

**MICHIGAN STRATEGIC FUND BOARD**  
**July 29, 2009**

**ADOPTED MEETING MINUTES**

A meeting of the Michigan Strategic Fund (MSF) Board was held on Wednesday, July 29, 2009 at the MEDC building, Lake Michigan Room, 300 N. Washington Sq. N., Lansing, Michigan.

**MEMBERS PRESENT:** Susan Corbin (acting on behalf of Stanley “Skip” Pruss, authorization attached); Linda Ewing; James Herbert; Paul E. Hodges, III; Robert J. Kleine; Greg Main; Mitch Mondry; Richard Rassel; Charlie Rothstein (by telephone)

**MEMBERS ABSENT:** George Jackson; James Petcoff

**CALL TO ORDER:** Mr. Main called the meeting to order at 1:35 p.m.

**APPROVAL OF MINUTES:** Mr. Main asked for a motion to approve the June 24, 2009 meeting minutes. **Mr. Rassel motioned approval of the minutes. Mr. Hodges seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent

**PUBLIC COMMENT:** Mr. Main asked if there was any other public comment. There was none.

**COMMUNICATION ITEMS:** Nathan Ohle, MEDC Board Relations Liaison, advised the Board members that a letters had been received from Richard Rassel, and Charlie Rothstein recusing themselves from items on the July 29 MSF Board agenda.

**21<sup>st</sup> CENTURY JOBS FUND:**

**Resolutions 2009-077: Company Formation and Growth Fund**

*Leslie Smith, MEDC 21<sup>st</sup> Century Jobs Fund Competition Manager, provided information for the following action item.*

Ms. Smith spoke about AFID Therapeutics, Inc. which applied to receive a Pfizer Company Formation and Growth Fund Loan.

**Recommendation:** MEDC staff and the subcommittee recommends that the MSF Board approve a loan in the amount of \$150,000 for AFID Therapeutics. All projects recommended for funding by the company satisfy the Criteria.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-077. Mr. Rassel seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**Resolutions 2009-078: Critical Signal Conversion Request**

*Leslie Smith provided information for the following action item.*

Ms. Smith spoke about Critical Signal Technologies, Inc. (“CST”) which received a 2008 21<sup>st</sup> Century Jobs Fund award of \$2,000,000 to provide growth capital to support their ability in improving the quality of health care by providing constant monitoring and immediate access to emergency response personnel. Since its founding in 2006, CST has raised \$14 million in equity over two rounds. The company has accumulated 15,000 subscribers nationwide with over 100 subcontracted installers located within the state of Michigan. CST is in the final stages of acquiring a competitor and thereby raising senior financing from the Private Bank with a \$20 million revolving loan, further equity of \$8.75 million and a seller’s note for \$3 million. During earlier phases of the conversion negotiations, the senior lender and seller requested that the MSF become an unsecured lender during the life of their respective loans. That option

being unacceptable to MEDC staff and the MSF Investment Subcommittee; CST, the MEDC and the MSF Investment Subcommittee agreed to the concept of an equity investment.

**Recommendation:** MEDC staff recommends approval of conversion of the current \$2 million loan directly into a \$2 million equity investment to purchase Series B Preferred Shares pursuant to a Debt Conversion and Joinder Agreement, which will include a Pledge Agreement; the final terms of all such agreements satisfactory to the MEDC, in consultation with the Attorney General.

*Mr. Herbert commended the staff for their superior performance of duties through strenuous negotiations and stated that the subcommittee commends the staff as well. Mr. Rothstein stated his agreement with Mr. Herbert and spoke about CST being difficult to “button down” but that the MEDC staff’s diligence was what pushed this deal across the finish line. Mr. Main said he was not involved in the negotiations but said that he agreed with the recommendation being presented. Mr. Rassel also commended the staff on their hard work on this project.*

Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herbert made a motion for approval of Resolution 2009-078. Mr. Rassel seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

*Mr. Main informed the Board that Ned Staebler, MEDC VP Program Administration and Paul Brown, MEDC Capital Markets Development Manager, were in Washington D.C. trying to secure more funds for diversifying Michigan’s manufacturing base and thus could not attend this meeting to provide an update on the following agenda item. He also stated that regardless of what Washington does—Michigan needs to move forward.*

#### **Resolution 2009-079: Michigan Supplier Diversification Program Update**

*Eric Hanna, MEDC MEGA Program Analyst, provided information to the Board about the action item and introduced guest presenters; Tom Trapp, VP of Commercial Lending, Comerica Bank; and Mario Sciberras, President, Saline Lectronics, Inc.*

Mr. Hanna thanked the Board for their time and emphasized that this item was the first of the Michigan Collateral Support Program (MCSP). Mr. Hanna talked about Saline Lectronics, Inc. (Saline) and their foresight to receive important certifications and how they are expanding today. Mr. Hanna spoke about the large scale of the expansion and how the property and plant assets that Saline plans to invest in are not providing enough collateral to secure lending from Comerica—due to a volatile real estate market. Mr. Hanna emphasized that this deal, to expand a profitable business in Michigan, would not go forward without the MCSP. Mr. Sciberras talked about Saline as an “Electric Manufacturing Service Corporation” serving the auto industry and looking forward to medical, government/military, aviation, and wind energy industries. Mr. Sciberras talked about how Saline’s success has come from focusing on customer service and a market niche of 1000, 10,000, and 20,000 unit orders as opposed to very large orders that competitors in China and Mexico are competing for.

*Mr. Herbert asked what Saline’s approximate revenues were. Mr. Sciberras answered, “\$14 million.” Mr. Rassel asked what Saline thought of the fee structure. Mr. Sciberras answered that the fee structure was fair for this kind of program. Mr. Sciberras stated that Comerica has been working with the company for years and has been very helpful in pulling this project together. Mr. Trapp stated his hope for the MEDC continue to help the banks through this program. Ms. Ewing asked Mr. Sciberras about Saline’s wages and benefits. Mr. Sciberras spoke about a former company, Spartan Electronics, that Saline has absorbed employees from, and when talking to the former Spartan Electronics employees, Saline has found its wages are above Spartan’s. Mr. Sciberras then listed the wages for different level employees: \$12/hr+benefits for a tech, \$19/hr+benefits for a service employee, and \$60-85 thousand/yr+benefits for an engineer. Mr. Main thanked Saline and Mr. Sciberras. Mr. Sciberras*

*thanked the MSF Board and the MEDC saying the MCSP is a great program that fit Saline's situation like a glove.*

**Recommendation:** MEDC staff recommends approval of a MCSP deposit and finalization of a Deposit Agreement, subject to final due diligence and the following terms and conditions: Borrower: Yet-To-Be Named Entity (i.e, Saline Lectronics, Inc. Holding Co.); Lender: Comerica Bank; Loan Amount: \$2,000,000 (subject to building appraisal); Collateral: Up to \$998,000 Collateral Support Deposit (5 year CD) (final amount subject to appraisal of building to be acquired, and not to exceed 49.9% of the Bank loan); Loan Type: Term 5 year – 20 year Amortization – 4-month Lender Interest Free; Fees: Tier II: 1.5% at Closing 1.0% annually thereafter until released; Exit Fee: 2.5% of eligible balance.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-079. Mitch Mondry seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

### **PRIVATE ACTIVITY BONDS - INDUCEMENT:**

[Recused: Richard Rassel]

#### **Resolution 2009-080: Sri Venkateswara Temple & Cultural Center - \$5,250,000 – New Financing/Non-Profit**

*Diane Cranmer, MEDC IDR Specialist, provided information to the Board about the action item.*

Ms. Cranmer spoke about the project that includes financing the construction of an approximately 25,000 square foot facility on approximately 10 acres of land that it currently owns located in the City of Novi, Oakland County. The total project size is approximately \$7,000,000; however, the Temple is not seeking financing for the portion of the facility which will be utilized for religious worship and religious teaching.

