

MICHIGAN STRATEGIC FUND BOARD MEMBERS

Paul Ajegba

*Director, Michigan Department of
Transportation*

Ronald W. Beebe

*Principal Owner & CEO
Euclid Industries, Inc.*

Britany Affolter - Caine, Ph.D.

*Executive Director
Michigan's University Research
Corridor*

Jeff Donofrio

*Director, Department of Labor
& Economic Opportunity*

Rachael Eubanks

*State Treasurer, Department of
Treasury*

Paul Gentilozzi

President, Gentilozzi Real Estate

September Hargrove

*Vice President, Global
Philanthropy, JP Morgan Chase*

Jeff Mason

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

Charles Rothstein

*Founder & Senior Managing Director
Beringea, LLC*

Sue Tellier

*President
JetCo Packaging Solutions*

Cindy Warner

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

MICHIGAN STRATEGIC FUND (MSF) BOARD

Meeting Packet

September 2019

MICHIGAN STRATEGIC FUND BOARD
FINAL MEETING AGENDA
September 24, 2019
10:00 am

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

Communications

A. Consent Agenda

Proposed Meeting Minutes – July 23, 2019
Moran Iron Works, Inc. – MBDP Loan Restructure – Colleen Horton
FY20 Small Business Services – Contracts Extension – Jodi Hankerd
FY20 Council of Great Lakes Governors, Inc. – Contract Extension – Jodi Hankerd
SAPA Transmission Inc. – MBDP Amendment – Mike Gietzen
Plastic Trim International – MBDP Amendment – Rodney Parkkonen
Northern Michigan University – MSF Investment Agreement Amendment – Sarah Tennant
Michigan Manufacturing Technology Center – Grant Extension – Colin Dillon
University of Michigan MTRAC Statewide Life Science Innovation Hub – Grant Extension – Denise Graves
CDBG PY19 Action Plan and Funding Guide Excerpt – Chris Whitz
Extension of MEDC-MSF Administrative Services MOU – Mark Morante
Delegation of Authority – Mark Morante

B. Business Investment

a. Business Growth

Graphic Packaging International, LLC – SESA and Brownfield Act 381 Work Plan – Mike Gietzen
Faurecia North America – MBDP Grant – Jibrán Ahmed
Acrisure, LLC – Good Jobs for Michigan and MBDP Grant – Julia Veale

b. Capital Access

Dominican Health Care Corporation – Bond Authorization – Chris Cook
Consumers Energy – Bond Authorization – Chris Cook
QCI Fuels - MI Plant 1, LLC – Bond Inducement – Chris Cook

C. Community Vitality

Eastern Elementary Apartments LDHA LP – MSF Award – Lindsay Viviano
Benton Harbor Flats LLC – MCRP Request – Michelle Audette-Bauman
RainCheck Development LLC – MCRP Award and Brownfield Act 381 Work Plan – Brittney Hoszkiw
Farnum Building Redevelopment – Brownfield Act 381 Work Plan – Adam Cummins
~~Facade Restoration Initiative Awards – Funding Request – Lori Mullins~~

**MICHIGAN STRATEGIC FUND
FINAL MEETING MINUTES
July 23, 2019**

Members Present

Jeremy Hendges
Larry Koops
Andrew Lockwood (on behalf of Treasurer Eubanks)
Amanda Bright-McClanahan (on behalf of Chairman Mason)

Members joined by phone

Carl Camden
Terrence J.L. Reeves
Terri Jo Umlor
Wayne Wood

Members Absent

Paul Gentilozzi
Stephen Hicks
Shaun Wilson

Ms. Bright-McClanahan called the meeting to order at 10:02 am.

Ms. Bright-McClanahan introduced the following legislator and legislative staff member: Senator Sean McCann speaking in support of The Mill at Vicksburg redevelopment project and Jeff Dickerson on behalf of Representative Jim Haadsma in support of the Knauf Insulation Inc. project in Albion.

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

Communications: Marcy Wieber (on behalf of Board Liaison Rhonda Bishop) advised the Board that the Quarterly Report of the Chief Compliance Officer was provided to them in the briefing packet, along with several program quarterly reports.

A. CONSENT AGENDA

Resolution 2019-104 Approval of Consent Agenda Items

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

Proposed Meeting Minutes – June 25, 2019
FOIA Appeals – MSF Delegation of Authority Amendment – **2019-105**
Anderton Machining LLC – Renaissance Zone Subzone Revocation – **2019-106**
Airgas USA LLC – Agricultural Processing Renaissance Zone Agreement Extension– **2019-107**
Trident Corktown Investment, L.L.C. – MCRP Equity Investment Amendment – **2019-108**
600 E. Michigan-Lansing, LLC – MCRP Grant Amendment – **2019-109**

Detroit Entrepreneur Development, LLC – MCRP Loan Participation Amendment – **2019-110**
MCRP Guidelines Amendment – Eligible Investment Section – **2019-111**

Jeremy Hendges seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

B. BUSINESS INVESTMENT

B1. Business Growth

Resolution 2019-112 Willow Run Arsenal of Democracy Landholdings Limited Partnership – Limited Partner Consents

Ryan Hundt, Regional Director of Retention & Growth, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-112. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolutions 2019-113 & 2019-114 Knauf Insulation, Inc. – MBDP Grant & SESA Exemption

Erik Wilford, Business Development Project Manager, provided the Board with information regarding these action items. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-113. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.** Larry Koops then motioned for the approval of Resolution 2019-114. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused**

Wayne Wood left the meeting temporarily.

Resolution 2019-115 City of Detroit Brownfield Redevelopment Authority (Mack & Conner Redevelopment Project) – Brownfield Act 381 Work Plan

Jeremy Webb, Senior Business Development Project Manager, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-115. Andrew Lockwood seconded the motion. **The motion carried: 7 ayes; 0 nays; 0 recused.**

Wayne Wood rejoined the meeting.

B2. Access to Capital

Resolution 2019-116 Holland Home – Bond Authorization

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-116. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused**

ROLL CALL VOTE: Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood;
Nays: None; Recused: None

Resolution 2019-117 United States Steel Corporation – Bond Authorization

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-117. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused**

ROLL CALL VOTE: Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood; Nays: None; Recused: None

C. COMMUNITY VITALITY

Resolution 2019-118 County of Kalamazoo Brownfield Redevelopment Authority (The Mill at Vicksburg Redevelopment Project) – Transformational Brownfield Plan

Rob Garza, Senior Program Specialist, Community Development, provided the Board with information regarding this action item. Following brief discussion, Jeremy Hedges motioned for the approval of Resolution 2019-118. Andrew Lockwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolution 2019-119 City of Holland Brownfield Redevelopment Authority (Holland Parking Deck Project) – Brownfield Act 381 Work Plan Amendment

Rob Garza, Senior Program Specialist, Community Development, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-119. Jeremy Hedges seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Resolutions 2019-120 & 2019-121 Midtown Project LLC/City of Detroit Brownfield Redevelopment Authority (The Mid at 3750 Woodward Project) – Brownfield Act 381 Amendment and Brownfield Redevelopment MBT Credit Amendment

Rob Garza, Senior Program Specialist, Community Development, provided the Board with information regarding these action items. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-120. Jeremy Hedges seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.** Jeremy Hedges then motioned for the approval of Resolution 2019-121. Larry Koops seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused**

Resolution 2019-122 City of Detroit Brownfield Redevelopment Authority (SoMA Redevelopment Project) – Brownfield Act 381 Work Plan

Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-122. Jeremy Hedges seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

ADMINISTRATIVE

Resolution 2019-123 Evigia Systems, Inc. – SEIC-MSF Loan Conversion–Profit Sharing Request

Dean Wade, Senior Compliance Specialist, provided the Board with information regarding this action item. Following brief discussion, Andrew Lockwood motioned for the approval of Resolution 2019-123. Larry Koops seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

Ms. Bright-McClanahan adjourned the meeting at 11:33 am.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

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

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



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

MEMORANDUM

Date: September 24, 2019
To: Michigan Strategic Fund Board
From: Colleen Horton, Director, Business Compliance
Subject: **Moran Iron Works, Inc.**
Michigan Business Development Program Award Restructure Request

Request

Moran Iron Works, Inc. (“Moran” or “Company”) is requesting the Michigan Strategic Fund (“MSF”) approve a restructure of its Michigan Business Development Program (“MBDP”) loan in accordance with the terms set forth in Exhibit A to the Resolution (the “Request”).

Background

On January 23, 2013, the MSF approved a \$2,000,000 milestone-based grant for Moran under the MBDP and an agreement was executed to govern the grant terms. The Company proposed to produce larger modules and components, expand their facility in the City of Onaway, Michigan and make dock improvements at the Port of Calcite in Rogers City, Michigan. The result would be the creation of 75 Qualified New Jobs and approximately \$16 million in capital investment.

On May 9, 2013, the MBDP agreement was amended to change the local support from the purchase of a boom crawler crane to a 12 year PA 198 tax abatement. On February 6, 2015, the MBDP agreement was amended to extend the due date of Milestone Two from December 31, 2014 to December 31, 2015 to allow the Company additional time to meet the requirements of the milestone. Moran completed Milestone One for the creation of 34 Qualified New Jobs and received a disbursement of \$1,000,000. On March 22, 2016, the MBDP agreement was amended to reduce the grant by \$1,000,000 and to require repayment of \$900,000, bearing an interest rate of 2%, in equal annual installments beginning on June 30, 2017 and continuing for the following four years.

On July 25, 2017, the MSF approved the termination of the MBDP agreement and allowed for the grant to be repaid in monthly installments as an interest-bearing loan. A Note was signed and delivered to the MSF evidencing the loan.

On February 26, 2019, the MSF approved a six month forbearance of payments owed under the Note, however, no forbearance agreement was executed. Subsequent to the February meeting of the MSF, the Company’s bank notified it that eliminating of the MSF Note was a condition to securing an increased line of credit. As a result, the Company and MEDC staff began reviewing other options.

MEDC staff and Moran have negotiated a partial conversion and reduction of the Note as follows: 1) single payment promissory note in the principal amount of \$50,000, bearing one percent (1%) interest per annum payable on or before the earlier to occur of the sale of the Company's crawler crane or the third anniversary of the promissory note and 2) issuance of 800 shares of the Company's class B non-voting stock of Moran Iron Works, Inc. The shares represent 100% of the Class B shares and approximately 3% of all outstanding shares. Except with respect to voting rights, the Class B Shares have the same rights and privileges as the Class A shares, including as to dividends and distributions. Moran intends to repurchase the Class B shares as soon as its financial condition allows such a transaction. In addition, the MSF will have a put option, exercisable no less than five years after issuance of the shares.

Recommendation

MEDC staff recommends the MSF approve the Request.

MEMORANDUM

Date: September 24, 2019
To: Michigan Strategic Fund
From: Natalie Chmiko, VP, PMBC & International Trade
Subject: International Trade Program – Request for Contract Extension to International Trade Small Business Service Contracts in FY20

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) approve no-cost extensions to September 30, 2020 of the current Small Business Services contracts with Foster Swift Collins & Smith, P.C. (“Foster Swift”), IBT Online, Michigan State University – International Business Center (“MSU-IBC”) and Small Business Development Center (“SBDC”) (collectively, the “Request”).

Background

On September 26, 2017 the MSF awarded Small Business Services Awards via Resolution 2017-161 of \$270,000 to Foster Swift, IBT Online, MSU-IBC and SBDC following a formal request for proposals. All the service providers have executed their contractual obligations in past fiscal years and continue to do so in this current fiscal year.

The contracts under this request would include the following contractors and services:

Foster Swift

1. Legal training workshops for exporters covering topics such as intellectual property protection, foreign agent/distributor contract terms checklist and export control overview
2. One-on-one consultations with companies covering training topics

IBT Online

1. Website localization of company websites to grow exports, sales and business in the two target international markets

MSU-IBC

1. Michigan Export Growth Program providing country and industry market research reports
2. Export Capacity-Building Seminars

SBDC

1. International Search Engines Optimization to define strengths and weaknesses of company’s website and social media presence to advance international sales
2. Early Stage Export Assistance to assess export readiness and provide export planning, financial assessment and marketing recommendations

These services have proven to be in high demand by Michigan small businesses and the MEDC International Trade team wishes to extend the services for an additional year. MEDC staff anticipates requesting additional funding for this contract upon approval of the state's fiscal year 2020 budget.

Recommendation

MEDC recommends the MSF Board approve the Request.

MEMORANDUM

Date: September 24, 2019
To: Michigan Strategic Fund Board
From: Natalie Chmiko, VP, PMBC & International Trade
Subject: *International Trade Program – Request to Extend the Council of Great Lakes Governors, Inc. (d/b/a Conference of Great Lakes and St. Lawrence Governors and Premiers) International Trade Services Contract through FY20*

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) approve a no-cost extension to September 30, 2020 of the current agreement with the Council of Great Lakes Governors Inc. (“CGLG”) d/b/a Conference of Great Lakes and St. Lawrence Governors and Premiers (the “Request”).

Background

On July 24, 2018, the MSF awarded the Pure Michigan International Trade Services contract of \$825,000 to the CGLG following a formal request for proposals. CGLG has executed their contractual obligations in past years and continues to do so during this current fiscal year.

The contract under this request would include these services:

- (1.) Sharing foreign office resources and services in China, Canada, Brazil, Europe, Mexico and the Middle East including, but not limited to:
 - Market Research
 - Foreign Agent/Distributor/Representative Searches
 - End-User Searches
 - Matchmaking Services for Buyer Missions and Trade Mission Support
- (2.) Additional mission support and funds which may be used for trade development projects in the CGLG’s other foreign offices, located in Australia, India, Japan, South Africa, South America, South Korea, and Southeast Asia.

These services have proven to be in high demand by Michigan small businesses and the MEDC International Trade team wishes to extend the services for an additional year. MEDC staff anticipating requesting additional funding of \$1,150,000 upon approval of the state’s fiscal year 2020 budget.

Recommendation

MEDC recommends the MSF Board approve the Request.

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund (“MSF”) Board

From: Mike Gietzen, Director, Business Services

Subject: SAPA TRANSMISSION INC. (“Company”)
Amendment to the Michigan Business Development Program (“MBDP”) Grant Agreement

Request

The Company is requesting an amendment to its existing Michigan Business Development Program (MBDP) performance-based grant Agreement to extend Milestone 1 through Milestone 5 out an additional year. Additionally, this will push the Term of Agreement from November 30, 2023 to November 30, 2024. (See attached Term Sheet)

Background

On July 24, 2018 the MSF approved a \$2,676,000 MBDP grant for the creation of 223 Qualified New Jobs (“QNJ”) and a capital investment of up to \$40,100,000 in Shelby Township within Macomb County.

Due to an unexpected error by an equipment supplier the Company had to delay instillation of machinery and equipment. This setback has caused a delay in hiring. The Company plans to resume testing machinery and equipment activities at the beginning of 2020 and will be able to start hiring at that point.

Recommendation

MEDC Staff recommends the following (collectively, “Recommendation”):

- a) Amend the MBDP Agreement by extending Milestone 1 through Milestone 5 requirements by an additional year as outlined in the attached Term Sheet.
- b) Amend the Term of Agreement from November 30, 2023 to November 30, 2024.
- c) All other aspects of the approval remain unchanged.

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant Amendment - Term Sheet**

The following is a summary of the highlights of the amendment and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP Incentive Amendment is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: July 16, 2019

Company Name: SAPA TRANSMISSION INC. ("Company" or "Applicant")

Company Address("Project"): Shelby Township

MBDP Incentive Type: Performance Based Grant

Current Status of the MBDP Incentive, as set forth in the final MBDP Incentive Award Agreement ("Agreement"):

- **Maximum Amount of MBDP Incentive:** Up to \$2,676,000 ("MBDP Incentive Award")
- **Base Employment Level** 0
- **Total Qualified New Job Creation:** 223
(above Base Employment Level)
- **Company Investment:** Up to \$40,100,000 for new building construction, machinery and equipment, furniture and fixtures, computers and IT, and building leasehold improvements or any combination thereof, for the Project.
- **Municipality supporting the Project:** Shelby Township
- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award are outlined in Exhibit B of the Agreement, and include:
 - **Disbursement Milestone 1:** Up to \$60,000 Upon demonstrated creation of 5 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than April 30, 2019.
 - **Disbursement Milestone 2:** Up to \$120,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 10 additional Qualified New Jobs (for a total of 15 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2020.

- **Disbursement Milestone 3:** Up to \$420,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 35 additional Qualified New Jobs (for a total of 50 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2021.
- **Disbursement Milestone 4:** Up to \$600,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3 and upon demonstrated creation of 50 additional Qualified New Jobs (for a total of 100 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2022
- **Disbursement Milestone 5:** Up to \$1,476,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3, and Disbursement Milestone 4, and upon demonstrated creation of 123 additional Qualified New Jobs (for a total of 223 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2023.
- **Term of Agreement:** Execution of Agreement to November 30, 2023

Proposed MBDP Incentive Amendment:

- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award will be amended as follows:
 - **Disbursement Milestone 1:** Up to \$60,000 Upon demonstrated creation of 5 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than April 30, 2020.
 - **Disbursement Milestone 2:** Up to \$120,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 10 additional Qualified New Jobs (for a total of 15 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2021.
 - **Disbursement Milestone 3:** Up to \$420,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 35 additional Qualified New Jobs (for a total of 50 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2022.
 - **Disbursement Milestone 4:** Up to \$600,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3 and upon demonstrated creation of 50 additional Qualified New Jobs (for a total of 100

Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2023.

- **Disbursement Milestone 5:** Up to \$1,476,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3, and Disbursement Milestone 4, and upon demonstrated creation of 123 additional Qualified New Jobs (for a total of 223 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2024.

- **Term of Agreement:** Execution of Agreement to November 30, 2024

Any final MBDP Incentive Amendment is contingent upon several factors, including: (i) submission by the Company of a completed amendment application and all other documentation required under the MBDP (ii) satisfactory municipality support, if applicable (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Amendment containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award Amendment for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by December 31, 2018, the MEDC may not be able to proceed with any recommendation to the MSF.

Acknowledged as received by:

SAPA TRANSMISSION INC:

Michigan Economic Development Corporation

By: *Deniz Balta*

By: *Michael Gietzen*

Printed Name: Deniz Balta

Printed Name: Michael Gietzen

Its: VP

Its: Director, Business Services

Dated: 07/21/2019

Dated: 8/5/2019

MEMORANDUM

Date: September 24, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Rodney Parkkonen, Business Services Manager
Subject: Plastic Trim International, Inc. (“Company” or “Applicant”)
Amendment to Approved Michigan Business Development Program Grant Agreement

Request

The Company is requesting an amendment to its existing Michigan Business Development Program (“MBDP”) Grant agreement to extend each of its four milestones one year. As a result, the Term of the Grant will be extended from January 31, 2023 to January 31, 2024. All other aspects of the MBDP approval would remain unchanged.

Background

On April 24, 2018, the Michigan Strategic Fund approved a \$1,575,000 Michigan Business Development Program performance-based grant for the creation of 210 Qualified New Jobs (QNJ’s) and a capital investment of up to \$16,100,000 in East Tawas, Iosco County.

The Company manufactures trim, molding, decorative parts, body structural parts, set frame systems and roof racks. This Project includes the addition of more than 42,000 square feet of space and upgrading technologies that will allow the Company to expand its customer base by meeting demand for larger parts. The Company added a paint line to paint metal and plastic parts they produce. Delays in scheduled arrival of equipment and supplier delays have led to a delay in meeting the first milestone which will delay subsequent milestones. The Company has confirmed orders and with the milestone extension is confident it will meet the job creation requirements.

Recommendation

MEDC Staff recommends the following (collectively, “Recommendation”):

- a. Amend the MBDP Agreement as outlined in the attached term sheet (collectively, “MBDP Amendment”);
- b) All other aspects of the approval remain unchanged.

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant Amendment - Term Sheet**

The following is a summary of the highlights of the amendment and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP Incentive Amendment is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: 08/27/2019

Company Name: Plastic Trim International, Inc. ("Company" or "Applicant")

Company Address: 935 Aulerich Road
East Tawas, MI 48730

Project Address ("Project"): Iosco County which shall include at least a facility in Baldwin Township and a facility in Tawas City, Michigan
if different than above

MBDP Incentive Type: Performance Based Grant

Current Status of the MBDP Incentive, as set forth in the final MBDP Incentive Award Agreement ("Agreement"):

- **Maximum Amount of MBDP Incentive:** Up to \$1,575,000 ("MBDP Incentive Award")
- **Base Employment Level** 218 The number of jobs maintained in Michigan at the start of the agreement.
- **Total Qualified New Job Creation:** 210 The minimum number of Qualified New Jobs (above Base Employment Level) the Company shall be required to create at the Project (above the Base Employment Level), in addition to satisfying other milestones if applicable, to be minimally eligible to receive the full amount of the MBDP Incentive Award. Each Qualified New Job must be performed for consideration by a Michigan resident (whose Michigan income taxes are withheld as required), and each Qualified New Job must be in excess of the Base Employment Level. The final terms and conditions of the requirements for the minimum number of Qualified New Jobs that must be created including provisions addressing disbursements of portions of the MBDP Incentive Award, shall be included in the final agreement.

PURE MICHIGAN*

- **Start Date for Measurement of Creation of Qualified New Jobs:** April 24, 2018
- **Company Investment:** \$16,100,000 for new construction, renovations, and machinery and equipment, or any combination thereof, for the Project.
- **Municipality supporting the Project:** The Township of Baldwin has agreed to provide staff, financial or economic assistance in support of the Project in the form of a property tax abatement.
- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award are outlined in Exhibit B of the Agreement, and include:
 - **Disbursement Milestone 1:** Up to \$225,000 Upon demonstrated creation of 30 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than July 31, 2019.
 - **Disbursement Milestone 2:** Up to \$300,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 40 additional Qualified New Jobs (for a total of 70 Qualified New Jobs) above the Base Employment Level, by no later than November 30, 2020.
 - **Disbursement Milestone 3:** Up to \$487,500 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 65 additional Qualified New Jobs (for a total of 135 Qualified New Jobs) above the Base Level Employment, by no later than July 31, 2021.
 - **Disbursement Milestone 4:** Up to \$562,500 Upon completion of Disbursement Milestone 1, Disbursement Milestone 2 and Disbursement Milestone 3, and upon demonstrated creation of 75 additional Qualified New Jobs (for a total of 210 Qualified New Jobs) above the Base Employment Level, by no later than July 31, 2022.
- **Term of Agreement:** Execution of Agreement to January 31, 2023.

