

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
April 26, 2022**

Members Present

John Groen (on behalf of Director Corbin)
Quentin L. Messer, Jr.

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Rachael Eubanks
Paul Gentilozzi
Michael B. Kapp (on behalf of Director Ajegba)
Charles P. Rothstein
Susan Tellier
Cindy Warner

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 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. Jonathan Holtzman, Chairman and CEO of City Club Apartments, and Zach Larsen, Senior Attorney for Clark Hill Law, spoke in support of the City Club Apartments redevelopment project in the City of Detroit, and encouraged Board members to approve the revised Brownfield Act 381 Work Plan.

III. COMMUNICATIONS

Ms. Wilcox Surmann advised Board members that the Quarterly Report of the Chief Compliance Officer was provided to them in the briefing packet. She also advised them that a letter was received from State Senator Paul Wojno in support of the Warren Transmission redevelopment project in the City of Warren; the letter is attached to the minutes.

MSF Subcommittee Reports

Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, and Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported the subcommittees recently met but they have no updates at this time.

IV. CONSENT AGENDA

Resolution 2022-060 Approval of Consent Agenda Items

Mr. Messer asked if there were any questions from Board members regarding items under the Consent Agenda. Ronald W. Beebe motioned that items a and b be approved and item c, the Appointment of an MSF Board Vice-Chairperson, be moved to the regular order. Paul Gentilozzi seconded the motion.

The motion failed: 8 nays; 2 ayes; 0 recused.

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

John Groen motioned for the approval of the following:

- a. Proposed Meeting Minutes: March 22, 2022
- b. Bedrock Management Services, LLC: MSF Designated Renaissance Zone Transfer – **2022-061**
- c. Appointment of MSF Board Vice-Chairperson – **2022-062**

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, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), 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

Mr. Messer informed the Board on advice from Counsel that Board consensus is not needed to move a Consent Agenda item to regular order for deliberation. He asked Mr. Beebe if he still wanted to move the Appointment of MSF Vice-Chairperson to regular order for further deliberation. Mr. Beebe declined, but offered a statement and the previous passage of the Consent Agenda stood.

V. COMMUNITY VITALITY

a. **Resolution 2022-063 1108 Water Street LLC: Michigan Community Revitalization Program Grant**

*Joe Frost, Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval of a \$1,499,301 Michigan Community Revitalization Program performance-based grant to support a community development project in the City of Bay City. The project is expected to result in total capital investment of \$4,809,181. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-063. 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, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), 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 2022-064 619, LLC: Michigan Community Revitalization Program Direct Loan Amendment**

*Debbie Stehlik, Commercial Real Estate Investment Manager, provided the Board with information regarding this action item. The action involves approval of an amendment to a Michigan Community Revitalization Program loan participation award agreement to increase the amount by \$1,200,000 from \$2,200,000 to \$3,400,000 and alter the repayment structure. Following discussion, Cindy Warner motioned for the approval of Resolution 2022-064. Charles P. Rothstein seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.***

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), 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. **Resolution 2022-065 Trident Corktown Investment, LLC: Michigan Community Revitalization Program Equity Investment Award 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 a Michigan Community Revitalization Program equity investment award agreement to waive all accrued and other returns due to the MSF and replace them with a contingent liability in the amount of \$1,863,000 that would become due if the property is sold within three years of MSF approval. As a condition of the amendment, the MSF will receive full repayment of its original \$6,900,000 MCRP investment. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-065. John Groen and 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, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), 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

Paul Gentilozzi disconnected from the meeting at 11:00 a.m.

d. **Resolution 2022-066 City of Detroit Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan Denial (City Club Apartment Redevelopment Project)**

Rob Garza, Manager of Statutory Analysis, provided the Board with information regarding this action item. The action involves denial of a Brownfield Act 381 Work Plan submitted by the City of Detroit Brownfield Redevelopment Authority because the project fails to demonstrate financial need and is inconsistent with program guidelines and requirements. Following discussion, John Groen motioned for the approval of Resolution 2022-066. Rachael Eubanks seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), 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. CAPITAL ACCESS

a. **Resolution 2022-067 BerQ US Investments, LLC: Bond Inducement**

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves adoption of an inducement resolution for private activity bond financing not to exceed \$165,000,000 for the purpose of financing the acquisition, construction, installation, equipping, and furnishing of solid waste disposal facilities related to natural gas to be constructed at four locations, including the City of Fennville and the villages of Freeport, Hopkins, and Elsie.

Quentin L. Messer, Jr. left the meeting at 11:15 a.m. Jennifer Nelson joined the meeting as his Designee and Presided over the remainder of the meeting.

Following discussion, Jennifer Nelson motioned for the approval of Resolution 2022-067. Rachael Eubanks seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), 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

VII. BUSINESS INVESTMENT

a. **Resolutions 2022-068 & 2022-069 Hydro Aluminum Metals USA, LLC / Village of Cassopolis: Community Development Block Grant Program Funding and State Essential Services Assessment Exemption**

Jeremy Webb, Senior Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of \$1,500,000 in Community Development Block Grant Program funding for acquisition of machinery and equipment and a State Essential Services Assessment Exemption valued at up to \$1,733,192 to support a business development project in the Village of Cassopolis. The project is expected to result in total capital investment of up to \$149,500,000 and the creation of up to 67 jobs. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-068. Michael B. Kapp seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), 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

John Groen then motioned for the approval of Resolution 2022-069. Britany L. Affolter-Caine seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), 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

b. **Resolution 2022-070 City of Warren Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan (Warren Transmission Redevelopment Project)**

Matt Chasnis, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture capped at \$7,271,381 for Act 381 eligible activities to support a business development project in the City of Warren. The project is expected to result in total capital investment of \$180,000,000 and the creation of an anticipated 600 jobs. Following discussion, Cindy Warner motioned for the approval of Resolution 2022-070. Rachel Eubanks seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), 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

c. **Resolution 2022-071 Industry 4.0 Signature Initiative Implementation Grants: Allocation of Funding, Award Recommendations, and Guidelines Approval**

Natalie Chmiko, Vice President of PMBC & International Trade, provided the Board with information regarding this action item. The action involves allocation of \$3,000,000 in funding to support Industry 4.0 (I4.0) implementation grants, authorization of Joint Evaluation Committee award recommendations for six nonprofit organizations for agreements for an initial two-year term, with the option to extend the term for up to an additional two years, and approval of proposed I4.0 Technology Implementation Grant Eligibility Guidelines. Following discussion, Susan Tellier motioned for the approval of Resolution 2022-071. Rachael Eubanks seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, John Groen (on behalf of Director Corbin, designation attached), 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 March 1 to March 31, 2022, was included in the meeting packet. She asked if there were any questions from Board members regarding the information.

Ronald W. Beebe inquired about Superior Industries International, Inc. listed under Michigan Business Development Program terminations. The company was awarded a \$900,000 grant and the report noted a \$26,066.63 repayment. He asked about the status of the remaining amount. Christin Armstrong, Associate General Counsel and Vice President of Compliance & Contract Services responded that she will follow-up with specific information about this issue.

Ms. Nelson asked if there were any other questions from Board members and there were none.

Ms. Nelson adjourned the meeting at 11:42 a.m.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

June 15, 2021

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen in addition to Jonathan Smith as the persons 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.

If you need anything additional, please contact Diane Burton at (517) 230-5454. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Susan R. Corbin".

Susan R. Corbin
Acting Director



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®



PAUL WOJNO
ASSISTANT DEMOCRATIC
CAUCUS CHAIR

9TH DISTRICT

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COMMITTEES:
ELECTIONS,
MINORITY VICE-CHAIR
HEALTH POLICY AND
HUMAN SERVICES
REGULATORY REFORM

THE SENATE
STATE OF MICHIGAN

April 21, 2022

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

Dear Mr. Messer,

I am writing to offer my support for the request from the City of Warren Brownfield Redevelopment Authority for approval of a Brownfield Act 381 Work Plan. The plan includes the state tax capture of \$7,271,381 to reimburse the Michigan Strategic Fund for eligible activities in Warren, Michigan.

The project consists of the demolition of an existing building and the construction of three new buildings containing 1,400,000 square feet of industrial space. The project will redevelop 117 acres that previously housed the former General Motors (GM) Warren Transmission Plant and is anticipated to support tenants in the light industrial, manufacturing, subassembly work, and distribution industries.

The project will include approximately 5,000 square feet of public infrastructure improvements consisting of curb and gutter, street repair, and road improvements and is expected to result in capital investment of \$180,000,000 and the creation of approximately 600 new industrial/manufacturing jobs.

Performing the work will be NP Mound Road Industrial, LLC, a single purpose entity created by NorthPoint Development, a privately held real estate development firm established in 2012 that specializes in rehabilitation of industrial space. The qualifications and experience of the developers of this project make them a beneficial addition to the community. In addition, the developer has managed over 70 million square feet of industrial space across the U.S. and has undertaken multiple projects in Michigan with a similar scope, including the former Cadillac Stamping Plant Redevelopment project in Detroit and the Eastland Mall Redevelopment project in Harper Woods. In addition, the project is requesting \$10,604,750 in TIF from the Department of Environment, Great Lakes and Energy to assist with environmental eligible activities. Local support for the project includes the local portion of the Brownfield Tax Increment Financing (TIF) valued at \$10,802,094 and a 12-year Industrial Facilities Property tax abatement valued at \$12,646,232.

The property recently housed a GM manufacturing operation until the facility was closed in 2019. The site was temporarily reopened to manufacture facemasks during the COVID-19 pandemic, but operations have since been shuttered. Once construction begins, it is expected to be completed within 36 months. Throughout my time in public service, I have witnessed firsthand the importance of community involvement and commitment and am confident in the positive benefits of NP Mound Road Industrial, LLC., who has a proven track record of success and is committed to supporting the economy while contributing to the local tax base which supports essential services. The positive economic impact will be felt immediately in the area and assist Michigan workers by providing good paying jobs. It is this commitment to positive results, that reinforces my recommendation and support for approval.

Thank you for your consideration and please feel free to contact me if you would like to discuss the projects benefits and contributions to the community and State of Michigan. I can be reached at senpwojno@senate.michigan.gov or 517-373-8360.

Warmest regards,

Senator Paul Wojno
9th District