



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA

January 24, 2023

10:00am

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.....	2
IV.	CONSENT AGENDA	
	a. Proposed Meeting Minutes: December 13, 2022	3
	b. LG Energy Solution Michigan, Inc.: MBDP and JRMP Reauthorization	28
V.	DEVELOP ATTRACTIVE PLACES	
	a. AWJ Holdings, LLC: A resolution to approve a Michigan Community Revitalization Program performance-based Other Economic Assistance Loan Participation in the amount of up to \$2,270,000.	40
		<i>Location: City of DeWitt</i>
	b. 411 Piquette, LLC: A resolution to approve an amendment to the existing Michigan Community Revitalization Other Economic Assistance – Loan Participation Agreement and any ancillary agreements to increase the award the by \$2,045,000 to the amount of \$7,045,000.....	54
		<i>Location: City of Detroit</i>
VI.	SUPPORT SMALL BUSINESS	
	a. William Davidson Foundation: A resolution to adopt a Bond Authorizing Resolution in the amount of not to exceed \$60,000,000 for construction of a new headquarters building. .	59
		<i>Location: City of Bloomfield Hills</i>
VII.	ADMINISTRATIVE	
	a. Strategic Site Readiness Program: A resolution to amend existing guidelines.....	65
VIII.	INFORMATIONAL	
	a. December 2022 Delegation of Authority Report	79

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



STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

GRETCHEN WHITMER
GOVERNOR

KEVIN FRANCCART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

January 12, 2023

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

Quentin L. Messer Jr.
President
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2023 Q1 Report of the Chief Compliance Officer. (October 1, 2022 – December 31, 2022)

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 as well as 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 2023 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) assisted MSF Board Members with question regarding conflicts of interest. The CCO, along with the AG and MEDC Legal, assisted with the Finance and Investment Subcommittee and the Policy and Planning Subcommittee. The CCO, assisted the AG and MEDC Legal with the MSU Foundation Pre-Seed III project. The CCO, in cooperation with the AG and MEDC Legal, discussed the need for a confidentiality notice for the Board to comply with various statutory requirements and to better inform the Board of its duties. The review of the relationship with and the economic incentives provided to Michigan Community Capitol as reported previously continued. The CCO continued to assist the Department of Technology, Management, and Budget with the workgroup to implement the requirements of the Economic Development Incentive Evaluation Act, MCL 18.1751 *et seq.* As reported previously, 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 13, 2022**

Members Present

Britany L. Affolter-Caine
Quentin L. Messer, Jr.

Members joined remotely

Ronald W. Beebe
Susan Corbin
Rachael Eubanks
Dimitrius Hutcherson
Michael B. Kapp (on behalf of Director Ajegba)
Charles P. Rothstein
Susan Tellier
Cindy Warner

Member Absent

Paul Gentilozzi

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 10:00 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely.

Mr. Messer introduced Amiee Evans, Chief of Staff, who conducted the attendance roll call.

II. PUBLIC COMMENT

Ms. Evans explained the process for members of the public to participate. Maureen Dritsan and Ron Otto, East English Village Association board members, Sarah Feldman, a small business owner and resident of The Ribbon, Jermaine Ruffin of Invest Detroit, and Joe Rashid of E. Warren Development Corp. offered comments in support of an amendment request for The Ribbon Redevelopment project in Detroit.

Adam Karibian of Toyota Motor North America and Josh Stevens of Polaris Inc. offered comments in support of the Shop House Park Technology and Innovation Hub project in Marquette.

III. COMMUNICATIONS

Ms. Evans advised Board members that letters were received from State Senator Dan Lauwers in support of the Economic Development Alliance of St. Clair County/Magna project and from State Representative Mike Harris in support of the Lear Corporation project in Independence Township.

Letters also were received from Blue Cross Blue Shield of Michigan, the East English Village Association, and Maureen Dritsan, East English Village Association board member, in support of an amendment request for The Ribbon Redevelopment project in Detroit.

In addition, several letters and documents were received in support of the Shop House Park Technology and Innovation Hub project in the City of Marquette, including:

- Detroit Regional Partnership
- Innovate Marquette
- InvestUP
- MICHauto and Detroit Regional Chamber
- Michigan Department of Agriculture and Rural Development, Office of Rural Development
- Michigan Office of Future Mobility and Electrification

- Polaris Inc.
- TechTown Detroit
- Toyota Motor North America
- Walbridge Real Estate Services
- Michigan Technological University Collaboration Summary
- Teaming Agreement jointly signed by Hopenassu OZ, LLC, Lawrence Technological University's Centropolis, LilyPad Labs Inc., Innovation Marquette Enterprise Corp., and Van Straten Enterprises

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported members met recently to review the Shop House Park Technology and Innovation Hub project in Marquette and an amendment request for the 16530 East Warren, LLC (The Ribbon Redevelopment) project in Detroit. They recommended approval of the Shop House Park grant request, but did not recommend approval of The Ribbon Redevelopment amendment request. Members also received a briefing on new markets tax credits and a report on process improvement.

Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported members met recently to review a number of projects, and to discuss policies and programs related to next year's goals and objectives. More work is needed on the goals and objectives before the document is shared with other Board members.

IV. CONSENT AGENDA

Resolution 2022-193 Approval of Consent Agenda Items

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

- Proposed Meeting Minutes: November 9, 2022
- 40 Hague: Brownfield Act 381 Work Plan Amendment – **2022-194**
- Mayville Engineering: Michigan Business Development Program Award Amendment – **2022-195**
- Industry 4.0 Implementation Grants: FY2023 Funding Allocation – **2022-196**

Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

V. DEVELOP ATTRACTIVE PLACES

- Resolution 2022-197 City of Monroe Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (1284 and 1248 North Telegraph Road)**

Paula Holtz, Managing Director of Regional Prosperity, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$2,699,779 to support a community development project in the City of Monroe, Monroe County. The project is expected to result in total capital investment of \$60,000,000. Following discussion, Cindy Warner motioned for the approval of Resolution 2022-197. Britany L. Affolter-Caine and Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

b. **Resolution 2022-198 16530 East Warren, LLC: Michigan Community Revitalization Program Award Amendment (The Ribbon Redevelopment Project)**

Julius Edwards, Director of Commercial Real Estate Investment, provided the Board with information regarding this action item. The action involves approval of an amendment to the Michigan Community Revitalization Program direct loan to increase the award amount by \$190,663 for a total of \$1,500,000 and to convert the award to a performance-based grant. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-198. Dimitrius Hutcherson seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused; 1 abstained.**

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

c. **Resolution 2022-199 The Beauton, LLC: Michigan Community Revitalization Program Grant**

Brittney Hoszkiw, Senior Community Development Manager, provided the Board with information regarding this action item. The action involves approval of a \$1,497,697 Michigan Community Revitalization Program performance-based grant to support a community development project in the City of Detroit, Wayne County. The project is expected to result in total capital investment of \$7,100,635. Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2022-199. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

VI. ATTRACT, RETAIN AND GROW BUSINESS

a. **Resolutions 2022-200 & 2022-201 Lear Corporation: Michigan Business Development Program Grant and State Essential Services Assessment Exemption**

Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of a \$4,500,000 Michigan Business Development Program performance-based grant, a 100% State Essential Services Assessment (SESA) Exemption for fifteen years valued at up to \$1,913,275 for the company's \$84,100,000 eligible investment in Eligible Personal Property, and a waiver of SESA Guidelines that require the project to be located in an Economically Disadvantaged Area and for qualified investments to be greater than \$100,000,000 to support a business development project. The project is expected to result in total capital investment of up to \$112,486,520 and the creation of up to 500 jobs in Independence Township, Oakland County, City of Traverse City, Grand Traverse County, and City of Sterling Heights, Macomb County. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-200. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Dimitrius Hutcherson then motioned for the approval of Resolution 2022-201. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

b. **Resolution 2022-202 Economic Development Alliance of St. Clair County: Michigan Strategic Fund Grant (Magna Electric Vehicle Structures - Michigan, Inc.)**

Jeremy Webb, Interim Managing Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of a \$3,600,000 Michigan Strategic Fund performance-based grant under MCL 125.2088b(2)(c) of the MSF Act to support infrastructure improvements related to Magna Electric Vehicle Structures - Michigan, Inc.'s water needs at the company's project site in the City of St. Clair, St. Clair County. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-202. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

c. **Resolutions 2022-203, 2022-204 & 2022-205 UL LLC: Michigan Business Development Program Grant, Alternative State Essential Services Assessment Exemption, and Jobs Ready Michigan Program Grant**

Matt Chasnis, Senior Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of a \$1,000,000 Michigan Business Development Program performance-based grant, a 50% Alternative State Essential Services Assessment Exemption for up to five years valued at up to \$143,760 for the company's \$37,200,000 eligible investment in Eligible Personal Property, and a \$500,000 Jobs Ready Michigan Program performance-based grant to support a business development project in the City of Auburn Hills, Oakland County. The project is expected to result in total capital investment of up to \$72,700,000 and the creation of up to 61 jobs. Following discussion, Dimitrius Hutcherson motioned for the approval of Resolution 2022-203. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Quentin L. Messer, Jr. then motioned for the approval of Resolution 2022-204. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Finally, Cindy Warner motioned for the approval of Resolution 2022-205. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

d. **Resolution 2022-206 HoPONASSU OZ, LLC: Michigan Strategic Fund Grant (Shop House Park Technology and Innovation Hub)**

Tino Breithaupt, Managing Director of Regional Prosperity, provided the Board with information regarding this action item. The action involves approval of a \$3,000,000 Michigan Strategic Fund performance-based grant under MCL 125.2088b(2)(c) of the MSF Act to support the Shop House Park Technology and Innovation Hub project in the City of Marquette, Marquette County. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-206. Dimitrius Hutcherson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Ronald W. Beebe disconnected from the meeting at 11:26 a.m.

e. **Resolution 2022-207 Delta County: Forest Products Processing Renaissance Zone (Billerud U.S. Production Holding LLC)**

Jeremy Webb, Interim Managing Director of Business Development Projects, provided the Board with information regarding this action item. The action involves approval of a Forest Products Processing Renaissance Zone for 15 years with an estimated value of \$29,400,000 to support a business development project in Wells Township (Escanaba), Delta County. The project is expected to result in total capital investment of up to \$1,060,000,000 and the retention of 1,140 jobs. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-207. Britany L. Affolter-Caine seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VII. ADMINISTRATIVE

a. **Resolution 2022-208 Consent Agenda Policy Approval**

Jon Stuckey, Assistant Attorney General, provided the Board with information regarding this action item. The action involves approval of an Amended and Restated Consent Agenda Policy. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-208. Charles P. Rothstein seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Susan Corbin, Rachael Eubanks, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VIII. INFORMATIONAL

Mr. Messer noted the MSF delegated authority report for the period October 1 to November 30, 2022, was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Messer adjourned the meeting at 11:41 a.m.



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



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 9, 2022

Quentin L. Messer, Jr.
Chairperson
Michigan Strategic Fund Board
300 N. Washington Square
Lansing, MI 48913

Dear Chairperson Messer:

I am writing to offer my full support for the grant application being submitted by the Economic Development Alliance of St. Clair County.

This important project will support infrastructure improvements in the City of St. Clair. These improvements are related to the water needs of Magna Electric Vehicle Structures, which was recently granted an increase to a previously approved MBDP award to support the growth of their facility in St. Clair. Magna Electric Vehicle Structures has proven to be a successful business and is committed to providing quality jobs. This grant would support a crucial component of the company's expansion.

The City of St. Clair and the surrounding communities are eagerly anticipating this project and its expected impact on the local economy. Knowing the benefits this project would provide for the people of the 25th District, I enthusiastically support the EDA of St. Clair County infrastructure improvement project.

Thank you for your time and consideration of my support.

Sincerely,

Dan Lauwers
State Senator, 25th District



43RD DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

PHONE: (517) 373-0615
FAX: (517) 373-7512
MikeHarris@house.mi.gov

MIKE HARRIS
STATE REPRESENTATIVE

December 12, 2022

Quentin L. Messer, Chairman, Michigan Strategic Fund
Michigan Economic Development Corporation
300 N. Washington Sq.
Lansing, MI 48913

Dear Mr. Messer,

As the State Representative for Michigan's 43rd House District, I write to offer my support for the Lear Corporation project in Independence Township. I am familiar with the work done by Lear Corporation, and I am impressed with their proposal that expands their facility to Independence Township.

To remain at the forefront of the EV industry, Michigan must continue to invest in companies and technologies to remain competitive in the EV market. As detailed in the application, Lear Corporation would produce highly technical sub-systems for batteries to be utilized by the auto industry. This is an exciting development opportunity for the local community and prioritizes a commitment to a Michigan company.

I am glad to offer my endorsement for this request for funding and ask the board for full consideration of this proposal.

Sincerely,

Mike Harris
State Representative
43rd House District



DANIEL J. LOEPP
President & CEO
Blue Cross Blue Shield of Michigan

December 12, 2022

RE: Support for the Housing, Planning and Development Grant for East Warren Corridor Project

Dear Chairperson Messer,

I am writing to lend my formal support to The Ribbon, a mixed-use, mixed-income development planned for the East Warren Corridor. This project would be transformational for this community and its residents.

Neighborhoods are the building blocks of every community. Each one reflects the strength and character of their respective cities. At Blue Cross Blue Shield of Michigan, we believe Detroit's livelihood is rooted in the spirit of its people and we are investing in their future health and happiness.

As you may know, Blue Cross committed \$5 million to Mayor Mike Duggan's Strategic Neighborhood and Affordable Housing Leverage Fund, specifically focusing on the East Warren/Cadieux Corridor. Our investment is helping to support local businesses, restore streetscapes, preserve affordable housing and support commercial real estate projects, such as The Ribbon. The Ribbon project is designed to enable a safer pedestrian friendly community, offer retail space to local small businesses, and affordable rents to residents in the community. A cleaner, safer and more vibrant community will also reduce social determinants of health often linked to underserved and undervalued environments.

As Detroit's transformation continues, so too must our support of our communities and neighborhoods. Approving the request for The Ribbon project will positively impact residents and business owners, while bringing change to the entire community.

As a business stakeholder and native Detroiter, I support this project that strengthens the community.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Daniel J. Loopp".