Proposed MBDP Incentive Amendment:

- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award will be amended as follows:

- **Disbursement Milestone 1:** Up to \$225,000 Upon demonstrated creation of 30 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than July 31, 2020.
- **Disbursement Milestone 2:** Up to \$300,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 40 additional Qualified New Jobs (for a total of 70 Qualified New Jobs) above the Base Employment Level, by no later than November 30, 2021.
- **Disbursement Milestone 3:** Up to \$487,500 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 65 additional Qualified New Jobs (for a total of 135 Qualified New Jobs) above the Base Level Employment, by no later than July 31, 2022.
- **Disbursement Milestone 4:** Up to \$562,500 Upon completion of Disbursement Milestone 1, Disbursement Milestone 2 and Disbursement Milestone 3, and upon demonstrated creation of 75 additional Qualified New Jobs (for a total of 210 Qualified New Jobs) above the Base Employment Level, by no later than July 31, 2023.

• **Term of Agreement:** Execution of Agreement to January 31, 2024.

Any final MBDP Incentive Amendment is contingent upon several factors, including: (i) submission by the Company of a completed amendment application and all other documentation required under the MBDP (ii) satisfactory municipality support, if applicable (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory to the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Amendment containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award Amendment for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by August 7, 2019 the MEDC may not be able to proceed with any recommendation to the MSF.

Acknowledged as received by:

Plastic Trim International, Inc.

By:



Printed Name:

CHRISTEN POWERS *Anshum Palomba*

Its:

DIRECTOR, HR *Director FINANCE*

Dated:

8.7.19 8.7.19

Michigan Economic Development Corporation

By:



Printed Name:

Rodney Parkkonen

Its:

Business Strategy Manager

Dated:

08/07/19

Plastic Trim International, Inc.

MEMORANDUM

Date: September 24, 2019

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

From: Sarah Tennant, Strategic Advisor – Cyber Initiatives

Subject: Northern Michigan University (“Applicant” or “NMU”) Request for Amendment to Investment Agreement

Request

The Applicant is requesting an extension to the Structured Repayment- Net Revenue Payment due dates under the Investment Agreement (“Agreement”) from August 1, 2020 to August 1, 2030 and Balloon Payment from December 31, 2037 to December 31, 2047 (the “Request”).

Background

On March 28, 2017, the MSF Board approved a request for an investment fund award to NMU in the amount of up to \$6,500,000. NMU is to use the funds as reimbursement for certain fees, costs, and expenses arising from NMU’s build out of the NMU Educational Access Network, a high-speed broadband service across Michigan’s Upper Peninsula at 64 pre-determined sites.

Current Status

Northern Michigan University’s Education Access Network (EAN) project has made substantial progress in the development of the 64 targeted areas. As of May 2019 NMU, has provided service to 61 of the 64 targeted areas including 29 schools with approximately 3,800 households served by the EAN. 52 additional sites are in development and scheduled to go online before the end of calendar year 2019. When completed the end-result will be nearly double the original site goal.

In just over 12 months of operation, EAN has more than 3,800 subscribers enrolled in the program with a customer satisfaction rating of 98 percent and a retention rate of those at 90 percent. Based on the current enrollment level the annual subscriptions are grossing approximately \$870,000. The annual revenue is expected to have continued growth with a monthly increase in subscriptions of 180 to 200 per month.

NMU is looking to expand their reach via a USDA ReConnect Grant. They have received FCC licensure for this expansion project. The overall USDA project submitted was \$7,373,225. The USDA would fund \$5,529,919 with an NMU match of \$1,843,306. The MSF deferral of the principal will be considered the equity match the USDA required.

In addition to the USDA ReConnect Grant NMU will be installing additional sites in the Northeastern Lower Peninsula that were not eligible for the USDA funds as well as some additional areas in the Upper Peninsula that have requested a larger buildout based on the number of users at some of their sites.

This UP wide broadband network is already having a positive economic development impact. It is enhancing UP workforce training and development, expanding educational opportunities while decreasing the digital homework gap, supporting regional businesses and creating jobs. The network buildout is using 20-plus technology businesses and other contractors, some who have hired new employees to accommodate the additional work.

Recommendation

MEDC Staff recommends approval of an amendment to the MSF Investment Agreement as requested above.

MEMORANDUM

Date: September 24, 2019
To: Michigan Strategic Fund Board
From: Colin Dillon, Data & Strategy Manager, Pure Michigan Business Connect
Subject: *Manufacturing Support Services Contract*

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) approve a no-cost extension to September 30, 2020 of the grant with the Michigan Manufacturing Technology Center (“MMTC”) (the “Request”).

Background

On November 27, 2018, the MSF awarded a grant of up to \$2,125,000 to MMTC for an initial term of November 27, 2018 to October 31, 2019, with the option to extend for up to three additional years and to allocate additional funding at the sole discretion of the MSF Board and subject to available funding.

The MMTC provides Manufacturing Support Services to the Michigan manufacturing (and related) industry with the goal of increasing sales, profitability, the Michigan tax base, as well as creating and retaining jobs. MMTC provides the following services to Michigan companies:

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

MMTC is the sole program of the 501c3 Industrial Technology Institute, Inc. (“ITI”), a not-for-profit Michigan corporation. Founded in 1981, in 1991 ITI proposed and was awarded the charter to operate the Michigan portion of the National Institute of Standards and Technology (“NIST”) Hollings Manufacturing Extension Partnership (“MEP”) program. MMTC has operated that center since April 1991, in recent years at a federal funding level of approximately \$4.2 million annually, up from \$2.3 million annually due to ongoing State of Michigan support. MEDC staff anticipates requesting additional funding for this grant upon approval of the state’s fiscal year 2020 budget.

Recommendation

MEDC Staff recommends that the MSF Board approve the Request.

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund

From: Denise Graves, University Relations Director, Entrepreneurship and Innovation

Subject: University of Michigan Life Science Michigan Translational Research and Commercialization (MTRAC) Program Grant – No Cost Extension

Action

The MEDC requests that the MSF approve the no cost extension for the UM Life Science MTRAC Grant, extending the term to December 31, 2019 (original end date September 30, 2019).

Background

At its July 26, 2016 board meeting, the MSF Board supported the University of Michigan Medical School to be awarded the MTRAC statewide program, Life Science Innovation Hub with continued funding on an annual basis, most recently \$2,000,000 ending on September 30, 2019. Prior to becoming an innovation hub, UM supported a MTRAC program for UM faculty to commercialize their projects in the life sciences sector for a term of 3 years.

Throughout the grant period, UM commercialization program director has been working with faculty from all institutions of higher education, hospital systems and nonprofit research centers across Michigan with the assistance of the oversight committee to award and manage projects related to life sciences (medical device, therapeutics, digital health) research focused on translation into the commercial market. Currently funded projects will continue with their commercialization milestones while the program reviews new proposals for the funding round scheduled in January 2020. A request to extend and refund with FY20 funding will be presented to the MSF board in December 2019.

Program Results

Since the inception of the statewide innovation hub in 2016, the UM life science MTRAC program has reported the following metrics – through June 30, 2019:

- Number of startups created 7
- Number of jobs created 11
- Follow on funding \$3.3M
- Licensing agreements 3
- Total projects funded 75
- Total projects reviewed 165

Recommendation

MEDC Staff recommends the MSF approve this no cost extension to extend the term of the grant for an additional 3 months, through December 31, 2019.

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund (MSF) Board Members

From: Christine Whitz, Director, Community Development Block Grant Program
Greg West, Community Development Block Grant Program, Manager

Subject: *Community Development Block Grant Program
Program Year 2019 Action Plan & Funding Guide Excerpt*

Request

Michigan Economic Development Corporation (“MEDC”) Staff recommends the Michigan Strategic Fund (“MSF”) approval of the 2019 Program Year Action Plan Summary (Exhibit A) and attached Funding Guide Excerpt for the Community Development Block Grant (“CDBG”) Program. (Exhibit B)

Background

The U.S. Department of Housing and Urban Development (“HUD”) allocates CDBG funding to the State of Michigan, through the MSF, for further distribution to eligible Units of General Local Government to carry out State approved activities.

The State of Michigan's Consolidated Plan is submitted pursuant to a HUD rule (24 CFR Part 91, 1/5/95) as a single submission covering the planning and application of HUD's CDBG, Emergency Shelter Grant (ESG), HOME Investment Partnership (HOME) and Housing Opportunities for Persons with AIDS (HOPWA) formula programs. While the MSHDA submits the Consolidated Plan on the State's behalf, the MSF has authority over the attached Action Plan Summary (Exhibit A) related to CDBG funds.

The State's responsibilities include ensuring the State's and their Grantee's compliance with the statute, HUD regulations, and the Consolidated Plan. The details on the selection criteria for each program are general in the Action Plan but are further defined in the CDBG Funding Guide. The Exhibit B is an excerpt from the CDBG Funding Guide for potential applicants based on the requirements within the Consolidated Plan, Federal regulations and policies developed by staff to ensure consistency with grantees.

This excerpt outlines the selection criteria for the various programs funded with the CDBG allocation, which is updated annually to ensure that the State is responding to the changing needs of the communities that are eligible, and in alignment with the goals of the MEDC. These updates are based on citizen participation, consultation with other State departments, and targeted outreach and feedback from grantees.

Recommendation

The MEDC Staff recommends:

The MSF approve the attached Action Plan Summary and Funding Guide Excerpt for the CDBG Program Year 2019. (July 1, 2019 – June 30, 2020)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM YEAR 2019 ACTION PLAN SUMMARY

Introduction

The State of Michigan's Housing and Community Development Consolidated Plan is submitted pursuant to a U.S. Department of Housing and Urban Development (HUD) rule (24 CFR Part 91, 1/5/95) as a single submission covering the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF) formula programs.

The purpose of the 2015-2020 Consolidated Plan is to describe programs and activities that will be undertaken in conjunction with HUD programs by the State of Michigan within the next 5 years. Funding from these programs is awarded to the State by HUD and administered by the Michigan State Housing Development Authority, the Michigan Strategic Fund, and the Michigan Department of Health and Human Services.

The programs and activities to be provided in year five of the five-year plan (July 1, 2019 - June 30, 2020) address the housing and community development needs and goals identified within the State of Michigan's Consolidated Plan.

CDBG's Goals are to:

- Eliminate blight in the State that is potentially harmful to human health and safety, as well as, restore historic buildings;
- Improve community infrastructure, facilities and downtown facades;
- Rehabilitate rental housing in downtowns for Low Moderate Income (LMI) households and provide assistance for emergency repairs;
- Provide incentive for creation of jobs for LMI people through the CDBG loan program and Direct Assistance to Business Initiative;
- Respond and make funds available for grantees during declared emergencies
- Provide funding for planning and technical assistance to grantees and
- Provide funds for CDBG program administrative expenses.

CDBG Grant Award Allocation Details

The CDBG Allocation for Program 2019 is \$33,892,168. These funds are an estimated budget to support the following business units and strategic directions.

CDBG Allocation Detail - Program Year 2019	
Division/Use	Budgeted Amount
Community Development	\$ 10,000,000
Business Development	\$ 8,000,000
CDBG Funding Round	\$ 10,778,400
MEDC Strategic Projects	\$ 4,000,000
Administration & Technical Assistance (3%+\$100,000)	\$ 1,113,768

Method of Distribution

To achieve the CDBG Programs goals, funds are disbursed through four separate channels with different criteria and eligibility.

CDBG Open Applications

The program is comprised of seven initiatives which aim to address community need. These include: Public Facilities, Building Rehabilitation, Facade Improvements, Rental Rehabilitation, Direct Assistance to Business, and Public Improvements/Infrastructure. These Initiatives are each linked to a Goal and a Project, further specifics on these initiatives is in the State's CDBG Funding Guide.

CDBG Competitive Applications

The Competitive Application method is focused on funding Public Facility, Blight Elimination and Public Improvement/infrastructure projects as described in the State's CDBG Funding Guide.

CDBG Loan Fund Program

Provides loan funds to Communities in order to assist eligible small businesses to assist with a CDBG eligible project. The repayments from those loans back to the UGLGs seeded the initial RLF program.

CDBG Local Program Income

Program income held by or on behalf of local governments generated from past housing grants. These funds are held by the local governments that generated the program income and are allowed to retain this program income to continue activities while still subject to compliance with all applicable CDBG rules and regulations.

Program Income Detail

Income, as a result of CDBG funded projects is projected to be reused in the following ways in program year 2019. These are separate from the Annual Allocation as these funds are not apart of our annual allocation but as a result of revenue generated from previously funded projects.

CDBG Program Income – Program Year 2019	
CDBG Program Income	Estimated 2019 Amount (\$)
Standard Program Income – Returned to fund new projects	\$ 750,000
Locally Held Program Income – Emergency Repair Program	\$ 500,000
CDBG Loan Program (CLP fka RLF) Income – Held Regionally to Support Small Business Loans	\$ 100,000

Exhibit B

FUNDING PLATFORM OVERVIEW

The MEDC has identified the following CDBG-funded projects consistent with Section 105(a) of Title I of the HCDA (Housing and Community Development Act) and to provide guidance and assistance for CDBG Program Year 2019.

BUILDING REHABILITATION
CDBG LOAN PROGRAM
DIRECT ASSISTANCE TO BUSINESS
FAÇADE IMPROVEMENTS
PUBLIC FACILITIES
RENTAL REHABILITATION
PUBLIC IMPROVEMENTS (PUBLIC INFRASTRUCTURE)
UNIQUE/INNOVATIVE

All projects will be evaluated on the following in addition to all other criteria set forth in this Funding Guide:

Economic Impact: Proposed projects are evaluated on their economic impact, including the diversification of the economic base of the local and state economies.

Financial Viability: All projects must be financially viable. Please refer to the Economic Development Underwriting (Financial Viability) section for guidance on that evaluation process.

Local Participation: Proposed projects are expected to demonstrate local government support.

Exhibit B

BUILDING REHABILITATION		
Overview	<p>Projects to eliminate conditions of blight that are detrimental to public health and safety or necessary for historic preservation through rehabilitations of individual buildings. Projects must include interior building rehabilitation activities only, or <u>both</u> interior and exterior renovations</p> <p>Funding is also available for projects that will rehabilitate buildings that currently contribute to the deterioration of the downtown. These areas are established by a Community through a local ordinance and projects are limited to addressing the conditions contributing to local deterioration.</p>	
Eligibility	National Objective	Eligible Activities
	Spot Blight	<ul style="list-style-type: none"> ▪ Historic Preservation ▪ Acquisition ▪ Rehabilitation
Minimum Grant Amount	\$50,000	
Maximum Grant Amount	\$2 million	
Match Requirement	50%	
Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ the rehabilitation of vacant, deteriorated and abandoned buildings which are blighted and detrimental to public health and safety. ▪ Projects that leverage the greatest amount of private and public funding 	
Funding Window	Open Application	

Exhibit B

CDBG LOAN PROGRAM	
Overview	<p>The intended purpose of the CDBG Loan Program (CLP)* is to provide loans to eligible small businesses, or UGLGs, to meet a National Objective.</p> <p>Regionalized and Local fund managers administer the loan programs for select communities throughout the state.</p> <p>CDBG Loan funds can be used in conjunction with CDBG grant funds in an eligible project.</p>
National Objective	<p>LMA Community: Area Benefit, Blight, Job Creation</p> <p>Non-LMA Community: Blight, Job Creation</p>
Eligible Activities	<ul style="list-style-type: none"> ▪ Acquisition ▪ Administration ▪ Architecture / Engineering ▪ Building Improvements ▪ Demolition ▪ Infrastructure Improvements ▪ Machinery / Equipment ▪ Planning ▪ Working Capital
Minimum Loan Amount	\$20,000
Maximum Loan Amount	N/A
Match Requirement	N/A
Priority	N/A
Funding Window	Open Application

Exhibit B

DIRECT ASSISTANCE TO BUSINESS		
Overview	Direct Assistance to Business is designed to provide grant funding for proposed projects that will result in job creation. Projects are expected to: <ul style="list-style-type: none"> ▪ Result in the creation of FTEs of which at least 51% of the created positions will be held by LMI persons. ▪ Create and/or retain the largest number of positions with the least amount of CDBG investment ▪ Leverage private investment funds ▪ Not to exceed \$35,000 of CDBG funds per FTE Created. 	
Eligibility	National Objective	Eligible Activities
	Job Creation	<ul style="list-style-type: none"> ▪ Acquisition ▪ Clearance ▪ Construction ▪ Expansion ▪ Rehabilitation ▪ Machinery & Equipment ▪ Working Capital ▪ Streets for Commercial/Industrial Sites ▪ Water/Sewer for Commercial/Industrial Sites ▪ Parking for Commercial/Industrial Sites ▪ Rail for Commercial/Industrial Sites
Minimum Grant Amount	\$50,000	
Maximum Grant Amount	Not to exceed \$35,000 of CDBG funds per FTE Created.	
Match Requirement	At least 50% of eligible project costs based on financial need defined by financial underwriting.	
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Projects creating 10 or more permanent full-time positions ▪ Projects that pay an average hourly rate of at least the current State of Michigan minimum wage or 75% of the average hourly wage rate for the applicable county. ▪ Projects that leverage the greatest amount of private and public funding. 	
Funding Window	Open Application	

Exhibit B

FAÇADE IMPROVEMENTS							
Overview	<p>The Façade Improvement funding is for improvements to multiple facades for businesses along a local commercial district that serves an LMI community. Additionally, façades that are specifically identified in a community designated blighted area may be funded.</p> <p>Communities with a population:</p> <ul style="list-style-type: none"> ▪ of <u>15,000 or less</u> must have at least 2 (but no more than 4) participating properties ▪ <u>over 15,000</u> must have at least 3 (but no more than 5) participating properties <p>Projects that include both interior <u>and</u> exterior rehabilitation activities should be identified as a Building Rehabilitation Initiative project.</p>						
Eligibility	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d9e1f2;">National Objective</th> <th style="background-color: #d9e1f2;">Eligible Activities</th> </tr> </thead> <tbody> <tr> <td style="background-color: #d9e1f2;">Area Benefit</td> <td> <ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. </td> </tr> <tr> <td style="background-color: #d9e1f2;">Area Blight</td> <td> <ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. </td> </tr> </tbody> </table>	National Objective	Eligible Activities	Area Benefit	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. 	Area Blight	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public.
National Objective	Eligible Activities						
Area Benefit	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. 						
Area Blight	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. 						
Minimum Grant Amount	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">\$50,000 total, for all participating buildings</td> <td style="width: 50%; padding: 5px;">Maximum Grant Amount \$750,000 total for all participating buildings</td> </tr> </table>	\$50,000 total, for all participating buildings	Maximum Grant Amount \$750,000 total for all participating buildings				
\$50,000 total, for all participating buildings	Maximum Grant Amount \$750,000 total for all participating buildings						
Match Requirement	<p>At least 25% of eligible project costs per building.</p> <p>Building owners, consistent with federal requirements, must demonstrate a financial need for CDBG funding.</p> <p>“complete and transformative exterior historic rehabilitation projects” must meet the Secretary of Interior’s Standards for Rehabilitation</p> <p>Participating property owners will be required to escrow contributing funds prior to MSF approval.</p>						
Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ Projects that have participating properties in the closest proximity to one another. ▪ Projects that leverage the greatest amount of private and public funding. 						
Funding Window	Open Application						

Exhibit B

PUBLIC FACILITIES			
Overview	<p>Public Facilities are buildings or structures that are publicly owned or owned by a non-profit (501(c)3), and open to the general public for access to public services at the facility. These buildings may not be used in whole or in part for the general conduct of government.</p> <p>Limited Clientele Facilities are buildings that are publicly owned or owned by a Non-Profit and is used to support a limited clientele, through providing necessary services, excluding permanent housing.</p> <p>In addition:</p> <ul style="list-style-type: none"> ▪ Communities will have identified potential funding sources ▪ Community has a maintenance and sustainability plan related to the new project and has identified sources for related funding. <p><i>Retail activity is not a public service and is ineligible in qualifying a public facility.</i></p>		
Eligibility	National Objective	Eligible Activities	
	Area Benefit	<p>Public Facilities: Acquisition, Rehabilitation of;</p> <ul style="list-style-type: none"> ▪ Neighborhood Facilities - facilities that are principally designed to serve a neighborhood and that will be used for social services. Such facilities may include libraries and community centers. ▪ Parks, Recreational Facilities - Development of open space areas or facilities intended primarily for recreational use (ex: playgrounds) 	
	Limited Clientele	<p>Limited Clientele Facilities: Acquisition, Rehabilitation of;</p> <ul style="list-style-type: none"> ▪ Senior Centers - facilities (except permanent housing) for seniors. ▪ Facilities for Persons with Disabilities – Centers, group homes, and other facilities for persons with disabilities. ▪ Youth Centers - facilities intended primarily for young people age 13-19, including playground and recreational facilities that are part of a youth center. ▪ Child Care Centers - facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers. ▪ Facilities for Abused and Neglected Children - daycare centers, treatment facilities, or temporary housing for abused and neglected children. 	
Associated Eligible Activities	Limited Public Improvements that are necessary for the completion of a Public Facility Project may be included such as; Sidewalks, Solid Waste Disposal, Street Improvements, and Water/Sewer Improvements.		
Minimum Grant Amount	\$50,000	Maximum Grant Amount	\$2 million
Match Requirement	10% up to \$1 million 25% over \$1 million		
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Projects that provide access to a new type of facility not currently available. ▪ Projects that will reactivate underutilized property. 		
Funding Window	Open Application		

Exhibit B

RENTAL REHABILITATION			
Overview	<p>Reactivation of residential space in mixed-used buildings to encourage density in downtowns. CDBG Funded activities and associated match are limited to the costs of converting non-residential space into residential units or rehabilitating existing, sub-standard residential units to code-compliant standard units.</p> <p>All <u>interior</u> rehabilitation must be in accordance with all locally adopted building and housing codes, standards and ordinances. If locally adopted and enforced building and housing codes do not exist, refer to the Housing Quality Standards (HQS) as set forth in 24 CFR 982.401.</p> <p>For <u>exterior</u> rehabilitation projects, see Building Rehabilitation Initiative.</p> <p>New leases require a minimum duration of 1 year and <u>household income verification</u> requirements met for 5 years.</p>		
Eligibility	National Objective	Eligible Activities	
	Housing	<ul style="list-style-type: none"> ▪ Conversion of nonresidential space to residential ▪ Rehabilitation of residential units ▪ Fire Suppression ▪ Abatement of lead paint 	
Minimum Grant Amount	\$50,000		
Maximum Grant Amount	N/A	Maximum CDBG Assistance per Unit	\$60,000
Match Requirement	25% of total unit cost. CDBG will fund 75% of unit rehabilitation up to \$60,000 per unit.		
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Projects that leverage the greatest amount of private and public funding. 		
Funding Window	Open Applications		

Exhibit B

PUBLIC IMPROVEMENTS (Public Infrastructure)			
Overview	<p>As identified in Section 105(a)(2) of Title I of the HCDA, Public Improvements are infrastructure elements located at street level or below grade (horizontal construction), which benefit the residents of a defined service area.</p> <p>The State CDBG Program limits the acceptance of applications for public improvement projects to funding rounds, however, will allow public improvement elements to be an eligible activity if it is deemed necessary to complete a Public Facility or Direct Assistance to Business project.</p>		
National Objectives	<p>LMA Community: Area Benefit Non-LMA Community: N/A</p>		
Open Applications	Eligible Activities	<ul style="list-style-type: none"> ▪ Street Improvements: Installation or repair of streets, street drains, storm drains, curbs and gutters, and traffic lights/signs. ▪ Sidewalks: Installation or repair of sidewalks or sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees. 	
	Minimum Grant Amount	\$50,000	Maximum Grant Amount \$2 million
	Match Requirement	25%	
	Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ Projects that provide access to a new type of facility not currently available. ▪ Projects that will reactivate underutilized property. 	
Funding Rounds	Eligible Activities	<ul style="list-style-type: none"> ▪ Water/Sewer Improvements: Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. ▪ Flood Drainage Improvements: Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins. ▪ Solid Waste Disposal Improvements: Acquisition, construction, or rehabilitation of solid waste disposal facilities. 	
	Minimum Grant Amount	Identified at time of funding round posting	Maximum Grant Amount Identified at time of funding round posting
	Match Requirement	Identified at time of funding round posting	
	Priority	Identified at time of funding round posting	

Exhibit B

UNIQUE / INNOVATIVE		
Overview	Funding requests may be considered by the MEDC, based on special and/or unique needs, or situations requiring innovative program approaches not specifically provided for in identified funding initiatives.	
Eligibility	National Objective	Eligible Activities
	<ul style="list-style-type: none"> ▪ Area Benefit ▪ Area Blight ▪ Spot Blight ▪ Job Creation ▪ Limited Clientele ▪ Housing 	This may include, but is not limited to: <ul style="list-style-type: none"> ▪ Brownfield site redevelopment ▪ Broadband ▪ Demolition of Blight ▪ Farm-to-food grants ▪ Job Training ▪ Targeted industry development ▪ Conversion of School buildings ▪ Planning ▪ Activities and services listed in the above categories which do not meet identified screening or selection criteria and/or projects associated with other State or Federally funded initiatives.
Minimum Grant Amount	\$50,000	
Maximum Grant Amount	\$2 million	
Match Requirement	25 - 50% of eligible project costs based on financial need defined by financial underwriting.	
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Innovative solutions to activate public space. ▪ Projects with a high percentage of local matching funds. ▪ Projects that leverage the most private funding. 	
Funding Window	Open Application	

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Mark Morante, MSF Fund Manager

Subject: Renewal of Memorandum of Understanding between the Michigan Strategic Fund and the Michigan Economic Development Corporation and Allocation of the 4% Annual Appropriation from the 21st Century Jobs Funds

Request

The Michigan Economic Development Corporation (“MEDC”) requests that the Michigan Strategic Fund (“MSF”) extend the term of the Memorandum of Understanding (“MOU”) for administrative services to September 30, 2020 and allocate up to of 4% Annual Appropriation from the 21st Century Jobs Trust Fund to the MEDC to provide administrative services to the MSF for fiscal year 2020, subject to approval of the state’s fiscal year 2020 budget (the Request”).

Background

On January 25, 2006, the MSF and the MEDC entered into a MOU for the purpose of specifying responsibilities between the MSF and the MEDC in administering the 21st Century Jobs Trust Fund initiative and other programs operated and/or created by the MSF. The MOU was amended each successive year to our current fiscal year.

Every year, the MSF Board is asked to accept and allocate funds appropriated by the Legislature to programs and activities of the MSF pursuant to the MSF Act and any boilerplate language contained within the Appropriations Act for the fiscal year. These funds are to be used for business attraction and community development programs and activities, the entrepreneurship ecosystem, and the Pure Michigan campaign as well as business marketing and administration.

Recommendation

MEDC staff recommends approval of the Request.

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund (“MSF”) Board

From: Mark Morante, Fund Manager

Subject: Miscellaneous Delegation of Authority Updates

Request

Michigan Economic Development Corporation (“MEDC”) staff is requesting that the Michigan Strategic Fund (“MSF”) Board modify the MSF Compiled Delegation of Authority to include delegations of authority for the Façade Restoration Initiative program, university grant programs operated under Section 88o of the MSF Act, and to increase the amount for grants approved under the Michigan State Trade and Export Promotion Program (“MI-STEP”) from \$12,000 to \$15,000 (the “Request”).

Background

MEDC staff proposes the following updates to the MSF Compiled Delegation of Authority in order to promote efficiency in program administration and consistency across similar program:

- Adding a delegation of authority to approve awards up to \$500,000 under the Façade Restoration Initiative
- Adding a delegation of authority to approve no cost extensions under university grant programs created and operated under Section 88o of the MSF Act
- Increasing the amount of awards that may be approved by the authorized delegates under MI-STEP from \$12,000 to \$15,000.

Recommendation

MEDC Staff recommends the MSF Board approve the Request.

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Mike Gietzen, Director, Business Services
Lisa Edmonds, Brownfield and MCRP Program Specialist

Subject: State Essential Services Assessment (“SESA”) Exemption Request and Request for Approval of an Act 381 Work Plan
Graphic Packaging International, LLC

REQUEST

This is a request from Graphic Packaging International, LLC for a 100% SESA Exemption for up to 15 years valued at up to \$7,281,250 (“SESA Request”) and the Kalamazoo County Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including local and school tax capture for MSF eligible activities in the amount of \$21,064,391 to support a business development project that will undergo significant redevelopment activities to prepare for and support the Graphic Packaging International LLC expansion. It is anticipated that the project will result in total capital investment in the amount of \$600,000,000. The project will not include any new job creation but will result in the retention of jobs in Michigan.

LOCAL SUPPORT

Local support for the project includes the local portion of the Brownfield Act 381 TIF estimated at \$12,491,183.

CONSIDERATIONS FOR SESA

- a) The Applicant is an “Eligible Claimant,” as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e).
- b) The Eligible Investments will be made after MSF approval and completed within three years of September 24, 2019 (“Commencement of the Project”).
- c) The Company has agreed to pay a SESA Exemption administrative fee of \$10,000 payable to the Michigan Economic Development Corporation upon completion of the first performance milestone.
- d) The 15-year SESA Exemption for the Company is estimated to be worth \$7,281,250. The requested exemption breaks down as follows:

	Years 1 – 5 (2.4 mills)	Years 6 – 10 (1.25 mills)	Years 11-15 (0.9 mills)	Total
State ESA Exemption Amount	\$4,116,000	\$2,143,750	\$1,021,500	\$7,281,250



TAX CAPTURE SUMMARY

The project is located within the boundaries of the City of Kalamazoo and the Charter Township of Kalamazoo. The City of Kalamazoo is a Qualified Local Governmental Unit and the Charter Township of Kalamazoo is not a Qualified Local Governmental Unit. In order to alleviate brownfield conditions and prepare the site for redevelopment, the County of Kalamazoo duly approved the brownfield plan for this property on September 17, 2019, the City of Kalamazoo concurred with the brownfield plan on September 3, 2019 and Kalamazoo Charter Township concurred with the brownfield plan on September 9, 2019. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 29, 2019.

There are 58.1083 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.8704 mills and local millage equaling 34.2379 mills for the City of Kalamazoo. There are 53.2495 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.8704 mills and local millage equaling 29.3791 mills for the Charter Township of Kalamazoo. There is an Industrial Facilities Exemption (P.A. 198) on the city property for the first 12 years. The blended ratio for this project is 40.70% to 59.30%, school to local, respectively. Tax increment capture will begin in 2022 and is estimated to continue for 30 years. The total cost of MSF Eligible Activities is estimated to be \$21,064,391, however, the work plan projects the maximum capture to be \$11,845,416.

The requested tax capture for MSF eligible activities breaks down as follows:

State tax capture	(40.70%)	\$	8,573,207
Local tax capture	(59.30%)	\$	<u>12,491,184</u>
TOTAL		\$	21,064,391

COST OF MSF ELIGIBLE ACTIVITIES

Demolition	\$	7,446,500
Lead and Asbestos Abatement		175,000
Infrastructure Improvements		1,341,036
Site Preparation	+	<u>9,446,912</u>
Sub-Total	\$	18,409,448
Contingency (15%)	+	<u>2,624,943</u>
Sub-Total	\$	21,034,391
Brownfield/Work Plan Preparation	+	<u>30,000</u>
TOTAL	\$	21,064,391

In addition, the project is requesting from EGLE \$215,039 in TIF to assist with environmental eligible activities.

PROJECT BACKGROUND

Graphic Packaging International, LLC (“Company”) is currently assessing a potential project considering investments in the City of Kalamazoo. Total anticipated investment of the project is upwards of \$600,000,000 which will increase manufacturing output by over 70%. The Company anticipates that if

the investment is completed, it will manufacture approximately 900,000 tons of Coated Recycled Paperboard (CRB) annually in Michigan, representing 44% of the North American CRB production. This will make Michigan the highest CRB manufacturing state in the U.S. This new technology will significantly enhance long term viability of the Kalamazoo mill and will retain and anchor 725 high paying jobs in the Kalamazoo and White Pigeon mills and may impact the Battle Creek, Michigan and Middletown, Ohio mills.

APPLICANT HISTORY

Graphic Packaging International, LLC is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of paper-based packaging solutions for a wide variety of products for food, beverage, food service and other consumer products companies. The Company operates on a global basis, is one of the largest producers of folding cartons in the United States and holds leading market positions in coated unbleached kraft paperboard, coated-recycled paperboard and solid bleached sulfate paperboard. The Company's customers include many of the world's most widely recognized companies and brands with prominent market positions in beverage, food, food service and other consumer products. The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting plants, its proprietary carton, container and packaging designs, and its commitment to quality and service. On July 15, 2008 the Company received MEGA Tax Credit and is in good standing and is eligible to collect through the tax year ending December 31, 2020.

The civil and criminal background checks required under the MSF Background Review Policy have been completed.

RECOMMENDATION

MEDC staff recommends approval of the following (the "Recommendation"):

- a) A 100% SESA Exemption for up to 15 years valued at up to \$7,281,250; and
- b) Local and school tax capture for the Act 381 eligible activities totaling \$21,064,391. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$8,573,207.

APPENDIX A – Project Map



MEMORANDUM

Date: September 24, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Jibran Ahmed, Business Development Project Manager
Subject: Faurecia Automotive Seating, LLC (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request

Request

This is a request from the Applicant for a \$2,000,000 MBDP Grant as outlined in the attached Term Sheet (“MBDP Request”). This project involves the creation of 500 Qualified New Jobs and a capital investment of up to \$10,733,343 in the City of Highland Park, Wayne County.

Background

The Company operates a U.S. automotive seating business, which manufactures and sells seats to various large automotive OEM companies around the U.S. The Company and related entities currently has 11 operations in Michigan totaling more than 3,500 employees in the State.

The Company is looking to expand its manufacturing footprint in the Midwest region. The Company is planning on leasing two plants in the City of Highland Park. The first facility is for the assembly of metal auto seat frames while the second facility would assemble complete seats, foam seat cushions, and seat covers. These facilities will deliver product to the Company’s Midwest customer base in Ohio, Kentucky, Indiana, and Missouri. Locating these plants in Michigan puts the Company in a better position to gain new seat business from customers in the region.

The Company is also considering expanding its current facility in Franklin, Ohio, which is more centrally located to its Midwest customer base. Expanding the Company’s Ohio facility would reduce the cost of transporting frames to the majority of the Company’s Midwest customer base which includes OEMs located in Kentucky, Missouri, South Carolina and anticipated new business in Kansas and Tennessee. In addition to the logistical savings of locating this project in Ohio, the Company currently has lower labor costs at its Ohio facility when compared to the anticipated wages in Michigan and the physical expansion of Company’s Ohio facility would be more cost effective than the lease of the two additional buildings in Highland Park. What is more, the State of Ohio has provided a comprehensive incentive offer that has been stated to include a state jobs creation tax credit, real estate tax abatement, and hiring assistance. Incentive assistance is needed to help offset the cost differential of locating the project in Michigan when compared to Ohio.

The civil and criminal background check required under the MSF Background Review Policy have been completed.

Recommendation

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

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

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

Date: September 11, 2019

Company Name:	Faurecia Automatic Seating, LLC
Project Location:	City of Highland Park
MBDP Incentive Type:	Performance Based Grant
Maximum Amount of MBDP Incentive:	Up to \$2,000,000
Base Employment Level:	At least 3,791
Qualified New Jobs:	At least 500
Municipality Supporting Project:	The City of Highland Park to provide support in the form of a job fair.
Start Date for Measurement of Creation of Qualified New Jobs:	Date of Offer Letter Acceptance
Term of the Agreement:	April 30, 2024
Milestone Based Incentive:	Disbursements will be made over a 3-year period and will be performance based on job creation as follows: Milestone 1: \$200,000 for the creation of 50 jobs. Milestone 2: \$1,400,000 for the creation of 350 jobs. Milestone 3: \$400,000 for the creation of 100 jobs.

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

Faurecia Automatic Seating, LLC

By:

Printed Name:

Its:

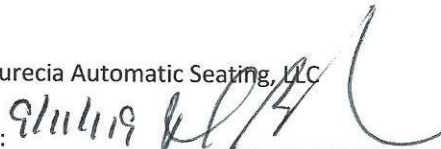
Acknowledged as received by:

Michigan Economic Development Corporation


By:

Printed Name:

Its:



Printed Name: Dave Borcysisk
Its: Tax Director



Printed Name: Jibrán Ahmed
Its: Business Development Project Manager

MEMORANDUM

Date: September 24, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Julia Veale, Business Development Project Manager
Subject: Acrisure, Inc. (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant
Good Jobs for Michigan (“GJFM”) Program Request

Request

This is a request from the Applicant for a \$1,000,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”) as well as a request for a GJFM Withholding Tax Capture for up to 10 years valued at \$6,000,000 for the creation of 400 Certified/Qualified New Jobs, and a capital investment of up to \$33,000,000 in the city of Grand Rapids, Kent County.

Background

Founded in 2005, the Company is an international brokerage of property & casualty, benefits, and related insurance coverages, primarily for mid-market companies and high net worth individuals. The Company is a top 10 insurance broker in the world, one of the top 4 private insurance brokerages in the country, and including signed letters of intent, presently has 406 domestic locations in 33 states and 10 international locations, with over 6,267 employees.

The Company is considering options for its future world headquarters. Apart from Grand Rapids, the Company is also reviewing options in Illinois, New York and Indiana. Should the project move forward in Michigan, the Company will lease space in downtown Grand Rapids and will also plan to build a new state of the art facility that will accommodate the Company’s projected growth. The project would include relocating 280 employees to downtown Grand Rapids and adding an additional 400 jobs over five years.

The Applicant has demonstrated a need for the funding. Incentive assistance is necessary to assist with costs associated to tenant improvements, talent recruitment and the overall cost of doing business in downtown Grand Rapids. Should the headquarters go to another state there is potential to lose existing employment and would adversely affect the investment of agency partners throughout Michigan.

Considerations

1. BDP Considerations:

- a) The Applicant is a “Qualified Business”, as defined in MCL 125.2088r(7)(b), that is located and operates in Michigan.
- b) "Qualified new job" means a job performed by an individual who is a resident of this state whose Michigan income taxes are withheld by an employer.
- c) The project will be located in Kent County. The Right Place has provided staff time and resources in support of the project.
- d) The Applicant has demonstrated a need for the funding. Incentive assistance is necessary to assist with costs associated to tenant improvements, talent recruitment and the overall cost of doing business in downtown Grand Rapids. Should the headquarters go to another state

there is potential to lose existing employment and would adversely affect the investment of agency partners throughout Michigan.

- e) The Applicant plans to create 400 Qualified New Jobs above a statewide base employment level of 873.

2. GJFM Considerations

- a) The Applicant is a “Eligible Business”, as defined in MCL 125.2090g(d), that is located and operates in Michigan.
- b) “Certified new job”, used with Good Jobs for Michigan, means a full-time job created by an authorized business at a facility in this state that is in excess of the number of full-time jobs that the authorized business maintained in this state prior to the expansion or location.
- c) The Eligible Business has committed to creating and maintaining a minimum of 400 Certified New Jobs with an average wage of equal to or greater than 125 percent of the regional prosperity average wage of \$56,906 annually.
 - a. The Applicant plans to create 400 Certified New Jobs above a statewide base employment level of 908 paying an average wage of \$74,464. The Certified New Jobs will be created within five years of entering into the written agreement.
- d) The maximum amount of withholding tax capture revenues captured related to the project is \$6,000,000.
- e) The city of Grand Rapids has approved the Eligible Business’ new location by resolution.
- f) The plans for the expansion are economically sound.
- g) The expansion or location of the Eligible Business will increase employment opportunities and strengthen Michigan’s economy.
- h) Assistance under this program is an incentive to locate the Eligible Business in Michigan and address the competitive disadvantages with sites outside the state.
- i) The expansion or location of the Applicant will result in a positive fiscal impact to the state. The following was taken into consideration when determining the term of the withholding tax capture revenues: the number of new Certified New Jobs to be created, the level in which the average annual wage exceeds the prosperity regional average wage, the potential impact of the expansion on the city of Grand Rapids and the state of Michigan’s economy.

3. Additional Considerations:

Pursuant to the MBDP and GJFM program guidelines, the following was taken into consideration for the proposed project: involves out-of-state competition, shovel-ready project with the support of the MSF; diversification of Michigan economy, prospect of near-term job creation, high wage level for new jobs, strong links to Michigan investors and agencies and is projected to result in a net positive return for the State of Michigan.

Recommendation

MEDC Staff recommends approval of the MBDP and GJFM Request, as outlined in the attached resolutions.

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 11, 2019

Company Name: Acrisure, LLC and/or its affiliates and subsidiaries.

Project Location: Prosperity Region 4

MBDP Incentive Type: Performance Based Grant

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

Base Employment Level: At least 245

Qualified New Jobs: At least 400 in the city of Grand Rapids

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

Start Date for Measurement of Creation of Qualified New Jobs: March 28, 2019 (Date of signed Offer Letter)

Term of the Agreement: May 31, 2025

Milestone Based Incentive: Disbursements will be made over a 1 year period and will be performance based on job creation as follows:
Milestone 1: \$1,000,000 for the creation of 50 jobs.
Milestone 2: \$0 for the creation of 350 jobs.

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

Acknowledged as received by:

Acrisure, LLC

By:




Printed Name: Sozon Vatikiotis

Its: Chief Operating Officer

Michigan Economic Development Corporation

By:



Printed Name: Julia Veale

Its: BDPM

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Bond Authorizing
Dominican Health Care Corporation– Nonprofit – \$22,000,000
New/Refunding*

Request:

Dominican Health Care Corporation d/b/a Lourdes Senior Community (“Lourdes”) is requesting private activity bond financing for the purpose of refunding the 2014 Series Bonds dated June 20, 2014, issued for its benefit by the Michigan Strategic Fund (“MSF”) in the original principal amount of \$14,055,000 (the “2014 Bonds”), with all of the approximately \$12,600,000 outstanding to be refunded.

Lourdes is also requesting private activity bond financing for the purpose of making improvements to its existing facilities for up to \$7,400,000.

Background:

Dominican Health Care Corporation (dba Lourdes Senior Community) was incorporated in 1965 as a Skilled Nursing Facility in Michigan. The corporation is a 501(C)(3) nonprofit organization. Lourdes, for itself and through other members of its Obligated Group, provides skilled nursing and rehabilitation services to the senior community. Lourdes is the Obligated Group Agent for itself and the Obligated Group comprised of Lourdes, Fox Manor, Inc., Lourdes Assisted Living Corporation, Lourdes Campus Fund, Lourdes Alzheimers Special Care Center and Lourdes, Inc., all Michigan nonprofit corporations.

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

Description of Project:

In correlation to the request described above, it is anticipated that with this refunding and new money issuance no new jobs will be created, however, the 280 existing jobs will be maintained.

The new project at Lourdes will occur in Waterford Township in Oakland County. This project is slated to begin in June, 2019 and complete 2 years later in July, 2021. There are currently three outdated wings that house approximately 58 residents. The project consists of tearing down two of the wings and constructing two new wings conducive to today's healthcare environment standards. The third wing is to either be torn down or left to be re-purposed for administrative offices and storage. The new wings will house 50 residents with 45 rooms being completely private and the remaining 5 being semi-private. The new wings combined will be about 33,000 square feet.

The 2014 bonds were issued to finance the conversion of all its skilled nursing rooms to private rooms. This project created an additional 92 rooms for private residency.

Plans of Finance:

PNC Bank plans to directly purchase the bonds. Under the proposal, Lourdes would realize a savings of approximately \$800,000 over 7 years versus traditional commercial financing.

If the project size remains at \$22,000,000 the MSF issuance fee will be \$39,250.

Recommendation:

Based upon determination by Dickinson Wright, as bond counsel, and the State of Michigan Attorney General's Office that this transaction complies with state and federal law requirements for tax-exempt financing, staff recommends the adoption of a Bond Authorizing Resolution in the amount not to exceed \$22,000,000.

