demonstrate long-term financial viability of the project

³ Area or district established by a local governmental units (city, village, township, county) under MCL 436.1551

- Demonstrate financial need for the project
8. Local and Regional Impact Considerations:
- Project should demonstrate how it supports the vision and goals stated in the local master plan, downtown plan, capital improvements plan and/or economic development strategy.
 - Project should demonstrate the readiness of infrastructure – utilities, housing, transportation, public transit and other community services. Is project filling available capacity or creating need for new community or state investments in infrastructure/resources?

Every effort will be made to ensure broad geographic distribution including prioritizing less responsive proposals to ensure awards for eligible activities across all Michigan regions.

All MSF support shall be memorialized by final written agreement with terms and conditions in accordance with the MSF Act, these guidelines, MSF approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MSF, and shall include, without limitation, performance-based milestones governing disbursements; repayment provisions and periodic reporting to facilitate the MSF's report to the Michigan legislature and reporting requirements of ARPA. These agreements shall include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.

MICHIGAN STRAGIC FUND

**RESOLUTION
2021-154**

ADOPTION OF THE REVITALIZATION AND PLACEMAKING PROGRAM

WHEREAS, the Michigan Strategic Fund (“MSF”) desires to address the impacts of COVID-19 in disproportionately impacted Michigan communities by investing in projects that enable population and tax revenue growth;

WHEREAS, the Michigan legislature appropriated funds to the MSF for community revitalization and placemaking investments;

WHEREAS, under the Michigan Strategic Fund Act, MCL 125.2001, et. seq. (“Act”), and in particular Section 90b of the Act, the MSF has the power to make grants, loans and investments, which includes facilitating economic development in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) which provides administrative services to the MSF, recommends the creation and operation of the Revitalization and Placemaking Program (“RAP Program”) to address the impacts of COVID-19 by investing in projects that rehabilitate vacant and blighted buildings and historic structures and the development of permanent place-based infrastructure associated with social zones and traditional downtowns, outdoor dining, and place-based public spaces;

WHEREAS, the MEDC recommends approval of the attached guidelines be utilized for the RAP Program (“RAP Guidelines”); and

WHEREAS, based on the recommendation of the MEDC, the MSF Board desires to approve the RAP Program and the RAP Guidelines;

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves the RAP Programs and the RAP Guidelines.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021

APPENDIX A

REVITALIZATION AND PLACEMAKING PROGRAM GUIDELINES

Program Overview

The Revitalization and Placemaking Program (“RAP Program”) is an incentive program that will proactively deploy \$100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities through rehabilitation of vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. Administered by the Michigan Economic Development Corporation (“MEDC”) on behalf of the Michigan Strategic Fund (“MSF”), this tool provides access to real estate and place-based infrastructure development gap financing in the form of grants of up to \$5 million per project for real estate rehabilitation and development, grants of up to \$1 million for public space place-based infrastructure per project, and grants of up to \$20 million to local or regional partners who develop a subgrant program.

Program Goals

Through the RAP Program, the MSF will partner with local communities to proactively address the negative economic impacts of the pandemic in Michigan communities by investing in projects that promote population and tax revenue growth. These investments will help create the environment necessary to attract and retain talent, add new housing options, enable business creation and attraction and provide resources for Michigan citizens and communities. These investments will help local governments avoid budget crises, retain current residents and enhance downtown vitality.

Eligible Applicants

Eligible applicants are individuals or entities working to rehabilitate vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure¹ associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. These applicants may include, but are not limited to:

- Non-profits and local economic development organizations;
- Developers; or
- Brownfield Authorities, Downtown Development Authorities, local units of government, local Land Bank Fast Track Authorities² or other entities approved by the MSF.

Eligible Costs

“Eligible Costs” are at least one, or any combination, of the following expenditures:

- a. Acquisition fees or costs for real property;
- b. Fees or costs for alteration, new construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections;

¹ Amenity that is not intended to be temporary, including but not limited to a site improvement or building, and that positively contributes to a traditional downtown or a mixed-use area with abundant accommodations for non-motorized transportation.

² Local authority created under Act 258 of 2003.

- c. Costs associated with site improvements such as access (including ADA improvements) and streetscaping elements such as lighting, fencing, street furniture, etc.;
- d. Fees or costs for site improvements, including a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing;
- e. Fees or costs for the addition of machinery, equipment or fixtures for an approved project;
- f. Professional fees or costs for an approved project for the following services: architectural, engineering, environmental, surveying, insurance, accounting and legal;
- g. Developer fees not to exceed 4% of total project costs;
- h. Other costs associated with real estate or place-based infrastructure development may be considered on a case-by-case basis.

Award Structures and Funding

All awards will be structured as grants with performance milestones and reporting requirements. All awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 (“ARPA”) and comply with its attendant federal regulations, 31 CFR 35, as amended from time to time. Grant awards may be made directly to individual projects, or to local or regional partner organizations for regranting to local communities or projects..

The minimum grant award is \$500,000 and the maximum awards are \$5 million per project for real estate rehabilitation and development, \$1 million per project for public space place-based infrastructure and \$20 million for local or regional partner applicants that develop a subgrant program. Requests for subgrant awards must demonstrate local or regional coordination to implement a revitalization strategy. The following limits are also in place for all projects:

- Grant awards associated with the rehabilitation of vacant and blighted buildings or costs associated with the repurposing of space left vacant as a result of COVID-19 on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment or revitalization of historic properties in coordination with the Michigan Certified Local Government program or other historic redevelopment programs on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment of priority sites identified by certified Michigan Redevelopment Ready Communities (RRC) on a single place-based infrastructure project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the development of permanent place-based infrastructure associated with social-zones³, outdoor dining, etc. for a single project in a traditional downtown shall not exceed the lesser of \$1,000,000 or 50% of Eligible Costs.

Project Considerations

The MSF must incur and expend all RAP Program funding before the ARPA deadline. The most competitive project submissions will clearly address the impacts of the COVID-19 pandemic by responding to the criteria below:

1. Local support and match: All submissions must include a letter of support from the local or regional economic development organization and/or municipality. The most competitive proposals will also include a financial contribution from the local unit of government.
2. Location: Preference will be given to projects located in Federal [qualified census tracts](#) (QCT) and also to projects located in traditional downtowns or traditional commercial corridors.