Daniel J. Loopp



December 13, 2022

Michigan Strategic Fund Board

RE: The Ribbon Project - E. Warren Business Corridor

East English Village Association is in full support of "The Ribbon" project proposed for our E. Warren Business Corridor. Edward Carrington and his team have provided a high-quality design and construction mixed-use concept that will not only enhance the spirit of the streetscape but also serve as an essential anchor to ensure its continued success.

Mr. Carrington has actively engaged with the EEV, Morningside and Cornerstone community residents as well as the existing small business owners along the corridor since the initial stages of this proposal. The site for the project (16510-16602 E. Warren) has remained empty for too many years, and the community has diligently sought to identify a commercial business that would promote retail diversity, residential density and stimulate street-level activity. Early focus groups, various presentations and updates to residents and - most importantly - a demonstrated willingness to listen and respond to the community ensured us that Mr. Carrington would be an excellent business collaborator and ongoing supportive contributor to the neighborhood.

It is the opinion of the East English Village Association Board that "The Ribbon" more than meets this high standard criterion. This is a project that will provide services that will be welcomed and well utilized by the entire community and beyond. If you have any questions or require additional information, please do not hesitate to contact us.

Sincerely,

East English Village Association
P. O. Box 241009, Detroit, MI 48224
association@eastenglishvillage.org Phone: (586) 864-5055

December 13, 2022

Michigan Strategic Fund Board

RE: The Ribbon Project

As a 30-year resident, longtime Board Member of Detroit's East English Village Association and an active participant in the development of the East Warren/Cadieux Neighborhood Framework Plan, I am writing to express support and confidence in the "The Ribbon" project proposed for our E. Warren Business Corridor. Edward Carrington and his team have actively engaged the eastside community residents to design a viable project that would be embraced and supported by the community. Community collaboration is key to ensuring a successful venture and Mr. Carrington made certain that all community leaders - the true stakeholders - were not only aware of the potential project but given the opportunity to provide feedback as well. Apartments have been a high priority on the "Wish List" for potential area businesses ~ not only the potential for new residents living along an active business corridor but also those residents who have resided here for many years but may no longer want (or be physically able) to perform the maintenance and upkeep responsibility that an older home requires.

As someone who has been actively engaged in the focus groups regarding redevelopment of the existing vacant 5,782 SF commercial structure into a mixed-use that includes retail units on the ground floor and residential apartment units above, I can attest that this concept was well received by residents and existing business owners from all three communities - East English Village, Morningside and Cornerstone Village. Our E. Warren streetscape plan is now well under construction. It is imperative that Mr. Carrington be provided the financial support necessary to begin construction. "The Ribbon" will be the anchor facility and is certain to attract the type of quality businesses the corridor deserves. We appreciate the opportunity to provide insight and assurance that this is the type of business needed to ensure success. If you have additional questions, please do not hesitate to contact me at (586) 864-5055 or mdritsan@gmail.com.

Sincerely,

Maureen Dritsan
3867 Bishop, Detroit, MI 48224



Detroit
Regional
Partnership

November 16, 2022

Mr. Quentin J. Messer, Jr., Chair
Michigan Strategic Fund
300 North Washington Square
Lansing, MI 48913
Re: ShopHouse Park/MSF Grant

Dear Quentin:

On behalf of the Detroit Regional Partnership (DRP), I would like to indicate our support for the approval of the ShopHouse Park proposal to the Michigan Strategic Fund, for a \$3 million grant to establish a center of excellence for developing and testing outdoor recreational products and services in the Upper Peninsula. We believe this proposal merits state investment as it connects quality of place and community to economic development, supporting and building on the strong tourism industry in our state.

The DRP became familiar with the ShopHouse Project during the creation of the Global Epicenter of Mobility (GEM) as we applied for the EDA Build Back Better Regional Challenge. ShopHouse looks at mobility from a broad perspective and there is indeed alignment with the work we are doing with our successful EDA proposal. This thoughtful proposal will give our state another leading edge piece of the puzzle for GEM. We feel that the entire state, with over 400 assets to support the mobility industry, is well positioned to remain the epicenter of all mobility activity, not just in the traditional automotive space. There is so much that can be leveraged from the cutting edge work that is currently being done by the Michigan automotive industry around mobility, which can be applied to other industry sectors. ShopHouse Park is a perfect example of this.

We certainly would have considered ShopHouse Park in our GEM proposal but thought that this was stretching the Detroit Region a bit far! However, we are all Team Michigan, and so we wholeheartedly support this request from ShopHouse Park. We also commit to keeping them engaged in our research and learnings, where appropriate, as Michigan continues to lead the way in global mobility technology.

Sincerely,

Maureen Donohue Krauss
President and CEO



November 16, 2022

Shophouse Park
Marquette, Michigan

Subject: Letter of Support for Shophouse Park

Dear Mr. Ollila-

Innovate Marquette is an organization that is focused on developing new start-up businesses, supporting and growing accelerator businesses, supporting growth through technology in local businesses, supporting tech businesses transitioning to the local area, and supporting capital investment in all businesses we serve. In our region, we recognize Outdoor Innovation, Sustainable Technologies, and Creative Technologies/Tech Art as our most rapid growth sectors.

We were very pleased that the Michigan Economic Development Corporation has included the Outdoor Recreation and Technology industry as a regional sector focus in its strategic plan. We also see the move to incorporate the Michigan Outdoor Industry Recreation office into the operations of the MEDC as a very significant step for the state.

Fostering places that retain and attract global mobile talent will continue to be critical to Michigan's economic growth. We view these efforts as primary economic development imperative for the state.

We see Shophouse Park as one of these initiatives. The ability to connect the entire Upper Peninsula and the Lower Peninsula can serve as an incredible catalyst for Michigan's opportunity to lead at the intersection of outdoor recreation, mobility technology, manufacturing, and innovation.

Shophouse Park can be a signature facility where innovative ideas will be born. We plan to directly support the Park by placing our Outdoor Innovation Accelerator onsite. This partnership will be an economic driver for the Upper Peninsula and the entire state. We will be a magnet for talent, both Michigan-born and from out of state.

On behalf of our organization and based on my knowledge of and commitment to growing Michigan's next-generation mobility and innovation competitiveness I wholeheartedly support Shophouse Park.

Sincerely,

A handwritten signature in cursive script that reads "Joseph A. Thiel".

Joe Thiel
CEO

Innovate Marquette Smartzone 101 W. Washington Marquette, MI 49855



November 15, 2022

Michigan Strategic Fund
Attn: Mr. Quentin Messer, Jr., Chair
300 North Washington Square
Lansing, MI 48913

Re: ShopHouse Park
Support for MSF Grant Approval

Dear Mr. Messer:

On behalf of Invest UP and its Board of Directors, which represent eleven industry sectors across Michigan's Upper Peninsula (U.P.) and do business in each U.P. county (as well as across the state and the nation) and employ nearly eight percent of the region's workforce, I would like to express our support for the approval of the \$3 million Michigan Strategic Fund Grant being requested by Shophouse Park, an innovative and visionary Marquette-based venture that will establish a center of excellence for developing and testing outdoor recreational products and services right here in the Upper Peninsula.

As the U.P. economy continues to evolve and as it focuses more on opportunities attendant to quality of life, place-making, and entrepreneurship, it is now more important than ever for the U.P. to embrace opportunity that is consistent with this focus. This proposal, to build an outdoor venture center in the heart of the U.P. that is focused on broadening the value chain for Michigan's mobility and outdoor recreation manufacturing sectors, is exactly the type of project needed to further a regional economic and community development evolution that will also help the entire State prosper as well.

Organizationally, we share in the MEDC's commitment towards securing Michigan as a top four business and travel destination. We recognize the importance and opportunity of Michigan's outdoor recreation economy - recognition that was recently affirmed by the Administration in recently moving the Outdoor Recreation Industry Office into the MEDC. Shophouse Park is not only perfectly aligned with our strategic objectives for the region but, more importantly, it is a perfect project to further express the importance of the outdoor recreation economy in Michigan and to actually seize on this opportunity.

The outlook I express here is not simply my own, but actually an outlook embraced by significant economic and community development stakeholders and institutions from across the Upper Peninsula, all of whom share in the belief that Shophouse Park will serve as an incredible catalyst for advancing both the region's and the State's competitive position in the advanced transportation and outdoor recreation sectors by providing a unique space for the facilitation of impactful outdoor recreational product and service incubation and development.



Of course, if you have any questions or concerns regarding InvestUP's outlook and its unequivocal and passionate advocacy for this project, and our request that the Michigan Strategic Fund look upon this grant with favor, please call on me any time at 906-280-7800.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty Fittante".

Marty Fittante,
CEO, InvestUP



One Woodward Avenue • Suite 1900 • Detroit, Michigan • 48226

Mr. David Ollila
Shophouse Park
Marquette, Michigan

November 14, 2022

Dear Mr. Ollila-

As the Executive Director of MICHauto, I lead the organization that is focused on promoting, growing and retaining Michigan's automotive and mobility industry. Since 2007 we have been aggressively focusing on building our industry and ensuring that Michigan is positioned as an automotive and next-generation mobility leader. We believe that the dynamic growth of the outdoor recreation and technology industry is an incredible opportunity for our state.

We were very pleased that the Michigan Economic Development Corporation has included the Outdoor Recreation and Technology industry as a regional sector focus in its strategic plan. We also see the move to incorporate the Michigan Outdoor Industry Recreation office into the operations of the MEDC as a very significant step for the state.

Fostering places and spaces for testing, innovation, and research to occur in the automotive and mobility industry will continue to be critical to Michigan's economic growth. Whether it be the investment in the American Center for Mobility or the Michigan Central Station, we view these initiatives as game changers for the state.

We see Shophouse Park in the same way. It is an investment in Michigan's future. The ability to connect the entire Upper Peninsula and the industry and facilities in the Lower Peninsula will serve as an incredible catalyst for Michigan's opportunity to lead at the intersection of outdoor recreation, mobility technology, manufacturing, and innovation.

Shophouse Park can be a signature facility and place where innovative ideas will be born. It will be a place where the local community, educational institutions and citizens with innovative ideas can incubate and come to life. It will be an economic driver for the Upper Peninsula and the entire state. It will be a connection point to our traditional industries and the exploding outdoor tech industry.

On behalf of our organization and based on my knowledge of and commitment to growing Michigan's next-generation mobility and innovation competitiveness I wholeheartedly support Shophouse Park.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Stevens, Jr.", written in a cursive style.

Glenn Stevens, Jr.
Executive Director, MICHauto
Vice President, Automotive and Mobility Initiatives, Detroit Regional Chamber



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

November 15, 2022

To Whom It May Concern:

As Director of the newly-created Office of Rural Development, housed in the Michigan Department of Agriculture and Rural Development, I work closely with small towns and rural communities across Michigan to improve access and readiness for programs, funding, and regional and statewide coordination around rural development. The Office is intended to align and coordinate investment, ensure a rural “voice” in policy development and decision-making, and act as a partner for communities working towards local and regional solutions, investment, and development that will foster long-term local prosperity.

For decades, rural Michigan has experienced a confluence of unique challenges tied closely to global economic trends and changing demographics that have impacted our communities’ workforce and economies. In the face of these changes, rural communities, investors, and other stakeholders are re-examining local and regional assets that will help them transform their communities and economies by creating new, sustainable opportunities for investment, innovation, and business growth.

Shophouse Park is an example of the kind of transformative approach that builds on unique regional assets to create economic opportunity, connecting the Upper Peninsula’s unrivaled outdoor amenities with Michigan’s historic and evolving manufacturing and mobility industries. By creating a destination for recreation innovation, testing, and research, the project will position the region and the state for new investment and innovation in the burgeoning outdoor recreation industry. What’s more, as economic strategies and initiatives throughout the Upper Peninsula align around outdoor recreation, Shophouse Park can act as a powerful connection not just with other parts of the state, but within the region itself, creating new avenues for partnership with local and regional stakeholders and investors.

As the Office of Rural Development works with communities across the state to identify and support solutions to the complex challenges faced by rural Michigan, Shophouse Park will provide an important example of how local and regional assets can be harnessed to build economic opportunity, statewide and regional partnerships, and innovation. We’re excited about the potential for Shophouse Park to build on place-based assets to catalyze new investment in the Upper Peninsula, and would like to express our strong support for this project and the transformational approach to rural development that it represents.. Thank you for your consideration of this important opportunity, and please don’t hesitate to reach out with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Lucas'.

Sarah Lucas, AICP
Director, Office of Rural Development

Mr. David Ollila
Shophouse Park
Marquette, Michigan

December 5, 2022

Subject: Letter of Support for Shophouse Park

Dear Mr. Ollila,

I am writing as Chief Mobility Officer of the State of Michigan and head of the Office of Future Mobility and Electrification (OFME). The office works across state government, academia and private industry to enhance Michigan's mobility ecosystem, including developing dynamic mobility and electrification policies and supporting the startup and scale up of emerging technologies and businesses. We believe that the dynamic growth of the outdoor recreation and technology industry is an incredible opportunity for our state and can further solidify Michigan's mobility leadership.

Fostering places that retain and attract globally mobile talent will continue to be critical to Michigan's economic growth. We view these efforts as the primary economic development imperative for the state.

We see Shophouse Park as one of these initiatives. The ability to connect the entire Upper Peninsula and the industry and facilities in the Lower Peninsula can serve as an incredible catalyst for Michigan's opportunity to lead at the intersection of outdoor recreation, mobility technology, manufacturing, and innovation.

Much like Michigan Central Station, Shophouse Park can be a signature facility and place where innovative ideas will be born. It will be a place where the local community, educational institutions and citizens with innovative ideas can incubate and come to life. It will be an economic driver for the Upper Peninsula and the entire state. It will be a connection point to our traditional industries and the exploding outdoor tech industry

On behalf of OFME and based on my knowledge of and commitment to growing Michigan's next-generation mobility and innovation competitiveness I wholeheartedly support Shophouse Park.



Trevor Pawl
Chief Mobility Officer
State of Michigan
Office of Future Mobility and Electrification
6001 Cass Avenue, Detroit, MI 48202-3423
248.565.5276 pawlt@michigan.org



Mr. David Ollila
Shophouse Park
Marquette, Michigan

November 22nd, 2022

Dear Mr. Ollila,

Polaris Inc., the global leader in powersports, headquartered in Minnesota, has been pioneering products and services that allow people to discover the joys of being outdoors since our founding in 1954. We happily serve more than 100 countries worldwide. We also employ approximately 16,000 workers, nearly 9,000 of those in the United States, and manufacture varying products within 13 facilities across eight states (AL, CA, ID, IN, IA, MN, OH, and WI), as well as several international manufacturing locations.

