

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
January 26, 2021**

Members joined remotely

Britany L. Affolter-Caine, participating from Bellevue, WA
Paul Ajegba, participating from Ann Arbor, MI
Ronald W. Beebe, participating from Bay City, MI
Mark Burton, participating from Meridian Township, MI
Susan Corbin, participating from Petoskey, MI
September Hargrove, participating from Detroit, MI
Andrew Lockwood (on behalf of Treasurer Eubanks), participating from Grand Ledge, MI
Charles P. Rothstein, participating from Farmington Hills, MI
Cindy Warner, participating from Palm Springs, CA

Members absent

Paul Gentilozzi
Susan Tellier

I. CALL TO ORDER & ROLL CALL

Mr. Burton called the meeting to order at 10:02 a.m. The meeting was held virtually via Microsoft Teams due to the COVID-19 pandemic.

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

II. PUBLIC COMMENTS

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

III. COMMUNICATIONS

Katelyn 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 letters were received from Senator Curt VanderWall in support of the Lofts on Rowe redevelopment project in Ludington and Senator Roger Victory in support of the Peerless Flats project in Grand Haven. The letters were shared with Board members and are attached to the minutes.

IV. CONSENT AGENDA

Resolution 2021-004 Approval of Consent Agenda Items

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

- a. Proposed Meeting Minutes: December 8, 2020
- b. Proposed Special Meeting Minutes: January 14, 2021
- c. Sugar Hill Redevelopment Project: Brownfield MBT Credit Amendment – **2021-005**
- d. Newell Brands: MBDP Grant Amendment – **2021-006**

September Hargrove seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

V. CAPITAL ACCESS

a. Resolution 2021-007 Grow Michigan, Inc.: Appointment to the Board of Managers

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves approval of a resolution to appoint Julius Edwards, Senior Commercial Real Estate Investment Manager, to replace Mark Morante as one of the MSF appointed members to the Board of Managers of Grow Michigan, Inc. Following discussion, September Hargrove motioned for the approval of Resolution 2021-007. Britany L. Affolter-Caine seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

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

b. Resolution 2021-008 Neighborhood Club: Supplement to Amended and Restated Bond Indenture

Chris Cook, Director of Capital Access, provided the Board with information regarding this action item. The action involves approval of a supplement to the amended and restated trust indenture for MSF Series 2011 bonds related to the Neighborhood Club project to provide a new formula for calculating the interest rate on the bonds and a five-year extension to the current bank purchase rate period. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2021-008. Susan Corbin seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

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

VI. ENTREPRENEURSHIP

a. Resolution 2021-009 University Early Stage Proof-of-Concept: ADVANCE Fund RFP

Denise Graves, University Relations Director, provided the Board with information regarding this action item. The action involves approval of a Request for Proposals (RFP) process to award a grant to a university for the implementation and execution of the University Early Stage Proof of Concept - ADVANCE Fund program, allocation of \$250,000 in funding for one year, approval of a Joint Evaluation Committee to review proposals, and approval of the scope of work and scoring criteria. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2021-009. Andrew Lockwood seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

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

VII. COMMUNITY VITALITY

a. Resolutions 2021-010 & 2021-011 City of Ludington – Michigan Community Capital / Mason County Brownfield Redevelopment Authority: CDBG Grant and Brownfield Act 381 Work Plan (Haskell Building/Lofts on Rowe Redevelopment Project)

Sarah Rainero, Managing Director of Community Assistance Programs, provided the Board with information regarding these action items. These actions involve approval a \$2,030,000 Community Development Block Grant (CDBG) program grant for elimination of blight that includes up to \$30,000 for certified grant administrator services and state tax capture capped at \$1,554,279 for

Act 381 eligible activities to support a community development project in the City of Ludington. The project is expected to result in total capital investment of \$12,788,712. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2021-010. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Cindy Warner then motioned for the approval of Resolution 2021-011. Britany L. Affolter-Caine seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

b. **Resolutions 2021-012 & 2021-013 Peerless Caddis LLC / City of Grand Haven Brownfield Redevelopment Authority: MCRP Loan Participation Award and Brownfield Act 381 Work Plan (Peerless Flats Project)**

Dana Kollewehr, Community Assistance Team Specialist, provided the Board with information regarding these action items. These actions involve approval of state tax capture capped at \$1,378,865 for Act 381 eligible activities, transfer of funds from the Investment Fund to the Michigan Community Revitalization Program (MCRP), and a \$4,750,000 MCRP loan participation award to support a community development project in the City of Grand Haven. The project is expected to result in total capital investment of \$24,750,000. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2021-012. Mark Burton seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Ronald W. Beebe then motioned for the approval of Resolution 2021-013. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

c. **Resolution 2021-014 Keefer House Hotel, LLC: MCRP Other Economic Assistance Equity Investment (Keefer House Hotel Project)**

Paula Holtz, Community Assistance Team Specialist, provided the Board with information regarding this action item. The action involves approval to transfer funds from the Investment Fund to the Michigan Community Revitalization Program (MCRP) and a \$2,000,000 MCRP equity investment award to support a community development project in the City of Hillsdale. The project is expected to result in total capital investment of \$12,346,601. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2021-014. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

d. **Resolutions 2021-015 & 2021-016 Cadillac Lofts, LLC / City of Cadillac Brownfield Redevelopment Authority: Brownfield Act 381 Work Plan Amendment and MCRP Grant Amendment (Cadillac Lofts Redevelopment Project)**

*Rob Garza, Manager of Statutory Analysis, provided the Board with information regarding these action items. These actions involve approval of an amendment to increase state tax capture from \$346,465 to \$622,273 for Act 381 eligible activities and an amendment to the Michigan Community Revitalization Program grant agreement to extend the milestone two due date from November 1, 2020 to February 28, 2021, and the pre-grant disbursement due diligence conditions due date from February 28, 2021 to August 31, 2021, to support a community development project in the City of Cadillac. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2021-015. Cindy Warner seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.***

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

Charles P. Rothstein then motioned for the approval of Resolution 2021-016. Ronald W. Beebe seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

VIII. INFORMATIONAL

Mr. Burton noted the FY 2021 first quarter report for MSF delegated authority activity was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Burton adjourned the meeting at 11:21 a.m.



THE SENATE
STATE OF MICHIGAN

CURTIS S. VANDERWALL
35TH DISTRICT
P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-1725
FAX: (517) 373-0741
sencvanderwall@senate.michigan.gov

January 21, 2021

Mr. Mark Burton
Chairperson of the Michigan Strategic Fund
300 N. Washington Sq.
Lansing, MI 48913

Dear Chairperson Burton,

I am writing to express my strong support for the City of Ludington's application for a \$2,000,000 Community Development Block Grant Program blight elimination grant and up to \$30,000 for certified grant administrator services to support the Lofts on Rowe Redevelopment project.

Affordable housing is a major issue in my hometown of Ludington as well as rural communities across the state. Thanks to the generous land donation of a local family and considerable support from both the private and public sector, we have an opportunity to address the issue in a significant way. The Lofts on Rowe Redevelopment project will convert a vacant manufacturing building built in the 19th century into a residential structure with 65 units as well as an office space on the first floor. The historic building has been vacant for several years and has fallen into a condition of significant blight.

In addition, the project will create a new parking lot and sidewalks to support building uses and will relocate two municipal facilities. The development also will include public improvements including curbs, gutters, and sidewalks. Lack of affordable housing creates a lot of pressure on a community and this project presents a critical opportunity to improve housing opportunities in Ludington.

I wholeheartedly support the application of the City of Ludington for the Lofts on Rowe Redevelopment project. Should you have any further questions, please do not hesitate to contact my office at (517) 373-1725 or sencvanderwall@senate.michigan.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "C. VanderWall".

Sen. Curt VanderWall
35th District

January 26, 2021

Chairman Mark Burton,

I would like to recommend Peerless Caddis, LLC as an exceptional candidate for a \$4,750,000 Michigan Community Revitalization Program loan participation award to support a community development project in Grand Haven. Additionally, I support the City of Grand Haven Brownfield Redevelopment Authority's request for a state tax capture for Act 381 eligible activities capped at \$1,378,865. I believe Peerless Caddis, LLC and the Grand Haven community would benefit from this exciting project.

Peerless Caddis, LLC and the City of Grand Haven have shown a true partnership in developing the proposed plans. Multi-family housing in downtown Grand Haven is extremely limited and this addition will be able to utilize the limited downtown space to its fullest capacity. The entire site and improvements will be designed to provide our community with a residential space that is creative and innovative.

Today, I ask that Peerless Caddis, LLC and the City of Grand Haven Brownfield Redevelopment Authority applications be considered to the full extent. Thank you for your consideration of these applicants. Please do not hesitate to contact me if there is anything I can assist with.

Sincerely,



Roger Victory
State Senator
30th Senate District



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 8, 2021

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Surmann:

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

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

Sincerely,

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

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood