

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
JUNE 28, 2022**

Members Present

Susan Corbin
Michael B. Kapp (on behalf of Director Ajegba)
Jennifer Nelson (on behalf of Chairman Messer)

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Rachael Eubanks
Paul Gentilozzi
Dimitrius Hutcherson
Charles P. Rothstein
Susan Tellier
Cindy Warner

I. CALL TO ORDER & ROLL CALL

Ms. Nelson 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. She welcomed Dimitrius Hutcherson to the MSF Board who made brief comments.

Ms. Nelson introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENTS

Ms. Wilcox Surmann explained the process for members of the public to participate. Faye Nelson, Michigan Director of the W.K. Kellogg Foundation, and State Senator John Bizon, M.D. spoke in support of the 50 Capital Ave Development Corporation project in Battle Creek.

III. COMMUNICATIONS

Ms. Wilcox Surmann informed Board members that letters were received from State Representative Tyrone Carter in support of the Bagley + 16th Redevelopment project in Detroit; State Senator John Bizon, M.D. and State Representative Jim Haadsma in support of the 50 Capital Ave Development Corporation project in Battle Creek; and State Representative Terry Sabo in support of the Global Life Sciences Solutions USA project in Muskegon Charter Township. The letters are attached to the minutes.

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported the subcommittee met recently and discussed two items that will be considered by the MSF Board later. There was no MSF Policy and Planning Subcommittee update.

IV. CONSENT AGENDA

Resolution 2022-087 Approval of Consent Agenda Items

Ms. Nelson asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Michael B. Kapp motioned for the approval of the following:

- a. Proposed Meeting Minutes: June 2, 2022
- b. 234 W. Cedar: MCRP Amendment and Delegation of Authority – **2022-088**
- c. MCRP Program Guidelines: Delegation of Authority – **2022-089**
- d. GT Housing: MCRP Amendment – **2022-090**
- e. Request Foods: MBDP Grant Reauthorization – **2022-091**
- f. State Historic Preservation Office (SHPO): Delegation of Authority Amendment– **2022-092**

Susan Corbin 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, Paul Gentilozzi, Dimitrius Hutcherson, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Cindy Warner joined the meeting at 10:19 a.m.

V. COMMUNITY VITALITY

- a. **Resolutions 2022-093 50 Capital Ave Development Corporation: Michigan Community Revitalization Program Loan Participation Award (Battle Creek Doubletree Project)**
*Michelle Audette-Bauman, Senior Community Development Manager, provided the Board with information regarding this action item. The action involves approval of up to a \$7,500,000 Michigan Community Revitalization Program performance-based loan participation award and transfer of funds from the Jobs for Michigan Investment Fund for the specific purpose of this project through MCL 125.2088b(2)(c) to support a community development project in the City of Battle Creek, Calhoun County. The project is expected to result in total capital investment of \$45,230,853. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-093. Dimitrius Hutcherson seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.***

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

Dimitrius Hutcherson, recused from the next item, temporarily disconnected from the meeting; a recusal letter is attached to the minutes.

- b. **Resolutions 2022-094 & 2022-095 Bagley + 16th LLC / City of Detroit Brownfield Redevelopment Authority: Michigan Community Revitalization Program Direct Loan and Brownfield Act 381 Work Plan (Bagley + 16th Redevelopment Project)**
*Brittney Hoszkiw, Senior Community Development Manager, provided the Board with information regarding these action items. The actions involve approval of a \$3,763,130 Michigan Community Revitalization Program performance-based direct loan and transfer of funds from the Jobs for Michigan Investment Fund for the specific purpose of this project through MCL 125.2088b(2)(c), as well as approval of state tax capture for Act 381 eligible activities capped at \$647,991 to support a community development project in the City of Detroit, Wayne County. The project is expected to result in total capital investment of \$22,819,905. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-094. Susan Corbin seconded the motion. **The motion carried: 10 ayes; 0 nays; 1 recused.***

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

Paul Gentilozzi then motioned for the approval of Resolution 2022-095. Britany L. Affolter-Caine seconded the motion. **The motion carried: 10 ayes; 0 nays; 1 recused.**

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

Dimitrius Hutcherson rejoined the meeting at 10:35 a.m.

c. **Resolution 2022-096 CHN Annex Limited Partnership and Community Housing Network, Inc.: Michigan Community Revitalization Program Grant**

Lindsey Miller, Community Development Manager, provided the Board with information regarding this action item. The action involves approval of up to a \$1,363,000 Michigan Community Revitalization Program performance-based grant to support a community development project in the City of Sault Ste. Marie, Chippewa County. The project is expected to result in total capital investment of \$3,224,528. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-096. Paul Gentilozzi seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

d. **Resolution 2022-097 Diamond Place, LLC: Michigan Community Revitalization Program Loan Participation Agreement Amendment**

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 loan participation agreement to reduce the interest rate on the MSF Share to one percent, and a half percent reduction in interest rate on the Capital Impact Partners' Share until maturity. Following discussion, Susan Corbin motioned for the approval of Resolution 2022-097. Michael B. Kapp seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

VI. CAPITAL ACCESS

a. **Resolution 2022-098 Superior Foods Company: SSBCI Michigan Business Growth Fund – Collateral Support Program Approval (Increase)**

Amber Westendorp, Capital Project & Portfolio Manager, provided the Board with information regarding this action item. The action involves approval to increase collateral support from \$2,500,000 to \$3,750,000 for an increased working capital line of credit through Macatawa Bank.

Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-098. Susan Corbin seconded the motion. **The motion carried: 11 ayes; 0 nays; 0 recused.**

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

Paul Gentilozzi disconnected from the meeting at 10:49 a.m.

VII. BUSINESS INVESTMENT

a. **Resolutions 2022-099, 2022-100 & 2022-101 Global Life Sciences Solutions USA LLC: Michigan Business Development Program Grant, Jobs Ready Michigan Program Grant, and State Essential Services Assessment Exemption**

Jeremy Webb, Strategic Projects Advisor, provided the Board with information regarding these action items. The actions involve approval of a \$1,500,000 Michigan Business Development Program performance-based grant, \$1,500,000 Jobs Ready Michigan Program performance-based grant, a 100% State Essential Services Assessment (SESA) Exemption for up to five years valued at up to \$2,707,884, and an Eligible Distressed Area Requirement Waiver related to the SESA Exemption to support a business development project in Muskegon Charter Township, Muskegon County. The project is expected to result in total capital investment of up to \$430,000,000 and the creation of up to 200 jobs Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2022-099. 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), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

Susan Corbin then motioned for the approval of Resolution 2022-100. Michael B. Kapp seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

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

Finally, Dimitrius Hutcherson motioned for the approval of Resolution 2022-101. Susan Tellier 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), Jennifer Nelson (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier, Cindy Warner; Nays: None; Recused: None

VIII. INFORMATIONAL

Ms. Nelson noted the MSF delegated authority report for the period May 1 to May 31, 2022, was included in the meeting packet. She asked if there were any questions from Board members regarding the information; there were none.

Ms. Nelson adjourned the meeting at 11:03 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



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

January 12, 2022

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

RE: Designation of Jennifer Nelson

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Jennifer Nelson as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am unable to attend.

Sincerely,

Quentin L. Messer, Jr.
President & Chairman, MSF
Chief Executive Officer, MEDC

PURE *M*ICHIGAN®



7310 WOODWARD AVE., STE. 101 DETROIT, MI 48202
TELEPHONE 313-256-8400

June 16, 2022

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

Dear Fund Manager,

This is to advise that I am recusing myself from voting and excuse myself during the discussion of the following item on the Michigan Strategic Fund Board Meeting Agenda on Tuesday, June 28, 2022.

- Bagley + 16th Item of Business

The reason for my recusal is that I have a potential conflict of interest with respect to the grantee, The Detroit Economic Growth Corporation (DEC), and with my involvement as a Board Member of the Detroit Economic Growth Corporation.

Sincerely,

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

Dimitrius M. Hutcherson
Executive Vice President, Chief Administrative Officer/Chief Technology Officer
First Independence Bank



STATE OF MICHIGAN

P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-2426
FAX: (517) 373-2964
senjbizon@senate.michigan.gov

June 23, 2022

STATE SENATOR

JOHN BIZON, M.D.

MAJORITY WHIP

19TH DISTRICT

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

RE: Letter of support for the 50 Capital Ave Development Corporation

Dear Chairperson Messer:

I am pleased to place my full support behind 50 Capital Ave Development Corporation's project. I understand that the Michigan Strategic Fund board is considering a request from 50 Capital Ave Development Corporation for approval of a \$7.5 million Michigan Community Revitalization Program performance-based loan participation award to support the community development project in Battle Creek.

My office has worked alongside Battle Creek Unlimited and the 50 Capital Ave Development Corporation over the past two years to ensure that there is continued prosperity and revitalization in the downtown Battle Creek business district. Creation of the 50 Capital Ave Development Corporation and its commitment to seeing the revitalization of the 15-floor former hotel into a 239-room DoubleTree hotel was a key move in this rewarding project.

When Battle Creek's downtown hotel closed and the promised plans for a revitalized hotel and conference center fell through, I, like many others in my hometown of Battle Creek, was left wondering how the downtown would survive. Then another layer of uncertainty hit when the state shutdown for months. This generous funding proposed from the Michigan Strategic Fund Board will help secure needed funding for a project that will have a long-lasting effect in Battle Creek's city-center for decades to come.

Thank you for your consideration of this worthwhile project. If you have any questions, please contact my office at 517-373-2426.

Sincerely,

John Bizon, M.D.
State Senator
The 19th District



62ND DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

JIM HAADSMa
STATE REPRESENTATIVE

PHONE: (517) 373-0555
FAX: (517) 373-5761
JimHaadsma@house.mi.gov

June 27, 2022

Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: Support for McCamly Hotel Project

To Quentin L. Messer, Jr.,

I write today to urge the Michigan Strategic Fund to approve the \$7.5 million Michigan Community Revitalization Program performance-based loan participation award to support a community development project in Battle Creek.

Current plans call for a nearly \$60 million revamp of the hotel campus. Renovations include energy efficient upgrades, a new HVAC system, lobby, ballroom, meeting spaces, and conference rooms. The restaurant will have a farm to table menu, a new bar and beer garden, and a brand-new kitchen.

The new hotel is vital for the growth of Battle Creek and developing a more diverse local economy. There have not been any new hotels built in downtown Battle Creek in many years. The resulting weddings, increased tourism, and business meetings will benefit small businesses operating nearby. I also want to bring to your attention the plans for a hospitality school operating in the hotel. The hotel will include a workforce training/educational component with an anticipated 165 jobs. This will create meaningful career opportunities for residents and local youth.

I recommend approval of the performance-based loan without reservation.

Respectfully,

Jim Haadsma

Jim Haadsma
State Representative
62nd District





6TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

TYRONE A. CARTER

STATE REPRESENTATIVE

PHONE: (517) 373-0823
FAX: (517) 373-5993
TyroneCarter@house.mi.gov

May 24, 2022

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

Mr. Messer,

I am pleased to offer my support for the Bagley + 16th Redevelopment project. This project will be a significant addition to the City of Detroit's Mexicantown neighborhood. The welcomed project will construct a new five-story mixed-use mixed income building on a currently vacant 0.7-acre lot. In addition to the new housing opportunities that this project will bring, it also includes four retail bays on the first floor which will help boost the local economy and bring jobs to the area. Finally, there will also be public improvements that consist of sidewalks, parking, and public seating all of which will revitalize the currently empty property.

As a member of the State House of Representatives, I strongly recommend the Michigan Strategic Fund Board grant Bagley + 16th, LLC, the request for approval of a \$3,763,130 Michigan Community Revitalization Program performance-based direct loan. The transformation of this property will help stimulate local economic activity and house the citizens of our community. The additional public improvements will also continue to enhance the Mexicantown area and encourage further developmental projects in the city. If you have further questions, feel free to contact my office at 517-373-0823.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyrone Carter".

Representative Tyrone Carter
6th District



92ND DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-2646
FAX: (517) 373-9646
E-MAIL: TerrySabobhouse.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

TERRY J. SABO
STATE REPRESENTATIVE

COMMITTEES:
WORKFORCE, TRADES, AND TALENT (MVC)
APPROPRIATIONS –
GENERAL GOVERNMENT (MVC)
CORRECTIONS
TRANSPORTATION

June 27, 2022

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

Dear Chairperson Messer,

I write today urging your full support of a request from Global Life Sciences Solutions USA LLC for approval of several incentives to support a business development project in Muskegon Charter Township. Those incentives include a \$1,500,000 Michigan Business Development Program performance-based grant, a \$1,500,000 Jobs Ready Michigan Program performance-based grant, and a 100% SESA Exemption for up to five years valued at up to \$2,707,884.

Specifically, I hope you, along with the rest of the Michigan Strategic Fund Board Members will approve these incentives at the upcoming meeting on Tuesday, June 28th. These economic incentives will play a huge role in bringing hundreds of jobs and hundreds of millions of dollars in economic development to Muskegon.

This is a great opportunity to ensure greater economic development and there is no doubt that these incentives will benefit not only Global Life Sciences Solutions USA LLC, but also the entire greater Muskegon area. Please support these incentives in the upcoming MSF Board Meeting.

Thank you for your service to the citizens of Michigan.

Sincerely,

Terry J. Sabo
State Representative
District 92-Muskegon