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Bond Authorizing
Consumers Energy Company
Solid Waste – for an amount not to exceed \$100,000,000 – New*

Request:

Consumers Energy Company (“Consumers”) is requesting private activity bond financing for the purpose of issuing bonds (the “Series 2019 Bonds”).

On January 30, 2017, the Michigan Strategic Fund Board approved Inducement Resolution 2017-008 for this project with a term of two years. The approval of the Bond Authorizing Resolution will extend the term of the Inducement Resolution to November 22, 2019.

Background:

Consumers is a Michigan corporation engaged in providing electric and gas service to approximately 6.7 million of Michigan’s 10 million residents in the Lower Peninsula. Consumers is the principal subsidiary of Jackson-based CMS Energy Corporation. Consumers employs more than 7,000 men and women in the State of Michigan.

Description of Project:

Consumers is seeking bond financing to pay a portion of the costs of the construction, associated issuance costs and capitalized interest for the following project:

Consumers indicates in April of 2015 the United States Environmental Protection Agency (“EPA”) issued the Coal Combustion Residual Resource Conservation and Recovery Act Rule (40 CFR 257 Subpart D) (“CCR RCRA Rule”) to regulate the beneficial use and disposal of Coal Combustion

Residuals (“CCR”) materials generated at coal-fired electrical power generating complexes. The CCR RCRA Rule adopts minimum standards for beneficially reusing and disposing of non-hazardous CCRs. The rule establishes new minimum requirements for site location, groundwater monitoring, flood protection, storm water design, fugitive dust control, and public disclosure of information. The CCR RCRA Rule also sets out conditions under which CCR units would be forced to cease receiving CCR and non-CCR waste and initiate closure based on the inability to achieve minimum safety standards, meet a location standard, or meet minimum groundwater standards. In accordance with the CCR RCRA rule, any CCR surface impoundment or CCR landfill that was actively receiving CCRs on the effective date of the CCR RCRA rule was deemed to be an “Existing CCR Unit” on that date and subject to self-implementing compliance standards and schedules.

Consumers’ environmental strategy to comply with the self-implementing requirements of the CCR RCRA Rule (the “RCRA Program”) is estimated to cost \$200 million through 2020.

RCRA Program costs are allocated among nine major projects at the five Consumers locations described below:

1. D. E. Karn Generating Plant located at 2742 N. Weadock Highway in Essexville, Bay County, Michigan. Estimated expenditures totaling \$80 million related to the closure of Bottom Ash Pond, landfill closure and installation of new Bottom Ash Tanks,
2. J. H. Campbell Generating Facility located at 17000 Croswell Street in West Olive, Ottawa County, Michigan. Estimated expenditures totaling \$50 million related to the closure and capping of Bottom Ash Ponds and installation of new Bottom Ash Tanks.
3. B. C. Cobb Generating Facility located at 151 North Causeway in Muskegon, Muskegon County, Michigan. Estimated expenditures totaling \$25 million related to the closure and capping of Bottom Ash Ponds and Ponds.
4. J. B. Whiting Plant located at 4525 E. Erie Road in Erie, Monroe County, Michigan. Estimated expenditures totaling \$25 million related to the closure and capping of Ponds.
5. J. C. Weadock Generating Facility located at 2555 N. Weadock Highway in Essexville, Bay County. Estimated expenditures totaling \$20 million related to the closure and capping of Bottom Ash Ponds.

Plans of Finance:

The bonds are expected to be purchased by Key Banc Capital Markets pursuant to a bond purchase agreement.

If the project size remains at \$100,000,000, the MSF issuance fee will be \$137,500.00.

Recommendation:

Based upon a determination by Miller Canfield, as bond counsel and the State of Michigan Attorney General’s Office that this transaction complies with state and federal law requirements for tax-exempt financing, staff recommends the adoption of a Bond Authorizing Resolution in the amount not to exceed \$100,000,000.

MEMORANDUM

Date: September 24, 2019

TO: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Inducement
QCI Fuels – MI Plant 1, LLC
Solid Waste - \$60,000,000 – New*

Request:

QCI Fuels – MI Plant 1, LLC is requesting private activity bond financing for the purpose of issuing bonds (the “Series 2019 Bonds”).

Background:

QCI Fuels – MI Plant 1, LLC (“QCI-MIP1”) is a Delaware limited liability company authorized to do business in Michigan as a foreign limited liability company and is a subsidiary of the Quad City Innovations, LLC (“QCI”), a Michigan limited liability company. QCI was founded in 2009 to research and develop technology to convert plastic waste to highly valued profitable byproducts.

The vision of QCI is to build plant facilities to re-mine the valuable molecules from all plastic waste streams generated from residential, post-industrial, and post-agricultural sources for recirculation back into manufacturing, transportation and many other industries. During the first quarter of 2014, QCI expanded upon its research and development activities of the proprietary plastic processing technology (“QCI-PCF System”) by commencing efforts to design and construct large-scale commercial systems. Initial steps toward this effort resulted in the acquisition of an industrial facility at 30933 Industrial Road, Livonia, Wayne County (the “Livonia Facility”) and the installation of QCI’s first system.

QCI-MIP1 was formed to manage and operate the QCI-PCF System within the Livonia Facility.

Description of Project:

QCI-MIP1 is currently leasing the Livonia Facility from an affiliated parent entity. The existing building and premises of the Livonia Facility have been partially refurbished and some infrastructure development completed. One plastic processing facility has been fabricated and installed at the Livonia Facility and is currently being commissioned. A second system is also in the process of being fabricated to be installed in 2020. A total of six QCI-PCF System will be engineered, fabricated, installed and commissioned as part of this project. Other supporting equipment and services such as additional infrastructure, road work, renewable fuel and chemical tank farm, feedstock storage silo systems, general shared equipment, inventory and startup costs are included within the project. Expected project start date is December 2019 with a projected completion date of December 2021.

The goal of this plant is to be the first of many that will re-mine valuable hydrocarbon molecules and begin to reverse the plastic pollution streams from entering landfills and waterways.

QCI-PCF System technology vaporizes and processes most waste plastics into liquid and gas molecules. The liquid molecules are reformed and refined into highly valuable renewable fuels and chemicals in high volume. Each system will be capable of processing 30 to 50 tons of waste plastic every day. Six machines will be able to process up over 100,000 tons annually.

It is anticipated that 150 full time positions will be created to run the six QCI-PCF machines at the QCI-MIP1 Livonia Facility. There are currently 2 QCI-MIP1 employees. Additionally, QCI currently employs 23 administrative, scientist and engineer positions.

Plans of Finance:

Piper Jaffray & Co, has indicated interest in providing underwriting services for this bond issue.

If the project size remains at \$60,000,000, the MSF issuance fee will be \$87,500.00.

Recommendation:

After reviewing the Private Activity Bond application of QCI Fuels – MI Plant 1, LLC staff finds this project meets the requirements for an Inducement Resolution in the amount of \$60,000,000.

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Lindsay Viviano, Community Assistance Team Specialist
Julius Edwards, Commercial Real Estate Investment Manager
Lisa Edmonds, MCRP Program Specialist

Subject: Request for Approval of Michigan Strategic Fund (MSF) Non-Recourse Performance-Based Direct Loan and MSF Purchase of MSHDA Tax-Exempt Bonds for the Benefit of Eastern Elementary LDHA LP

REQUEST

Eastern Elementary LDHA LP and/or related entities (“Applicant”) is requesting approval of a MSF award in the amount of \$3,550,000 to purchase Michigan State Housing Development Authority (“MSHDA”) Tax-Exempt Bonds (the “MSHDA Bonds”) and provide a cash flow loan to the Applicant (the “MSF Loan”). Also, staff is requesting approval to transfer \$3,550,000 from the Michigan Community Revitalization Program (MCRP) to facilitate the MSF Award.

This community development project will rehabilitate a historic four-story vacant school building near downtown Grand Rapids (the “project”). The Applicant anticipates that the Project will result in a total capital investment in the amount of \$14,650,415 along with the creation of approximately 2.3 permanent full-time equivalent jobs with an average hourly wage of \$19.82.

FINANCING OPPORTUNITY

MSHDA, along with the Applicant has requested the MSF purchase up to \$2,050,000 of an anticipated total \$4,037,888 in tax-exempt bond, construction to permanent loan financing. MEDC staff is recommending that the MSF invest in a portion of the MSHDA issued tax-exempt bonds which will allow MSHDA to provide a lower interest rate to the Applicant and which will allow the project to qualify for additional financing at a more affordable first mortgage financing rate. The MEDC is also recommending a non-recourse cash flow-based loan in the amount of \$1,500,000 to fill the remaining financing gap. The MSF Loan will be secured by a third mortgage on the Project and it is anticipated that disbursements to the Project will be made through MSHDA or a MSHDA approved disbursement agent.

The project is not a good fit for the Michigan Community Revitalization Program funding because a portion of the proposed award would be utilized to make a direct investment in the purchase of Tax-Exempt Bonds. Other financing for the project includes MSHDA Tax-Exempt Bonds not purchased by the MSF, a Cash Flow Loan from MSHDA, a Low-Income Housing Tax Credit equity investment, Federal Historic Tax Credit Equity, a seller note, deferred developer fees, an owner contribution, a City of Grand Rapids Community Development Block Grant (CDBG) award and a local Brownfield Revolving Fund

(BRF) award. Below outlines the proposed structure of the MSF investment and a summary of the development sources.

MSF AWARD TERMS

- MSF Incentive Award:** \$3,550,000
- Borrower:** Eastern Elementary LDHA LP
- Total Capital Investment:** Currently estimated at \$14,650,415
- MSF Fees:** The MSF shall be paid a one-time fee equal to one percent of the MSF's total award (\$35,500).
- Deferred Developer Fees:** ~~The developer fees~~ currently estimated at ~~of~~ \$471,262 of the full \$1,100,000 fee will be deferred until such time that the Project is producing cash flow in excess of that required for priority debt and other operating obligations.
- Funding:** The MSF will fund up to \$3,550,000 to be disbursed at closing following completion of to be determined performance criteria.
- Reserves:** Reserves and contingencies in excess of \$1.3 million
- Other Conditions:** The MSF's investment will be contingent upon the following:
- A copy of an executed Guaranteed Maximum Price (GMP) construction contract between the Applicant and its contractor.
 - Copies of final construction documents.
 - Copies of all executed loan agreements, notes and mortgages, evidencing that the Applicant has financing in place or evidence of other sources available to complete the Project as contemplated.
 - Final agreements related to the City of Grand Rapids' CDBG Award.
 - Final agreements related to the local Brownfield Revolving Fund Award.
 - Final agreements related to MSF's purchase of MSHDA Bonds.
 - Final operating agreement including a schedule(s) of all equity pay-ins.
 - Final organizational and flow of funds chart.
 - Evidence of site control.
 - Final development budget and projections.
 - Other documents may be required for review.

MSF Facility #1: **MSHDA Bond Purchase**

Applicant: Eastern Elementary LDHA LP or a Related Entity

MSF Investment Amount: Up to \$2,050,000

Bond Purchase: MSF will directly purchase a portion of the MSHDA Bonds, allowing a lower interest rate when blended with the MSHDA tax-exempt loan rate than would otherwise be possible.

Coupon Rate: 1.00% per annum

Term of Investment: To match that of MSHDA, anticipated to be 480 months.

Repayment Terms: Anticipated the MSF will be paid monthly payments consistent with principal and interest payments on a 480 amortized loan with an 1% interest rate (following an interest only period) from MSHDA, subject to the terms of the MSHDA Bonds.

MSF Facility #2: **Non-Recourse Performance-Based Direct Loan**

Borrower: Eastern Elementary LDHA LP or a Related Entity

MSF Loan Amount: Anticipated to be \$1,500,000

Term: Anticipated to be 480 months.

Amortization: N/A.

Interest Rate: 1.00% per annum Simple Interest

Repayment Terms: Monthly principal and interest payments to be deferred until the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of deferred developer fee or (b) the 153th year following commencement of amortization of the 1st mortgage loan, to match the terms of the MSHDA Cash Flow Loan. Interest will accrue until paid in full. Repayment to the MSF Loan will be proportionate with MSHDA's cash flow-based loan, currently anticipated to be paid on a proportional basis (MSHDA/MSF cash loans) of 50% of surplus cash available for distribution. Monthly payments will be first applied to accrued and unpaid interest, then to current interest and principal until the earliest of sale, refinance of the Development or

maturity, at which time the loan and any accrued and unpaid interest shall be due in full.

Collateral: To match that of MSHDA, subordinated to the tax-exempt bond financing 1st mortgage and a 2nd mortgage on MSHDA’s Cash Flow Loan.

Guarantee: ~~To match that of MSHDA, a~~Anticipated to be performance statutory default and completion guarantees from the Managing Partners of ~~the~~ Eastern Elementary LDHA LP (shall not include Oasis or any of its affiliates). MSF will be subordinate to MSHDA on guarantee.

SUMMARY OF DEVELOPMENT SOURCES:

MSF Share of Tax-Exempt Bonds	\$2,050,000	13.99%
Other Tax-Exempt Bonds	\$1,987,888	13.56%
LIHTC	\$2,079,788	14.20%
Historic Tax Credit Equity	\$2,156,719	14.72%
City of Grand Rapids CDBG/BRF Awards	\$1,315,000	8.89%
MSF Direct Loan	\$1,500,000	10.24%
MSHDA Loan	\$2,430,650	16.59%
Seller Note	\$575,000	3.92%
Deferred Developer Fees	\$471,262	3.22%
Owner Contribution	\$84,108	0.57%
TOTAL	\$14,650,415	100.00%

SUMMARY OF DEVELOPMENT USES:

Acquisition	\$1,300,000
Hard Construction Costs	\$89,5267,477
Other Development Costs	\$35,7082,938
TOTAL	\$14,650,415

LOCAL SUPPORT

Local support for the project includes a 4% Payment-in-Lieu-of-Taxes (PILOT), a \$698,330 CDBG Award, and a \$616,670 local Brownfield Revolving Fund Award. The City of Grand Rapids is certified with the MEDC’s Redevelopment Ready Communities (RRC) program. This project qualifies because it is blighted and a historic resource.

PROJECT BACKGROUND

Eastern Elementary LDHA LP is proposing to rehabilitate a historic, 4-story school building located in the Highland Park Neighborhood of Grand Rapids. This project will redevelop the vacant 63,000 square foot building to include 2,000 square feet of non-profit office space, a leasing office, gymnasium, and 50 affordable/workforce housing units. The residential apartments will include a mix of studio, one-bedroom, two-bedroom, and three-bedroom units. The development team has worked very closely with the City of Grand Rapids to identify the need for more workforce housing, and the rents will serve residents that are within 40-120% area median income. This project is a high priority of the City of

Grand Rapids and the building was added to the National Historic Register in the spring of 2019. In addition, the building will be rehabilitated to LEED Silver certification standards.

The developer is raising over \$4.2 million of the total development cost through LIHTC and HTC equity provided by Insite Capital, leveraging MSHDA Tax-Exempt Bond and Other loan financing, receiving a PILOT, local CDBG funds, local Brownfield Revolving Fund award, and deferring a portion of the developer fee. Due to high costs of historic rehabilitation and rising construction costs, as well as the reduced income generated by affordable and attainable residential rental rates, the project has a financing gap driving the need for MSF support.

APPLICANT HISTORY

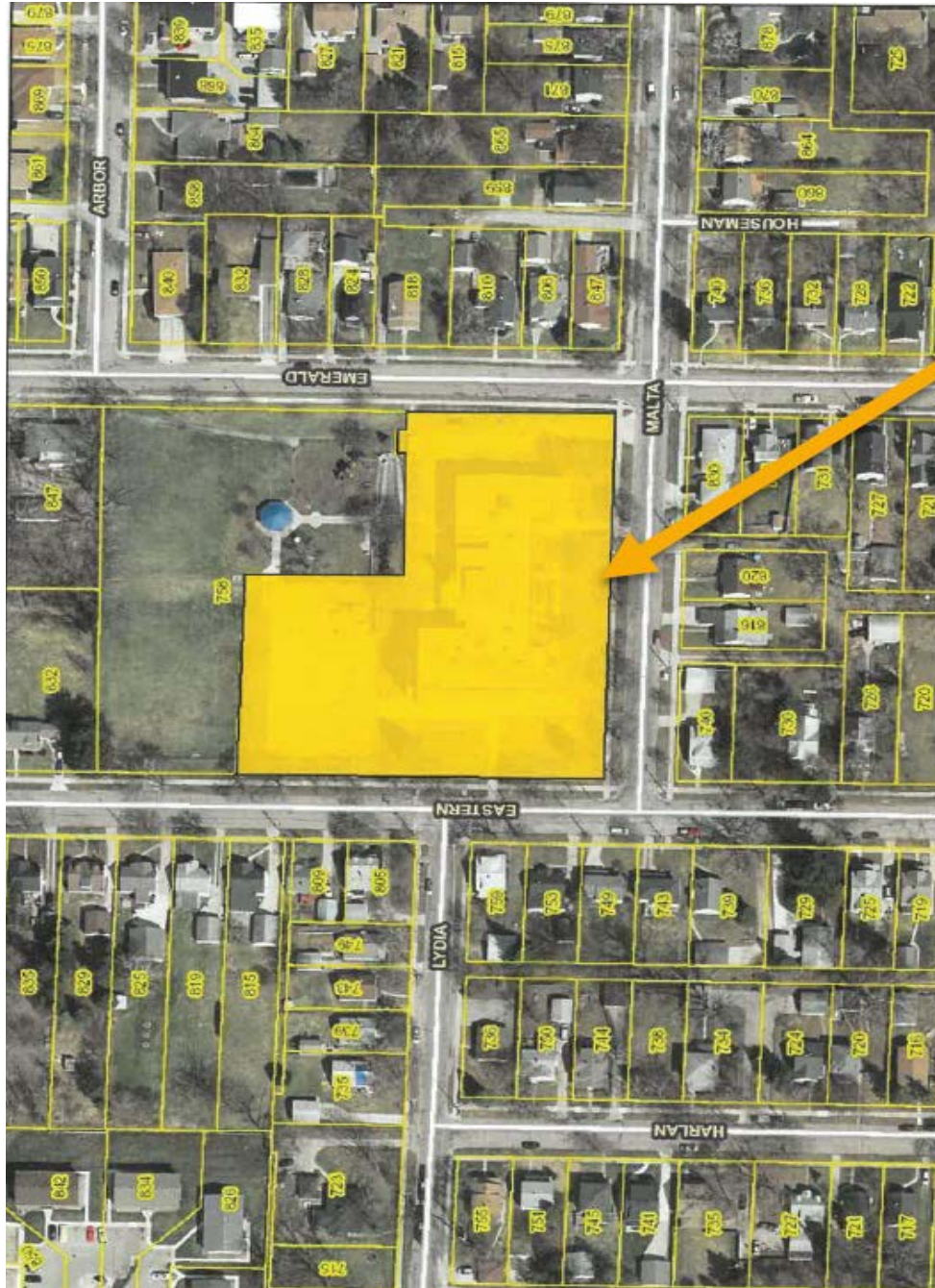
The developer and managing partner for the project, Inner City Christian Federation (ICCF), was founded in 1974 and is one of the oldest non-profit affordable housing developers in the state of Michigan. The organization annually serves the housing needs of over 2,200 low- and moderate-income families throughout the greater Grand Rapids area. ICCF has provided emergency shelter for homeless families, affordable rental housing, home ownership opportunities, extensive home ownership education, financial management classes, and counseling. ICCF is currently managing and/or building over 450 units of housing. ICCF's real estate developments seek to create mixed-income, mixed-use developments in communities that support walkability. ICCF and Eastern Elementary LDHA LP have not received any prior incentives from the MSF. MEDC staff has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

RECOMMENDATION

MEDC staff recommends approval of the following (the "Recommendation"):

- a) Transfer of \$3,550,000 from the Michigan Community Revitalization Program to the MSF under MCL 125.2088b(2)(c) in order to fund the (i) purchase of the MSHDA Bonds and (ii) an MSF Performance Based Loan.
- b) Authority for the MSF Fund Manager to purchase the MSHDA Tax-Exempt Bonds and enter into any bond purchase documents necessary to effectuate the purchase of the bonds.
- c) Non-Recourse MSF Performance Based Direct Loan of \$1,500,000.
- d) Authority for the MSF Fund Manager to negotiate the final terms and conditions of the MSF Loan Award and MSHDA Tax-Exempt Bond purchase.

APPENDIX A – Project Map and Renderings



PROJECT SITE



HISTORIC BUILDING ELEVATIONS - WEST ELEVATION
 DATE: 10/17/17



HISTORIC BUILDING ELEVATIONS - NORTH ELEVATION
 DATE: 10/17/17

PRELIMINARY
 NOT FOR CONSTRUCTION

MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Michelle Audette-Bauman, Community Assistance Team Specialist
Lynda Franke, Program and Investment Specialist
Lisa Edmonds, MCRP and Brownfield Program Specialist

Subject: Request for Approval Michigan Community Revitalization Program (MCRP)
Performance-Based Grant
Benton Harbor Flats Project

REQUEST

Benton Harbor Flats LLC (“Applicant”) is requesting a MCRP performance-based grant in the amount of \$1,500,000 to support a community development project that will redevelop a functionally obsolete building into a mixed-use project in downtown Benton Harbor. The Applicant anticipates that the project will result in a total capital investment in the amount of \$3,600,709 along with the creation of approximately 22 permanent full-time equivalent jobs with an average hourly wage of \$13.27.

FINANCING OPPORTUNITY – MICHIGAN COMMUNITY REVITALIZATION PROGRAM GRANT

The Applicant has requested a MCRP Performance Based Grant. The development team is contributing over 15% cash equity to the project, has a \$1,400,000 senior loan from Chemical Bank, and has a \$130,000 Cornerstone Alliance grant. The Applicant’s pro forma does not project a return due to the substantial cost to renovate the building and the current market-rate rents in downtown Benton Harbor. Allowing \$80,000 in developer and related-party fees as a non-deferred expense, as well as lowering annual expense estimates based on comparables, brings the return just above break-even. Staff recommends a grant instead of a loan due to the very low projected return on the project, and the current risk level of investing in Benton Harbor.

GRANT TERMS

MSF Facility: MCRP Performance-Based Grant

Grantee: Benton Harbor Flats LLC

Senior Lender: Anticipated to be Chemical Bank

Total Amount of Loan: Currently estimated at \$1,400,000

Total Capital Investment: Currently estimated at \$3,600,709

MSF Eligible Investment: Currently estimated at \$3,243,813

Minimum Eligible Investment: Currently estimated at \$2,596,000

MSF Grant: Up to the lesser of 47% of “Eligible Investment” or \$1,500,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Benton Harbor is less than 15,000.

Funding: The MSF will fund up to \$1,500,000 to be disbursed following closing of the financing and other performance criteria.

SUMMARY OF DEVELOPMENT SOURCES:

Chemical Bank Loan	\$	1,400,000	38.88%
MSF Grant	\$	1,500,000	41.66%
Other Grants	\$	130,000	3.61%
Developer Equity	\$	570,709	15.85%
TOTAL	\$	3,600,709	100.00%

SUMMARY OF DEVELOPMENT USES:

Acquisition	\$	1	0.00%
Hard Construction Costs	\$	3,290,113	91.37%
Eligible Soft Costs	\$	83,700	2.32%
Other	\$	226,895	6.30%
TOTAL	\$	3,600,709	100.00%

LOCAL SUPPORT

Local support for the project includes a twelve-year Obsolete Property Rehabilitation Exemption for an estimated total savings of about \$321,548, as well as a \$130,000 grant from the Cornerstone Alliance, a local non-profit. Additionally, Cornerstone Alliance, the previous owner of the property, sold the site to the development team for \$1 in order to support the redevelopment project. The City of Benton Harbor is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project qualifies because it is functionally obsolete.

MCRP PROGRAM AND GUIDELINES

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on July 23, 2019, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF’s investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and a financial review has been completed.

PROJECT BACKGROUND

The proposed project will renovate a vacant, approximately 23,382 square foot, two-story building located on 0.24 acres into a mixed-use development in downtown Benton Harbor. The completed project is anticipated to include sixteen market-rate residential apartments comprising 13,850 square feet and two office suites comprising approximately 3,300 square feet. In addition to significant interior rehabilitation activities, the project also includes the removal of existing metal façade materials with the goal of restoring the original brick façade, which is believed to be intact under the metal.

As the former home to a Woolworth “five-and-dime”, the project is located at a prominent intersection that links downtown and the Arts District to the harbor area. Redevelopment of this building will help preserve one of the few remaining structures at this key intersection while also enhancing walkability and connectivity between important commercial nodes in Benton Harbor. Additionally, the activation of a currently vacant and obsolete building will add vibrancy to downtown while increasing the taxable value of the site.

The development team is contributing over 15% cash equity to the project and has secured \$1,400,000 in senior financing. There is significant local support for the development including a 12-year tax abatement approved by the City Commission and grant funding from Cornerstone Alliance. MEDC staff project the debt service coverage ratio (“DSCR”) average of 1.3 until the OPRA tax abatement ends. The DSCR drops to 1.09 the first year without an abatement. However, the Applicant intends to use extra cash available in the earlier years to buy-down the senior loan. Staff are comfortable with projected returns and debt coverage due to the strength and experience of the development team. The Applicant has indicated that this project is an important step in expanding their footprint into the Benton Harbor community and surrounding areas. Without the recommended MCRP grant the project would be financially unfeasible.

APPLICANT HISTORY

Benton Harbor Flats LLC is a single-purpose entity formed by members of the Cressy Commercial Real Estate team to develop the property at 126 Pipestone Street in Benton Harbor, Michigan. Cressy Commercial Real Estate, headquartered in Mishawaka, Indiana, has been in business since 1948 and is considered one of the regional leaders in real estate development and management. Recent developments include University Park Mall and University Park Trade Area, Edison Lakes Corporate Park, 100 East Wayne and the ongoing redevelopment of the historic Hotel Elkhart into a 93 room, full-service boutique hotel. Cressy Commercial has developed/attracted over \$1 billion in private development since its inception. Cressy Commercial Real Estate and Benton Harbor Flats LLC have not previously received incentives from the Michigan Strategic Fund (MSF). The Applicant consists of over a dozen individuals, all of whom will be guarantors on the senior loan from Chemical Bank. MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

RECOMMENDATION

MEDC staff recommends approval of a MCRP performance-based grant in the amount of up to \$1,500,000 for Benton Harbor Flats LLC.

APPENDIX A – Project Map and Renderings





MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Brittney Hoszkiw, Senior Community Assistance Team Specialist
Julius Edwards, Commercial Real Estate Investment Manager
Lisa Edmonds, MCRP and Brownfield Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Performance Based Direct Loan and a Request for Approval of an Act 381 Work Plan
RainCheck Development LLC - 40 Hague Redevelopment Project

REQUEST

RainCheck Development LLC (“Applicant”) is requesting a MCRP performance-based loan in the amount of \$1.4 million and the City of Detroit Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including local and school tax capture for MSF eligible activities in the amount of \$561,538 to support a community development project that will rehabilitate a vacant two-story building into 38 apartment. The Applicant anticipates that the project will result in a total capital investment in the amount of \$8,159,970 along with the creation of approximately 1 permanent full-time equivalent jobs with an average hourly wage of \$21.63.

FINANCING OPPORTUNITY – MCRP DIRECT LOAN

The Applicant is requesting consideration for a \$1,400,000 MCRP Performance-Based Direct Loan. The proposed award will be used to fill a financing gap created by the significant cost of acquiring the property as well high development cost related to a stressed labor market in the City of Detroit that has seen construction costs increase by as much as 30% over the past 12 months. Below outlines a summary of the development sources and the proposed structure of the MCRP Loan. Even with the MCRP award, it is anticipated that the investors will be only able to achieve approximately an 1% return.

LOAN TERMS

MSF Facility:	Performance-Based Direct Loan
Borrower:	RainCheck Development LLC
MCRP Loan Amount:	Up to the lesser of 25% of “Eligible Investment” or \$1,400,000
Total Capital Investment:	Currently estimated at \$8,159,970
MSF Eligible Investment:	Currently estimated at \$5,769,572

Minimum Eligible Investment:	Currently estimated at \$5,600,000
Term:	To match that of the senior lender anticipated to be 72 months
Amortization:	Not to exceed 360 months
Interest Rate:	1% per annum
Repayment Terms:	Interest only for 24 months, followed by equal monthly principal and interest payments, with principal due at maturity. Limited subordination of payments to the senior loans from Capital Impact Partners. The terms of the subordination to be negotiated by the MSF Fund Manager.
Collateral:	Anticipated to be a security in the real estate and assignment of leases and rents. MSF security position to be subordinated to loan from Capital Impact Partners.
Guarantee:	Guarantees of Neal A. Check and Neal A. Check Agreement of Trust. MSF interest to be subordinated to that of Capital Impact Partners
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF's share of the loan. The borrower will be responsible for all third-party costs incurred by the MEDC/MSF in closing the loan.
Funding:	The MSF will fund up to \$1,400,000 to be disbursed following closing of the financing and other performance criteria. It is anticipated that the MSF will enter into some form of a Disbursement and Servicing Agreement with Capital Impact Partners.
Reserves:	It is anticipated that the borrower will have reserves and contingencies in place in excess of \$900,000.
Other Conditions:	The MSF's investment will be contingent upon the following: <ul style="list-style-type: none"> • Construction documents (includes a "Guaranteed Maximum Price" construction contract) • Final Development Budget • Evidence of a minimum owner equity investment of \$1,490,000 • Evidence of tax abatement for the property

SUMMARY OF DEVELOPMENT SOURCES:

Capital Impact Senior	\$	3,398,909	41.65%
Capital Impact DNF Loan	\$	1,750,000	21.45%
MCRP Loan	\$	1,400,000	17.16%
Developer Equity	\$	1,611,061	19.74%
TOTAL	\$	8,159,970	100.00%

SUMMARY OF DEVELOPMENT USES:

Acquisition	\$	1,275,000
Hard Construction Costs	\$	5,586,964
Eligible Soft Costs	\$	182,608
Other	\$	1,115,398
TOTAL	\$	8,159,970

LOCAL SUPPORT

Local support for the project includes the anticipated approval of a Public Act 146 Obsolete Property Rehabilitation Act Tax Exemption for a period of 12 years with an estimated savings of \$1.4 million, as well as the local portion of the Brownfield Tax Increment Financing for eligible activities estimated at \$355,225. The City of Detroit is engaged with the MEDC’s Redevelopment Ready Communities (RRC) program. The project qualifies because it is a facility.

MCRP PROGRAM AND GUIDELINES

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on July 23, 2019, the MSF Board approved its restated program guidelines. The primary intended objective of the MCRP is to provide incentives to persons that make eligible investments on eligible property in Michigan. It is the role of the MEDC staff to review for eligibility, completeness, and adherence to the program, the information provided by the applicant and to manage the MSF’s investment. As required under the MCRP, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the MCRP Guidelines and a financial review has been completed.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on September 10, 2019. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 13, 2019.

There are 63.3227 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills and local millage equaling 39.3227 mills. There is a Public Act 146 Obsolete Property Rehabilitation Act Tax Exemption (OPRA) tax abatement on the property for the first 12 years, which results in a blended ratio of 36.74% to 63.26%, school to local, respectively. Tax increment capture will begin in 2020 and is estimated to continue for 10 years. The requested tax capture for MSF eligible activities breaks down as follows:

State tax capture	(36.74%)	\$	206,313
Local tax capture	(63.26%)	\$	<u>355,225</u>
TOTAL		\$	561,538

COST OF MSF ELIGIBLE ACTIVITIES

Demolition	\$	298,900
Asbestos Abatement		22,000
Infrastructure Improvements		68,000
Site Preparation	+	<u>86,350</u>
Sub-Total	\$	475,250
Contingency (15%)	+	<u>71,288</u>
Sub-Total	\$	546,538
Brownfield/Work Plan Preparation	+	10,000
Brownfield/Work Plan Implementation	+	<u>5,000</u>
TOTAL	\$	561,538

In addition, the project is requesting from EGLE \$170,368 in TIF to assist with environmental eligible activities.

PROJECT BACKGROUND

The project involves the rehabilitation of a two-story, approximately 29,103 square foot former Packard Automotive Showroom and service center on a 1.25 acre site in Detroit’s North End Neighborhood. The project will result in 38 loft style apartments with 8 being reserved as affordable units at 60% Area Median Income. The two adjacent surface lots will also see investment with the Southern lot servicing the residential units with landscape features throughout, and the Western parking lot being converted to a fenced park for use by residents.

MEDC assistance is needed in order to alleviate costs related to the difficult labor market in Detroit that has caused construction prices to increase, particularly in instances of historic rehab, as well as offset the significant cost of acquiring the building. The CRP award would allow the project to meet minimum debt service requirements for the senior lender, Capital Impact Partners. The project dips below a 1.20 to 1.00 DSCR in year three and fails to cash flow in year 13 when the tax abatement expires. However, it is anticipated at the time of maturity of the senior debt the development team will be able to refinance the property at more favorable rates. Additionally, the MSF would have the ability to adjust the repayment terms of its loan if necessary. The proforma DSCR for the project is 1.12 to 1.00.

This is the first project of any significance that the MEDC has been a part of in Detroit’s North End and will result in a more walkable community along the Woodward corridor and will increase density of mixed-income residents without increasing storm water demands on the city. The project allows for adaptive reuse of an existing structure with latest in energy efficient systems. Brownfield eligible activities will alleviate Brownfield conditions across the site making it suitable for redevelopment, while protecting human health and the environment. Without Brownfield tax increment reimbursement, the cost burden related to Brownfield conditions would make the project financially unfeasible.

APPLICANT HISTORY

RainCheck Development LLC is a southeast Michigan-based property development and management firm that restores, renovates, and manages real estate in and around Detroit. The firm is led by Birmingham-based founder Neal Check whose primary business is smart-home technology industry. This is RainCheck’s first request of the Michigan Strategic Fund (MSF). MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

RECOMMENDATION

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

- a) Local and school tax capture for the Act 381 eligible activities totaling \$561,538. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$206,313.
- b) A MCRP Performance-Based Direct Loan in the amount of up to the lesser of 25% of “Eligible Investment” or \$1.4 million for RainCheck Development LLC on terms and conditions outlined in Exhibit A found in the resolution.

APPENDIX A – Project Map and Renderings





MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Adam Cummins, Community Assistance Team Specialist
Lisa Edmonds, MCRP and Brownfield Program Specialist

Subject: Request for Approval of an Act 381 Work Plan
Farnum Building Redevelopment

REQUEST

The City of Lansing Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including local and school tax capture for MSF eligible activities in the amount of \$2,823,450 to support a community development project by Allegan Property, LLC that will rehabilitate the historic Farnum Building located in downtown Lansing, Michigan. The Applicant anticipates that the project will result in a total capital investment in the amount of \$20,000,000 along with the creation and retention of approximately 140 permanent full-time equivalent jobs with an average hourly wage of \$36.06.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Lansing, a Qualified Local Governmental Unit, has duly approved a brownfield for this property on September 9, 2019. The property has been deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on April 16, 2019.

There are 67.7094 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (35.45%) and local millage equaling 43.7094 mills (64.55%). Tax increment capture will begin in 2021 and is estimated to continue for 21 years. The requested tax capture for MSF eligible activities breaks down as follows:

State tax capture	(35.45%)	\$	1,000,913
Local tax capture	(64.55%)	\$	<u>1,822,537</u>
TOTAL		\$	2,823,450

COST OF MSF ELIGIBLE ACTIVITIES

Demolition	\$	100,000
Asbestos Abatement		2,263,000
Infrastructure Improvements		40,000
Sub-Total	\$	2,403,000
Contingency (15%)	+	360,450
Sub-Total	\$	2,763,450
Brownfield/Work Plan Preparation	+	30,000
Brownfield/Work Plan Implementation	+	30,000
TOTAL	\$	2,823,450

In addition, the project is requesting from EGLE \$32,300 in TIF to assist with environmental eligible activities.

PROJECT BACKGROUND

Formerly city-owned property, the project is seeking approval of an Act 381 Work Plan to assist with the significant costs associated with the asbestos abatement needed to renovate the Property. The 11-story, 90,000 square foot Farnum office building is proposed to be rehabilitated, including interior, extensive asbestos abatement activities, and renovation to return this building to a functional Class A office space in the heart of Michigan’s capital city where office space is greatly needed.

Brownfield eligible activities will alleviate Brownfield conditions across the site making it suitable for redevelopment, while protecting human health and the environment. Without Brownfield tax increment financing, the cost burden related to Brownfield conditions would make the project financially unfeasible.

APPLICANT HISTORY

Allegan Property, LLC, a development entity of Boji Group, LLC, is a Lansing headquartered real estate development, property management, and construction management firm. With more than 25 years of real estate experience, Boji aims to bring innovative solutions to challenging development opportunities. Providing services for more than two million square feet of state-of-the-art commercial space, Boji has a proven track record of successful redevelopment and the delivery of quality services. Boji Group, LLC has received incentives previously from the MSF or MEGA boards including a Core Communities award and MBT credits for the Boji Tower Project.

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

RECOMMENDATION

MEDC staff recommends approval of local and school tax capture for the Act 381 eligible activities totaling \$2,823,450. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$1,000,913.

APPENDIX A – Project Map and Renderings





MEMORANDUM

Date: September 24, 2019

To: Michigan Strategic Fund Board

From: Lori Mullins, Community Development Incentives Director

Subject: Request for approval of three (3) Façade Restoration Initiative (FRI) awards **and, request \$5,000,000 in additional FRI funding, and amendment to FRI Guidelines**

Request

MEDC staff is requesting the following: 1) transfer of \$5,000,000 from the Michigan Community Revitalization Program (MCRP), as permitted under MCL 125.2088b(2)(c), to further fund the Façade Restoration Initiative (FRI), and 2) approval of three (3) awards for eligible authority applicants who submitted information under the May 2018 Request for Information (RFI) for FRI. The selected applicants requested a total of \$795,000 in FRI funds for re-granting to eligible private property owners to support local façade improvement projects: Alpena Downtown Development Authority (DDA) (\$495,000), Paw Paw DDA (\$200,000) and Manistee DDA (\$100,000). Staff is recommending a total award of \$600,000 for the three applicants as summarized below.

Background

On April 24, 2018, the Michigan Strategic Fund (MSF) approved the FRI guidelines and a set aside \$1.5 million for FRI grants. Eligible districts or authority FRI awardees re-grant MSF funds to private property owners contributing up to 50% of each building's eligible façade improvement costs from the MSF Grant, in addition to providing some matching local funds. Eligible entities included Main Street Districts, Downtown Development Authorities, Corridor Improvement Authorities, etc. Following the April MSF board meeting, the MEDC issued a Request for Information (RFI) inviting eligible entities to submit for FRI funds. The MEDC received 60 RFI responses, requesting a total of \$16,404,350.

On August 28, 2018, the MSF approved revised FRI guidelines to include "not-for-profit, and other tax exempt, economic and community development organizations" as eligible applicants, allowance for MEDC staff to consider and evaluate on-going application considerations and other administrative revisions. FRI guidelines are included in Appendix A. On August 28, 2018, the MSF also approved a total of \$800,000 in FRI awards to the Marquette DDA, Wayland Michigan Main Street/DDA and Ypsilanti DDA. The \$600,000 in awards being recommended today will come from the initial \$1.5 million in funding. Updates on the first three awards are included in Appendix B.

Façade Restoration Initiative Funding Request

The purpose of locally administered façade improvement programs is to encourage private building owners to enhance or renovate the exterior appearance of their buildings, thus visually improving the aesthetics and the taxable values of the district overall. FRI applicants and awardees have a stake in creating a positive visual impact and attracting private investment into their downtown or corridors. Completed façade improvement projects are known to stimulate downtown foot traffic and business sales, encourage building

owners to make additional interior improvements and upgrades and to encourage other local building owners to undertake façade projects. Vibrant and active downtowns create a sense of place, foster the growth of local small businesses and attract outside patrons. The visual appearance of a downtown contributes to a community’s economic vitality and community pride.

Local façade incentive programs are necessary catalysts for private investment. This is particularly true with historic renovation projects. Better aesthetics do increase property values, increase the marketability of buildings and draw businesses to the downtown, but the increased value does not offset the high restoration cost. Façade projects are typically funded through cash (and sweat) equity and local grants or soft loans. Any additional revenue generated from a completed façade project is not sufficient to service traditional debt.

As stated above, 60 communities responded to the initial RFI request for information and together they requested more than \$16 million in matching FRI funds. MEDC staff is requesting \$5 million in additional FRI funding to further the impact of local façade programs throughout the state. If supported, local applicants will work with their Community Assistance Team specialist to refine and submit application materials, and awards will be considered on an ongoing basis. With FRI awards ranging between \$50,000 and \$500,000, it is staff’s expectation that an additional \$5,000,000 allocated to FRI will provide a significant boost to local façade matching programs throughout the state.

FRI applications were evaluated using the FRI Guidelines, approved in April 2018. Eligible applicants that responded to a RFI and those that provided complete responses were evaluated against the guidelines; including community experience, review of program guidelines, review of program application, proposed changes to the local façade program, potential pipeline of projects, identification of funding sources and appropriateness of requested FRI funds. Based on responses, the Alpena DDA, Paw Paw DDA and Manistee DDA are being recommended for FRI funds, as shown in the chart below and for the following reasons:

1. All are eligible applicants with an existing local façade program;
2. the existing façade programs have a successful track record of funding private façade improvement projects;
3. the existing façade programs offer local design assistance in some fashion that assists local private building owners meet/follow local design guidelines or priorities;
4. the existing façade program guidelines are robust - provide clear guidance to applicants regarding eligibility, expectations, funding availability, local process and timing;
5. applicants identified a local match funding source and clear level of funding to be committed to each façade project; and
6. they each had a strong pipeline of buildings ready for restoration.

Applicant	Requested Funds	Recommendation
Alpena DDA	\$495,000	\$300,000
Paw Paw DDA	\$200,000	\$200,000
Manistee DDA	\$100,000	\$100,000

Recommendation

MEDC staff recommends approval of the following:

- a) FRI awards in the total amount of \$600,000 to the City of Alpena DDA (\$300,000), the Village of Paw Paw DDA (\$200,000) and the City of Manistee DDA (\$100,000); and
- b) Authorization to transfer \$5,000,000 from the MCRP to further fund the Façade Restoration Initiative; ~~and~~

~~APPENDIX A—Façade Restoration Initiative Guidelines~~

~~FACADE RESTORATION INITIATIVE GUIDELINES~~

~~In General~~

- ~~• The Façade Restoration Initiative (FRI) is a community development grant intended to strengthen and expand the positive impact of local façade improvement programs in downtowns and commercial corridors around the state.~~
- ~~• MSF funds will be granted to eligible applicants and will be re-granted by the eligible applicants to individual façade project grantees. MSF will provide no more than 50% of façade funding for each individual project with the other 50% being some combination of private and local match funding; donation-based crowdfunding is an acceptable match.~~
- ~~• Awardees will administer façade grants under an award approved by the MSF or its delegates and will be responsible for submitting grant disbursement requests based upon satisfaction of performance-based milestones, conducting all aspects of their local program, verifying rehabilitation activities and keeping all necessary records as required by their grant agreement.~~
- ~~• Awards to eligible applicants can range from \$50,000 to \$500,000 depending on the local program capacity and need.~~

~~Eligibility Requirements and Review Criteria~~

- ~~• Eligible applicants include traditional downtown local authorities/districts (MMS, DDA, CIA, PSD, BID, or TIFA), not for profit, and other tax exempt, economic and community development organizations, each of which must have or be a participant in the administration of an existing, locally administered, façade improvement program for privately owned buildings.~~
- ~~• Eligible applicants will submit an application for an award, along with other supporting information, which shall include, but is not limited to, the following:
 - ~~○ The applicant's experience administering a local façade improvement program and capacity to administer the program as proposed.~~
 - ~~○ Details of the façade restoration program that they wish to administer, including design guidelines.~~
 - ~~○ Examples of private buildings in their community that would be ideal candidates for their program.~~~~
- ~~• Submissions by eligible applicants will be evaluated by MEDC staff based on community experience/capacity, innovation or strength of local program and strength of pipeline of potential projects.~~

~~Sub-awardee Eligibility Requirements~~

- ~~• Sub-awardees must meet the requirements of the local program and other terms and conditions required by the MSF grant agreement with the eligible authority/district.~~
- ~~• Sub-awardees must meet any applicable historic preservation guidelines or standards.~~
- ~~• Sub-awardees may not use grant funds to improve public buildings (i.e, federal, state, county or other locally owned).~~

~~Additional Initiative Details~~

- ~~• All recommendations for MSF grant support to eligible applicants shall be subject to the approval of the MSF Board or its delegates.~~
- ~~• The MSF grant support will be memorialized in written agreements with eligible communities, with terms and conditions required by these guidelines, including without limitation, performance-based milestones, sub-awardee grant requirements, and other grant disbursement criteria, periodic reporting, events of default, repayment provisions, and other terms and conditions deemed necessary by the MSF Fund Manager or the MSF President.~~
- ~~• The MSF Fund Manager or MSF President may approve changes to the terms and conditions of the MSF grant agreements as either may deem necessary or appropriate from time to time to adapt to the FRI, so long as such terms and conditions comply with these guidelines, and continue to include performance-based milestones and repayment provisions.~~
- ~~• The MSF Fund Manager or the MSF President shall sign all final documents to effectuate the MSF grant support as either deem necessary or appropriate from time to time.~~

~~Effective September 24, 2019~~

APPENDIX **AB** - Façade Restoration Initiative Awardee Updates

Marquette: Award of \$300,000 is 98% committed to 10 different properties. One is complete, seven are in progress and two are anticipated to start this fall. Example project below is 429 N. Third Street, which is receiving a \$35,000 grant for new exterior façade. Awning, lighting, signage are yet to be added.



