



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA January 26, 2021 10:00 a.m.

I.	CALL TO ORDER & ROLL CALL	
II.	PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES	
III.	COMMUNICATIONS	
	a. Chief Compliance Officer Quarterly Report	3
IV.	CONSENT AGENDA	
	a. Proposed Meeting Minutes: December 8, 2020.....	5
	b. Proposed Meeting Minutes: January 14, 2021.....	15
	c. Sugar Hill Redevelopment: Brownfield MBT Amendment	18
	d. Newell Brands: MBDP Amendment	25
V.	CAPITAL ACCESS	
	a. Grow Michigan: Appointment to the Board of Managers: Resolution to remove Mark Morante and appoint Julius Edwards, Senior Commercial Real Estate Investment Manager Community Development, to the Grow Michigan Board of Managers	33
	b. Neighborhood Club: Resolution to approve a supplement to the amended and restated trust indenture for MSF Series 2011 bonds by providing a new formula for calculating the interest rate on the bonds and a five-year extension to the current bank purchase rate period	36
VI.	ENTREPRENEURSHIP	
	a. University Early-Stage Proof-of-Concept: Resolution to approve the ADVANCE Fund RFP process and allocate \$250,000 from the FY21 Entrepreneurship and Innovation Budget to the program, and approve the Joint Evaluation Committee Members, scope of work and scoring criteria	41
VII.	COMMUNITY VITALITY	
	a. Lofts on Rowe Redevelopment: Resolution to approve a CDBG Spot Blight grant agreement in the amount of up to \$2,030,000 and to approve state tax capture for the Brownfield Act 381 eligible activities capped at \$1,554,279	49
	<i>Capital investment: \$12,788,712; Location: City of Ludington</i>	
	b. Peerless Flats: Resolution to approve a transfer of funds from the Investment Fund to the Michigan Community Revitalization Program, approve state capture for the Brownfield Act 381 eligible activities capped at \$1,378,865 and to approve a MCRP Other Economic Assistance Loan Participation Award in the amount of up to \$4,750,000.....	69
	<i>Capital investment: \$24,750,000; Location: City of Grand Haven</i>	
	c. Keefer House Hotel, LLC: Resolution to approve a MCRP Other Economic Assistance – Equity Investment Award in the amount of \$2,000,000 and a transfer of funds from the Investment Fund to the Michigan Community Revitalization Program.....	89
	<i>Capital investment: \$12,346,601; Location: City of Hillsdale</i>	

- d. Cadillac Lofts: Resolution to approve an amendment to the existing Brownfield Act 381 Work Plan to increase state tax capture to \$622,273 and to approve an amendment to the MCRP Grant Agreement and any ancillary agreements to extend the Milestone Two due date to April 30, 2021 and the Pre-Grant Disbursement Due Diligence Conditions due date to August 31, 2021 107
Total Private Investment: \$19.2 million; Location: City of Cadillac

VIII. INFORMATIONAL

- a. Quarterly Reports 115

**NOTE:* Hyperlinked bookmarks are included on this page to aid document navigation - click on the project title to access the project memo.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

KEVIN FRANCCART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

January 12, 2021

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

Mark Burton
President
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2021 Q1 Report of the Chief Compliance Officer.

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures and with applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the first quarter of the 2021 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law. The Chief Compliance Officer (CCO) monitored and reviewed a discrimination complaint investigation regarding an MEDC employee. The complaint was forwarded to the MSF/MEDC Equity and Inclusion Officer, investigated, and the report was filed with the Governor's compliance office in accordance with established procedure. The Equity and Inclusion Officer found that no discriminatory actions were taken by the employee and no additional action needed to be taken by the MSF/MEDC. The CCO is working with MEDC and the AG on issues concerning state wide base jobs and qualified businesses. This is an ongoing project. The CCO assisted staff with drafting amendments to the BDP guidelines. The CCO assisted staff with an amendments to expired contracts questions. The CCO's advice was that once a contract has expired, and revision or amendment would be a new agreement, subject to the policies and procedures governing that agreement. As reported previously, because of staffing changes the site visit guidelines were modified. Because of the staffing changes the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines.

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

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
December 8, 2020**

Members joined remotely

Britany L. Affolter-Caine, participating from Ypsilanti Township, MI
Paul Ajegba, participating from Superior Township, MI
Ronald W. Beebe, participating from Bay City, MI
Mark Burton, participating from Meridian Township, MI
Susan Corbin, participating from Petoskey, MI
Paul Gentilozzi, participating from Lansing, MI
Michael B. Kapp (on behalf of Director Ajegba), participating from Wheatfield Township, MI
 o *participated until Director Ajegba joined the meeting*
Andrew Lockwood (on behalf of Treasurer Eubanks), participating from Grand Ledge, MI
Susan Tellier, participating from Grand Rapids, MI
Cindy Warner, participating from Traverse City, MI

Members absent

September Hargrove
Charles P. Rothstein

I. CALL TO ORDER & ROLL CALL

Mr. Burton called the meeting to order at 9:01 a.m. The meeting was held virtually via Microsoft Teams due to the COVID-19 pandemic. It was moved to an earlier time due to a lengthy agenda.

Mr. Burton introduced Katelyn Wilcox, MSF Board Liaison, who reminded members to identify their physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely, as required under the Open Meetings Act. Ms. Wilcox then conducted the attendance roll call.

II. PUBLIC COMMENTS

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

III. COMMUNICATIONS

Katelyn Wilcox advised Board members that letters were received from Senator Dan Lauwers, the Community Foundation of St. Clair County, and the City of Port Huron Downtown Development Authority in support of the Wrigley Center, LLC project in Port Huron; the letters are attached to the minutes.

IV. CONSENT AGENDA

Resolution 2020-142 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: October 27, 2020
- b. Proposed Special Session Meeting Minutes: November 30, 2020
- c. Acrisure LLC: GJFM Incentive Agreement Amendment and MBDP Grant Amendment – **2020-143 & 2020-144**
- d. CDBG Program Year 2019 Action Plan Third Amendment: CDBG COVID Response Funds – **2020-145**

Susan Tellier seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Ajegba joined the meeting at 9:08 a.m.

V. ADMINISTRATIVE

Resolution 2020-146 FY 2021 Michigan Business Development Program (MBDP): Guidelines Amendments

- a. *Trevor Friedeberg, Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of amendments to MBDP Guidelines, including document structure, eligibility requirements, project considerations, and job metrics.* Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-146. Cindy Warner seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

VI. CAPITAL ACCESS

- a. **Resolution 2020-147 Michigan Regional Council of Carpenters / Michigan Statewide Carpenters and Millwrights Joint Apprenticeship and Training Fund: Michigan Supplier Diversification Fund-Collateral Support Program (MSDF-CSP) Approval**

Aileen Cohen, Capital Project and Portfolio Manager, provided the Board with information regarding this action item. The action involves approval of \$5,000,000 in collateral support for a draw to term construction line of credit to support construction of a new training facility in the City of Detroit. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2020-147. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

- b. **Resolution 2020-148 Chelsea Health and Wellness Foundation dba 5 Healthy Towns Foundation: Supplements to Series 2013A and 2013B Bonds Indentures**

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves approval of supplements to indentures for MSF Series 2013A and 2013B bonds related to the Chelsea-Area Wellness Foundation project. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-148. Susan Tellier seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

VII. BUSINESS INVESTMENT

Josh Hundt, Executive Vice President & Chief Business Development Officer, provided an overview of the Michigan Economic Development Corporation's Industry 4.0 Signature Initiative, including what it is and how Michigan can lead the nation in the fourth phase of this industrial revolution. This will be accomplished by implementing a multi-pronged effort to ensure that by 2025 50 percent of all Michigan manufacturers will be prepared to adopt Industry 4.0.

a. **Resolution 2020-149 Automation Alley: FY 2021 Funding Allocation**

*Natalie Chmiko, Vice President of PMBC & International Trade, provided the Board with information regarding this action item. The action involves allocation of \$2,500,000 in funding to support Automation Alley Industry 4.0 services to Michigan small and medium-sized manufacturers. Following discussion, Paul Gentilozzi motioned to amend the resolution to modify the term extension from “an additional five years” to “an additional five one-year terms” and to bring the item back to the board annually for approval. Ronald W. Beebe seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

Paul Gentilozzi then motioned for the approval of Resolution 2020-149, as amended. Ronald W. Beebe seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

b. **Resolution 2020-150 Michigan Manufacturing Technology Center (MMTC): FY 2021 Funding Allocation**

*Natalie Chmiko, Vice President of PMBC & International Trade, provided the Board with information regarding this action item. The action involves approval of a grant amendment to allocate \$3,050,000 in additional funding to support MMTC Industry 4.0 services for Michigan small and medium-sized manufacturers. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-150. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

c. **Resolution 2020-151 Industry 4.0 Regional Grant: Request for Proposals and Funding Allocation**

*Eric Shreffler, Vice President of Market Development, provided the Board with information regarding this action item. The action involves allocation of \$2,000,000 in funding and approval of scope of work for a Request for Proposals to solicit regional proposals from eligible organizations to increase manufacturers' awareness and readiness to adopt Industry 4.0 technologies, appoint a Joint Evaluation Committee to review proposals, and adopt scoring and evaluation criteria. Following discussion, Paul Ajegba motioned to amend the resolution to modify the allocation from \$2,000,000 to “up to” \$2,000,000 and to approve Resolution 2020-151, as amended. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

d. **Resolution 2020-152 Industry 4.0 Awareness and Education**

Doug Kuiper, Senior Vice President of Marketing and Communications, provided the Board with information regarding this action item. The action involves allocation of \$1,000,000 in funding to McCann Erickson for business marketing advertising services to generate awareness and connect Michigan manufacturers to statewide Industry 4.0 opportunities, resources, and services. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-152. Susan Corbin seconded the motion. **The motion carried: 6 ayes; 3 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier; Nays: Ronald W. Beebe, Paul Gentilozzi, Cindy Warner; Recused: None

e. **Resolution 2020-153 NorthPoint Development, LLC / City of Detroit Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Former Cadillac Stamping Plant Redevelopment Project)**

Jibran Ahmed, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$3,330,293 to support a business development project in the City of Detroit. The project is expected to result in total capital investment of \$47,943,883. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2020-153. Ronald W. Beebe seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

VIII. COMMUNITY VITALITY

a. **Middleville Main, LLC: Michigan Community Revitalization Program Grant and Property Qualification**

Sue DeVries, Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of a \$990,000 Michigan Community Revitalization Program performance-based grant and property qualification consistent with the finding and declarations in Section 90 of the MSF Act to support a community development project in the Village of Middleville. The project is expected to result in total capital investment of \$2,840,448. Following discussion and questions by Board members, Mark Burton motioned to table this agenda item. Ronald W. Beebe seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Susan Tellier, Cindy Warner; Nays: None; Recused: None

Ronald W. Beebe disconnected from the meeting at 11:52 a.m.

Susan Tellier disconnected from the meeting at 12:02 p.m.

b. **Resolutions 2020-154 & 2020-155 Wrigley Center Master Tenant, L.L.C. and Wrigley Center, L.L.C. / City of Port Huron Brownfield Redevelopment Authority: Michigan Community Revitalization Program Grant and Brownfield Act 381 Work Plan (Wrigley Center Development Project)**

*Charles Donaldson, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. These actions involve approval of state tax capture capped at \$689,143 for Act 381 eligible activities and a \$1,500,000 Michigan Community Revitalization Program performance-based grant to support a community development project in the City of Port Huron. The project is expected to result in total capital investment of \$14,450,770. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2020-154. Paul Gentilozzi seconded the motion. **The motion carried: 7 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Cindy Warner; Nays: None; Recused: None

Cindy Warner then motioned for the approval of Resolution 2020-155. Paul Gentilozzi seconded the motion. **The motion carried: 7 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Cindy Warner; Nays: None; Recused: None

IX. IMAGE BRANDING

a. **Resolution 2020-156 McCann Erickson USA, Inc: Business Marketing Advertising Contract Amendment**

*Doug Kuiper, Senior Vice President of Marketing and Communications, provided the Board with information regarding this action item. The action involves approval of a request to encumber up to \$5,782,500 from FY 2021 appropriated funds and authorize the Fund Manager to enter into a contract amendment with McCann Erickson for business marketing advertising services. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2020-156. Susan Corbin seconded the motion. **The motion carried: 7 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Cindy Warner; Nays: None; Recused: None

Mr. Burton adjourned the meeting at 12:14 p.m.



25TH DISTRICT
P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-7708
FAX: (517) 373-1450
SenDLauwers@senate.michigan.gov
www.SenatorDanLauwers.com

MICHIGAN STATE SENATE
DAN LAUWERS

COMMITTEES:
ENERGY AND TECHNOLOGY, CHAIR
GOVERNMENT OPERATIONS, VICE-CHAIR
INSURANCE AND BANKING, VICE-CHAIR
AGRICULTURE
ECONOMIC AND SMALL BUSINESS
DEVELOPMENT
REGULATORY REFORM
TRANSPORTATION AND INFRASTRUCTURE

December 4, 2020

To Whom It May Concern:

I am writing to offer my full support of The Wrigley Center, LLC grant application.

This important project, located at 318 Grand River Avenue, will build upon the city of Port Huron's continuing revitalization. The renovation and expansion of a now one-story vacant building into a four-story multi-use building will provide much needed affordable commercial space. The Wrigley Center will also house a farmer's market, which will provide access to fresh local food supplied by the farmers and growers in the surrounding communities.

Port Huron is the main urban center for the 25th Senate District and it's continued improvement and revitalization benefits many people in the Thumb region. Knowing the benefits this project would provide, I fully support The Wrigley Center, LLC development project.

Thank you for your time and consideration of my support.

Sincerely,

Dan Lauwers
State Senator, 25th District

Community Foundation

of St. Clair County

EXECUTIVE COMMITTEE

Randa Jundi-Samman, Chair
Hale H. Walker, Vice Chair
Patricia Manley, Secretary
F. William Schwarz III, Treasurer
Michael J. Cansfield, Past Chair
Steven Schwehofer
John D. Tomlinson
Randy D. Maiers, President/CEO

December 2, 2020

TRUSTEES

Michael J. Cansfield
James P. Charron
Nicholas J. DeGrazia
Rasha S. Demashkieh
Don C. Fletcher
William C. Gratopp
Michael L. Hulewicz
Randa Jundi-Samman
Charles G. Kelly
Roy W. Klecha, Jr.
Gerald J. Kramer
Jenifer Kusch
Patricia A. Manley
Janal L. Mossett
Bryan Neiman
Donna M. Niester
William G. Oldford, Jr.
Donna Russell-Kuhr
F. William Schwarz III
Steven Schwehofer
Duncan E. Smith
Clifford S. Thomason
John D. Tomlinson
Andrew Touma (YAC)
Hale H. Walker
Timothy M. Ward
Michael D. Wendling

Mr. Chuck Donaldson
Region 6 Specialist
MEDC

Dear Chuck:

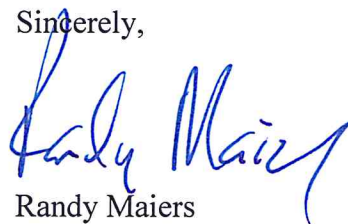
On behalf of the Community Foundation of St. Clair County I am pleased to let you and the MEDC know that we are pledging \$350,000 in financing to the Wrigley Center project in Port Huron.

The redevelopment of the former Art Van building in downtown Port Huron is perhaps our region's top economic priority. The building has been vacant and off the tax rolls for many years and is a drain on our downtown.

Our Foundation, along with the Blue Meets Green coalition and other regional stakeholders are convinced that this mixed-use redevelopment will have a significant impact on our region.

The Community Foundation is proud to be an investor in this project, and hope that the MEDC joins us.

Sincerely,



Randy Maiers

Making Bold Investments in People and Place

500 Water Street, Port Huron, MI 48060 Phone: (810) 984-4761 • www.stclairfoundation.org





Office of the DDA Director

Phone: 810-984-9718 Fax: 810-985-0179

www.porthuron.org

December 2, 2020

To whom it may concern,

On behalf of the City of Port Huron Downtown Development Authority (DDA), I am pleased to offer our support for Wrigley Center, LLC at 318 Grand River in Downtown Port Huron. This is a much anticipated project that will entirely change the landscape of Downtown Port Huron and all economy boosting projects moving forward.

Downtown Port Huron has completely transformed in the past five years; and new projects are not just on the horizon, they're happening now. The Wrigley Center will undoubtedly change the game by transforming 318 Grand River from a dilapidated building to a beautiful mixed-use center for shopping, a farmers market, and unique spaces. Additionally, while Downtown is growing at an exciting rate, the need for additional lofts is present by the year or longer waiting list we are currently seeing. The Wrigley Center Project moving forward is precisely the action that Downtown Port Huron needs to see in order to transform the landscape and raise the stakes as to what Port Huron is capable of.

The DDA has long-desired to see 318 Grand River renovated in order to forward the goals and development plan of the City of Port Huron. The Wrigley Center not only meets those goals, but exceeds them. On behalf of the DDA, downtown businesses owners and the community as a whole, we look forward to seeing this project come to fruition. Please do not hesitate to contact me if I can provide any additional assistance to this matter.

Sincerely,

Cynthia M. Cutright
DDA Director
City of Port Huron



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL AJEGBA
DIRECTOR

February 3, 2020

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

Dear Ms. Bishop:

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

Sincerely,

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

Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 16, 2020

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 2020.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND
APPROVED SPECIAL SESSION MINUTES
January 14, 2021

Members joined remotely

Britany L. Affolter-Caine, participating from Ypsilanti Township, MI
Paul Ajegba, participating from Ann Arbor, MI
Ronald W. Beebe, participating from St. Johns, MI
Mark Burton, participating from Meridian Township, MI
Susan Corbin, participating from Petoskey, MI
Paul Gentilozzi, participating from East Lansing MI
September Hargrove, participating from Detroit, MI
Andrew Lockwood (on behalf of Treasurer Eubanks), participating from Grand Ledge, MI
Charles P. Rothstein, participating from Franklin, MI
Susan Tellier, participating from Grand Rapids, MI
Cindy Warner, participating from Palm Springs, CA

I. CALL TO ORDER & ROLL CALL

Mr. Burton called the special meeting to order at 12:01 p.m. The meeting was held virtually via Microsoft Teams due to the COVID-19 pandemic. He stated the purpose of the special meeting is for Board members to consider supplemental budget items that provide support to live music and entertainment venues and small businesses disproportionately impacted by the COVID-19 crisis.

Mr. Burton introduced Katelyn Wilcox Surmann, MSF Board Liaison, who reminded members to identify their physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely, as required under the Open Meetings Act. Ms. Wilcox Surmann then conducted the attendance roll call.

II. PUBLIC COMMENTS

Katelyn Wilcox Surmann explained the process for members of the public to participate.

- John Jablonski expressed concern that the legislature directed the Michigan Independent Venue and Promoter Association, a relatively new organization, to administer the Michigan Stages Survival Grant Program. He asked how the organization will decide which venues will receive funding, particularly for those that are not members of the association. Mr. Burton stated this would be addressed during the presentation on the agenda item.
- Richard Stewart was an applicant for COVID-19-related small business loan and grant programs and his application was denied for both. He expressed concern on how diversity was defined in the application process and encouraged the development of a universal definition for diversity to prevent discriminatory practices by organizations administering the grants.

The following comments were submitted through the Microsoft Teams chat feature at 12:53 p.m.

- Alex Kofsky - Accelerate UP: For consideration. My organization assists entrepreneurs in the start-up and expansion phases of their business. A number of businesses I work with acquired financing in 2018-2019; one in particular investing \$800k in the remodeling of a downtown building which took 1.5 years. This business opened February 15th, 2020, and is unable to obtain assistance through the PPP and EIDL, as well as many grants they have applied for. The issue being an inability to showcase income loss in relation to their 2019 income numbers. The business is still paying on the loans associated with the buildout, however, being a wellness/fitness center has been devastated by Covid-19 related restrictions. Thank you all for the hard work you do for our State. Please take this issue into consideration, as we need to encourage start-ups during these challenging times. Innovation and entrepreneurship will be a major source of economic success as we move forward into 2021.

III. COMMUNICATIONS

Katelyn Wilcox Surmann advised Board members that no communications were received for this meeting.

IV. SUPPLEMENTAL BUDGET ITEMS

Amanda Bright McClanahan, Chief Operating Officer, provided an overview of the supplemental budget items included in SB 748 that was signed into law by Governor Whitmer on December 29, 2020. The guidelines for the programs being considered follow the statutory requirements.

Resolution 2021-001 Michigan Stages Survival Grant Program: Approval of Funding, Program Guidelines, Michigan Independent Venue and Promoter Association (MIVPA) Agreement and Background Review Policy Waiver

*Amanda Bright McClanahan, Chief Operating Officer, provided the Board with information regarding this action item. The action involves approval of funding, program guidelines, MIVPA agreement, and background review policy waiver for the Michigan Stages Survival Grant Program. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2021-001. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None; Abstained: Ronald W. Beebe

Resolution 2021-002 Michigan Small Business Survival Grant Program: Approval of Funding, Funding Allocations, Program Guidelines and Background Review Policy Waiver

*Joshua Hundt, Executive Vice President & Chief Business Development Officer, provided the Board with information regarding this action item. The action involves approval of funding, funding allocations, program guidelines, and background review policy waiver for the Michigan Small Business Survival Grant Program. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2021-002. Susan Tellier seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None; Abstained: Ronald W. Beebe

Resolution 2021-003 Delegation of Authority

*The action involves approval of delegation of authority for the MSF President or the MSF Fund Manager to make all decisions that are necessary and appropriate to administer the Michigan Stages Survival Grant Program and the Michigan Small Business Survival Grant Program. Cindy Warner motioned for the approval of Resolution 2021-003. Paul Ajegba seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused; 1 abstained.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Paul Ajegba, Mark Burton, Susan Corbin, Paul Gentilozzi, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None; Abstained: Ronald W. Beebe

Mr. Burton adjourned the meeting at 12:54 p.m.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Rob Garza, Manager, Statutory Analysis

Subject: Request for Amendment Two
Brownfield Michigan Business Tax (MBT) Credit
Sugar Hill Redevelopment Project

Request

POAH DD Sugar Hill, LLC (“Qualified Taxpayer” or “QT”) requests approval of an amendment to the Brownfield MBT Credit project to change the project scope to recognize project completion as the completion of the structural shell to support a 5-story building and the completion of approximately 23 apartment units and to add Dreambuilders Nonprofit Housing Corporation as a Qualified Taxpayer. The value of the Credit is not changing, and the entire 5-story building will need to receive a permanent certificate of occupancy before the Credit is issued.

Background

The project was originally approved by the Michigan Economic Growth Authority (“MEGA”) on December 14, 2010 as a two-phase project that included the construction of a 213-space parking deck and a 5-story mixed-use building containing residential and commercial space located at 81, 95, 107, and 119 Garfield Street in Detroit. The project qualifies for an MBT credit because it is blighted.

The MBT credit was previously amended on December 17, 2019 to add POAH DD Sugar Hill, LLC as a qualified taxpayer and change the scope to reflect a single-phase project that will contain a 5-story mixed-use building with ground floor commercial space, four stories of market rate and affordable housing, and an integrated parking structure.

The reason for this request is because the development team has experienced construction delays due to the pandemic. The building will not be able to be fully completed by the MBT credit’s statutory expiration date of June 14, 2021, which is 10 years from the date the original Pre-Approval Letter was issued. The development team has requested that the MBT project scope be amended to consist of the completion of the structural shell to support a 5-story building and the completion of approximately 23 apartment units. Eligible investment would be incurred through June 14, 2021 and is anticipated to be approximately \$13,710,510. The originally approved Credit amount is capped at less than 20% of the proposed revised scope, so the amount of the Credit will remain the same or may be reduced if the actual eligible investment incurred is less than anticipated. The MBT Certificate of Completion request for this phase would not be reviewed until the permanent certificate of occupancy is issued by the City of Detroit following completion of the entire building, which is anticipated by September 30, 2021. Total capital investment for the project is \$37,289,950.

Dreambuilders Nonprofit Housing Corporation is an affiliated entity of POAH DD Sugar Hill, LLC and includes the same principals. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Appendix A addresses the Brownfield MBT tax credit structure and **Appendix B** includes the Ownership Organizational Chart.

Recommendation

MEDC staff recommends approval of the Brownfield MBT Credit amendment request to revise the scope to recognize the completion of the structural shell to support a 5-story building and the completion of approximately 23 apartment units and associated eligible investment incurred through the Brownfield MBT Credit statutory expiration date of June 14, 2021 and to add Dreambuilders Nonprofit Housing Corporation as a Qualified Taxpayer. A permanent certificate of occupancy for the 5-story building must be issued by the City of Detroit before MEDC staff can review any Certificate of Completion request.