³ Area or district established by a local governmental unit (city, village, township, county) under MCL 436.1551

3. Covid impact: Applicants must address how the proposal is responsive to the impacts of the COVID-19 pandemic, including, but not limited to, if a project is not located within a QCT, a) demonstration of how the project will target economically disadvantaged communities by supporting beneficiaries earning less than 60% of median income for the jurisdiction or having over 25% of intended beneficiaries below the federal poverty line, or b) demonstrate how the project will support industries that faced disproportionate economic impacts by assessing the size of the economic harm to the impacted industries, such as the loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the proposed investment would respond to or address this harm.
4. Capacity: The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope.
5. Long-term impacts: Competitive applicants will be able to articulate how the proposal will have a long-term impact in the community including addressing how it will enable growth in population and tax revenue.
6. Projects that include housing must include units that are priced to be attainable to the local workforce including households with less than 120% of the area median income.
7. Financial Viability:
 - Demonstrate long-term financial viability of the project
 - Demonstrate financial need for the project
8. Local and Regional Impact Considerations:
 - Project should demonstrate how it supports the vision and goals stated in the local master plan, downtown plan, capital improvements plan and/or economic development strategy.
 - Project should demonstrate the readiness of infrastructure – utilities, housing, transportation, public transit and other community services. Is project filling available capacity or creating need for new community or state investments in infrastructure/resources?

To help ensure broad geographic distribution across all Michigan regions and in both rural and urban communities, less responsive proposals may be prioritized in some instances so long as the proposal meets programmatic requirements.

All RAP Program agreements shall be memorialized by final written agreement with terms and conditions in accordance with the MSF Act, these RAP Guidelines, MSF approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MSF, and shall include, without limitation, performance-based milestones governing disbursements; repayment provisions and periodic reporting to facilitate the MSF's report to the Michigan legislature and reporting requirements of ARPA. The RAP Program agreements shall also include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-155**

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 (“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, the MSF Board has approved the Revitalization and Placemaking Program (“RAP Program”) and the RAP Program Guidelines (“RAP Guidelines”) to address the impacts of COVID-19 by investing in projects that rehabilitate vacant and blighted buildings and historic structures and the development of permanent place-based infrastructure associated with social zones and traditional downtowns, outdoor dining, and place-based public spaces;

WHEREAS, the MEDC recommends that the MSF Board amend the Strategic Fund Compiled Resolutions to delegate authority to the MSF President, the MSF Fund Manager, and the State Treasurer, as set forth in this Resolution; 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 December 7, 2021:

125.2005-7 Revitalization and Placemaking Program

(1) The MSF President or the MSF Fund Manager may make all decisions to develop, finalize, revise and operate the RAP Program application, scoring criteria and overall process, each in accordance with the RAP Guidelines adopted by the MSF Board.

(2) The MSF President, the MSF Fund Manager, and the State Treasurer, with any two required to act, may make all decisions with respect to awards under the RAP Program where the award amount is \$1,000,000 or less in accordance with the RAP Guidelines adopted by the MSF Board.

(3) The MSF President or the MSF Fund Manager may negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the RAP Program.

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, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 7, 2021

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

From: Paula Holtz, Community Assistance Team Specialist (Region 9)
Greg West, Manager of the Community Development Block Grant Program

Subject: Community Development Block Grant Program
Public Gathering Spaces Initiative

Request

Michigan Economic Development Corporation (“MEDC”) staff requests that the Michigan Strategic Fund (“MSF”) Board approve the Public Gathering Spaces Initiative as set forth in Appendix A and allocate \$5,000,000 in Community Development Block Grant funds (“CDBG”) for the Public Gathering Spaces Initiative (collectively, the “Request”).

Background

A full year and a half has passed since COVID-19 transformed the lives of Michigan residents. During this period, individuals and communities alike have increased their reliance on outdoor public spaces, and in turn, have recognized the immense value of spaces that allow community members of all ages and backgrounds to safely gather year-round. This unique period has created a brief window of opportunity for the state of Michigan and communities alike to innovate and think beyond the traditional definition of public spaces.

The Public Gathering Spaces Initiative, proposed by MEDC Staff, supports improvements intended to increase usability, accessibility, and seasonality within new or existing community spaces on publicly owned property through a competitive funding round(s). By supporting the creation or expansion of public gathering spaces in low-and-moderate income (“LMI”) communities throughout Michigan, the Public Gathering Spaces Initiative will create and enhance recreational places intended to allow residents to gather, relax, celebrate, and commemorate. The Public Gathering Spaces Initiative funds projects including, but not limited to - parks, town squares, playgrounds, amphitheaters, and farmers markets.

The Public Gathering Spaces Initiative will award CDBG funding to non-entitlement Units of General Local Government (“UGLG”) that are identified by the MEDC’s Community Development team as Low/Mod Income Community Customers. Eligible applicants can request between

\$200,000 and \$1,000,000 per project, with a maximum of one application per community per funding round. Eligible UGLGs will be required to provide a minimum of a 10% financial match based on the project's total cost.

Timeline

If approved by the MSF Board, MEDC staff anticipates announcing the initial funding round in early January 2022 and officially opening the application to eligible UGLGs in February 2022. The application window will close in late March 2022. Applications will be reviewed & awardees selected prior to June 2022, with the goal of securing grant agreements prior to the end of the 2022 State Fiscal Year. In the event there are remaining funds, MEDC staff would consider recommending approval of an additional 2022 funding round.

Recommendation

MEDC staff recommends that the MSF Board approve the Request.

APPENDIX A

Programmatic Requirements, Eligibility Considerations and Screening Guidelines for the CDBG Public Gathering Spaces Initiative

Program Requirements

The projects will be evaluated utilizing the CDBG requirements. It has been determined that the projects will meet the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
LMI Area-wide Benefit - Projects will qualify for CDBG funding as the project activities are expected to benefit persons of low and moderate income (LMI). Projects must provide benefit to the entire Unit of General Local Government (UGLG) identified as a LMI Community, where at least 51% of the residents are LMI persons.
- **Eligible Activity:**
The projects involve eligible activities identified in Section 104(b)(3) of the Housing & Community Development Act and 24 CFR 570.483.

Eligible Activities

Eligible activities for the 2021 Public Gathering Spaces Initiative include:

- **Permanent infrastructure** required for the successful creation and/or operation of a public gathering space such as utility infrastructure, playground equipment, pavilions, public restrooms, drinking fountains, sidewalks, etc.
- **Permanent amenities** including, but not limited to, outdoor speaker systems, exterior heating systems, lighting, affixed tables, benches, public art, etc.
- **Universal Accessibility design elements** that enable public spaces to comply with the Americans with Disabilities Act (ADA) and create welcoming public spaces for residents of all abilities, such as, accessible playground equipment, modified restrooms, etc.
- **Other** permanent infrastructure or amenities, deemed eligible by HUD, necessary to support the accessibility and seasonality of a public gathering space

Scoring

The MEDC will prioritize applications based on the following criteria, as outlined in the publicly available Program Guidelines for the Public Gathering Spaces Initiative:

- **Recent MEDC CDBG Grant Awards & Low-and-Moderate Income (LMI) Communities:** In an effort to disperse funds widely across the State to LMI Communities, the MEDC is looking to prioritize applications from UGLGs that do not currently have an open Community Development Block Grant project with the MEDC (including projects under a Letter of Intent); however, having an open CDBG grant project with the MEDC does not automatically disqualify UGLGs seeking financial support.
- **LMI Population** - UGLGs with a higher percentage of LMI residents will receive preference.
- **Fit with community vision/priority/strategy:** Competitive applicants will describe the location of the project, highlight the purpose and need of the proposed improvement and/or creation of the public gathering space, articulate who will benefit from the project, provide a detailed scope of the project, and articulate how the project aligns with the UGLG's master plan (or other locally approved document).
- **Fit with initiative priorities:** The MEDC is looking to prioritize Public Gathering Spaces projects that address the seasonality and accessibility of new or existing public spaces across Michigan communities. Competitive applicants will identify how the scope of their project meets both objectives by provided specific and detailed examples.
- **Community Benefit:** Competitive applicants will be able to articulate how the creation and/or expansion of the Public Gathering Space benefits all residents by providing project specific examples.
- **Project Maintenance & Promotion:** Competitive applicants will be able to clearly articulate how the new and/or existing public gathering space will be physically and financially maintained if the UGLG was to receive

financial support from the MEDC. Additionally, competitive applicants will be able to provide examples of marketing and promotion efforts that will be undertaken to ensure that the public space (if created) remains vibrant.

- Partnership and Resource Leveraging: Competitive applicants will articulate how they have leveraged outside funding sources to enable the project to come to fruition.
- Additional factors that may be considered include – but are not limited to – the project location is in a geographically disadvantaged area as defined by either a State Opportunity Zone or State HUBZone, the project demonstrates a high level of local financial support, the community’s status within the Redevelopment Ready Communities or Michigan Main Street program, the total square footage being activated, and any other factors deemed relevant by the MEDC.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-156**

APPROVAL OF PUBLIC GATHERING SPACES INITIATIVE

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 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants.

WHEREAS, the CDBG program staff reviewed the Public Gathering Spaces Initiative in light of the Criteria and HUD regulations and concluded the activities are eligible and recommends that the MSF Board approve the Public Gathering Spaces Initiative as set forth in the attached Appendix A (the “Project”);

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 MSF wishes to approve the Project.

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

BE IT FURTHER RESOLVED, consistent with SFCR 10.1-1(3), the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the Project.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021

APPENDIX A

Programmatic Requirements, Eligibility Considerations and Screening Guidelines for the CDBG Public Gathering Spaces Initiative

Program Requirements

The projects will be evaluated utilizing the CDBG requirements. It has been determined that the projects will meet the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
LMI Area-wide Benefit - Projects will qualify for CDBG funding as the project activities are expected to benefit persons of low and moderate income (LMI). Projects must provide benefit to the entire Unit of General Local Government (UGLG) identified as an LMI Community, where at least 51% of the residents are LMI persons.
- **Eligible Activity:**
The projects involve eligible activities identified in Section 104(b)(3) of the Housing & Community Development Act and 24 CFR 570.483.

Eligible Activities

Eligible activities for the 2021 Public Gathering Spaces Initiative include:

- **Permanent infrastructure** required for the successful creation and/or operation of a public gathering space such as utility infrastructure, playground equipment, pavilions, public restrooms, drinking fountains, sidewalks, etc.
- **Permanent amenities** including, but not limited to, outdoor speaker systems, exterior heating systems, lighting, affixed tables, benches, public art, etc.
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- **Other** permanent infrastructure or amenities, deemed eligible by HUD, necessary to support the accessibility and seasonality of a public gathering space

Scoring

The MEDC will prioritize applications based on the following criteria, as outlined in the publicly available Program Guidelines for the Public Gathering Spaces Initiative:

- **Recent MEDC CDBG Grant Awards & Low-and-Moderate Income (LMI) Communities:** In an effort to disperse funds widely across the State to LMI Communities, the MEDC is looking to prioritize applications from UGLGs that do not currently have an open Community Development Block Grant project with the MEDC (including projects under a Letter of Intent); however, having an open CDBG grant project with the MEDC does not automatically disqualify UGLGs seeking financial support.
- **LMI Population** - UGLGs with a higher percentage of LMI residents will receive preference.
- **Fit with community vision/priority/strategy:** Competitive applicants will describe the location of the project, highlight the purpose and need of the proposed improvement and/or creation of the public gathering space, articulate who will benefit from the project, provide a detailed scope of the project, and articulate how the project aligns with the UGLG's master plan (or other locally approved document).
- **Fit with initiative priorities:** The MEDC is looking to prioritize Public Gathering Spaces projects that address the seasonality and accessibility of new or existing public spaces across Michigan communities. Competitive applicants will identify how the scope of their project meets both objectives by providing specific and detailed examples.

- Community Benefit: Competitive applicants will be able to articulate how the creation and/or expansion of the Public Gathering Space benefits all residents by providing project specific examples.
- Project Maintenance & Promotion: Competitive applicants will be able to clearly articulate how the new and/or existing public gathering space will be physically and financially maintained if the UGLG was to receive financial support from the MEDC. Additionally, competitive applicants will be able to provide examples of marketing and promotion efforts that will be undertaken to ensure that the public space (if created) remains vibrant.
- Partnership and Resource Leveraging: Competitive applicants will articulate how they have leveraged outside funding sources to enable the project to come to fruition.
- Additional factors that may be considered include – but are not limited to – the project location is in a geographically disadvantaged area as defined by either a State Opportunity Zone or State HUBZone, the project demonstrates a high level of local financial support, the community’s status within the Redevelopment Ready Communities or Michigan Main Street program, the total square footage being activated, and any other factors deemed relevant by the MEDC.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 7, 2021

To: Michigan Strategic Fund Board

From: Jeremy Webb, Senior Business Development Project Manager
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of an Act 381 Work Plan
Livonia West Commerce Center 2, LLC and City of Livonia Brownfield
Redevelopment Authority (BRA)
Livonia West Commerce Center 2 Redevelopment

Project Summary

The request will support a business development project located in the City of Livonia that will demolish a previous building slab and associated pits, trenches, and foundations to allow for the construction of an approximately 370,000 square-foot modern, flexible, high-bay, multi-tenant industrial building with associated remote trailer staging and parking, representing \$32,000,000 in total capital investment. In addition, the project will provide infrastructure improvements to the urban stormwater management system, as well as site preparation activities. The development is anticipated to create 185 new full-time jobs based on similar sized projects with an average estimated wage for the proposed 185 full time jobs is \$15 per hour.

The redevelopment is not economically viable without significant brownfield incentive support to help offset the brownfield site conditions. The property is ideally located near the intersection of Interstate Highways I-275 and I-96 and is a prominent piece of property that has been underutilized for decades. This is the final phase of the redevelopment of the former GM plant parcel and will complete the redevelopment of this complex brownfield site. This remaining portion includes the main GM plant building and is the most complicated and challenging to redevelop. Although the plant was demolished above grade, the slabs, foundations, basement, pits, and utilities remain. Without MSF support, the project would not be economically viable.

Request

The City of Livonia Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$3,689,531 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$32,000,000.

Program Summary

The request for Brownfield support is consistent with program requirements by reactivating a contaminated site and developing attractive places. The project qualifies for the Brownfield Act 381 program because the site is a facility. The project is consistent with the MEDC's strategic focus to attract, retain and support businesses and develop attractive places. The project also meets local objectives by providing much needed industrial space to attract additional companies to Livonia, increase worker traffic and spending to the

current and future commercial establishments, as well as removing contamination on the site that has been in existence since its decommissioning in the early 2000's. The redevelopment is not economically viable without significant brownfield incentive support to help offset the brownfield site conditions.

Local Support

Local support for the project includes the local portion of the Act 381 Work Plan request valued at \$4,644,626.

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Livonia, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on December 14, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on October 19, 2021.

There are 54.2107 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (44.27%) and local millage equaling 30.2107 mills (55.73%). Tax increment capture will begin in 2023 and is estimated to continue for 25 years. The state tax capture is recommended to be capped at \$3,689,531, which is the amount of tax increment revenue anticipated to be generated in 25 years. Total MSF eligible activities are estimated at \$8,334,157. MSF eligible activities breaks down as follows:

State tax capture	(44.27%)	\$	3,689,531
Local tax capture	(55.73%)	\$	4,644,626
TOTAL		\$	8,334,157

Cost of MSF Eligible Activities

Demolition	\$	2,149,435
Infrastructure Improvements		505,648
Site Preparation	+	4,565,923
Sub-Total	\$	7,221,006
Contingency (15%)	+	1,083,151
Sub-Total	\$	8,304,157
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	15,000
TOTAL	\$	8,334,157

In addition, the project is requesting \$1,390,788 in TIF from EGLE to assist with environmental eligible activities.

Applicant History

Livonia West Commerce Center 2, LLC is the project developer and agent of Ashley Capital. Founded in 1984, Ashley Capital is one of the largest privately held real estate investment companies in the United States. Based in New York, the firm has offices in Atlanta, Chicago, Detroit, Grand Rapids and Norfolk, Virginia. The company's current portfolio contains approximately 25 million square feet, with properties concentrated throughout the eastern half of the United States. The Livonia West Commerce Center 2, LLC entity is specific to this site and has not received previous incentives from the Michigan Strategic Fund. However, Ashley Capital has received Act 381 Work Plan support for the Tri County Commerce Phase 1 and Tri County Commerce Phase 2 projects in Hazel Park as well as the Means Logistics Park

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

Appendix A includes a project map and renderings, **Appendix B** addresses the programmatic requirements and **Appendix C** contains the Organizational Chart.

Recommendation

MEDC staff recommends approval of State tax capture for the Act 381 eligible activities capped at \$3,689,531, utilizing the current state to local capture ratio.

APPENDIX A – Project Map and Renderings



APPENDIX B – Programmatic Requirements

Key Statutory Criteria

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

- a) **Overall Benefit to the Public:**
The project will activate a vacant, former General Motors plant site and add much needed multi-tenant warehousing and industrial space to the region.
- b) **Jobs Created (Excluding Construction and other Indirect Jobs):**
This project is expected to create approximately 185 new, full-time equivalent jobs in warehousing/distribution with an average hourly wage of \$15.
- c) **Area of High Unemployment:**
The City of Livonia unadjusted jobless rate was 2.1% in August 2021.
- d) **Level and Extent of Contamination Alleviated:**
Soil contamination associated with the former General Motors manufacturing operations will be remediated in a manner that will safely allow the proposed development to occur.
- e) **Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:**
The project is not qualifying as functionally obsolete or blighted.
- f) **Whether Project will Create a New Brownfield Property in the State:**
No new Brownfields will be created by this project.
- g) **Whether the Project is Financially and Economically Sound:**
From the materials received, the MEDC infers that the project is financially and economically sound.
- h) **Other Factors Considered:**
No additional factors need to be considered for this project.

APPENDIX C - Organizational Chart

Organizational Structure

Company Name: Livonia West Commerce Center 2, LLC

Employer Identification Number: 82-0991477

Livonia West Commerce Center 2, LLC Manager: Ashley Equities I, LLC

Member	Ownership Interest Totals	EINs -No Soc Sec numbers	State of Organization
Member/Ashley Equities I, LLC - Richard Ashley Morton Controlling Member	76.04% Equity	47-3973705	Florida
Richard Ashley Morton	10.00%		
Kyle Torrey Morton	1.00%		
Tar Heel Trust	89.00%		
*Kyle T. Morton is 100% owner/sole beneficiary of Tar Heel Trust			
Glen Beigel	8.00%		
Douglas Falzon	1.44%		
Joseph Webb	0.72%		
Paul Hatcher	1.00%		
Paul Oliver	1.00%		
Ashley Partners II, LLC	9.80%	83-1675162	Michigan
WJW Livonia, LLC	2.00%	87-1907776	Missouri
	100.00%		

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-157**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF LIVONIA BROWNFIELD REDEVELOPMENT AUTHORITY
LIVONIA WEST COMMERCE CENTER 2 REDEVELOPMENT**

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

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

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

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

WHEREAS, the City of Livonia Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan dated October 5, 2021 (the “Work Plan”), for property located at 12950 and 13100 Eckles Road within the City of Livonia, known as the Livonia West Commerce Center 2 Redevelopment (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 44.27% to 55.73% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, and infrastructure improvements as presented in the Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills

for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$8,304,157 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$15,000 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$3,689,531.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 7, 2021
To: Michigan Strategic Fund Board
From: Vicki Selva, Executive Director Michigan Defense Center/Senior Strategic Advisor
Subject: Procurement Technical Assistance Centers (PTAC) – FY 2022 Funding Request

Request

The Michigan Economic Development Corporation (“MEDC”) requests the Michigan Strategic Fund (“MSF”) approve grants to the following qualified host organizations to support the operation of the Procurement Technical Assistance Centers (“PTACs”) in Michigan (the “Request”):

Host Organization	Grant Amount
Flint & Genesee Group	\$130,000
Macomb Community College	\$175,000
Muskegon Area First	\$140,000
Networks Northwest	\$200,000
Northeast Michigan Consortium	\$200,000
Saginaw Future	\$124,000
Schoolcraft College	\$225,000
The Enterprise Group of Jackson	\$81,000
TOTAL	\$1,275,000

Background

PTACs support our national security by ensuring a broad base of capable suppliers for the defense industry and other agencies, thereby increasing competition, which supports better products and services at lower costs. The mission of the PTACs of Michigan is to enhance national defense and economic development in the State of Michigan by assisting Michigan businesses in obtaining and performing on federal, state and local government contracts. The PTACs in Michigan are hosted by not-for-profit organizations and funded 60% by the Department of Defense. To leverage the federal funding, a forty percent cash match is required.