Wayland: Award of \$200,000 has committed \$80,822 to five different properties, with six additional properties in the pipeline. Three facades are complete, two are in progress and six have not yet started. Example project below is 130 Superior Street. It was a \$35,400 restoration project that received \$17,700 in FRI funding in addition to DDA funds.



Ypsilanti: Award of \$300,000 has fully committed to five different properties. Three facades are complete, and two have not yet started.

RESOLUTIONS

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-124**

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

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

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

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

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

Consent Agenda Items:

Proposed Meeting Minutes – July 23, 2019
Moran Iron Works, Inc. – MBDP Loan Restructure
FY20 Small Business Services – Contracts Extension
FY20 Council of Great Lakes Governors, Inc. – Contract Extension
SAPA Transmission Inc. – MBDP Amendment
Plastic Trim International – MBDP Amendment
Northern Michigan University – MSF Investment Agreement Amendment
Michigan Manufacturing Technology Center – Grant Extension
University of Michigan MTRAC Statewide Life Science Innovation Hub – Grant Extension
CDBG PY19 Action Plan and Funding Guide Excerpt
Extension of MEDC-MSF Administrative Services MOU
Delegation of Authority

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-125**

**RESTRUCTURE OF MICHIGAN BUSINESS DEVELOPMENT PROGRAM AWARD
MORAN IRON WORKS, INC.**

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

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

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

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

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

WHEREAS, the Guidelines require that MBDP awards over \$1,000,000 be approved by the MSF Board;

WHEREAS, on January 23, 2013, the MSF approved an \$2,000,000 Michigan Business Development Program Performance based grant for Moran Iron Works, Inc. (the “Company”) for an expansion of their operations in the City of Onaway and at the Port of Calcite in Rogers City (the “MBDP Award”);

WHEREAS, on May 9, 2013, the MBDP Award was amended to change the local support from purchase of a boom crawler crane to issuance of a PA 198 tax abatement;

WHEREAS, on February 6, 2015, the MBDP Award was amended to extend the due date of Milestone Two from December 31, 2014 to December 31, 2015;

WHEREAS, on March 22, 2016, the MBDP Award was amended to reduce the grant from \$2,000,000 to \$1,000,000 and to require repayment of \$900,000, bearing an interest rate of 2%, in equal annual installments beginning on June 30, 2017;

WHEREAS, on July 25, 2017, the MBDP Award was amended to allow for the grant to be repaid in monthly installments beginning on August 1, 2017 and continuing for the following 71 months as an interest-bearing loan;

WHEREAS, on February 26, 2019, the MSF approved a six month forbearance of payments owed under the loan;

WHEREAS, the Company requests that the MSF restructure the MBDP Award in accordance with the terms and conditions set forth in Exhibit A to this Resolution (the “Restructure Request”);

WHEREAS, the MEDC recommends that the MSF approve the Restructure Request; and

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

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019

EXHIBIT A

SUMMARY OF TERMS

Payment Obligation: \$50,000 payable upon the earlier of (i) any sale of Moran's Manitowoc 16000 crawler crane or (ii) three (3) years.

Equity Participation: MSF to receive 800 shares of Class B non-voting common stock of Moran Iron Works, Inc. The 800 shares will represent 100% of the Class B shares and approximately 3% of all outstanding shares (Class A voting and Class B non-voting combined). Except with respect to voting rights, the Class B shares will have the same rights and privileges as the Class A shares including as to dividends and distributions. Moran intends to repurchase the Class B shares as soon as its financial condition allows, and requests a call option be executed in connection with the issuance of the Class B shares to the MSF, enabling Moran to repurchase the shares at fair market value to be determined by an independent valuation or by agreement of the parties in lieu of a valuation. Moran will grant the MSF a put option in connection with the issuance of the Class B shares, exercisable no less than five (5) years after the issuance of the Class B shares, enabling MSF to sell the shares back to Moran at fair market value to be determined by an independent valuation or by agreement of the parties in lieu of a valuation.

Other Stipulations: To evidence the above-referenced payment obligation, Moran will execute a new single payment promissory note in the principal amount of \$50,000, bearing interest at 1% per annum, payable in full on or before the earlier of (i) any sale of Moran's Manitowoc 16000 crawler crane or (ii) the third anniversary of the date of the promissory note.

The promissory note dated August 1, 2017 will be canceled upon execution of \$50,000 note and issuance of Class B shares to MSF.

Additional documentation to include Call Option Agreement and Put Option Agreement.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

RESOLUTION 2019-126

EXTENSION OF CONTRACT AWARD INTERNATIONAL TRADE PROGRAM SMALL BUSINESS SERVICES

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

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

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

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

WHEREAS, subject to the control and direction of the MSF Board pursuant to the Amended and Restated Memorandum of Understanding adopted via MSF Resolution 2015-185, the Michigan Economic Development Corporation (“MEDC”) provides certain administrative services to the MSF for the International Trade Program;

WHEREAS, at its July 25, 2017 meeting via MSF Resolution 2017-110, the MSF Board authorized the issuance of a request for proposals for the International Trade Program to establish a competitive process to award funds for contracting with entities to provide various services to small and medium sized companies to enable greater exporting capabilities (the “Small Business Services RFP”);

WHEREAS, at its September 26, 2017 meeting via MSF Resolution 2017-161, the MSF Board awarded the contracts associated with the Small Business Services RFP to Foster Swift Collins & Smith PC, Michigan – Small Business Development Center, Michigan State University – International Business Center, and IBT Online (the “Small Business Services Awards”);

WHEREAS, via Resolution 2017-161, the MSF Board authorized the extension of the Small Business Services Awards for up to an additional four (4) years, at its discretion;

WHEREAS, on August 28, 2018, the MSF exercised its first option to extend the Small Business Services Award for an additional one year term and allocated additional funding;

WHEREAS, MEDC Staff recommends that the MSF Board exercise its second option to extend the Small Business Service Awards for an additional year term ending September 30, 2020 (the “Amendment Request”); and

WHEREAS, the MSF wishes to approve the Amendment Request.

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-127**

EXTENSION OF INTERNATIONAL TRADE SERVICES CONTRACT

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

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

WHEREAS, under Section 88b of the MSF Act, MCL 125.2088b, the MSF has the power to make grants, loans, and investments;

WHEREAS, on April 24, 2018, the MSF Board authorized the issuance of the International Trade Centers Request for Proposals (the “International Trade Centers RFP”) and approved the International Trade Centers RFP Scoring and Evaluation Criteria;

WHEREAS, on July 24, 2018, the MSF awarded a contract of \$825,000 to the Counsel of Great Lakes Governors, Inc. (d/b/a Conference of Great Lakes and St. Lawrence Governors and Premiers) (“CGLG”) for an initial one year term, with the option to extend the term up to an additional four years and allocate additional funds (the “CGLG Award”);

WHEREAS, MEDC staff recommends that the MSF exercise its first option to extend the term of the CGLG Award to September 30, 2020 (the “Amendment Request”); and

WHEREAS, the MSF wishes to approve the Amendment Request.

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-128**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
AMENDMENT TO
SAPA TRANSMISSION INC.**

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

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

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

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

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

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

WHEREAS, the MSF Board approved a \$2,676,000 Michigan Business Development Program Performance based grant on July 24, 2018 for the expansion of its North American headquarters and manufacturing facility in Shelby Township to grow its transmission sales within the defense sector. (the “Project”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the Michigan Business Development Program performance-based grant to revise the disbursement schedule based on the amended term sheet and modify the Term of the Grant to November 30, 2024.(the “Grant Amendment Request”);

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

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

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

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

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

Nays: None

Recused: None

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant Amendment - Term Sheet**

The following is a summary of the highlights of the amendment and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP Incentive Amendment is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: July 16, 2019

Company Name: SAPA TRANSMISSION INC. ("Company" or "Applicant")

Company Address("Project"): Shelby Township

MBDP Incentive Type: Performance Based Grant

Current Status of the MBDP Incentive, as set forth in the final MBDP Incentive Award Agreement ("Agreement"):

- **Maximum Amount of MBDP Incentive:** Up to \$2,676,000 ("MBDP Incentive Award")
- **Base Employment Level** 0
- **Total Qualified New Job Creation:** 223
(above Base Employment Level)
- **Company Investment:** Up to \$40,100,000 for new building construction, machinery and equipment, furniture and fixtures, computers and IT, and building leasehold improvements or any combination thereof, for the Project.
- **Municipality supporting the Project:** Shelby Township
- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award are outlined in Exhibit B of the Agreement, and include:
 - **Disbursement Milestone 1:** Up to \$60,000 Upon demonstrated creation of 5 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than April 30, 2019.
 - **Disbursement Milestone 2:** Up to \$120,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 10 additional Qualified New Jobs (for a total of 15 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2020.

- **Disbursement Milestone 3:** Up to \$420,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 35 additional Qualified New Jobs (for a total of 50 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2021.
- **Disbursement Milestone 4:** Up to \$600,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3 and upon demonstrated creation of 50 additional Qualified New Jobs (for a total of 100 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2022
- **Disbursement Milestone 5:** Up to \$1,476,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3, and Disbursement Milestone 4, and upon demonstrated creation of 123 additional Qualified New Jobs (for a total of 223 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2023.

- **Term of Agreement:** Execution of Agreement to November 30, 2023

Proposed MBDP Incentive Amendment:

- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award will be amended as follows:
 - **Disbursement Milestone 1:** Up to \$60,000 Upon demonstrated creation of 5 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than April 30, 2020.
 - **Disbursement Milestone 2:** Up to \$120,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 10 additional Qualified New Jobs (for a total of 15 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2021.
 - **Disbursement Milestone 3:** Up to \$420,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 35 additional Qualified New Jobs (for a total of 50 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2022.
 - **Disbursement Milestone 4:** Up to \$600,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3 and upon demonstrated creation of 50 additional Qualified New Jobs (for a total of 100

Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2023.

- **Disbursement Milestone 5:** Up to \$1,476,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and Disbursement Milestone 3, and Disbursement Milestone 4, and upon demonstrated creation of 123 additional Qualified New Jobs (for a total of 223 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2024.

- **Term of Agreement:** Execution of Agreement to November 30, 2024

Any final MBDP Incentive Amendment is contingent upon several factors, including: (i) submission by the Company of a completed amendment application and all other documentation required under the MBDP (ii) satisfactory municipality support, if applicable (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Amendment containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award Amendment for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by December 31, 2018, the MEDC may not be able to proceed with any recommendation to the MSF.

Acknowledged as received by:

SAPA TRANSMISSION INC:

Michigan Economic Development Corporation

By:

Deniz Balta

By:

Michael Gietzen

Printed Name:

Deniz Balta

Printed Name:

Michael Gietzen

Its:

VP

Its:

Director, Business Services

Dated:

07/21/2019

Dated:

8/5/2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-129**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
AMENDMENT TO
PLASTIC TRIM INTERNATIONAL, INC.**

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

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

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

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

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

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

WHEREAS, the MSF Board approved a \$1,575,000 Michigan Business Development Program performance-based grant on April 24, 2018 for Plastic Trim International, Inc. (the “Company”) for the expansion of the existing location and the addition of a paint line (the “Project”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the Michigan Business Development Program performance-based grant to revise the disbursement schedule based on the amended term sheet and modify the Term of the Grant to January 31, 2024 (the “Grant Amendment Request”);

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

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

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant Amendment - Term Sheet**

The following is a summary of the highlights of the amendment and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP Incentive Amendment is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: 08/27/2019

Company Name: Plastic Trim International, Inc. ("Company" or "Applicant")

Company Address: 935 Aulerich Road
East Tawas, MI 48730

Project Address ("Project"): Iosco County which shall include at least a facility in Baldwin Township and a facility in Tawas City, Michigan
if different than above

MBDP Incentive Type: Performance Based Grant

Current Status of the MBDP Incentive, as set forth in the final MBDP Incentive Award Agreement ("Agreement"):

- **Maximum Amount of MBDP Incentive:** Up to \$1,575,000 ("MBDP Incentive Award")
- **Base Employment Level** 218 The number of jobs maintained in Michigan at the start of the agreement.
- **Total Qualified New Job Creation:** 210 The minimum number of Qualified New Jobs the Company shall be required to create at the Project (above the Base Employment Level), in addition to satisfying other milestones if applicable, to be minimally eligible to receive the full amount of the MBDP Incentive Award. Each Qualified New Job must be performed for consideration by a Michigan resident (whose Michigan income taxes are withheld as required), and each Qualified New Job must be in excess of the Base Employment Level. The final terms and conditions of the requirements for the minimum number of Qualified New Jobs that must be created including provisions addressing disbursements of portions of the MBDP Incentive Award, shall be included in the final agreement.

PURE MICHIGAN*

- **Start Date for Measurement of Creation of Qualified New Jobs:** April 24, 2018
- **Company Investment:** \$16,100,000 for new construction, renovations, and machinery and equipment, or any combination thereof, for the Project.
- **Municipality supporting the Project:** The Township of Baldwin has agreed to provide staff, financial or economic assistance in support of the Project in the form of a property tax abatement.
- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award are outlined in Exhibit B of the Agreement, and include:
 - **Disbursement Milestone 1:** Up to \$225,000 Upon demonstrated creation of 30 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than July 31, 2019.
 - **Disbursement Milestone 2:** Up to \$300,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 40 additional Qualified New Jobs (for a total of 70 Qualified New Jobs) above the Base Employment Level, by no later than November 30, 2020.
 - **Disbursement Milestone 3:** Up to \$487,500 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 65 additional Qualified New Jobs (for a total of 135 Qualified New Jobs) above the Base Level Employment, by no later than July 31, 2021.
 - **Disbursement Milestone 4:** Up to \$562,500 Upon completion of Disbursement Milestone 1, Disbursement Milestone 2 and Disbursement Milestone 3, and upon demonstrated creation of 75 additional Qualified New Jobs (for a total of 210 Qualified New Jobs) above the Base Employment Level, by no later than July 31, 2022.
- **Term of Agreement:** Execution of Agreement to January 31, 2023.

Proposed MBDP Incentive Amendment:

- **Disbursement Milestones:** The terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award will be amended as follows:

- **Disbursement Milestone 1:** Up to \$225,000 Upon demonstrated creation of 30 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than July 31, 2020.
- **Disbursement Milestone 2:** Up to \$300,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 40 additional Qualified New Jobs (for a total of 70 Qualified New Jobs) above the Base Employment Level, by no later than November 30, 2021.
- **Disbursement Milestone 3:** Up to \$487,500 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 65 additional Qualified New Jobs (for a total of 135 Qualified New Jobs) above the Base Level Employment, by no later than July 31, 2022.
- **Disbursement Milestone 4:** Up to \$562,500 Upon completion of Disbursement Milestone 1, Disbursement Milestone 2 and Disbursement Milestone 3, and upon demonstrated creation of 75 additional Qualified New Jobs (for a total of 210 Qualified New Jobs) above the Base Employment Level, by no later than July 31, 2023.

• **Term of Agreement:**

Execution of Agreement to January 31, 2024.

Any final MBDP Incentive Amendment is contingent upon several factors, including: (i) submission by the Company of a completed amendment application and all other documentation required under the MBDP (ii) satisfactory municipality support, if applicable (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory to the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Amendment containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award Amendment for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by August 7, 2019 the MEDC may not be able to proceed with any recommendation to the MSF.

Acknowledged as received by:

Plastic Trim International, Inc.

By:



Printed Name:

CHRISTEN POWERS
Anshum Palomba

Its:

DIRECTOR, HR
Director FINANCE

Dated:

8.7.19
8.7.19

Michigan Economic Development Corporation

By:



Printed Name:

Rodney Parkkonen

Its:

Business Strategy Manager

Dated:

08/07/19

Plastic Trim International, Inc.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-130**

**APPROVAL OF AN AMENDMENT TO MSF INVESTMENT AWARD
TO NORTHERN MICHIGAN UNIVERSITY**

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 and activities;

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

WHEREAS, pursuant to MCL 125.2088(h)(5)(b), the Investment Fund consists of, among other things, return on investments, return on principal, payments made, or other money received by or payable to the MSF under agreements related to grants, loans or investments made by the MSF under Chapter 8A or Chapter 8C;

WHEREAS, pursuant to MCL 125.2088(h)(3), the Investment Fund shall be invested as authorized under Chapter 8A for the purpose of creating incentives for activities arising out of retaining or creating jobs, or increasing capital investment activity, or increasing commercial lending activity or encouraging the development and commercialization of competitive edge technologies, or revitalizing Michigan communities;

WHEREAS, pursuant to Chapter 8A, specifically, MCL 125.2088(b)(2)(c), Investment Fund monies are authorized to be invested for programs or activities authorized under the MSF Act as long as the programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

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

WHEREAS, by Resolution 2017-043 on March 28, 2017, the MSF Board awarded a \$6.5 million Investment Fund to fund the Northern Michigan University UP Rural Broadband “Super Highway” Initiative (“Award”);

WHEREAS, by Resolution 2018-182 on November 27, 2018, the MSF Board approved an amendment request to extend the due date of Key Milestone Number Three to October 1, 2019 and the due date of Key Milestone Number Five to December 31, 2020;

WHEREAS, the MEDC recommends that the MSF approve an amendment request to an extension to the Structured Repayment – Net Revenue Payment due dates under the Investment Agreement from August 1, 2020 to August 1, 2030 and Balloon Payment from December 31, 2037 to December 31, 2047 (the “Amendment Recommendation”);

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-131**

MICHIGAN MANUFACTURING TECHNOLOGY CENTER GRANT AMENDMENT

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

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

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

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

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

WHEREAS, the MEDC recommends that the MSF exercise its first option to extend the MMTC Grant for an additional one year term (the “Amendment Request”); and

WHEREAS, the MSF wishes to approve the Amendment Request.

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-132**

**AMENDMENT TO MICHIGAN TRANSLATIONAL RESEARCH
AND COMMERCIALIZATION LIFE SCIENCES INNOVATION HUB GRANT TO THE
UNIVERSITY OF MICHIGAN**

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

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

WHEREAS, pursuant to Section 880 of the Act, the MSF shall create and operate a program to accelerate technology transfer from Michigan’s institutions of higher education to the private sector for commercialization of competitive edge technologies and bioeconomy technologies;

WHEREAS, on April 26, 2016, the MSF Board 1) created the Michigan Translational Research and Commercialization Program to award grants to Michigan institutions of higher education for the purpose of advancing of competitive edge technologies and bio economy technologies into commercial applications and increasing the number of startups, jobs, industry licenses and investment for Michigan (the “MTRAC Program”) and 2) adopted the MTRAC Program Guidelines;

WHEREAS, on July 26, 2016, the MSF Board designated the University of Michigan Medical School (“UM Medical School”) as the Innovation Hub for Life Science activities;

WHEREAS, under the MTRAC Guidelines, an Innovation Hub designation lasts for up to six years and a designated Innovation Hub is eligible to receive new grant funding every two years;

WHEREAS, at its September 25, 2018 meeting, the MSF approved a grant award of up to \$2,000,000 to the UM Medical School for an initial term expiring September 20, 2019, with the option to extend the award for a one year and increase the amount of the grant (the “MTRAC Grant Award”);

WHEREAS, UM Medical School has requested an extension of the MTRAC Grant Award to December 31, 2019 (the “Amendment Request”);

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Amendment Request and authorizes the MSF Fund Manager to take all action necessary to effectuate the Amendment Request.

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-133**

**APPROVAL OF THE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
2019 PROGRAM YEAR ACTION PLAN SUMMARY AND FUNDING GUIDE SELECTION CRITERIA**

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"); and

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; and

WHEREAS, The CDBG program has policies, criteria, and parameters that are enumerated in the 2018 Funding Guide, as amended (the "Criteria"). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the Criteria and, by Resolution 2018-102;

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; and

WHEREAS, the CDBG program desires to adopt the policies, criteria, and parameters for the selection of projects which are enumerated in the attached 2019 Program Year Funding Guide Excerpt (the "Guide Excerpt"); and

WHEREAS, the CDBG program staff reviewed the 2019 Action Plan Summary and Guide Excerpt and concluded that the policies meet the enabling legislation, federal regulations and the requirements of the Consolidated Plan; and

WHEREAS, the CDBG program staff recommends that the MSF adopt the attached 2019 Action Plan Summary and 2019 Guide Excerpt to update the selection criteria in the current 2018 Program Year Funding Guide for the CDBG program.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board adopts the attached 2019 Action Plan Summary and Funding Guide Excerpt as the policies, criteria, and parameters for projects being considered and funded with 2019 Program Year funds; and

BE IT FURTHER RESOLVED, that the MSF Board authorizes the Fund Manager to make minor modifications to the documents, if needed, and to take any action necessary to effectuate the terms of this Resolution.

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

Nays: None

Recused: None

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM YEAR 2019 ACTION PLAN SUMMARY

Introduction

The State of Michigan's Housing and Community Development Consolidated Plan is submitted pursuant to a U.S. Department of Housing and Urban Development (HUD) rule (24 CFR Part 91, 1/5/95) as a single submission covering the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF) formula programs.

The purpose of the 2015-2020 Consolidated Plan is to describe programs and activities that will be undertaken in conjunction with HUD programs by the State of Michigan within the next 5 years. Funding from these programs is awarded to the State by HUD and administered by the Michigan State Housing Development Authority, the Michigan Strategic Fund, and the Michigan Department of Health and Human Services.

The programs and activities to be provided in year five of the five-year plan (July 1, 2019 - June 30, 2020) address the housing and community development needs and goals identified within the State of Michigan's Consolidated Plan.

CDBG's Goals are to:

- Eliminate blight in the State that is potentially harmful to human health and safety, as well as, restore historic buildings;
- Improve community infrastructure, facilities and downtown facades;
- Rehabilitate rental housing in downtowns for Low Moderate Income (LMI) households and provide assistance for emergency repairs;
- Provide incentive for creation of jobs for LMI people through the CDBG loan program and Direct Assistance to Business Initiative;
- Respond and make funds available for grantees during declared emergencies
- Provide funding for planning and technical assistance to grantees and
- Provide funds for CDBG program administrative expenses.

CDBG Grant Award Allocation Details

The CDBG Allocation for Program 2019 is \$33,892,168. These funds are an estimated budget to support the following business units and strategic directions.

CDBG Allocation Detail - Program Year 2019	
Division/Use	Budgeted Amount
Community Development	\$ 10,000,000
Business Development	\$ 8,000,000
CDBG Funding Round	\$ 10,778,400
MEDC Strategic Projects	\$ 4,000,000
Administration & Technical Assistance (3%+\$100,000)	\$ 1,113,768

Method of Distribution

To achieve the CDBG Programs goals, funds are disbursed through four separate channels with different criteria and eligibility.

CDBG Open Applications

The program is comprised of seven initiatives which aim to address community need. These include: Public Facilities, Building Rehabilitation, Facade Improvements, Rental Rehabilitation, Direct Assistance to Business, and Public Improvements/Infrastructure. These Initiatives are each linked to a Goal and a Project, further specifics on these initiatives is in the State's CDBG Funding Guide.

CDBG Competitive Applications

The Competitive Application method is focused on funding Public Facility, Blight Elimination and Public Improvement/infrastructure projects as described in the State's CDBG Funding Guide.

CDBG Loan Fund Program

Provides loan funds to Communities in order to assist eligible small businesses to assist with a CDBG eligible project. The repayments from those loans back to the UGLGs seeded the initial RLF program.

CDBG Local Program Income

Program income held by or on behalf of local governments generated from past housing grants. These funds are held by the local governments that generated the program income and are allowed to retain this program income to continue activities while still subject to compliance with all applicable CDBG rules and regulations.

Program Income Detail

Income, as a result of CDBG funded projects is projected to be reused in the following ways in program year 2019. These are separate from the Annual Allocation as these funds are not apart of our annual allocation but as a result of revenue generated from previously funded projects.

CDBG Program Income – Program Year 2019	
CDBG Program Income	Estimated 2019 Amount (\$)
Standard Program Income – Returned to fund new projects	\$ 750,000
Locally Held Program Income – Emergency Repair Program	\$ 500,000
CDBG Loan Program (CLP fka RLF) Income – Held Regionally to Support Small Business Loans	\$ 100,000

Exhibit B

FUNDING PLATFORM OVERVIEW

The MEDC has identified the following CDBG-funded projects consistent with Section 105(a) of Title I of the HCDA (Housing and Community Development Act) and to provide guidance and assistance for CDBG Program Year 2019.

BUILDING REHABILITATION
CDBG LOAN PROGRAM
DIRECT ASSISTANCE TO BUSINESS
FAÇADE IMPROVEMENTS
PUBLIC FACILITIES
RENTAL REHABILITATION
PUBLIC IMPROVEMENTS (PUBLIC INFRASTRUCTURE)
UNIQUE/INNOVATIVE

All projects will be evaluated on the following in addition to all other criteria set forth in this Funding Guide:

Economic Impact: Proposed projects are evaluated on their economic impact, including the diversification of the economic base of the local and state economies.

Financial Viability: All projects must be financially viable. Please refer to the Economic Development Underwriting (Financial Viability) section for guidance on that evaluation process.

Local Participation: Proposed projects are expected to demonstrate local government support.

Exhibit B

BUILDING REHABILITATION		
Overview	<p>Projects to eliminate conditions of blight that are detrimental to public health and safety or necessary for historic preservation through rehabilitations of individual buildings. Projects must include interior building rehabilitation activities only, or <u>both</u> interior and exterior renovations</p> <p>Funding is also available for projects that will rehabilitate buildings that currently contribute to the deterioration of the downtown. These areas are established by a Community through a local ordinance and projects are limited to addressing the conditions contributing to local deterioration.</p>	
Eligibility	National Objective	Eligible Activities
	Spot Blight	<ul style="list-style-type: none"> ▪ Historic Preservation ▪ Acquisition ▪ Rehabilitation
Minimum Grant Amount	\$50,000	
Maximum Grant Amount	\$2 million	
Match Requirement	50%	
Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ the rehabilitation of vacant, deteriorated and abandoned buildings which are blighted and detrimental to public health and safety. ▪ Projects that leverage the greatest amount of private and public funding 	
Funding Window	Open Application	

Exhibit B

CDBG LOAN PROGRAM	
Overview	<p>The intended purpose of the CDBG Loan Program (CLP)* is to provide loans to eligible small businesses, or UGLGs, to meet a National Objective.</p> <p>Regionalized and Local fund managers administer the loan programs for select communities throughout the state.</p> <p>CDBG Loan funds can be used in conjunction with CDBG grant funds in an eligible project.</p>
National Objective	<p>LMA Community: Area Benefit, Blight, Job Creation Non-LMA Community: Blight, Job Creation</p>
Eligible Activities	<ul style="list-style-type: none"> ▪ Acquisition ▪ Administration ▪ Architecture / Engineering ▪ Building Improvements ▪ Demolition ▪ Infrastructure Improvements ▪ Machinery / Equipment ▪ Planning ▪ Working Capital
Minimum Loan Amount	\$20,000
Maximum Loan Amount	N/A
Match Requirement	N/A
Priority	N/A
Funding Window	Open Application

Exhibit B

DIRECT ASSISTANCE TO BUSINESS		
Overview	Direct Assistance to Business is designed to provide grant funding for proposed projects that will result in job creation. Projects are expected to: <ul style="list-style-type: none"> ▪ Result in the creation of FTEs of which at least 51% of the created positions will be held by LMI persons. ▪ Create and/or retain the largest number of positions with the least amount of CDBG investment ▪ Leverage private investment funds ▪ Not to exceed \$35,000 of CDBG funds per FTE Created. 	
Eligibility	National Objective	Eligible Activities
	Job Creation	<ul style="list-style-type: none"> ▪ Acquisition ▪ Clearance ▪ Construction ▪ Expansion ▪ Rehabilitation ▪ Machinery & Equipment ▪ Working Capital ▪ Streets for Commercial/Industrial Sites ▪ Water/Sewer for Commercial/Industrial Sites ▪ Parking for Commercial/Industrial Sites ▪ Rail for Commercial/Industrial Sites
Minimum Grant Amount	\$50,000	
Maximum Grant Amount	Not to exceed \$35,000 of CDBG funds per FTE Created.	
Match Requirement	At least 50% of eligible project costs based on financial need defined by financial underwriting.	
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Projects creating 10 or more permanent full-time positions ▪ Projects that pay an average hourly rate of at least the current State of Michigan minimum wage or 75% of the average hourly wage rate for the applicable county. ▪ Projects that leverage the greatest amount of private and public funding. 	
Funding Window	Open Application	

Exhibit B

FAÇADE IMPROVEMENTS							
Overview	<p>The Façade Improvement funding is for improvements to multiple facades for businesses along a local commercial district that serves an LMI community. Additionally, façades that are specifically identified in a community designated blighted area may be funded.</p> <p>Communities with a population:</p> <ul style="list-style-type: none"> ▪ of <u>15,000 or less</u> must have at least 2 (but no more than 4) participating properties ▪ <u>over 15,000</u> must have at least 3 (but no more than 5) participating properties <p>Projects that include both interior <u>and</u> exterior rehabilitation activities should be identified as a Building Rehabilitation Initiative project.</p>						
Eligibility	<table border="1"> <thead> <tr> <th style="text-align: left;">National Objective</th> <th style="text-align: left;">Eligible Activities</th> </tr> </thead> <tbody> <tr> <td>Area Benefit</td> <td> <ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. </td> </tr> <tr> <td>Area Blight</td> <td> <ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. </td> </tr> </tbody> </table>	National Objective	Eligible Activities	Area Benefit	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. 	Area Blight	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public.
	National Objective	Eligible Activities					
	Area Benefit	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. 					
Area Blight	<ul style="list-style-type: none"> ▪ Rehabilitation of the facade of a building, especially the principal front that looks onto a street or public space that is visible to the public. 						
<table border="1"> <thead> <tr> <th style="text-align: left;">Minimum Grant Amount</th> <th style="text-align: left;">Maximum Grant Amount</th> </tr> </thead> <tbody> <tr> <td>\$50,000 total, for all participating buildings</td> <td>\$750,000 total for all participating buildings</td> </tr> </tbody> </table>	Minimum Grant Amount	Maximum Grant Amount	\$50,000 total, for all participating buildings	\$750,000 total for all participating buildings			
Minimum Grant Amount	Maximum Grant Amount						
\$50,000 total, for all participating buildings	\$750,000 total for all participating buildings						
Match Requirement	<p>At least 25% of eligible project costs per building.</p> <p>Building owners, consistent with federal requirements, must demonstrate a financial need for CDBG funding.</p> <p>“complete and transformative exterior historic rehabilitation projects” must meet the Secretary of Interior’s Standards for Rehabilitation</p> <p>Participating property owners will be required to escrow contributing funds prior to MSF approval.</p>						
Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ Projects that have participating properties in the closest proximity to one another. ▪ Projects that leverage the greatest amount of private and public funding. 						
Funding Window	Open Application						

Exhibit B

PUBLIC FACILITIES			
Overview	<p>Public Facilities are buildings or structures that are publicly owned or owned by a non-profit (501(c)3), and open to the general public for access to public services at the facility. These buildings may not be used in whole or in part for the general conduct of government.</p> <p>Limited Clientele Facilities are buildings that are publicly owned or owned by a Non-Profit and is used to support a limited clientele, through providing necessary services, excluding permanent housing.</p> <p>In addition:</p> <ul style="list-style-type: none"> ▪ Communities will have identified potential funding sources ▪ Community has a maintenance and sustainability plan related to the new project and has identified sources for related funding. <p><i>Retail activity is not a public service and is ineligible in qualifying a public facility.</i></p>		
Eligibility	National Objective	Eligible Activities	
	Area Benefit	<p>Public Facilities: Acquisition, Rehabilitation of;</p> <ul style="list-style-type: none"> ▪ Neighborhood Facilities - facilities that are principally designed to serve a neighborhood and that will be used for social services. Such facilities may include libraries and community centers. ▪ Parks, Recreational Facilities - Development of open space areas or facilities intended primarily for recreational use (ex: playgrounds) 	
	Limited Clientele	<p>Limited Clientele Facilities: Acquisition, Rehabilitation of;</p> <ul style="list-style-type: none"> ▪ Senior Centers - facilities (except permanent housing) for seniors. ▪ Facilities for Persons with Disabilities – Centers, group homes, and other facilities for persons with disabilities. ▪ Youth Centers - facilities intended primarily for young people age 13-19, including playground and recreational facilities that are part of a youth center. ▪ Child Care Centers - facilities intended primarily for children age 12 and under. Examples are daycare centers and Head Start preschool centers. ▪ Facilities for Abused and Neglected Children - daycare centers, treatment facilities, or temporary housing for abused and neglected children. 	
Associated Eligible Activities	Limited Public Improvements that are necessary for the completion of a Public Facility Project may be included such as; Sidewalks, Solid Waste Disposal, Street Improvements, and Water/Sewer Improvements.		
Minimum Grant Amount	\$50,000	Maximum Grant Amount	\$2 million
Match Requirement	10% up to \$1 million 25% over \$1 million		
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Projects that provide access to a new type of facility not currently available. ▪ Projects that will reactivate underutilized property. 		
Funding Window	Open Application		

Exhibit B

RENTAL REHABILITATION			
Overview	<p>Reactivation of residential space in mixed-used buildings to encourage density in downtowns. CDBG Funded activities and associated match are limited to the costs of converting non-residential space into residential units or rehabilitating existing, sub-standard residential units to code-compliant standard units.</p> <p>All <u>interior</u> rehabilitation must be in accordance with all locally adopted building and housing codes, standards and ordinances. If locally adopted and enforced building and housing codes do not exist, refer to the Housing Quality Standards (HQS) as set forth in 24 CFR 982.401.</p> <p>For <u>exterior</u> rehabilitation projects, see Building Rehabilitation Initiative.</p> <p>New leases require a minimum duration of 1 year and <u>household income verification</u> requirements met for 5 years.</p>		
Eligibility	National Objective	Eligible Activities	
	Housing	<ul style="list-style-type: none"> ▪ Conversion of nonresidential space to residential ▪ Rehabilitation of residential units ▪ Fire Suppression ▪ Abatement of lead paint 	
Minimum Grant Amount	\$50,000		
Maximum Grant Amount	N/A	Maximum CDBG Assistance per Unit	\$60,000
Match Requirement	<p>25% of total unit cost. CDBG will fund 75% of unit rehabilitation up to \$60,000 per unit.</p>		
Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ Projects that leverage the greatest amount of private and public funding. 		
Funding Window	Open Applications		

Exhibit B

PUBLIC IMPROVEMENTS (Public Infrastructure)			
Overview	<p>As identified in Section 105(a)(2) of Title I of the HCDA, Public Improvements are infrastructure elements located at street level or below grade (horizontal construction), which benefit the residents of a defined service area.</p> <p>The State CDBG Program limits the acceptance of applications for public improvement projects to funding rounds, however, will allow public improvement elements to be an eligible activity if it is deemed necessary to complete a Public Facility or Direct Assistance to Business project.</p>		
National Objectives	<p>LMA Community: Area Benefit Non-LMA Community: N/A</p>		
Open Applications	Eligible Activities	<ul style="list-style-type: none"> ▪ Street Improvements: Installation or repair of streets, street drains, storm drains, curbs and gutters, and traffic lights/signs. ▪ Sidewalks: Installation or repair of sidewalks or sidewalk improvements that include the installation of trash receptacles, lighting, benches, and trees. 	
	Minimum Grant Amount	\$50,000	Maximum Grant Amount \$2 million
	Match Requirement	25%	
	Priority	<p>Funding priority will be given to:</p> <ul style="list-style-type: none"> ▪ Projects that provide access to a new type of facility not currently available. ▪ Projects that will reactivate underutilized property. 	
Funding Rounds	Eligible Activities	<ul style="list-style-type: none"> ▪ Water/Sewer Improvements: Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. ▪ Flood Drainage Improvements: Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds or catch basins. ▪ Solid Waste Disposal Improvements: Acquisition, construction, or rehabilitation of solid waste disposal facilities. 	
	Minimum Grant Amount	Identified at time of funding round posting	Maximum Grant Amount Identified at time of funding round posting
	Match Requirement	Identified at time of funding round posting	
	Priority	Identified at time of funding round posting	

Exhibit B

UNIQUE / INNOVATIVE		
Overview	Funding requests may be considered by the MEDC, based on special and/or unique needs, or situations requiring innovative program approaches not specifically provided for in identified funding initiatives.	
Eligibility	National Objective	Eligible Activities
	<ul style="list-style-type: none"> ▪ Area Benefit ▪ Area Blight ▪ Spot Blight ▪ Job Creation ▪ Limited Clientele ▪ Housing 	This may include, but is not limited to: <ul style="list-style-type: none"> ▪ Brownfield site redevelopment ▪ Broadband ▪ Demolition of Blight ▪ Farm-to-food grants ▪ Job Training ▪ Targeted industry development ▪ Conversion of School buildings ▪ Planning ▪ Activities and services listed in the above categories which do not meet identified screening or selection criteria and/or projects associated with other State or Federally funded initiatives.
Minimum Grant Amount	\$50,000	
Maximum Grant Amount	\$2 million	
Match Requirement	25 - 50% of eligible project costs based on financial need defined by financial underwriting.	
Priority	Funding priority will be given to: <ul style="list-style-type: none"> ▪ Innovative solutions to activate public space. ▪ Projects with a high percentage of local matching funds. ▪ Projects that leverage the most private funding. 	
Funding Window	Open Application	



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND BOARD

**RESOLUTION
2019-134**

**EXTENSION OF MEMORANDUM OF UNDERSTANDING BETWEEN THE MICHIGAN
STRATEGIC FUND AND THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

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

WHEREAS, at its January 25, 2006 meeting, the Michigan Strategic Fund (the “MSF”) Board approved the Memorandum of Understanding (subsequently amended at its July 13, 2006, September 26, 2007, September 24, 2008, September 30, 2009, September 22, 2010, September 21, 2011, September 27, 2012, October 23, 2013, September 17, 2014, September 22, 2015, September 27, 2016, September 26, 2017 and August 28, 2018 meetings) between the MSF and the Michigan Economic Development Corporation (the “MEDC”) describing the administrative services associated with the 21st Century Jobs Trust Fund programs to be provided by the MEDC to the MSF (the “MOU”);

WHEREAS, consistent with the terms of the MOU, the MEDC and MSF desire to extend the effective date of the MOU through September 30, 2020; and

WHEREAS, to appropriately and fully fund such administrative expenses, the MSF Board believes it is reasonable to exercise its discretion pursuant to MCL 125.2088b(3), and as otherwise may be provided under the MSF Act, MCL 125.2001 et. seq., as may be amended from time to time (the “MSF Act”) to authorize an expenditure of four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund for administrative expenses for fiscal year 2019-2020.

NOW, THEREFORE, BE IT RESOLVED, subject to the control and direction of the MSF Board, the MEDC shall provide administrative services through September 30, 2020 for all 21st Century Jobs Trust Fund programs, other programs and activities administered by the MSF, and programs and activities additionally included and described in the Michigan Strategic Fund Act;

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to sign an amendment to the MOU extending the term of the MOU to September 30, 2020; and

BE IT FURTHER RESOLVED, that the MSF Board, acting pursuant to the MSF Act, authorizes four percent (4%) of the annual appropriation from the 21st Century Jobs Trust Fund to be incurred for administrative costs related to the administration of programs and activities authorized under the MSF Act for fiscal year 2019-2020.

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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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

MICHIGAN STRATEGIC FUND

RESOLUTION 2019-135

STRATEGIC FUND DELEGATION OF AUTHORITY

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

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

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF; 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 September 24, 2019:

125.2088b-2 Façade Restoration Initiative Program

(1) The MSF President and the MSF Fund Manager, with both required to act, may make all decisions with respect to awards under the Façade Restoration Initiative program where the award amount is \$500,000 or less in accordance with the Façade Restoration Initiative guidelines adopted by the MSF Board.

125.2088o-1 University Grant Programs

(1) The MSF President or the MSF Fund Manager may take all necessary and appropriate actions to administer grants approved under programs created and operated pursuant to MCL 125.2088o.

(2) The MSF President or the MSF Fund Manager may approve and execute all final documents necessary to authorize no cost extensions for grants approved under programs created and operated pursuant to MCL 125.2088o.

10.6-1 Michigan State Trade and Export Promotion Program (“MI-STEP”)

(1) 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 MI-STEP where the award amount is equal to or greater than \$15,001 and less than or equal to \$600,000.

(2) The MSF President or the MSF Fund Manager may make all decisions with respect to awards under MI-STEP where the award amount is less than or equal to \$15,000.

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, Jeff Donofrio, Paul Gentilozzi, Melissa Gibson (on behalf of Treasurer Eubanks, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

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PAUL C. AJEGBA
DIRECTOR

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-136**

**STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION
GRAPHIC PACKAGING INTERNATIONAL, LLC**

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

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

WHEREAS, SESA and Alternative SESA authorized the creation and operation of the SESA and the Alternative SESA Exemption Program by the MSF pursuant to MCL 211.1059;

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

WHEREAS, the Company has requested that the MSF Board approve a SESA exemption of up to 15 years and a maximum investment in Eligible Personal Property of \$7,281,250 as defined in the SESA and Alternative SESA Exemption Guidelines, in the City of Kalamazoo (“SESA Exemption Recommendation”);

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemptions Recommendation and require a one-time administrative fee in the amount of \$10,000, payable to the MEDC upon completion of the first performance milestone;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the SESA Exemption Recommendation.

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

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Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
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PAUL C. AJEGBA
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Sincerely,

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-137**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
COUNTY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY
GRAPHIC PACKAGING INTERNATIONAL, LLC**

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 County of Kalamazoo Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at multiple addresses within the City of Kalamazoo and Charter Township of Kalamazoo, known as Graphic Packaging International, LLC (the “Project”);

WHEREAS, the City of Kalamazoo is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204, and the Charter Township of Kalamazoo is not a “qualified local government unit” but is eligible to provide demolition and lead and asbestos removal 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 Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 40.70% to 59.30% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement and infrastructure improvements as presented in the Work Plan dated September 4, 2019. 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 \$21,034,391 for the principal activity costs of non-environmental activities and a contingency, and a maximum of \$30,000 for Brownfield/Work Plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$8,573,207.

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 County, 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, Jeff Donofrio, Paul Gentilozzi, Melissa Gibson (on behalf of Treasurer Eubanks, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jeff Mason, Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-138**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
Faurecia Automotive Seating, LLC**

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

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

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

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

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

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

WHEREAS, Faurecia Automotive Seating, LLC (“Company”) has requested a performance based MBDP grant of up to \$2,000,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019

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

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

Date: September 11, 2019

Company Name: Faurecia Automatic Seating, LLC

Project Location: City of Highland Park

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$2,000,000

Base Employment Level: At least 3,791

Qualified New Jobs: At least 500

Municipality Supporting Project: The City of Highland Park to provide support in the form of a job fair.