APPENDIX A – Brownfield Tax Credit Structure

Brownfield MBT Credit Amendment Request By:

POAH DD Sugar Hill, LLC
1 LaSalle, Suite 1300
Chicago, IL 60602

Contact: Aaron Gornstein, President

	Previous Approval	Amendment
Project Eligible Investment	\$20,648,114	\$13,710,510
Requested Credit Amount	\$2,496,943 (Capped)	\$2,496,943 (Capped)
Requested Credit Percentage:	20%	20%

TOTAL COST OF ELIGIBLE INVESTMENTS

New Construction		<u>13,710,510</u>
Total	\$	13,710,510

APPENDIX B – Organizational Chart

Drebuilders Nonprofit Housing Corporation Organizational Structure				
Drebuilders Nonprofit Housing Corporation EIN: 84-4920454				
Drebuilders Nonprofit Housing Corporation Owner: The entity is nonprofit and has no key owners				
Member	Ownership Interest	EIN	State of Organization	
Member/Company name and manager				
The entity is nonprofit and has no key owners				

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-005**

**SUGAR HILL REDEVELOPMENT PROJECT
POAH DD SUGAR HILL, LLC
BROWNFIELD REDEVELOPMENT MBT CREDIT – AMENDMENT #2
CITY OF DETROIT**

At the meeting of the Michigan Strategic Fund (“MSF”) held on January 26, 2021 in Lansing, Michigan;

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) is authorized by 1995 PA 24, as amended, to amend projects for brownfield redevelopment tax credits authorized by Section 437 of the Michigan Business Tax Act, PA 36 of 2007, as amended (the “Act”), or by former section 38(g) of the Michigan Single Business Tax Act, PA 228 of 1975;

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 MSF;

WHEREAS, by Resolution 2010-218 on December 14, 2010, the MEGA Board awarded a Brownfield MBT Tax Credit to Sugar Hill Residential Building, LLC (the “Applicant”) to make eligible investment up to \$12,484,714 at an eligible property in the City of Detroit (the “Project”);

WHEREAS, by Resolution 2019-197 on December 17, 2019, the MSF Board amended the Project to reflect a 5-story mixed-use building containing approximately 11,761 square feet of commercial/retail space on the first floor and approximately 68 residential units occupying approximately 62,270 square feet on floors 2-5, the addition of POAH DD Sugar Hill, LLC as a qualified taxpayer, and an increase of the eligible investment amount to \$20,648,114;

WHEREAS, Section 437(9) of the Act allows approved projects to request an amendment to the Project if the Project is unable to be completed as described in the original application;

WHEREAS, a request has been submitted to amend the Project to add Dreambuilders Nonprofit Housing Corporation as a qualified taxpayer and define the project scope to reflect the construction of the structural shell of the 5-story mixed-use building and the completion of approximately 23 apartment units; and

WHEREAS, no certificate of completion has been issued for the Project; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and recommends approval of the amendment by the MSF Board, provided that the maximum credit amount does not exceed \$2,496,943;

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board amends the Project by modifying the scope of the Project to reflect the construction of the structural shell of the 5-story mixed-use building and the completion of approximately 23 apartment units.

BE IT FURTHER RESOLVED, that Dreambuilders Nonprofit Housing Corporation is added as a qualified taxpayer.

BE IT FURTHER RESOLVED, that the Project is required to submit a Certificate of Completion request within one year of project completion.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021
To: Michigan Strategic Fund (“MSF”) Board Members
From: Erik Wilford, Senior Business Development Project Manager
Subject: Grant Amendment Request
Michigan Business Development Program (“MBDP”)
Newell Brands Inc. (“Company”)

Request

This is a request to amend the Company’s existing MBDP Grant Agreement under the Awardee Relief Initiative to (collectively, the “MBDP Amendment Request”):

- Extend Key Milestones Two and Three from December 31, 2019 to April 30, 2021 and December 31, 2020 to April 30, 2022 respectively
- As a result, the Term of the Grant would be extended to October 31, 2022

Background

On September 26, 2017, the MSF Board approved an incentive for the Company in the amount of up to \$1,479,000 in the form of a performance-based grant under the Business Development Program. This grant was for the creation of 87 Qualified New Jobs (“QNJ”) and a capital investment of \$7,298,600 in the City of Kalamazoo. The incentive assistance was necessary to secure the project for a 22,225 square foot expansion to its design center in Michigan and was in competition with Hoboken, New Jersey and Chicago, Illinois.

On October 23, 2018, the MSF Board approved an amendment to the BDP Agreement to include the related entity Newell Rubbermaid Development LLC for the purposes of counting Base Employment and Qualified New Jobs.

The Company began in 1903 as Newell Manufacturing Company in Ogdensburg, New York. In 1999 it became known as Newell Rubbermaid, and after a more recent acquisition of Jarden, became Newell Brands. The Company is a leading global consumer goods manufacturing company with a portfolio of well-known market-leading brands including Sharpie, Elmer’s, Coleman, Sunbeam and Crock-Pot. In 2014, the Company opened the Kalamazoo Design Center with the objective of bringing together multiple disciplines within the full range of product design and innovation disciplines including graphic and industrial design, prototyping, usability and trend analysis.

The expansion project was completed in December 2019 with capital expenditures totaling \$7.4 million. The Company was on track and nearly met Key Milestone Two on time by adding 57 QNJs above the Base Employment Level of 113 which is 5 below the 62 required QNJs for Key Milestone Two. The social distancing orders required due to the Covid-19 pandemic forced the Company to rework its operations and delayed adding additional employees that are needed. The Company has since resumed hiring and is confident it will meet both Key Milestones by the amended due dates.

Recommendation

MEDC Staff recommends approval of the following under the Awardee Relief Initiative (collectively, “Recommendation”):

- a) Approval of the MBDP Amendment Request; and
- b) All other aspects of the approval remain unchanged.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-006**

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM
GRANT AMENDMENT TO
NEWELL BRANDS 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 \$1,479,000 Michigan Business Development Program performance-based grant on September 26, 2017 for the expansion of its Design Center in the City of Kalamazoo (the “Project”);

WHEREAS, the Company requests that the MSF Board approve an amendment to the Michigan Business Development Program performance-based grant by extending the due dates of Milestone Two and Milestone Three (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, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

**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 30, 2020

Company Name: Newell Brands, Inc. (“Company”)

Company Address (“Project”): 3300 Research Way
Kalamazoo, Michigan 49008

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 \$1,479,000 (“MBDP Incentive Award”)
- **Base Employment Level** At least 113
- **Total Qualified New Job Creation:** At least 87
(above Base Employment Level)
- **Company Investment:** \$7,298,600 in computers and IT, furniture and fixtures, and new construction, or any combination thereof, for the Project.
- **Municipality supporting the Project:** City of Kalamazoo
- **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 \$629,000 Upon demonstrated creation of 37 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than June 30, 2018.
 - **Disbursement Milestone 2:** Up to \$425,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 62 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2019.
 - **Disbursement Milestone 3:** Up to \$425,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of



87 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2020.

- o **Term of Agreement:** Execution of Agreement to June 30, 2021

Proposed MBDP Incentive Amendment

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

- o **Disbursement Milestone 2:** Up to \$425,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 62 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2021.

- o **Disbursement Milestone 3:** Up to \$425,000 Upon completion of Disbursement Milestone 1, and Disbursement Milestone 2, and upon demonstrated creation of 25 additional Qualified New Jobs (for a total of 87 Qualified New Jobs) above the Base Employment Level, by no later than April 30, 2022.

- o **Term of Agreement:** Execution of Agreement to October 31, 2022

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 15, 2020, the MEDC may not be able to proceed with any recommendation to the MSF.

Acknowledged as received by:

Newell Brands, Inc.

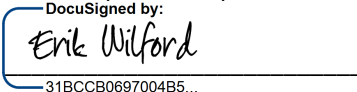
By: John Pursell

Printed Name: John Pursell

Its: Real Estate Director

Dated: 09/04/2020

Michigan Economic Development Corporation

By: 

Printed Name: Erik wilford

Its: Sr. Business Development Project Manager

Dated: 9/8/2020

Newell Brands, Inc.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-004**

**APPROVAL OF THE JANUARY 26, 2021 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

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

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

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

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

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

Consent Agenda Items:

December 8, 2020 MSF Board Meeting Minutes
January 14, 2021 MSF Board Meeting Minutes
Sugar Hill Redevelopment: Brownfield MBT Amendment
Newell Brands: MBDP Amendment

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
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January 8, 2021

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Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021
To: Michigan Strategic Fund Board
From: Chris Cook, Director of Capital Access
Subject: Appointment to the Board of Managers of Grow Michigan, Inc.

Request

This request is to appoint Julius Edwards, Senior Commercial Real Estate Investment Manager to replace Mark Morante as one of the MSF appointed members to the Board of Managers of Grow Michigan, Inc. (“GMI”).

Background

On September 27, 2012 the Michigan Strategic Fund Board (“MSF”, “MSF Board”) approved an award to GMI to operate a mezzanine lending fund designed to provide financing for growth, acquisition, and succession planning for Michigan based operating companies. The MSF awarded an investment of up to \$9.5 million in the form of an equity investment designated for funding loans made by GMI and \$500,000 loan to GMI to pay for expenses related to its establishment. At the same meeting the MSF appointed three individuals to represent its interests in Grow Michigan, Inc. (“GMI”). In addition to the MSF, investors in the fund include 15 lending institutions operating in Michigan.

The Board of Managers of GMI is comprised of nine members. The composition of the nine-member Board of Managers is as follows:

- Three members appointed from private investors
- Three members appointed by the management team
- Three members appointed by the Michigan Strategic Fund

Program History

To date GMI has invested \$61.7 million in transactions involving a total leveraged capital investment of \$320.1 million. GMI II remains in the fundraising stage and has not yet funded an investment.

RECOMMENDATION

Staff recommends the appointment of Julius Edwards to the Grow Michigan, Inc. Board of Managers.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-007**

**APPOINTMENT OF BOARD OF MANAGERS MEMBER FOR
GROW MICHIGAN – CAPITAL CONDUIT PROGRAM,
OPERATING COMPANY INITIATIVE AWARD RECIPIENT**

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

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

WHEREAS, pursuant to MCL.125.2088d(1) the MSF shall create and operate a loan enhancement program;

WHEREAS, on May 20, 2009, the MSF created the Michigan Supplier Diversification Fund (“MSDF”) as a loan enhancement program;

WHEREAS, on December 21, 2011, the MSF approved the creation and operation of a Grow Michigan – Capital Conduit Program under the MSDF (“CCP”);

WHEREAS, on December 21, 2011, the MSF (1) approved the creation and operation of the Operating Company Initiative (“OCI”) under the CCP and (2) adopted guidelines for the OCI (“OCI Guidelines”);

WHEREAS, on January 25, 2012, the MSF approved an award to Grow Michigan, LLC (“Grow Michigan Award”) under the OCI;

WHEREAS, pursuant to the OCI Guidelines and the terms of the OCI Award, the MSF Board has the right to appoint three members to the Grow Michigan board of managers;

WHEREAS, on September 27, 2012, the MSF approved the appointment of Doug Luciani, David Zilko, and Rich Baird to the Grow Michigan board of managers;

WHEREAS, on June 26, 2018, the MSF approved the removal of Rich Baird and David Zilko, and the appointment of Chris Cook and Mark Morante to the Grow Michigan board of managers;

WHEREAS, the MEDC recommends and the MSF Board desires to remove Mark Morante, and appoint Julius Edwards, Senior Commercial Real Estate Investment Manager Community Development, to the Grow Michigan board of managers;

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves the Grow Michigan Appointees.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
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RACHAEL EUBANKS
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January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond –
Neighborhood Club – Non-profit –
Supplement to Amended and Restated Bond Indenture*

Request

The Neighborhood Club (“Neighborhood Club”) is seeking MSF Board approval for approving a supplement to the amended and restated trust indenture for MSF Series 2011 bonds. The bonds are held by Huntington Public Capital Corporation. The MSF approval to the supplement to the indenture will provide a new formula for calculating the interest rate on the bonds and a five-year extension to the current bank purchase rate period.

Background

Neighborhood Club is a 501(c)(3) tax-exempt nonprofit corporation with a mission to engage in recreational, social and public service and welfare activities for the residents of the cities of Grosse Pointe Park, Grosse Pointe, Grosse Pointe Farms, Grosse Pointe Woods, and the Village of Grosse Pointe Shores, and adjacent areas. Neighborhood Club was founded in 1912. Neighborhood Club is organized upon a directorship basis and is managed by a board of trustees.

The \$7,000,000 MSF Series 2011 bonds financed the demolition of an existing facility and the construction, furnishing and equipping of an approximately 45,000 square foot facility (housing a gymnasium, swimming pool, fitness center and related facilities for recreation, physical therapy and children’s integrative development programs). The facility is owned and operated by the Neighborhood Club for youth and family activities, health and recreational activities, conferences and its office operations.

Recommendation

Staff recommends the approval of the supplement to the indenture for this project.

RESOLUTION APPROVING EXECUTION AND DELIVERY OF
SUPPLEMENTAL TRUST INDENTURE AND APPROVING CERTAIN OTHER
MATTERS RELATING THERETO
(NEIGHBORHOOD CLUB PROJECT)

Resolution 2021-008

Background

A. The Michigan Strategic Fund (the “Fund”) has previously issued its \$7,000,000 Variable Rate Limited Obligation Revenue Bonds, Series 2011 (Neighborhood Club Project) (the “Series 2011 Bonds”), pursuant to a Trust Indenture dated as of September 1, 2011 (the “2011 Indenture”), between the Fund and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), for the purpose of providing funds to make a loan to the Neighborhood Club, a Michigan nonprofit corporation (the “Obligor”).

B. In 2013, the Series 2011 Bonds were converted to a bank purchase rate period and purchased by Huntington Public Capital Corporation (the “Purchaser”) pursuant to an Amended and Restated Trust Indenture dated as of December 2, 2013 (the “Amended and Restated Indenture”).

C. The Purchaser purchased the Series 2011 Bonds for an initial commitment period expiring on December 1, 2020.

D. The Obligor and the Purchaser have agreed to extend the commitment period during which the Purchaser agreed to continue to hold the Series 2011 Bonds until December 1, 2025, and the Purchaser has agreed to do so upon the terms and conditions set forth in the Second Amendment to Bond Purchase and Continuing Covenant Agreement dated November 30, 2020 (the “Bond Purchase Agreement”).

E. In connection with the extension of the Purchaser’s commitment period for the Series 2011 Bonds, the Obligor has requested that the Fund and the Trustee approve certain amendments to the Amended and Restated Indenture pursuant to Supplemental Indenture Number 1 to the Indenture (the “Indenture Supplement”).

F. The Fund desires to authorize 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”), or any of them individually, to negotiate, execute and deliver, on behalf of the Fund, the Indenture Supplement.

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

Section 1. Indenture Supplement; Replacement Bonds. The form of the Indenture Supplement, 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 hereby approved, subject to such changes and insertions as, upon the advice of Bond Counsel and the Attorney General of the State of Michigan, are not materially adverse to the Fund. Any Member or Authorized Officer are authorized to execute and deliver the Indenture Supplement in the form approved hereby, with such changes and insertions as may be necessary or desirable, permitted by applicable law, and not materially adverse to the Fund in the opinion of Bond Counsel and the Attorney General of the State of Michigan.

If deemed necessary in connection with the execution and delivery of the Indenture Supplement, upon advice of Bond Counsel and the Attorney General of the State of Michigan, a Member or an Authorized Officer may execute and deliver by manual or facsimile signature replacement bonds on behalf of the Fund in substitution for, and in replacement of, the definitive Series 2011 Bonds previously issued and delivered by the Fund. Any replacement Series 2011 Bonds shall be substantially as set forth in the Amended and Restated Indenture, with such appropriate variations, omissions, and insertions as are permitted or required by the Amended and Restated Indenture and the Indenture Supplement and as approved by Bond Counsel and the Attorney General of the State of Michigan. Any replacement bonds shall be executed on behalf of the Fund, and authenticated by the Trustee, in the manner provided in the Amended and Restated Indenture.

Section 2. Authorization of Tax Certificate and Other Documents. If determined to be necessary or advisable by Bond Counsel and the Attorney General of the State of Michigan in connection with the extension of the Purchaser's commitment period for the Series 2011 Bonds as described in the Bond Purchase Agreement and/or in connection with the execution and delivery of the Indenture Supplement, an Authorized Officer is authorized to approve and execute a Non-Arbitrage Certificate relating to the Series 2011 Bonds and to execute and file, or cause to be filed with the Internal Revenue Service, an IRS Form 8038, together with such other certificates and documents as may be required in order that the interest on the Series 2011 Bonds continue to be excluded from gross income for federal income tax purposes.

In the event that the Obligor shall enter into an interest rate swap agreement with respect to all or a portion of the Series 2011 Bonds, either on the date of execution and delivery of the Indenture Supplement or on any date subsequent thereto, and if so requested by the Obligor, an Authorized Officer is authorized to execute one or more swap identification certificates, in the form or forms approved by Bond Counsel and the Attorney General of the State of Michigan, in order to cause such interest rate swap agreement to be treated as a "qualified hedge" for purposes of federal income taxation.

Section 3. Approval of Other Actions. An Authorized Officer is hereby authorized to approve, execute, and deliver such other agreements, certificates and documents as may be necessary in order to carry out and give effect to the transactions authorized by this Resolution.

Section 4. 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.

Adopted.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

January 26, 2021 Meeting
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

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

Subject: University Early Stage Proof of Concept – ADVANCE Fund RFP Request

Request

The MEDC requests that the MSF Board approve support for the University Early Stage Proof of Concept -ADVANCE Fund Request for Proposals (“RFP”) in the amount of \$250,000 for one year from the Entrepreneurship and Innovation FY21 Budget. The purpose of the RFP is to award a grant to a university for the implementation and execution of the University Early Stage Proof of Concept - ADVANCE Fund program.

Background

The University Early Stage Proof of Concept -ADVANCE Fund has been supporting very early stage work within the universities, with grant matching funds using a competitive process, since the spring of 2016. The program is filling a gap in the pipeline of moving university projects with the commercial potential of a discovery into the commercial market. Such technology is usually at an early stage of development and requires additional studies or a working prototype before it can be shown to have commercial potential. This program will provide matching funds, resources and specialized services, by way of the university technology transfer offices at all institutions of higher education. This will assist university projects in the transition from scientific research to applied research to translational research through analyzing the market application, proving out the concept validation, demonstrating technical feasibility and developing a prototype in the preparation for implementation and testing.

The current program, administered by Michigan State University, on a statewide basis, has reported the following metrics from inception of the program through 9/30/2020:

Number of proposals submitted	63
Number of proposals funded	51
Follow on funding received from funded projects	\$1,580,000
Number of universities participating	7
Participating universities include: University of Michigan, Michigan State University, Wayne State University, Michigan Technological University, Western University, Ferris State University and Grand Valley State University	

The MEDC anticipates the following proposed timeline for the execution of this RFP:

- Issue RFP to the Public: January 27, 2021
- Questions due from the Public: February 1, 2021
- Answers posted to the MEDC web page: February 5, 2021
- Applications Deadline: February 19, 2021

The MEDC requests the MSF approve the Scope of Work and the following Joint Evaluation Committee (“JEC”) comprised of MEDC staff and external partners to review the proposals submitted and make award recommendations to the MSF Board:

- Fred Molnar, Vice President Entrepreneurial Services, MEDC
- Denise Graves, University Relations Director, MEDC
- Alain Piette, SBDC Technology Team Manager
- Bill Mayer, Vice President, Entrepreneurial Services, Ann Arbor SPARK
- Vince Nystrom, Vice President of Business Development, Renaissance Ventures

Recommendation

MEDC Staff recommends the MSF Board approve the following actions:

- 1) Approval of the RFP process and Allocation of \$250,000 from the FY2021 Entrepreneurship and Innovation Budget;
- 2) Approval of the Joint Evaluation Committee (JEC) Members;
- 3) Approval of the Scope of Work attached as Exhibit A;
- 4) Approval of the Scoring Criteria attached as Exhibit B.

MICHIGAN STRATEGIC FUND

RESOLUTION 2021-009

UNIVERSITY EARLY STAGE PROOF OF CONCEPT – ADVANCE FUND REQUEST FOR PROPOSALS, ALLOCATION OF FUNDING, SCORING AND EVALUATION CRITERIA AND JOINT EVALUATION COMMITTEE

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

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

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

WHEREAS, the MSF has reviewed a scope of work, timeline, and eligibility requirements for awarding grants to one or more Michigan institutions of higher education to provide resources and specialized services that will enhance and support the transition of institution of higher education projects from scientific research to applied research to translational research to the commercial market (the “Proof of Concept RFP”), as set forth in Attachment A to this Resolution;

WHEREAS, the MEDC recommends and the MSF desires to initiate the competitive proposal process to award grants to Michigan institutions of higher education by issuing the Proof of Concept RFP and allocating \$250,000 for the Proof of Concept RFP (the “Proof of Concept RFP Issuance and Funding Request”);

WHEREAS, the MEDC recommends and the MSF desires to appoint the following individuals to the JEC for the Proof of Concept RFP:

Fred Molnar, VP of Entrepreneurship and Innovation, MEDC
Denise Graves, University Relations Director, MEDC
Alan Piette, SBDC Technology Team Member
Bill Mayer, Vice President, Entrepreneurial Services, Ann Arbor SPARK
Vince Nystrom, Vice President of Business Development, Renaissance Ventures

WHEREAS, the MEDC recommends and the MSF Board desires to adopt the scoring and evaluation criteria contained in Attachment B to this Resolution for use by the JEC in its review of proposals received in response to the Proof of Concept RFP (the “Proof of Concept RFP Scoring and Evaluation Criteria”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves 1) the Proof of Concept RFP Issuance and Funding Request; 2) the JEC as set forth above; and 3) the Proof of Concept RFP Scoring and Evaluation Criteria;

BE IT FURTHER RESOLVED, that the MSF authorizes the MSF Fund Manager to modify the Proof of Concept RFP as may be necessary or appropriate, so long as the modifications are not material or adverse to the interests of the MSF; and

BE IT FURTHER RESOLVED, that the MSF authorizes the MSF Fund Manager to appoint alternate members to the JEC if any of the members identified above are unable to or unwilling to serve.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



Exhibit A

FY 2021 Early Stage University Proof of Concept - ADVANCE Fund RFP Scope of work, timeline, and eligibility requirements

Purpose of the grant

The intent of the proposals in response to this RFP should be for the Applicant organization to provide resources and assistance to researchers on technology projects through the university technology transfer offices at all institutions of higher education. This will accelerate the process of technology transfer through the assessment of the technology for use in the commercial market through a license to industry or a startup company. The university projects, through this process, will request matching funds, via a proposal process, for completion of key milestones (analyzing market application, proving out the concept validation, demonstrating technical feasibility and developing a prototype) over a 6 to 12-month period.

Technology Sectors supported under the grant

Proposals submitted **MUST** be to assist university projects in advancing their research into the commercial market and supporting the commercialization of technology within one or more of the competitive edge technology sectors defined in Section 125.2088a of the MSF Act, as amended, and as approved by the MSF Board, including Advanced Automotive, Manufacturing, Materials, Information, and Agricultural Processing Technology, Alternative Energy, Homeland Security and Defense Technology, Life Sciences, and Other Innovative Technologies.

Eligibility

- Michigan institutions of higher education are eligible to receive funding through this RFP. The Applicant must also fulfill the following criteria:
 - Encourage and work with the State's institutions of higher education to identify the commercial potential in advanced technologies from individual institutions of higher education AND;
 - Facilitate the bundling of inventions from individual institutions of higher education into packages that could be of interest to private sector firms looking for commercialization opportunities AND;

- Work with institutions of higher education in encouraging the institutions to provide their faculty with incentives for participating in technology transfer and commercialization activities.

Timeline

Issue RFP to the Public: January 27, 2021

Questions due from the Public: February 1, 2021

Answers posted to the MEDC web page: February 5, 2021

Applications Deadline: February 19, 2021

Proposal Evaluation Form
University Early Stage Proof of Concept – ADVANCE Fund RFP

Name of Applicant: _____

Name of Reviewer: _____

Criteria	Reviewer's Comments	Points
Eligibility: <ul style="list-style-type: none"> ○ Non-profit, proposing a statewide plan. 		Y/N
Executive Summary: Overview <ul style="list-style-type: none"> • NAME OF THE APPLICANT ORGANIZATION • ELIGIBILITY CRITERIA • AMOUNT OF FUNDS REQUESTED • AMOUNT OF MATCHING FUNDS • TERM • PURPOSE • The TARGETED NUMBERS FOR: <ul style="list-style-type: none"> ○ Projects funded ○ Projects ended/redirected ○ Number of universities applying and funded ○ Follow on funding 		Max. Possible Points: 5 Score: _____
Purpose: <ul style="list-style-type: none"> • The Applicant must clearly indicate that the organization is a university/non-profit • The Applicant must clearly describe how the proposed use of funds will: <ul style="list-style-type: none"> ○ assist university technology transfer offices with vetting, de-risking and advancing projects for commercial market application ○ demonstrate the ability to operate within a university setting, working with faculty to advance their research into the commercial market ○ collaborate with university technology transfer offices, or equivalent, to build talent around and commercialize university IP 		Max. Possible Points: 10 Score: _____
Past Experience: <ul style="list-style-type: none"> • The Applicant should indicate past experience with providing assistance to university technology transfer, or equivalent, offices in the process of vetting, de-risking and advancing early stage high technology projects to the commercial market and specifically discuss how the ELIGIBILITY CRITERIA that the Applicant fulfilled and its success will play a role in this program. 		Max. Possible Points: 20 Score: _____
Team: <ul style="list-style-type: none"> • Identified key players • Identified collaborators 		Max. Possible Points: 15 Score: _____
Milestones/Deliverables: <ul style="list-style-type: none"> • Identified meaningful milestones/deliverables • Achievable and leading to economic impact 		Max. Possible Points: 20 Score: _____
Budget: <ul style="list-style-type: none"> • Identified meaningful budget for proposal • Organization budget clearly indicates need for funding • Demonstrate matching funds 		Max. Possible Points: 10 Score: _____
Economic Impact: <ul style="list-style-type: none"> • Realistic assumptions and expectations based on university technology transfer knowledge and past reported performance • Identified targeted metrics: <ul style="list-style-type: none"> ○ Projects Funded ○ Number of universities applying and funded ○ Follow on Funding 		Max. Possible Points: 20 Score: _____
Total Score:		Max. Possible Points: 100 Score: ⁴⁷ _____



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Sue DeVries, Community Assistance Team Specialist
Louis Vinson III, Senior Program Specialist, Community Development Block Grant
Lisa Edmonds, Program Specialist, MCRP and Brownfield
Debbie Stehlik, Commercial Real Estate Investment Manager

Subject: Request for Approval Community Development Block Grant Program and a Request for Approval of an Act 381 Work Plan
City of Ludington – Michigan Community Capital - Haskell Building/Lofts on Rowe
Redevelopment Project
City of Ludington, County of Mason

Project Summary

The request will support a community development project in the City of Ludington that will convert a long-vacant manufacturing building into a residential structure with an office component on the first floor, representing \$12,788,712 in total capital investment. Built in 1890, the 3-story, 46,746 square foot brick building located at 801 N. Rowe Street has had numerous uses, most of which were manufacturing. It has been vacant for many years with minimal use as a storage facility. As a result, the property has fallen into a condition of significant blight and will require a full rehabilitation. The 1.81 acre property has been re-zoned to meet the proposed uses of the redevelopment. Once completed the building will house 65 attainable housing units and one 740 square foot office space on the first floor. In addition, the project will create a new parking lot and sidewalks to support building uses and will relocate two municipal facilities that include an approximately 18,540-square foot single-story metal building and an approximately 3,900-square-foot, single-story frame building. Currently, the building is an eyesore that discourages neighboring property owners from investing in their property. If action is not taken, the building will fall into further blight and require demolition. The City has prioritized this building for historic restoration. Total construction cost is estimated at \$179.95 per square foot which is reasonable for historic restoration and conversion of uses. The development will include 2,667 square feet of public improvements including curbs, gutters, and sidewalks.