With over 75 years of heritage rooted in the outdoors of the upper Midwest, Polaris is very pleased to see that the Michigan Economic Development Corporation (MEDC) has included the Outdoor Recreation and Technology Industry as a sector of focus in its strategic plan. Polaris wholeheartedly believes in cultivating the outdoors and delivering experiences that encapsulate all it has to offer.

The continued growth and transformation of the outdoor industry is of utmost importance. Polaris strives for improvements in all areas of the powersports industry, including technology and product advancements, safety, customer satisfaction, and preserving and protecting the outdoors. Venues to foster innovation, collaboration, technology development, testing and research will be pivotal to meeting these overall objectives and driving the outdoor industry's success.

Polaris sees Shophouse Park and Mr. Ollila's commitment to nurturing collaboration and innovation across the state of Michigan as both meeting industry need and as a significant investment in Michigan's outdoor industry future.

Shophouse Park has the potential to be an economic driver for the outdoors and specifically the Upper Peninsula. Mr. Ollila's vision to foster technology and innovation through engagement with local communities, citizens, educational institutions, and industry, will provide significant opportunity and value for the outdoors. Investments like this will aide in positioning Michigan as a leader in technology, innovation, and outdoor recreation.

On behalf of Polaris and our mutual commitment to the outdoors, innovation, technology, and collaboration, I wholeheartedly support Shophouse Park.

Sincerely,

Josh Stevens
Corporate & Product Development Advanced Technology



November 15, 2022

Shophouse Park
Marquette, Michigan

Subject: Letter of Support for Shophouse Park

Dear Mr. Ollila-

TechTown is an organization that is focused on breaking cycles of intergenerational poverty and generating equitable community wealth through entrepreneurship. We believe that this bottom up approach is not a zero-sum game where different localities compete against each other. Rather, we hold that the more successful efforts across the state are, the more prosperous Michigan will be.

We were very pleased that the Michigan Economic Development Corporation has included the Outdoor Recreation and Technology industry as a regional sector focus in its strategic plan. We also see the move to incorporate the Michigan Outdoor Industry Recreation office into the operations of the MEDC as a very significant step for the state.

Fostering places that retain and attract globally mobile talent will continue to be critical to Michigan's economic growth. We view these efforts as the primary economic development imperative for the state.

We see Shophouse Park as one of these initiatives. The ability to connect the entire Upper Peninsula and the industry and facilities in the Lower Peninsula can serve as an incredible catalyst for Michigan's opportunity to lead at the intersection of outdoor recreation, mobility technology, manufacturing, and innovation.

Shophouse Park can be a signature facility where innovative ideas will be born. It will be a place where the local community, educational institutions and citizens with innovative ideas can connect. It will be an economic driver for the Upper Peninsula and the entire state. It will be a magnet for talent, both Michigan-born and from out of state.

On behalf of our organization and based on my knowledge of and commitment to growing Michigan's next-generation mobility and innovation competitiveness I wholeheartedly support Shophouse Park.

Sincerely,

A handwritten signature in black ink, appearing to read "Ned Staebler". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ned Staebler
President and CEO

Mr. David Ollila
Shophouse Park
Marquette, Michigan

November 17, 2022

Dear Mr. Ollila

I would like to thank you for engaging with Toyota North America and sharing your passion and vision for the future of outdoor recreation mobility in the state of Michigan. As the Vice President of Technical Strategy and Planning Operations for Research and Development, I have seen firsthand how your plans align with our goals of developing a future mobility society that require a wide variety of products that provide happiness for all. Shophouse Park offers a tremendous opportunity for our team to be fully immersed in the environment, which in turn helps us better understand the needs of our diverse customer base as we pursue our future developments.

Similar to Toyota R&D's partnership with American Center for Mobility, I believe Shophouse Park offers opportunity to grasp the unique environment and conditions of Michigan's Upper Peninsula. Shophouse Park's easy access to the extensive trail network as well the opportunity to connect with diverse outdoor recreational enthusiast offers a unique opportunity for Toyota R&D. Having a location where our engineers can test and evaluate current and future product, as well as the ability to engage with our customers and supplier partners offers tremendous value that enhances the innovation process. At Toyota, we strongly believe better understanding our customer conditions firsthand offers the best way to determine what is needed to develop future product.

On behalf of Toyota North America R&D, I would like to express our excitement and support for Shophouse Park as an anchor facility in Michigan where we can come together to create innovative solutions for the future mobility society.

Sincerely,



Adam Karibian

TOYOTA MOTOR NORTH AMERICA

Research & Development | Technical Strategy & Planning Office | Vice President





777 Woodward Avenue, Suite 300
Detroit, Michigan 48226-3529
www.walbridge.com

December 5, 2022

Shophouse Park
Marquette, Michigan

Subject: Non-Binding Letter of Support for Shophouse Park

Dear Mr. Ollila,

I would like to thank you for engaging with Walbridge Real Estate Services and sharing your vision of Shophouse Park. As Vice President of Commercial Real Estate, I can attest that the vision and strategy of Shophouse Park as an outdoor technology and mobility innovation hub for the state of Michigan aligns with our core values of community, country, climate, and customer. Shophouse Park presents an intriguing opportunity for us to support the growing spectrum of outdoor technology and mobility products in a manner that spurs economic relevancy and cohesion across both peninsulas of the state.

As a Michigan-based company, we are committed to supporting projects of all sizes that help solidify our position as a leader in design, engineering, and manufacturing across all segments of transportation. We understand that to meet our potential we must both appreciate our heritage and pursue nascent opportunities in ways that are complementary to our urban and rural communities.

On behalf of Walbridge Real Estate Services, I would like to express our support for the project and our interest in exploring ways in which we can collaborate. We see Shophouse Park as a unique opportunity to reach new markets with novel real estate developments that drive innovative ways to serve our customers. I look forward to continued conversations with that end goal in mind.

Sincerely,

Walbridge Real Estate Services

/s/ Ryan S. Marsh

Ryan S. Marsh
Vice President
Commercial Real Estate

Summary / Abstract

Title: Mobile, Modular, Multi-Mode / Multi-Source Charging Pod as an Enabler for Non-Road EV's

Applicant & Participants: The lead is Michigan Technological University with Jeremy Worm as the Principal Investigator. The project is collaborative with strategic partners including Polaris, Southwest Research Institute, Advanced Battery Concepts, Michigan Economic Development Corporation's Outdoor Recreation Industry Office, Michigan Department of Natural Resources, the US Forest Service's Hiawatha National Forest, X3 Energy, and Shophouse Park.

Project Description: The project will produce and demonstrate a mobile, modular EVSE "Pod" that meets AOI2 performance requirements. By being mobile and modular the pods can be strategically placed in remote regions where there is the highest need, even if that need is temporary (e.g. logging operation), or seasonal. The pods will have multiple modes of supply (solar, wind, grid-tie where available, and ICE Genset) and EVSE (L1, L2, DCFC), and will have significant ESS capacity (up to 490 kW-hr). End-users will be able to navigate to pod locations, reserve and pay for charge via a phone app. A supervisory controller will model several horizons and run an optimization algorithm to ensure demand is met through the minimal possible GHG contribution.

Goals & Objectives: The overarching goal of this project is to support DOE in increasing adoption of Electric Vehicles (EV's) in the off-road sector by developing and demonstrating an innovative charging concept for off-road EV's in remote locations. This goal will be achieved by progressively accomplishing several objectives including: 1) Compile a comprehensive set of requirements and constraints with input and buy-in from all stakeholders including but not limited to end users, vehicle OEM's, land stewards and policy makers, manufacturers, economic developers and commercial partners, and diverse and non-traditional users. 2) Design and integrate a set of Commercially available sub-systems, which are in themselves mature and well understood, into an EV charging pod that is mobile, scalable and modular, and utilizes multiple energy sources to meet the charging performance requirements specified in the DOE request. 3) Develop innovative supervisory control models and algorithms to meet charging requirements with the minimum contribution of Greenhouse gases (GHG). 4) Develop and release a phone app whereby users can reserve charging times and navigate to the charge pod. 5) Develop processes and best practices for placing pods in locations with highest demand. 6) Develop a plan for technology commercialization. 7) Execute an end of project, high-profile, real-world demonstration event.

Impact and Outcomes: This project has significant impact. Technologically the project will demonstrate a much-needed pathway for utilization of EV's in off-road environments. This will spur growth in the already significant (\$48 billion) powersports segment, and this segment inherently impacts underserved groups and economically distressed regions. Specific outcomes of the project include; 1) An innovative solution to charging off-road EV's (especially in remote areas) will be demonstrated. 2) Inclusive groups will be an integral part of the design and development process. 3) The demonstrated solution will meet all AOI 2 performance targets. 4) The demonstrated solution will provide a pathway to remove what is viewed as the single largest barrier to off-road EV adoption; lack of charging infrastructure in remote regions. 5) The project will produce a commercialization plan. 6) The demonstrated solution will provide multiple avenues through commercialization, skilled trades, local services, and local retail to name a few, for economic opportunity inherently in underrepresented groups and economically distressed communities.

TEAMING AGREEMENT

Whereas, Hoponassuu OZ, LLC is working to create Shophouse Park, a unique and dynamic mixed use development that will be headquartered in Marquette, Michigan to include private space for companies to facilitate innovation in the Outdoor Recreation and Mobility sectors (hereinafter, "Shophouse Park");

Whereas, Innovation Marquette Enterprise Corporation is a SmartZone located in Marquette, Michigan that exists as a service provider to the Michigan Economic Development Corporation to transform the Marquette community into a thriving entrepreneurial ecosystem (hereinafter "IMQT");

Whereas, LilyPad Labs, Inc. is located in Holland, Michigan and has designed a solar-powered boat that it wants to bring to market (hereinafter, "LilyPad");

Whereas, Van Straten Enterprises and a premier metal fabricator, known for qualify craftsmanship and complex fabrication capabilities. Van Straten Enterprises is located in Chassell, Michigan and a preferred contract manufacturer for a variety of Fortune 500 companies (hereinafter, "Van Straten"); and

Whereas, The Lawrence Technological University's Centrepolis is a SmartZone located in Southfield, Michigan that is designed to grow business ideas and take them to market and enable designs, manufacturers, engineers and tech experts to collaborate (hereinafter, "Centrepolis");

Therefore, each of these parties desires to work together for their individual as well as common benefit and therefore desire to share their core competencies, business interests and establish some terms of reference amongst themselves for the benefit of all.

ShopHouse Park is currently working with the Michigan Economic Development Corporation to secure funding to establish Phase 1 of ShopHouse Park. After funding is secure and construction is complete, ShopHouse Park will fulfill several roles to include serving as the Landlord of ShopHouse Park; but also providing Field Testing Services and serving as a Service Provider. A funding commitment is expected from MEDC in 2022. If funded, construction is projected to commence in 2023. ShopHouse Park is prepared to provide Field Testing Services to LilyPad upon request and subject to the establishment of terms between ShopHouse Park and LilyPad as well as the availability of funding.

LilyPad has developed one or more solar-powered boat prototypes, is seeking capital and will be in need of technical support to move to full scale production of boats. LilyPad intends to become a tenant of ShopHouse Park and intends to utilize the Field Testing Services as well as other Services that will be offered by ShopHouse Park.

Van Straten intends to become a tenant of ShopHouse Park. Van Straten has an expertise in developing technology and generating intellectual property to support those technologies. Van Straten is prepare to support ShopHouse Park to serve in an Outdoor Recreation Technical and Manufacturing support role. In particular, Van Straten has relevant experience with electronics, solar, batteries and motors that can benefit the development of LilyPad boats. Also, Van Straten has relevant assembly experience and access to a materials manufacturer in the Upper Peninsula that could further enable the development of LilyPad boat(s). Van Straten is currently available to provide services in support of LilyPad, subject to the establishment terms between Van Straten and LilyPad and the availability of funding.

IMQT hereby states its intent to establish the Michigan Outdoor Venture Center of Excellence at ShopHouse Park and become a tenant at ShopHouse Park. IMQT is currently working to establish an Outdoor Recreation Fund (the "Fund") with InvestUP, MEDC and with support from the Michigan Outdoor Recreation Industry Office. The Fund is designed to be an investment vehicle for Outdoor Recreation start-ups like LilyPad. It is the intent of IMQT to assist LilyPad in its pursuit of funding and assist LilyPad in its pursuit of funding from the soon to be established Fund. It is expected that the foundational work to establish the Fund will be complete within ninety (90) days and then it is realistic to see Fund opportunities for start-ups to be available within six (6) months.

Centrepolis is currently supporting LilyPad as a client. Centrepolis has the demonstrated capacity and capabilities to support Product Testing, Product Validation and preparing companies to scale for manufacturing. Consistent with its mission to support its clients, Centrepolis is prepared to assist LilyPad as the Technology Readiness Level of the boat(s) matures upon request and subject to available resources.

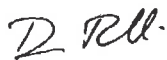
This Teaming Agreement is designed to articulate the intent of the parties to work together and does not obligate any party to contract with another party to this Agreement. The parties are free to negotiate amongst themselves with regard to any of the above stated matters and proposed services.

The parties also recognize that Warner, Norcross + Judd (hereinafter, "WNJ") represents Shophouse Park, IMQT, Centrepolis and Van Straten. LilyPad has its own counsel. The Michigan Rules of Professional Conduct generally prohibit a law firm from representing a client, if the representation of that client is, or becomes, directly adverse to another client, or if the representation of that client may be materially limited by the firm's responsibility to another client, or a third person. WNJ is permitted to undertake this type of representation if (1) we reasonably think that neither the representation nor the relationship of with the clients will be adversely affected, and (2) each client consents after consultation. Based upon the nature of this Teaming Agreement, WNJ does not presently see any actual or apparent conflict between the parties. In the event that any of the party's interests do become adverse, WNJ will not be able to represent one or more parties related to the conflict. If any party thinks that it is in their best interest to retain other counsel for any reason, please notify Mike Stone of WNJ immediately and he will assist you with the transition.

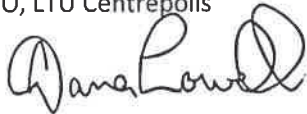
Agreed this 24 day of October 2022



David Ollila
President, Hoponassuu OZ, LLC



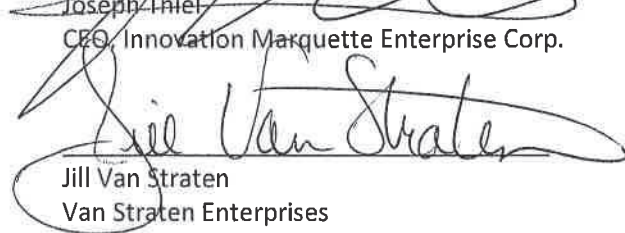
Dan Radomski
CEO, LTU Centrepolis



Dana Lowell
CEO, LilyPad Labs, Inc.



Joseph Thiel
CEO, Innovation Marquette Enterprise Corp.



Jill Van Straten
Van Straten Enterprises



MEMORANDUM

Date: January 24, 2023

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

From: Jeremy Webb, Managing Director, Business Development Projects

Subject: Reauthorization of Performance-based Grant Request
Michigan Business Development Program (“MBDP”)
Jobs Ready Michigan Program (“JRMP”)

Amendment to the Approval Request
Renewable Energy Renaissance Zone (“RERZ”)
LG Energy Solution Michigan, Inc. (“Company” or “Applicant”)

Background

On March 22, 2022, the MSF approved:

- A \$10,000,000 MBDP Grant;
- A \$10,000,000 JRMP Grant;
- A RERZ for a period of 20 years; and
- Up to \$36,500,000 in CDBG funds for machinery and equipment and up to an additional \$50,000 for grant administration needed for the expansion.

The MBDP and JRMP approval required that an agreement (the “Agreement”) be entered into within 120 days of the date of the approval, and may be extended for an additional 60 days with approval from the MSF Fund Manager (the “Authorized Period”). Due to administrative limitations, all parties have been unable to enter into the Agreement within the allowable 180 days. Due to required reviews from all parties, it has taken longer than expected to execute the Agreement. At this time, the Company could not execute the Agreement by the expiration of the Authorization Period and has requested additional time to execute the Agreement. It is anticipated the Company will be in a position to execute the Agreement within the allotted reauthorization timeline.

In addition, it was discovered that the start date for measurement of eligible activities for the JRMP grant was incorrectly noted and has since been corrected to match the MBDP grant. Lastly, MSF Resolution 2022-052 for the RERZ (the “RERZ Approval”) contained several conditions, including a requirement that “on or before December 31, 2022...the Planned Facility Parcel is revoked from the Old LG RERZ by the State Administrative Board (the “SAB”)” (the “Revocation Condition”). The Revocation Condition was satisfied by the SAB approval on January 3, 2023.

Recommendation

MEDC Staff recommends approval of the following, as outlined in the attached Resolutions:

- Reauthorize the MBDP;
- Reauthorize the JRMP and correct the start date measurement of eligible activities; and
- Amend the RERZ Approval by modifying the Revocation Condition to be completed by January 3, 2023.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-002**

**REAUTHORIZATION OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
LG ENERGY SOLUTION MICHIGAN, 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 (the “MEDC”) provides administrative services to the Michigan Strategic Fund (the “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 (the “MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP, as later amended on December 8, 2020 by Resolution 2020-146 (the “MBDP Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1 (the “Delegation”), the MSF Board 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 (the “Transaction Documents”);

WHEREAS, the MSF Act, MCL 125.2001 et seq. and the Delegation require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, the MSF Board approved a \$10,000,000 MBDP performance-based grant to LG Energy Solution Michigan, Inc. (the “Company”) on March 22, 2022 for the construction of several new facilities on the Company’s site and the creation of up to 1,200 Qualified New Jobs and investment of \$1,700,000,000 in the city of Holland, Allegan County (the “Project”);

WHEREAS, pursuant to the MBDP Guidelines, the Company is a Qualified Business, and the Project is eligible as a Standard MBDP because the Company committed to the creation of at least 50 Qualified New Jobs;

WHEREAS, the Company requests that the MSF Board approve a reauthorization of the \$10,000,000 MBDP performance-based grant as outlined in the term sheet attached as (the “Term Sheet”) Exhibit A (the “MBDP Grant Request”); and

WHEREAS, the MEDC recommends the MSF Board approve the MBDP Grant Request in accordance with the attached 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 (the “Time Period”), or this Resolution shall have no effect; provided, however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 60 day (the “MBDP Reauthorization Request”).

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

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

Nays: None

Recused: None



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

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

Date: March 4, 2022

- Company Name: LG Energy Solution Michigan, Inc. and/or its affiliates and subsidiaries.
Project Location: 1 LG Way, Holland, Michigan 49423
MBDP Incentive Type: Performance Based Grant
Maximum Amount of MBDP Incentive: Up to \$10,000,000
Base Employment Level: At least 1495, at the time of first disbursement of funds and thereafter
Maximum Number of Qualified New Jobs ("QNJ"): Up to 1,200 Full-Time Jobs in at the Project Location
Municipality Supporting Project: Allegan County has agreed to provide staff, financial or economic assistance in support of the project.
Start Date for Measurement of Creation of Qualified New Jobs: January 1, 2022
Term of the Agreement: June 30, 2026
Milestone Based Incentive: Disbursements will be made over a 3-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows: \$8,333.33 per QNJ for the creation of a minimum of 50 jobs up to a maximum of 98 jobs. \$8,333.33 per QNJ for the creation of a minimum of 98 jobs up to a maximum of 634 jobs. \$8,333.33 per QNJ for the creation of a minimum of 634 jobs up to a maximum of 1,200 jobs.

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

Acknowledged as received by:

LG Energy Solution Michigan, Inc.
By: [Signature]
Printed Name: BENCHUL KOV
Its: president

Michigan Economic Development Corporation
By: [Signature]
Printed Name: Julia Veale
Its: Senior BDPM

March 4, 2022- LG Energy Solution Michigan, Inc.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-003**

**REAUTHORIZATION AND AMENDMENT TO THE JOBS READY MICHIGAN PROGRAM
GRANT TO
LG ENERGY SOLUTION MICHIGAN, INC.**

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

WHEREAS, pursuant to the MSF Act, specifically MCL 125.2088(b)(2)(c), funds appropriated to the MSF under the Michigan Business Development Program (the “MBDP”) are authorized to be expended for programs or activities authorized under the MSF Act, so long as the programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable milestones;

WHEREAS, on April 23, 2019, via MSF Resolution 2019-066, the MSF (i) created the Jobs Ready Michigan Program (the “JRMP”) by transferring funds from the MBDP to fund grants to eligible business applicants to support talent recruitment or training needs to retain or create jobs, and (ii) adopted the guidelines for the JRMP (the “Guidelines”);

WHEREAS, the MSF Board approved a \$10,000,000 JRMP Grant (the “JRMP Grant”) to LG Energy Solution Michigan, Inc. (the “Company”) on March 22, 2022 for attainment of the milestones and other general terms and conditions as outlined in the term sheet (the “Term Sheet”);

WHEREAS, the start date for the measurement of eligible activities and the milestones outlined in the Term Sheet for the JRMP Grant were incorrectly noted;

WHEREAS, the corrected start date and milestones are outlined in the amended term sheet attached as Exhibit A (the “Amended Term Sheet”);

WHEREAS, the Company requests that the MSF approve (1) a reauthorization of the JRMP Grant and (2) the Amended Term Sheet (the “JRMP Reauthorization Request”);

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

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

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

BE IT FURTHER RESOLVED, the MSF Fund Manager, or the MSF President, is directed to negotiate the terms and conditions and execute all final documents necessary to effectuate the JRMP Award Recommendation in accordance with the MSF Act and the Guidelines.

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

Nays: None

Recused: None

Lansing, Michigan
January 24, 2023

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

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

Date: February 7, 2022

Company Name: LG Energy Solution Michigan, Inc. and/or its affiliates and subsidiaries.

Project Location : 1 LG Way
Holland, Michigan 49423

JRMP Incentive Type: Performance Based Grant

Maximum Amount of JRMP Incentive: Up to \$10,000,000

Start Date for Measurement of Eligible Activities: ~~MSF Board Approval~~ **January 1, 2022**

Term of the Agreement: December 31, 2026

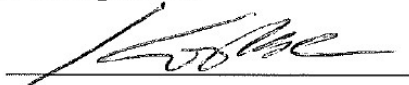
Milestone Based Incentive: Disbursements will be made over a 3 year period and will be performance based on job creation as follows:
Milestone 1: \$2,000,000 upon demonstrated documentation of eligible activities for which disbursements are tied to.
Milestone 2: \$5,000,000 upon demonstrated documentation of eligible activities for which disbursements are tied to.
Milestone 3: \$3,000,000 upon demonstrated documentation of eligible activities for which disbursements are tied to.

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

Acknowledged as received by:

LG Energy Solution Michigan, Inc.

By:



Printed Name:

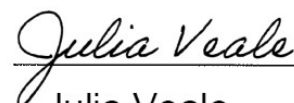
BONCHUL KOO

Its:

President

Michigan Economic Development Corporation

By:



Printed Name:

Julia Veale

Its:

Senior BDPM



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-004**

**AMENDMENT TO THE RENEWABLE ENERGY RENAISSANCE ZONE APPROVAL
LG ENERGY SOLUTION MICHIGAN, INC.**

WHEREAS, Section 8e of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the State Administrative Board (the “SAB”) to designate up to fifteen (15) renaissance zones for renewable energy facilities (a “Renewable Energy Renaissance Zone”), upon recommendation by the Michigan Strategic Fund (the “MSF”) and the consent of the local unit of government in which the proposed renaissance zone will be located;

WHEREAS, on March 22, 2022, via MSF Resolution 2022-052, the MSF recommended, and the SAB approved on May 24, 2022, the designation of a Renewable Energy Renaissance Zone for the Company for twenty (20) years for a site in the City of Holland (the “New LG RERZ”);

WHEREAS, MSF Resolution 2022-052 contained several conditions, including a requirement that “on or before December 31, 2022...the Planned Facility Parcel is revoked from the Old LG RERZ by the State Administrative Board” (the “Revocation Condition”);

WHEREAS, the Revocation Condition was satisfied by the SAB approval on January 3, 2023;

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

WHEREAS, the MEDC recommends the MSF Board amend the MSF Resolution 2022-052 to extend the deadline for satisfying the Revocation Condition from “December 31, 2022” to “January 3, 2023” (the “Amendment Request”);

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

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

Nays: None

Recused: None

Lansing, Michigan
January 24, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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Michigan Strategic Fund Office
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Lansing, Michigan 48913

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-001**

**APPROVAL OF THE JANUARY 24, 2023 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, on November 20, 2013, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines (the “Consent Agenda”);

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently amended and restated by the MSF Board on December 13, 2022;

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

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

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

Consent Agenda Items:

- a. Proposed Meeting Minutes: December 13, 2022
- b. LG Energy Solution Michigan, Inc.: MBDP and JRMP Reauthorization and Renewable Energy Renaissance Zone Amendment

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

Nays: None

Recused: None

Lansing, Michigan
January 24, 2023



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 24, 2023

To: Michigan Strategic Fund Board

From: Rachel Elsinga, Community Development Manager
Debbie Stehlik, Commercial Real Estate Investment Manager
Lisa Edmonds, Senior Program Specialist, MCRP and Brownfield

Subject: Request for Approval of a Michigan Community Revitalization Program (MCRP) Other Economic Assistance Loan Participation Request – AWJ Holdings, LLC

Project Summary & Request

AWJ Holdings, LLC (the “Applicant”) is proposing to redevelop a vacant and underutilized property in the heart of downtown DeWitt. The project qualifies as a facility and will include the new construction of a 21,400 square foot three-story, mixed-use building adding eight new market-rate residential units and 6,359 square feet of commercial space in the central business district. Floors two and three will have exterior balconies that overlook the downtown area and floor two will also have a common balcony for residents and commercial tenants. A large portion of the commercial space will be owner-occupied by a long-standing community-based insurance company. In order to support this community development project, the Applicant is requesting a Michigan Community Revitalization Program (“MCRP”) Other Economic Assistance Loan Participation request of \$2,270,000.

PROJECT SUMMARY	
Project Eligibility	Facility
Total Approximate Square Feet Revitalized	21,400
Total Approximate Acres Revitalized	0.34
Estimated # of Residential Units	8
Estimated Commercial Square Footage	6,134
Total Anticipated Capital Investment	\$4,871,789
MCRP Loan Request	\$2,270,000

This project is a high priority for the City of DeWitt, as it will activate a long-vacant space in the heart of downtown and the business district by transforming a parcel with contaminated soils into a community asset. The project aligns with the MEDC strategic focus area to develop attractive places by activating underutilized property and increasing density. The project also aligns with MCRP program guidelines because it contributes to a traditional downtown district in an engaged Redevelopment Ready Community and supports priorities around housing options and building activation in the community Master Plan. In addition, this is the first MCRP request for a project located within the City of DeWitt.

On December 21, 2011, the MSF Board approved the MCRP and on January 25, 2022, the MSF Board approved its restated program guidelines. 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 programmatic requirements, and a financial review has been completed.

Demonstrated Need

The project has a financial need due to costs associated with the redevelopment of a brownfield site with appropriate infill. The projected rental rates in the small, suburban market of DeWitt are not high enough to justify new construction without assistance to bridge the gap between the value and construction costs. The development team is contributing over 13% equity and has leveraged \$1,950,000 in senior financing. The project is also leveraging a PA-210 tax abatement with an estimated value of \$305,000. Even with Michigan Community Revitalization Program loan support, the projected return is anticipated to be below zero (-6.45%) over the first 20 years. The revitalization of this underutilized brownfield property into a mixed-use development with appropriate urban density that enhances walkability and creates new housing units within the traditional downtown district would not be feasible without this support.

Local Support

The City of DeWitt and Clinton County have approved the creation of the district to support a PA-210 commercial tax abatement. In addition, the City of DeWitt donated the public property to the developer for \$1, estimated at a \$75,000 local contribution.

Applicant Background / Qualifications

AWJ Holdings, LLC is owned by Andy Joslyn. Mr. Joslyn and his family have owned the Reed Insurance Agency since 1970. The agency was founded in 1926 inside the Woodruff Bank located in DeWitt, Michigan, and has provided comprehensive insurance solutions throughout the State of Michigan, Indiana, Ohio, and Florida.

Mr. Joslyn is working with Ryan Kincaid, President of Kincaid Building Group, Inc. Mr. Kincaid has 20+ years' experience with new construction, major building and site renovation, tenant development, exterior reconditioning, wood frame and metal/steel building construction, pre-planning feasibility, and contract negotiations, and has experience working with MSF-supported projects, including The Temple Redevelopment which was recently completed in the City of Lansing.

An Organizational Chart for AWJ Holdings, LLC is provided in Appendix A. A background check has been completed in accordance with the MSF Background Review Policy and the project may proceed for MSF consideration.

Financial Highlights

- Construction cost per square foot is \$248.50.
- Rental rates are projected between \$1,665 and \$2,012 for the eight two-bedroom units, with an average of \$1.42 per square foot.
- Approximately 3,500 square feet of the 1st floor commercial space (roughly 75%) will be leased to Reed Insurance Agency at \$25 per square foot. The remaining commercial space is projected to lease for \$17.50.
- Projected debt service coverage ratios are 1.19 to 1.0 or above in the first six years of projected cash flow but falls below this benchmark after the PA-210 tax abatement ends. Staff is comfortable with this as the projected cash flow does not account for any potential forgiveness on the MCRP incentive and also assumes very conservative refinance rates. It is anticipated some level of

forgiveness, as described in the repayment terms on page seven of this memo, will be necessary to maintain the financial health of the project.

- Owner equity contribution of approximately \$651,000 or 13% and senior debt of \$1,950,000 or roughly 40%.
- Developer return over a 20-year timeframe is projected at a negative 6.45%.

From the materials received and reviewed, staff considers the project to be financially and economically sound. A detailed Sources and Uses and financial terms for the MCRP Incentive are included in Appendix C.

Recommendation

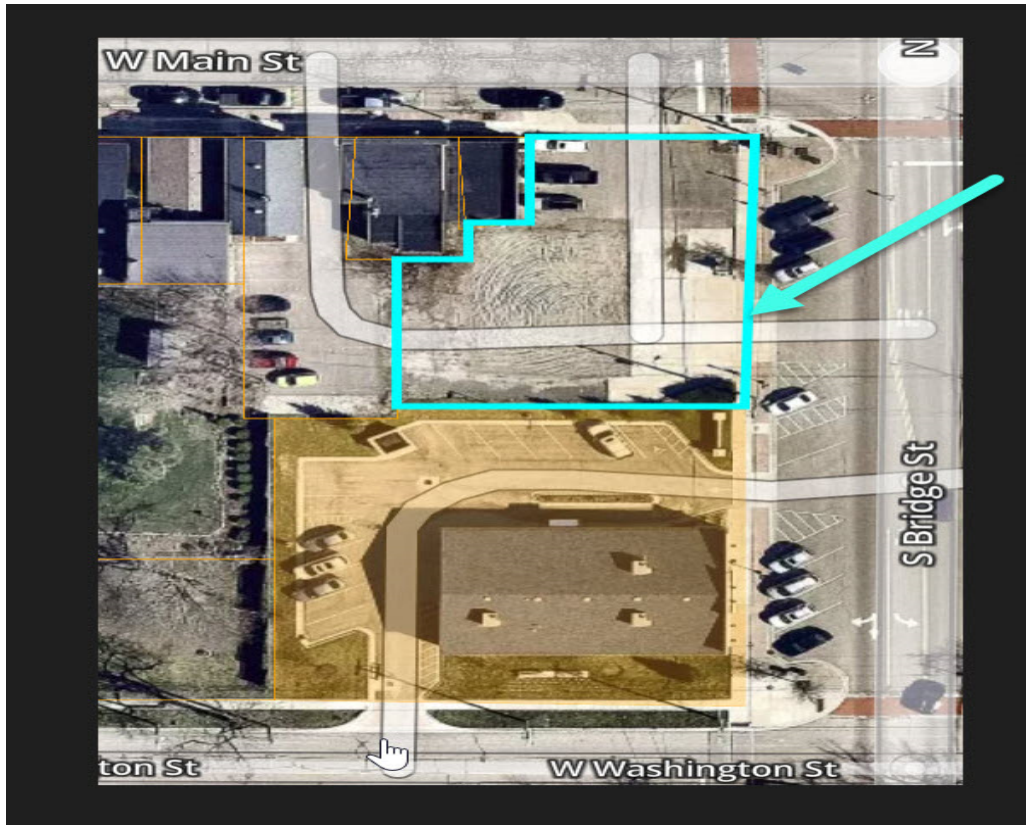
MEDC staff recommends approval of a MCRP performance-based Other Economic Assistance Loan Participation in an amount up to \$2,270,000 for AWJ Holdings, LLC on terms and conditions outlined in Exhibit A found in the resolution.

APPENDIX A – Organizational Chart

Organizational Structure
 Company Name: AWJ Holdings, LLC
 Employer Identification Number: 80-2545345
 MANAGER: Andy Joslyn

Member	Ownership Interest	EINs -No Soc Sec numbers	State of Organization
Member/Company name & manager	100.00%	802545345	Michigan
AWJ Holdings, LLC	100.00%		
Andy Joslyn, Manager	100.00%		
Member/Company name & manager			
Andy Joslyn	100.00%		
	100.00%		
Key Principals/Guarantors:	Amount of Guarantee		
Andy Joslyn	100.00%		

APPENDIX B – Project Map & Renderings



**PROJECT
SITE**



APPENDIX C – Financial Terms

Summary of Development Sources:

Lender Share	\$	1,950,000	40.03%
MSF Share	\$	2,270,000	46.59%
Developer Equity	\$	651,789	13.38%
TOTAL	\$	4,871,789	100.00%

Summary of Development Uses:

Acquisition	\$	1
Hard Construction Costs	\$	4,547,038
Eligible Soft Costs	\$	202,500
Other	\$	122,250
TOTAL	\$	4,871,789

Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	AWJ Holdings, LLC
Senior Lender:	Commercial Bank or other federally insured lending institution acceptable to the MSF Fund Manager
Total Amount of Loans:	Currently estimated at \$4,220,000
Lender Share:	Currently estimated at \$1,950,000
Total Capital Investment:	Currently estimated at \$4,871,789
MSF Eligible Investment:	Currently estimated at \$4,749,538
Minimum Eligible Investment:	Currently estimated at \$4,540,000
MSF Share:	Up to the lesser of 50% of “Eligible Investment” or \$2,270,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of DeWitt is less than 15,000.
MSF Loan Terms:	
MSF Loan Amount:	\$2,270,000
Interest Rate:	1.0% per annum
MSF Fee(s):	Equal to 1.0% of the MSF Loan Amount
Term:	To reasonably match that of the Senior Lender up to a maximum of 60 months.

- Repayment Terms: Monthly interest only payment for up to 60 months. At maturity, an evaluation will be conducted to determine the financial health of the project. The loan will be reevaluated to establish whether it could be refinanced to a new term with monthly principal and interest payments to the MSF, based on an amortization not to exceed 300 months, or a portion could be forgiven based on set test criteria. The test criteria are a 1.25x debt service coverage ratio at maturity, inclusive of both Senior Lender and MCRP debt, assuming a 25-year amortization and a 1.0% interest rate. MCRP debt that could not be serviced with a resulting 1.25 to 1.0 debt service coverage ratio would be forgiven, up to a maximum of \$1,500,000.
- Collateral: To reasonably match that of Senior Lender, currently anticipated to be a 1st priority security interest in the real estate and assignment of rents and leases. MSF share of the collateral will be subordinated to that of the Lender.
- Guarantee(s): To reasonably match that of the Senior Lender, currently anticipated to be the personal guaranty of Andrew Joslyn and the corporate guaranty of Reed Insurance Agency. MSF share will be subordinated to that of the Lender.
- Funding: The MSF will fund up to \$2,270,000 to be disbursed following closing of the financing and other performance criteria.
- Other Conditions: The MSF's investment will be contingent upon the following:
- Executed Construction Documents (including "Guaranteed Maximum Price" construction contract).
 - Final Development Budget
 - Other legal due diligence documentation, as may be required.

MCRP Programmatic Requirements

MCRP Program and Guidelines

On December 21, 2011, the MSF Board approved the Michigan Community Revitalization Program (MCRP) and on January 25, 2022, 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. The project meets the MCRP Guidelines, and a financial review has been completed.

As required under the MCRP, the following statutory criteria have been reviewed:

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

This project is a high priority for the City of DeWitt, as it will add new residential units and create improved commercial space in downtown. Additionally, the redevelopment of a parking lot into a new 3-story mixed-use development will have a significant visual impact at the main downtown intersection of the community. The city has worked with the developer to ensure the project meets local priorities by creating needed residential units to help offset the demand for housing, and commercial space for new local businesses. Additionally, by activating long vacant and underutilized space, the project increases the taxable value of the property and adds vibrancy to the overall downtown district.

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

This project will act as a catalyst for additional revitalization in the community as new residents of the development will spend dollars on goods and services in the surrounding area. Successful completion of the project is also anticipated to encourage investment in nearby properties that are underutilized or in need of revitalization.

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

The City of DeWitt and Clinton County have approved the creation of the district to support a PA210 commercial tax abatement. The addition, the City of DeWitt donated the public property to the developer for \$1, estimated at a \$75,000 local contribution.

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

A financing gap exists due to the added cost of redeveloping a brownfield site with appropriate infill. The projected rental rates in the small, suburban market of DeWitt are not high enough to justify new construction without assistance to bridge the gap between the value and construction costs. This combination creates the need for subsidy as traditional financing sources are limited by both cash flow and appraised values, both of which are restricted by the rent levels that can be obtained in smaller, less urban areas. The development team is contributing over 13% equity and has leveraged \$1,950,000 in senior financing. Even with Michigan Community Revitalization Program loan support, the projected return is anticipated to be below zero (-6.45%) over the first 20 years. The revitalization of this underutilized brownfield property into a mixed-use development with appropriate urban density that enhances walkability and creates new housing units within the traditional downtown district would not be feasible without this support.

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

The project will redevelop a vacant and underutilized property into a new construction of a 21,400 sq ft 3-story, mixed use building.

F. Creation of jobs:

Currently, the anchor tenant (Reed Insurance) has 14 FTEs that are working both in person and remotely. The expansion into this new building will create at least one new full FTE position and two PTE positions that will be served in person. The new positions will be administrative-based support, including client relations, account service, policy management, and underwriting. The average full-time wage for the new full-time position will be \$55,000 per year or \$26.44 per hour. The part-time positions will pay \$35,000 per year or \$16.83 per hour.

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

Total private sector investment is anticipated to be approximately \$651,000.

H. Whether the project is financially and economically sound:

The Applicant is contributing \$651,789 or approximately 13% equity to the project and has maximized traditional financing with a \$1,950,000 loan. Projected debt service coverage ratios are 1.19 to 1.0 or above in the first six years of projected cash flow but falls below this benchmark after the PA-210 tax abatement ends. Staff is comfortable with this as the projected cash flow does not account for any potential forgiveness on the MCRP incentive and also assumes very conservative refinance rates. In addition, the majority of the 1st floor commercial space is pre-leased to Reed Insurance Agency, which is owned by the developer, Andy Joslyn. Furthermore, the proposed MCRP loan structure will assist the project in remaining viable long-term as it includes potential forgiveness based on cash flow at maturity.

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

The project increases density of the area by adding new residential units in the upper floors and ground floor commercial space. The new construction provides a vibrant new mixed-use component to the downtown.

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

The project promotes mixed-use development and walkability by adding both residential and commercial space within walking distance to local businesses, downtown employers, cultural attractions, public spaces, and other community amenities.

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:

There are several elements that will contribute to the sustainability of this project, including but not limited to: LED lighting, Energy Star rated appliances, and the use of renewable and reclaimed building materials. In addition, the city has implemented an EV charging station at the East on-street parking area of this new development that can be used by the tenants.

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:

The project will address area-wide redevelopment by creating new housing units that can help to meet demand for housing in the City of DeWitt. Bringing more housing units to the downtown area will also help support existing small businesses and drive demand for new commercial enterprises in the district. Adding new housing and commercial spaces will also support area employers seeking to attract and retain talent looking for high quality housing within walking distance of vibrant and attractive places.

O. Whether the project addresses underserved markets of commerce:

The project addresses underserved markets of commerce by providing high quality housing in the City of DeWitt, which has identified housing as a key need in their Master Plan.

P. The level and extent of environmental contamination:

A Phase I, Phase II, and BEA have been completed on the project building site. The final reports have indicated that there are trace elements of contaminants in the ground and water deeming the project a facility.

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):

N/A to this project.

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

The project will not compete with or affect existing Michigan businesses.

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.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-005**

**APPROVAL OF A MICHIGAN COMMUNITY REVITALIZATION PROGRAM
OTHER ECONOMIC ASSISTANCE LOAN PARTICIPATION AWARD TO
AWJ HOLDINGS, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d), to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 and (ii) adopted the guidelines for the MCRP, as later amended on January 25, 2022 (the “Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1 (the “Delegation”), 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, (the “Transaction Documents”);

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

WHEREAS, AWJ Holdings, LLC (the “Company”) has requested a performance based Other Economic Assistance Loan Participation Award of up to \$2,270,000 (the “Award Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A, (the “Term Sheet”) and;

WHEREAS, the MEDC has recommended that the MSF approve the Award Request in accordance with the Term Sheet, subject to: (i) available funding; (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 180 days of the date of this Resolution (the “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 180 days (collectively, the “MCRP Award Recommendation”).

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

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

Nays: None

Recused: None

Lansing, Michigan
January 24, 2023

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Facility:	MCRP Other Economic Assistance Loan Participation
Borrower:	AWJ Holdings, LLC
Senior Lender:	Commercial Bank or other federally insured lending institution acceptable to the MSF Fund Manager
Total Amount of Loans:	Currently estimated at \$4,220,000
Lender Share:	Currently estimated at \$1,950,000
Total Capital Investment:	Currently estimated at \$4,871,789
MSF Eligible Investment:	Currently estimated at \$4,749,538
Minimum Eligible Investment:	Currently estimated at \$4,540,000
MSF Share:	Up to the lesser of 50% of “Eligible Investment” or \$2,270,000. The project is eligible for an award of up to 50% of eligible investment because the population of the City of DeWitt is less than 15,000.
MSF Loan Terms:	
MSF Loan Amount:	\$2,270,000
Interest Rate:	1.0% per annum
MSF Fee(s):	Equal to 1.0% of the MSF Loan Amount
Term:	To reasonably match that of the Senior Lender up to a maximum of 60 months.
Repayment Terms:	Monthly interest only payment for up to 60 months. At maturity, an evaluation will be conducted to determine the financial health of the project. The loan will be reevaluated to establish whether it could be refinanced to a new term with monthly principal and interest payments to the MSF, based on an amortization not to exceed 300 months, or a portion could be forgiven based on set test criteria. The test criteria are a 1.25x debt service coverage ratio at maturity, inclusive of both Senior Lender and MCRP debt, assuming a 25-year amortization and a 1.0% interest rate. MCRP debt that could not be serviced with a resulting 1.25 to 1.0 debt service coverage ratio would be forgiven, up to a maximum of \$1,500,000.
Collateral:	To reasonably match that of Senior Lender, currently anticipated to be a 1 st priority security interest in the real estate and assignment of rents and leases. MSF share of the collateral will be subordinated to that of the Lender.

- Guarantee(s): To reasonably match that of the Senior Lender, currently anticipated to be the personal guaranty of Andrew Joslyn and the corporate guaranty of Reed Insurance Agency. MSF share will be subordinated to that of the Lender.
- Funding: The MSF will fund up to \$2,270,000 to be disbursed following closing of the financing and other performance criteria.
- Other Conditions: The MSF's investment will be contingent upon the following:
- Executed Construction Documents (including "Guaranteed Maximum Price" construction contract).
 - Final Development Budget
 - Other legal due diligence documentation, as may be required.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 24, 2023

To: Michigan Strategic Fund Board

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

Subject: Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance – Loan Participation Agreement Amendment #1
411 Piquette, LLC

Request

411 Piquette, LLC (the “Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance – Loan Participation Agreement and any related ancillary agreements (the “Agreement”). The amendment request dated December 12, 2022, includes a request to increase the MCRP award by \$2,045,000 to \$7,045,000. All other terms of the current Agreement will remain the same.

Background

The Michigan Strategic Fund Board approved a \$5,000,000 Other Economic Assistance – Loan Participation award to the Company on September 27, 2022, for historic rehabilitation of the four-story former Ford Motor Company Piquette Plant located at 411 Piquette in Detroit into 161 residential units along with 190 surface parking spots.

Due to the increased interest rate environment PACE financing is no longer a viable option for the project. The elimination of PACE financing created approximately a \$4 million gap in the project. The gap is being filled by approximately a \$600,000 in financing from the senior lender Flagstar Bank, approximately \$2,400,000 in additional equity from the development team, with remainder of the gap being filled by the proposed increase in the MCRP award.

The project has yet to begin construction. The changes to the MCRP award are detailed in Exhibit A of Resolution.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Other Economic Assistance – Loan Participation Agreement and any related ancillary agreements to increase the MCRP award by \$2,045,000 to \$7,045,000 per the Company’s request dated December 12, 2022.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-006**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE AWARD FOR
411 PIQUETTE, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2001 et. seq. (the “Act”), to add Chapter 8C (being MCL 125.2090 – MCL 125.2090d) to enable the Michigan Strategic Fund (the “MSF”) to create and operate the Michigan Community Revitalization Program (the “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 (the “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 on January 25, 2022 (the “Guidelines”);

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

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

WHEREAS, by Resolution 2022-150 on September 27, 2022 the MSF Board awarded a MCRP Other Economic Assistance – Loan Participation award to 411 Piquette, LLC (the “Company”), in furtherance of the project of up to \$5,000,000 (the “Award”);

WHEREAS, the Company is requesting and MEDC is recommending that the MSF amend the Award to increase it by \$2,045,000 to \$7,045,000, in accordance with the “Term Sheet” attached as Exhibit A (the “MCRP Amendment Recommendation”).

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

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

Nays: None

Recused: None

Lansing, Michigan
January 24, 2023

EXHIBIT A
“TERM SHEET”

Loan Terms

MSF Incentive:	MCRP Other Economic Assistance Loan Participation
Borrower:	411 Piquette LLC or a Related Entity
Senior Lender:	Flagstar Bank or other federally insured lender acceptable to the MSF
Total Amount of Loans:	Currently estimated at \$23,545,000 \$26,200,000
Lender Share:	Currently estimated at \$18,545,000 \$19,155,000
Total Capital Investment:	Currently estimated at \$40,420,468 \$40,230,022
MSF Eligible Investment:	Currently estimated at \$28,690,770
Minimum Eligible Investment:	Currently estimated at \$22,952,700 \$28,180,000
MSF Share:	Up to the lesser of 20% 25% of “Eligible Investment” or \$5,000,000 \$7,045,000 .
Term:	To match that of the Lender, anticipated to be up to 72 months
Amortization:	To match that of the Lender, anticipated to be up to 360 months
Interest Rate:	1.0% per annum
Repayment Terms:	Interest only for 36 months, followed by equal monthly principal and interest payments until maturity. Remaining principal due at maturity.
Collateral:	To reasonably match that of the Lender, currently anticipated to be a security interest in the property and TIF Reimbursements, and assignment of leases and rents. MSF share of collateral will be subordinated to that of the Lender.
Guarantee:	To reasonably match that of the Lender, currently anticipated to be the corporate guarantee of Southern Realty Group. MSF share will be subordinated to that of the Lender
MSF Fees:	The MSF shall be paid a one-time fee equal to 1.0% of the MSF’s share of the loan. The Lender may charge the borrower for this fee.
Funding:	The MSF will fund up to \$5,000,000 \$7,045,000 to be disbursed following closing of the financing and other performance criteria.

Other Conditions:

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

- Evidence Historic Part 2 approval
- Receipt of final construction documents, including a "Guaranteed Maximum Price" construction contract
- Final development budget
- State of Michigan approval of an OPRA tax abatement
- Minimum owner equity investment of ~~\$7,290,000~~ **\$8,630,000**



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: January 24, 2023

To: Michigan Strategic Fund Board

From: Chris Cook, Managing Director - Capital Access

Subject: *Private Activity Bond – Bond Authorizing
William Davidson Foundation
Not to Exceed \$60,000,000 - New*

Request

William Davidson Foundation, a nonprofit 501(c)(3) corporation, (the “Company” or “Foundation”) is requesting private activity bond financing for construction of a new headquarters building to be located in Bloomfield Hills, Michigan.

Background

The Foundation is dedicated to advancing the economic, cultural, and civic vitality of Southeast Michigan, the State of Israel, and the Jewish community. It works with partners to stimulate innovation, develop leadership, sustain valuable programming, and tackle critical problems in four focus areas: Jewish Life, Economic Vitality, Cultural and Civic Vitality, and Education. These focus areas help define the broad and long-term programmatic themes and interests of the Foundation. Within and across these focus areas, the Foundation pursues a limited set of strategies which involve a planned set of coordinated grants and other aligned activities which seek to achieve a more specific goal over an approximately 3-5 year period. Approximately half of the Foundation’s grantmaking has historically gone to supporting its home community of Detroit and the Southeast Michigan region, which includes seven counties: Wayne, Oakland, Macomb, Monroe, Washtenaw, St. Clair and Livingston.

The current endowment of the Foundation is valued at approximately \$1.4 billion. The Foundation is required to make charitable contributions of at least 5% of the endowment value annually. The Foundation expects grants in future years to grow as the endowment value increases.

Description of Project:

The Foundation will use the proceeds of the Bonds to finance the construction of a new 35,000 sq. ft. headquarters facility in Bloomfield Hills. The project site was formerly the Birmingham Masonic Temple, which was demolished in 2021. The project is anticipated to be completed in September 2024, at which time the current Foundation office in Troy will be vacated.

The Foundation has 19 employees, 18 of which are located in Michigan. The Foundation anticipates adding 5 new employees upon the opening of the project property.

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

Plan of Finance:

Huntington Public Capital Corporation, an affiliate of The Huntington National Bank, is anticipated to acquire the bonds through a private placement agreement.

The Company anticipates an approximate 20% lower cost of capital by pursuing tax-exempt borrowing instead of conventional financing.

Recommendation

Based upon a determination by Miller Canfield, as bond counsel and the State of Michigan Attorney General’s Office that the issuance of the bonds complies with state and federal requirements for tax-exempt private activity bond financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount of not to exceed \$60,000,000.

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN
STRATEGIC FUND LIMITED OBLIGATION REVENUE BONDS (WILLIAM
DAVIDSON FOUNDATION PROJECT), SERIES 2023
(THE “BONDS”)

Resolution 2023-007

Background

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

B. William Davidson Foundation, a Delaware nonprofit corporation, qualified to transact business in Michigan as a non-profit corporation (the “Borrower”), has requested a loan from the Fund the net proceeds of which are to be used, together with other available funds, to: (i) finance the cost of constructing a new 35,000 square-foot headquarters facility located in Bloomfield Hills, Michigan; and (ii) to pay the costs of issuing the Bonds (collectively the “Project”);

C. The Borrower has requested the Fund to issue the Bonds, in one or more series, in the aggregate principal amount not to exceed \$60,000,000 pursuant to this resolution (the “Resolution”) and a bond financing agreement (the “Bond Financing Agreement”), among the Fund, the Borrower and Huntington Public Capital Corporation, a Nevada Corporation, as purchaser (the “Purchaser”), to obtain funds which will be loaned to the Borrower to pay the costs of the Project;

D. The Bonds will be issued as a single fully registered bond and purchased by the Purchaser for its own account pursuant to the Bond Financing Agreement.

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

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Borrower, the issuance of the Bonds is authorized. The terms of the Bonds shall be substantially in the form contained in the Bond Financing Agreement, with the changes permitted or required by action of the Fund or the Bond Financing Agreement. The Bonds shall bear the manual or facsimile signature of a member of the Fund’s Board of Directors (a “Member”) or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or printed on the Bonds. The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory

limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be limited obligations of the Fund payable solely from the revenues derived from the Bond Financing Agreement and otherwise as provided in the Bond Financing Agreement.

SECTION 2. Approval, Execution and Delivery of Bond Financing Agreement. The form of the Bond Financing Agreement, 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, is approved. Any Member or Authorized Officer is authorized to execute and deliver the Bond Financing Agreement, in substantially the form approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund. Approval of such changes shall be evidenced by such Member's or Authorized Officer's execution of the Bond Financing Agreement.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 10% per annum, and the principal amount of the Bonds, which shall not be greater than \$60,000,000. Approval of those terms shall be evidenced by the Member's execution of the Bond Financing Agreement.

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

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

Upon receipt, the proceeds of the Bonds shall be applied in accordance with the Bond Financing Agreement.

SECTION 5. Authorization of Filings, Submissions and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Bond Financing Agreement or as may be necessary to effectuate the valid issuance, sale and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 6. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before March 24, 2023, the authority granted by this Resolution shall lapse.

Adopted.

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

Nays: None

Recused: None

January 24, 2023
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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

Dear Ms. Bishop:

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Sincerely,

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Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: December 11, 2022

To: Michigan Strategic Fund Board

From: Terri Fitzpatrick, EVP|Chief Real Estate & Global Attraction Officer

Subject: Approval of the Amended Strategic Site Readiness Program Guidelines

Request

The Michigan Economic Development Corporation (the “MEDC”) requests the Michigan Strategic Fund (the “MSF”) board approve amendments to Strategic Site Readiness Program (the “SSRP” or “Program”) guidelines (the “Amended Guidelines”).

Background

On December 20, 2021, Governor Gretchen Whitmer, in collaboration with the Legislature, labor leaders, economic development agencies and various business groups, signed Public Act 134 of 2021 (“PA 134”), a package of economic incentives that enhanced Michigan’s position to compete for, and win, transformational projects that will bring long-term economic opportunity and security to regions and communities across the state.

The SSRP was included in PA 134 and its purpose was to create a state-wide inventory of investment-ready sites to attract and promote investment in Michigan for activities on, or related to, strategic sites and strategic mega-sites. On January 11, 2022, the MSF Board established the SSRP pursuant to the requirements of PA 134 and approved the SSRP Guidelines (the “SSRP Guidelines”).

Public Act 194 of 2022, effective October 4, 2022 (“PA 194”) amended PA 134 to:

- 1) Add a category, to redevelop or remediate landfill facilities for future economic development purposes;
- 2) Add requirements and certain criteria for consideration in the awarding of grants;
- 3) Direct funding for specific purposes;
- 4) Permit Eligible Applicants to enter into subgrant agreements to expedite site readiness; and
- 5) Require the completion of a mega-strategic site strategic plan (the “Mega Site Plan”) by a national site selection consultant. The MSF Board approved a RFP for the Mega Site Plan on November 9, 2022 and it is in process and must be completed and delivered to the Governor, Speaker of the House and Senate Majority Leader by April 1, 2023.

The Amended Guidelines reflect these amendments.

The Program has bolstered Michigan’s position to attract high impact projects. PA 134 and PA 194 require the MSF to create and operate the Program, which is administered by the MEDC on behalf of the MSF. Although the legislature authorized the MSF to establish the SSRP, in order to control, own, develop and enhance strategic or strategic mega-sites in Michigan, the transfer of funds must be authorized by the legislature from the Strategic Outreach and Attraction Reserve (the “SOAR”) to the MSF before any SSRP funds may be disbursed.

Program Summary

The SSRP was established to provide grants, loans, and other economic assistance for the purpose of creating investment-ready sites, by directing funding for specific purposes and requiring additional criteria.

Funding under the Program may be used to provide an incentive to support business expansion opportunities or development of sites to attract future development, either where an end-user is known or where an end-user is not known, for land control and acquisition, due diligence studies and engineering, infrastructure improvements, environmental remediation and demolition, site preparation and improvement, and other related pre-development and site readiness activities. The Amended Guidelines are consistent with the requirements set forth in PA 194, and are outlined in Exhibit A attached the SSRP Resolution.

Recommendation

The MEDC recommends the MSF Board:

- Authorize the Amended Guidelines, as outlined in the attached SSRP resolution.

STRATEGIC SITE READINESS PROGRAM GUIDELINES

Program Overview

The Strategic Site Readiness Program (the “SSRP”) provides financial incentives to Eligible Applicants to conduct Eligible Activities on, or related to, Strategic Sites and Mega-Strategic Sites in Michigan, for the purpose of creating a state-wide inventory of investment-ready sites to attract and promote investment in Michigan. Administered by the Michigan Economic Development Corporation (the “MEDC”) on behalf of the Michigan Strategic Fund (the “MSF”), the SSRP provides access to grants, loans, and other economic assistance.

Eligible Applicant

An applicant for an SSRP award must be an Eligible Applicant. An Eligible Applicant means one or more the following:

- 1) A political subdivision of Michigan, including without limitation, a county, city, village, township, charter township, or instrumentality of any of the foregoing;
- 2) A local economic development corporation or similar authority;
- 3) A person who is the owner of the site for which the improvements are proposed but is not its End User, provided that person must apply jointly with an Eligible Applicant under 1) or 2) above;
- 4) If identified, a person that is or will be the End User of a site.

An Eligible Applicant may enter into subgrant agreements with other entities as necessary and expedient to implement the improvements.

End User

End User means with respect to a site that is the subject of an SSRP application, the person, either directly or through an affiliate, that will establish and operate the manufacturing or other commercial enterprise that constitutes the end use of the improved site.

Eligible Activities

Eligible Activities mean one or more of the following for an applicable site:

- Land acquisition and assembly;
- Site preparation and improvement;
- Infrastructure improvements that directly benefit the site, including without limitation, transportation; infrastructure, water and wastewater infrastructure, and utilities necessary to service the site;
- Any demolition, construction, alteration, rehabilitation, or improvement of buildings on the site;
- Environmental remediation; ~~and~~
- Architectural, engineering, surveying, and similar professional fees other predevelopment work required to commence construction on site improvements; or
- To develop a spending plan and proposal for capital investment in site readiness.

Strategic site

Strategic Site means a site, whether publicly or privately owned, that is, or subsequent to a proposed acquisition will be, used for manufacturing or another commercial use.

Mega-strategic site

A Mega-Strategic Site means a Strategic Site that is or will be used for a large industrial site.

Qualified job

Qualified Job means a job performed by an individual who is a resident of this state whose Michigan income taxes are withheld by an employer, or an employee leasing company or professional employer

organization on behalf of the employer, or by an individual who is not a resident of this state and is employed by a business at a project location that is located in this state, as determined and verified by the MSF.

Application for SSRP award

The SSRP shall have an application, approval, and compliance process in a form and manner determined by MSF, that shall be published and available on the MSF website, which at a minimum, shall include separate application criteria for Mega-Strategic Sites, ~~and other~~ Strategic Sites and landfill facilities, and for sites that have a specifically identified End User and those that do not.

General Criteria for consideration of all SSRP awards

To the extent reasonably applicable as reasonably determined by the MSF board to the type of project proposed, the MSF shall consider and document at least all of the following criteria for all SSRP awards before entering into a written agreement:

- The importance of the project or Eligible Activities to the community in which is located and the State of Michigan;
- If the project will act as a catalyst for additional revitalization of the community where it is located and the State of Michigan;
- The amount of local community and financial support for the project;
- The amount of any other economic assistance or support provided by Michigan for the project;
- The amount of any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations or tax credits;
- The amount of any private funds or investments for the project, including the Eligible Applicant's own investments in the project;
- The Eligible Applicant's financial need for a grant, loan, or other economic assistance under the SSRP;
- The extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property;
- Creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan;
- Whether and how the project is financially and economically sound;
- Whether and how the project converts abandoned public buildings to private use;
- Whether and how the project promotes sustainable development;
- Whether and how the project involves the rehabilitation of a historic resource;
- Whether and how the project addresses areawide redevelopment;
- Whether and how the project addresses underserved markets of commerce;
- The level and extent of environmental contamination;
- Whether and how the project will compete with or affect existing Michigan businesses within the same industry;
- Whether and how the project's proximity to rail and utility will impact the performance of the project and will maximize energy and logistics needs in the community in which it is located, and in Michigan;
- The risk of obsolescence that the project, products, and investments in the future;
- The overall return on investment to Michigan;
- Whether the proposed Strategic Site or Mega-Strategic Site is incorporated into a strategic plan of a political subdivision of the State of Michigan;
- Whether the Eligible Applicant has agreed to use a consistent statewide rating system to identify the level of readiness for each site;

- Whether the Eligible Applicant has agreed to submit each site to a statewide inventory of large strategic sites; and
- Any other additional criteria approved by the MSF Board that are specific to each individual project, and consistent with the purpose of the SSRP.

Specific Criteria for a Strategic Site where an End User has not been identified:

For a strategic site for which an End User has *not* been specifically identified, the MSF shall consider and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The degree to which the proposed site demonstrates a high level of competitiveness for future development, considering and documenting all of the following:
 - Whether the proposed site is currently assembled;
 - Whether the proposed site is under site control; and
 - Whether the proposed site is of a size, configuration, location, and condition that makes the site substantially ready for marketing and competitive for development upon completion of the SSRP award, and demonstrated matching contributions;
- Whether the proposed investment will result in the elimination of blight and the remediation of environmental contamination;
- The degree of local matching contributions;
- Whether the SSRP award will promote geographic equity in the distribution of funds among different areas of Michigan; ~~and~~
- Whether the Eligible Applicant has pursued all available cost-containment measures; and
- Whether the application contains a site assessment and investment proposal developed pursuant to the SSRP Guidelines.

Specific Criteria for a Mega-Strategic Site where an End User has not been identified:

For a mega-strategic site for which an End User has *not* been specifically identified, the MSF shall consider, and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The degree to which the proposed site demonstrates a high level of competitiveness for future development, considering and documenting all of the following:
 - Whether the proposed site is currently assembled;
 - Whether the proposed site is under site control; and
 - Whether the proposed site is of a size, configuration, location, and condition that makes the site substantially ready for marketing and competitive for development upon completion of the SSRP award, and demonstrated matching contributions;
- Whether the proposed Mega-Strategic Site is supported by a strategic analysis supports the demand for the proposed site;
- The feasibility of proposed land acquisition;
- Utility and transportation availability and the feasibility of necessary utility and transportation improvements;
- Workforce availability and training capability; ~~and~~
- Environmental and topographical conditions and the feasibility of necessary site improvements to address environmental and topographical conditions; and
- Whether the proposal is consistent with the MSF's mega-strategic site strategic plan.

In making an award for a Mega-Strategic Site without a specifically identified End User, the MSF, working in collaboration with the Eligible Applicant, shall prepare a Mega-Strategic Site investment strategy and spending plan that details the sequence and cost of anticipated investments in the selected site, the benchmarks for bringing the Mega-Strategic Site to a marketable condition, and the marketing

strategy for the Mega-Strategic Site. Each plan must have the objective of establishing a certified Mega-Strategic Site under a nationally recognized third-party certification program.

Specific Criteria for a Strategic Site and a Mega-Strategic Site where an End User has been identified:

For a Strategic Site and a Mega-Strategic Site for which an End User has been specifically identified, the MSF shall consider, and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The strategic economic importance of the project to the community where it is located and Michigan;
- Whether the financial assistance is needed to secure the project in Michigan;
- The degree to which the project is a priority for the local governmental unit or local economic development corporation in the jurisdiction of which the site is located;
- The level of creation or retention of Qualified Jobs as a result of a technological shift in product or production;
- Whether the Qualified Jobs created or retained as a result of a technological shift in product or production equal or exceed the average wage for the county in which the project is located;
- The level of capital investment; and
- The evidence of the End User’s commitment to the site.

Specific Criteria for landfill facilities redevelopment for future economic development, the Michigan Strategic Fund shall give priority to projects that meet all of the following criteria:

- The site was used as a landfill and contains solid waste placed on or under the property;
- The site has not been actively used for solid waste in the immediately preceding 15 years;
- The current owner of the site did not cause or contribute to the solid waste disposal at the site;
- The current owner of the site has agreed to contribute an amount equal to at least 10% of the total grant amount toward necessary environmental remediation costs;
- Private investment into the project will total at least \$15,000,000, exclusive of environmental remediation costs; and
- Projects that can be initiated in the immediate near term following award.

Written Agreements

All MSF support is subject to available funding, completion of due diligence the results of which are satisfactory to the MEDC, and shall be memorialized by a final written agreement, with terms and conditions relating to the award as determined by the MSF board, in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation:

- Specific dates and benchmarks for the Eligible Applicant to receive a grant, loan, or other economic assistance from the SSRP, including conditions for the disbursement of funds in installments; provided that disbursements are not permitted to an Eligible Applicant that has not fully repaid all money subject to clawback required to be repaid under a specific repayment provision in a written agreement under the SSRP or if the Eligible Applicant is in default on any grant, loan, investment, or other economic assistance made or guaranteed by the State of Michigan.
- For an SSRP award provided to a person identified as the End User of the site, a clawback and specific repayment provision if the person fails to comply with the provisions of the written agreement.

- A provision that all money that is subject to clawback or required to be repaid under a specific repayment provision must be paid within 90 days of notification by the fund. Any amounts not paid within that 90-day period are subject to a penalty of 1% per month, prorated on a daily basis.
- A provision that [the State of Michigan](#) shall have a security interest as defined in section 1201(2)(ii) of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the grant, loan, or other economic assistance provided under this program. This provision does not apply if it conflicts with any contractual obligation of the Eligible Applicant or any federal or state bankruptcy or insolvency laws.
- An audit provision that requires the MSF to verify that the established benchmarks for the project have been met.
- A provision that the Eligible Applicant will provide the data described in the written agreement that is necessary for MSF to report to the legislature as required under the SSRP; and
- Other provisions requiring periodic reporting of data, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project.

Provided however, notwithstanding any of the above, the MSF may make grants and provide technical assistance to local economic development corporations for the purpose of creating an inventory of development-ready sites, provided that the inventory shall utilize nationally recognized criteria to identify the readiness of those sites for investment, and provided further, the MSF shall maintain a comprehensive inventory of these sites on its website, including in an interactive and user-friendly manner a listing of all local and state development ready sites with pictures, maps and documentation related to those sites.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2023-008**

**APPROVAL OF AMENDED GUIDELINES FOR THE
MICHIGAN STRATEGIC SITE READINESS PROGRAM**

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (the “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 (the “MEDC”) provides administrative services to the MSF;

WHEREAS, pursuant Public Act 134 of 2021 (“PA 134”), which created Section 88t of the MSF Act, MCL 125.2088t, the MSF shall create and operate the Michigan strategic site readiness program (the “SSRP”) to provide grants, loans, and other economic assistance for eligible applicants to conduct eligible activities for the purpose of creating investment-ready sites to attract and promote investment in this state for eligible activities on, or related to, strategic sites and mega-strategic sites;

WHEREAS, on January 11, 2022, through Resolution 2022-002, the MSF Board created the SSRP and approved the guidelines for the implementation and operation of the SSRP (the “SSRP Guidelines”);

WHEREAS, Public Act 194 of 2022 (“PA 194”), which amended PA 134, requires amendments to the SSRP Guidelines;

WHEREAS, the MEDC recommends the MSF approve amendments to the SSRP Guidelines to conform with PA 194, as set forth in Exhibit A attached hereto (the “Amended SSRP Guidelines”); and

WHEREAS, the MSF wishes to approve the Amended SSRP Guidelines.

NOW THEREFORE, BE IT RESOLVED, the MSF Board approves the Amended SSRP Guidelines.

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

Nays: None

Recused: None

Lansing, Michigan
January 24, 2023

STRATEGIC SITE READINESS PROGRAM GUIDELINES

Program Overview

The Strategic Site Readiness Program (the “SSRP”) provides financial incentives to Eligible Applicants to conduct Eligible Activities on, or related to, Strategic Sites and Mega-Strategic Sites in Michigan, for the purpose of creating a state-wide inventory of investment-ready sites to attract and promote investment in Michigan. Administered by the Michigan Economic Development Corporation (the “MEDC”) on behalf of the Michigan Strategic Fund (the “MSF”), the SSRP provides access to grants, loans, and other economic assistance.

Eligible Applicant

An applicant for an SSRP award must be an Eligible Applicant. An Eligible Applicant means one or more the following:

- 1) A political subdivision of Michigan, including without limitation, a county, city, village, township, charter township, or instrumentality of any of the foregoing;
- 2) A local economic development corporation or similar authority;
- 3) A person who is the owner of the site for which the improvements are proposed but is not its End User, provided that person must apply jointly with an Eligible Applicant under 1) or 2) above;
- 4) If identified, a person that is or will be the End User of a site.

An Eligible Applicant may enter into subgrant agreements with other entities as necessary and expedient to implement the improvements.

End User

End User means with respect to a site that is the subject of an SSRP application, the person, either directly or through an affiliate, that will establish and operate the manufacturing or other commercial enterprise that constitutes the end use of the improved site.

Eligible Activities

Eligible Activities mean one or more of the following for an applicable site:

- Land acquisition and assembly;
- Site preparation and improvement;
- Infrastructure improvements that directly benefit the site, including without limitation, transportation; infrastructure, water and wastewater infrastructure, and utilities necessary to service the site;
- Any demolition, construction, alteration, rehabilitation, or improvement of buildings on the site;
- Environmental remediation;
- Architectural, engineering, surveying, and other predevelopment work required to commence construction on site improvements; or
- To develop a spending plan and proposal for capital investment in site readiness.

Strategic site

Strategic Site means a site, whether publicly or privately owned, that is, or subsequent to a proposed acquisition will be, used for manufacturing or another commercial use.

Mega-strategic site

A Mega-Strategic Site means a Strategic Site that is or will be used for a large industrial site.

Qualified job

Qualified Job means a job performed by an individual who is a resident of this state whose Michigan income taxes are withheld by an employer, or an employee leasing company or professional employer

organization on behalf of the employer, or by an individual who is not a resident of this state and is employed by a business at a project location that is located in this state, as determined and verified by the MSF.

Application for SSRP award

The SSRP shall have an application, approval, and compliance process in a form and manner determined by MSF, that shall be published and available on the MSF website, which at a minimum, shall include separate application criteria for Mega-Strategic Sites, Strategic Sites and landfill facilities, and for sites that have a specifically identified End User and those that do not.

General Criteria for consideration of all SSRP awards

To the extent reasonably applicable as reasonably determined by the MSF board to the type of project proposed, the MSF shall consider and document at least all of the following criteria for all SSRP awards before entering into a written agreement:

- The importance of the project or Eligible Activities to the community in which is located and the State of Michigan;
- If the project will act as a catalyst for additional revitalization of the community where it is located and the State of Michigan;
- The amount of local community and financial support for the project;
- The amount of any other economic assistance or support provided by Michigan for the project;
- The amount of any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations or tax credits;
- The amount of any private funds or investments for the project, including the Eligible Applicant's own investments in the project;
- The Eligible Applicant's financial need for a grant, loan, or other economic assistance under the SSRP;
- The extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property;
- Creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan;
- Whether and how the project is financially and economically sound;
- Whether and how the project converts abandoned public buildings to private use;
- Whether and how the project promotes sustainable development;
- Whether and how the project involves the rehabilitation of a historic resource;
- Whether and how the project addresses areawide redevelopment;
- Whether and how the project addresses underserved markets of commerce;
- The level and extent of environmental contamination;
- Whether and how the project will compete with or affect existing Michigan businesses within the same industry;
- Whether and how the project's proximity to rail and utility will impact the performance of the project and will maximize energy and logistics needs in the community in which it is located, and in Michigan;
- The risk of obsolescence that the project, products, and investments in the future;
- The overall return on investment to Michigan;
- Whether the proposed Strategic Site or Mega-Strategic Site is incorporated into a strategic plan of a political subdivision of the State of Michigan;
- Whether the Eligible Applicant has agreed to use a consistent statewide rating system to identify the level of readiness for each site;

- Whether the Eligible Applicant has agreed to submit each site to a statewide inventory of large strategic sites; and
- Any other additional criteria approved by the MSF Board that are specific to each individual project, and consistent with the purpose of the SSRP.

Specific Criteria for a Strategic Site where an End User has not been identified:

For a strategic site for which an End User has *not* been specifically identified, the MSF shall consider and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The degree to which the proposed site demonstrates a high level of competitiveness for future development, considering and documenting all of the following:
 - Whether the proposed site is currently assembled;
 - Whether the proposed site is under site control; and
 - Whether the proposed site is of a size, configuration, location, and condition that makes the site substantially ready for marketing and competitive for development upon completion of the SSRP award, and demonstrated matching contributions;
- Whether the proposed investment will result in the elimination of blight and the remediation of environmental contamination;
- The degree of local matching contributions;
- Whether the SSRP award will promote geographic equity in the distribution of funds among different areas of Michigan;
- Whether the Eligible Applicant has pursued all available cost-containment measures; and
- Whether the application contains a site assessment and investment proposal developed pursuant to the SSRP Guidelines.

Specific Criteria for a Mega-Strategic Site where an End User has not been identified:

For a mega-strategic site for which an End User has *not* been specifically identified, the MSF shall consider, and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The degree to which the proposed site demonstrates a high level of competitiveness for future development, considering and documenting all of the following:
 - Whether the proposed site is currently assembled;
 - Whether the proposed site is under site control; and
 - Whether the proposed site is of a size, configuration, location, and condition that makes the site substantially ready for marketing and competitive for development upon completion of the SSRP award, and demonstrated matching contributions;
- Whether the proposed Mega-Strategic Site is supported by a strategic analysis supports the demand for the proposed site;
- The feasibility of proposed land acquisition;
- Utility and transportation availability and the feasibility of necessary utility and transportation improvements;
- Workforce availability and training capability;
- Environmental and topographical conditions and the feasibility of necessary site improvements to address environmental and topographical conditions; and
- Whether the proposal is consistent with the MSF’s mega-strategic site strategic plan.

In making an award for a Mega-Strategic Site without a specifically identified End User, the MSF, working in collaboration with the Eligible Applicant, shall prepare a Mega-Strategic Site investment strategy and spending plan that details the sequence and cost of anticipated investments in the selected site, the benchmarks for bringing the Mega-Strategic Site to a marketable condition, and the marketing

strategy for the Mega-Strategic Site. Each plan must have the objective of establishing a certified Mega-Strategic Site under a nationally recognized third-party certification program.

Specific Criteria for a Strategic Site and a Mega-Strategic Site where an End User has been identified:

For a Strategic Site and a Mega-Strategic Site for which an End User has been specifically identified, the MSF shall consider, and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The strategic economic importance of the project to the community where it is located and Michigan;
- Whether the financial assistance is needed to secure the project in Michigan;
- The degree to which the project is a priority for the local governmental unit or local economic development corporation in the jurisdiction of which the site is located;
- The level of creation or retention of Qualified Jobs as a result of a technological shift in product or production;
- Whether the Qualified Jobs created or retained as a result of a technological shift in product or production equal or exceed the average wage for the county in which the project is located;
- The level of capital investment; and
- The evidence of the End User's commitment to the site.

Specific Criteria for landfill facilities redevelopment for future economic development, the Michigan Strategic Fund shall give priority to projects that meet all of the following criteria:

- The site was used as a landfill and contains solid waste placed on or under the property;
- The site has not been actively used for solid waste in the immediately preceding 15 years;
- The current owner of the site did not cause or contribute to the solid waste disposal at the site;
- The current owner of the site has agreed to contribute an amount equal to at least 10% of the total grant amount toward necessary environmental remediation costs;
- Private investment into the project will total at least \$15,000,000, exclusive of environmental remediation costs; and
- Projects that can be initiated in the immediate near term following award.

Written Agreements

All MSF support is subject to available funding, completion of due diligence the results of which are satisfactory to the MEDC, and shall be memorialized by a final written agreement, with terms and conditions relating to the award as determined by the MSF board, in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation:

- Specific dates and benchmarks for the Eligible Applicant to receive a grant, loan, or other economic assistance from the SSRP, including conditions for the disbursement of funds in installments; provided that disbursements are not permitted to an Eligible Applicant that has not fully repaid all money subject to clawback required to be repaid under a specific repayment provision in a written agreement under the SSRP or if the Eligible Applicant is in default on any grant, loan, investment, or other economic assistance made or guaranteed by the State of Michigan.
- For an SSRP award provided to a person identified as the End User of the site, a clawback and specific repayment provision if the person fails to comply with the provisions of the written agreement.

- A provision that all money that is subject to clawback or required to be repaid under a specific repayment provision must be paid within 90 days of notification by the fund. Any amounts not paid within that 90-day period are subject to a penalty of 1% per month, prorated on a daily basis.
- A provision that the State of Michigan shall have a security interest as defined in section 1201(2)(ii) of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the grant, loan, or other economic assistance provided under this program. This provision does not apply if it conflicts with any contractual obligation of the Eligible Applicant or any federal or state bankruptcy or insolvency laws.
- An audit provision that requires the MSF to verify that the established benchmarks for the project have been met.
- A provision that the Eligible Applicant will provide the data described in the written agreement that is necessary for MSF to report to the legislature as required under the SSRP; and
- Other provisions requiring periodic reporting of data, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project.

Provided however, notwithstanding any of the above, the MSF may make grants and provide technical assistance to local economic development corporations for the purpose of creating an inventory of development-ready sites, provided that the inventory shall utilize nationally recognized criteria to identify the readiness of those sites for investment, and provided further, the MSF shall maintain a comprehensive inventory of these sites on its website, including in an interactive and user-friendly manner a listing of all local and state development ready sites with pictures, maps and documentation related to those sites.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

BRADLEY C. WIEFERICH, P.E.
ACTING DIRECTOR

January 3, 2023

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, appearing to read "Bradley C. Wieferich".

Bradley C. Wieferich, P.E.
Acting Director

cc: M. Kapp
Executive File



MICHIGAN STRATEGIC FUND

MEMORANDUM

Date: January 24, 2023
To: Michigan Strategic Fund (“MSF”) Board Members
From: Quentin Messer, Jr., Chief Executive Officer
Subject: Quarterly MSF Delegated Authority and Activities Report

We are pleased to present our monthly report to the MSF Board, featuring a review of our delegated authority activity over the previous month. The following pages provide a narrative centered around the types of projects supported through delegated approval from December 1, 2022, to December 31, 2022, as well as information about the impact that those projects have had on communities across the state.

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

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

Monthly Impacts



To continue providing transparent, intentional and impactful reporting to the MSF Board members on delegated project approvals and activities, the following report details delegated approval updates from December 1, 2022 to December 31, 2022.

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

MONTHLY IMPACTS

We are pleased to share the December delegate-approved projects continue to represent our emphasis on supporting underserved populations in geographically disadvantaged areas. Throughout December 2022, 7% of the projects approved through delegated authority are in geographically disadvantaged areas. Additionally, all December approved projects through delegated authority have committed to create just over 290 jobs and just over \$95 million in private investment.

MSF Report

Delegate Approvals



Under the authority delegated by the MSF Board, the MSF delegates approved the following projects during December 2022, which satisfy Board-approved guidelines for each program and have been vetted and approved through the same safeguards as those projects that come before the Board for consideration.

Michigan Business Development Program (MBDP)

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

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
A.G. Simpson (USA) Inc	12/08/2022	Sterling Heights	\$900,000	AGS is a full-service automotive supplier specializing in manufacturing complex automotive metal components. The Company supplies automotive OEM companies out of their manufacturing space in the US and Canada while offering design and engineering, innovative multi-material joining, light weighting solutions, and high-performance coatings. The Company plans to expand their Sterling Heights facility to add an additional 235,000 square feet and will serve as a catalyst to add stamping capacity, coating capacity, and assembly operations to existing operations in Michigan. The project will result in capital investment of up to \$20,000,000 and the creation of up to 120 new jobs. The Company chose to expand in Michigan over their other existing facilities and will receive an MBDP grant of \$900,000.
Carhartt, Inc.	12/14/2022	Dearborn	\$937,500	Carhartt, a manufacturer of premium workwear, outdoor apparel, and footwear, is expanding in Dearborn with support from the Michigan Strategic Fund. The project is expected to generate a total capital investment of \$4.65 million and create 125 well-paying jobs, supported by a \$937,500 Michigan Business Development Program performance-based grant. Michigan was chosen for the project over competing sites in other locations. Carhartt plans to expand in areas such as product design, digital marketing, customer care, and operations in response to increased demand. Carhartt will hire high-wage professionals, with wages averaging \$43.22 per hour plus benefits. Positions may include web developers, marketing specialists, sales representatives, and customer service personnel.

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.

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Marywood Motherhouse, LLC	12/11/2022	Grand Rapids	\$699,442	An Act 381 Work Plan with state tax capture valued at \$699,442 was awarded to the City of Grand Rapids Brownfield Redevelopment Authority to rehabilitate an existing historic site into 108 residential units occupying approximately 134,385 square feet. The project is expected to generate \$31,749,253 in private investment and include the creation of 14 full time equivalent jobs.

Capital Access

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

State Small Business Credit Initiative 2.0 – Collateral Support Participation

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Empanada Mama Inc.	12/07/2022	Alanson	\$129,500	MSUFCU is working with company to purchase real estate and equipment. Due to collateral shortfall, the credit union is requesting support from the MBGF CSP.
Global Retool Group	12/15/2022	Brighton	\$3,493,000	Global Retool Group is working with Citizens Bank to obtain a line of credit to be used for working capital. Due to a collateral shortfall the bank is requesting support from the MBGF 2.0 CSP.

State Small Business Credit Initiative 2.0 – Loan Guaranty

Project Name	Approval Date	Location	Incentive Amount	Project Highlights
Metro Community Development, Inc.	12/13/2022	Flint	\$450,000	Metro Community Development would like to begin using the SSBCI 2.0 Loan Guarantee Program.
First Independence Bank	12/16/2022	Detroit	\$5,000,000	First Independence Bank will be using the loan guarantee program through SSBCI 2.0 to provide loans to small businesses within the Detroit area.

Michigan State Trade Expansion Program (MI-STEP)

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

Project Name	Approval Date	Location	Incentive Amount
Bay Plastics Machinery - Japan Market Expansion	12/01/2022	Bay City	\$4,341
Business-Connect - World Vision and South Africa Sales Meeting	12/01/2022	Grandville	\$5,205
Creative Sound Solutions LLC - Audio Expo North America Illinois	12/02/2022	Plymouth	\$5,022
Active Manufacturing Corporation - MDM West 23	12/06/2022	Spring Lake	\$15,000
M Argueso & Company Inc. - Sales Trip to Mexico	12/06/2022	Muskegon	\$1,410
MR Products, Incorporated - Grainger Show	12/06/2022	Copemish	\$15,000
Nautical Specialties - International Work Boat Show	12/06/2022	Manistee	\$6,912
Promethient, Inc. - ConExpo Construction Trade Show	12/06/2022	Traverse City	\$13,260
Unist, Inc - CE Testing	12/07/2022	Grand Rapids	\$7,481
Zero Gravity Filters - Japan Paint and Coating Show Thailand Sales Trip	12/07/2022	Brighton	\$5,204
Melttools LLC - CE Certification	12/08/2022	Portage	\$15,000
International Met Systems - AGU Chicago	12/09/2022	Kentwood	\$5,853
Ross Controls - Global Website Launch	12/12/2022	Ferndale	\$15,000
Owens Products, Inc. - 2023 Shot Show Las Vegas	12/13/2022	Sturgis	\$14,527
SimuQuest - Automation Alley Trade Mission	12/15/2022	Ann Arbor	\$11,649
EnBiologics, Inc. - Canada Western 23 Buying Show	12/16/2022	Detroit	\$5,046
Ausco Products, Inc. - CONEXPO International Fluid Power Las Vegas	12/19/2022	Benton Harbor	\$15,000
EZM LLC dba EZMETROLOGY - Automation Alley India	12/19/2022	Commerce Charter Township	\$4,500
Singh Automation - Automation Alley India	12/19/2022	Portage	\$7,339.97

Program Amendments



For a variety of reasons, projects may return to the MSF requesting an amendment to their previous approvals, at which point the Economic Development Incentives teams evaluate whether those projects would qualify for those amendments. These amendments include, but are not limited to, changes of scope for projects; adjusted milestones; extended or contracted timelines; redefined project sites; and modified award amounts. From December 1, 2022, to December 31, 2022, no amendments were approved via delegate approval.

MSF Awardee Relief Report Grants and Loans



The following include delegated approvals from December 1, 2022, to December 31, 2022, for the MSF Awardee Relief Program demonstrating the impact this program has continued to have on providing flexibility, accountability and transparency for those projects previously approved by the MSF Board but are now facing challenges due to COVID-19.

BD Awardee Relief

From December 1, 2022, to December 31, 2022, the MSF Awardee Relief Program had no amendments.

CD Awardee Relief

From December 1, 2022, to December 31, 2022, the MSF Awardee Relief Program had no amendments.

Financial Data Overview and Terminations



Michigan Business Development Program - Terminations

From December 1, 2022, to December 31, 2022, the Business Development Program had no terminations.