Unlike other states, Michigan has traditionally provided all of the 40% match on this federal program. Michigan is unique in the way this is organized and funded and as a result is the only state in the program that ensures that PTAC services are available to companies in every county in the state.

There are eight PTAC Program contracts in Michigan hosted by fiduciary organizations as follows: Saginaw Future, Macomb Community College, Schoolcraft College, The Enterprise Group of Jackson, Networks Northwest, Muskegon Area First, Northeast Michigan Consortium, Flint and Genesee Chamber of Commerce. In addition, there are 2 sub-recipient programs; Wayne State PTAC, funded through the Schoolcraft agreement and Southwest Michigan PTAC funded through the Northeast Michigan Consortium agreement.



In FY 2021, the PTACs of Michigan leveraged \$3,187,500 in federal DOD funding and reported that they facilitated \$299,976,238 in federal contract awards to Michigan businesses.

PTAC host programs are selected by the Department of Defense through the federal RFP process posted on Grants.gov. The DOD heavily weights the past performance criteria, in practice providing current programs in good standing security and are not competed by DOD. If programs are not performing satisfactorily by DOD determination or if the host organization chooses not to continue the program, an RFP would be issued for that specific region to ensure service coverage is continued.

The PTACs provide the following services to Michigan companies to prepare them for federal and state government contracting:

One-on-One Counseling

One of the PTACs' most requested services, one-on-one business counseling, provides an opportunity to address specific client issues such as: applications and registrations, marketing strategies, bid preparation assistance, subcontracting opportunities, pre-award survey preparation, quality requirements, contract modifications, electronic commerce, and troubleshooting.

Bid Matching

Locating government bid opportunities can be very time consuming. Electronic bid matching scans a variety of government agencies to provide a report specific to a company's product or service. Bid Match provides a wide variety of government bid opportunities including those from the FedBizOpps database, Defense Logistics Agency (DLA) bulletin boards, various Electronic Data Interchange (EDI) systems, state and local agencies, and foreign entities.

Seminars, Training Events and Workshops

The PTACs frequently host training sessions to assist local companies in learning more about specific government procurement topics. Educational events are also an excellent way to connect with fellow local businesses.

Award Conditions:

The MEDC recommends that the MSF Fund Manager be authorized to negotiate and finalize grant agreements with each of the PTAC Programs for an initial one-year term, with the ability to extend for an additional five one-year terms. The grant agreements will be performance based and include the following performance metrics:

- Number of New Clients
- Number of Active Clients
- Counseling Time
- Number of Events
- Contract Awards - All Federal
- Contract Awards - Subcontracts
- Contract Awards- State and Local
- Total Facilitated Revenue
- % Increase in overall facilitated Contract Awards
- Number of Clients Awarded First Time Contract
- Total Number of all small businesses supported:

- Definition of Small Businesses = The number of Small Businesses who received one or more facilitated contracts. “Small Businesses” are small business concerns, Small Disadvantaged Businesses concerns (SDB), Women-Owned Small Businesses concerns (WOSB), HUBZone small business concerns, and Service- Disabled Veteran-Owned Small Business concerns (SDVOSB) as defined in Part 2 of the Federal Acquisition Regulation (FAR).
- Number of Businesses Supported Located in a Geographically Disadvantaged Area
 - Definition = The number of businesses located in a geographically disadvantaged area who received one or more facilitated contracts. A geographically disadvantaged area is a Small Business Administration HubZone or a Treasury designated Opportunity Zone.

Recommendation

MEDC staff recommends approval of the Request.

Exhibit A

Procurement Technical Assistance Centers (PTAC) FY 2022 Grants

Host Organization	Grant Amount
Flint & Genesee Group	\$130,000
Macomb Community College	\$175,000
Muskegon Area First	\$140,000
Networks Northwest	\$200,000
Northeast Michigan Consortium	\$200,000
Saginaw Future	\$124,000
Schoolcraft College	\$225,000
The Enterprise Group of Jackson	\$81,000
TOTAL	\$1,275,000

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-158**

GRANT ALLOCATIONS TO PROCUREMENT TECHNICAL ASSISTANCE CENTERS

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

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

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

WHEREAS, Section 7(c) of the Act provides that the MSF shall have the power to make grants;

WHEREAS, the MEDC recommends that the MSF Board award grants to the Procurement Technical Assistance Centers (“PTACs”), as described in Exhibit A to this Resolution (the “PTAC Grant Allocations”); and

WHEREAS, the MSF Board wishes to approve the PTAC Grant Allocations.

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

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

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021

Exhibit A

Procurement Technical Assistance Centers (PTAC) FY 2022 Grants

Host Organization	Grant Amount
Flint & Genesee Group	\$130,000
Macomb Community College	\$175,000
Muskegon Area First	\$140,000
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Saginaw Future	\$124,000
Schoolcraft College	\$225,000
The Enterprise Group of Jackson	\$81,000
TOTAL	\$1,275,000



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 7, 2021

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

From: Matt Chasnis, Business Development Project Manager

Subject: Reauthorization of Performance-based Grant Request
Michigan Business Development Program (“MBDP”)
Kroger Fulfillment Network, LLC (“Company” or “Applicant”)

Request Summary

- This is a request to reauthorize the MBDP Proposal as outlined in the previous MSF Resolution 2020-133 (collectively, “MBDP Proposal”);
- This request includes a waiver of the current MBDP guidelines, effective April 1, 2021, requiring Qualified New Jobs be full-time jobs; and
- All other aspects of the approval remain unchanged.

Background

On October 27, 2020, the MSF approved a MBDP performance-based grant in the amount of \$1,600,000 for the Company for the creation of 270 new jobs and capital investment of approximately \$94 million in the City of Romulus. The MBDP approval required that an Agreement be entered into within 120 days of the date of the approval and may be extended for an additional 60 days with approval from the MSF Fund Manager.

Due to administrative limitations, all parties have been unable to enter into the Agreement within the allowable 180 days. Due to the required reviews and edits, it has taken longer than expected and additional due diligence documentation needed to be recollected prior to execution. The process of collecting updated documentation caused the previous authorization to expire. All required documentation is now up-to-date, and the Company is ready to execute the agreement. All aspects of the project and reauthorization remain consistent with the initial approval and no changes are being requested.

Under the MSF Act, the MSF Board has the ability to determine which entity (or entities) it deems to be the qualified business. In this case, it could be the complete Kroger umbrella of 120+ facilities and 18,000+ employees in the state, just the Company, or any other combination thereof. The qualified business must maintain the number of jobs the qualified business had in the state prior to the expansion or investment and it is necessary to maintain this base employment level (the “Base Jobs”) in order to receive disbursement for Qualified New Jobs. Qualified new jobs are those jobs in excess of the Base Jobs. The previous approval on October 27, 2020 established the Base Jobs at zero.

As part of the previous approval on October 27, 2020, the Company requested that due to its organizational structure and the fact that the Company will operate independent from other Kroger related entities, it, and not The Kroger Co., should be deemed the qualified business. If the MSF Board reapproves of the

Company's request, the Base Jobs for this project will be zero rather than the 18,000+ jobs The Kroger Co. currently has in the state. As such, The Kroger Co. would be able to eliminate any or all of its jobs within the state and the Company would still qualify for 100 percent of the grant if it created the required Qualified New Jobs.

The MEDC supports the reauthorization as it was originally approved, including the Company's request to establish the Base Jobs at zero. The Company will have its own management and leadership group and the positions created by this project require a completely different skillset than what is required at the parent's retail locations across the State. This high-tech automated center is a result of a new and separate business model for the group and it is unlikely there will be many employees transferred from existing Michigan business operations since the skills required are very technical and unique.

Recommendation

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

- a) Reauthorization of the MBDP Proposal as outlined in the previous MSF Resolution 2020-133 (collectively, "MBDP Proposal");
- b) Waiver of the existing MBDP guidelines requiring Qualified New Jobs be full-time jobs;
- c) Closing the MBDP Proposal, subject to available funding under the MBDP at the time of closing ("Available Funding"), satisfactory completion of due diligence, (collectively, "Due Diligence"), finalization of all MBDP transaction documents; and
- d) Commitment will remain valid for 120 days with approval for the MSF Fund Manager to extend the commitment an additional 60 days.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-159**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT REAUTHORIZATION FOR
KROGER FULFILLMENT NETWORK, 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, which were subsequently updated on December 8, 2020 (the “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, MSF Resolution 2014-122 requires that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, on October 27, 2020 via MSF Resolution 2020-133, the MSF Board approved a \$1,600,000 MBDP performance-based grant for Kroger Fulfillment Network, LLC (the “Company”) for a project involving 270 Qualified New Jobs in the City of Romulus (the “Grant”);

WHEREAS, due to administrative limitations, Transaction Documents for the Grant were not executed within the allotted Time Period or the allowable 60-day extension, as outlined in MSF Resolution 2020-133;

WHEREAS, the update to the Guidelines, approved by the MSF on December 8, 2020, required Qualified Jobs to be full-time effective April 1, 2021;

WHEREAS, the Company requests that the MSF Board approve a reauthorization of the Grant in accordance with the attached Exhibit A, 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 (“Reauthorization Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Reauthorization Time Period may be extended for up to an additional 60 days (“MBDP Reauthorization Recommendation”);

WHEREAS, since the Grant was originally awarded by the MSF prior to the update to the Guidelines going into effect, the Company requests the MSF waive the full-time job requirements in the Guidelines for this Grant (the “Guideline Waiver”);

WHEREAS, the MEDC recommends approval of the MBDP Reauthorization Recommendation and the Guideline Waiver; and

WHEREAS, the MSF Board wishes to approve the MBDP Reauthorization Recommendation and the Guideline Waiver.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MBDP Reauthorization Recommendation and the Guideline Waiver; 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 MBDP Reauthorization Recommendation.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
December 7, 2021



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”).

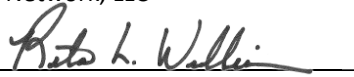
Date: September 1, 2020

Company Name:	Kroger Fulfillment Network LLC, and/or its affiliates and subsidiaries.
Project Location:	15676 Wahrman Road, Romulus, Michigan
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$1,600,000
Base Employment Level:	At least 0 statewide, at the time of first disbursement of funds and thereafter
Qualified New Jobs:	At least 270 at the Project Location to be created by Kroger Fulfillment Network LLC, and/or its affiliates and subsidiaries, and Ocado Solutions USA, Inc.
Municipality Supporting Project:	The Detroit Region Aerotropolis Development Corporation and the City of Romulus have agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs:	July 1, 2021
Term of the Agreement:	June 30, 2026
Milestone Based Incentive:	Disbursements will be made over a 4-year period and will be performance based on job creation as follows: Milestone 1: \$590,000 for the creation of 100 jobs. Milestone 2: \$475,000 for the creation of 80 jobs. Milestone 3: \$295,000 for the creation of 50 jobs. Milestone 4: \$240,000 for the creation of 40 jobs.

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

Acknowledged as received by:

Kroger Fulfillment Network, LLC

By: 

Printed Name: Rita L. Williams

Its: Director, Economic Development

Michigan Economic Development Corporation

By: 

Printed Name: Matthew Chasnis

Its: Business Development Projects Manager



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

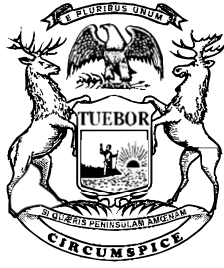
I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: December 7, 2021
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from October 1, 2021 to October 31, 2021, as well as information about the impact that those projects have had on communities across the state.

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

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

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from October 1, 2021 to October 31, 2021.

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

MONTHLY IMPACTS

We are pleased to share the October delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout October 2021, 41% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all October approved projects through delegated authority have committed to create just over 730 jobs and over \$145 million in private investment.

MSF Report Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during October 2021, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
DAG Technology, INC	10/4/2021	Holly	\$300,000	DAG Technology, Inc. is a subsidiary of DAG LTD, LLC, a global leader in decorative wheel trim supplying to automotive OEMs. The company currently has 25 employees at its headquarters facility in Sterling Heights, where it houses sales, engineering, quality, accounting, warehousing and logistics support. DAG plans to begin onshoring its component manufacturing from its existing facilities in southern China at the request of its OEM customers. The company plans to establish this new manufacturing facility at a former Tier-1 supplier facility in Holly, MI where it will focus on assembly, paint and assemble, and injection molding. The project is expected to generate total capital investment of \$10.06 million and create up to 50 jobs with the support of a \$300,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Indiana, Kentucky, Ohio, Texas and Mexico.
Crest Marine, LLC	10/11/2021	Owosso	\$425,000	Crest Marine, LLC is a boat manufacturer in Owosso, MI. The company is looking to construct 5,400 square feet of added and renovated space to their main building to meet targeted production and distribution growth. Crest Marine, LLC plans to purchase CNC machinery to increase production volumes while maintaining a high-level of quality control within its manufacturing process. The project is expected to generate total capital investment of \$1 million and create up to 100 jobs with the support of a \$425,000 Michigan Business Development Program performance-based grant. Michigan was chosen over competing sites in Mississippi, Tennessee, and Florida.

Michigan Business Development Program (MBDP) Continued

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Days, LLC	10/11/2021	Cassopolis	\$350,000	Founded in Elkhart, IN in 1914, Days LLC dba EQ United, is a logistics provider and manufacturer of components for RVs, trailers, and specialty markets. The company currently has three campuses in Indiana. EQ United is planning to consolidate its manufacturing operations, EQ Systems, into one facility in the Village of Cassopolis where it will house office space, retail and installation space and additional manufacturing areas. The project is expected to generate total capital investment of \$6.2 million and create up to 175 jobs, supported by a \$350,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in Indiana.
tesa tape, Inc.	10/15/2021	Sparta	\$450,000	tesa plant Sparta, LLC is a subsidiary of Hamburg, Germany-based tesa tape, a leading manufacturer of pressure sensitive adhesives serving the appliance, automotive, building supply, electronics, industrial, paper and print, and transportation industries. The company has recently acquired entities in Massachusetts and Georgia and is planning to consolidate those operations into its operations in the village of Sparta. The project will require tesa to purchase adjacent land to construct an addition to its current facility. The project is expected to generate total private investment of \$35.7 million and create 56 well-paying jobs, resulting in a \$450,000 Michigan Business Development Program performance-based grant. Michigan was chosen for the expansion over the company's facility in Massachusetts.
Excellence Optoelectronics Inc.	10/31/2021	Dundee	\$1,000,000	TUV SUD was established in 1987 and is headquartered in Boston, Massachusetts. The Company is a U.S. subsidiary of TUV SUD AG, which is based in Munich, Germany. The parent company in Germany is over 150 years old and has over 25,000 employees across 1,000 locations. TUV SUD provides consulting, inspecting, testing, training, certification, and technical services to a wide variety of industries, including healthcare, energy, mobility and automotive, manufacturing, and infrastructure. The Company plans to construct a new state-of-the art 80,000 square foot EV battery development testing facility in Auburn Hills. The project is expected to generate a total capital investment of up to \$44.1 million and will also create up to 40 new jobs paying an average wage that is significantly higher than the Oakland County average target wage of \$22.57 per hour plus benefits. The project was approved for a \$240,000 MBDP Grant to ensure the project moves forward in Michigan rather than in the competing state of Indiana.

Jobs Ready Michigan Program

The Jobs Ready Michigan Program is available from the MSF, in cooperation with MEDC. The program is designed to meet the talent needs of companies that are expanding or relocating to Michigan.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Allegiant Air, LLC	10/29/2021	Flint	\$200,000	Allegiant Air was awarded an incentive under the Jobs Ready Michigan Program (JRMP) in the amount of \$200,000 to support the creation of 88 new jobs and generate total capital investment of over \$76 million in the city of Flint, Genesee County. The JRPM incentive will help the company cover costs of training related to computer-based training, on the job training, as well as instructor led training. Michigan has secured this project over competition with Florida, Ohio, Texas, and Arizona.

Community Development Block Grant (CDBG)

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
City of Cheboygan	10/5/2021	Cheboygan	\$335,980	A two-story commercial building in downtown Cheboygan is expected to receive \$335,980 in Community Development Block Grant funds to transform blighted and underutilized space, adding one residential unit on the first floor and four second-story units to provide housing for low to moderate households in the community. A total of 3,415 square feet will be reactivated generating \$445,297 in private investment.
Saint-Gobain Performance Plastics Corporation	10/7/2021	Beaverton	\$500,000	The City of Beaverton was awarded \$500,000 in Community Development Block Grant (CDBG) funds for infrastructure upgrades needed for the Saint-Gobain Water Treatment Facility located in Beaverton, Michigan. The project will construct an iron removal system as well as road upgrades. The City expects that this project will result in private investment of \$3.5 million and the creation of 68 jobs.

Capital Access

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

State Small Business Credit Initiative – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Hines Industries	10/22/2021	Ann Arbor	\$299,400	Hines Industries is looking for a working line of capital to support current business operational needs. The Company currently has a line of credit with Fifth Third Bank, but due to revenue loss, they are with the bank's special assets group, and are looking for another lender to take on the working capital line.

Michigan State Trade Expansion Program (MI-STEP)

The MI-STEP program is designed to spur job creation by empowering Michigan small businesses that meet U.S. Small Business Administration guidelines and size standards to export their products.

Project Name	Approval Date	Location	Incentive Amount
Coherix, Inc. - ExporTech October-December Session	10/6/2021	Ann Arbor	\$400
Global Automation Technologies LLC - Middle East Sales Trip (UAE, Abu Dhabi, Saudi, Bahrain) - Oct 1-16	10/6/2021	Rochester Hills	\$14,675
Industrial Control Repair - ExporTech Oct-Dec	10/6/2021	Warren	\$1,200
Becker Orthopedic Appliance Company - ISPO France	10/7/2021	Troy	\$15,000
eAgile, Inc. - ISO Certification 9001 QMS	10/7/2021	Grand Rapids	\$4,500
Global Battery Solutions - Electric Vehicle Battery Tech & Sales Trip Germany - October	10/7/2021	Holland	\$4,850
Majes-Tec 125, LLC DBA FreedomLift - Ft. Lauderdale International Boat Show	10/7/2021	Grand Rapids	\$11,186
Onodi Tool and Engineering Company - AUSA w the MI Defense Center	10/7/2021	Melvindale	\$5,180
Acromag, Incorporated - AUSA with the MI Defense Center	10/8/2021	Wixom	\$5,817
Adaptive Energy - ExporTech Oct-Dec	10/8/2021	Ann Arbor	\$900
Banner-Day Engineering - IBIE Booth Space Pre-Payment	10/8/2021	Saginaw	\$5,231
Metal Craft Technologies - AUSA with the MI Defense Center	10/8/2021	Novi	\$7,392
Piston Automotive, L.L.C. - AUSA with the MI Defense Center	10/8/2021	Redford	\$9,519
Q-Sage, Incorporated - American Seed Trade Assoc. Corn, Soybean & Sorghum Expo	10/8/2021	Mt. Pleasant	\$4,728
Senshipping, LLC - ExporTech Oct-Dec	10/8/2021	Taylor	\$900
SkyBlade Fan Company - AHR Expo	10/8/2021	Warren	\$15,000
Snow Machines, Incorporated - Mountain Planet Trade Show France	10/8/2021	Midland	\$15,000
Trenton Forging - Forge Fair Detroit	10/11/2021	Trenton	\$7,942
Versant Medical Physics and Radiation Safety - ISO Certification 27001 Cyber Security	10/12/2021	Kalamazoo	\$10,749
Beet, Inc. - Focus Japan Automotive Virtual Event	10/18/2021	Troy	\$300
Flint Technical Geosolutions - Sales Trip to Canada - East	10/18/2021	Caledonia	\$2,433

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Ares Technology, LLC - AUSA	10/19/2021	Shelby Charter Township	\$2,609
Dog Might LLC - International Marketing - Q4 Oct-Dec	10/19/2021	Ann Arbor	\$11,250
Dynalog Inc - Michigan Automation & Robotics Showcase	10/19/2021	Bloomfield Hills	\$300
Flint Technical Geosolutions - Sales Trip to Canada - West	10/19/2021	Caledonia	\$2,409
Jetco Solutions - Michigan Israel Business Alliance Trade Mission	10/19/2021	Cascade Township	\$4,612
Kent Manufacturing Company - MD&M East	10/19/2021	Grand Rapids	\$9,240
MVP Medical Products LLC - MEDICA	10/19/2021	Ionia	\$3,945
OPS Solutions - Focus Japan Automotive Virtual Event	10/19/2021	Wixom	\$300
Ultimation Industries LLC - SEO, Localization, Marketing, Web Design & Spanish Translation	10/19/2021	Roseville	\$12,000
BioPro Inc - MDSAP International Certification - Canada, Japan, Australia	10/20/2021	Port Huron	\$15,000
Frank Willard and Associates - IBT Online Web Design Mexico	10/20/2021	Birmingham	\$7,500
Maelstrom Chemical Technologies, LLC - UK Marketing Campaign - Part 1 - Nov/Dec	10/20/2021	Shelby Township	\$375
Munro & Associates, Inc. - AUSA with the MI Defense Center	10/20/2021	Auburn Hills	\$4,682
Nautical Specialties - Fort Lauderdale International Boat Show	10/20/2021	Manistee	\$3,230
Nautical Specialties - METS International Trade Show	10/20/2021	Manistee	\$15,000
Armick, Inc. - DDTR-ITAR Certification	10/21/2021	Grand Rapids	\$1,875
Duperon Corporation - Expo Agua	10/21/2021	Saginaw	\$9,750
Industrial Magnetics, Inc. - FABTech Toronto	10/21/2021	Boyer City	\$15,000
Sebright Products, Inc. - WEFTEC Chicago	10/21/2021	Hopkins	\$15,000
Supply Chain Solutions - Brazil & Columbia Trade Mission	10/21/2021	Grand Rapids	\$750
Kamps Hardwoods - Int'l Forest Products Export Directory Marketing	10/22/2021	Gaines Township	\$2,411
Premier Tooling Systems - IMTS Chicago	10/22/2021	Grand Blanc	\$15,000
Samson's Haircare - CE Compliance Testing Poland	10/22/2021	Kalamazoo	\$9,000
Soothsayer Analytics - EXPO 2020 Mobility Trade Mission	10/22/2021	Livonia	\$11,483

Michigan State Trade Expansion Program (MI-STEP) Continued

Project Name	Approval Date	Location	Incentive Amount
Synthetic Lubricants, Inc. - Sample Product Shipping - Columbia	10/22/2021	Greenville	\$975
Advanced Farm Equipment, LLC - Sales Trip Canada (Winkler, Manitoba)	10/25/2021	Vestaburg	\$2,877
Bandit Industries - CE Certification/Compliance Testing	10/25/2021	Remus	\$15,000
Hurley Marine, Inc. - METS International Trade Show	10/25/2021	Escanaba	\$7,425
IBS Global Consulting - FITCE International Trade and Cultural Expo	10/25/2021	Detroit	\$926
Independent Drum Lab, LLC - Percussive Arts Society Int'l Expo	10/25/2021	Portage	\$2,990
LiveRoad Analytics, Inc. - Bi-Weekly Japanese Translation - November to April	10/25/2021	Ann Arbor	\$2,625
General Inspection, Inc. - Focus Japan Automotive & Robotics Virtual Showcase	10/26/2021	Davisburg	\$300
Health 4 Hire, Inc. - International Website Development, Marketing & Spanish Translation	10/26/2021	Grand Rapids	\$10,050
Link Industries - IMTS Chicago	10/26/2021	Indian River	\$15,000
RJG Inc - International Web Design/eCommerce Platform	10/26/2021	Traverse City	\$15,000
Medicus Health - FIME Miami	10/28/2021	Kentwood	\$15,000

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. From October 1, 2021 to October 31, 2021 there were no amendments that received delegated approval.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from October 1, 2021 to October 31, 2021 for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

BD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
Almond Products, Inc.	Business Development Program	Spring Lake	10/11/2021	Extend Milestone three due date from 6/30/20 to 6/30/22; eliminate Milestone four, reduce grant award from \$815,000 to \$612,000; reduce required QNJs from 72 to 52 and extend grant term from 6/30/22 to 12/30/22.
Dennis Group	Business Development Program	Battle Creek	10/13/2021	Extend Milestone two due date from 12/31/21 to 12/31/22; extend Milestone three due date from 12/31/22 to 12/31/23 and extend grant term from 6/30/23 to 6/30/24.
Kalamazoo Outdoor Gourmet	Business Development Program	Galesburg	10/20/2021	Combined Milestones one and two and amended the due date from 8/31/2021 to 3/31/2022.
Drive System Design, Inc.	Business Development Program	Farmington Hills	10/20/2021	Extended Minimum QNJ requirement date from 11/30/21 to 4/28/23; extended Milestone two due date from 4/28/20 to 4/28/23 reducing disbursement from \$70,000 to \$0; extended Milestone three due date from 11/30/21 to 4/28/24 increasing disbursement from \$70,000 to \$140,000 and extended grant term from 5/31/22 to 10/28/24.
Michigan Software Labs	Business Development Program	Ada	10/22/2021	Extend Milestone one due date from 12/01/21 to 12/01/22 and extend grant term from 7/01/22 to 7/1/23.
Performance Fabrics, Inc. d/b/a HexArmor	Business Development Program	Grand Rapids	10/26/2021	Extended Milestone three due date and Minimum QNJ required date from 12/31/2021 to 12/31/2022 and extended grant term from 6/30/2022 to 6/30/2023.

CD Awardee Relief

Project Name	Program Name	Project Location	MSF Delegate Approval Date	Type of Request
The Original and Only Thompson Block, LLC	Community Revitalization Program	Ypsilanti	10/4/2021	120-day extension for the final Milestone Certification of the Construction Loan to January 19, 2022.

MSF Confidentiality Memos



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

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

Approvals by Authorized Delegate

During the period between October 1, 2021 and October 31, 2021, there were no confidentiality memos approved by the MSF Fund Manager: