



MICHIGAN STRATEGIC FUND

BOARD MEETING AGENDA September 7, 2022 9:00AM

- I. CALL TO ORDER & ROLL CALL**
- II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES**
- III. COMMUNICATIONS**
 - a. NorthPoint Development Letter – Project Update 2
- IV. CONSENT AGENDA**
 - a. Proposed Meeting Minutes: August 23, 2022 19
 - b. City of Houghton: CDBG Water Related Infrastructure Project Amendment..... 29
 - c. Village of Fowlerville: CDBG Water Related Infrastructure Project Amendment..... 33
 - d. City of Bangor: CDBG Water Related Infrastructure Amendment 38
- V. ATTRACT, RETAIN AND GROW BUSINESS**
 - a. Thomas Township: A resolution to approve a \$27 million Strategic Site Readiness Program (SSRP) performance-based grant for public infrastructure and utility upgrades 44
Location: Thomas Township, Saginaw County
- VI. DEVELOP ATTRACTIVE PLACES**
 - a. Revitalization and Placemaking Grant Awards: A resolution to approve multiple statewide Revitalization and Placemaking (RAP) Grant Awards in the amount of \$83,805,739 and a delegation of authority to amend and implement the RAP grant agreements 59
 - b. The Hinman Company – Tall Timbers: A resolution to approve a Brownfield Act 381 Work Plan and state tax capture for eligible activities of up to \$4,749,348..... 70
Location: City of Portage

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

From: [Robbie Nguyen](#)
To: [Wendy Caldwell-Liddell](#)
Cc: tconder@northpointkc.com; NCook@senate.michigan.gov; larissa.richardson@mail.house.gov; rashida@mail.house.gov; sensantana@senate.michigan.gov; councilmemberdurhal@detroitmi.gov; councilmemberwaters@detroitmi.gov; [Katelyn Wilcox \(MEDC\)](mailto:Katelyn.Wilcox(MEDC)@michigan.gov); jbelanger@degc.org; [Marvin Liddell](mailto:Marvin.Liddell@detroitmi.gov); Joanna.underwood@detroitmi.gov; Santana.hill@detroitmi.gov; herve.leonard@detroitmi.gov; Mark.Payne@detroitmi.gov; britanycaine@urcmich.org; mauritapointzes@gmail.com; ceairrasanders@gmail.com
Subject: Re: AMC Follow up from MSF Board Meeting
Date: Tuesday, August 30, 2022 4:54:24 PM
Attachments: [BSEED Air Quality Review Concurrence.pdf](#)
[Letter Response to Wendy Caldwell-Liddell.pdf](#)
[9506.001-AMC Air Quality Study - 6-16-2022.pdf](#)

Hello Wendy,

Please see the attached correspondence in response to your August 1st e-mail, along with supporting documentation.

I appreciate your engagement and look forward to delivering this exciting project to District 7!

Thank you,
Robbie Nguyen
Development Manager

C 513.578.2907
www.BeyondTheContract.com



2111 Woodward Avenue #1100 | Detroit, MI 48201

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On Mon, Aug 22, 2022 at 5:16 PM Wendy Caldwell-Liddell <wmcliddell@gmail.com> wrote:

Hi again Robert,

I am forwarding this email in hopes of getting a response from you or someone at Northpoint on continued conversations with the community following the MSF Board meeting. I am also attaching here, an impact area analysis completed by residents. This visual analysis is intended to support the information provided in my original email and residents' calls for air filters by outlining those areas in "high exposure zones" - that is, those areas most susceptible to both mobile and point pollution as a result of construction and ongoing activities at the site based on the location of the proposed truck traffic route and the site itself.

Thank you. I look forward to your follow up.

-Wendy

----- Forwarded message -----

From: **Katelyn Wilcox (MEDC)** <wilcoxk5@michigan.org>

Date: Wed, Aug 3, 2022 at 10:25 AM

Subject: RE: AMC Follow up from MSF Board Meeting

To: Wendy Caldwell-Liddell <wmcliddell@gmail.com>, britanycaine@urcmich.org <britanycaine@urcmich.org>

Good morning, Wendy,

Thank you for your email and the continued correspondence. For any further communications, I'll combine them and include them in the communications as part of our monthly board packet. I'll include these comments for the August packet that is sent to the board in a couple of weeks.

Please let me know if you have any questions or if I can be of further assistance.

Kind regards,

Katelyn

Katelyn Wilcox Surmann

MSF Board Liaison

Michigan Economic Development Corporation

300 N. Washington Square | Lansing, MI 48913

Mobile: 517.899.9070 | wilcoxk5@michigan.org

Learn more about MEDC and its services offered to Michigan businesses and communities by [signing up for our newsletters](#).

From: Wendy Caldwell-Liddell <wmcliddell@gmail.com>

Sent: Monday, August 1, 2022 2:30 PM

To: Katelyn Wilcox (MEDC) <wilcoxk5@michigan.org>; britanycaine@uremich.org
Subject: Fwd: AMC Follow up from MSF Board Meeting

Hello Ms. Wilcox,

I am forwarding this email to request that you provide this letter to the full MSF Board. I was only able to locate an email address for one member, Britany (cc'd here), but I think its equally important that all members are aware of this communication. Can you please let me know what the process is for communication to the board going forward? If we send things to you, should we expect that the board will be provided that information? Thank you for your assistance.

-Wendy

----- Forwarded message -----

From: Wendy Caldwell-Liddell <wmcliddell@gmail.com>
Date: Mon, Aug 1, 2022 at 2:22 PM
Subject: AMC Follow up from MSF Board Meeting
To: nguyen@northpointkc.com <nguyen@northpointkc.com>
Cc: <councilmemberdurhal@detroitmi.gov>, <councilmemberwaters@detroitmi.gov>, <wilcoxk5@michigan.org>, <jbelanger@degc.org>, Marvin Liddell <mliddellsr@gmail.com>, <Joanna.underwood@detroitmi.gov>, <Santana.hill@detroitmi.gov>, <herve.leonard@detroitmi.gov>, <Mark.Payne@detroitmi.gov>, <britanycaine@uremich.org>

Hello Robert,

Wendy Caldwell-Liddell here. I am sending you this email as a follow up to the Michigan Economic Development Corporation (MEDC's) Michigan Strategic Fund (MSF) Board meeting on Tuesday, July 26. The "good faith" requests that we heard from the MSF Board and the subsequent commitments made by yourself on behalf of North Point are encouraging and we are looking forward to continued discussions with you around the environmental impact concerns at American Motor Corporation (AMC).

I want to begin by responding to your comments to clarify how the City of Detroit and North Point have addressed the community's concerns thus far:

1. On the City's review and approval of the AMC Development package:

- a. The AMC Project was originally approved by Detroit City Council in 2021, at the height of the COVID-19 pandemic and while [District 7 residents were without an active elected representative following the resignation of former Council Member Gabe](#)

[Leland](#).^[1] It should be also noted that this was a time when Detroit City hall was nearly inaccessible to the general public without appointment and community meetings were only being held via zoom ([a known inequitable option for many of our digitally disconnected families and seniors](#)).^[2] While City Council and the Detroit Economic Growth Corporation (DEGC) were approving this project, the District 7 elected Community Advisory Council (CAC) was not informed of the project's existence at all, a direct violation of the Detroit City Charter and an issue that has yet to be addressed by the previous or current Council. The community has been informed that because the AMC redevelopment decision was approved by the previous council, opportunities to require environmental mitigation ***beyond the site remediation itself at this point***, may not be possible. This narrative persists in our local government despite the environmental data and information about disproportionate impact in our neighborhoods that has been presented to City Council, the DEGC, and North Point in multiple formal occasions since at least May of this year. Our inability to get a response or support from the City Administration, City Council, or the DEGC regarding resident's environmental concerns is the primary reason why we have brought our concerns to the State via the MSF Board meeting.

2. On the environmental impact study and the City's review of this information:

a. During the MSF meeting, it was shared that the findings on North Point development's potential for air contamination were below the Department of Environment, Great Lakes and Energy's (EGLE) allotment. We want to respond to this by noting that our local and state laws have not kept pace with the proliferation of manufacturing facilities or regulations tied to the diesel trucks that service them. [This is especially true in Michigan](#)^[3] where there are little to no emissions standards for diesel trucks, [and even more so in Detroit where bills to create cleaner diesel standards have been stymied in the House](#).^[4] The lack of adequate diesel truck standards creates major consequences for low income Black and Brown communities like those located near the AMC development and for Detroit in general where diesel truck traffic is more prevalent than anywhere else in the state.

b. Despite this, and as correctly stated by North Point's team during the MSF Board meeting, the environmental impact study was not an initial requirement of the AMC approval package. This information was provided directly to the Buildings, Safety, Environmental, and Engineering Department (BSEED) only after more than 100 residents organized and signed petitions asking for environmental mitigations around this project. The community has requested on multiple formal occasions to receive information regarding this study and the 3rd party consultants who have, by North Point's description, estimated a "zero sum impact" of the truck traffic in the residential neighborhood around the AMC site. While we are aware that this study was delivered to our City Administration (via the BSEED department), neither residents nor elected CAC members have attested to reviewing this physical study with our elected council representatives or the Developer during community meetings.

3. On the proposed truck route(s) and truck traffic associated with the project:

a. Member Tellier made a comment on the basic science around how air pollution moves in neighborhoods, and we want to uplift that in this letter. As a professional Urban Planner, myself, I have supported my fellow residents with reviewing multiple studies about manufacturing facilities and how the diesel trucks that service them have a disproportionate impact on communities like ours here in District 7. From the EPA data we've gathered about how diesel truck exhaust accumulates around homes near the roads that service them, and the wind patterns in the area, the residents who live within [~1/8 mile windward of roads serving diesel truck traffic and ~1/3 miles](#)

[downwind of roads serving diesel truck traffic](#)^[5] are considered residents of “High Exposure Zones” - where the short and long term [consequential health risks related to mobile pollution are most significant and detrimental](#).^[6] We want to reiterate our above comments about the need to analyze the air quality study completed by the 3rd party consultants, especially given this and other data that is very contrary to what we have heard from North Point thus far. As one of the US cities hardest hit by the pandemic, residents are concerned about the [increased vulnerability to COVID-19 infection when there is poor air circulation and especially when the risk of pollution increases](#).^[7]

The Specific Request from residents:

To respond to questions raised by North Point and Jean Belanger, a representative from the Detroit Economic Growth Corporation (DEGC) about not being clear on the specifics of the community’s request we want to provide the following:

Impact area residents **ASK** is that the Developer make funding and/or programming available to support the installation of [high efficiency Furnace and HVAC system filters and/or upgrades to the existing air filters in resident’s furnaces or central HVAC systems to improve indoor air quality and filter out pollutants](#)^[8] specifically in the homes of residents who live in “High Exposure Zones.”

To this end, we would like to request a meeting with the North Point AMC development team to walk through this request and discuss directly impacted resident environmental concerns and the desired mitigations.

We look forward to working with you and providing a positive update to the MSF Board when this project is revisited later.

Wendy Caldwell-Liddell

District 7 Resident

8792 Orangelawn

Detroit, MI 48204

wmcliddell@gmail.com

Cell: 313 - 296 - 5500

A copy of this letter is also attached to this email.

[1] <https://www.freep.com/story/news/local/michigan/detroit/2021/05/03/gabe-leland-resigns-detroit-city-council/4922019001/>

[2] <https://www.freep.com/story/news/local/michigan/detroit/2021/10/02/internet-access-computers-detroit-covid-19/5294137001/>

[3] <https://www.detroitnews.com/story/business/autos/2020/12/08/emissions-cheating-widespread-michigan-has-no-laws-catch/3801488001/>

[4] <https://planetdetroit.org/2021/09/reining-in-the-fumes-new-efforts-aim-to-get-control-over-idling-trucks-and-buses-in-detroit-and-michigan/>

[5] https://www.epa.gov/sites/default/files/2015-11/documents/420f14044_0.pdf

[6] <https://www.catf.us/deathsbydiesel/>

[7] <https://www.hsph.harvard.edu/c-change/subtopics/coronavirus-and-pollution/#:~:text=For%20communities%20of%20color%2C%20air,of%20dying%20from%20Covid%2D19.>

[8] https://www.epa.gov/sites/default/files/2018-07/documents/guide_to_air_cleaners_in_the_home_2nd_edition.pdf

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Wendy Caldwell-Liddell

Cell: 313 - 296 - 5500

Personal: wmcliddell@gmail.com

Business: wendy@d-src.com

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Wendy Caldwell-Liddell

Cell: 313 - 296 - 5500

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AMC Project - Air Quality Study

Hosam Hassanien <hassanienh@detroitmi.gov>

Mon, Jun 20, 2022 at 10:49 AM

To: "Kenyetta H. Bridges" <kbridges@degc.org>, Jean Belanger <jbelanger@degc.org>

Cc: Robbie Nguyen <rnguyen@northpointkc.com>, Malik Johnson <johnsonmal@detroitmi.gov>, Brian Vosburg <bvosburg@degc.org>, Jennifer Kanalos <jkanalos@degc.org>, Malinda Jensen <mljensen@degc.org>, Cora Capler <ccapler@degc.org>, Tim Conder <tconder@northpointkc.com>, "Belka, Jared" <jbelka@wnj.com>

Jean,

BSEED-Environmental Affairs reviewed ERG's revised Air Quality Evaluation report (dated June 16, 2022) and finds it acceptable. We concur with ERG that both the worst case and forecasted actual emissions from vehicular traffic (cars, trucks, etc.) due to the proposed warehouse operations are well below the permissible limits set by the Michigan air quality rules. Therefore, the anticipated vehicular traffic associated with the warehouse operations is not expected to significantly impact the air quality of or cause a threat to public health in the surrounding area.

Please let me know if you have any questions or comments.

Hosam

Hosam N. Hassanien, PG, CPG

City of Detroit

Environmental Affairs

Buildings, Safety Engineering and Environmental Department

2 Woodward Avenue – CAYMC, Suite 401

Detroit, Michigan 48226

Direct: (313) 471-5110

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From: Hosam Hassanien <hassanienh@detroitmi.gov>

Sent: Friday, June 17, 2022 1:45 PM

To: Kenyetta H. Bridges <kbridges@degc.org>; Jean Belanger <jbelanger@degc.org>

[Quoted text hidden]

[Quoted text hidden]

August 30, 2022

Ms. Wendy Caldwell-Liddell
District 7 Resident
8792 Orangelawn
Detroit, Michigan 48204

Re: AMC Redevelopment Project

Dear Wendy:

We appreciate your interest in ensuring that this development is done in a manner that is equitable to all parties involved. As you're aware, NorthPoint held community engagement meetings with District 7 residents throughout the design process to provide a transparent and thoughtful review of the project. The meetings occurred on January 26th, February 2nd, June 13th, and most recently on July 27th (the day after our approval by the Michigan Strategic Fund). Additionally, NorthPoint received other community feedback during the various public hearings throughout the approval process. Based on this feedback, NorthPoint agreed to reduce the zoning from M-4 Intensive Industrial to M-2 for light manufacturing and assembly work. NorthPoint is also partnering with Detroit at Work to provide Detroiters with first priority for the future jobs and bus passes for new hires. Finally, NorthPoint is funding improvements to the nearby Mallett Playground and adjacent Shirley-Plymouth Greenbelt, installing a monument to commemorate the history of the site, and removing an entrance that would have allowed direct truck access onto Plymouth Road in order to redirect truck traffic away from residential areas.

Since NorthPoint began working on the project, our lead environmental consultant, PM Environmental, compiled 30 years of environmental data from studies that were performed on the site. In addition to the existing data, NorthPoint had PM Environmental conduct an additional 6 months of testing and to walk the site with Michigan Department of Environment, Great Lakes, and Energy (EGLE) to develop a working plan for remediating the site. Identified methods include isolating asbestos areas under zero pressure to confine materials escaping into the air. Air Quality monitoring systems will be installed by the contractor around the site as an additional safeguard and this will be monitored by an authorized third party to ensure compliance.

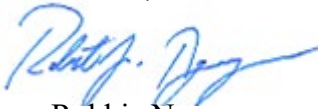
In regards to Air Quality, NorthPoint hired Environmental Resources Group (ERG) to conduct an evaluation of the potential air emissions from vehicular traffic associated with our development. The study incorporates a review of emissions such as Nitrogen Oxides. The report was based on a Traffic Study commissioned by NorthPoint and was extremely conservative by assuming the projected traffic counts generated from ITE-150 standard were doubled and the consultant used those counts to calculate projected emissions. ERG's conclusion was that both the worst case and forecasted emissions from vehicular traffic (cars, trucks, etc.) due to the proposed warehouse operations were well below the permissible limits set by the State of Michigan's Air Quality Division. The ERG study was reviewed by the City of Detroit's

Buildings, Safety Engineering, and Environmental Department (BSEED) and they concurred with ERG's original conclusion. Attached are copies of the correspondence from BSEED and the Air Quality Study for your review.

In addition to the above ERG report, by removing of truck entrances from Plymouth Road, the most efficient route to the interstate is to use Hubbell to Fullerton and Schaefer which naturally deters trucks from passing through residential areas.

Based on the testing and concluded data outlined above from the environmental consultants, in addition to the concurrence from BSEED, we believe the proposed measures in place should alleviate any air quality concerns and does not require installation of special air filters or air quality units.

Thanks,

A handwritten signature in blue ink, appearing to read "Robbie Nguyen".

Robbie Nguyen

cc: The Honorable Fred Durhal
The Honorable Mary Waters
Ms. Jean Belanger, DEGC
Ms. Katelyn Wilcox, MEDC and Board Liason to MSF



Environmental Resources Group

28003 Center Oaks Court • Suite 106 • Wixom, MI • 48393
Phone: 248-773-7986 • Fax: 248-924-3108

June 16, 2022

Robbie Nguyen
NorthPoint Development
4805 Montgomery Road, Suite 310
Cincinnati, OH 45212

**RE: Air Quality Evaluation
AMC HQ Site Development, Detroit, Michigan
ERG Project No.: 9506.001**

Dear Mr. Nguyen:

Environmental Resources Group, LLC is pleased to present our evaluation of the potential air emissions from the trucks and passenger cars due to the proposed Northpoint warehouse development in the City of Detroit, Michigan. The project site is located on property that was previously occupied by the AMC headquarters building, generally in the southeast quadrant of the Fullerton Avenue & Hubbell Avenue intersection. Note: This is an updated version of the original report dated May 11, 2022. ERG updated the report after running the Diesel Emission Quantifier on June 13, 2022 to address the review comments provided by the City of Detroit.

METHODOLOGY

The warehouse operations forecast the following traffic pattern, provided by Fleis & VandenBrink, Inc. (F&V). This pattern was used to evaluate the emissions using the additional assumptions listed below.

Table 1: Traffic Pattern

Type	AM Peak Hour (vph)			PM Peak Hour (vph)			Ave, Daily Traffic
	In	Out	Total	In	Out	Total	
Trucks	17	15	32	25	23	48	868
Passenger cars	92	28	120	33	90	123	1,294

Assumptions:

- The maximum possible emissions from the trucks were calculated assuming trucks would be Class 8 long-haul single units.
- The minimum possible emissions from the trucks were calculated assuming trucks would be Class 3 short-haul single units.



- Radius of the neighborhood evaluation was assumed as five (5) miles. Therefore, each vehicle trip (in and out) accounts for total of ten (10) miles in the neighborhood.
- The annual emissions for the trucks were obtained from the United States Environmental Protection Agency's (USEPA) Diesel Emissions Quantifier (DEQ).
- The emissions (gram/mile) for light-duty vehicles such as passenger cars were obtained from Bureau of Transportation statistics. The latest emission values for 2018 were utilized. The passenger cars were assumed to use gasoline.
- The trucks model year and last upgrade were assumed as 2017 to be conservative.
- Remaining lifetime of the trucks were assumed as 10 years when conducting the calculations via DEQ on June 13, 2022.
- **Attachment A** presents the emissions, fuel usage and annual vehicle mileage. The annual mileage and fuel usage are the default values of DEQ (Refer to: <https://cfpub.epa.gov/quantifier/>).

Per Michigan's air quality Rules (R336.1119), if the actual emissions of any criteria air pollutant or other air contaminant from a proposed activity exceed one or more of the following limits, the facility is identified as a major source and precludes from getting an exception from permitting.

- Carbon monoxide (CO): 100 tons per year (TPY)
- Carbon dioxide 75,000 TPY
- Nitrogen oxides (NO_x): 40 TPY
- Particulate matter (PM-2.5): 10 TPY
- Other 6 TPY

ERG evaluated the emissions from the following two scenarios:

Scenario 1 (worst case scenario): The total annual truck emissions were assumed to be emitted to the neighborhood by the trucks. The total mileage of a passenger car per a weekday was assumed to be 10 miles.

Scenario 2 (forecasted actual): The total mileage of a passenger car or a truck per a weekday was assumed to be 10 miles.

Table 2 below presents the total maximum emissions from the trucks and cars at the worst-case scenario in which the total annual truck emissions were assumed to be emitted to the neighborhood by the trucks. In addition, during this revision, the lifetime availability of the trucks were assumed as 10 years to be further conservative on the emissions of CO and NO_x. The maximum possible annual emission of CO, NO_x, and PM-2.5 were calculated as 48.908 TPY, 38.082 TPY, 0.107 TPY, respectively. These emissions are below the limits of the criteria pollutants listed above. In addition to the criteria air pollutants, ERG calculated the annual emissions of hydrocarbon (HC) and carbon dioxide (CO₂), which are presented in Table 2. The maximum possible annual emission of CO₂ and HC were calculated as 22,939 TPY and 2.338 TPY, respectively. These emissions are below the limits of the air contaminants listed above.

**Table 2: Worst Case Emissions (See Scenario 1)**

Note: Calculations are based on total hauling annual distance for trucks (Worst Case Scenario - Trucks emit all annual emissions to the neighborhood)		Emissions (short tons per year)				
		NOx	PM2.5	HC	CO	CO2
Trucks (Minimum)	Peak hour AM	0.187	0.001	0.007	0.293	527
	Peak hour PM	0.280	0.001	0.011	0.439	790
	<i>Sub total peak hour</i>	<i>0.467</i>	<i>0.002</i>	<i>0.019</i>	<i>0.732</i>	<i>1,317</i>
	Weekdays	5.064	0.021	0.202	7.940	14,286
Trucks (Maximum)	Peak hour AM	1.242	0.002	0.027	1.065	714
	Peak hour PM	1.864	0.003	0.040	1.597	1,071
	<i>Sub total peak hour</i>	<i>3.106</i>	<i>0.005</i>	<i>0.067</i>	<i>2.662</i>	<i>1,786</i>
	Weekdays	33.703	0.049	0.729	28.885	19,374
Passenger Vehicles	Peak hour AM	0.099	0.004	0.120	1.355	139
	Peak hour PM	0.102	0.004	0.123	1.389	142
	<i>Sub total peak hour</i>	<i>0.201</i>	<i>0.008</i>	<i>0.244</i>	<i>2.745</i>	<i>281</i>
	Weekdays	1.072	0.045	1.298	14.616	1,498
Total annual peak hour (Minimum)		0.668	0.010	0.262	3.476	1,598
Total annual peak hour (Maximum)		3.308	0.013	0.311	5.407	2,067
Total annual weekday (Minimum)		6.136	0.066	1.500	22.555	15,784
Total annual weekday (Maximum)		34.775	0.094	2.027	43.501	20,872
Total annual (Trucks and Cars - Minimum)		6.804	0.076	1.762	26.032	17,383
Total annual (Trucks and cars - Maximum)		38.082	0.107	2.338	48.908	22,939
Michigan Air Quality Rule (R336.1119) Value (TPY)		40.0	10.0	6.0	100.0	75,000.0

Table 3 below presents the total forecasted actual emissions from the trucks and cars (see Scenario 2). The annual emission of CO, NOx, and PM-2.5 were calculated as 22.651 TPY, 7.446 TPY, 0.062 TPY, respectively. These emissions are well below the limits of the criteria pollutants listed above.

**Table 3: Forecasted Actual Emissions (See Scenario 2)**

Note: Calculations are based on hauling distance of 10 miles per trucks in the neighborhood		Emissions (short tons per year)				
		NOx	PM2.5	HC	CO	CO2
Trucks (Minimum)	Peak hour AM	0.046	0.000	0.002	0.071	128.484
	Peak hour PM	0.068	0.000	0.003	0.107	192.726
	<i>Sub total peak hour</i>	0.114	0.000	0.005	0.179	321.211
	Weekdays	1.235	0.005	0.049	1.937	3485.136
Trucks (Maximum)	Peak hour AM	0.208	0.000	0.005	0.179	119.773
	Peak hour PM	0.313	0.000	0.007	0.268	179.659
	<i>Sub total peak hour</i>	0.521	0.001	0.011	0.446	299.432
	Weekdays	5.652	0.008	0.122	4.844	3248.839
Passenger Vehicles	Peak hour AM	0.099	0.004	0.120	1.355	138.9
	Peak hour PM	0.102	0.004	0.123	1.389	142.4
	<i>Sub total peak hour</i>	0.201	0.008	0.244	2.745	281.4
	Weekdays	1.072	0.045	1.298	14.616	1,498.3
Total annual peak hour (Minimum)		0.315	0.001	0.016	0.625	620.6
Total annual peak hour (Maximum)		0.722	0.009	0.255	3.191	580.8
Total annual weekday (Minimum)		2.307	0.050	1.347	16.553	4,983.4
Total annual weekday (Maximum)		6.724	0.053	1.420	19.459	4,747.1
Total annual (Maximum)		7.446	0.062	1.675	22.651	5,604.1
Michigan Air Quality Rule (R336.1119) Value (TPY)		40.0	10.0	6.0	100.0	75,000.0

RESULTS

The worst case and forecasted actual emissions from the trucks and cars due to the warehouse operations are well below the limits set by Michigan's air quality Rules to protect the air quality.

CONCLUSIONS

According to the results of the emission calculations, the cars and trucks that come in and out of the warehouse should not significantly impact the air quality of surrounding area as defined by R336.1119.



We appreciate any feedback you might have. If you have any questions, or need further information, do not hesitate to contact us at 248-773-7986.

Sincerely,

ENVIRONMENTAL RESOURCES GROUP

A handwritten signature in blue ink, appearing to read "Mala C. Hettiarachchi".

Mala C. Hettiarachchi, PhD, PE
Senior Engineer

A handwritten signature in blue ink, appearing to read "Robert J. Zwald".

Robert J. Zwald
Vice President



Environmental Resources Group

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 Phone: 248-773-7986 • Fax: 248-924-3108

Attachment A: Emission Data per Truck (Per DEQ Calculator)

	Vehicle Class	Annual Results (short tons) - see Note 1						Annual Mileage (Miles)- See Note 3
		NOx	PM2.5	HC	CO	CO2	Fuel (gallons) - see Note 2	
Long Haul - combination	Class 8	0.22535	0.00034	0.00633	0.18429	195.18	17,349	92,380
Long Haul - Single unit	Class 8	0.03883	0.00006	0.00084	0.03328	22.32	1,984	21,766
Long Haul - Single unit	Class 6-7	0.01675	0.00013	0.00040	0.01145	22.32	1,984	21,766
Long Haul - Single unit	Class 4-5	0.00826	0.00004	0.00033	0.01376	22.32	1,984	21,766
Long Haul - Single unit	Class 3	0.00759	0.00003	0.00030	0.01254	22.32	1,984	21,766
Short Haul - combination	Class 8	0.06324	0.00010	0.00144	0.05030	60.92	5,415	31,874
Short Haul - combination	Class 6-7	0.02955	0.00035	0.00071	0.02053	60.92	5,415	31,874
Short Haul - Single unit	Class 8	0.03107	0.00004	0.00066	0.02579	16.46	1,463	14,962
Short Haul - Single unit	Class 6-7	0.01317	0.00010	0.00032	0.00835	16.46	1,463	14,962
Short Haul - Single unit	Class 4-5	0.00638	0.00003	0.00026	0.01008	16.46	1,463	14,962
Short Haul - Single unit	Class 3	0.00583	0.00002	0.00023	0.00915	16.46	1,463	14,962

Notes:

Note 1: Short ton = 2000 lbs.

Note 2: ULSD Diesel in gallons

Note 3: DEQ default values

Reference: USEPA Diesel Emissions Quantifier (DEQ)

DEQ Calculator - Last access: 6-13-2022

Table update: 6-13-2022

Overall Summary of Meetings with Community and Public Hearing Engagement

January 26, 2022 – Community Engagement with D7 Department of Neighborhoods

February 2, 2022 – Community Engagement with D7 Department of Neighborhoods

April 11, 2022 – NP received Traffic Impact Study (TIS) from Traffic Consultant

April 22, 2022 – NP engaged ERG for Air Quality Study with projected traffic counts from TIS

April 27, 2022 – DBRA Regular Meeting

April 27, 2022 – DBRA CAC Meeting

May 5, 2022 – Local/Neighborhood Public Hearing

May 11, 2022 – DBRA Vote for Recommendation

May 11, 2022 – NP received Initial Air Quality Study from ERG

May 17, 2022 – Committee of the Whole referral to P&ED

June 10, 2022 – Received Comments on Air Quality Study

June 13, 2022 – Community Engagement with D7 Department of Neighborhoods

June 16, 2022 – P&ED (Brownfield TIF)

June 16, 2022 – Re-submitted Air Quality Study to BSEED for review

June 20, 2022 – Received Concurrence from BSEED on the findings in the Air Quality Study

June 21, 2022 – Council final vote (Brownfield TIF)

June 23, 2022 – P&ED continuation (PA 198)

June 28, 2022 – Council final vote (PA 198)

June 30, 2022 – P&ED continuation (Spec Certificate)

July 5, 2022 – Council final vote (Spec Certificate)

July 26, 2022 – MSF Board Vote

July 27, 2022 – Community Engagement with D7 Department of Neighborhoods

**MICHIGAN STRATEGIC FUND
APPROVED MEETING MINUTES
AUGUST 23, 2022**

Members Present

Michael B. Kapp (on behalf of Director Ajegba)
Quentin L. Messer, Jr.

Members joined remotely

Britany L. Affolter-Caine
Ronald W. Beebe
Susan Corbin
Paul Gentilozzi
Andrew Lockwood (on behalf of Treasurer Eubanks)
Charles P. Rothstein
Susan Tellier

Members Absent

Dimitrius Hutcherson
Cindy Warner

I. CALL TO ORDER & ROLL CALL

Mr. Messer called the meeting to order at 9:01 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 COMMENT

Ms. Wilcox Surmann explained the process for members of the public to participate. State Representative Brenda Carter offered comments in support of the Dana Thermal Products, LLC project in Auburn Hills.

Maurita Pointzes and Wendy Caldwell-Liddell, residents of Detroit where the proposed American Motor Corporation (AMC) headquarters redevelopment project is planned, shared their concerns about the potential environmental impact of the project on area residents. They asked MSF Board members to support the residents' efforts to encourage NorthPoint Development and the City of Detroit to address their concerns.

Gina Adams, Founder & CEO of Wareologie, and Jacob Lindberg, Founder & CEO of VersaWare, offered comments in support of the request to allocate funding for the statewide Design for Michigan Manufacturing Program administered by the Centrepolis Accelerator at Lawrence Technological University. Both indicated their companies have benefited from the tools and resources provided by the Centrepolis Accelerator.

III. COMMUNICATIONS

The MSF Board received a letter from Wendy Caldwell-Liddell of Detroit regarding procedural and environmental concerns related to the former AMC headquarters redevelopment project in Detroit, and from Conrad L. Mallett, Jr., Corporation Counsel for the City of Detroit Law Department, in response to those concerns. The letters were included in the MSF Board meeting packet.

The MSF Board also received letters from State Representative Sarah Anthony in support of the Neogen Expansion Brownfield Redevelopment project in Lansing and State Representative Brenda Carter in support of the Dana Thermal Products, LLC project in Auburn Hills. 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 to receive an update on SOAR-related projects and to review a Small Business Venture Capital Program Consulting Proposal.

Val Hoag on behalf of Cindy Warner, chair of the MSF Policy and Planning Subcommittee, reported that the subcommittee met recently and received updates on SOAR-related projects, the Revitalization and Placemaking (RAP) incentive program, and the statewide broadband initiative.

Paul Gentilozzi joined the meeting at 9:20 a.m.

IV. CONSENT AGENDA

Resolution 2022-117 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, Ronald W. Beebe motioned for the approval of the following:

- a. Proposed Meeting Minutes: July 26, 2022
- b. 1108 Water Street, LLC: MCRP Amendment – **2022-118**
- c. Business Marketing: Contract Amendment – **2022-119**
- d. Travel Marketing: Contract Amendment – **2022-120**
- e. Michigan Translational Research and Commercialization (MTRAC) Statewide Program, Advanced Materials Hub, Michigan Technological University: Funding Allocation – **2022-121**

Susan Corbin seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

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

V. DEVELOP ATTRACTIVE PLACES

- a. **Resolution 2022-122 City of Detroit Brownfield Redevelopment Authority / Brush Park Properties, LLC: Brownfield Act 381 Work Plan (Proposed Coda Brush Park Project)**

*Brittney Hoszkiw, Senior Community Development Manager, provided the Board with information regarding this action item. The action involves approval of state tax capture for Act 381 eligible activities capped at \$1,218,829 to support a community development project in the City of Detroit, Wayne County. The project is expected to result in total capital investment of \$27,934,414. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-122. Charles P. Rothstein seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.***

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

b. **Resolutions 2022-123 & 2022-124 Neogen Corporation / City of Lansing Brownfield Redevelopment Authority: Michigan Business Development Program Grant and Brownfield Act 381 Work Plan (Neogen Expansion Brownfield Redevelopment Project)**

Erik Wilford, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a \$324,000 Michigan Business Development Program performance-based grant and state tax capture for Act 381 eligible activities capped at \$1,576,751 to support a business development project in the City of Lansing, Ingham County. The project is expected to result in total capital investment of \$71,500,000, the creation of 77 jobs, and the retention of 350 jobs. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-123. Michael B. Kapp seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

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

Michael B. Kapp then motioned for the approval of Resolution 2022-124. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

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

c. **Resolution 2022-125 North Flint Reinvestment Corporation: Michigan Community Revitalization Program Grant Amendment**

Jake Winder, Manager of Community Development Incentives, provided the Board with information regarding this action item. The action involves approval of a request to increase the Michigan Community Revitalization Program grant award amount by \$250,000 to \$1,500,000 to address a financial gap related to cost increases for a community development project in the City of Flint, Genesee County. Following discussion, Andrew Lockwood motioned for the approval of Resolution 2022-125. Ronald W. Beebe seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

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

d. **Resolution 2022-126 City of Detroit Brownfield Redevelopment Authority: Transformational Brownfield Plan Amendment and Scope Change (The Hudson's Site, Monroe Blocks, One Campus Martius Expansion, and Book Building and Book Tower Redevelopment Project)**

Rob Garza, Manager of Statutory Analysis, provided the board with information regarding this action item. The action involves approval of a request to amend several components of a Transformational Brownfield Plan and Reimbursement Agreement that does not increase the amount of the previously approved award for a transformational project in the City of Detroit, Wayne County. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-126. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

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

VI. ATTRACT, RETAIN AND GROW BUSINESSES

a. Resolution 2022-127 Dana Thermal Products, LLC: Michigan Business Development Program Grant

Matt Chasnis, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a \$2,500,000 Michigan Business Development 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 up to \$54,200,000 in total capital investment and the creation of up to 200 jobs. Following discussion, Quentin L. Messer, Jr. motioned for the approval of Resolution 2022-127. Susan Corbin seconded the motion. The motion carried: 8 ayes; 0 nays; 0 recused.

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

Susan Tellier joined the meeting at 10:03 a.m.

b. Resolution 2022-128 Michigan Build Ready Sites Program: Funding Allocation

Terri Fitzpatrick, Chief Real Estate and Global Attraction Officer, provided the Board with information regarding this action item. The action involves approval to allocate \$5,000,000 from the FY 2022 Community Development Programs and Activities Funding Allocation to the Build Ready Sites Program to further site readiness efforts in Michigan. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-128. Ronald W. Beebe seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

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

c. Resolution 2022-129 LG Energy Solution Michigan, Inc.: Private Activity Bond Inducement (Sewage/Solid Waste)

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 \$500,000,000 related to expansion of the company's current facilities with the construction of several new facilities and purchase of equipment at its existing location in the City of Holland, Ottawa County, to allow for the production, testing, and storage of materials needed for battery manufacturing, including the construction of certain sewage/wastewater treatment facilities and solid waste disposal facilities required in connection with the manufacturing of such batteries. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-129. Susan Corbin seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

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

VII. ACCELERATE HIGH-TECH INNOVATION

a. **Resolution 2022-130 Design for Michigan Manufacturing Program: Funding Allocation**

Fred Molnar, Senior Vice President of Entrepreneurship & Innovation, provided the Board with information regarding this action item. The action involves approval to allocate \$1,500,000 from the Jobs for Michigan Investment Fund for the statewide Design for Michigan Manufacturing Program administered by the Centropolis Accelerator at Lawrence Technological University. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-130. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

VIII. SUPPORT SMALL BUSINESS

a. **Resolution 2022-131 Private Activity Bond: Authorization of Amendments or Revisions to Bond Documents Related to Discontinuation of LIBOR**

Chris Cook, Managing Director of Capital Access, provided the Board with information regarding this action item. The action involves approval to amend Strategic Fund Delegation of Authority to authorize the MSF Fund Manager or the Fund's Authorized Bonding Officer to execute and deliver any amendment, supplement or agreement necessary for modification of outstanding Variable Rate Bonds issued by the MSF for the transition of LIBOR to a Qualified Rate, which amendment, supplement or agreement, in the judgment of an Authorized Officer, in consultation with bond counsel and the State of Michigan Attorney General's office, will have no material adverse effect on the MSF. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2022-131. Paul Gentilozzi seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

b. **Resolutions 2022-132 & 2022-133 SSBCI Technical Assistance 2.0: Program Authorization, Approval and Adoption of Guidelines, and Delegation of Authority Actions**

Suzanne Perreault, Manager of Small Business Services, provided the Board with information regarding these action items. The actions involve authorization of the MSF SSBCI Technical Assistance Program, approval and adoption of the guidelines, delegation of authority to the MSF President or MSF Fund Manager to execute all documents necessary for the MSF to receive funding and effectuate approved awards, and delegation of authority to the MSF President or MSF Fund Manager to approve SSBCI 2.0 Technical Assistance Program grants. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-132. Charles P. Rothstein seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

Michael B. Kapp then motioned for the approval of Resolution 2022-133. Andrew Lockwood seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

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

IX. INFORMATIONAL

Mr. Messer noted the MSF delegated authority report for the period July 1 to July 31, 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 10:33 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



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 6, 2022

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

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Mr. Messer:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2022.

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



68TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-0826
FAX: (517) 373-5698
E-MAIL: sarahanthony@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

SARAH ANTHONY
STATE REPRESENTATIVE

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

Dear Chairperson Messer,

I am writing to lend my formal support for the City of Lansing's Brownfield Redevelopment Authority's proposal for the Neogen Expansion Brownfield Redevelopment Project. This is a much-needed project in our community, especially as Lansing continues to rebound from the pandemic.

As a life-long resident of Lansing and as its State Representative, I am encouraged at the future of the region through the frequency in which projects like these have been discussed. Neogen is an extremely innovative company and has been a major attractor of talent to Mid-Michigan since opening in 1982. The project is expected to result in a capital investment of \$71,500,000 and the creation of 77 jobs in research and development/manufacturing, and the retention of 350 jobs.

I am also especially appreciative of the public-private partnership model used to complete this project. By approving this project, Lansing can continue to attract the top Science, Technology, Engineering, and Mathematics minds while rebuilding its tax base. Ultimately, the approval of this project will provide an opportunity for positive change not only in Lansing but throughout the entire state.

Thank you for your time and attention to my letter. I respectfully request your serious consideration of the City of Lansing's Brownfield Redevelopment Authority proposal for the Neogen Expansion Brownfield Redevelopment Project in Lansing.

In Service,

Sarah Anthony
State Representative
District 68 – Lansing



29TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

BRENDA CARTER

STATE REPRESENTATIVE

PHONE: (517) 373-0475
FAX: (517) 373-5061
BrendaCarter@house.mi.gov

August 22nd, 2022

Dear Quentin L. Messer, Jr., Chairperson of the Michigan Strategic Fund board:

It is my pleasure to write a letter in support for the proposal of Dana Thermal Products, LLC being submitted to the Michigan Strategic Fund board. As the State Representative for the Auburn Hills area, it is exciting to hear that such a worthy company is considering an expansion.

The automotive industry is shifting from internal combustion engines to focus on sustainability and the electrification of vehicles. Dana Thermal Products, LLC knows that one of the largest opportunities for growth is within the electrification market and is investing to position itself as a leader in electric-vehicle technologies as core customers and markets make the shift. As such, the company is in the process of making business decisions related to its electric vehicle (EV) strategy. Which is the reason they are presenting before you today.

Dana Thermal Products provides various thermal management technologies, including battery cooling plates, cold plates, and power electronics cooling, to global automakers. The products are designed to extract heat from lithium-ion battery cells to optimize EV performance and enable faster charging. In order to supply growing EV demand, the company is seeking to establish a new battery cooling plate manufacturing operation. The project would involve leasing a facility to support the manufacturing operations, which include brazing lines and associated stamping/post-powder coating. The project is expected to result in the creation of 200 jobs and \$54,200,000 in capital investment, including \$4 million in leasehold improvements to accommodate and upfit the manufacturing space and \$40 million for necessary machinery and equipment.

In conclusion, I fully support the efforts of Dana Thermal Products as they seek funding to support their expansion in Auburn Hills. Michigan needs more companies like this one if we wish to transition our economy into the future.

Sincerely,

Brenda Carter
State Representative
29th District



MEMORANDUM

Date: September 7, 2022

To: Michigan Strategic Fund Board

From: Gregory West, Program Manager, Community Development Block Grant (CDBG) Program
Amy Schlusler-Schmitt, Program Specialist, CDBG Program

Subject: Community Development Block Grant Program
221001-WRI Grant Amendment
City of Houghton, County of Houghton

Request

The City of Houghton is requesting an additional \$485,324 in Community Development Block Grant (CDBG) funds for costs related to construction of the City of Houghton Water Related Infrastructure Project.

Background

On September 28, 2021 the Michigan Strategic Fund (MSF) approved \$1,035,000 for the Water Related Infrastructure project for construction costs.

The City of Houghton worked with its selected engineering firm to prepare bid materials and undertook a sealed bid process. Only one contractor submitted a bid. The submitted bid exceeded the estimated project amount. Cost increases have been attributed to the high demand for construction materials and low supply chain due to the long-term effects of the COVID-19 pandemic.

As this grant was secured by the City through a competitive MEDC CDBG funding round, the City is not permitted to reduce the scope of the grant project. Value Engineering did occur on the project, however, there is very little opportunity for modifications within the constraints of the City's geology and existing water infrastructure.

The initial proposed construction cost identified in its application was \$1,200,000, and the amount of the bid received was \$1,739,248. The City of Houghton is contributing \$53,924 of the total construction cost increase of \$539,248. That is approximately 10% of the increased construction amount.

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

Recommendation

The MEDC Staff recommends the MSF approve:

- A CDBG grant increase amendment in the amount of \$485,324 be authorized for the City of Houghton's Water Related Infrastructure project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-135**

**APPROVAL OF CITY OF HOUGHTON’S WATER RELATED INFRASTRUCTURE
PROJECT AMENDMENT REQUEST**

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State’s economic development functions and programs and their accompanying powers in the Michigan Strategic Fund (“MSF”);

WHEREAS, Executive Order 1999-1 transferred from the Michigan Jobs Commission to the MSF all authority, powers, duties, functions, grants, and responsibilities, including the functions of budgeting, procurement, personnel, and management related functions, of the Community Development Block Grant (“CDBG”) program;

WHEREAS, pursuant to SFCR 10.1-1(3), 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 or decisions approved under the CDBG program;

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, on September 28, 2021, by Resolution 2021-128, the MSF Board approved the 2021 Water Related Infrastructure Projects, including \$1,035,000 in CDBG funds to the City of Houghton (the “City”) for an infrastructure project (the “Houghton Project”);

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the City has requested an additional \$485,324 in CDBG funds for the Houghton Project (the “Amendment Request”);

WHEREAS, the CDBG program staff reviewed the Amendment Request in light of the Criteria and HUD regulations and concluded the activities are eligible; and

WHEREAS, the CDBG program staff recommends that the MSF Board approve the Amendment Request and execution of the amendment to the grant agreement, within 120 days of the date of this Resolution 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.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Amendment Request subject to available CDBG funding; and

BE IT FURTHER RESOLVED, consistent with SFCR 10.1-1(3), the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the Amendment Request, subject to available CDBG funding.

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022



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



MEMORANDUM

Date: September 7, 2022

To: Michigan Strategic Fund Board

From: Gregory West, Program Manager, Community Development Block Grant (CDBG) Program
Amy Schlusler-Schmitt, Program Specialist, CDBG Program

Subject: Community Development Block Grant Program
221007-WRI Grant Amendment
Village of Fowlerville, County of Livingston

Request

The Village of Fowlerville is requesting an additional \$396,802 in Community Development Block Grant (CDBG) funds for costs related to construction of the Village of Fowlerville Water Related Infrastructure Project.

Background

On September 28, 2021 the Michigan Strategic Fund (MSF) approved \$1,900,000 for the Water Related Infrastructure project for construction costs.

The Village of Fowlerville worked with its selected Engineering firm to prepare bid materials and undertook a sealed bid process. Only one contractor submitted a bid. The submitted bid exceeded the estimated project amount. Cost increases have been attributed to labor and supply chain shortages due to the long-term effects of the COVID-19 pandemic.

As this grant was secured by the Village through a competitive MEDC CDBG funding round, the Village is not permitted to reduce the scope of the grant project. Value Engineering did occur on the project which resulted in a total project savings of \$13,897.

The initial proposed construction cost identified in its application was \$2,433,541, and the amount of the bid received was \$2,915,329. The Village of Fowlerville is contributing \$71,089 of the total construction cost increase of \$467,891, after value engineering. That is approximately 15% of the increased construction amount.

The proposed increase of CDBG funds would take the total amount of CDBG funding above the \$2,000,000 cap identified for this funding round.

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

Recommendation

The MEDC Staff recommends the MSF approve:

- A CDBG grant increase amendment in the amount of \$396,802 be authorized for the Village of Fowlerville's Water Related Infrastructure project.



MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-136**

**APPROVAL OF VILLAGE OF FOWLerville’S WATER RELATED
INFRASTRUCTURE PROJECT AMENDMENT REQUEST**

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State’s economic development functions and programs and their accompanying powers in the Michigan Strategic Fund (“MSF”);

WHEREAS, Executive Order 1999-1 transferred from the Michigan Jobs Commission to the MSF all authority, powers, duties, functions, grants, and responsibilities, including the functions of budgeting, procurement, personnel, and management related functions, of the Community Development Block Grant (“CDBG”) program;

WHEREAS, pursuant to SFCR 10.1-1(3), 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 or decisions approved under the CDBG program;

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, on September 28, 2021, by Resolution 2021-128, the MSF Board approved the 2021 Water Related Infrastructure Projects, including \$1,900,000 in CDBG funds to the Village of Fowlerville (the “Village”) for an infrastructure project (the “Fowlerville Project”);

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the Village has requested an additional \$396,802 in CDBG funds for the Fowlerville Project (the “Amendment Request”);

WHEREAS, the CDBG program staff reviewed the Amendment Request in light of the Criteria and HUD regulations and concluded the activities are eligible; and

WHEREAS, the CDBG program staff recommends that the MSF Board approve the Amendment Request and execution of the amendment to the grant agreement, within 120 days of the date of this Resolution 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.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Amendment Request subject to available CDBG funding; and

BE IT FURTHER RESOLVED, consistent with SFCR 10.1-1(3), the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the Amendment Request, subject to available CDBG funding.

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022



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



MEMORANDUM

Date: September 7, 2022

To: Michigan Strategic Fund Board

From: Gregory West, Program Manager, Community Development Block Grant (CDBG) Program
Amy Schlusler-Schmitt, Program Specialist, CDBG Program

Subject: Community Development Block Grant Program
221011-WRI Grant Amendment
City of Bangor, County of Van Buren

Request

The City of Bangor is requesting an additional \$88,347 in Community Development Block Grant (CDBG) funds for costs related to construction of the City of Bangor Water Related Infrastructure (WRI) Project.

Background

On September 28, 2021 the Michigan Strategic Fund (MSF) approved \$969,112 for the Water Related Infrastructure project for construction costs.

The City of Bangor worked with its selected Engineering firm to prepare bid materials and undertook a sealed bid process. Only one contractor submitted a bid. The submitted bid exceeded the estimated project amount. Cost increases have been attributed to labor and supply chain shortages because of the COVID-19 pandemic.

As this grant was secured by the city through a competitive MEDC CDBG funding round, the City of Bangor is not permitted to reduce the scope of the grant project. Value Engineering did occur on the project, however, as this project focuses upon sewer rehabilitation any proposed material changes did not result in a significant financial reduction and are not being recommended by the project's Engineer.

The initial proposed construction cost identified in its application was \$958,225, and the amount of the bid received was \$1,056,388. The City of Bangor is contributing \$9,816 of the total construction cost increase of \$98,163. That is approximately 10% of the increased construction amount.

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

Recommendation

The MEDC Staff recommends:

- A CDBG grant increase amendment in the amount of \$88,347 be authorized for the City of Bangor's Water Related Infrastructure project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-137**

**APPROVAL OF CITY OF BANGOR’S WATER RELATED INFRASTRUCTURE
PROJECT AMENDMENT REQUEST**

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State’s economic development functions and programs and their accompanying powers in the Michigan Strategic Fund (“MSF”);

WHEREAS, Executive Order 1999-1 transferred from the Michigan Jobs Commission to the MSF all authority, powers, duties, functions, grants, and responsibilities, including the functions of budgeting, procurement, personnel, and management related functions, of the Community Development Block Grant (“CDBG”) program;

WHEREAS, pursuant to SFCR 10.1-1(3), 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 or decisions approved under the CDBG program;

WHEREAS, the MSF, by Resolution 2020-062, 2020-093 and 2020-145 authorized and approved amendments to the 2019 CDBG Action Plan policies, criteria and parameters related to the CDBG Coronavirus aid, Relief and Economic Security Act (CARES) funding;

WHEREAS, on September 28, 2021, by Resolution 2021-128, the MSF Board approved the 2021 Water Related Infrastructure Projects, including \$969,112 in CDBG funds to the City of Bangor (the “City”) for an infrastructure project (the “Bangor Project”);

WHEREAS, the CDBG program has policies, criteria, and parameters that are enumerated in the 2021 Program Year Funding Guide, as amended (the “Criteria”). The MSF, by Resolution 2021-133, authorized and approved the 2021 Action Plan and the 2021 Program Year Funding Guide Excerpt which includes guidelines for CDBG grants;

WHEREAS, the City has requested an additional \$88,347 in CDBG funds for the Bangor Project (the “Amendment Request”);

WHEREAS, the CDBG program staff reviewed the Amendment Request in light of the Criteria and HUD regulations and concluded the activities are eligible; and

WHEREAS, the CDBG program staff recommends that the MSF Board approve the Amendment Request and execution of the amendment to the grant agreement, within 120 days of the date of this Resolution 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.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the Amendment Request subject to available CDBG funding; and

BE IT FURTHER RESOLVED, consistent with SFCR 10.1-1(3), the MSF Fund Manager or the MSF President shall negotiate the terms and conditions and execute all final documents necessary to effectuate the Amendment Request, subject to available CDBG funding.

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022



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 STRATEGIC FUND

**RESOLUTION
2022-134**

**APPROVAL OF THE SEPTEMBER 7, 2022 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, on February 25, 2014, Michigan Strategic Fund (“MSF”) approved use of consent agendas at MSF Board meetings, pursuant to defined consent agenda guidelines;

WHEREAS, on February 25, 2014, the MSF Board approved Guidelines for Preparation and Approval of Consent Agendas for the MSF, which were subsequently revised by the MSF Board on December 19, 2017 (the “Consent Agenda Guidelines”)

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“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: August 23, 2022
- b. City of Houghton: CDBG Water Related Infrastructure Project Amendment
- c. Village of Fowlerville: CDBG Water Related Infrastructure Project Amendment
- d. City of Bangor: CDBG Water Related Infrastructure Project Amendment

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022



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,

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Paul C. Ajegba, P.E.
Director

cc: M. Kapp
Executive File



MEMORANDUM

Date: September 7, 2022

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

From: Jeremy Webb, Interim Managing Director, Business Development Projects

Subject: Strategic Site Readiness Program (“SSRP”) Grant Request
Thomas Township (“Applicant”)
Hemlock Semiconductor Operations, LLC (“Company” or “HSC”)

Request Summary

This is a request from the Applicant and HSC for incentive support to assist with the expansion in Thomas Township, Saginaw County. In total, the project has the potential to result in the creation of up to 170 new jobs and a capital investment of up to \$375 million in Thomas Township, Saginaw County.

To support this project, the Applicant is requesting a \$27 million SSRP performance-based grant for public infrastructure and utility upgrades, as outlined in the attached Summary of Terms (“SSRP Request”).

Background

On December 20, 2021, Governor Gretchen Whitmer, in collaboration with the Legislature, labor leaders, economic development agencies and various business groups, signed a package of economic incentives that will allow Michigan to compete for, and win, transformational projects like this investment by HSC that will bring long-term economic opportunity and security in the semiconductor industry.

On August 2, 2022, Governor Gretchen Whitmer signed Executive Directive 2022-8 titled Supporting and Growing the Semiconductor Industry in Michigan. The directive requires each department and agency to identify a designee to facilitate inter-departmental coordination and outreach with potential private sector, higher education, and state partners. It also furthers collaboration with the Michigan Economic Development Corporation (“MEDC”) to continue attracting long-term, sustainable investments from semiconductor companies around the world.

Additionally, it instructs departments and agencies to identify opportunities for workforce development geared towards the needs of the semiconductor industry, including adapting existing programs, collaborating with higher education institutions, and providing targeted education and training with additional federal resources. Finally, it urges efficient approval of any permits, applications, or requests from the state to avoid duplication or delay.

Today’s request will enable up to \$375 million investment in Michigan by HSC creating up to 170 new jobs here in the state, to serve increasing demand in the semiconductor and solar industries.

Project Description

HSC is making plans to invest in its manufacturing facilities to serve increasing demand in the semiconductor and solar industries. Total capital spend is estimated up to \$375 million and will result in up to 170 new jobs that pay more than 1.5x the average annual wage of the area.

These are transformational projects for Thomas Township. In order for HSC to construct these new investments, Thomas Township, in coordination with Saginaw Township, must profoundly and rapidly expand sanitary sewer infrastructure capacity in support of the HSC site. The total cost to upgrade the sanitary sewer infrastructure in the two townships is expected to be \$37.6 million. The infrastructure includes the construction of two new lift stations and five miles of force main and gravity sewer main at a cost of \$17.8 million. Thomas Township has a contract with Saginaw Township for capacity at its wastewater treatment plant. This new sewer demand will require that Saginaw Township increase its capacity at the plant at cost of \$19.8 million. Saginaw Township has provided cost estimates and confirmed that the expansion will provide the additional 150% capacity over the existing historical permit (one million GPD total), which is required by this project.

Project Impact

Polysilicon is the foundational material necessary to produce semiconductors and photovoltaic solar panels. The polysilicon manufacturing value chain that results in finished semiconductors and solar cells comprises four key steps: (1) the production of polysilicon; (2) the production of ingots from polysilicon that are then sliced into wafers; (3) the production of semiconductors or solar cells from wafers; and (4) the assembly of final products using semiconductors and solar cells, *e.g.*, electronics or solar cell modules and panels.

The primary feedstock of polysilicon is silicon metal, which is derived from the mining of quartz. Polysilicon production is a highly complex and technologically sophisticated process that results in products with extremely high purity levels. High quality semiconductor or electronics grade polysilicon is typically produced at purity levels greater than 11 nines (99.999999999%), while solar grade polysilicon is typically produced at purity levels greater than 9 nines (99.9999999%). To put that in perspective, 11 nines purity of semiconductor grade polysilicon means impurity levels less than 10 parts per trillion, which is equivalent to 1 second in 3,200 years or one grain of sand in sixteen Olympic-size swimming pools.

Semiconductor

HSC's supply agreements with semiconductor wafer manufacturers are requiring ever-increasing quality levels, which drives investment in process improvements. HSC's investments will improve its capability to produce polysilicon with metallic impurities at the lowest levels possible. This investment for HSC enables semiconductor wafer and chip manufacturers to further innovate.

Semiconductor innovations have become the driving force in today's advancing automobile technology. As much as 80% of the innovation in automobiles involves electronics. Today's automobiles can contain as many as 3,000 semiconductor devices, which serve as the vehicles' eyes, ears, and brain by sensing surroundings, making decisions, and controlling actions. As cars get smarter, autonomy is becoming more and more integrated within each vehicle.

Semiconductor supply is already struggling to meet demand, but as electric vehicle (EV) sales continue to gain market share, that demand for semiconductors is expected to skyrocket. Twice as many semiconductors are used in battery-electric vehicles (BEV) than internal combustion engine vehicles. The global EV semiconductor market is estimated to experience an approximate 32.1% growth rate over the next five years. The demand for a domestic electric vehicle supply chain will require significant increases in capacity with Michigan well-positioned to take advantage of this opportunity. There is significant competition with key competitors winning semiconductor projects recently, including an industry leader in semiconductor chip manufacturing's investment in Ohio, which will construct two new leading-edge chip factories to boost production to meet demand for

advanced semiconductors creating 3,000 new jobs and \$20 billion in investment in phase one alone.

It is imperative for the State of Michigan to capture as much investment in the semiconductor industry as possible. In addition to the direct benefits of this investment, these new polysilicon investments will enable the efficient production of the most advanced semiconductor devices.

Solar

HSC is a leading member of a group of manufacturers interested in expanding U.S. manufacturing of solar components, which will improve energy security, create U.S. jobs, and reduce air pollution. The current solar supply chain is heavily concentrated in Asia, which creates supply chain vulnerabilities due to logistics constraints, trade disputes and geopolitical tensions, exacerbated by the COVID-19 pandemic. The fragility of this over-concentrated supply chain has resulted in solar project delays in the U.S., underscoring the need for more domestic manufacturing.

Solar is the fastest growing electricity source in the U.S. and the cheapest form of new electricity capacity worldwide. U.S.-made polysilicon has an important role to play in decarbonizing and de-risking the solar supply chain.

It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$364 million in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 10 years.

Employment Impact

The project will be significant by bringing a large number of well-paying jobs to the State. The average hourly wage for the project in Saginaw County is \$32.18 which is well above county ALICE target wage of \$20.49. The ALICE threshold is the average income that a household needs to afford the basic necessities defined by the Household Survival Budget for each county in Michigan. The facility is located close to a geographically disadvantaged area which will provide residents with employment opportunities and the Company with a talent pipeline. Based on an evaluation of the new job creation which included job codes, average hourly wages, training, healthcare coverage and minimum education and experience, it was determined that all new jobs created are designated as pathway jobs, a key strategic focus area for statewide economic growth.

Applicant History

Founded in 1961, HSC is the longest operating manufacturer of polysilicon in the world and remains the largest producer of 99.99999999% pure polysilicon in the U.S., while also being the only domestically headquartered manufacturer. High-purity polysilicon is essential for all products in the electronic and solar power industries. As the foundational material used to create semiconductor chips, polysilicon is crucial for cell phones and computers, as well as the technology of the future, where the Internet of Things and artificial intelligence meet on new creations, such as autonomous vehicles. Approximately 30% of all global electronics requiring a semiconductor chip contain HSC polysilicon manufactured in rural Saginaw County, Michigan. The Company is also moving the world toward a greener future by supplying the rapidly growing solar power industry.

HSC is passionate about silicon-based technology and its unique potential to connect and energize the world. Dedicated to sustainability and environmental responsibility, HSC has honed its manufacturing process to deliver products with an ultra, low-carbon footprint. HSC also places a strong emphasis on public

safety and takes pride in being an involved and active community leader in the Great Lakes Bay Region of Michigan.

HSC currently has approximately 1,350 employees at its headquarters location in Thomas Township and has invested over \$3 billion in its assets in Michigan since 2005. Most of the positions at HSC are highly technical and currently the Company has openings including various types of engineers, operational excellence-management system (OEMS) specialist, IT reporting and analytics leader as well as IT senior security analyst, among others.

Earlier in 2022, HSC onboarded more than 400 entry-level cleanroom operators who work in finishing and packaging polysilicon. These employees had previously been employed by a third party and now receive the HSC benefits package including health insurance, paid sick time, paid personal time, and a 401(k) plan. In addition, becoming part of the HSC team affords employees more career options and growth opportunities. In total, HSC has onboarded more than 500 FTE's in 2022.

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

Demonstrated Need

While HSC has expanded several times since 2005, the community has been unable to build out a sanitary sewer system that is larger than the projected flow demand. With the planned expansions at HSC, there will be significant flow increases, requiring both transmission increases as well as added capacity to the wastewater treatment plant. HSC is unable to move forward with its expansion plans unless Thomas Township, in coordination with Saginaw Township, adds these infrastructure improvements.

HSC is working very closely with Thomas Township on the needed infrastructure improvements and has provided upwards of \$1 million for engineering planning. HSC has also hired a consultant to study ways in which it can more effectively use water resources and reduce flow. The Company is also looking to purchase and locate an equalization tank on its site to change the variability of discharge, which will allow the Township the time required to construct the new infrastructure.

The infrastructure includes the construction of two new lift stations and five miles of force main and gravity sewer main at a cost of \$17.8 million. Thomas Township has a contract with Saginaw Township for capacity at its wastewater treatment plant. This new sewer demand will require that Saginaw Township increases its capacity at the plant at an estimated cost of \$19.8 million. Incentive assistance is necessary to ensure this project moves forward in Michigan, particularly in a highly competitive environment.

Additionally, the Economic Development Corporation of the County of Saginaw ("EDC/Saginaw Future Inc") owns the nearby Great Lakes Tech Park ("GLTP"); a 244-acre, shovel-ready site. Two businesses are located in the park including Fullerton Tool and Saginaw Control & Engineering. Unfortunately, there have been "near-misses" for the GLTP as there have been companies interested in the park, but it didn't have the sanitary sewer capacity available at the levels needed.

Over the past two years, there were at least seven RFIs from the MEDC that the EDC/Saginaw Future Inc. was unable to respond to due to sewer demand levels. One RFI developed into a virtual tour, but would have required sewer upgrades. One of the seven included a project that involved a cheese production facility, which selected St. Johns.

There are 148.28 acres available at the GLTP. The Southwest Parcel is 114.37 acres, and the Northeast Parcel is 33.91 acres. The property is 12.5 miles to I-75, 41 miles to 69 and 26 miles to 127. More information can be found at its website, www.greatlakestechnologypark.com.

The proposed infrastructure to support HSC will allow the Company to have sewer support and the new line will run east along Geddes Road. That will free up the current sewer line, which runs down Graham Road to Gratiot (M-46).

In addition to MSF support, Thomas Township anticipates approval of a PA 198 real property tax abatement.

Request

In order to secure the project in Michigan, the Applicant is requesting a \$27 million SSRP performance-based grant. The request will appropriately and necessarily address the infrastructure needed in order to continue forward with the project in Michigan. Incentive support is also critical to confirming a long-term commitment by the Company to ensure that it continues to produce the essential polysilicon for the semiconductor and solar industries offering quality jobs for workers and communities here in Michigan, as well as ensure a strong supply chain for potential additional growth.

The project aligns with the MEDC's strategic focus areas to **attract, retain and support businesses** and **foster high-wage skills growth** in the focus industry of **technology**. The proposed project will impact the regions around Saginaw County with near term job growth and significant and continued investment by the longest operating manufacturer of polysilicon in the world. In total, the project would result in the creation of up to 170 new jobs and a capital investment of up to \$375 million in Thomas Township, Saginaw County.

Appendix A addresses programmatic considerations.

Funding

The SSRP will be funded through the Strategic Outreach and Attraction Reserve ("SOAR") Fund, with initial funding currently appropriated at \$1 billion. Upon MSF approval of the recommendation for the SSRP Request, the process for legislative transfer of actual funds through the SOAR Fund will be initiated to the MSF to implement funding these incentives.

Recommendation

MEDC Staff recommends approval of the SSRP Request as outlined in the attached resolution.

APPENDIX A – SSRP Programmatic Considerations

Key Statutory Criteria

Per section 88t of the MSF Act, 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 Michigan:**

The proposed project will impact the regions around Saginaw County with near term job growth and significant and continued investment by one of the longest operating manufacturers of polysilicon in the world and the only polysilicon manufacturer in Michigan. The project would result in the creation of up to 170 new jobs and a capital investment of up to \$375 million in Thomas Township, Saginaw County.
- **If the project will act as a catalyst for additional revitalization of the community where it is located and Michigan:**

The project will result in significant job creation and capital investment for the area. It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over \$364 million in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 10 years. This personal income will be utilized to not only support the many small businesses in the community that are still recovering from the COVID pandemic, but will spur demand to redevelop underutilized properties in the community and the State.
- **The amount of local community and financial support for the project:**

Thomas Township anticipates approval of a PA 198 of 1974 (“PA 198”) tax abatement in support of HSC’s expansion, which amounts to a reduction in property taxes of approximately 50%, which will help reduce the overall cost of doing the project in Michigan.
- **The amount of any other economic assistance or support provided by Michigan for the project:**

Additional incentive support includes the following: a PA 198 property tax abatement estimated to be worth \$20.5 million for HSC’s expansion; the Saginaw Road Commission has applied for a \$650,000 grant under the Transportation Economic Development Fund (the “TEDF Grant”) administered by the Michigan Department of Transportation (“MDOT”) for improvements to the Geddes Road corridor; and a legislative appropriation of \$10 million to Saginaw Township to support HSC’s expansion.
- **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:**

No federal incentives have been sought for this project.
- **The amount of any private funds or investments for the project, including the Eligible Applicant’s own investments in the project:**

Private capital investment of up to \$375 million and will support new building construction, machinery and equipment and other personal property.
- **The Eligible Applicant’s financial need for a grant, loan, or other economic assistance under the SSRP:**

The Company has been involved in a multi-state site selection to determine where to locate the new facility and investment. Consideration on placement includes costs of implementation and ongoing operations, availability of talent, utility, and labor costs. Incentive assistance is necessary to build out municipal infrastructure to accommodate and ensure this project moves forward in Michigan, particularly in a highly competitive environment.

- **The extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property:**
Not applicable.
- **Creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan:**
Due to the new manufacturing process, all new and retained jobs will be the result of a fundamental technological shift in production.
- **Whether and how the project is financially and economically sound:**
A financial review of the Company was completed and confirmed the Company’s ability to finance the project. The project is in response to an effort to produce higher quality products with downstream efficiency improvements that will ultimately reduce metallic impurities to the lowest levels possible and increase competitiveness on a global scale.
- **Whether and how the project converts abandoned public buildings to private use:**
Not applicable.
- **Whether and how the project promotes sustainable development:**
The investments include a large amount of recycle stream to lower the overall water impact of this expansion. Additionally, the investments include improvements in energy efficiency to further lower the carbon footprint of HSC’s polysilicon.

HSC is a leading member of a group of manufacturers interested in expanding U.S. manufacturing of solar components, which will improve energy security, create U.S. jobs, and reduce air pollution. The current solar supply chain is heavily concentrated in Asia, which creates supply chain vulnerabilities due to logistics constraints, trade disputes and geopolitical tensions, exacerbated by the COVID-19 pandemic. The fragility of this over-concentrated supply chain has resulted in solar project delays in the U.S., underscoring the need for more domestic manufacturing.

Solar is the fastest growing electricity source in the U.S. and the cheapest form of new electricity capacity worldwide. U.S. made polysilicon has an important role to play in decarbonizing and de-risking the solar supply chain.

HSC’s sustainability report can be found on its website hscpoly.com/sustainability/sustainability-report

- **Whether and how the project involves the rehabilitation of a historic resource:**
Not applicable.
- **Whether and how the project addresses areawide redevelopment:**
Based on an economic impact analysis of this project using Regional Economic Models Inc (“REMI”), this opportunity has an employment multiplier of 1.2. This means that an additional 0.2 jobs in Michigan’s economy are anticipated to be created for every new direct job. In addition, these new jobs are generating new income, much of which is spent at local small businesses throughout the community and the state. Over 10 years, the total direct, indirect, and induced jobs will generate over \$364 million in new personal income in Michigan.
- **Whether and how the project addresses underserved markets of commerce:**
HSC continues to support Michigan supplies/material with over 80% of the manufacturing costs staying within Michigan. HSC is the only U.S. headquartered polysilicon manufacturer and serves 30% of all semiconductor chips used in electronic devices. The semiconductor and solar industries are experiencing continued growth and HSC’s poly is a critical component in the supply chain. HSC’s solar products align with Clean Energy Buyers Institute (CEBA) sustainability framework.
- **The level and extent of environmental contamination:**

HSC follows manufacturing best practices in the construction and production of its polysilicon. The Company has continued to invest in technology to remove contaminants from the site's effluent prior to leaving the production facility. An environmental assessment of the site has been completed and shows soil conditions are suitable for construction of the planned facility.

- **Whether and how the project will compete with or affect existing Michigan businesses within the same industry:**

HSC is the only Michigan based company in the production of higher purity polysilicon. The Company's current and future Michigan suppliers will be positively impacted by the growth seen at HSC. Currently over 80% of overall manufacturing cost structure staying in Michigan.

- **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:**

HSC continues to be the largest single site user of electricity in Michigan. Through the great collaboration with Consumers Energy, HSC is able to conduct energy audits which continues to drive energy efficiency and lower HSC's carbon footprint. These investments that are outlined above are within the current allocation of electricity usage through the Consumers Energy agreement.

- **The risk of obsolescence that the project, products, and investments in the future:**

While HSC cannot predict what will happen in the future, it is believed this project will create products that will deliver value to its customers into the foreseeable future.

- **The overall return on investment to Michigan:**

In total, the project will result in nearly \$27 million in state taxes generated for the state of Michigan over a period of 10 years. This calculation was completed using a REMI model.

- **Whether the proposed Strategic Site is incorporated into a strategic plan of a political subdivision of Michigan:**

Thomas Township is the home to HSC and the community has plans to expand the sewer system to meet the growing needs of the Company. While this site is for the end user, the nearby GLTP was constructed to support customers and suppliers to HSC. This project will expand opportunities at the GLTP and provide a location for both companies doing business with HSC, as well as other area manufacturers.

Additionally, under Section 88t of the MSF Act, since the end user of the Strategic Site is identified, the MSF Board shall also consider:

- **The strategic economic importance of the project to the community where it is located and Michigan:**

The proposed project will impact the regions around Saginaw County with near term job growth and significant and continued investment by one of the longest operating manufacturers of polysilicon in the world. The project would result in the creation of up to 170 new jobs and a capital investment of up to \$375 million in Thomas Township, Saginaw County.

- **Whether the financial assistance is needed to secure the project in Michigan:**

Without financial assistance allowing for the expansion of the Thomas Township and Saginaw Township wastewater systems, HSC cannot invest and expand due to current and future capacity constraints. This financial assistance to grow the municipal wastewater system is not only necessary for HSC to innovate and grow, but also supports the GLTP in its goal of enticing new business to the region.

- **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:**

With HSC being such a large employer within the region, the value the Company has on the quality of life in Thomas Township is immense. Therefore, the success of HSC and its manufacturing

viability is paramount to the long-term health of the region, the State of Michigan, and the nation. The Company and its employees don't just support the local utility, but also our schools, colleges, churches, parks, shopping districts and restaurants. The potential is there to serve as an anchor manufacturer, bringing in additional businesses and investments to the immediate area. The additional sewer infrastructure that is planned for this project will not only support HSC in their expansion efforts, but also help entice other investments into the community and region while immediately bettering the lives of local business owners and residents.

- **The level of creation or retention of Qualified Jobs as a result of a technological shift in product:**
Due to the new manufacturing process, all new and retained jobs will be the result of a fundamental technological shift in 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 average wage of the Qualified Jobs created will exceed the average wage for the county. The average hourly wage for Saginaw County is \$19.60, the average hourly wage for the Qualified Jobs created will be \$32.18.
- **The level of capital investment:**
The HSC expansion project is anticipated to result in up to \$375 million in capital investment.
- **The evidence of the End User's commitment to the site:**
HSC has committed to expanding at the site.

MICHIGAN STRATEGIC FUND

RESOLUTION

2022-138

APPROVAL OF MICHIGAN STRATEGIC SITE READINESS PROGRAM GRANT TO THOMAS TOWNSHIP

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

WHEREAS, pursuant to Section 88t of the MSF Act, MCL 125.2088t, the MSF shall create and operate the Michigan strategic site readiness program 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 (the “Strategic Site Readiness Program”);

WHEREAS, the Strategic Site Readiness Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

WHEREAS, on January 11, 2022, the MSF Board created the Strategic Site Readiness Program and approved the guidelines for the implementation and operation of the Strategic Site Readiness Program (the “Strategic Site Readiness Program Guidelines”);

WHEREAS, Thomas Township (the “Township”) submitted an application on August 12, 2022 seeking a grant in the amount of \$27,000,000 for public infrastructure and utility upgrades, and in accordance with the terms and conditions outlined in the Summary of Terms attached as Exhibit A to this Resolution (the “Grant Request”);

WHEREAS, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MEDC recommends the MSF approve the Grant Request; and

WHEREAS, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF wishes to approve the Grant Request.

NOW THEREFORE, BE IT RESOLVED, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board approves the Grant Request;

BE FURTHER RESOLVED, the MSF President and the MSF Financial Officer are authorized to take all actions necessary to request transfer of SOAR funds to the MSF to fund the Grant Request; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate final terms and conditions of the Grant Request and to execute all documents necessary to effectuate the Grant Request.

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022

Strategic Site Readiness Program Grant

Summary of Terms

This document summarizes the key terms and conditions of the potential Strategic Site Readiness Program (“SSRP”) Award for Thomas Township (the “Township”). The proposed terms and conditions herein will not be construed as binding upon either party until the mutual execution of a written grant agreement. Any obligations that may be deemed to arise under this Term Sheet are contingent on the Township obtaining all necessary approvals, and the Michigan Economic Development Corporation (“MEDC”) obtaining all necessary Michigan Strategic Fund (“MSF”) Board and State of Michigan Legislature approvals.

SSRP Award: Up to \$27,000,000 to the Township for Eligible Activities, as defined in the SSRP Guidelines approved by the MSF Board on January 11, 2022, related to public wastewater infrastructure improvements (including the purchase of real property, rights-of-way and easements and legal expenses necessary to support the wastewater infrastructure improvements) in the Township and Saginaw Charter Township (the “Project”) that are anticipated to result in both the expansion of polysilicon manufacturing capacity for the semiconductor and solar power industries at Hemlock Semiconductor (“HSC”) and expanded growth opportunities for the Great Lakes Tech Park (“GLTP”).

Term of the Agreement: Effective Date through the earlier of : (i) December 31, 2030; (ii) the grant manager’s approval of the Project Completion Milestone; or (iii) when the Parties agree in writing.

Disbursement of Grant Funds: Grant funds will be disbursed based on the Township’s achievement of the following key milestones and, except as to Key Milestone One, only after the Township has actually expended at least ninety percent (90%) of the grant funds disbursed under the immediately preceding Key Milestone in accordance with the project budget:

- Key Milestone One: Not to exceed \$14,085,000
 - Disbursement request in the form determined by the MEDC;
 - Copies of written agreements between the Township and any contractor engaged to perform the Eligible Activities for the Project;
 - Memorandum of understanding or other written agreement with Saginaw Charter Township on project scope and anticipated Eligible Activities involving Saginaw Charter Township property; and
 - A copy of the development agreement between HSC, the Township and Saginaw Charter Township.

- Key Milestone Two: Not to exceed \$ 2,615,000
 - Disbursement request in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure for Eligible Activities of grant disbursements received under Key Milestone Number One. The spreadsheet shall include the corresponding category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation; and
 - A narrative describing in detail the Eligible Activities to be completed with the grant disbursement received under Key Milestone Two.

- Key Milestone Three: Not to exceed \$ 7,605,000
 - Disbursement request in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure for Eligible Activities of grant disbursements received under Key Milestone Number Two. The spreadsheet shall include the corresponding category of the budget, identify the

- name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation; and
 - A narrative describing in detail the Eligible Activities to be completed with the grant disbursement received under Milestone Three.
- **Project Completion Milestone: Not to exceed \$2,695,000**
 - A final milestone certificate in the form determined by the MEDC;
 - A spreadsheet describing and itemizing the actual expenditure of grant disbursements for all Eligible Activities completed during the Term. The spreadsheet shall include the corresponding reference category of the budget, identify the name of actual vendor or recipient of each expenditure, and be accompanied by supporting documentation.
 - Documentation satisfactory to the grant manager that the wastewater improvements provide the necessary capacity to support both the expansion of polysilicon manufacturing capacity for the semiconductor and solar power industries at HSC and expanded growth opportunities for the GLTP.

Eligible Activities: activities related to the design, construction, and installation of infrastructure necessary to increase the wastewater treatment capacity, including costs related to securing easements or rights of way necessary to support the public infrastructure incurred after February 1, 2022 in both the Township and Saginaw Charter Township. The Township and the MSF will develop a detailed budget for the Project that includes budget categories for the Eligible Activities. The budget will be incorporated into the written agreement signed by the parties.

Security Interest: The Township shall maintain a separate account (the “Project Funds Account”) into which the grant funds will be disbursed. The Township shall grant the MSF a security interest in the Project Funds Account. The MSF and the Township will execute all documents necessary for the MSF to perfect its interest in the Project Funds Account.

Suspension of Disbursements: The MSF may immediately suspend making disbursements of the SSRP Award upon the occurrence of: (i) an event resulting in a Repayment Amount, (ii) an event of default, which shall be defined in the grant agreement, but shall include, without limitation, material noncompliance with the terms of the grant agreement, (iii) default in any other agreement with the State of Michigan or (iv) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default

Clawback Provisions: The Township will be required to repay all or a portion of the grant disbursements made under the SSRP Award upon the occurrence of one or more of the following events (each resulting in a “Repayment Amount”), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis:

- **Project Abandonment:** if the Township voluntarily abandons the project after the SSRP Award is disbursed and on or before the end of the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Bankruptcy or Insolvency** – If the Township files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Township not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Township’s operations for the Project, it will be required to repay 100% of grant disbursements made under the SSRP Award. The MSF would be entitled to foreclose on any security interest and, in the case of

bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the SSRP Award.

- **Material Misrepresentation.** If the Township makes a material misrepresentation under the grant agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Misuse of Funds:** if the Township uses the SSRP Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Material Failure to Comply.** If the Township fails to materially comply with its obligations to submit materials required under the (i) Key Milestones, (ii) annual progress reports, or (iii) annual compliance certificates under the grant agreement, it will be required to repay 100% of grant disbursements made under the SSRP Award.
- **Project Funds Account Balance.** In the event there is any remaining balance in the Project Funds Account upon the earlier of: (i) the Township's submission of the Final Milestone Certificate or (ii) December 31, 2030, the Township shall pay the MSF the balance of funds in the Project Funds Account.

Additional State Required Terms:

- **Amendments** – As required under Section 88t(8) of the MSF Act, MCL 125.2088t(8) (“Section 88t”), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written grant agreement and will otherwise comply with requirements of Section 88t(8) prior to taking any action on such amendment request.
- **Annual Compliance Certificate** – During the Term, the Township will be required to sign and submit an annual compliance certificate certifying that the Township is in compliance with the terms and conditions of the grant agreement.
- **Annual Progress Report** – During the Term, the Township will be required to submit annual progress reports. This information will be transmitted by the MSF to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.
- **Access to Records & Audit Rights** – During the Term, and for a period of three years after the expiration of the Term, and upon reasonable advance notice, the Township is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Township, and any other location where books and records of the Township are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the grant, all at times and locations mutually agreed upon by the parties.
- **Other provisions.** The grant agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, non-discrimination and unfair labor practices, termination of funding, any other requirements of the SSRP Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of Section 88t.



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



MEMORANDUM

Date: September 7, 2022

To: Michigan Strategic Fund Board

From: Jacob Winder, Manager, Community Development Incentives

Subject: Request for Approval of Multiple Revitalization and Placemaking (“RAP”) Awards

Request

Michigan Economic Development Corporation (“MEDC”) staff recommends that the Michigan Strategic Fund (“MSF”) Board authorize the following action: 1) approval of twenty-two (22) grants totaling \$83,805,739 under the Revitalization and Placemaking (“RAP”) Program to support twenty-two awards including thirteen (13) individual RAP awards totaling \$18,901,672 (the “Awardees”) and nine (9) subgrant awards totaling \$64,904,067 (the “Subgrant Awardees” and together with Awardees, the “Grantees”) as detailed in Appendix A (the “RAP Awards”); 2) Authorize a waiver of the RAP Program Guidelines to allow up to ten percent (10%) of the applicable award amount to be used by the applicable Grantee for Grantee’s administrative and project management expenses to be considered eligible costs in connection with administration of the grant (the “Administrative Allocation”); and 3) delegate authority to the MSF President and the MSF Fund Manager to approve certain amendments to awards approved under the RAP Program that do not increase the award amount and i) are limited to extension of certain dates, or ii) addition of certain co-applicants, or iii) approval of certain scope modifications (the “Delegation of Authority”).

Background

On December 7, 2021, the MSF Board authorized the RAP Program. All RAP Awards are structured as grants that provide up to 50 percent of a project’s eligible costs and require performance milestones and reporting. RAP Awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 and comply with its attendant federal regulations, 31 C.F.R. § 35, as may be amended from time to time. RAP Awards may be made directly to individual projects, or to local or regional partner organizations for regranting to as part of a coordinated subgrant program. Goals of the RAP Program include 1) partner with local Michigan communities to proactively address the negative economic impacts of the pandemic by investing in projects that promote population and tax revenue growth through the revitalization and repurposing of vacant, underutilized, blighted or historic buildings and investment in place-based infrastructure; 2) deploy federal American Rescue Plan funding to support investments that will create the environment necessary to attract and retain talent, add new housing options, enable business creation and attraction and provide resources for Michigan citizens and communities; and 3) help local governments avoid budget crises, retain current residents and enhance downtown vitality.

MEDC accepted applications from March 31, 2022, through June 3, 2022, and in total received 185 applications requesting approximately \$500 million. Applications were thoroughly evaluated by a Joint Evaluation Committee (the “JEC”). Twenty-two Grantees are being recommended for funding today that

will fund both real estate rehabilitation and place-based infrastructure projects around the state. There are four additional individual applicants that staff anticipates bringing to the MSF Board at future meetings with tandem requests for an award of RAP plus MCRP or other MSF incentive support. Background checks will be completed for each Grantee in accordance with the MSF Background Review Policy in advance of execution of grant agreements. All RAP funds must be expended by December 31, 2026, per federal deadlines.

A list of the twenty-two (22) recommended Grantee’s and RAP Awards, as well as a map showing the geographic distribution of the proposed RAP Awards, is attached as **Appendix A**.

Recommendation

MEDC Staff recommends the MSF authorize the RAP Awards, the Administrative Allocation, and the Delegation of Authority.

APPENDIX A
 RECOMMENDED GRANTEES

Public Space Place-Based:

<u>Municipality</u>	<u>Applicant</u>	<u>Amount</u>	<u>Description</u>
Houghton	City of Houghton	\$1,000,000	Add placemaking elements to the downtown
Negaunee	City of Negaunee	\$885,261	Infrastructure and placemaking upgrades
Traverse City	Traverse City DDA	\$1,000,000	Riverfront activation
Lexington	Moore Public Library	\$572,366	Library expansion
East Lansing	City of East Lansing	\$1,000,000	Placemaking and park improvements
Grand Ledge	City of Grand Ledge	\$1,000,000	Placemaking and walkability improvements
Dearborn	East Dearborn DDA	\$787,718	Outdoor gathering space
Ecorse	City of Ecorse	\$1,000,000	Riverfront public space improvements
Wyandotte	Wyandotte DDA	\$1,000,000	Public alley enhancements
Mount Clemens	City of Mount Clemens	\$813,282	Walkability & connectivity improvements

Total Public Space Place-Based: \$9,058,627

Real Estate Rehabilitation:

<u>Municipality</u>	<u>Applicant</u>	<u>Amount</u>	<u>Description</u>
Clare	Ideal Theater Clare, LLC	\$988,045	Restoration of historic downtown theater
Marquette	Ore Dock Real Estate	\$3,905,000	Rehabilitation of historic building into mixed use and public space
Grand Blanc	Garden Building of Grand Blanc, LLC	\$4,950,000	New construction of a mixed-use building

Total Real Estate Rehabilitation: \$9,843,045

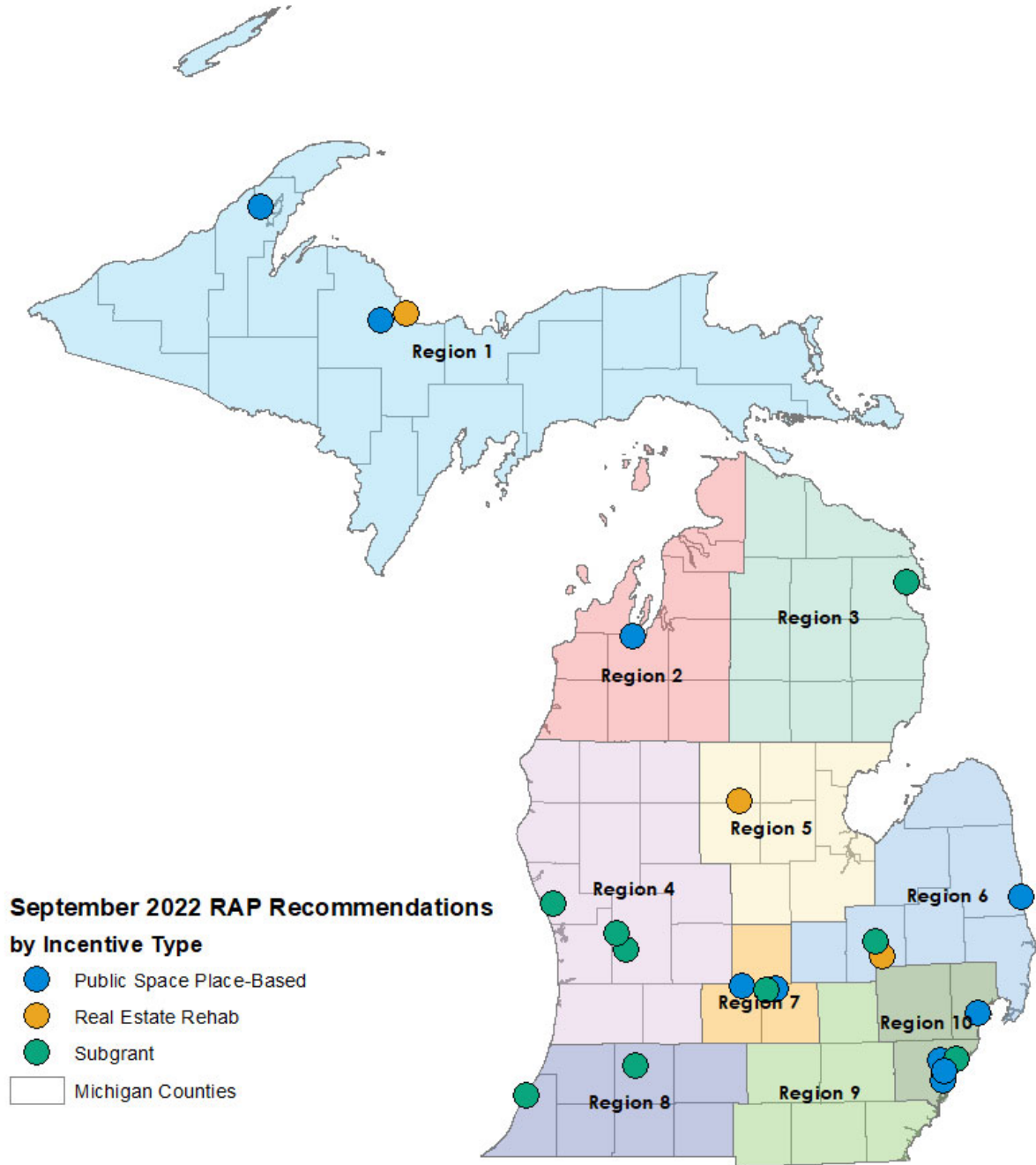
Subgrants:

<u>Municipality</u>	<u>Applicant</u>	<u>Amount</u>	<u>Description</u>
Alpena	Target Alpena Development Corp.	\$4,967,527	Mixed-use redevelopment with layers of local support.
Grand Rapids	City of Grand Rapids	\$9,378,000	Multiple projects addressing the need for quality affordable/attainable housing.

Muskegon	City of Muskegon	\$6,000,000	Downtown revitalization adding diverse housing types at multiple affordability levels, and accessible places for social gathering.
Various Cities	The Right Place	\$3,613,166	Investment in bold public space place-based initiatives that attract and retain talent and businesses.
Flint	City of Flint	\$10,000,000	Support mixed-income, multi-family housing development and integration of civic and institutional uses in a mixed-use environment.
Lansing	City of Lansing	\$6,694,375	Comprehensive strategy to support small businesses, community non-profits and housing needs.
Niles, Benton Harbor	Berrien County	\$2,600,000	Support real estate reinvestment that leverages existing investments and contributes to implementation of locally-approved plans.
Various Cities	Southwest Michigan First	\$7,910,999	Support real estate redevelopment and placemaking that will attract and retain talent.
Detroit	Downtown Detroit Partnership	\$13,740,000	Invest in projects that focus on living and playing downtown as a way to generate new demand for small businesses and new tax revenue for the City

Total Subgrants: \$64,904,067

Total: \$83,805,739



MICHIGAN STRATEGIC FUND

RESOLUTION 2022-139

APPROVAL OF REVITALIZATION AND PLACEMAKING GRANT AWARDS

WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“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 Section 7(c) of the MSF Act, MCL 125.2007(c), the MSF Board has the power to make grants;

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

WHEREAS, the State of Michigan fiscal year 2022 budget was approved with \$100 million allocated to community revitalization and placemaking investments that will enable population and tax revenue growth through the revitalization and repurposing of vacant, underutilized, blighted or historic buildings and place-based infrastructure (the “RAP Funds”).

WHEREAS, by Resolution 2021-154, the MSF Board has approved the Revitalization and Placemaking Program (“RAP Program”) and the RAP Program Guidelines (“RAP Guidelines”) to address the impacts of COVID-19 by investing in projects that rehabilitate vacant and blighted buildings and historic structures and the development of permanent place-based infrastructure associated with social zones and traditional downtowns, outdoor dining, and place-based public spaces;

WHEREAS, pursuant to SFCR 125.2005-7(3), 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 RAP Program;

WHEREAS, on February 22, 2022, the RAP Guidelines were amended by the MSF Board by Resolution 2022-029 (the “Amended RAP Guidelines”);

WHEREAS, from March 31, 2022, through June 3, 2022, the MEDC accepted proposals for the RAP Program and also formed a joint evaluation committee (“JEC”) to review all applications;

WHEREAS, 185 applications were evaluated by the JEC in accordance with the requirements of the Amended RAP Guidelines;

WHEREAS, the JEC selected 26 RAP applications which collectively earned sufficient application scores, represented program goals, complied with Amended RAP Guidelines, demonstrated project readiness and accomplished adequate geographic distribution of funds, (the “Grantees”);

WHEREAS, four of the 26 Grantees are anticipated to be presented to the MSF Board at a later date;

WHEREAS, the MEDC recommends that the MSF Board waive the Amended RAP Guidelines to allow up to ten percent (10%) of the applicable award amount to be considered eligible costs to be used by the applicable Grantee for Grantee’s administrative and project management expenses in connection with administration of the grant (the “Waiver for Administrative Allocation Recommendation”).

WHEREAS, the MEDC recommends that the MSF Board approve the grants listed in the tables below with grant terms that expire on October 31, 2028, subject to completion of civil and criminal background reviews under the MSF Background Review Policy (collectively, the “RAP Award Recommendations”);

Public Space Place-Based Grants:

<u>Municipality</u>	<u>Applicant</u>	<u>Amount</u>	<u>Description</u>
Houghton	City of Houghton	\$1,000,000	Add placemaking elements to the downtown
Negaunee	City of Negaunee	\$885,261	Infrastructure and placemaking upgrades
Traverse City	Traverse City DDA	\$1,000,000	Riverfront activation
Lexington	Moore Public Library	\$572,366	Library expansion
East Lansing	City of East Lansing	\$1,000,000	Placemaking and park improvements
Grand Ledge	City of Grand Ledge	\$1,000,000	Placemaking and walkability improvements
Dearborn	East Dearborn DDA	\$787,718	Outdoor gathering space
Ecorse	City of Ecorse	\$1,000,000	Riverfront public space improvements
Wyandotte	Wyandotte DDA	\$1,000,000	Public alley enhancements
Mount Clemens	City of Mount Clemens	\$813,282	Walkability & connectivity improvements

Real Estate Rehabilitation Grants:

<u>Municipality</u>	<u>Applicant</u>	<u>Amount</u>	<u>Description</u>
Clare	Ideal Theater Clare, LLC	\$988,045	Restoration of historic downtown theater
Marquette	Ore Dock Real Estate	\$3,905,000	Rehabilitation of historic building into mixed use and public space
Grand Blanc	Garden Building of Grand Blanc, LLC	\$4,950,000	New construction of a mixed-use building

Subgrants:

<u>Municipality</u>	<u>Applicant</u>	<u>Amount</u>	<u>Description</u>
Alpena	Target Alpena Development Corp.	\$4,967,527	Mixed-use redevelopment with layers of local support.
Grand Rapids	City of Grand Rapids	\$9,378,000	Multiple projects addressing the need for quality affordable/attainable housing.
Muskegon	City of Muskegon	\$6,000,000	Downtown revitalization adding diverse housing types at multiple affordability levels, and accessible places for social gathering.

Various Cities	The Right Place	\$3,613,166	Investment in bold public space place-based initiatives that attract and retain talent and businesses.
Flint	City of Flint	\$10,000,000	Support mixed-income, multi-family housing development and integration of civic and institutional uses in a mixed-use environment.
Lansing	City of Lansing	\$6,694,375	Comprehensive strategy to support small businesses, community non-profits and housing needs.
Niles, Benton Harbor	Berrien County	\$2,600,000	Support real estate reinvestment that leverages existing investments and contributes to implementation of locally approved plans.
Various Cities	Southwest Michigan First	\$7,910,999	Support real estate redevelopment and placemaking that will attract and retain talent.
Detroit	Downtown Detroit Partnership	\$13,740,000	Invest in projects that focus on living and playing downtown as a way to generate new demand for small businesses and new tax revenue for the City

WHEREAS, the MSF Board wishes to approve the RAP Award Recommendations and the Waiver for Administrative Allocation Recommendation.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board authorizes approval of the Waiver for Administrative Allocation Recommendation and RAP Award Recommendations; and

BE IT FURTHER RESOLVED, the MSF Board authorizes the MSF Fund Manager to negotiate the final terms and conditions and execute all final documents necessary to effectuate the RAP Award Recommendations, consistent with the terms of this Resolution.

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022



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 STRATEGIC FUND

RESOLUTION 2022-140

STRATEGIC FUND DELEGATION OF AUTHORITY

WHEREAS, under Section 125.2005(7) of the Michigan Strategic Fund Act, the Michigan Strategic Fund (“MSF”) Board may delegate to its president, vice-president, staff or others those functions and authority the MSF Board deems necessary or appropriate;

WHEREAS, under Article II, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on April 22, 2014, the MSF Board may delegate by resolution those functions and authority it deems necessary or appropriate to the President, Vice-President, Staff, the MEDC, or others, unless otherwise prohibited by law;

WHEREAS, under Article III, Section 1 of the Bylaws, the MSF President will provide for compilations of all general delegated authority; standard processes; and standard policies, in force (the "Strategic Fund Compiled Resolutions" or "SFCR");

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

WHEREAS, the MEDC recommends that the MSF Board amend Strategic Fund Compiled Resolutions Section 125.2005-7 to delegate authority to the MSF President, the MSF Fund Manager, and the State Treasurer, as set forth in this Resolution; and

WHEREAS, the MSF Board wishes to amend Strategic Fund Compiled Resolutions Section 125.2005-7 in accordance with the terms and conditions of this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the MSF Board hereby amends Strategic Fund Compiled Resolutions Section 125.2005-7 to add the following sub-sections effective September 7, 2022:

125.2005-7 Revitalization and Placemaking Program

(4) The MSF President or the MSF Fund Manager may approve extensions to milestone due dates, grant end dates, and other dates within the agreement as may be necessary to align with project performance deadlines set by the American Rescue Plan Act and any guidance issued by the federal government thereunder, as may be amended or updated from time to time.

(5) The MSF President or the MSF Fund Manager may approve the addition of one or more co-applicants to an approved award provided that such co-applicant(s) meet the definition of Eligible Applicants as defined under the Revitalization and Placemaking Program Guidelines and, provided further, that the co-applicant(s) is subject to completion of a civil and criminal background review in accordance with the MSF Background Review Policy prior to receipt of any funds under an approved award.

(6) The MSF President or the MSF Fund Manager may approve modifications to the scope of an approved award so long as the revised scope is consistent with the Revitalization and Placemaking Program Guidelines and the original project intent.

BE IT FURTHER RESOLVED, the MSF President shall compile and publish the above delegated authority as required under Article III of the Bylaws.

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022



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



MEMORANDUM

Date: September 7, 2022

To: Michigan Strategic Fund Board

From: Michelle Audette-Bauman, Senior Community Development Manager, Region 8
Julius Edwards, Director, Commercial Real Estate Investment
Jake Winder, Manager, Community Development Incentives

Subject: Request for Approval of an Act 381 Work Plan
Tall Timbers Portage, LLC, and City of Portage Brownfield Redevelopment Authority (BRA) – Tall Timbers

Project Summary & Request

Tall Timbers Portage, LLC (the “Developer”) is proposing to construct a four-story building with 180 apartments and 147-space integrated parking deck on a 13.5-acre site in the City of Portage. The completed development will be a total of 241,038 square feet, consisting of 150,234 square feet of residential, 62,815 square feet of parking, and 27,989 square feet of common space. It is anticipated that the project will leverage over \$48 million in private investment and address brownfield conditions. In order to support this community development project, the City of Portage Brownfield Redevelopment Authority (the “Applicant”) is requesting approval of state tax capture of \$4,749,348 to reimburse the developer for eligible brownfield activities over 25 years. An MSF Eligible Activities and Tax Capture Summary are included in Appendix B.

PROJECT SUMMARY	
Project Eligibility	Facility
Total Approximate Square Feet Revitalized	241,038
Total Approximate Acres Activated	13.525
Estimated # of Residential Units	180
Current Taxable Value	\$31,114
Projected Taxable Value at Completion	\$8,000,295
Total Anticipated Capital Investment	\$48,564,252
Brownfield TIF / MSF Eligible Activities or State Capture Request	\$4,749,348

The City of Portage has identified this project as a priority because it will help address community housing needs driven in part by significant expansion projects at Stryker, Pfizer, and other area employers. The project will reserve 10% of housing units for households earning between 80% and 120% of area median income, which meets local, regional, and state goals around development of workforce and mixed-income housing. Additionally, the project is located in a mixed-use area adjacent to public transit which aligns with local, regional, and state priorities for the development of vibrant places. The project also intends to seek



LEED certification for sustainable building and development practices. Upon completion the project will redevelop a contaminated property into dense development with the first structured parking deck and LEED certified multifamily building in the City of Portage, setting the tone for future density and development in the community.

Act 381 of 1996 (“the Act”), as amended, authorizes the MSF to approve Work Plans that include the capture of the School Operating Millage and State Education Tax millages for the purpose of supporting projects statewide. On March 23, 2021, the MSF Board approved the Brownfield Tax Increment Financing MSF Program Guidelines (“Brownfield TIF”). As required under the Act, all statutory criteria for the project have been considered when making the recommendations in this memo. The project meets the Brownfield TIF Guidelines and programmatic requirements, and a financial review has been completed. An MSF Eligible Activities and Tax Capture Summary are included in Appendix B.

Demonstrated Needs

The project has a financial need due to costs of construction, Brownfield conditions on the site and the inclusion of integrated parking needed to maintain appropriate density and urban form. The development team has maximized their senior debt and is contributing approximately 13% equity, as well as deferring their developer fee; however, a gap in the project exists due to limited cash flow over time. With state reimbursement for eligible brownfield activities, the project is projected to generate a 2.6% IRR over 20 years. Without brownfield tax increment financing support, the project would be financially infeasible.

Local Support

Local support for the project includes the local portion of the brownfield plan valued at \$6,420,333.

Applicant Background / Qualifications

Tall Timbers Portage, LLC is a single purpose entity owned by Hinman Family, LLC, and Joseph Gesmundo. Entities related to the Hinman family have been involved in the development and investment of over 10 million square feet of commercial space over the last 40 years. Gesmundo has been involved in hundreds of millions of dollars of development including apartment units, commercial office buildings and retail space. Prior projects associated with entities owned by Hinman and/or Gesmundo that have received MSF support include:

- 234 West Cedar (Kalamazoo)
- 400 Rose Phase (Kalamazoo)
- 10 Ionia (Grand Rapids)
- Battle Creek Tower Renaissance Zone (Battle Creek)

An Organizational Chart for Tall Timbers Portage, 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.

From the materials received and reviewed, staff considers the project to be financially and economically sound.

Recommendation

MEDC staff recommends approval of the state tax capture for Act 381 eligible activities capped at \$4,749,348 utilizing the current state to local capture ratio.

Rendering of Proposed Development



Project Map



APPENDIX A – Organizational Chart

Tall Timbers Portage, LLC Organizational Structure					
Tall Timbers Portage, LLC EIN: 88-2679968					
Member		Ownership Interest	EIN	State of Organization	
Tall Timbers Portage, LLC		100.00%	88-2679968	Michigan	
Joseph L. Gesmundo	50.00%				
Hinman Family, LLC	50.00%		81-3279218	Michigan	
Roger E. Hinman Trust	100.00%				

APPENDIX B – MSF Eligible Activities Summary

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Portage, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on August 9, 2022. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on August 1, 2022.

There are 55.4292 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.5695 mills (42.52%) and local millage equaling 31.8597 mills (57.48%). Tax increment capture will begin in 2024 and is estimated to continue for 25 years. The state tax capture is recommended to be capped at \$4,749,348, which is the amount of tax increment revenue anticipated to be generated in 25 years. Total MSF eligible activities are estimated at \$11,169,681. MSF eligible activities breaks down as follows:

Tax Capture Summary:

State tax capture	(42.52%)	\$	4,749,348
Local tax capture	(57.48%)	\$	6,420,333
TOTAL		\$	11,169,681

Cost of MSF Eligible Activities

Infrastructure Improvements	\$	7,747,372
Site Preparation	+	391,379
Sub-Total	\$	8,138,751
Contingency (6%)	+	488,325
Sub-Total	\$	8,627,076
Interest (3%)	+	2,527,605
Sub-Total	\$	11,154,681
Brownfield/Work Plan Preparation	+	15,000
TOTAL	\$	11,169,681

In addition, the project is requesting \$13,125 in TIF from EGLE to assist with environmental eligible activities.

Key Statutory Criteria

Per section 15 of Act 381, the Michigan Strategic Fund shall consider the following criteria to the extent reasonably applicable to the type of activities proposed as part of that work plan when approving or denying a work plan:

a) Overall Benefit to the Public:

In addition to redeveloping a contaminated site, this project will create a significant number of new housing units to help address housing needs in the City of Portage. Additionally, the project will utilize green/sustainable building practices and encourage dense development in a mixed-use area adjacent to public transit contributing to the development of attractive, vibrant places.

b) Jobs Created (Excluding Construction and other Indirect Jobs):

This project is expected to create approximately 3.5 new, full-time equivalent jobs in the City of Portage with an average hourly wage of \$18.

c) Area of High Unemployment:

The City of Portage unadjusted jobless rate was 3.6% in May 2022.

d) Level and Extent of Contamination Alleviated:

The development of the property will cap much of the property with new structures and drives, helping to prevent the public from coming into contact with any contamination on the property.

e) Reuse of Functionally Obsolete Buildings and/or Redevelopment of Blighted Property:

The project is not qualifying as functionally obsolete or blighted.

f) Whether Project will Create a New Brownfield Property in the State:

No new Brownfields will be created by this project.

g) Whether the Project is Financially and Economically Sound:

From the materials received, the MEDC infers that the project is financially and economically sound.

h) Other Factors Considered:

No additional factors need to be considered for this project.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2022-141**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF PORTAGE BROWNFIELD REDEVELOPMENT AUTHORITY
TALL TIMBERS**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the Michigan Strategic Fund (“MSF”);

WHEREAS, captured school operating tax revenues may be used under 1996 PA 381 as amended, for infrastructure improvements that directly benefit eligible property, for lead, asbestos, or mold abatement, and for demolition and site preparation that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the City of Portage Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan (the “Brownfield Work Plan”) dated August 25, 2022, for property located at 3413 W. Centre Avenue within the City of Portage, known as Tall Timbers (the “Project”);

WHEREAS, the City of Portage (the “City”) is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204; and

WHEREAS, the Authority is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the Brownfield Work Plan and authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 42.52% to 57.48% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation and infrastructure improvements as presented in the Brownfield Work Plan. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is

based on costs of MSF eligible activities with a maximum of \$8,627,076 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$2,527,605 in interest, a maximum of \$15,000 for brownfield and work plan preparation, and with the total capture of state school taxes capped at a maximum of \$4,749,348.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the City, as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

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, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
September 7, 2022



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