**Recommendation:** MEDC staff recommends adoption of an Inducement Resolution in the amount of \$5,250,000 for this project.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-080. Mr. Hodges seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 1 recused; 2 absent.

[Returned: Richard Rassel]

### **PRIVATE ACTIVITY BONDS - ADMINISTRATIVE:**

#### **Resolution 2009-081: New Bond Counsel Approval – Foster, Swift, Collins & Smith, P.C.**

*Diane Cranmer provided information to the Board about the action item and introduced guest speaker: John Kamins, Foster, Swift, Collins & Smith, P.C.*

Ms. Cranmer stated that Mr. Kamins worked for the prior bond counsel to the MSF and when that firm decided to leave the bond counsel business Mr. Kamins moved to Foster, Swift, Collins & Smith, P.C. (FSC&S). Mr. Kamins talked about how FSC&S was a perfect fit and said that he would not take up the Board's time since the details were in the letter from FSC&S.

**Recommendation:** MEDC staff recommends that the MSF Board add FSC&S to the list of approved Bond Counsel.

*Mr. Rassel congratulated Mr. Kamins.*

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-081. Treasurer Kleine seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**RENAISSANCE ZONES:**

[Recused: Charlie Rothstein]

**Resolution 2009-082: Time Extension Request—K.I. Sawyer Renaissance Zone—Forsyth Township, Marquette County—Frontier Medical**

*Kevin Bonds, MEDC Business and Community Manager, provided information to the Board for the following action item.*

Mr. Bonds spoke about the County of Marquette who is requesting a modification to the K.I. Sawyer Renaissance Zone. The time extension would become effective on January 1, 2010, and end on December 31, 2024. All other property located in the Renaissance Zone will still expire on December 31, 2014, with regard to Renaissance Zone benefits.

**Recommendation:** MEDC staff recommends MSF approval of Marquette County’s request for a ten (10) year time extension for property parcel number AL-44 in the Township of Forsyth in the K.I. Sawyer Renaissance Zone, contingent upon the following: (i) By July 29, 2010, Frontier, Inc. shall have commenced the project outlined in Marquette County’s application in the Township of Forsyth in the K.I Sawyer Renaissance Zone. (ii) A development agreement is negotiated and signed between Frontier, Inc., Marquette County and the Michigan Strategic Fund.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Towne made a motion for approval of Resolution 2009-082. Mr. Russel seconded the motion.** The motion carried unanimously – 8 ayes; 0 nays; 1 recused; 2 absent.

[Returned: Charlie Rothstein]

**Resolution 2009-083: Time Extension Request – North Country Renaissance Zone – Marenisco Township, Gogebic County – Marenisco Hardwoods & Manufacturing Inc.**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds spoke about the Township of Marenisco requesting a modification to the Marenisco Township subzone in the North Country Renaissance Zone supported by Gogebic County. The time extension would become effective on January 1, 2010, and end on December 31, 2024. All other property located in the subzone which began on January 1, 2001, will still expire on December 31, 2015, with regard to Renaissance Zone benefits.

**Recommendation:** MEDC staff recommends MSF approval of Marenisco Township’s request for a nine (9) year time extension for property parcel number 270-43-21-006-40 in the Township of Marenisco subzone in the North Country Renaissance Zone, contingent upon the following: (i) By July 29, 2010, Marenisco Hardwoods and Manufacturing, Inc., shall have commenced the project outlined in Marenisco Township’s application in the Township of Marenisco subzone in the North Country Renaissance Zone. (ii) A development agreement is negotiated and signed between Marenisco Sawmill, LLC, Marenisco Hardwoods & Manufacturing, Inc., and the Michigan Strategic Fund.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herbert made a motion for approval of Resolution 2009-083. Mr. Hodges seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**TOOL & DIE RECOVERY ZONES:**

**Resolution 2009-084: Join Existing Tool & Die Recovery Zone – Custom Tool & Die Recovery Zone – Custom Tool & Die Co., Existing Zone – Berrien Tooling Coalition**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds talked about the Berrien Tooling Coalition (BTC) Recovery Zone/collaborative agreement members have agreed to allow Custom Tool & Die to join the coalition. There was a unanimous vote to accept Custom

Tool & Die as a member. The BTC wants Custom Tool & Die as a member because the company utilizes the latest in technology using a rapid prototyping machine that allows their customers to envision a finished product. The coalition also said the company provides laser engraving that is necessary for labeling and identifying tools. Both of these services were lacking in the BTC. The coalition believes they are a more diversified collaborative and well-rounded group of companies with the inclusion of Custom Tool & Die.

**Recommendation:** MEDC staff recommends MSF approval of the property for Custom Tool & Die to be designated as a Recovery Zone and join the Berrien Tooling Coalition.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Mr. Herbert asked how many companies were on the attached list. Mr. Bonds answered, 238. Mr. Rassel asked for clarification to ensure the resolution didn't violate any statutes. Kathy Markman, Assistant Attorney General, said Mr. Rassel's question was an excellent one and that she would be willing to further clarify the issues as it related to this project and provide further explanation after the meeting. Being no further questions, **Mr. Herbert made a motion for approval of Resolution 2009-084 subject to approval by the Attorney Generals office. Mr. Mondry seconded the motion.** Mr. Rassel abstained from voting. The motion carried unanimously – 8 ayes; 0 nays; 0 recused; 1 abstained; 2 absent.

**Resolution 2009-085: Time Extension Request – Franchino Mold & Engineering Co., Watertown Township, Lansing, Clinton County**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds stated that the Michigan Strategic Fund (MSF) received a new resolution the company obtained from Watertown Township requesting that the MSF approve extending the original five (5) year Recovery Zone designation for Franchino Mold for an additional two (2) year period, for a total of seven (7) years, with a new expiration date of 2014 rather than 2012. Under MCL 125.2688d(1), the MSF may extend the duration of Recovery Zone status for 1 or more periods that when combined do not exceed 15 years, upon the consent of the local governmental unit where the tool and die business is located.

**Recommendation:** MEDC staff recommends the MSF extend the Recovery Zone duration on the parcels of property previously designated for Franchino Mold & Engineering Company at 5867 W. Grand River Avenue and 5599 W. Grand River Ave, Lansing, Michigan 48906-9117 (Clinton County).

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-085. Treasurer Kleine seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**Resolution 2009-086: Time Extension Request – Suburban Tool Inc., City of Auburn Hills, Oakland**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds stated that the Michigan Strategic Fund (MSF) received a new resolution the company obtained from the City of Auburn Hills requesting that the MSF approve extending the original five (5) year Recovery Zone designation for Suburban Tool for an additional five (5) year period, for a total of 10 years, with a new expiration date of 2015 rather than 2010.

**Recommendation:** MEDC staff recommends the MSF extend the Recovery Zone duration on the parcel of property previously designated for Suburban Tool, Inc. at 4141 N. Atlantic Blvd., Auburn Hills, Michigan 48326.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-086. Mr. Rassel seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**Resolution 2009-087: Time Extension Request – Metric Die & Engineering Inc., City of Grand Rapids, Kent County**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds stated that the Michigan Strategic Fund (MSF) received a new resolution the company obtained from the City of Grand Rapids requesting that the MSF approve extending the original five (5) year Recovery Zone designation for Metric Die & Engineering for an additional five (5) year period, for a total of 10 years, with a new expiration date of 2016 rather than 2011.

**Recommendation:** MEDC staff recommends the MSF extend the Recovery Zone duration on the parcels of property previously designated for Metric Die & Engineering at 320 Marion Avenue SW and 333 Fransman Place SW, Grand Rapids, Michigan 49504.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Hodges made a motion for approval of Resolution 2009-087. Ms. Towne seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

### **COMMUNITY DEVELOPMENT BLOCK GRANT - ICE:**

#### **Resolution 2009-088: Community Development Block Grant Program – Infrastructure Capacity Enhancement – Grants – Various Communities**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds spoke about a competitive round of Community Development Block Grant (CDBG) funding in April 2009, where Eligible communities could submit Notices of Intent for Infrastructure Capacity Enhancement (ICE) grants. This was the seventh offering of ICE grants since the program was initially introduced in 2004. The MEDC received 111 Notices of Intent requesting a total of \$45,780,339 million with a total of \$24,245,571 in matching funds identified. Mr. Bonds said that a list of 46 recommended projects was attached to the briefing memo.

**Recommendation:** MEDC staff recommends that applications totaling \$14,145,850 be authorized for the 45 projects listed on the attached spreadsheet.

*Mr. Bonds introduced guest presenters for one of the listed ICE projects; Christopher Bolt, Director of Public Services/City Engineer, City of Dowagiac; and Roger Wills, Interim Mayor, City of Belding.*

Mayor Wills stated that he was the Mayor of the City of Belding—as of 8 days ago. Mayor Wills assured everyone that he had spent much more time on the City’s governing boards. Mr. Bolt spoke about the highlights of the project. (i) Upgrading the final two of seven lift stations. (ii) Sludge (*the precipitated solid matter produced by water and sewage treatment*) removal from pond 1 which has critically high waste--approximately 16-18 feet of sludge. (iii) Improve service road for dredging operations. (iv) New generators for lift stations. Mr. Bolt stated that the ICE program has been tremendous for their community adding that their program is not a glorious program, but a necessary one. Mr. Bolt thanked the MEDC and the MSF Board.

*Mr. Mondry asked Mr. Bolt if ICE was not available how the city would pay for the improvements. Mr. Bolt stated that the city would not be able to do the lift station improvements for certain, saying that the city has borrowed and cannot responsibly borrow anymore money. Mr. Bolt added that the community doesn’t have the cash and that most of the mentioned improvements would not be done without the ICE program. Mr. Herbert asked how the leachate would be removed and disposed of. Mr. Bolt explained the process saying after it was dredged; it would be disposed of through a manhole cover and treated in a separate non-critical holding pond. Mr. Bonds commended his staff publically for their effort to show how far reaching the ICE program was across the State of Michigan. Mr. Bonds said that there are some really healthy major wins for the people of Michigan.*

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Mr. Hodges asked about potential litigation from applicants who were not awarded the ICE funding. Mr. Bonds assured him that how the ICE competition was structured—appeals are not possible. Mr. Main asked if the ICE funds were normal CDBG funds. Mr. Bonds stated that the MEDC has the authority to grant ICE funds without

job creation being necessary. Mr. Main clarified that the ICE funds are federal Housing and Urban Development (HUD) funds with one round of competition. Mr. Herbert asked how much money from the ICE funds is shovel-ready now and before snow. Mr. Bonds said all of it is ready to go. Mr. Main thanked the guest presenters for providing the MSF Board with a unique insight. Being no further questions, **Mr. Rassel made a motion for approval of Resolution 2009-088. Treasurer Kleine seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – JOB CREATION:**

**Resolution 2009-089: City of Hastings, Barry County – Downtown Façade Improvement -- \$98,153**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds talked about the City of Hastings requesting a \$98,153 CDBG to fund façade renovations on the former Hastings Press Building in their downtown. The renovations are coming about as a result of plans to rent the first floor of the building to the owner of a new restaurant, scheduled to be opened during the fall of 2009. Once completed, this building will become a focal point of the entrance to downtown Hastings.

**Recommendation:** MEDC staff has concluded that the project meets the minimum program requirements to be eligible under the CDBG program. Staff recommends that an application in the amount of \$98,153 be authorized for the City of Hastings. Mr. Bonds stated that this is a good project.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-089. Mr. Rassel seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**Resolution 2009-090: City of Zeeland, Ottawa County – Mead Johnson Nutrition -- \$500,000**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds spoke about Mead Johnson, who is considering a \$44.2 million expansion for the City of Zeeland facility. The proposed expansion would allow the company to upgrade their primary packaging for large size powder products. The City of Zeeland is requesting \$500,000 of CDBG funds to assist the company with the acquisition of new machinery and equipment needed for this expansion. It is expected that a Brownfield MBT credit will also be requested for this project. Mead Johnson currently employs 346 people in the City of Zeeland and expects to create an additional 20 jobs over the next two years.

**Recommendation:** MEDC staff recommends that an application in the amount of \$500,000 be authorized for the City of Zeeland.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Rassel made a motion for approval of Resolution 2009-090. Treasurer Kleine seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – DOWNTOWN DEVELOPMENT:**

**Resolution 2009-091: City of Hartford, Van Buren County, Downtown Façade Improvement -- \$100,237**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds spoke about the City of Hartford requesting a \$100,237 CDBG to fund façade renovations to two buildings in their downtown. The project will redevelop two dilapidated buildings which hopefully will serve as a catalyst for further redevelopment of downtown Hartford.

**Recommendation:** MEDC staff recommends that an application in the amount of \$100,237 be authorized for the City of Hartford.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Treasurer Kleine made a motion for approval of Resolution 2009-091. Mr. Hodges seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**Resolution 2009-092: Barry Township, Barry County, Delton Area Business District, Parking Lot Construction -- \$40,995**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds spoke about Barry Township requesting a \$40,995 CDBG to fund the construction of a downtown parking lot. The development of the parking lot will provide a centralized location for parking in Barry Township's Delton Area Business District. Residents have difficulties in parking, discouraging them from shopping in the Delton Area Business District. The infrastructure improvements will enhance this commercial district making it more attractive for residents to frequent; for the current businesses to enhance their services, offerings, and appearances; and for new businesses to locate in the area.

**Recommendation:** MEDC staff recommends that an application in the amount of \$40,995 be authorized for Barry Township.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Mr. Herbert made a motion for approval of Resolution 2009-092. Mr. Rassel seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – PLANNING:**

**Resolution 2009-093: City of Manistee, Manistee County, Vogue Theater - \$6,250**

*Kevin Bonds provided information to the Board for the following action item.*

Mr. Bonds spoke about Manistee County requesting a \$6,250 CDBG to fund a feasibility study of the renovation of the Vogue Theater which is located in the heart of Manistee's downtown district. The Manistee Main Street and Downtown Development Authority have identified the Vogue as a crucial component to the future success and revitalization of the area. Therefore, the City will conduct a feasibility study which will to the following: Assess the physical status and requirements of the property; evaluate and recommend the most feasible and desirable future uses of the property; estimate costs associated with revitalizing the property for those uses; and provide and implementation plan for the revitalization.

**Recommendation:** MEDC staff recommends that an application in the amount of \$6,250 be authorized for the City of Manistee.

**Board Discussion:** Mr. Main asked if there were any questions from the Board. Being none, **Ms. Towne made a motion for approval of Resolution 2009-093. Mr. Rassel seconded the motion.** The motion carried unanimously – 9 ayes; 0 nays; 0 recused; 2 absent.

**STATUS OF FUNDS REPORT:**

*Kevin Bonds reported to the Board the information item.*

Mr. Bonds spoke about how the MEDC has received its check from the Federal Government. Mr. Bonds stated that the CDBG status of funds is in healthy condition. Mr. Bonds informed the Board that this status change would be reflected in next month's statement.

**ADDITIONAL BUSINESS:** Mr. Main asked if there was any additional business to discuss.

**ADDITIONAL BUSINESS:** Being no more additional business, Mr. Main thanked all those in attendance and adjourned the July 29<sup>th</sup>, 2009 MSF Board Meeting. The meeting was adjourned 2:34 p.m.