A financing gap exists on this project because of the cost of historic restoration and the community's commitment to creating attainable workforce housing. The developer has obtained a commitment for a bank loan of \$5,200,000, is using Historic Tax Credits with an estimated value of \$1,633,500 and is contributing \$2,955,212 in owner equity to the project. They have also leveraged a \$1,000,000 local foundation grant; however, a financing gap remains, which is being proposed to be filled with a CDBG grant and tax increment revenue reimbursement for brownfield eligible activity costs. The development is being conducted by Michigan Community Capital, which is a non-profit entity and even with the layering of public and foundation support on this project the developer return is currently projected at -1.9%.

Request

The City of Ludington (“City”) is requesting a Community Development Block Grant (CDBG) in the amount of \$2,000,000 for elimination of blight and up to \$30,000 for certified grant administrator services and the Mason County Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$1,554,279 to reimburse for MSF eligible activities. The Applicant anticipates that the project will result in a total capital investment in the amount of \$12,788,712.

Program Summary

The request for CDBG support is consistent with program requirements and screening guidelines as it qualifies under the national objective of the elimination of blight as defined in the Brownfield Redevelopment Financing Act 381 of 1996, MCL 125.2652 (c)(i)-(vii). The Project meets a national objective by eliminating blight on a spot basis.

The request for Brownfield support is consistent with program requirements because it is facilitating the development of brownfield property by reactivating an historic resource. The project qualifies for the Brownfield Act 381 program because the site is a facility, blighted, functionally obsolete, and a historic resource. The project is consistent with the MEDC’s strategic plan and will address multiple important community development goals for the City of Ludington and MEDC. In relation to MEDC’s strategic plan the project will develop an attractive place by transforming a no longer utilized and blighted property into a unique, historic and vibrant place near the downtown. The new housing units will help the City attract, retain, and support businesses. The proposed project will create year-round housing at a price point that is needed in the community. Ludington’s tourism appeal results in high priced summer seasonal rental housing which displaces many in the local workforce who are looking for attainable year-round rental housing. The need for year-round attainable housing in the City of Ludington is outlined in the target market analysis completed in 2015.

Local Support

The City of Ludington is contributing an Obsolete Property Rehabilitation Act (“OPRA”) tax abatement for 12 years, estimated to be worth \$1,825,802. Other local support includes the local portion of the Brownfield TIF for MSF eligible activities estimated as \$1,574,302 and for EGLE eligible activities at \$219,798. The Pennies from Heaven Foundation has contributed a \$1,000,000 grant to the project. The city is engaged with the MEDC’s Redevelopment Ready Communities (“RRC”) Program.

CDBG Grant Summary

The CDBG eligible activities for this project include five primary areas of work. All wall areas where the masonry brickwork has deteriorated mortar joints will be tuck pointed. Wall areas where the masonry brickwork is missing or damaged beyond repair will be replaced. The roof will be replaced. All damaged, deteriorated, or outdated HVAC systems will be replaced in a manner that meets the current code requirements. All damaged, deteriorated, or outdated electrical systems will be replaced in a manner that meets the current code requirements. Private eligible activities include additional HVAC work, engineering, acquisition, abatement and remediation, demolition, concrete and gyp-crete work, metals and metal work, carpentry, joint sealing, historical windows, aluminum framing and glass, framing, drywall, acoustics, flooring, tile, painting, appliances, window treatments, elevator, fire protection, plumbing, and fire alarms.

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Ludington, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on October 26, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on December 16, 2020, deemed functionally obsolete as verified by a Michigan Advanced Assessing Officer (MAAO) assessor on August 14, 2019, and deemed blighted by the City of Ludington on August 17, 2020. The building also qualifies as a historic resource as it is listed on the National Register of Historic Places.

There are 55.7465 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24.0000 mills (43.05%) and local millage equaling 31.7465 mills (56.95%). There is a OPRA tax abatement on the property for 12 years, which makes the blended ratio 49.68% to 50.32%, state to local, respectively. Tax increment capture will begin in 2022 and is estimated to continue for 26 years. The state tax capture is recommended to be capped at \$1,554,279, which is the amount of tax increment revenue anticipated to be generated in 26 years. Total MSF eligible activities are estimated at \$3,128,581. MSF eligible activities breaks down as follows:

State tax capture	(49.68%)	\$	1,554,279
Local tax capture	(50.32%)	\$	<u>1,574,302</u>
TOTAL		\$	<u>3,128,581</u>

Cost of MSF Eligible Activities

Demolition	\$	297,100
Lead & Asbestos Abatement		693,500
Infrastructure Improvements		27,000
Relocation of Public Building		975,000
Site Preparation	+	<u>49,680</u>
Sub-Total	\$	<u>2,042,280</u>
Contingency (15%)	+	<u>305,592</u>
Sub-Total	\$	<u>2,347,872</u>
Interest (5%)	+	<u>749,909</u>
Sub-Total	\$	<u>3,097,781</u>
Brownfield/Work Plan Preparation	+	17,600
Brownfield/Work Plan Implementation	+	<u>13,200</u>
TOTAL	\$	<u>3,128,581</u>

In addition, the project is requesting \$436,801 in TIF from EGLE to assist with environmental eligible activities.

Applicant History

The City of Ludington has successfully managed and closed out several façade and rental rehab grants. It was the certified grant administrator for the Mason County housing program in the past and currently is a Certified Grant Administer for MEDC CDBG projects. The City is currently constructing the James Street Plaza/Legacy Park project and the Second Floor Living rental rehab project.

Lofts on Rowe is a single purpose entity formed and owned by Michigan Community Capital, (MCC). MCC is a private non-profit corporation and 501c3 public charity that was created to attract and deploy capital for use in job creation and community development in Michigan. Some examples of sources of

capital include: Program Related Investment loans from corporations and foundations, private donations of land and cash, Investments from banks to satisfy Community Reinvestment Act requirements, New Market Tax Credits and Other federal resources. MCC facilitates investment from banks into low-income census tracts. MCC acts as a partner and facilitator to complete projects that would otherwise not be addressed by the market.

Since 2006, MCC has been awarded \$255 million of New Market Tax Credits that have been used to support projects exclusively in Michigan, many in conjunction with the MEDC. Some of these projects include: the Book Cadillac in Detroit, Lofts on Ludington in Escanaba, Verso Paper in Quinnesec and the Allen Neighborhood Center in Lansing. In 2017, the Michigan Strategic Fund approved a \$22.5 million, 1% interest Workforce Housing Loan to MCC. This has been used across 7 projects in Detroit, Cadillac, Mount Pleasant, Grand Rapids, Lansing, and Traverse City to create 300 housing rental units, of which 218 will be income restricted to 80% AMI households. In addition, MCC has partnered with the MEDC and MSF on several important catalytic downtown projects which include, Bridge Street Lofts in Grand Rapids, Cadillac Lofts in Cadillac, and the Temple Redevelopment in Lansing. MCC has provided capital to projects totaling \$742,508,172 in combined investment, 100% within the state of Michigan. MCC has supported no less than 672 units of multi-family housing, nearly all in a mixed-use, mixed-income context. MCC has also redeveloped or constructed over 161,000 square feet of retail, commercial, and light industrial space across the state.

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

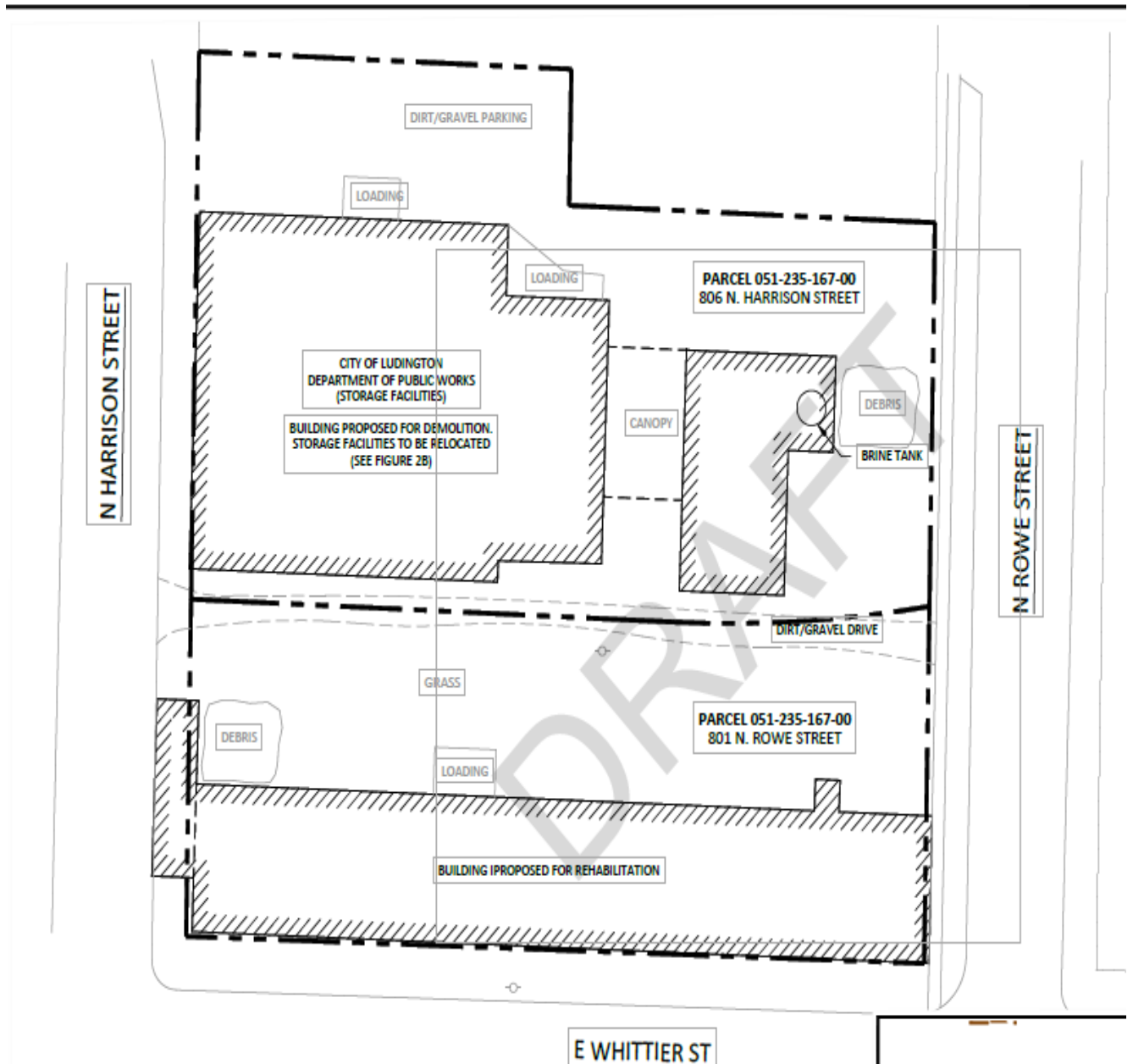
Appendix A includes a project map and renderings, **Appendix B** addresses the programmatic requirements, **Appendix C** contains the Organizational Chart and **Appendix D** includes the CDBG Terms Sheet.

Recommendation

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

- A CDBG Spot Blight grant agreement up to the amount of \$2,030,000 be authorized for the City of Ludington for the Haskell Building Project.
- State tax capture for the Act 381 eligible activities capped at \$1,554,279, utilizing the current state to local capture ratio.

APPENDIX A – Map, Renderings and Site Photos





Site Photos



APPENDIX B – Brownfield Act 381 Programmatic Requirements

Key Statutory Criteria

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

a) Overall Benefit to the Public:

The project will transform an underutilized property into a mixed-use property. By doing so, this development will create jobs and further increase urban density in the City of Ludington. Promoting a dense, urban environment benefits the community through more efficient delivery of goods and services in both the private and public sectors.

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

This redevelopment is projected to create at 3 new, full time equivalent jobs at an average wage of \$14.50 per hour. Job projections include a mix of professional office and retail positions including staff and management level positions.

c) Area of High Unemployment:

As of August 2020, the Michigan Bureau of Labor Market Information and Strategic Initiatives (www.milmi.org) indicated Mason County's unemployment rate was 9.1%, compared to 8.7% for the State of Michigan and 8.4% for the U.S.

d) Level and Extent of Contamination Alleviated:

Redevelopment activities at the property will include appropriate due care measures and asbestos and lead abatement measures to the extent necessary to be protective of the proposed use of the property.

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

As previously stated, the building planned for redevelopment is vacant and has been declared a functionally obsolete and blighted structure. The outcome of the project will be the elimination of blight, the preservation of a historic structure and the creation of new residential and commercial square footage.

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

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

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

h) Other Factors Considered:

No additional factors need to be considered for this project.

APPENDIX B – CDBG Programmatic Requirements & Screening Guidelines

CDBG Program Requirements

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

- **National Objective:**
This Project qualifies for CDBG funding as the project meets the definition of blight as defined in the Brownfield Redevelopment Financing Act 381 of 1996, MCL 125.2652 (c)(i) - (vii). The Project meets a national objective by eliminating or preventing slums and blight on a spot basis.
- **Eligible Activity:**
This Project involves eligible activities identified in Section 105(a) (4) of Title I of the Housing and Community Development Act of 1974, as amended.

CDBG Screening Guidelines

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

- **Economic Impact:** The economic impact of this Project was evaluated. It was determined that the Project is:
 - Located in a highly visible locationand the community has:
 - Prior use of downtown development incentives (TIFs, abatements, etc.)
 - Local organizational capacity to successfully complete this project
 - A full-time downtown development professional or community staff member able to administer the project
 - Adopted a downtown development plan, also:

The Project will consist of a building that has the following characteristics:

- Multi-story Building
- Mixed-use components
- Eligible for Historic or Contributing Designation
- Partially or completely vacant building being returned to active use

Local Support: Local support for the project includes an OPRA estimated to be worth \$1,825,802 and the Mason County Brownfield Redevelopment Authority has approved Brownfield TIF for the project for approximately \$3,970,490, with the local portion estimated as \$1,773,595. The City of Ludington is engaged with the Redevelopment Ready Communities (RRC) program.

- **Minimum Leverage Ratio:** The private leverage contribution, to be provided by Michigan Community Capital, equals \$10,788,712, which results in a leverage ratio of approximately 5.39:1 of the CDBG grant.

- **Financial Viability:** The business receiving the benefit from this project has been determined to be financially viable.
- **Background Check:** A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

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

APPENDIX C – Organizational Chart

Lofts on Rowe LLC Organizational Structure

Lofts on Rowe LLC EIN: 84-2049456

Lofts on Rowe LLC Manager: Marilyn Elizabeth Crowley

Member		Ownership Interest	EIN	State of Organization
Member/Company name and manager		100.00%	xx-xxxxx	Michigan
Michigan Community Capital	100.00%	100%	33-1068719	Michigan
Member/Company name and manager				
	80.00%			
	10.00%			
	10.00%			
Member/Company name and manager				
	51.00%			
	24.00%			
	25.00%			
Member/Company name and manager				
	50.00%			
	50.00%			

Key Principals/Guarantors:	Amount of Guarantee
Michigan Community Capital	100
Member Name	
Member Name	

APPENDIX D – Terms Sheet

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MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM Performance Based Grant - Term Sheet

The following is a summary of the highlights of the proposed project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Community Development Block Grant Program ("CDBG"). While the CDBG is operated and funded through the MSF, recommendation for approval of a CDBG incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

- Date:** December 3, 2020
1. **Community Name ("Grantee"):** City of Ludington
2. **Company Name ("Company"):** Michigan Community Capital
3. **Company Address:** 507 S. Grand Ave.
Lansing, MI 48933
4. **Project Address:** 801 N. Rowe Street
Ludington, MI 49431
5. **Project Description and Activities:** Built in 1890, the 3-story, 46,746 square foot brick building located at 801 N Rowe Street in Ludington, Michigan has had numerous uses, most all of which were manufacturing. The property has been re-zoned to meet the proposed uses of the redevelopment which will include 65 residential rental units and one office space. CDBG eligible activities in this historic blight project include work in five major categories. All wall areas where the masonry brickwork has deteriorated mortar joints will be tuck pointed. Wall areas where the masonry brickwork is missing or damaged beyond repair will be replaced. The roof will be replaced. All damaged, deteriorated, or outdated HVAC systems will to be replaced in a manner that meets the current code requirements. All damaged, deteriorated, or outdated electrical systems will be replaced in a manner that meets the current code requirements. Private eligible activities include HVAC, engineering, acquisition, abatement and remediation, demolition, concrete and gypcrete work, metals and metal work, carpentry, joint sealing, historical windows, aluminum framing and glass, framing, drywall, acoustics, flooring, tile, painting, appliances, window treatments, elevator, fire protection, plumbing, and fire alarms.
6. **Total Estimated Project Costs:** \$12,788,712
7. **CDBG Grant Incentive Type:** Blight for Historic Preservation
8. **CDBG Grant Amount:** \$2,000,000

Grant funding will be committed at two million dollars (\$2,000,000) if the 50% match requirement listed in the Funding Guide is met. The CDBG amount will not be reduced unless the project hard costs go below the 50% match requirement. Funds will be made available to the community on a reimbursement basis for eligible costs.

The Company and Grantee shall be responsible for any cost overruns.

9. **Minimum Company Investment:** \$10,788,712
10. **Type of Financing for Investment:** Loan Private equity, grant from a private foundation, and historic tax credits

11. **Project Milestones:** The final terms and conditions of each of the Project Milestones shall be included in the final Agreement. Before any disbursement is made to the Company through the Community, the Company must demonstrate compliance with Project Milestones, as required, and otherwise be in full compliance with all terms and conditions of the final Agreement, and further shall include:
 - a) **Grant Agreement Executed:** February 2021
 - b) **Construction Commencement:** June 2021
 - c) **Construction Completed:** January 2023

12. **Term of Agreement:** The term of the Agreement is from execution of the Agreement for a period of two (2) years term includes completing all required project activities and investment.

13. **Community Support for Project:** A condition for execution of the final Agreement is that the municipality has agreed to be the Grantee and committed to provide: an OPRA estimated to be worth \$1,537,746 and the City of Ludington has approved Brownfield TIF with MSF eligible activities for the project of approximately \$3,524,837, with the local portion estimated as \$1,773,595 and Brownfield TIF with EGLE eligible activities of approximately \$445,653, with the local portion estimated as \$224,240. The final terms and conditions evidencing this support shall be included in the final Agreement.

14. **Repayment Provisions:** It is understood and acknowledged by all parties, including the Company, that the investment was an essential factor in persuading the Grantor that this project is economically viable, and further, in the absence of this commitment by the Company, this grant would not have been awarded and the Company has verified that the CDBG Funds are not substituted for non-federal funds.

The Company further acknowledges that should the private investment goals for this project not be met, the Grantee may require the repayment of the Grant up to the full amount from the Company. The MSF may require the Grantee and Company to execute a Development Agreement that will be acknowledged by the MSF outlining repayment provisions.

15. **Environmental Review:** The CDBG environmental review process must be completed and written authorization received from MEDC prior to incurring project costs and beginning any project activities. Project costs include costs to be paid for with CDBG funds and all other non-CDBG funds. Incurring costs is defined as making any commitments relevant to the project. This includes, but is not limited to, signing contracts; entering into lease/easement/purchase agreements; ordering equipment, materials, or supplies; or performing any other work. The environmental review process usually takes the community a minimum of 60 days to complete. Incurring project costs and/or starting project activities prior to written authorization will jeopardize or cause the withdrawal of your project for funding consideration.

16. **Davis Bacon and Related Acts:** These federal statutes and their implementing regulations require that federally-assisted construction work in excess of \$2,000 must have prevailing wage rates (determined by the U.S. Department of Labor) paid to all employees working on such construction work. If CDBG funds assist even just a portion of the construction work, then Davis-Bacon becomes applicable to the entire construction work. Note however, that CDBG funds can finance activities other than construction work, without triggering Davis-Bacon requirements, even though CDBG funds are part of an overall project which may involve construction work. For this project, Davis Bacon requirements apply to both CDBG and non-CDBG funded activities.

17. **Reporting Requirements:** The Company will be required to provide regular information to the Grantee to assure reporting requirements compliance including, but not limited to:

- a) Progress Reports beginning July 1, 2021, and every six (6) months thereafter.
- b) Final Progress Report 60 days after completion of the Term.

18. **Public Announcements:** The Company shall not make, or cause, any announcement of the proposed CDBG Incentive Award parameters outlined in this letter before the date of approval by the MSF of the CDBG Incentive Award, unless authorized and coordinated in advance with the MEDC.

This Term Sheet is an outline of the structure of the proposed CDBG Incentive Award and does not purport to summarize all of the conditions, terms, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the CDBG Incentive Award contemplated hereby.

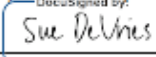
It should not in any way be viewed as a commitment by or an obligation of the MEDC, the MSF or any other entity to extend financial accommodations to the Company and is subject to, among other things, the approval of the request under MEDC's internal approval process and by the MSF Board. Any final CDBG Incentive Award is contingent upon several factors, including: (i) submission by the Community of a completed application and all other documentation required under the CDBG; (ii) satisfactory municipality support; (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, 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 Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

The Company cannot assign this Term Sheet without the prior written consent of the MEDC. If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible CDBG Incentive Award 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 November 30, 2020, the MEDC may not be able to proceed with any recommendation to the MSF.

Michigan Economic Development Corporation

By: Sue DeVries

Its: Community Assistance Specialist


Signature: 
(316653180) (E) (1440)

Dated: 12/3/2020

Acknowledged as received by:
Michigan Community Capital

By: Eric Hanna

Its: President

Signature:  _____
DocuSigned by:
Eric Hanna
7F8F6CAE1F9A4E

Dated: 12/3/2020

Acknowledged as received by:
City of Ludington

By: Mitch Foster

Its: City Manager

Signature:  _____
DocuSigned by:
Mitchell Foster
8C3EAD7E8480416

Dated: 12/3/2020

Cc: Christine Whitz, Director, CDBG Program
Louis Vinson III, CDBG Specialist
Lisa Edmonds, MCRP and Brownfield Program Specialist
Mary Kramer, MCRP, Brownfield & SmartZone Programs Manager
Sarah Rainero, CATeam Director

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-010**

**APPROVAL OF CITY OF LUDINGTON’S HASKELL BUILDING/LOFTS ON ROWE
REDEVELOPMENT AND BLIGHT ELIMINATION PROJECT**

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

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

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2020 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2015-039, authorized and approved the Consolidated Plan and the MSF, by Resolution 2019-133 and 2020-093 authorized and approved the 2019 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants now known as the 2020 Program Year Funding Guide Excerpt;

WHEREAS, pursuant to SFCR 10.1-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards or decisions approved under the CDBG program;

WHEREAS, the City of Ludington (the “Community”) has submitted a complete application for approval requesting funding to be used to fund the Haskell Building/Lofts on Rowe Redevelopment and Blight Elimination Project (the “Project”);

WHEREAS, CDBG program staff reviewed the proposed Project in light of the Criteria, Guide and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, and will eliminate specific conditions of blight or physical decay on a spot basis not located in a designated slum or blighted area; and

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

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed \$2,030,000 for the payment or reimbursement of costs associated with the Project, and allocates up to \$2,030,000 from the Michigan CDBG program for the purpose of funding the Community’s proposed Project contingent upon the MSF’s continued receipt of CDBG funds and availability of adequate funds; and

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-011**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
COUNTY OF MASON BROWNFIELD REDEVELOPMENT AUTHORITY
LOFTS ON ROWE REDEVELOPMENT PROJECT**

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

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

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

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

WHEREAS, the County of Mason Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 801 N. Rowe Street and 806 N. Harrison Street within the City of Ludington, known as Lofts on Rowe Redevelopment Project (the “Project”);

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

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

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the 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 49.68% to 50.32% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead, asbestos, or mold abatement, relocation of public building and infrastructure improvements as presented in the Work Plan dated September 27, 2020. 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 \$2,347,872 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$749,909 in interest, a maximum of \$17,600 for Brownfield/Work Plan preparation, and a maximum of \$13,200 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$1,554,279.

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 the MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of \$749,909 related to the eligible activities for the Project.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Dana Kollewehr, Community Assistance Team Specialist
Julius Edwards, Senior Commercial Real Estate Investment Manager
Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval Michigan Community Revitalization Program (MCRP) Other Economic Assistance – Loan Participation Award and a Request for Approval of an Act 381 Work Plan
Peerless Flats Project

Project Summary

The request will support a community development project located on 4.66 acres in the City of Grand Haven that will include the demolition of four existing buildings on a mostly vacant site and construction of four multi-family residential buildings, an amenities building, outdoor recreation space and parking, representing \$24,750,000 in total capital investment. Two of the buildings are three-stories, contain 24 units. The remaining two residential buildings are both four-story and are comprised of 40 units, and 36 units, respectively. The amenities building will contain approximately 4,300 square feet. The residential buildings will consist of studio, one- and two-bedroom units while the amenities building will include a kitchenette, meeting space, exercise area and community room. In total, the development is comprised of approximately 122,750 square feet and 124 residential market rate units. The total construction cost per square foot is \$175.28, which is consistent with other similar construction projects in the region. The project will also include 74,498 square feet of publicly maintained improvements including sidewalks, parking, roadway, and curbs and gutters.

The property has been largely vacant since the late 1980's when a manufacturing facility expanded and relocated to the nearby Township. As a result, the 4.6-acre site has long been a priority redevelopment site for the City and DDA.

A financing gap exists due to the current cost of construction, high cost of the environmental, site preparation and infrastructure activities needed to complete this project. To help address the costs associated with these items the applicant is seeking State tax capture but due to the length of time to capture and reimburse for the costs of eligible activities there is still a significant financing gap necessitating the request for MCRP. The development team is in the process of securing senior debt from First National Bank of Michigan in the amount of \$15,500,000 or 62.63% of the total development cost. Additionally, the development is applying for an EGLE Loan of \$1,000,000 and is contributing \$3,500,000 or 14.14% of the total development cost. The remaining financing gap would be filled by the proposed MCRP loan of \$4,750,000. The MCRP award would allow the development team to achieve an anticipated return of just under 11% from operations.

Request

Peerless Caddis, LLC ("Applicant") and First National Bank of Michigan ("Lender") is requesting an MCRP Other Economic Assistance – Loan Participation Award in the amount of \$4,750,000 and the City

of Grand Haven Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including state tax capture in the amount of \$1,378,865 to reimburse for MSF eligible activities. Additionally, staff is requesting transfer of funds from the Investment Fund to the Michigan Community Revitalization Program through MCL 125.2088b(2)(c) for the specific purpose of this project. The Applicant anticipates that the project will result in a total capital investment in the amount of \$24,750,000.

Program Summary

The request for MCRP and Brownfield support is consistent with program goals because it is reactivating a vacant and underutilized Brownfield site in order to attract talent to the downtown and West Michigan region. The project qualifies for the MCRP and Brownfield Act 381 program because the site is a facility. The project is consistent with the MEDC Strategic Plan by transforming underutilized properties into vibrant areas and developing attractive places where talent is interested in locating.

The recommendation includes an exception to the brownfield program requirement that the local and state capture retain the same percentage of mills being captured. The reason for the exception is that the Grand Haven DDA currently has negative capture and therefore they requested that 25% of the new taxes from this development be passed through rather than captured. With this exception, the state contribution to the TIF capture is approximately 53% of the total capture and the local contribution is approximately 47% of the total capture.

The project meets local objectives by providing increased density and new rental housing units which contributes to the local and regional goal of increasing year-round housing units within the area as there is high unmet demand at all price points. Although this area of the City allows for short-term rentals, the City is committed to year-round living and approved the project on the condition that there would be no short-term rental units. The project will provide new housing options where talent can locate and small businesses on and around Main Street will see increased support with the addition of new year-round residents living in downtown Grand Haven.

Local Support

Local support for the project includes the local portion of the Brownfield Tax Increment Financing Plan, valued at \$1,220,962 and \$1,114,889 in local-only eligible activities. The City of Grand Haven is certified with the MEDC's Redevelopment Ready Communities (RRC) program and is a Master Level Michigan Main Street community.

Financing Opportunity – Other Economic Assistance Loan Participation

The senior lender, along with the Applicant has requested the MSF participate in up to \$4,750,000 of a total \$20,250,000 in construction to permanent loan financing. The MCRP Other Economic Assistance – Loan Participation Award will be used to help offset the significant environmental clean-up and remediation required on the site. It is anticipated that disbursements to the project on the loan will be made on a pro-rata basis. Additionally, a portion of the MSF Share has been structured as interest only for 60 months in order to allow additional financial flexibility as the project leases up. The projected rents are considered to be above what has currently been achieved within the market. The rental structure is based on the superior offerings of the project. Other comps in the area are considered to be inferior due to age and amenities offered. Below outlines a summary of the development sources and the proposed structure of the loan participation. With the financing structure described below, it is anticipated that the investors will be able to achieve a return of just under 11% from operations.

Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	Peerless Caddis, LLC
Senior Lender:	First National Bank of Michigan
Total Amount of Loans:	Currently estimated at \$20,250,000
Lender Share:	Currently estimated at \$15,500,000
Total Capital Investment:	Currently estimated at \$24,750,000
MSF Eligible Investment:	Currently estimated at \$17,659,791
Minimum Eligible Investment:	Currently estimated at \$15,834,000
MSF Share:	Up to the lesser of 30% of “Eligible Investment” or \$4,750,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Grand Haven is less than 15,000.
Funding:	The MSF will fund up to \$4,750,000 to be disbursed at closing of the financing and completion of other performance criteria.
Developer Fees:	N/A
Contingencies/Reserves:	Anticipated to be over \$1,400,000 in construction interest, lease up, and operating deficit reserves, and construction and environmental contingencies.
Other Conditions:	The MSF’s investment will be contingent upon the following: <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.- Final development budget.- Minimum owner equity investment of \$3,500,000- Other documents may be required for review.
MSF Note #1:	
MSF Loan Amount:	\$4,000,000
Interest Rate:	1.00% per annum
MSF Fee(s):	Equal to 1.00% of the loan amount
Term:	Shall match that of the Lender, anticipated to be 120 months
Amortization:	Shall match that of the Lender, anticipated to be 360 months
Repayment Terms:	Monthly interest only for up to 36 months, followed by monthly principal and interest payments with principal due at maturity.

Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.

MSF Note #2:

MSF Loan Amount: Up to \$750,000

Interest Rate: 1.00% per annum

MSF Fee(s): Equal to 1.00% of the loan amount

Term: Anticipated to be 144 months

Amortization: Shall match that of the Lender, anticipated to be 360 months

Repayment Terms: Monthly interest only payment for 60 months, followed by equal monthly payments of principal and interest with remaining principal due at maturity.

Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.

Summary of Development Sources:

Bank Share	\$	15,500,000	62.63%
MSF Share	\$	4,750,000	19.19%
EGLE Loan	\$	1,000,000	4.04%
Developer Equity	\$	3,500,000	14.14%
TOTAL	\$	24,750,000	100.00%

Summary of Development Uses:

Acquisition	\$	1,500,000
Hard Construction Costs	\$	20,989,488
Eligible Soft Costs	\$	862,500
Other	\$	1,398,012
TOTAL	\$	24,750,000

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Grand Haven, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on November 2, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on November 17, 2020.

There are 50.2386 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (47.77%) and local millage equaling 26.2386 mills (52.23%). Tax increment capture will begin in 2022 and is estimated to continue for 11 years. 25% of local millages will flow through to the taxing jurisdictions, while 75% will be used to reimburse the developer, which impacts the tax capture ratio. The blended tax capture ratio is shown below. The state tax capture is recommended to be capped at \$1,378,865, which is the amount of tax increment revenue anticipated to be generated in 11 years. Total MSF eligible activities are estimated at \$2,599,827. MSF eligible activities breaks down as follows:

State tax capture	(53.04%)	\$	1,378,865
Local tax capture	(46.96%)	\$	1,220,962
TOTAL		\$	2,599,827

Cost of MSF Eligible Activities

Demolition		\$	107,206
Lead and Asbestos Abatement			73,000
Infrastructure Improvements			614,614
Site Preparation	+		673,866
Sub-Total		\$	1,468,686
Contingency (15%)	+		220,303
Sub-Total		\$	1,688,989
Interest (5%)	+		888,338
Sub-Total		\$	2,577,327
Brownfield/Work Plan Preparation	+		15,000
Brownfield/Work Plan Implementation	+		7,500
TOTAL		\$	2,599,827

In addition, the project is requesting \$2,739,467 in TIF from EGLE to assist with environmental eligible activities. There is also a local-only TIF in the amount of \$1,114,889 being contributed to the project.

Applicant History

Peerless Caddis, LLC is managed by Kevin McGraw, President of River Caddis, LLC. Other development partners include SSS Leasing, LLC which is owned by Gerald Slagel, Jr., Scott Slagel and Benjamin Slagel. Additional ownership includes Grand Haven Caddis, LLC which is owned by Kevin McGraw, William Demmer and Michael Driver. Members of the development team have extensive experience in developing and redeveloping properties throughout Michigan and outside of Michigan. Peerless Caddis, LLC has not previously been awarded incentives from the Michigan Strategic Fund (MSF), however, the Managing Partner from Peerless Caddis, LLC has previously been awarded incentives from the MSF. Previous incentives include an Act 381 Work Plan for the Stadium District project in Midland and an Act 381 Work Plan for the Trowbridge Village project in East Lansing. A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

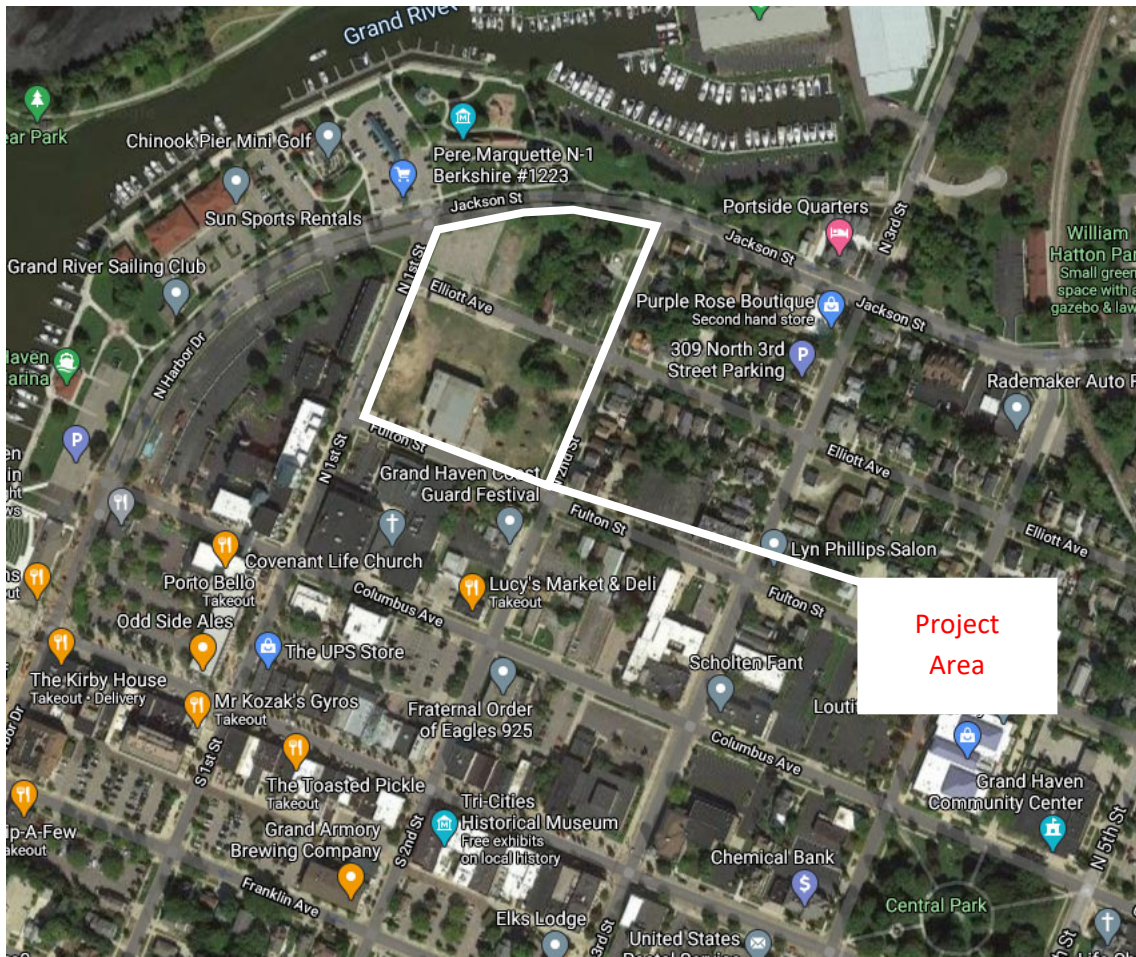
Appendix A includes a project map and renderings, **Appendix B** addresses the programmatic requirements and **Appendix C** contains the Organizational Chart.

Recommendation

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

- a) Approval of funds to be transferred for the specific purpose of this project through MCL 125.2088b(2)(c) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.
- b) State tax capture for the Act 381 eligible activities capped at \$1,378,865, utilizing the proposed state to local capture ratio
- c) A MCRP Other Economic Assistance Loan Participation Award in the amount of up to \$4,750,000 for Peerless Caddis, LLC on terms and conditions outlined in Exhibit A found in the resolution.

APPENDIX A – Project Map and Renderings





APPENDIX B – Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on October 27, 2020, 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.

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

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

The project site is a significant and strategic location within downtown Grand Haven that serves as an unofficial gateway in and out of the downtown and along a popular route to Lake Michigan. The property has been largely vacant since the late 1980's when a manufacturing facility expanded and relocated to the nearby Township. As a result, the 4.6-acre site has long been a priority redevelopment site for the City and DDA. The project contributes to the local and regional goal of increasing housing units within the area, as there is high residential demand at all price points. The additional housing options will attract talent and the additional density is expected to enhance the customer base of local businesses.

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

The project will contribute to the revitalization of the community through financial contributions of ongoing resident spending in the community on goods and services. Additional real estate investment is anticipated near the project site and within downtown with renewed interest in several nearby sites. The successful completion of this project will prove the market viability and increase the likelihood of other projects being successfully completed and sustainable.

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

The City of Grand Haven's Brownfield Redevelopment Authority has agreed to support the project through a local portion of the Brownfield Tax Increment Financing Plan in the amount of \$1,220,962 to reimburse for Brownfield eligible activity costs associated with the project, as well as \$1,114,889 in local-only eligible activity reimbursement.

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

This project is more complicated and more expensive than suburban multifamily projects as the land has taken longer to put into a position to allow for the development due to the complex high costs associated with the environmental cleanup, site preparation and infrastructure activities required to construct this project. With the requested incentive programs the project is able to meet debt service coverage ratio requirements and a return of just under 11%. Without these incentives the project would not be financially viable.

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

This project is not qualifying as blighted and there are no historical buildings existing on the site. The vacant buildings currently on the site will be demolished as a part of this project.

F. Creation of jobs:

It is anticipated that the project will lead to the creation of approximately 3 full-time equivalent jobs associated with maintenance and management positions. The estimated average hourly wage is \$20.

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

Total private investment for this project is estimated at \$24,750,000 which includes project financing from First National Bank of Michigan in the amount of \$15,500,000, a loan from the Michigan Department of Energy, Great Lakes, and Environment valued at \$1,000,000 and owner equity of \$3,500,000.

H. Whether the project is financially and economically sound:

It is anticipated that upon reaching stabilized occupancy the project will be able to generate cash flow to maintain a greater than 1.20 to 1.00 debt service coverage ratio. Additionally, the MCRP award has been structured to provide some financial flexibility and the project is supported by the guarantors of the owners. The owners have adequate financial strength to support any potential financial shortcomings the project may experience.

The projected rents for the project are above market. Staff is comfortable with the projected rental structure due to the superior offerings of the proposed and the inferiority of the comps. Additionally, the developments in sub-markets near Grand Rapids comparable have been able to achieve higher than the projected rents.

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

The project will increase density by adding 124 apartment units in the downtown district, creating year-round activity on the site and surrounding areas. Many local businesses are within walking distance and will benefit from the new residents and their guests frequenting their establishments.

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

The project is located in the downtown and within walking distance of the Lake Michigan, the Grand River, the farmers market and other community amenities. The new residents added via this development will help existing retail and restaurant businesses and further establish the downtown as a year-round destination to live, work and play.

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

The project does not include abandoned public buildings.

L. Whether the project promotes sustainable development:

The redevelopment project is near transit and employment centers which reduces the distance people need to drive and provides other transportation options. Green building practices are being implemented for stormwater management activities and the project incorporates energy efficiency appliances where appropriate.

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

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

N. Whether the project addresses area-wide redevelopment:

Redeveloping this site will connect the Main Street district to the adjoining residential neighborhood to create a more walkable and pedestrian oriented space. The addition of multi-family residential will provide year-round customers to downtown Grand Haven businesses and provide living options for residents and those looking to move to the community. This development will help to address the rental demand present in the region due to regional employer and population growth.

O. Whether the project addresses underserved markets of commerce:

There is no new commercial space being created with this project.

P. The level and extent of environmental contamination:

Based on environmental site assessments conducted on the property, contamination has been identified that exceeds residential criteria as a result of former uses of the property. Soil, groundwater and soil gas samples revealed contaminant concentrations exceeding EGLE Generic Residential Cleanup Criteria and/or site-specific Volatilization to Indoor Air Criteria, including various volatile organic compounds, metals and per and polyfluorinated compounds (PFAS).

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

The project is not qualifying as a historic resource.

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

Rental housing is in high demand in downtown Grand Haven but there is low stock of quality, market rate housing. This project will add 124 rental units that fit with the market demand in terms of size and function. There is room in the marketplace for additional rental housing units and therefore will not negatively impact other existing housing developments.

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

There are no additional criteria associated with the project.

Brownfield Act 381 Program Additional Project Information:

A. Area of High Unemployment:

The Ottawa County unadjusted jobless rate was 5.4% in September 2020.

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

The project is not qualifying as functionally obsolete or blighted.

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

No new Brownfields will be created by this project.

APPENDIX C - Organizational Chart

Peerless Caddis, LLC Organizational Structure +					
Company Name EIN: 85-3256313					
Company Name Manager: Kevin T. McGraw					
	Member		Ownership Interest	EIN	State of Organization
JBS Leasing, LLC					
	Gerald Slagel Jr.	33.33%	50.00%	TBD	Michigan
	Scott Slagel	33.33%			
	Benjamin Slagel	33.33%			
Grand Haven Caddis, LLC					
	Kevin McGraw	45.00%	50.00%	TBD	Michigan
	William Demmer	45.00%			
	Michael Driver	10.00%			
Key Principals/Guarantors:					
	Amount of Guarantee				
	TBD				
	TRN				

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-012**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF GRAND HAVEN BROWNFIELD REDEVELOPMENT AUTHORITY
PEERLESS FLATS PROJECT**

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

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

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

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

WHEREAS, the City of Grand Haven Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 125 Elliott Avenue, 132 Elliott Avenue, 133 Elliott Avenue, 215 North 2nd Street, 309 North 2nd Street, 311 North 2nd Street, 317 North 2nd Street, North 2nd Street, 105 Fulton Avenue, and North Harbor Drive within the City of Grand Haven, known as the Peerless Flats Project (the “Project”);

WHEREAS, the City of Grand Haven 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 53.04% to 46.96% 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 December 7, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points

must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$1,688,989 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$888,338 in interest, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$7,500 for Brownfield/Work Plan implementation, and with the total capture of state school taxes capped at a maximum of \$1,378,865.

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 the MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of \$888,338 related to the eligible activities for the Project.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-013**

**ALLOCATION OF FUNDS AND APPROVAL OF A
MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD TO
PEERLESS CADDIS, LLC
(PEERLESS FLATS 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 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, and the MCRP;

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 125.2088h(3)(e), the MSF Board shall direct the investment and reinvestment of the Investment Fund as authorized under Chapter 8A for incentives, including, but not limited to, for the purposes of creating incentives in this state for revitalizing Michigan communities;

WHEREAS, pursuant to MCL 125.2088b(2)(c), the Investment Fund may allocate money for authorized programs to make expenditures or investments from the Investment Fund for programs or activities authorized pursuant to the 21st Century Jobs Trust Fund legislation as long as those 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 loans and investments;

WHEREAS, Peerless Caddis, LLC (“Company”) has requested a MCRP performance based Other Economic Assistance Loan Participation Award of up to \$4,750,000 (“Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”);

WHEREAS, the MEDC has recommended that the MSF approve the Company’s Award Request through the Investment Fund 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 120 days (“MCRP Award Recommendation”); and

WHEREAS, the MEDC recommends that the MSF approve funding of up to \$4,750,000 from the Investment Fund to fund the MCRP Award Recommendation (the “Funding”);

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

BE IT FURTHER RESOLVED, the MSF approves the Funding.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	Peerless Caddis, LLC
Senior Lender:	First National Bank of Michigan
Total Amount of Loans:	Currently estimated at \$20,250,000
Lender Share:	Currently estimated at \$15,500,000
Total Capital Investment:	Currently estimated at \$24,750,000
MSF Eligible Investment:	Currently estimated at \$17,659,791
Minimum Eligible Investment:	Currently estimated at \$15,834,000
MSF Share:	Up to the lesser of 30% of “Eligible Investment” or \$4,750,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of Grand Haven is less than 15,000.
Funding:	The MSF will fund up to \$3,300,000 to be disbursed at closing of the financing and completion of other performance criteria.
Other Conditions:	The MSF’s investment will be contingent upon the following: <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.- Final development budget.- Minimum owner equity investment of \$3,500,000- Other documents may be required for review.
MSF Note #1:	
MSF Loan Amount:	\$4,000,000
Interest Rate:	1.00% per annum
MSF Fee(s):	Equal to 1.00% of the loan amount
Term:	Shall match that of the Lender, anticipated to be 120 months
Amortization:	Shall match that of the Lender, anticipated to be 360 months
Repayment Terms:	Monthly interest only for up to 36 months, followed by monthly principal and interest payments with principal due at maturity.

Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.

MSF Note #2:

MSF Loan Amount: Up to \$750,000

Interest Rate: 1.00% per annum

MSF Fee(s): Equal to 1.00% of the loan amount

Term: Anticipated to be 144 months

Amortization: Shall match that of the Lender, anticipated to be 360 months

Repayment Terms: Monthly interest only payment for 60 months, followed by equal monthly payments of principal and interest with remaining principal due at maturity.

Collateral: Shall match that of the Lender, currently anticipated 1st priority security position in the real estate, assignment of leases and rents, and a security interest in the TIF reimbursements. MSF Share of collateral will be subordinated to that of the Lender.

Guarantee(s): To match that of the senior lender, anticipated to be the unlimited personal and corporate guarantees of the owners during construction, and guarantees limited to their individual ownership interests in the project following construction completion. MSF Share of the guarantees will be subordinated to that of the Lender.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Paula Holtz, Community Assistance Team Specialist
Julius Edwards, Commercial Real Estate Investment Manager
Jake Winder, Program Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program - Other Economic Assistance - Equity Investment
The Keefer House Hotel, LLC or a Related Entity – Keefer House Hotel Project

Project Summary

The request will support a community development project located in the city of Hillsdale that will restore the blighted Keefer House Hotel as a 34-room boutique hotel. This historical renovation project will create 6,550 square feet of ground floor commercial space and 23,650 square feet of hotel space to include modern amenities, a welcoming lobby and 1,800 square feet of space devoted to an upscale restaurant to serve as a gathering space for hotel guests and the community. The total project cost is expected to be \$12,346,601 and will activate a total of 32,000 square feet of vacant space in the heart of downtown Hillsdale. The total site is approximately 0.4 acres in size. Total construction costs are estimated to be \$223.36 per square foot, which is consistent with other similar historic renovation projects.

A financing gap exists due to the high costs of rehabilitating this blighted building. The development team has maximized available traditional financing sources in the form of an approximately \$4,500,000 loan from Southern Michigan Bank & Trust and \$1,700,000 PACE loan from Twain Financial Partners or 49.9% of the total development cost. In addition, the development team is in the process of securing \$1,400,000 in historic tax credit investor proceeds, and the owners are bringing just over \$2,100,000 or 17.0% of the development cost in equity to the deal in the form of cash equity through an Opportunity Zone Fund investment. The remaining gap would be filled by the proposed MCRP Other Economic Assistance - Equity Investment of \$2,000,000. Despite the MCRP award, it is currently estimated that the ownership group will only be able to achieve a return on operations of under 4% which is below traditional anticipated returns for hospitality projects.

Request

The Keefer House Hotel, LLC and/or a related entity (“Applicant”) is requesting a MCRP Other Economic Assistance – Equity Investment Award in the amount of \$2,000,000. Additionally, staff is requesting transfer of funds from the Investment Fund to the Michigan Community Revitalization Program through MCL 125.2088b(2)(c) for the specific purpose of this project. The Applicant anticipates that the project will result in a total capital investment in the amount of \$12,346,601.

Program Summary

The request for MCRP support is consistent with program requirements to encourage and promote structural renovations and the historic redevelopment of blighted properties located in traditional downtowns. The project qualifies for the MCRP program because the site is considered historic and blighted. This project aligns with the MEDC's Strategic Plan by supporting the strategic focus area to develop attractive places that attract talent through innovative placemaking. The project also supports the Strategic Plan Guiding Principles of regional impact and equitable growth via the project location in a geographically disadvantaged business location and low-to-moderate income community. Additionally, the project aligns with MEDC Community Development goals because it supports the vision and goals outlined in the community's Economic Development Strategy and other local planning documents, includes strong local financial support, contributes to a traditional downtown district and revitalizes a significant amount of vacant space. The project also meets local objectives by rehabilitating a historic structure that will offer upscale boutique hotel rooms for visitors, an amenity that is sorely lacking in the Hillsdale market.

Local Support

Local support for the project includes an Obsolete Property Rehabilitation Act (OPRA) tax abatement for 12 years valued at approximately \$577,000. In addition, the city will partially forgive the loan for the building upon Certificate of Occupancy in the amount of \$265,000. The City of Hillsdale is certified with the MEDC's Redevelopment Ready Communities (RRC) program. The project is located in a Michigan Geographically Disadvantaged Business Location.

Financing Opportunity – Performance-Based Equity Investment

The applicant is requesting an MCRP Other Economic Assistance - Equity Investment Award of \$2,000,000. The MCRP Equity Award will be used to help offset the high construction costs associated with completing an historic renovation as well improve the gap in the anticipated returns in relation to traditional anticipated returns on a project of this nature. With the proposed MCRP Equity Award the project will be able to achieve an anticipated return of just under 4% from operations. The development has secured senior debt from Southern Michigan Bank and Trust and PACE debt from Twain Financial. In addition, it is anticipated that the project will be able to secure approximately \$1,400,000 in historic tax credit equity investment. It is anticipated that disbursements on the MSF Equity Investment will follow investment of other owner equity but before loan proceeds.

A unique aspect of the financing structure for the project is that the loan from Southern Michigan Bank & Trust will be made personally to the owners and then contributed back to the project as an Opportunity Zone Equity investment to the project. The loan will be guaranteed by the project entity and secured by the real estate. The lender has informed MEDC staff that despite the structure they will be following traditional real estate due diligence and construction disbursement practices. The structure is being used in order to maximize the benefits of the Opportunity Zone investment. MEDC staff has vetted the structure and has determined that the structure will not negatively impact the MSF position. If it is determined during the closing process that the proposed financing structure will have a materially negative impact on the MSF's position, this project will be brought back before the MSF Board for resolution.

The project has a developer fee that is greater than 4% of the total development cost which is above Community Development underwriting criteria. Staff is comfortable with this deviation because the higher developer fee allows the project to leverage additional historic tax credit equity. Additionally, any deferred fees above 4% will be a part of the owner distribution cash flow waterfall.

Below outlines a summary of the development sources and the proposed structure of the MCRP Equity Investment.

EQUITY INVESTMENT AWARD TERMS:

MSF Facility:	MCRP Other Economic Assistance – Equity Investment
Applicant:	The Keefer House Hotel, LLC or a Related Entity (“Investor”)
Investor’s Equity Amount:	Owner equity contributions of not less than \$2,100,000 (“Investor Equity”)
Total Capital Investment:	Currently estimated at \$12,346,601
MSF Eligible Investment:	Currently estimated at \$10,801,090
Minimum Eligible Investment:	Currently estimated at \$10,000,000
MSF Investment Amount:	Up to lesser of \$2,000,000 or 20% of “Eligible Investment” (“MSF Equity”). Staff is requesting the MSF Fund Manager be given authority to negotiate the final terms of the equity investment. All terms may be subject to senior lender consent.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s Award amount. Additionally, the development team will be responsible for all third-party costs incurred by the MEDC/MSF in closing the transaction.
Interest Purchased:	MSF will acquire an equity interest in The Keefer House Hotel, LLC or a related entity to be determined. The MSF will provide no guarantees on debt or accept any recourse obligation.
“Put” Rights:	The MSF will receive a “Put” right for among other things failure to adhere to MSF statutory requirements. If exercised, The Keefer House Hotel, LLC or another entity to be determined shall repay in full the entire contribution provided to the partnership and any earned but unpaid profits available at the time of the notice to exercise the “Put” on terms and conditions acceptable to the MSF. The owners of the project will be required to guarantee the “Put” right obligation.
MSF “Exit” Option:	MSF will have the option to exit the project after 240 months following disbursement of its proceeds. At time of exit the MSF will be due any remaining unpaid returns and principal.
Investors “Call” Option:	Following construction completion the Investors will have the option to call the MSF’s ownership interest for 240 months at a value equal to the greater of any accrued and unpaid returns plus the MSF’s original principal investment or an amount necessary to assure a 5% IRR to the MSF.

Net Cash Flows:

To be determined at a later date, that will include the following considerations:

1. Senior debt service requirements.
2. Annual escrowed replacement reserves.
3. Capital expenditures above and beyond what has been escrowed for replacement reserves.
4. Repayment of deferred developer fees.
5. Other restrictions placed on the property by the Senior Lender.
6. HTC preferred returns and other restrictions of the historic tax credit investor.

Split of Net Cash Flows:

1. MSF to receive 100% of available distributable cash flow until a 3% annual cash-on-cash return has been received on its original investment. This return will be cumulative but non-compounding.
2. Investors to receive 100% of remaining available cash flow until a 10% annual cash-on-cash return has been received on its original investment.
3. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors. Proceeds to be applied towards repayment of MSF and Investor's equity investments.

Split of Proceeds from Sale or Refinance:

1. 100% of remaining proceeds to the MSF until any accumulated unpaid returns have been paid.
2. 100% of remaining proceeds to the Investors until any accumulated unpaid returns have been paid.
3. Pro Rata split of proceeds until the remaining original principal equity investments have been repaid to the MSF and the Investors.
4. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors.

Membership Change:

The MSF will have certain rights to block or consent to any material change in the membership of the project owner entity, except with respect to changes made for estate planning purposes.

Sale/Liquidation:

The MSF will have certain rights to block or consent to any material liquidation or sale event (e.g., sale to a non-qualified third party).

Timing of Funding:

The MSF investment would be made after (a) all of the Investors' Equity has been contributed to and used to fund approved and budgeted for Project expenses and (b) the Senior Lender has either approved or waived all conditions precedent to funding (but for

any conditions or obligations required of the Fund to make the Investment). For the avoidance of doubt, the MSF investment will be funded prior to the Senior Lender advancing any amounts under its loan.

Deferred Developer Fees:

The developer fees of \$744,868 of which \$391,787 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. It is anticipated that deferred developer fees will be used to pay any unpaid MSF returns.

Reserves and Contingencies:

It is anticipated that the project will have approximately \$624,000 in operating, replacement, interest, and lease up reserves, and contingencies.

Other Conditions:

The MSF’s investment will be contingent upon the following:

- a) Receipt of final construction documents, including a “Guaranteed Maximum Price” construction contract
- b) Minimum \$2,100,000 owner equity investment
- c) Receipt of final development budget
- d) Historic Tax Credit Investor equity pay-in schedule
- e) Evidence of bridge financing for the historic tax credit equity

Summary of Development Sources:

Southern Michigan Bank & Trust	\$	4,457,942	36.11%
Twain Financial PACE Loan	\$	1,700,000	13.77%
City of Hillsdale Loan	\$	265,000	2.15%
MSF Equity Investment	\$	2,000,000	16.20%
Historic Tax Credit Equity	\$	1,427,589	11.56%
Deferred Developer Fees	\$	391,787	3.17%
Developer Equity	\$	2,104,283	17.04%
TOTAL	\$	12,346,601	100.00%

Summary of Development Uses:

Acquisition	\$	452,514
Hard Construction Costs	\$	8,066,582
Eligible Soft Costs	\$	2,734,508
Other	\$	1,092,997
TOTAL	\$	12,346,601

Applicant History

The Keefer House Hotel, LLC is a single purpose LLC created specifically for this project. The entity is led by CL Real Estate, a real estate development and investment firm out of Peru, Illinois. The Keefer House Hotel project will be their first project in Michigan. The Keefer House Hotel, LLC has not received previous incentives from the Michigan Strategic Fund (MSF). A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

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

Recommendation

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

- a)** Approval of funds to be transferred for the specific purpose of this project through MCL 125.2088b(2)(c) to the MCRP Program for the purpose of the program authorized under MCL 125.2088b(2)(c) as long as the program provides for repayment for breach of the written agreement or the failure to meet measurable outcomes.
- b)** A MCRP Other Economic Assistance - Equity Investment Award in the amount of \$2,000,000 for The Keefer House Hotel, LLC or a related entity based on terms and conditions outlined in Exhibit A found in the resolution.
- c)** Grant authority to the MSF Fund Manager to negotiate the final terms of the transaction.

APPENDIX A – Project Map and Renderings



APPENDIX B – Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on October 27, 2020, 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.

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

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

The Keefer House is a signature building in the center of downtown Hillsdale that has stood at the center of social life in the city of Hillsdale for over a century. The Keefer House was purchased by the City of Hillsdale Tax Increment Finance Authority (TIFA) in 2016 with the express purpose of positioning the property for redevelopment. In early 2017, the TIFA issued a Request for Proposals (RFP) but failed to receive any productive proposals. Then in the fall of 2017, with the help of the MEDC through Project Rising Tide (PRT), a Request for Qualifications (RFQ) was developed which resulted in a proposal from CL Real Estate/The Keefer House Hotel, LLC.

Having this building sit vacant has been a blighting influence on the downtown landscape. This project will activate a long-under-utilized block in the heart of downtown Hillsdale. The Keefer House is a contributing building to the City of Hillsdale's National Register of Historic Places commercial district.

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

The creation of a boutique hotel in downtown Hillsdale is expected to generate new tourist stays and additional revenue generated from outside the community. This development project is expected to change the face of downtown Hillsdale and spur economic development throughout the City.

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

The City of Hillsdale is offering an Obsolete Property Rehabilitation Act Tax Abatement for the property for 12 years valued at approximately \$577,000. Additionally, the City of Hillsdale Tax Increment Financing Authority has offered a partial loan forgiveness on the purchase of the property valued at \$265,000 upon Certificate of Occupancy.

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

A financing gap exists due to the high costs of rehabilitating this blighted and historic building. The development team has maximized available traditional financing sources in the form of an approximately \$4,500,000 loan from Southern Michigan Bank & Trust and \$1,700,000 PACE loan from Twain Financial Partners or 49.9% of the total development cost. In addition, the development team is in the process of securing approximately \$1,400,000 in historic tax credit investor proceeds,

and the owners are bringing just over \$2,100,000 or 17.0% of the development cost in equity to the deal in the form of an Opportunity Zone Fund investment. The remaining gap would be filled by the proposed MCRP Equity investment of \$2,000,000. Despite the MCRP award, it is currently estimated that the ownership group will only be able to achieve a return on operations of under 4% which is below traditional anticipated returns for hospitality projects.

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

The project involves renovation of an historic, vacant building into a mixed-use development.

F. Creation of jobs:

It is anticipated that the project will create 50 full-time equivalent jobs with an average hourly rate of \$17.08.

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

The development team has been able to secure over \$6,100,000 in traditional and debt financing. Additionally, the project is in the process of securing approximately \$1,400,000 in historic tax credit equity and will be utilizing Opportunity Zone equity financing.

H. Whether the project is financially and economically sound:

An appraisal completed by BBG, dated March 2, 2020, was reviewed by staff. The appraisal supported a somewhat aggressive average daily rate (ADR) for the hotel component due to the unique offering and amenities. The ADR is in line with rates being achieved by Hillsdale Dow Hotel, but well above other hotel offerings in the area. The project may face some challenges related to the COVID-19 pandemic and because commercial demand is limited in the area. The risks associated with the above is mitigated by the structure of the MCRP Award which will provide financial flexibility to the project, the financial support of the ownership group, and it is anticipated that construction will not be completed until 2022, which could potentially reduce the impact of the pandemic. Additionally, the project has a tenant LOI in place for approximately 25% of the commercial space and talks with other perspective tenants have been positive. Hillsdale is also the home to Hillsdale College, a liberal arts college with 1,400 students from forty-seven states and eight foreign countries. Hillsdale College is a large economic driver within the Hillsdale area and is expected to continue to generate a proportionate number of overnight stays and restaurant visits at the Keefer House Hotel.

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

The project will reactivate a vacant prominent property in the city of Hillsdale.

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

This building will be occupied by commercial tenants, a restaurant and hotel all located in a prime downtown location in the downtown central business district. This site is within a block of Hillsdale City Hall, post office, Dawn Theater, shops, restaurants and amenities in downtown Hillsdale. The presence of occupied storefronts along North Howell Street will activate this block. Visitors to the Keefer House Hotel will be regular users of area restaurants and shops and will create additional pedestrian activity in downtown Hillsdale.

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

This project does not convert an abandoned public building to private use.

L. Whether the project promotes sustainable development:

This development restores a historic resource and proposed construction activities will reuse building elements to reduce landfill waste. The project is located within Hillsdale's downtown district, reducing needs for additional infrastructure to support the development. The building will incorporate energy efficient appliances and fixtures. LED lighting is planned for the entire building as well as state-of-the-art energy efficient HVAC systems.

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

The project will reuse and rehabilitate this historic building, located in the City of Hillsdale's historic district. The building will be renovated to local and federal historic guidelines.

N. Whether the project addresses area-wide redevelopment:

It is anticipated that the project upon completion will draw additional visitors to downtown Hillsdale through the hotel and restaurant components. Additionally, it will bring new commercial space to the area.

O. Whether the project addresses underserved markets of commerce:

There is an underserved demand for an upscale, full-service hotel in the Hillsdale/Coldwater market. Throughout Hillsdale and Hillsdale County, upscale lodging and dining is largely non-existent. Studies conducted by the development team show guests and patrons are willing to travel for a good lodging and dining experience, just as many locals throughout the county are willing to drive to Ann Arbor, Jackson, Detroit, and Grand Rapids. Hillsdale College is a large draw for this area and with more upscale options and a well-positioned full-service hotel, it is anticipated there will be an increase in Hillsdale commerce that would otherwise be displaced to outside of the region.

P. The level and extent of environmental contamination:

After completing an ESA Phase I and II, it was determined there was contaminated soil through past use on the subject site based on soil samples taken. Due care activities will need to be followed due to the levels of contamination recorded during sampling. Additional testing has also been recommended, depending on use and development plans due to the limited number of original tests. In the winter of 2019 remediation of the interior was completed following hazardous materials testing.

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

The project plans to utilize Federal Historic Tax Credits, which will require the project to meet the federal Secretary of the Interior's standards for rehabilitation.

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

There is an underserved demand for an upscale, full-service hotel in the Hillsdale market. The Dow Center, run by Hillsdale College, offers overnight stays, which would be considered a direct competitor of the Keefer House Hotel. Hillsdale College is a large draw for the area and with more

upscale options and a well-positioned full-service hotel, it is anticipated there will be additional commerce generated within the heart of downtown Hillsdale.

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

There are no additional criteria.

APPENDIX C - Organizational Chart

The Keefer House Hotel, LLC (Michigan) Organizational Structure

The Keefer House Hotel, LLC EIN: 85-3163548

The Keefer House Hotel Manager: Peter Limberger

Member	Ownership Interest	EIN	State of Organization
CL Real Estate, LLC / Inga Carus	100.00%	45-2968553	Delaware
Inga Carus	99.00%		
MTEC Capital Corp.	1.00%		

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-014**

**ALLOCATION OF FUNDS AND APPROVAL OF A
MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE EQUITY AWARD TO
THE KEEFER HOUSE HOTEL, LLC OR A RELATED ENTITY
(KEEFER HOUSE HOTEL 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 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, and the MCRP;

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 125.2088h(3)(e), the MSF Board shall direct the investment and reinvestment of the Investment Fund as authorized under Chapter 8A for incentives, including, but not limited to, for the purposes of creating incentives in this state for revitalizing Michigan communities;

WHEREAS, pursuant to MCL 125.2088b(2)(c), the Investment Fund may allocate money for authorized programs to make expenditures or investments from the Investment Fund for programs or activities authorized pursuant to the 21st Century Jobs Trust Fund legislation as long as those 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 loans and investments;

WHEREAS, The Keefer House Hotel, LLC or a related entity (“Company”) has requested a Michigan Community Revitalization Program Performance Based Other Economic Assistance - Equity Investment Award of up to \$2,000,000, along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (collectively “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 120 days (“Award Recommendation”); and

WHEREAS, the MEDC recommends that the MSF approve funding of up to \$2,000,000 from the Investment Fund to fund the MCRP Award Recommendation (the “Funding”);

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

BE IT FURTHER RESOLVED, the MSF approves the Funding.

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021

EXHIBIT A

“Term Sheet”

EQUITY INVESTMENT AWARD TERMS:

MSF Facility:	MCRP Other Economic Assistance – Equity Investment
Applicant:	The Keefer House Hotel, LLC or a Related Entity (“Investor”)
Investor’s Equity Amount:	Owner equity contributions of not less than \$2,100,000 (“Investor Equity”)
MSF Investment Amount:	Up to lesser of \$2,000,000 or 20% of “Eligible Investment” (“MSF Equity”). Staff is requesting the MSF Fund Manager be given authority to negotiate the final terms of the equity investment. All terms may be subject to senior lender consent.
MSF Fees:	The MSF shall be paid a one-time fee equal to one percent of the MSF’s Award amount. Additionally, the development team will be responsible for all third-party costs incurred by the MEDC/MSF in closing the transaction.
Interest Purchased:	MSF will acquire an equity interest in Keefer House Hotel, LLC or a related entity to be determined. The MSF will provide no guarantees on debt or accept any recourse obligation.
“Put” Rights:	The MSF will receive a “Put” right for among other things failure to adhere to MSF statutory requirements. If exercised, Keefer House Hotel, LLC or another entity to be determined shall repay in full the entire contribution provided to the partnership and any earned but unpaid profits available at the time of the notice to exercise the “Put” on terms and conditions acceptable to the MSF. The owners of the project will be required to guarantee the “Put” right obligation.
MSF “Exit” Option:	MSF will have the option to exit the project after 240 months following disbursement of its proceeds. At time of exit the MSF will be due any remaining unpaid returns and principal.
Investors “Call” Option:	Following construction completion the Investors will have the option to call the MSF’s ownership interest for 240 months at a value equal to the greater of any accrued and unpaid returns plus the MSF’s original principal investment or an amount necessary to assure a 5% IRR to the MSF.
Net Cash Flows:	To be determined at a later date, that will include the following considerations: <ol style="list-style-type: none">1. Senior debt service requirements.2. Annual escrowed replacement reserves.3. Capital expenditures above and beyond what has been escrowed for replacement reserves.

4. Repayment of deferred developer fees.
5. Other restrictions placed on the property by the Senior Lender.
6. HTC preferred returns and other restrictions of the historic tax credit investor.

Split of Net Cash Flows:

1. MSF to receive 100% of available distributable cash flow until a 3% annual cash-on-cash return has been received on its original investment. This return will be cumulative but non-compounding.
2. Investors to receive 100% of remaining available cash flow until a 10% annual cash-on-cash return has been received on its original investment.
3. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors. Proceeds to be applied towards repayment of MSF and Investor's equity investments.

Split of Proceeds from Sale or Refinance:

1. 100% of remaining proceeds to the MSF until any accumulated unpaid returns have been paid.
2. 100% of remaining proceeds to the Investors until any accumulated unpaid returns have been paid.
3. Pro Rata split of proceeds until the remaining original principal equity investments have been repaid to the MSF and the Investors.
4. Thereafter, a 30/70 split of remaining available cash flow with 30% going to the MSF and 70% going to the Investors.

Membership Change:

The MSF will have certain rights to block or consent to any material change in the membership of the project owner entity, except with respect to changes made for estate planning purposes.

Sale/Liquidation:

The MSF will have certain rights to block or consent to any material liquidation or sale event (e.g., sale to a non-qualified third party).

Timing of Funding:

The MSF investment would be made after (a) all of the Investors' Equity has been contributed to and used to fund approved and budgeted for Project expenses and (b) the Senior Lender has either approved or waived all conditions precedent to funding (but for any conditions or obligations required of the Fund to make the Investment). For the avoidance of doubt, the MSF investment will be funded prior to the Senior Lender advancing any amounts under its loan.

Deferred Developer Fees:

The developer fees of \$744,868 of which \$391,787 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. It is anticipated that deferred developer fees will be used to pay any unpaid MSF returns.

Other Conditions:

The MSF's investment will be contingent upon the following:

- Receipt of final construction documents, including a "Guaranteed Maximum Price" construction contract
- Minimum \$2,100,000 owner equity investment
- Receipt of final development budget
- Historic Tax Credit Investor equity pay-in schedule
- Evidence of bridge financing for the historic tax credit equity



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MEMORANDUM

Date: January 26, 2021

To: Michigan Strategic Fund Board

From: Rob Garza, Manager, Statutory Analysis

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #1 and a Request for Approval of an Act 381 Work Plan Amendment #1
Cadillac Lofts Redevelopment Project

Request

The City of Cadillac Brownfield Redevelopment Authority is requesting an amendment to add Infrastructure Improvement eligible activity costs and associated Interest in the amount of \$694,985 to the existing approved Work Plan, which will increase the state tax increment portion from \$346,465 to \$622,273.

Cadillac Lofts, LLC is also requesting an amendment to the MCRP Agreement to extend the Milestone Two, Project Completion due date from November 1, 2020 to February 28, 2021. However, in order to ensure that there is ample time for project completion and issuance of certificates of occupancy, staff is recommending that the milestone due date be extended to April 30, 2021. As a result of the request to extend Milestone Two, staff is also recommending that the Pre-Grant Disbursement Due Diligence Conditions be extended from February 28, 2021 to August 31, 2021 to allow adequate time for Disbursement Conditions to be met.

Project Background

A Work Plan was originally approved for this project by the MSF Board on June 25, 2019 to support the construction of two buildings over two phases. The first building includes 6,000 square feet of commercial space on the first floor and 18,708 square feet of residential space consisting of 42 units on the upper three floors while the second building includes 6,500 square feet of commercial space on the first floor and 18,708 square feet of residential space consisting of 42 units on the upper three floors.

The request for the reimbursement of additional Infrastructure Improvements costs and associated Interest is directly tied to the change in the low/moderate income community status for the City of Cadillac. Some infrastructure costs were originally anticipated to be covered by a potential Community Development Block Grant (CDBG) award, but with the change in the low/moderate income status so that the city's population is no longer at least 51% low/moderate income, the award could no longer be considered. Infrastructure costs and Interest are already included in the original Work Plan, and this request reflects the amount of infrastructure improvement costs that would have been requested under a potential CDBG request. The project will now include a total 108,300 square feet of publicly maintained infrastructure improvements.

Completion of the commercial space has been impacted by construction delays, and as a result, certificates of occupancy have not been issued. The residential space has already received certificates of occupancy.

Local support for the project has also increased as the local tax capture per the amended Work Plan is going from \$493,890 to \$913,067. The project is located in a Michigan Geographically Disadvantaged Business Location.

Tax Capture Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Cadillac, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on April 15, 2019, and amended on May 18, 2020. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on May 3, 2019, and as stated earlier the MSF Board approved the project’s brownfield Work Plan in June of 2019.

There are 59.2122 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (40.53%) and local millage equaling 35.2122 mills (59.47%). Tax increment capture began in 2020 and is estimated to continue for 21 years. The state tax capture is recommended to be capped at \$622,273, which is the amount of tax increment revenue anticipated to be generated by state mills in 21 years. Total MSF eligible activities are estimated at \$2,451,891. The final ratio accounts for the NEZ and PA 255 tax abatements. Total MSF eligible activities are estimated at \$1,535,340. MSF eligible activities breaks down as follows:

ORIGINAL PROJECT

State tax capture	(41.23%)	\$	346,465
Local tax capture	(58.77%)	\$	<u>493,890</u>
TOTAL		\$	840,355

AMENDED PROJECT

State tax capture	(40.53%)	\$	622,273
Local tax capture	(59.47%)	\$	<u>913,067</u>
TOTAL		\$	1,535,340

COST OF MSF ELIGIBLE ACTIVITIES (ORIGINAL PROJECT)

Infrastructure Improvements	\$	452,250
Site Preparation	+	<u>165,520</u>
Sub-Total	\$	617,770
Contingency (15%)	+	<u>47,665</u>
Sub-Total		665,435
Interest (4%)		<u>154,920</u>
Sub-Total	\$	820,355
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	<u>5,000</u>
TOTAL	\$	840,355

COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)

Infrastructure Improvements		1,027,250
Site Preparation	+	<u>165,520</u>
Sub-Total	\$	1,192,770
Contingency (15%)	+	<u>47,665</u>
Sub-Total	\$	1,240,435
Interest (5%)	+	<u>274,905</u>
Sub-Total	\$	1,515,340
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	<u>5,000</u>
TOTAL	\$	<u>1,535,340</u>

Recommendation

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

- a) State tax capture for the Act 381 eligible activities capped at \$622,273, utilizing the current state to local capture ratio.
- b) An amendment to the MCRP Grant Agreement and any related ancillary agreements to extend the Milestone Two due date from November 1, 2020 to April 30, 2021, and the Pre-Grant Disbursement Due Diligence Conditions due date from February 28, 2021 to August 31, 2021, per the Company’s request dated December 8, 2020.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-015**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF CADILLAC BROWNFIELD REDEVELOPMENT AUTHORITY
CADILLAC LOFTS REDEVELOPMENT PROJECT
AMENDMENT #1**

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 MSF;

WHEREAS, the MSF Board approved a Work Plan request for Cadillac Lofts Redevelopment Project (the “Project”), by Resolution 2019-101 on June 25, 2019, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of \$840,355 in eligible activities;

WHEREAS, the City of Cadillac Brownfield Redevelopment Authority (the “Authority”) wishes to amend the scope of the Project by including the costs of additional infrastructure improvements and associated interest in the amount of \$694,985 and increasing the maximum amount for eligible costs to \$1,535,340;

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 amended 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 40.53% to 59.47% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation and infrastructure improvements as presented in the revised Work Plan dated November 6, 2020. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$1,240,435 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$274,905 in interest, a maximum of \$5,000 for Brownfield/Work Plan implementation, and a maximum of \$15,000 for Brownfield/Work Plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$622,273.

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 they MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of \$274,905 related to the eligible activities for the Project.

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2019-101 are reaffirmed, and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MICHIGAN STRATEGIC FUND

**RESOLUTION
2021-016**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY
REVITALIZATION PROGRAM GRANT AWARD FOR
CADILLAC LOFTS, LLC**

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

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

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

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

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

WHEREAS, by Resolution 2019-100 on June 25, 2019 the MSF Board awarded a MCRP Grant Award to Cadillac Lofts, LLC, in furtherance of the Project of up to \$1,500,000 (“Award”);

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to extend Milestone Two due date from November 1, 2020 to April 30, 2021 and extend the Pre-Grant Disbursement Due Diligence Conditions due date from February 28, 2021 to August 31, 2021, with all other requirements remaining in place from the original approval (“MCRP Amendment Recommendation”).

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

Ayes: Britany L. Affolter-Caine, Paul Ajegba, Ronald W. Beebe, Mark Burton, Susan Corbin, September Hargrove, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Charles P. Rothstein, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
January 26, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

Katelyn Wilcox Surmann
Assistant Chief of Protocol & MSF Board Liaison
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2021.

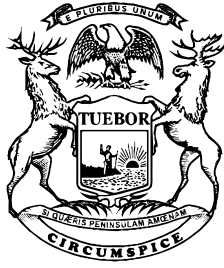
If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: January 26, 2021
To: Michigan Strategic Fund (“MSF”) Board Members
From: Mark A. Burton, President & CEO
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our latest quarterly report to the MSF Board, featuring a comprehensive review of our delegated authority activity over the previous three months. The following pages provide a narrative centered around the types of projects supported through delegated approval in the first quarter (Q1) of Fiscal Year 2021, as well as information about the impact that those projects have had on communities across the state.

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

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

Q1 Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from the first quarter (Q1) of Fiscal Year 2021.

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

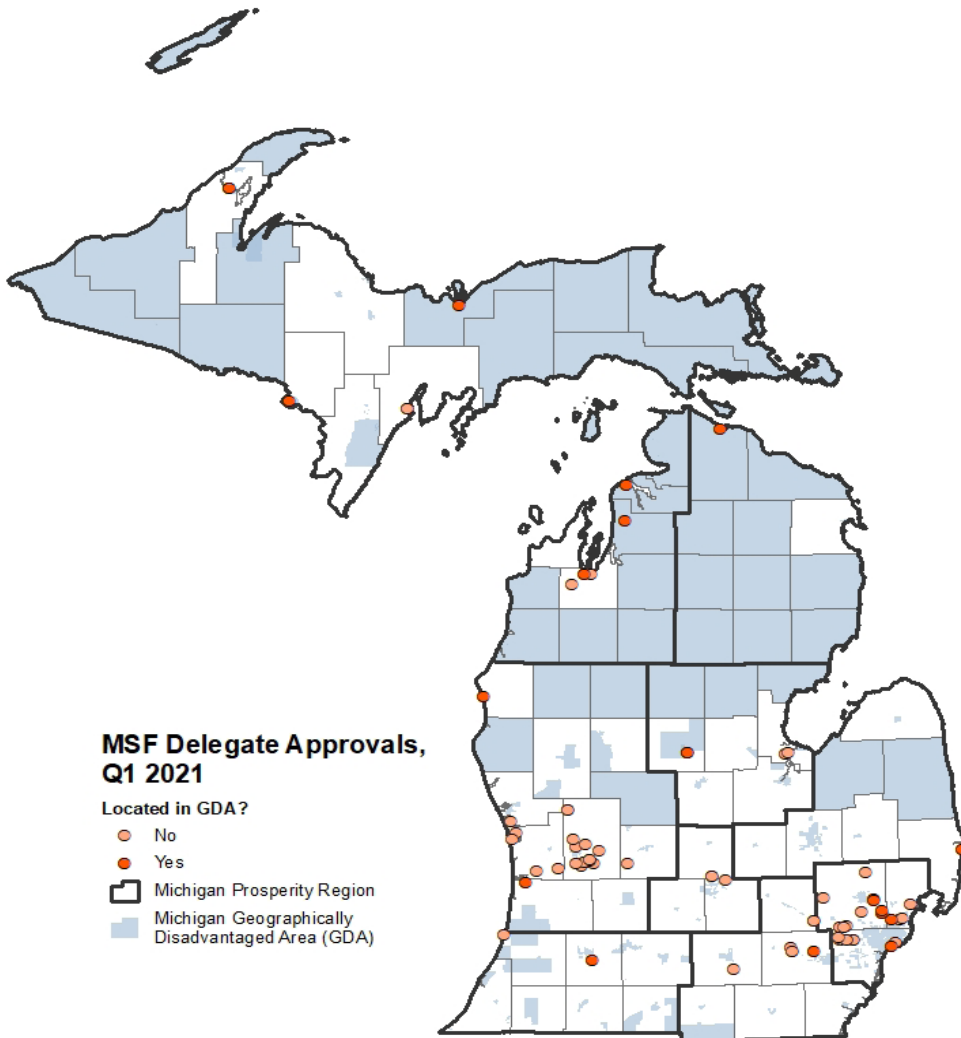
Q1 IMPACTS

We are pleased to share that throughout Q1, the delegate-approved projects represented our continued emphasis on supporting underserved populations and geographically disadvantaged areas. Throughout Q1, 30% of the projects approved through delegated authority were located in geographically disadvantaged areas.

Delegate Approvals: October 1, 2020 to December 31, 2020

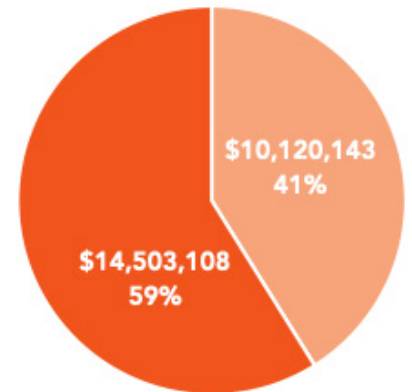
ASSISTANCE TO DISADVANTAGED AREAS

Of the 77 delegate approvals in the first quarter of FY 2021, 23 of them (30%) were in geographically disadvantaged areas.

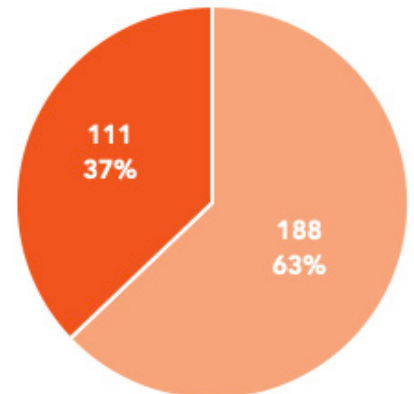


Source: Q1 2021 MEDC project data and Esri, Inc.

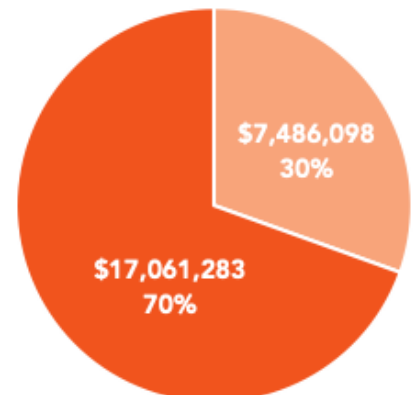
PRIVATE INVESTMENT



PROJECTED JOBS



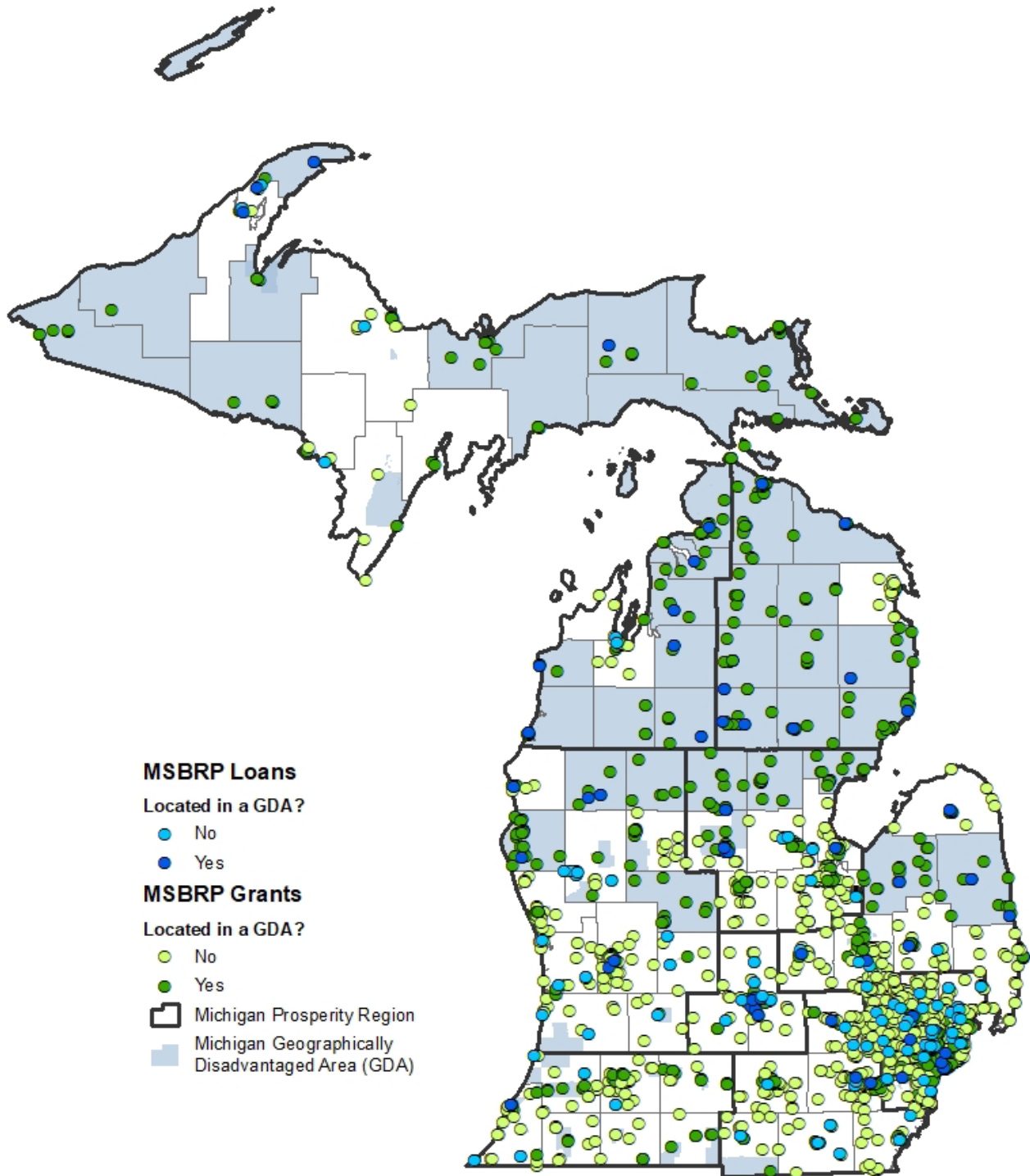
APPROVED AMOUNT



MI Small Business Relief Program

ASSISTANCE TO DISADVANTAGED AREAS

Of the 2,878 grants and loans awarded through the MI Small Business Relief Program, 1,232 of those awards (43%) went to geographically disadvantaged areas.



Source: MI Small Business Relief Program Data and Esri, Inc.

MSF Quarterly Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during Q1, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
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Brownfield Tax Increment Financing (TIF)

Through the Brownfield Redevelopment Financing Act, Brownfield TIF allows applicable taxing jurisdictions to receive property taxes on the property at the current level and capture the incremental increase in tax revenue resulting from a redevelopment project.

Leonard Development Partners, LLC	10/5/20	Grand Rapids	\$228,939	N/A	\$4,803,000	An Act 381 Work Plan with State tax capture valued at \$228,939 was awarded for the redevelopment of vacant commercial properties located at 415-421 Leonard Street NW within the City of Grand Rapids' Westside Corridor. Redevelopment of this key corner and corridor within the City will create a 23,058 square foot multistory mixed-use commercial office and retail building which will allow existing local businesses to expand while also providing economic benefit for neighboring businesses. Eligible activities will include demolition, lead and asbestos abatement, site preparation and infrastructure improvements with total private investment of \$4,803,000.
K8 Partners, LLC	11/13/20	Detroit	\$96,275	1	\$2,462,758	An Act 381 Work Plan valued at \$262,047 (State portion is \$96,275) was awarded to the City of Detroit Brownfield Redevelopment Authority for a project in the City of Detroit. The project will consist of the rehabilitation of a 11,761 square foot, eight unit multi-family building. The project is expected to have a total capital investment of approximately \$2.4 million.

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
Locker & Locker Properties, LLC	11/23/20	South Haven	\$110,002	15	\$2,199,100	Locker & Locker Properties, LLC plans to redevelop a 14,730 square foot building into a mixed-use project that includes 12 residential apartments and commercial space on the ground floor. The project will activate long-vacant upper floor space to provide workforce housing, while also addressing a brownfield site and increasing density in downtown South Haven. The project is expected to result in a total capital investment of \$2.6 million and creation of approximately 15 full-time equivalent jobs. The project has been awarded a \$500,000 Michigan Community Revitalization Program performance-based grant and a Brownfield Act 381 work plan valued at \$110,002. Local support for the project includes local participation in the Act 381 Work Plan, estimated at \$40,748, local-only brownfield activities estimated at \$140,000 and the City of South Haven has also approved a ten-year Commercial Rehabilitation Tax abatement for the project with a projected value of approximately \$188,234.

Program	Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
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Capital Markets

MSDF-CSP	Mid-Michigan Periodontics & Dental Implants, P.C.	11/10/20	Bay City	\$489,000	N/A	\$1,050,000	The dental company is looking to refinance current loans from 1st State Bank and also have a working capital LOC. Company is working with Isabella Bank and seeking collateral support.
	Tri-City Kids Pediatric Dentistry P.C.	11/10/20	Bay City	\$509,000	N/A	\$1,390,000	The dentistry is looking to refinance two commercial loans currently with 1st State Bank as well as establish a working capital line of credit. The company is working with Isabella Bank who is seeking collateral support.

Program	Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
SSBCI-CSP	GLIDRS, LLC	11/20/20	Haslett	\$150,000	N/A	\$750,000	GLIDRS, LLC is requesting a \$750,000 loan to refinance Huntington Bank CREM with MSUF-CU. MSUF-CU is requesting collateral support on this loan as there is a collateral shortfall due to lower-than-expected appraisal.
	West Michigan Sawmill of Clarksville, LLC	12/17/20	Clarksville	\$523,000	N/A	\$1,050,000	West Michigan Sawmill of Clarksville is working with Union Bank to secure a commercial real estate mortgage to refinance real estate debt, equipment and inventory. Union Bank is seeking the collateral support program due to collateral shortfall.
	Kelly Dewaterin and Construction Company	12/23/20	Grand Rapids	\$1,166,000	9	\$4,600,000	Level One Bank is requesting collateral support in order to support the purchase of Kelley Dewatering and Construction Company.
	Innotec	10/27/20	Zeeland	\$2,700,000	23	\$15,445,000	Innotec designs, engineers, and manufacturers LED lighting solutions for vehicles, equipment and heavy machinery. The Company has experienced some operational issues in the past couple of years as it invested heavily in M&E and R&D. CIBC is seeking to provide a LOC so that the company can continue to invest and grow, and is seeking MEDC support to alleviate the shortfall.
MSDF - Micro Loan Program	Invest Detroit	10/15/20	Detroit	\$2,500,000	N/A	\$10,000,000	Invest Detroit is seeking to increase its small business lending activity. The increased loan volume will be focused on 10 neighborhoods identified as in need of investment. ID plans to lend up to \$10 million over the next three years. ID is requesting a 25 percent pooled guarantee related to this lending.

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
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Michigan Community Revitalization Program (MCRP)

MCRP is a program available from the MSF, in cooperation with MEDC, designed to promote community revitalization that will accelerate private investment in areas of historical disinvestment, contribute to Michigan’s reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete or historic properties, reduce blight; and protect the natural resources of the state.

Eden Property Collection, LLC	10/14/20	Iron Mountain	\$414,950	1	\$681,405	Eden Property Collection, LLC was awarded a \$414,950 Community Revitalization Program grant for a project located in the City of Iron Mountain that will convert an underutilized, obsolete second floor of a historic, mixed use building into seven residential apartments, representing \$1,096,355 in total capital investment. The residential units created will occupy a total of 5,380 square feet, accommodating one and two bedrooms each. The rooftop terrace's 2,860 square feet, will be renovated to offer common area outdoor space and sustainable green elements amenities to residents and will contribute to the total renovated square footage of 8,240.
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Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
Locker & Locker Properties, LLC	11/23/20	South Haven	\$500,000	15	\$2,199,100	Locker & Locker Properties, LLC plans to redevelop a 14,730 square foot building into a mixed-use project that includes 12 residential apartments and commercial space on the ground floor. The project will activate long-vacant upper floor space to provide workforce housing, while also addressing a brownfield site and increasing density in downtown South Haven. The project is expected to result in a total capital investment of \$2.6 million and creation of approximately 15 full-time equivalent jobs. The project has been awarded a \$500,000 Michigan Community Revitalization Program performance-based grant and a Brownfield Act 381 work plan valued at \$110,002. Local support for the project includes local participation in the Act 381 Work Plan, estimated at \$40,748, local-only brownfield activities estimated at \$140,000 and the City of South Haven has also approved a 10-year Commercial Rehabilitation Tax abatement for the project with a projected value of approximately \$188,234.
Cheboygan 409 Main, LLC	12/22/20	Cheboygan	\$435,000	9	\$560,557	Cheboygan 409 Main, LLC was awarded a \$435,000 MCRP performance-based grant for building rehab to complete exterior and interior improvements to a functionally obsolete building in downtown Cheboygan. The project will create three commercial spaces on the first floor and four residential units on the second floor totaling approximately 6,435 square feet. The project is anticipated to create nine jobs with a total capital investment of \$995,557.

Community Development Block Grant (CDBG)

MEDC, on behalf of the Michigan Strategic Fund (MSF), administers the Community Development Block Grant (CDBG) program. CDBG is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development (HUD). Funds are used to provide grants to eligible counties, cities, villages, and townships, usually with populations under 50,000, for economic development, community development and housing projects.

City of Houghton - Rental Rehab at LoHo 308-310 Shelden Avenue	10/19/20	Houghton	\$253,075	N/A	\$197,900	The project at 308 Shelden Avenue will rehabilitate the vacant Lower Houghton space under the storefront of Shelden Avenue into four new residential units, activating 2,060 sq. ft of vacant space below two commercial spaces on downtown Houghton's main street.
City of Munising - Harley Apartments Rental Rehab	10/19/20	Munising	\$192,500	N/A	\$87,773	The project at 102 E Munising Avenue includes creation of three new apartment units in the vacant second floor of the historic, mixed-use building in the heart of Downtown Munising through the rehabilitation of the entire 1,750 sq. ft space.
City of Ludington - Second Floor Living	10/30/20	Ludington	\$536,675	N/A	\$478,068	The City of Ludington will receive \$533,986 in Community Development Block Grant funds for rental rehab improvements needed for the Second Floor Living project located in Mason County, Michigan. The City expects this project could result in private investment of \$478,068. This project will put eight rental units on the market. The building owners have agreed that at least six of the eight units will be occupied by low-to-moderate income households at affordable rents for a period of five years. The buildings in this project are 119 W. Ludington and 212 W. Ludington.

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment	Project Highlights
Michigan Municipal League Foundation - Pure Michigan Small Business Relief	12/3/20	Ann Arbor	\$11,000,000	N/A	\$0	Pure Michigan Small Business Relief Initiative. MMLF is grant administrator to Michigan small business throughout the state. CDBG CARES funding up to \$15K per business for working capital.
City of Houghton - Rental Rehab at 510 and 515 Shelden Avenue	12/15/20	Houghton	\$442,374	N/A	\$231,647	The project at 510 and 515 Shelden Avenue includes creation of seven new apartment units in the vacant second floor of two historic, mixed-use building in the heart of Downtown Houghton through the rehabilitation of the entire 4,355 sq. ft space.

Michigan Business Development Program (MBDP)

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

Lordstown Motors Corporation	11/6/20	Farmington Hills	\$1,000,000	141	\$3,681,043	Lordstown Motors plans to establish an automotive R&D center in Farmington Hills that will consist of offices, space for vehicle inspection and benchmarking, and labs for testing, validation, and prototyping. The company's decision to locate its R&D headquarters in Michigan is part of its long-term vision of establishing an electric vehicle epicenter in the Midwest. The project is expected to generate a total private investment of \$3.6 million and create 141 jobs, resulting in a \$1 million Michigan Business Program performance-based grant. Michigan was chosen over competing sites in California and Ohio.
A.G. Simpson (USA), Inc.	12/21/20	Sterling Heights	\$850,000	100	\$5,000,000	AGS Automotive Systems, a full-service automotive supplier, makes its first entry into the autonomous vehicle space in the U.S. through an expansion at its campus in Sterling Heights with support from the MSF. AGS has been awarded a new contract from one of its key customers, which will serve as the platform for the company's entry into a high-tech segment of the impact assembly business. AGS plans to add capacity in several of its key processes within the existing footprint of its facility in Sterling Heights, while integrating increased levels of autonomous vehicle technology into its products. The project is expected to generate a total private investment of \$5 million and create 100 jobs, resulting in an \$850,000 Michigan Business Program performance-based grant. Michigan was chosen over competing sites in other locations.

Project Name	Demographics	Approval Date	Location	Incentive Approved
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Michigan State Trade Expansion Program (MI-STEP)

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

Global Automation Technologies LLC - FY21 MI-STEP Automation Alley Virtual Trade Mission to Africa	Woman-owned	10/6/20	Rochester Hills	\$750.00
Dog Might LLC - FY21 MI-STEP International Facebook Marketing Q1		10/7/20	Ann Arbor	\$11,250.00
Michigan Software Labs - FY21 MI-STEP GDS International Digital Summit		10/7/20	Ada	\$15,000.00
Q-Sage, Incorporated - FY21 MI-STEP American Seed Trade Association Virtual Expo		10/7/20	Mt. Pleasant	\$6,375.00
Airflow Sciences Corporation - FY21 MI-STEP International Marketing & Virtual Webinar Campaign		10/15/20	Livonia	\$14,250.00
Bhogarmed - FY21 MI-STEP Automation Alley Virtual Trade Mission - Africa	Minority-owned	10/15/20	Bloomfield Hills	\$1,125.00
Business-Connect - FY21 MI-STEP Africa Sales Trip		10/15/20	Grandville	\$2,868.00
Curriculum Crafter - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa		10/15/20	Grand Rapids	\$1,125.00
DataFactZ / diwo - FY21 MI-STEP Risk Conference and Virtual Trade Show Canada	Minority owned	10/15/20	Northville	\$11,250.00
Dataspeed Inc. - FY21 MI-STEP Discover Global Markets Virtual		10/15/20	Rochester Hills	\$262.50
Electro-Optics Technology, Inc. - FY21 MI-STEP Laser World of Photonics Germany		10/15/20	Traverse City	\$15,000.00
RG Resource Technologies DBA Power Panel, Inc - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa		10/15/20	Oxford	\$750.00
RnD Engineering - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa	Minority owned	10/15/20	Livonia	\$1,125.00
Surplus Coatings - FY21 MI-STEP Sample Product Shipping to India		10/15/20	Kent City	\$4,000.00
Tygrus - FY21 MI-STEP Automation Alley Virtual Trade Mission Africa		10/15/20	Troy	\$1,125.00
Altus Brands, LLC - FY21 MI-STEP SHOT Show w/Backup Plan for Cancellation	Veteran-owned	10/16/20	Traverse City	\$15,000.00
First Class Transport - FY21 MI-STEP UAE & Middle East Sales Trip	Minority-owned	10/16/20	Roseville	\$10,010.25
Medicus Health - FY21 MI-STEP FIME Trade Show 2021 Miami		10/16/20	Kentwood	\$15,000.00
Unist, Inc - FY21 MI-STEP Compliance/CE Mark Testing		10/16/20	Grand Rapids	\$8,632.50
Airflow Sciences Corporation - FY21 MI-STEP India Marketing & Sample Product Shipping		10/22/20	Livonia	\$3,375.00
MajesTec 125LLC DBA FreedomLift - FY21 MI-STEP Ft. Lauderdale International Boat Show		10/22/20	Grand Rapids	\$15,000.00

Project Name	Demographics	Approval Date	Location	Incentive Approved
The Black Moon Group, DBA: BMG Medical - FY21 MI-STEP Automation Alley Virtual Trade Mission - Africa	Disabled Veteran-owned	10/26/20	Grand Rapids	\$1,125.00
Techmark, Inc. - FY21 MI-STEP Fruitlogistica Germany		10/29/20	Lansing	\$4,357.50
Techmark, Inc. - FY21 MI-STEP Global Cherry Summit		10/29/20	Lansing	\$5,646.75
Hurley Marine, Inc. - FY21 MI-STEP Social Media Campaign Australia, New Zealand, Brazil		11/3/20	Escanaba	\$1,500.00
Unist, Inc - FY21 MI-STEP Spanish Web Translation		11/3/20	Grand Rapids	\$6,075.00
Electro-Matic Products, Inc. - FY21 MI-STEP MESSE Fair Germany		11/4/20	Farmington Hills	\$7,701.00
Octava - FY21 MI-STEP Video Translation French & Spanish	Minority-owned	11/4/20	Warren	\$6,000.00
AHB Tooling & Machinery LLC (dba AHB Tooling & Machinery) - FY21 MI-STEP Chinese Web Maintenance		11/5/20	Roseville	\$750.00
Facet International Marketing - FY21 MI-STEP International Web Design Australia & Germany	Woman-owned	11/5/20	Novi	\$7,500.00
TACK Electronics, Inc. - FY21 MI-STEP Amusement Expo International		11/5/20	Cascade Township	\$15,000.00
The Mackinac Technology Company - FY21 MI-STEP France & UK Marketing		11/5/20	Grand Rapids	\$6,000.00
Helical Lap & Manufacturing Company - FY21 MI-STEP IBT International Web Design		11/6/20	Mount Clemens	\$9,000.00
Hurley Marine, Inc. - FY21 MI-STEP Website Localization and SEO		11/13/20	Escanaba	\$10,000.00
Garrison Dental Solutions - FY21 MI-STEP Australian Marketing Campaign		11/16/20	Spring Lake	\$6,750.00
RJG Inc - FY21 MI-STEP NPE Orlando		11/16/20	Traverse City	\$15,000.00
Fortech Products - FY21 MI-STEP Queretaro Automotive Meetings		11/17/20	Brighton	\$4,065.00
Nautical Specialties - FY21 MI-STEP Fort Lauderdale International Boat Show		11/17/20	Port Huron	\$10,528.50
RnD Engineering - FY21 MI-STEP Sales Trip - Ethiopia	Minority owned	11/18/20	Livonia	\$4,419.75
Link Engineering Company - FY21 MI-STEP International Web Design - Germany & China		11/19/20	Plymouth	\$9,000.00
Ross Controls - FY21 MI-STEP International Web Design		11/24/20	Troy	\$15,000.00
k-Space Associates, Inc - FY21 Chinese & S. Korean Web Development IBT Online		12/1/20	Dexter	\$11,160.00
Magnetic Products Inc. - FY21 MI-STEP Mexico - Web Development, Localization, SEO & Marketing		12/1/20	Highland Township	\$8,010.00
Trueline Health LLC. - FY21 MI-STEP Chinese Web Development & E-Commerce		12/1/20	Kentwood	\$8,850.00
Elco Enterprises, Inc. - FY21 MI-STEP Fabtech Mexico	Veteran owned	12/2/20	Jackson	\$15,000.00
Grip Studios Inc. - FY21 MI-STEP Canadian Web Design		12/2/20	Plymouth	\$2,250.00

Project Name	Demographics	Approval Date	Location	Incentive Approved
Q-Sage, Incorporated - FY21 MI-STEP American Seed Trade Association Virtual Expo - Part II		12/3/20	Mt. Pleasant	\$975.00
R.A. Miller Industries, Inc. - dba RAMI - FY21 MI-STEP Sales Trip to Switzerland	Woman-owned	12/8/20	Grand Haven	\$5,263.50
Redi-Rock International - FY21 MI-STEP Brazil Sales Trip		12/9/20	Charlevoix	\$4,779.00
Surplus Coatings - FY21 MI-STEP Sample Product Shipping Spain		12/9/20	Kent City	\$2,386.52
Trueline Health LLC. - FY21 MI-STEP Japanese Web Design & Rakuten E-Commerce Platform		12/9/20	Kentwood	\$11,400.00
AHB Tooling & Machinery LLC (dba AHB Tooling & Machinery) - FY21 MI-STEP German & Spanish Website Design		12/11/20	Roseville	\$6,187.50
MedImage, Inc. - FY21 MI-STEP SNMMI Virtual Trade Show		12/18/20	Ann Arbor	\$1,125.00
Code Blue - FY21 MI-STEP ISC West		12/21/20	Holland	\$15,000.00
Dynamic Conveyor Corporation - FY21 MI-STEP International Plastics Expo	Women owned	12/21/20	Muskegon	\$15,000.00
NxtWall - FY21 MI-STEP NEOCON 2021		11/5/20	Kalamazoo	\$15,000.00
DataFactZ / diwo - FY21 MI-STEP Canadian Marketing Campaign 10/1 to 12/31/20	Minority owned	11/16/20	Northville	\$2,625.00
Fortech Products - FY21 MI-STEP International Web Design - Mexico		11/17/20	Brighton	\$6,187.50

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Business Development and Community Development teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. See below for a list of program amendments that received delegated approval in Q1.

Community Development Block Grant (CDBG)

Program	Project Name	MSF Delegate Amended Date	Project Location	Type of Request
CDBG	Village of Central Lake -Infrastructure Project	10/7/20	Village of Central Lake	The amendment will allow grant term extension from 9/30/2020 to 12/31/2020. It also provides \$20,700 in additional funding for construction work.

Business Development Program (BDP)

Business Development Program	Beet Analytics Technology	10/16/20	Plymouth	Change project location from Plymouth Charter Township to City of Troy and update municipality support requirement.
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MI Small Business Relief Program Grants and Loans



Through delegated authority as authorized in March 2020 when the Michigan Small Business Relief Program was approved, the following small businesses have received grants and loans in Q1 from the 15 local economic development organizations administering the program in response to the COVID-19 outbreak. The grants under the Michigan Small Business Relief Program supported businesses facing drastic reductions in cash flow and the continued support of their workforce, including for working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of business.

Loans

Account Name	MSF Board Date	Incentive Amount	Jobs Retained ¹	Opportunity Industry	Street	City	Zip	MI County
City Limits Tecumseh LLC	10/16/20	\$50,000	22	Other	114 West Logan Street	Tecumseh	49286	Lenawee
Gamars, Inc.	9/16/20	\$54,781	16	Other	28655 Schoenherr Road	Warren	48088	Macomb
Prestige Transportation, LLC	9/1/20	\$50,000	9	Other	1900 Marie Circle	Bloomfield Hills	48302	Oakland
Michigan Decking LLC	8/26/20	\$50,000	3	Other	304 West Liberty Street	South Lyon	48178	Oakland
Strand Events, LLC	8/8/20	\$50,000	1	Other	12 North Saginaw	Pontiac	48342	Oakland
Elysian The Imagine Company, Inc.	7/28/20	\$50,000	25	Other	2655 Orchard Lake Road	Sylvan Lake	48320	Oakland
Holly Lanes Ventures LLC	7/22/20	\$50,000	9	Other	2430 Grange Hall Road	Fenton	48430	Oakland
MEL'S GRILL 2, L.L.C.	7/21/20	\$50,000	14	Other	7080 Gateway Park Drive	Clarkston	48346	Oakland
Renaissance Athletic Club LLC	7/21/20	\$80,000	42	Other	501 Graham Avenue	Benton Harbor	49022	Berrien
Advance Management Solutions Group, LLC	7/16/20	\$50,000	7	Other	967 Hollow Corners Court	Rochester	48307	Oakland
Loya Organic L.L.C.	7/16/20	\$50,000	5	Other	4284 Orchard Lake Road	West Bloomfield	48323	Oakland
Orthopedic Spine & Sports Therapy AH, Inc.	7/16/20	\$50,000	10	Other	2558 North Squirrel Road	Auburn Hills	48326	Oakland
Statewide Food Equipment LLC	7/16/20	\$50,000	7	Other	1035 Wheaton Avenue	Troy	48083	Oakland
Citadel Dance and Music Center, Inc.	7/14/20	\$50,000	28	Other	204 Water Street	Benton Harbor	49022	Berrien
Hart EMS Medical Services, PLLC	7/14/20	\$101,279	20	Other	220 Bagley, Suite 912	Detroit	48226	Wayne

Account Name	MSF Board Date	Incentive Amount	Jobs Retained ¹	Opportunity Industry	Street	City	Zip	MI County
Nostrum High Performance Inc.	7/14/20	\$150,000	21	Other	1145 Oak Valley Drive Suite B	Ann Arbor	48108	Washtenaw
River Rouge Brewing Company, LLC	7/14/20	\$50,000	3	Other	111 North Main Street, Unit 311	Royal Oak	48067	Oakland
Adam Merkel Restaurants, LLC	6/29/20	\$50,000	4	Other	101 West Grand River	Howell	48843	Livingston
Compeau-Bros., Inc.	6/29/20	\$100,000	35	Other	12480 Telegraph Road	Carleton	48117	Monroe
Honest to Goodness Breakfast & Smoothies, LLC	6/29/20	\$50,000	18	Other	1166 South Lapeer Road	Lake Orion	48360	Oakland
Kapones LLC	6/29/20	\$50,000	30	Other	24301 Harper Avenue	Saint Clair Shores	48080	Macomb
Tri City Sports Complex, LLC	6/29/20	\$50,000	8	Other	5117 Garfield Road	Auburn	48611	Bay
Wayne Family Dental, PLLC	6/29/20	\$200,000	10	Other	35100 East Michigan Avenue	Wayne	48184	Wayne
Cradles to Crayons Child Care LLC	6/8/20	\$50,000	N/A	Other	4711 South Martin Luther King Jr. Boulevard	Lansing	48910	Ingham
Saranac Tank, LLC	6/8/20	\$82,001	3	Mobility and Automotive Manufacturing	100 West Main Street	Saranac	48881	Ionia
Durr Trucking L.L.C.	6/4/20	\$50,000	3	Regional Impact - Logistics	23630 Gardner	Oak Park	48237	Oakland
Exclusive Physicians, PLLC	6/4/20	\$100,000	1	Other	911 East 9 Mile Road	Ferndale	48220	Oakland
Fawn's Den LLC	6/4/20	\$50,000	2	Other	2321 East US 10	Idlewild	49642	Lake
Ian Bolton Law PLLC	6/4/20	\$50,000	4	Other	24361 Greenfield Road, Suite 201	Southfield	48075	Oakland
International Strategic Management, Inc.	6/4/20	\$50,000	3	Other	440 Burroughs Road	Detroit	48083	Wayne
Johnston's Flooring, L.L.C.	6/4/20	\$50,000	5	Other	5499 Perry Drive	Waterford	48348	Oakland
Mondo Holdings LLC	6/4/20	\$50,000	8	Other	8136 West Nine Mile Road	Oak Park	48237	Oakland
NorthPointe Companies LLC	6/4/20	\$50,000	12	Other	7577 West 48th Street	Fremont	49412	Newaygo
RAAC Hospitality, Inc.	6/4/20	\$100,239	N/A	Other	1040 Woodward Avenue	Detroit	48220	Wayne
R Collective LLC	6/4/20	\$50,000	10	Other	122 South Main Street	Clawson	48017	Oakland
RTS Construction Group, LLC	6/4/20	\$164,160	3	Other	5983 South Warner Avenue	Fremont	49412	Newaygo
Slusarski Excavating & Paving, Inc.	6/4/20	\$50,000	36	Other	119 Greenly Street	Adrian	49221	Lenawee
TBMH, Inc.	6/4/20	\$50,000	19	Other	48661 Grand River Avenue	Novi	48374	Oakland

Account Name	MSF Board Date	Incentive Amount	Jobs Retained ¹	Opportunity Industry	Street	City	Zip	MI County
The Cardinal Group	6/4/20	\$50,000	3	Mobility and Automotive Manufacturing	266 Industrial Drive	Hillsdale	49242	Hillsdale
West Michigan Scoops, Inc	6/4/20	\$50,000	9	Other	5324 South Water Road	New Era	49446	Oceana
ACE Mudjacking and Concrete Leveling LLC	6/2/20	\$50,000	N/A	Other	2485 East Wardlow Road	Highland	48356	Oakland
Baldwin Creek Lodge, LLC	6/2/20	\$50,000	3	Other	7038 South M37	Baldwin	49304	Lake
CAPE, Inc.	6/2/20	\$71,014	50	Other	18215 24 Mile Road	Macomb	48044	Macomb
J & M Construction Services, LLC	6/2/20	\$66,736	6	Other	2400 Clyde Park Avenue, SW	Wyoming	49509	Kent
James Goergen Bowling Company, Inc.	6/2/20	\$50,000	10	Other	1129 East Saginaw Road	Sanford	48657	Midland
Powers Motors Sports, Inc.	6/2/20	\$50,000	9	Other	11995 North Maple Island Road	Fremont	49412	Oceana
Studio City Photography	6/2/20	\$50,000	0	Other	7767 Locust Avenue	Newaygo	49337	Newaygo
Dartris Enterprises, Inc.	5/21/20	\$50,000	19	Other	3227 Ripple Way	White Lake	48383	Oakland
General Automatic Machine Products Company	5/21/20	\$50,000	0	Mobility and Automotive Manufacturing	266 Industrial Drive	Hillsdale	49242	Hillsdale
Generations Family Dental Care PLLC	5/21/20	\$50,000	6	Other	26776 West 12 Mile Road Suite 203	Southfield	48034	Oakland
Greater Detroit Agency for the Blind and Visually Impaired	5/21/20	\$50,000	0	Other	16625 Grand River Avenue	Detroit	48227	Wayne
High Velocity Sports Group Recreation, L.L.C.	5/21/20	\$200,000	0	Other	46245 Michigan Avenue	Canton	48188	Wayne
Ipersevered, Inc.	5/21/20	\$150,000	95	Other	58540 US 41	Calumet	49913	Houghton
Legacy Center, LLC	5/21/20	\$50,000	90	Other	9299 Goble Drive	Brighton	48116	Livingston
Macker Basketball, LLC	5/21/20	\$50,000	6	Other	107 East Main Street	Belding	48809	Ionia
Superior Marine Products, LLC	5/21/20	\$50,000	6	Mobility and Automotive Manufacturing	20134 Gagnon Circle	Hancock	49930	Houghton
The Sweet Onion, Inc.	5/21/20	\$50,000	62	Other	2424 South Mission Street	Mount Pleasant	48858	Isabella
Versah, LLC	5/21/20	\$50,000	28	Other	2000 Spring Arbor Road, Suite D	Jackson	49203	Jackson
Leelanau Peninsula Vintners, Inc.	5/20/20	\$50,000	3	Other	10781 East Cherry Bend Road, Studio 1	Traverse City	49684	Leelanau
Beer Church Hospitality Group, Inc.	5/19/20	\$87,960	45	Other	24 South Whitaker Street	New Buffalo	49117	Berrien

Account Name	MSF Board Date	Incentive Amount	Jobs Retained¹	Opportunity Industry	Street	City	Zip	MI County
Dear Prudence, LLC	5/19/20	\$110,000	0	Other	119 North Center Street	Northville	48167	Wayne
Environmental Advisory Services, Inc.	5/19/20	\$122,001	7	Other	410 East Dowland Street	Ludington	49431	Mason
One Beer At A Time, LLC	5/19/20	\$115,102	42	Other	925 Cherry Street SE	Grand Rapids	49506	Kent
Royal Controls & Process Services LLC	5/19/20	\$50,000	6	Other	509 East Maple Street	Fremont	49412	Newaygo
Secure Realty Investments LLC	5/19/20	\$66,279	0	Other	89 East Edsel Ford Freeway Suite 400	Detroit	48208	Wayne
Shah & Ankenbrandt LLC	5/19/20	\$50,000	3	Other	7427 Rockhollow Lane	Midland	48642	Midland
Soothsayer Analytics	5/19/20	\$182,861	0	Other	20361 Middlebelt Road	Livonia	48152	Wayne
Thornapple Ophthalmology Associates, P.C.	5/19/20	\$50,000	10	Other	915 West Green Street, Suite 101	Hastings	49058	Barry
A & M Supreme Auto Repair, Inc.	5/15/20	\$50,000	0	Other	5700 South Pennsylvania Avenue	Lansing	48911	Ingham
BBD & K Inc.	5/15/20	\$50,000	15	Other	120 East Front Street	Monroe	48161	Monroe
Capital City Entertainment, LLC	5/15/20	\$50,000	0	Other	3262 McConnell Highway	Charlotte	48813	Eaton
Crooked Creek Investment Co.	5/15/20	\$50,000	10	Other	9387 Gratiot Road	Saginaw	48609	Saginaw
Frankenmuth Cheese Haus, Inc.	5/15/20	\$50,000	3	Other	545 South Main Street	Frankenmuth	48734	Saginaw
Grandpapa's Inc.	5/15/20	\$93,269	0	Other	6500 East Davison Street	Hamtramck	48212-1422	Wayne
Hathaway House, Inc.	5/15/20	\$50,000	10	Other	424 West Adrian Street	Blissfield	49228	Lenawee
Om Cafe' TC, LLC	5/15/20	\$50,000	21	Other	205 Lake Avenue	Traverse City	49684	Grand Traverse
OPM Doctors P.C.	5/15/20	\$100,000	0	Other	16000 Southfield Road	Allen Park	48101	Wayne
Sugarhigh, LLC	5/15/20	\$50,000	5	Other	925 South Main Street, G1	Frankenmuth	48734	Saginaw
U.P Michigan Rentals, LLC	5/15/20	\$50,000	7	Other	3509 Biddle Avenue	Wayandotte	48192	Wayne
CLVTHEO, Inc.	5/12/20	\$50,000	20	Other	705 Cross Street	Ypsilanti	48197	Washtenaw
Dome Associates, LLC	5/12/20	\$50,000	12	Other	12733 North U.S. Highway 131	Schoolcraft	49087	Kalamazoo
Jewish Family Services of Washtenaw County, Inc.	5/12/20	\$50,000	51	Other	2245 South State Street	Ann Arbor	48104	Washtenaw
Lucky Girl Brewing Company - Cross Roads LLC	5/12/20	\$50,000	15	Other	34016 M 43	Paw Paw	49079	Van Buren
Nature's Kennel Sled Dog Racing and Adventures, LLC	5/12/20	\$50,000	4	Other	14785 County Road 415	McMillan	49853	Luce

Account Name	MSF Board Date	Incentive Amount	Jobs Retained ¹	Opportunity Industry	Street	City	Zip	MI County
Relaxing Waters Spa, LLC	5/12/20	\$50,000	3	Other	49163 Schoenherr Road	Shelby Township	48315	Macomb
R P M Group Inc.	5/12/20	\$50,000	10	Other	6300 Grand River Avenue	Brighton	48114	Livingston
Saeun Corporation	5/12/20	\$50,000	15	Other	241 East Liberty Street	Ann Arbor	48105	Washtenaw
The Tri City Brewing Company	5/12/20	\$50,000	8	Other	4170 Shrestha Drive	Bay City	48706	Bay
All About Jumping, LLC	5/8/20	\$50,000	2	Other	19782 Yvonne Drive	Macomb	48044	Macomb
Berrien Metal Products, Inc.	5/8/20	\$79,860	30	Other	460 Post Road	Buchanan	49107	Berrien
Coco Joe's Beach House, Inc.	5/8/20	\$50,000	41	Other	4855 East Blue Grass Road	Mount Pleasant	48858	Isabella
Doherty Operating Corporation	5/8/20	\$50,000	66	Other	604 North McEwan	Clare	48617	Clare
Jeannette LLC	5/8/20	\$70,994	15	Other	117 West Lafayette Street	Romeo	48065	Macomb
Stage Flights, L.L.C.	5/8/20	\$50,000	15	Other	524 Phoenix Street	South Haven	49090	Van Buren
True North Outpost, Inc.	5/8/20	\$50,000	3	Other	W5768 Old Piers Gorge Road	Norway	49870	Dickinson
Ahptic Productions, LLC	5/6/20	\$50,000	0	Other	901 Cleveland Street	Lansing	48906	Ingham
All About The Hair LLC	5/6/20	\$50,000	7	Other	13820 East 14 Mile Road	Warren	48088	Macomb
Cross Country Sports, Inc.	5/6/20	\$50,000	8	Other	507 Oak Street	Calumet	49913	Houghton
Cycle & Fitness III, Inc.	5/6/20	\$192,551	14	Other	18517 Hall Road	Macomb Township	48044	Macomb
Hang Lo LLC	5/6/20	\$50,000	0	Other	4500 South US 27	St. Johns	48879	Clinton
JAD Fitness, LLC	5/6/20	\$50,000	8	Other	19364 East 10 Mile Road	Eastpointe	48021	Macomb
Kellie's Consignments LLC	5/6/20	\$50,000	0	Other	5000 Marsh Road	Okemos	48864	Ingham
Madoak LLC	5/6/20	\$50,000	0	Other	12800 US 27	Dewitt	48820	Clinton
Oak Pointe Investments, LLC	5/6/20	\$50,000	77	Other	506 West Broadway Street	Mount Pleasant	48858	Isabella
Petemoors, Inc	5/6/20	\$60,660	1	Other	19080 East 10 Mile Road	Eastpointe	48081	Macomb
Peters Building Contractors, Inc.	5/6/20	\$50,000	5	Other	1908 White Oak Lane	Houghton	49931	Houghton
Smarty's L.L.C.	5/6/20	\$50,000	5	Other	212 Iron Street	Negaunee	49866	Marquette
TLB Enterprises, Inc.	5/6/20	\$50,000	0	Other	6452 Millennium Drive Suite 170	Lansing	48917	Eaton
Windermere Equestrian Center, Inc.	5/6/20	\$50,000	15	Other	20615 Dunham Road	Clinton Township	48038	Macomb

Account Name	MSF Board Date	Incentive Amount	Jobs Retained ¹	Opportunity Industry	Street	City	Zip	MI County
Grand Blanc Lanes, Inc.	5/1/20	\$62,504	23	Other	5301 South Saginaw Road	Flint	48507	Genesee
Mandilay Inc.	5/1/20	\$50,000	0	Other	309 South Washington Square	Lansing	48933	Ingham
Maniaci's Banquet Center, Inc.	5/1/20	\$50,000	10	Other	69227 Main Street	Richmond	48062	Macomb
Silver Dollar Pub & Grill, Inc.	5/1/20	\$50,000	38	Other	9925 West Higgins Lake Drive	Roscommon	48653	Roscommon
Springbrook Investments, LLC	5/1/20	\$50,000	13	Other	565 W West Branch Road	Prudenville	48651	Roscommon
TLSix, Inc.	5/1/20	\$50,000	20	Other	342 East Houghton Avenue	West Branch	48661	Ogemaw
Wild Strawberry Flowers & More LLC	5/1/20	\$50,000	0	Other	2018 Cedar Street	Holt	48842	Ingham
CCBD Inc.	4/30/20	\$54,899	25	Other	1488 North M-52	Owosso	48867	Shiawassee
Doerr Real Estate & Management, Inc	4/30/20	\$50,000	0	Other	200 Woodland Pass, Suite A	East Lansing	48823	Ingham
Events To Rent, Inc.	4/30/20	\$50,000	0	Other	144 North Harrison Road	East Lansing	48823	Ingham
Markee Fashion & Design Inc	4/30/20	\$74,750	5	Other	11419A South Saginaw Street	Grand Blanc	48439	Genesee
Stiggs Brewing Company	4/30/20	\$50,000	4	Other	112 South Park	Boyne City	49712	Charlevoix
Valley Gear and Machine Incorporated	4/30/20	\$50,000	11	Other	514 Chickory Street	Bad Axe	48413	Huron
Wild Customs LLC	4/30/20	\$50,000	0	Other	960 South Harrison Road	Houghton Lake	48629	Roscommon
Burkholder Transport Inc.	4/29/20	\$50,000	2	Other	315 Regional Way	Imlay City	48444	Lapeer
Cubby, LLC	4/29/20	\$50,000	14	Other	117 South Union Street	Traverse City	49684	Grand Traverse
Klasek L.L.C.	4/29/20	\$74,301	5	Other	700 South Main Street	Lapeer	48446	Lapeer
MainStreet Cafe	4/29/20	\$50,000	3	Other	40 South Elk Street	Sandusky	48471	Sanilac
Pyro Paradise, LLC	4/29/20	\$50,000	10	Other	860 North Van Dyke Road	Bad Axe	48413	Huron
Redwood Brewing Co., Inc.	4/29/20	\$100,000	30	Other	5304 Gateway Center Dr.	Flint	48507	Genesee
Skatmore, Inc.	4/29/20	\$79,587	35	Other	5315 South Saginaw Road	Flint	48507	Genesee
Laser Marking Technologies	4/27/20	\$102,791	17	Advanced Manufacturing	1101 West Sanilac Road	Caro	48723	Tuscola
McBride Construction, Inc.	4/27/20	\$50,000	11	Other	2125 M 119	Petoskey	49770	Emmet
Owosso Community Players	4/27/20	\$50,000	4	Other	114 East Main	Owosso	48867	Shiawassee
Alcona Canoe Rental, Inc.	4/23/20	\$50,000	13	Other	6351 Bamfield Road	Glennie	48737	Alcona

Account Name	MSF Board Date	Incentive Amount	Jobs Retained ¹	Opportunity Industry	Street	City	Zip	MI County
BCC POURED WALLS & GENERAL CONTRACTING, INC.	4/23/20	\$50,000	5	Other	6463 East Falmouth Road	Falmouth	49632	Missaukee
Blue Water Enterprises, LLC dba Blue Water Kitchens and More	4/23/20	\$51,169	10	Other	7355 Kipling Road	Lexington	48450	Sanilac
Driftwood Motel II, Inc.	4/23/20	\$50,000	1	Other	540 N Third Street	Rogers City	49779	Presque Isle
Dunes Acquisitions	4/23/20	\$63,040	20	Other	333 Blue Star Highway	Douglas	49406	Allegan
Envirodyne, Inc.	4/23/20	\$50,000	6	Other	315 Washington Street	Manistee	49660	Manistee
Great Lakes Golf Cars Inc	4/23/20	\$50,000	8	Other	112 CO. Road 612	Kalkaska	49646	Kalkaska
Hudsonville Winery, Inc.	4/23/20	\$50,000	19	Other	3768 Chicago Drive	Hudsonville	49426	Ottawa
Nelis, Inc.	4/23/20	\$63,040	21	Other	12350 James Street	Holland	49424	Ottawa
Nifty Things, L.L.C.	4/23/20	\$50,000	10	Other	3881 Windy Hill	Bellaire	49615	Antrim
Old Boys Brewhouse, Inc.	4/23/20	\$63,040	33	Other	971 West Savidge Street	Spring Lake	49456	Ottawa
Park Place Enterprises & Management, LLC dba Bay Port Lodging	4/23/20	\$50,000	5	Other	905 Forest Avenue Post Office Box 1171	Frankfort	49635	Benzie
Simply Pearls L.L.C.	4/23/20	\$50,000	0	Other	223 North Main Street	Cheboygan	49721	Cheboygan
The Sassy Olive	4/23/20	\$60,880	13	Other	125 Locust Street	Allegan	49010	Allegan
Superior Lakes Investments, Inc.	4/19/20	\$50,000	20	Other	3322 North US 23	Oscoda	48750	Iosco
Wilderness Resort LLC	4/8/20	\$50,000	1	Other	6309 5th Street	Lac Le Belle	49950	Keweenaw

TOTALS **\$9,301,747** **1,960**

Notes:

1. The reporting of the number of retained jobs are optional in the weekly report. However, the number of retained jobs required to be reported in the progress report forthcoming.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

Company Name	Project Location	Incentive Type	Amount	Disbursed	Date	Reason for Termination	Repayment
MAHLE Engine Components USA	St. Johns	Expansion	\$0	\$0	10/13/2020	Unable to fulfill grant requirements	\$0
Configit, Inc.	Southfield	New	\$0	\$0	10/29/2020	Unable to fulfill grant requirements	\$0
Sherloq Revenue Solutions	Traverse City	Expansion	\$0	\$0	10/29/2020	Unable to fulfill grant requirements	\$0
Tooling Technologies Group LLC	Macomb Township	New	\$0	\$0	10/29/2020	Unable to fulfill grant requirements	\$0
Poultry Management Systems Inc.	Lowell	Expansion	\$0	\$0	10/29/2020	Unable to fulfill grant requirements	\$0
Repair Center LLC, dba Tech Defenders	Grand Rapids	Expansion	\$0	\$0	10/29/2020	Unable to fulfill grant requirements	\$0
Feyen Zylstra	Grand Rapids	Expansion	\$0	\$0	10/29/2020	Unable to fulfill grant requirements	\$0
Subaru Research and Development Inc.	Van Buren Township	New	\$0	\$0	11/9/2020	Unable to fulfill grant requirements	\$0
GE Aviation Muskegon	Muskegon	Expansion	\$800,000	\$800,000	11/19/2020	Eliminated Qualified New Jobs	\$800,000
STEC USA, INC.	Madison Heights	New	\$100,000	\$100,000	12/1/2020	Unable to meet minimum Qualified New Job requirement	\$100,000
Gemini Group	Ubly	Expansion	\$700,000	\$400,000	12/1/20	Eliminated Qualified New Jobs	\$400,000
Arcanum Alloys	Grand Rapids	Relocation	\$0	\$0	12/11/2020	Unable to fulfill grant requirements	\$0

Michigan Community Revitalization Program - Financial Overview

In accordance with written processes and procedures, the MEDC Compliance Staff ("Staff") monitor awardees' compliance with agreements through the audit and verification of milestones, review of progress reports, and evaluation of financial reporting. Staff approves disbursement of funds upon demonstration of milestone achievement and identify, track and enforce instances of non-compliance. Staff also maintains a detailed financial review process and report to track the health and performance of the MCRP portfolio.

Attached in the appendix in the form of Exhibit A and Exhibit B are two portfolio reports displaying information about the MCRP portfolio, including a breakdown of incentives and certain financial information surrounding them. Exhibit A displays high level information of the portfolio by incentive type (grants, direct loans, loan participations, and equity investments), the total amount returned to the MSF, and the number of incentive that have ended or terminated. No MCRP incentives have been written off.

Exhibit B focuses on MCRP equity, direct loan, and loan participation incentives in greater detail. This includes, but is not limited to, monitoring the MSF's cash in and cash out, ensuring that the MSF is being appropriately repaid, and verifying the awardees' compliance with the terms of its written agreement. The incentives are grouped together by type to provide specific information pertinent to that group. For example, direct loans include the principal amount, interest rate, current balance, and payments made to date whereas the equity section displays the MSF's initial contribution, accumulated net income/loss, distributions to the MSF, and the adjusted capital account. Notes have been added to some of the incentives listed on Exhibit B to provide general information, such as those that are still under construction or have paid their loan in full.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals for the MSF Awardee Relief Program from Q1, demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

CD Awardee Relief

Account	Program Name	Project Location	Incentive Type	MSF Delegate Approval Date	Type of Request
Exchange Building, LLC	Community Revitalization Program	Kalamazoo	Other Economic Assistance-Loan Participation	7/1/2020	Extension of interest-only period and all dates related to the construction loan conversion by 90-days from July 31, 2020 to Oct. 31, 2020
Brush Park Development Company Phase I, LLC and City Modern 440 Alfred Street LLC	Community Revitalization Program	Detroit	Loan	7/30/2020	Extension of the original approval expiration by 90 days
Liberty Way Hospitality, LLC	Community Revitalization Program	Marquette	Other Economic Assistance-Loan Participation	9/1/2020	Extension of Maturity Date up to 36 months to match refinancing term of Lender and 90 day deferral of principal payments
POAH DD Sugar Hill LLC	Community Revitalization Program	Detroit	Loan	9/1/2020	Extension of loan payments for 12 months and extension of Milestone three due date by 90 days
Canute Properties, LLC	Community Revitalization Program	Alpena	Grant	9/1/2020	Extension of milestone two (project completion) and pre-grant disbursement due diligence conditions milestone by six months
Sweetwater Development Partners, LLC	Community Revitalization Program	Muskegon	Other Economic Assistance-Loan Participation	9/1/2020	Extension of the original approval expiration by 90 days
Exchange Building, LLC	Community Revitalization Program	Kalamazoo	Other Economic Assistance-Loan Participation	9/22/2020	Extend interest-only period and all dates related to the construction loan conversion by three months from Oct. 31, 2020 to Jan. 31, 2021
Landmark Port Huron-Winkelmans	Community Revitalization Program	Port Huron	Grant	9/28/2020	Extension of the original approval expiration by 30 days

MBDP Awardee Relief

Opportunity Name	Program Name	Incentive Number	Amendment Name	MSF Approval Date	Amended Date	Description
Samsung SDI - Project WE - Expansion - FY2019	Business Development Program	INC-00071834	Amendment 1: Extend Term and Milestone Due Dates	10/18/20	11/13/20	Term extended from 5/31/2025 to 5/31/2026. M3-M9 all extended by 1 year.
Huron, Incorporated - Expansion - FY2017	Business Development Program	INC-00064564	None in Salesforce	12/10/20		Eliminate milestones two and three, reduce the QNJ requirement from 181 to 25, reduce the maximum award amount from \$1.4 million to \$193,350, modify the term of the grant to March 1, 2020.

MSF Confidentiality Memos



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

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

Approvals by Authorized Delegate

During the period between October 1, 2020 and December 31, 2020, the following confidentiality memos were approved by the MSF Fund Manager:

Company Name and Location	<ul style="list-style-type: none"> Overview of Confidential Information
Workit Health, Inc 3300 Washtenaw Avenue Ann Arbor, MI 48104	<ul style="list-style-type: none"> “Applicant Key Owners” Section on the MSF and MEDC General Applicant Certification Form The following portions of the Business Development Program Application (APP-17835) submitted by the Company on 11/6/2020: <ul style="list-style-type: none"> “Total New Jobs Created (Year 1)” field “Total New Jobs Created (Year 1 & 2)” field Capital Investment Summary Section, except for the “Total Capital Investment” field Private Investments Section, except for “Investment Type”
Innotec, Corp. 441 E. Roosevelt Avenue Zeeland, Michigan 49464	<ul style="list-style-type: none"> Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements)ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.

Appendix: MCRP Financial Data



Exhibit A

Types of Incentives	# of Incentives in Monitoring ¹	% of Incentives in Monitoring	Amount of Incentives in Monitoring ²	% Amount of Incentives in Monitoring	Funds Returned to MSF ³	% of Funds Returned to MSF
Grants	73	54%	\$50,821,954	18%	\$0	0%
Loan Participations	27	20%	\$91,224,101	32%	\$27,065,503	77%
Direct Loans	21	16%	\$78,780,000	28%	\$6,983,644	20%
Equity	13	10%	\$61,858,071	22%	\$880,770	3%
TOTALS	134	100%	\$283,484,126	100%	\$34,929,917	

# of Incentives Ended ⁴	# Incentives Terminated ⁵	CRP Funds Written Off
68	2	\$0

1. This represents the total number of active agreements under CRP.

2. This represents the total approved dollar amount of active agreements under CRP whether disbursed or not.

3. This represents principal and interest payments from direct and participated loans, cash returns on equity investments, and certain fees.

4. Means the company successfully met all requirements of the written agreements and paid off, if required.

5. Means the company did not proceed to a final written agreement or the agreement was terminated before disbursement of funds.

Exhibit B

CRP Equity

Inception to November 30, 2020

Company	Date of Operating Agreement	Occupancy Date	Initial Contribution	Additional Contributions	Accumulated Net Income/Loss	Total Distributions To MSF	Adjusted Capital Account as of December 31, 2019	Notes
URC - Health and Wellness	12/13/13	10/22/14	\$5,649,071	\$0	\$58,547	\$14,418	\$5,693,200	
70 West University Cultural Center Association	12/3/14	6/13/16	\$3,500,000	\$0	(\$2,289)	\$177,203	\$3,395,310	
Outfield Partners, LLC	12/11/15	6/23/16	\$1,455,000	\$0	\$0	\$108,024	\$1,348,976	
Griswold Project, LLC	10/22/15	1/30/17	\$4,798,000	\$0	\$58,716	\$5,839	\$4,850,877	
Rivertown Phase I, LLC/ Community Capital Equity LLC	7/12/15	2/2/17	\$8,110,000	\$0	\$300,162	\$0	\$8,410,162	
Du Charme Place, LLC*	8/5/15	6/27/17	\$5,700,000	\$0	(\$1,026,770)	\$71,956	\$4,606,774	

250 West Larned LLC- Foundation Hotel Lender and MT	3/1/16	9/29/17	\$5,840,000	\$0	\$231,637	\$500,964	\$5,654,902	
The Plaza Midtown, LLC*	6/3/16	11/6/17	\$3,500,000	\$0	\$881,771	\$0	\$4,381,771	
URC - Capitol Theatre	6/29/16	11/21/17	\$5,500,000	\$0	(\$12)	\$0	\$5,499,988	
Subtotal Projects with Occupancy			\$44,052,071	\$0	\$501,762	\$878,404	\$43,841,960	
	9/20/17	N/A	\$6,900,000	\$0	\$150,733	\$0	\$7,050,733	Under construction
	8/6/18	N/A	\$2,957,000	\$0	\$0	\$0	\$2,957,000	Under construction
	12/20/18	N/A	\$7,949,000	\$0	\$0	\$2,366	\$7,775,868	Under construction
	5/23/19	N/A	\$8,287,877	\$0	\$0	\$0	\$8,287,877	Under construction
Subtotal Projects Under Construction			\$26,093,877	\$0	\$150,733	\$2,366	\$26,071,478	
Grand Total Equity			\$70,145,948	\$0	\$652,495	\$880,770	\$69,913,437	

CRP Direct Loan

Inception to November 30, 2020

Borrower	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Late Fees/ Other Fees	Maturity Date	Notes
618 South Main*	12/19/13	6/29/16	\$3,000,000	\$0	0.00%	\$180,000	\$2,820,000	\$0	\$30,000	7/1/55	Refinanced in 2018, required to \$75,000 annually in fees to amortize loan
1215 Griswold LLC	8/3/17	3/16/17	\$1,000,000	\$0	1.00%	\$0	\$1,000,000	\$26,945	\$10,000	4/1/38	Principal payments made only when cash flow is sufficient
Strand Theater Owner LLC	2/23/16	4/27/17	\$4,500,000	\$1,500,000	0.00%	\$0	\$3,000,000	\$0	\$45,000	10/31/36	
Midland DTH LLC*	8/21/14	6/20/17	\$4,780,000	\$0	0.00%	\$1,257,631	\$3,522,369	\$0	\$75,600	9/27/32	Bi-Annual payments through TIF reimbursements
Parkland Muskegon, LLC*	2/20/17	5/9/18	\$1,950,000	\$0	0.00%	\$0	\$1,950,000	\$0	\$0	3/31/39	
SVRC Industries Inc.	5/31/17	6/1/18	\$3,475,000	\$1,500,000	2.00%	\$34,302	\$1,940,698	\$139,015	\$34,914	6/30/45	
HM Detroit Hotel*	6/30/16	10/10/18	\$3,500,000	\$0	2.00%	\$12,818	\$3,487,182	\$246,510	\$37,329	7/15/23	New Market Tax Credit transaction (should have no principal reductions)
213 Development, LLC*	3/1/19	9/12/19	\$1,400,000	\$0	2.00%	\$25,339	\$1,374,661	\$43,452	\$24,000	3/1/45	
33 John R Partners LLC*	6/16/17	10/17/19	\$6,500,000	\$0	5.00%	\$0	\$6,500,000	\$888,333	\$65,000	5/31/24	New Market Tax Credit transaction
Subtotal Direct Loans			\$30,105,000	\$3,000,000		\$1,510,090	\$25,594,910	\$1,344,254	\$321,843		

*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.

**Lender is a CDFI.

Borrower	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Late Fees/ Other Fees	Maturity Date	Notes
The Corner Lender, LLC*	3/29/18	N/A	\$4,375,000	\$0	4.00%	\$18,326	\$4,356,674	\$454,151	\$0	3/12/25	Under construction (New Market Tax Credit transaction)
RainCheck Development, LLC*	11/19/19	N/A	\$1,400,000	\$0	1.00%	\$0	\$1,400,000	\$0	\$14,000	1/1/52	Under construction
Kercheval Associates	11/22/19	N/A	\$3,500,000	\$0	1.00%	\$0	\$3,500,000	\$221	\$35,000	1/1/53	Under construction
HB BM East Lansing LLC*	11/14/18	N/A	\$6,750,000	\$0	1.25%	\$0	\$6,750,000	\$165,469	\$67,500	12/1/21	Under construction
Heritage Tower BC LLC*	5/23/19	N/A	\$1,712,123	\$0	1.00%	\$0	\$1,712,123	\$20,030	\$0	5/1/51	Under construction
POAH Support Corporation 2	6/20/20	N/A	\$4,000,000	\$0	3.00%	\$0	\$4,000,000	\$0	\$40,000	12/31/27	Under construction
3820 West End LLC	9/30/20	N/A	\$1,200,000	\$0	1.00%	\$0	\$1,200,000	\$0	\$12,000	10/1/22	Under construction
Subtotal Direct Loans Under Construction			\$22,937,123	\$0		\$18,326	\$22,918,797	\$639,871	\$168,500		
Whitney Partners, LLC*	3/25/13	8/28/15	\$0	\$0	0.00%	\$1,000,000	(\$1,000,000)	\$0	\$50,000	9/30/22	Paid in Full
Woodward and Erskine*	3/4/15	6/28/17	\$0	\$0	5.00%	\$1,500,000	(\$1,500,000)	\$56,042	\$15,000	2/13/23	Paid in Full
Subtotal Direct Loans			\$0	\$0		\$2,500,000	(\$2,500,000)	\$56,042	\$65,000		
Grand Rapids Downtown Market*	6/17/13	1/29/14	\$2,965,000	\$0.00	1.00%	\$136,966	\$2,828,034	\$44,230	-	3/31/21	Converted from participation loan in September 2018
740 Lofts on Michigan*	11/17/17	3/7/16	\$1,846,221	\$0.00	1.00%	\$91,866	\$1,754,356	\$26,671	9,641.37	6/6/29	Converted from participation loan in May 2019
Lofts on Alabama*	4/3/20	10/17/16	\$1,100,000	\$0.00	2.50%	\$46,383	\$1,053,617	\$15,961	-	5/1/30	Converted from participation loan in April 2020
Subtotal Converted Participation Loans			\$5,911,221	-		\$275,214	\$5,636,007	\$86,862	9,641.37		
Grand Total Direct Loans			\$58,953,344	\$3,000,000		\$4,303,631	\$51,649,713	\$2,127,028	\$564,985		

CRP Loan Participation Inception to November 30, 2020

Borrower	Lender	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Administrative Fee Payment	Notes
Woodward Theatre, L.L.C.*	DEGC**	10/25/12	12/13/12	\$750,000	\$0	4.75%	\$0	\$750,000	\$429,803	\$0	
Veridea Group*	First National Bank	6/3/13	5/9/14	\$1,857,151	\$357,151	1.00%	\$128,628	\$1,371,372	\$172,636	\$8,550	
Mid Towne Hospitality, LLC*	Mercantile Bank of Michigan	4/18/14	11/20/15	\$3,000,000	\$0	1.00%	\$526,316	\$2,473,684	\$183,363	\$36,000	

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**Lender is a CDFI.

Borrower	Lender	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Administrative Fee Payment	Notes
55 Ionia Partners, LLC	Macatawa Bank	11/19/15	12/21/15	\$4,325,000	\$0	3.00%	\$207,316	\$4,117,684	\$611,898	\$43,250	
Fulton and Seward*	Chemical Bank	9/9/15	6/24/16	\$3,000,000	\$0	1.00%	\$42,351	\$2,957,649	\$415,470	\$30,000	
Lofts on 820	Macatawa Bank	10/27/14	8/1/16	\$3,100,000	\$200,000	2.50%	\$469,720	\$2,430,280	\$368,557	\$35,058	
Bridge and Turner LLC*	Mercantile Bank of Michigan	2/23/16	12/5/16	\$2,500,000	\$0	1.00%	\$119,030	\$2,380,970	\$319,371	\$25,000	
Liberty Way Hospitality (Loan 1)*	Chemical Bank	6/1/15	1/19/17	\$3,100,000	\$0	1.00%	\$257,890	\$2,842,110	\$137,087	\$31,000	
Liberty Way Hospitality (Loan 2)*	Chemical Bank	6/1/15	1/19/17	\$1,000,000	\$0	1.00%	\$0	\$1,000,000	\$25	\$50,000	
OMH, LLC*	Old National Bank	3/14/16	3/18/17	\$5,400,000	\$0	2.00%	\$553,969	\$4,846,031	\$463,632	\$54,000	
Selden Partners, LLC	Capital Impact Partners**	4/4/17	5/18/17	\$1,000,000	\$0	2.00%	\$39,250	\$960,750	\$58,010	\$10,000	
Geenen DeKock Properties, LLC*	Macatawa Bank	12/12/18	5/30/18	\$1,000,000	\$0	1.00%	\$0	\$1,000,000	\$18,222	\$10,000	
601 West LLC*	Chemical Bank	8/30/16	6/7/18	\$2,900,000	\$0	5.00%	\$38,385	\$2,861,615	\$361,333	\$29,000	
Diamond Place LLC*	Capital Impact Partners**	12/1/16	7/31/18	\$2,826,000	\$0	2.00%	\$0	\$2,826,000	\$248,845	\$28,260	
Detroit Entrepreneur Development - Lofts on Louis	Dart Bank	2/22/17	2/12/19	\$1,300,000	\$0	2.50%	\$35,705	\$1,264,295	\$32,739	\$13,000	
Subtotal Participation Loan				\$37,058,151	\$557,151		\$2,418,558	\$34,082,442	\$3,820,992	\$403,118	
351 W Western	Community Shores Bank	8/3/18	N/A	\$1,500,000	\$750,000	1.00%	\$0	\$750,000	\$26,301	\$15,000	Under construction
400 Rose, LLC*	1st Source Bank	1/18/19	N/A	\$4,400,000	\$0	1.00%	\$0	\$4,400,000	\$36,093	\$44,000	Under construction
Bridge & Stocking*	Mercantile Bank of Michigan	9/27/17	N/A	\$6,300,000	\$0	3.00%	\$37,077	\$6,262,923	\$424,458	\$63,000	Under construction
Exchange Building LLC*	Chemical Bank	7/7/17	N/A	\$6,400,000	\$0	3.00%	\$0	\$6,400,000	\$176,746	\$64,000	Under construction
George F. Eyde, LLC - Oliver Tower*	Wells Fargo Bank	11/19/18	N/A	\$2,400,000	\$1,000,000	1.00%	\$0	\$1,400,000	\$17,075	\$24,000	Under construction
Jackson Entertainment LLC*	Mercantile Bank	12/5/18	N/A	\$5,500,000	\$0	3.50%	\$0	\$5,500,000	\$237,791	\$55,000	Under construction
Kzoo Hotel Partners, LLC*	Fifth Third Bank	5/17/19	N/A	\$7,454,000	\$0	2.00%	\$0	\$7,454,000	\$74,540	\$74,540	Under construction

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**Lender is a CDFI.

Borrower	Lender	Date of Loan Agreement	Occupancy Date	Loan Principal	Forgivable Portion	Annual Rate	Principal Payments	Principal Balance	Interest Payments	Administrative Fee Payment	Notes
Temple Group Holdings, LLC*	Chemical Bank	5/8/19	N/A	\$5,697,000	\$0	3.50%	\$0	\$5,697,000	\$0	\$56,970	Under construction
Third & Grand LLC*	Invest Detroit**	11/9/16	N/A	\$2,000,000	\$0	3.00%	\$0	\$2,000,000	\$168,183	\$20,000	Under construction
Thompson Block*	TCF Bank	3/21/19	N/A	\$3,175,000	\$1,200,000	1.00%	\$0	\$1,975,000	\$19,624	\$31,750	Under construction
Jackson Downtown Partners, LLC	County National Bank	2/11/20	N/A	\$3,066,250	\$1,500,000	1.00%	\$0	\$1,566,250	\$7,287	\$30,663	Under construction
Queen Lillian II, LLC*	DEGC**	11/2/20	N/A	\$5,300,000	\$0	3.00%	\$0	\$5,300,000	\$0	\$53,000	Under construction
Subtotal Participation Loan Under Construction				\$53,192,250	\$4,450,000		\$37,077	\$48,705,173	\$1,188,098	\$531,923	
Woodward Brown Associates, LLC.	The Private Bank and Trust	6/2/14	1/12/16	\$3,278,890	\$0	4.00%	\$3,278,890	\$0	\$234,852	\$32,789	Paid in full
609 E Kirby Lofts, LLC*	Capital Impact Partners**	2/27/14	8/2/16	\$1,000,000	\$300,000	1.00%	\$700,000	\$0	\$36,021	\$4,800	Paid in full
Arena Place Development, LLC (Loan 1)	Mercantile Bank of Michigan	6/3/14	3/17/17	\$2,500,000	\$0	3.00%	\$2,500,000	\$0	\$658,344	\$52,200	Paid in full
Arena Place Development, LLC (Loan 2)	Mercantile Bank of Michigan	6/3/14	3/17/17	\$2,000,000	\$0	N/A	\$2,000,000	\$0	\$0	\$0	Paid in full
Offsite Lake Drive, LLC*	Lake Michigan Credit Union	12/21/16	6/29/18	\$1,773,700	\$0	3.00%	\$1,773,700	\$0	\$144,452	\$17,737	Paid in full
1212 Griswold St, LLC*	Develop Michigan, Inc.**	3/13/14	N/A	\$6,000,000	\$0	1.00%	\$6,000,000	\$0	\$55,147	\$130,531	Paid in full prior to project completion
Subtotal Participation Loan Paid in Full				\$16,552,590	\$300,000		\$16,252,590	\$0	\$1,128,815	\$238,057	
Grand Rapids Downtown Market*	Fifth Third Bank	6/17/13	1/29/14	\$2,965,000	\$0	2.00%	\$0	\$2,965,000	\$315,083	\$8,600	Converted to direct loan in September 2018
Lofts on Alabama*	Macatawa Bank	9/22/15	10/17/16	\$3,000,000	\$0	2.50%	\$201,680	\$2,798,320	\$282,218	\$30,000	Converted to direct loan in April 2020
740 Lofts on Michigan, LLC*	Mercantile Bank of Michigan	11/17/17	3/7/16	\$2,450,000	\$500,000	1.00%	\$103,779	\$1,846,221	\$116,658	\$41,258	Converted to direct loan in May 2019
Subtotal Participation Loan Converted to Direct Loan				\$8,415,000	\$500,000		\$305,459	\$7,609,541	\$713,958	\$79,858	
Grand Total Loan Participation				\$115,217,991	\$5,807,151		\$19,013,685	\$90,397,155	\$6,851,863	\$1,252,955	

*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT, or CDBG.

**Lender is a CDFI.

CRP Grants

Inception to November 30, 2020

As of July 31, 2020 105 grants have received disbursement.	Approved Amount	Disbursed Amount
	\$63,027,113	\$62,567,785