Start Date for Measurement of Creation of Qualified New Jobs: Date of Offer Letter Acceptance

Term of the Agreement: April 30, 2024

Milestone Based Incentive: Disbursements will be made over a 3-year period and will be performance based on job creation as follows:
Milestone 1: \$200,000 for the creation of 50 jobs.
Milestone 2: \$1,400,000 for the creation of 350 jobs.
Milestone 3: \$400,000 for the creation of 100 jobs.

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

Faurecia Automatic Seating, LLC

By: 

Printed Name: Dave Borcysisk

Its: Tax Director

Acknowledged as received by:

Michigan Economic Development Corporation

By: 

Printed Name: Jibrán Ahmed

Its: Business Development Project Manager



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-139**

GOOD JOBS FOR MICHIGAN AWARD

ACRISURE, LLC

WHEREAS, Public Act 109 of 2017 authorized the Michigan Strategic Fund (the “MSF”) to create and operate the Good Jobs for Michigan Program (the “GJFM Program”);

WHEREAS, on September 26, 2017, the MSF created the GJFM Program and adopted guidelines for the GJFM Program;

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

WHEREAS, Acrisure, LLC (the “Company”) proposes to make a capital investment of \$33,000,000 and create 400 Certified New Jobs as it constructs and operates a new facility in Washtenaw County (the “Project”) and applied for a GJFM incentive in connection with the Project;

WHEREAS, MEDC staff has reviewed the Company’s request for a GJFM incentive and determined that the following statutory requirements have been or will be met by the Company:

- (a) The Company is an Eligible Business as defined in MCL 125.2090g(d);
- (b) The Company will create and maintain a minimum of 250 Certified New Jobs with an average wage equal to or greater than 125 percent of the regional prosperity average wage of \$56,906 annually;
- (c) The plans for the expansion are economically sound;
- (d) The expansion of the Eligible Business will increase employment opportunities and strengthen Michigan’s economy;
- (e) The assistance provided under GJFM is an incentive to expand in Michigan and address the competitive disadvantages with sites outside the State;
- (f) An industry-recognized regional economic model cost-benefit analysis has indicated that the payment of withholding tax capture revenues under the GJFM Program will result in an overall positive fiscal impact to the State;
- (g) The Company will create the Certified New Jobs not more than five years after execution of a written agreement with the MSF;
- (h) The Company will maintain the requisite number of Certified New Jobs for the duration of the period of time that the Company receives withholding tax capture revenues under the GJFM Program; and
- (i) The City of Grand Rapids approved the Company’s expansion by resolution.

WHEREAS, the MEDC recommends that the MSF authorize the Company to receive withholding tax capture revenues for the Project of up to 100 percent for 10 years, not to exceed \$6,000,000 (the “GJFM Award Recommendation”); and

WHEREAS, the MSF wishes to approve the GJFM Award Recommendation.

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

BE IT FURTHER RESOLVED that the MSF Fund Manager is authorized to negotiate all final terms and conditions and execute all documents necessary to effectuate the GJFM Award Recommendation.

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-140**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
ACRISURE, LLC**

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

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

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

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

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

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

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

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

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019

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

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

Date: September 11, 2019

Company Name: Acrisure, LLC and/or its affiliates and subsidiaries.

Project Location: Prosperity Region 4

MBDP Incentive Type: Performance Based Grant

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

Base Employment Level: At least 245

Qualified New Jobs: At least 400 in the city of Grand Rapids

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

Start Date for Measurement of Creation of Qualified New Jobs: March 28, 2019 (Date of signed Offer Letter)

Term of the Agreement: May 31, 2025

Milestone Based Incentive: Disbursements will be made over a 1 year period and will be performance based on job creation as follows:
Milestone 1: \$1,000,000 for the creation of 50 jobs.
Milestone 2: \$0 for the creation of 350 jobs.

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

Acknowledged as received by:

Acrisure, LLC

By:




Printed Name: Sozon Vatikiotis

Its: Chief Operating Officer

Michigan Economic Development Corporation

By:



Printed Name: Julia Veale

Its: BDPM



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

RESOLUTION TO AUTHORIZE THE ISSUANCE OF
THE MICHIGAN STRATEGIC FUND
VARIABLE RATE LIMITED OBLIGATION REVENUE BONDS
(LOURDES SENIOR COMMUNITY PROJECT),
SERIES 2019

Resolution 2019-141

Background

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. Dominican Health Care Corporation d/b/a Lourdes Senior Community, a Michigan non-profit corporation, for itself and as Obligated Group Agent on Behalf of the Obligated Group (the “Obligor”), has requested a loan from the Fund to assist the Obligor in: (i) financing the demolition of two of the existing three licensed nursing care wings and the construction, renovation, installation, furnishing and equipping of two new wings to replace the rooms that were in the demolished wings with 45 new private rooms and 5 new semi-private rooms, to be owned and operated by the Obligor, at the present location of the Lourdes Rehabilitation Healthcare Center, 2300 Watkins Lake Road, Charter Township of Waterford, Oakland County, Michigan (the “Project”); (ii) refunding the outstanding principal amount of Michigan Strategic Fund Variable Rate Limited Obligation Revenue Bonds (Lourdes Senior Community Project), Series 2014 (the “Refunding”); and (iii) paying all or a portion of the costs of issuing the Bonds (as defined below).

C. The Obligor has requested the Fund to issue bonds, in one or more series, in a principal amount not to exceed \$22,000,000, (the “Bonds”), pursuant to this resolution (the “Resolution”), and a bond indenture (the “Indenture”), between the Fund and Amalgamated Bank of Chicago, an Illinois banking corporation, as trustee (the “Trustee”), dated as of September 1, 2019, relating to the Bonds to obtain funds which will be loaned to the Obligor pursuant to a loan agreement between the Fund and the Obligor (the “Loan Agreement”), dated September 1, 2019, to pay for the Project, the Refunding and certain Bond issuance costs.

D. The Bonds will be issued as fully registered bonds.

E. The Bonds will be purchased by PNC Bank, National Association, a national banking association (the “Bank Purchaser”), pursuant to a bond purchase agreement among the Bank Purchaser, the Fund, and the Obligor (the “Bond Purchase Agreement”).

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund's Board of Directors (a "Member") or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an "Authorized Officer"), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be limited obligations of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Indenture.

SECTION 2. Approval, Execution, and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Bond Purchase Agreement
- b. Loan Agreement
- c. Indenture

Any Member and Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section, in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 8% per annum, and the principal amount of the Bonds, which shall not be more than \$22,000,000. Approval of those terms shall be evidenced by the Member's execution of the Bond Purchase Agreement.

SECTION 4. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

a. an opinion of bond counsel to the Fund, acceptable to the Fund and the Attorney General of the State of Michigan (the “Attorney General”),

b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor, acceptable to the Fund, the Attorney General, and bond counsel, and

c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be disbursed by the Bank Purchaser in accordance with the Indenture.

SECTION 5. Designation of Certain Parties. The Amalgamated Bank of Chicago’s acceptance of duties as Trustee shall be evidenced by its execution of the Indenture.

SECTION 6. Authorization of Filings, Submissions, and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Indenture, the Loan Agreement, or the Bond Purchase Agreement, or as may be necessary to effectuate the valid issuance, sale and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 7. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before October 31, 2019, the authority granted by this Resolution shall lapse.

Adopted.

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

Nays: None

Recused: None

September 24, 2019
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN STRATEGIC
FUND VARIABLE RATE LIMITED OBLIGATION REVENUE BONDS
(CONSUMERS ENERGY COMPANY PROJECT) SERIES 2019
(THE "BONDS")

Resolution 2019-142

Background

A. The Michigan Strategic Fund (the "Fund") is authorized by 1984 PA 270, as amended (the "Act"), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. On January 30, 2017, the Fund adopted Inducement Resolution 2017-008 (the "Inducement Resolution") on behalf of the Obligor for an amount not to exceed \$200,000,000 and with a term of two years.

C. Consumers Energy Company, a Michigan for profit corporation (the "Obligor"), has requested a loan from the Fund to assist the Obligor in financing the acquisition and installation of solid waste disposal improvements at five facilities located in Essexville, Bay County (2 facilities); West Olive, Ottawa County; Muskegon, Muskegon County; and Erie, Monroe County (the "Project"); The Project will be owned and operated by the Obligor in its business of electrical generation.

D. The Obligor has requested the Fund to issue the Bonds in a principal amount not to exceed \$100,000,000 pursuant to this resolution (the "Resolution") and a indenture of trust (the "Indenture"), between the Fund and The Bank of New York Mellon Trust Company, N. A., a national banking association, as trustee (the "Trustee"), dated as of October 1, 2019, relating to the Bonds to obtain funds which will be loaned to the Obligor pursuant to a loan agreement, dated as of October 1, 2019, between the Fund and the Obligor (the "Loan Agreement") to pay costs of the Project.

E. The Bonds will be purchased by Key Banc Capital Markets, as underwriter (the "Underwriter"), pursuant to a bond purchase agreement among the Underwriter, the Fund, and the Obligor (the "Bond Purchase Agreement").

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund's Board of Directors (a "Member") or of a person authorized by Board Resolution

to sign Bond documents on behalf of the Fund (an “Authorized Officer”), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be a limited obligation of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Indenture.

SECTION 2. Approval, Execution, and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Loan Agreement
- b. Indenture
- c. Bond Purchase Agreement

Any Member and Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section, in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 8.0% per annum, and the principal amount of the Bonds, which shall not be more than \$100,000,000. Approval of those terms shall be evidenced by the Member’s execution of the Bond Purchase Agreement.

SECTION 4. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the “Attorney General”),
- b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Trustee to be credited in accordance with the Indenture.

SECTION 5. Designation of Certain Parties. The Bank of New York Mellon Trust Company, N.A.'s acceptance of duties as Trustee shall be evidenced by its execution of the Indenture.

SECTION 6. Preliminary Official Statement and Official Statement. The use and distribution by the Underwriter of a Preliminary Official Statement to solicit offers to purchase the Bonds, in substantially the form on file with the Fund and on which an Authorized Officer shall endorse the date of adoption of this Resolution, is ratified. The use and distribution of an Official Statement in substantially the same form as the Preliminary Official Statement is approved. Any Member or Authorized Officer is authorized to approve changes in the Preliminary Official Statement or Official Statement as may be necessary or desirable, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 7. Authorization of Filings, Submissions, and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Loan Agreement, the Indenture, or the Bond Purchase Agreement or as may be necessary to effectuate the valid issuance, sale, and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 8. Amendment to Inducement Resolution 2017-008. Inducement Resolution 2017-008 is amended to extend its term to November 22, 2019.

SECTION 9. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before November 22, 2019, the authority granted by this Resolution shall lapse.

Adopted.

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

Nays: None

Recused: None

Abstained: September Hargrove

September 24, 2019
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

**MICHIGAN STRATEGIC FUND
INDUCEMENT RESOLUTION
2019-143**

QCI Fuels - MI Plant 1, LLC

WHEREAS, QCI Fuels – MI Plant 1, LLC, is a Delaware limited liability company authorized to do business in Michigan as a foreign limited liability company (the “Borrower”), whose current registered address is 600 S. Wagner Road, Suite 300, Ann Arbor, Michigan;

WHEREAS, the Borrower desires to finance the construction, acquisition and installation of machinery and equipment to be located at a leased facility at 30933 Industrial Road, Livonia, Wayne County, Michigan along with additional infrastructure, roadwork, renewable fuel and chemical tank farm, feedstock storage silo system, equipment and inventory (the “Project”); [No need to finance startup costs]

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

WHEREAS, the Borrower has advised the MSF that the cost of the Project will not exceed Sixty Million Dollars (\$60,000,000);

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

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141 and 144 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated in connection therewith, in particular, Section 1.150-2 of the Income Tax Regulations.

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

1. The MSF intends to provide the Loan to the Borrower subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Borrower's Tax-Exempt Application Form dated August 7, 2019.
3. The maximum principal amount of the bonds expected to be issued to provide the Loan to finance the Project (the "Bonds") shall not exceed Sixty Million Dollars (\$60,000,000). The Borrower shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the Bonds under applicable federal and state laws, b) receipt of an allocation from the Treasurer of the State of Michigan (the “Treasurer”) pursuant to 1988 PA 496 as it relates to limitations on the issuance by states of private activity bonds under the Code, and c) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the Treasurer.
5. The MSF's obligation to issue the Bonds and make the Loan contemplated by this Resolution shall expire two years after the date of this Resolution.
6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the “Attorney General”) and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.

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

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

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

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

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

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

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

ADOPTED

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

Nays: None

Recused: None

September 24, 2019
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-144**

**APPROVAL OF A MICHIGAN STRATEGIC FUND
PURCHASE OF MSHDA BONDS AND PERFORMANCE-BASED LOAN
AWARD TO
EASTERN ELEMENTARY LDHA LP AND/OR RELATED PARTIES
(EASTERN ELEMENTARY PROJECT)**

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

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

WHEREAS, the Michigan legislature appropriated certain funds for use by the MSF for business attraction and community revitalization;

WHEREAS, the MSF allocated certain legislative appropriations for community revitalization to the Community Revitalization Program (“CRP”);

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

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

WHEREAS, Eastern Elementary LDHA LP and/or Related Parties (“Borrower”) are interested in redeveloping an existing historic former school building into residential apartments (“Project”);

WHEREAS, the Borrower has requested that (i) the MSF purchase MSHDA bonds being issued to develop the Project (the “MSHDA Bonds”) and (ii) provide a Non-Recourse Performance-Based Loan award (the “MSF Loan”) under MCL 125.2088b(2)(c) for the Project in an amount not to exceed \$3,550,000 (together, the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”);

WHEREAS, the Award Request will provide an investment and financing that will allow the Borrower to complete development of the Project;

WHEREAS, the MEDC recommends that \$3,550,000 from the CRP be transferred to MSF Other Activities to fund the Award Request;

WHEREAS, the MEDC has recommended that the MSF approve the Award Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; (iii) execution of the final documentation for the Award Request within 240 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 120 days (“Award Recommendation”);

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the transfer of Michigan Community Revitalization Program Funds in the amount of the Award Request under MCL 125.2088b(2)(c) in order to fund (i) the purchase of MSHDA Bonds and (ii) a Performance-Based Loan to the Applicant; and

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager to enter into any documents necessary to effectuate the MSHDA Tax-Exempt Bond purchase; and

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the above Non-Recourse MSF Performance-Based Direct Loan.

ADOPTED

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

Nays: None

Recused: None

Abstained: Paul Gentilozzi

Lansing, Michigan
September 24, 2019

EXHIBIT A

“Term Sheet”

MSF AWARD TERMS

MSF Incentive Award:	\$3,550,000
Borrower:	Eastern Elementary LDHA LP
Total Capital Investment:	Currently estimated at \$14,650,415
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF's total award (\$35,500).
Funding:	The MSF will fund up to \$3,550,000 to be disbursed at closing following completion of to be determined performance criteria.
Other Conditions:	<p>The MSF's investment will be contingent upon the following:</p> <ul style="list-style-type: none">- A copy of an executed Guaranteed Maximum Price (GMP) construction contract between the Applicant and its contractor.- Copies of final construction documents.- Copies of all executed loan agreements, notes and mortgages, evidencing that the Applicant has financing in place or evidence of other sources available to complete the Project as contemplated.- Final agreements related to the City of Grand Rapids' CDBG Award.- Final agreements related to the Brownfield Revolving Fund Award.- Final agreements related to MSF's purchase of MSHDA Bonds.- Final operating agreement including a schedule(s) of all equity pay-ins.- Final organizational and flow of funds chart.- Evidence of site control.- Final development budget and projections.- Other documents may be required for review.
MSF Facility #1:	MSHDA Bond Purchase
Applicant:	Eastern Elementary LDHA LP or a Related Entity
MSF Investment Amount:	Up to \$2,050,000
Bond Purchase:	MSF will directly purchase a portion of the MSHDA Bonds, allowing a lower interest rate when blended with the MSHDA tax-exempt loan rate than would otherwise be possible.
Coupon Rate:	1.00% per annum
Term of Investment:	To match that of MSHDA, anticipated to be 480 months.

Repayment Terms: Anticipated the MSF will be paid monthly payments consistent with principal and interest payments on a 480 amortized loan with an 1% interest rate (following an interest only period) from MSHDA, subject to the terms of the MSHDA Bonds.

MSF Facility #2: Non-Recourse Performance-Based Direct Loan

Borrower: Eastern Elementary LDHA LP or a Related Entity

MSF Loan Amount: Anticipated to be \$1,500,000

Term: Anticipated to be 480 months.

Amortization: N/A.

Interest Rate: 1.00% per annum Simple Interest

Repayment Terms: Monthly principal and interest payments to be deferred until the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of deferred developer fee or (b) the 15th year following commencement of amortization of the 1st mortgage loan, to match the terms of the MSHDA Cash Flow Loan. Interest will accrue until paid in full. Repayment to the MSF Loan will be proportionate with MSHDA's cash flow-based loan, currently anticipated to be paid on a proportional basis (MSHDA/MSF cash loans) of 50% of surplus cash available for distribution. Monthly payments will be first applied to accrued and unpaid interest, then to current interest and principal until the earliest of sale, refinance of the Development or maturity, at which time the loan and any accrued and unpaid interest shall be due in full.

Collateral: To match that of MSHDA, subordinated to the tax-exempt bond financing 1st mortgage and a 2nd mortgage on MSHDA's Cash Flow Loan.

Guarantee: Anticipated to be statutory default and completion guarantees from the Managing Partners of Eastern Elementary LDHA LP (shall not include Oasis or any of its affiliates). MSF will be subordinate to MSHDA on guarantee.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-145**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
PERFORMANCED-BASED GRANT AWARD TO BENTON HARBOR FLATS 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, Benton Harbor Flats LLC (“Company”) has requested a performance based grant of up to \$1,500,000 (“Award Request”), along with other general terms and conditions.

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award Request subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 150 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 30 days (“MCRP Award Recommendation”); and

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

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

Nays: None

Recused: None

Abstained: Paul Gentilozzi

Lansing, Michigan
September 24, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-146**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
PERFORMANCE BASED DIRECT LOAN AWARD TO
RAINCHECK DEVELOPMENT LLC
(40 HAGUE PROJECT)**

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

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

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

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

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

WHEREAS, the Capital Impact Partners will be providing financing to RainCheck Development LLC of approximately \$5,148,909 toward rehabilitation of a two-story mixed-use building.

WHEREAS, RainCheck Development LLC (“Company”) has requested an MCRP Performance Based Direct Loan Award of up to the lesser of 25% of “Eligible Investment” or \$1,400,000, along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Award Request”);

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award Request in accordance with the Term Sheet subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 240 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 240 days (“MCRP Award Recommendation”); and

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

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

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

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019

“EXHIBIT A”

LOAN TERMS

MSF Facility:	Performance-Based Direct Loan
Borrower:	RainCheck Development LLC
MCRP Loan Amount:	Up to the lesser of 25% of “Eligible Investment” or \$1,400,000
Total Capital Investment:	Currently estimated at \$8,159,970
MSF Eligible Investment:	Currently estimated at \$5,769,572
Minimum Eligible Investment:	Currently estimated at \$5,600,000
Term:	To match that of the senior lender anticipated to be 72 months
Amortization:	Not to exceed 360 months
Interest Rate:	1% per annum
Repayment Terms:	Interest only for 24 months, followed by equal monthly principal and interest payments, with principal due at maturity. Limited subordination of payments to the senior loans from Capital Impact Partners. The terms of the subordination to be negotiated by the MSF Fund Manager.
Collateral:	Anticipated to be a security in the real estate and assignment of leases and rents. MSF security position to be subordinated to loan from Capital Impact Partners.
Guarantee:	Guarantees of Neal A. Check and Neal A. Check Agreement of Trust. MSF interest to be subordinated to that of Capital Impact Partners
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s share of the loan. The borrower will be responsible for all third-party costs incurred by the MEDC/MSF in closing the loan.
Funding:	The MSF will fund up to \$1,400,000 to be disbursed following closing of the financing and other performance criteria. It is anticipated that the MSF will enter into some form of a Disbursement and Servicing Agreement with Capital Impact Partners.
Reserves:	It is anticipated that the borrower will have reserves and contingencies in place in excess of \$900,000.
Other Conditions:	The MSF’s investment will be contingent upon the following: <ul style="list-style-type: none">• Construction documents (includes a “Guaranteed Maximum Price” construction contract)• Final Development Budget• Evidence of a minimum owner equity investment of \$1,490,000• Evidence of tax abatement for the property



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
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August 12, 2019

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Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-147**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
40 HAGUE 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 Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 40 Hague Street, 8524 Woodward Avenue, and 59 East Philadelphia Street within the City of Detroit, known as 40 Hague Redevelopment (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 36.74% to 63.26% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, asbestos abatement and infrastructure improvements as presented in the Work Plan dated June 28, 2019. 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 \$546,538 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$10,000 for Brownfield/Work Plan preparation, and a maximum of \$5,000 for Brownfield/Work Plan implementation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$206,313.

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, Jeff Donofrio, Paul Gentilozzi, Melissa Gibson (on behalf of Treasurer Eubanks, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jeff Mason, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

I hereby designate Melissa Gibson to attend the September 24, 2019 Michigan Strategic Fund meeting.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

Sincerely,

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-148**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF LANSING BROWNFIELD REDEVELOPMENT AUTHORITY
FARNUM BUILDING 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 Lansing Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 123 West Allegan Street within the City of Lansing, known as Farnum Building Redevelopment (the “Project”);

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 35.45% to 64.55% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of demolition, asbestos abatement and infrastructure improvements as presented in the Work Plan dated July 3, 2019. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based

on costs of MSF eligible activities with a maximum of \$2,763,450 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$30,000 for Brownfield/Work Plan preparation, and a maximum of \$30,000 for Brownfield/Work Plan implementation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$1,000,913.

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, Jeff Donofrio, Paul Gentilozzi, Melissa Gibson (on behalf of Treasurer Eubanks, designation attached), September Hargrove, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jeff Mason, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 24, 2019



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

September 17, 2019

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

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Bishop:

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

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Rachael Eubanks
State Treasurer

Cc: Jeff Guilfoyle
Eric Bussis
Andrew Lockwood
Melissa Gibson



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

August 12, 2019

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

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive file