



Economic Development Corporation
Of Jackson County
Served By The Enterprise Group

**The Economic Development Corporation
Of Jackson County**

**Special Board Meeting
Thursday, April 13, 2023
One Jackson Square – EG Conference Room – 11th Floor
7:30 a.m. via Zoom**

Agenda

- I. Call to Order by Chair
- II. Public Comment
- III. *Approve Minutes from December 2, 2022 Annual EDC Board Meeting
- IV. *Discuss/Approve EDC RLF Reuse Plan
- V. Update on EDC Bank Accounts
- VI. Other EDC Updates
- VII. Adjourn



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EDC ANNUAL BOARD MEETING MINUTES
December 2, 2022
One Jackson Square – East Conference Room

EDC Board Present (8): Mindy Bradish-Orta, Ron Ellison, Martha Fuerstenau, Cynthia Richardson, Jason Sanders, Laura Schlecte, Steve Shotwell and Phil Willis.

EDC Board Absent (1): Tim Levy

EDC Staff: Emily Cones, Debbie Kelly and Alex Masten.

Others: Scott McClain, Markowski & Co.

EDC Chairman Ellison called the meeting to order at 7:36 a.m.

Public Comment: None.

Minutes of December 3, 2021: *Ms. Schlecte moved, with Ms. Fuerstenau supporting, the approval of the EDC Meeting Minutes from December 3, 2021. Unanimous approval.*

2021 EDC Audit:

Mr. McClain shared a brief summary of the 2021 EDC audit stating that there is minimal activity throughout the year, and the audit came back clean, with no concerns. *Ms. Schlecte moved, with Ms. Fuerstenau supporting the acceptance of the 2021 EDC Audit as presented. Unanimous approval.*

Automated Logistics Systems Presentation: Joe Parker, President of Automated Logistics Systems shared a brief presentation with the Board in efforts to gain support of a potential upcoming project, seeking RLF funds. The project would create 43 new jobs by 2025.

2022 EDC End of Year Report:

Ms. Masten shared there is currently two RLF loans with Jackson Healing Clinic, one of which was approved in July 2022. She added that they are making both payments on time, and more than the expected monthly payment. They will likely payoff their first loan before the end of the year. Ms. Kelly provided an update on JTPN stating that the sanitary/sewer work started on Monday and that infrastructure work in the park should be complete in the spring of 2023, with County Farm Road improvements beginning in the summer of 2023. By November 2023, the entire project should be completed. Lastly, Ms. Kelly mentioned that JTV is doing continual drone fly-over videos that can be viewed on The EG's website. *Mr. Sanders moved, with Mr. Shotwell supporting, the acceptance of the 2022 EDC End of Year Report, as presented. Unanimous approval.*

2023 Scope of Work:

Ms. Richardson commented on the retention visits stating that she would like to see that goal met in 2023. Mr. Shotwell suggested to include a bullet stating the EDC supports the Michner Plating Site in efforts to show the EPA that the entire community is behind this project. *Mr. Shotwell moved, with Mr. Sanders supporting the acceptance of the 2023 EDC Scope of Work, as amended. Unanimous approval.*

2023 EDC Budget:

Ms. Kelly presented the Proposed 2023 EDC Budget and the 2022 Amended EDC Budget. *Ms. Schlecte moved, with Mr. Sanders supporting the approval of the Proposed 2023 EDC Budget and the 2022 Amended EDC Budget. Unanimous approval.*

Ms. Kelly stated that the biggest change in the budget is the result of bank fees, and asked the Board if they would give her support and approval to explore other banks in which she could possibly move the EDC accounts to. She told the Board she would appreciate the time to work on this and will report back by February 2023. *Ms. Fuerstenau moved, with Ms. Bradish-Orta supporting the approval of Ms. Kelly to look for local lenders for EDC Accounts and Review with the Board prior to switching bank accounts. Unanimous approval.*

Election of 2023 EDC Officers:

Ms. Kelly stated that the Board can choose to keep the current slate of officers for 2023, or open up nominations. The Board agreed to keep the current slate of officers: Chairman Ellison, Vice Chairman Levy, and Secretary/Treasurer Sanders. *Mr. Shotwell moved, with Ms. Bradish-Orta supporting the approval of Mr. Sanders as Treasurer/ Secretary, Mr. Ellison as Chairman, and Mr. Levy as Vice Chairman. Unanimous approval.*

2023 EDC/EG Management Agreement:

Ms. Kelly stated the proposed 2023 EDC/EG Management Agreement mirrors last years, for a total of \$3,000 per year. She stated that Staff will add the community support for the Michner Plating Site bullet to reflect the amended Scope of Work. *Ms. Schlecte moved, with Mr. Shotwell supporting the approval of the 2023 EDC/EG Management Agreement, as amended. Unanimous approval.*

Other Updates:

Mr. Willis shared a few concerns he has regarding the RLF loan stating that two lenders on each loan complicates the process and requested to have that requirement of “must be turned down by a bank” removed. Chairman Ellison stated he would like to see all of the changes, prior to making any changes to the EDC Re-Use Plan. Mr. Shotwell suggested having EDC Staff red-line the document, and share it with the Loan Committee for review prior to reporting back to the EDC Board. *Mr. Shotwell moved, with Ms. Bradish-Orta supporting the approval of the EDC Loan Committee to review the loan process and requirements and report back to the Board with suggested modifications. Unanimous approval.*

Meeting adjourned at 7:48 a.m.

Respectfully submitted by Ms. Cones, EDC Staff.



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The Economic Development Corporation of Jackson County
Jackson County, Michigan

Revolving Loan Fund Reuse Plan
Title IX Economic Adjustment Program
Public Works and Economic Development Act of 1965 (PWEDA)

2023 Amended Revolving Loan Fund (RLF) Reuse Plan

Adopted March 2, 2018 - EDC of Jackson County
Adopted March 20, 2018 – Jackson County Board of Commissioners

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PART I: REVOLVING LOAN FUND STRATEGY

Part I summarizes the Region 2 Economic Development District (EDD) Comprehensive Economic Development Strategy (CEDS) by providing the CEDS Executive Summary and describes how the RLF financing can be used as part of the broader business development strategy to support achievement of the goals and strategies (objectives) established in the CEDS.

A. ECONOMIC ADJUSTMENT OVERVIEW

This section includes an executive summary of the CEDS (below), which provides the state of the local and regional economy; identifies the economic adjustment problems as identified in the CEDS' SWOT Analysis; describes the goals and strategies to address the economic adjustment problems; and describes how the RLF will be used to support specific economic adjustment activities identified in the CEDS.

REGION 2 ECONOMIC DEVELOPMENT DISTRICT (EDD) COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) SUMMARY

The 2021-2025 Edition of the Region 2 Planning Commission CEDS was adopted by the Region 2 Planning Commission Board on January 13, 2022. The Executive Summary is included in this section to give an overview of the strategy.

Executive Summary

The Region 2 Planning Commission (R2PC) developed the first edition of the *Region 2 Planning Commission Comprehensive Economic Development Strategy* (CEDS) in 2010 to satisfy a major requirement in designating the Region 2 are1a as an Economic Development District (EDD) by the EDA. The R2PC was successful in its effort to achieve Economic Development District designation which was awarded in 2013. Annual updates to the 2010 R2PC CEDS were undertaken in 2012, 2013, 2014, and 2015. R2PC's second CEDS was written in 2017 to cover the

period 2017 to 2021. Annual updates for the second CEDS were completed in 2018 and 2019. This edition of the CEDS, *A Vision for the Future: A Comprehensive Strategy for Economic Vitality & Community Prosperity, will cover the period 2021 to 2025 and aligns with current EDA Investment Priorities: Equity, Recovery & Resilience, Workforce Development, Manufacturing, Technology-Based Economic Development, Environmentally Sustainable Development, and Exports & FDI.

In order to complete the 2017 edition of the Document, a CEDS Steering Committee was formed. This Committee developed a description of the Region 2 Area, including socio-economic performance monitoring. It further refined the analysis of the Region's socio-economic conditions through a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and used that to develop a mission statement, goals and strategies, and a listing of broad categories of economic development projects needed in the Region 2 Area.

The Region 2 Area

The Region 2 Planning Commission and Economic Development District is located in the south central area of Michigan's Lower Peninsula. The Region consists of Hillsdale, Jackson, and Lenawee Counties with the states of Indiana and Ohio forming the Region's southern border. Each of the Region's three counties has a distinct urban center located in approximately the geographic midpoint of the respective county. The Region's population centers are influenced by the Ann Arbor, Detroit, Toledo, and Lansing metropolitan areas located to the east, southeast, and north of the Region, but they also generate their own spheres of urban influence. The most common description of the Region 2 area would likely be its rural and agricultural nature, however although urban areas only cover approximately 4.8 percent of the region, an estimated 50 percent of its population lived in one of them in 2018. According to the U.S. Census Bureau to qualify as an urban area a territory must encompass at least 2,500 people, at least 1,500 of which reside outside institutional group quarters. The Jackson Urbanized Area, including significant portions of surrounding townships, comprised approximately 59 percent of the total square mileage of Region 2's urban areas and had a 2018 population of 88,059. The topography of the Region 2 area varies from flat glacial lake bottoms found in southeastern Lenawee County to gently rolling, moderately hilly moraines comprising most of Jackson and Hillsdale Counties. Most of the Region is relatively level. In Jackson County, the southwestern portion has the greatest concentration of moderate slopes.

Performance Monitoring

The overall population of the three-county region in 2020 was 305,535, a slight decline of 1,293 people, or four-tenths of a percent since 2010. Two of the region's three counties lost population, with Jackson County growing by 118, or one-tenth of a percent. Four of the region's nine cities lost population, including three of the four largest. Sixty-three percent, or 37, of the 59 townships in the region experienced a population decline, including 47% of Jackson Townships lost population from 2010-2020. Similar to the State of Michigan, Region 2 and its counties substantially lag the national growth rate for each ten-year period measured, as well as the overall thirty-year growth rate.

As of September 2021, the labor force in Region 2 stood at 136,137 with an unemployment rate of 4.6 percent resulting in 129,843 people employed throughout the region. Jackson County's unemployment rate of 4.7 percent was the highest in the region, while Lenawee's was 4.6 percent and Hillsdale County had an unemployment rate of 4.4 percent for the September 2021 reporting period, all of which were greater than the State of

Michigan's rate of 3.8 percent for the same period. While Michigan's workforce is expected to grow by 2.23 percent between 2020-2045, the Region 2 workforce is expected to decrease by 7.47 percent. Jackson County's workforce will decrease by 11.78 percent by 2045.

Commuting patterns offer another snapshot of the regional economy. Utilizing commuting pattern data from 2019, the most recent available reveals that all three of the region's counties are net exporters of jobs, meaning more people leave the county for work than come into the county for employment. Jackson County is a net exporter of 3,762 jobs.

Educational attainment as measured by the percentage of an area's population age 25 and older with at least a bachelor's degree is a standard proxy for "talent" when developing an economic development strategy. Compared to the national BA 25+ rate of 32.1 percent, and Michigan's 30.1 percent, Region 2, at 21.1 percent, has some ground to make up. Jackson County's 22.2 percent leads the region, and ranks 30th in the state. Two of Jackson's neighboring counties rank in the top five in the state, Washtenaw's 55.9 percent ranks first, while Ingham's 38.9 percent is fourth. The current short-term credential attainment rate in Michigan is 7.4 percent, which includes 3.1 percent of certificates and 4.3 percent of certifications. Within Region 2, Jackson County has the highest credential rate, at 33.0 percent of the population 25 to 64 holding a credential.

Similar to the measure for educational attainment Region 2 and its counties trail the state and national per capita personal income averages by a fairly significant margin. The most recent per capita personal income data are from 2019, at which time the U.S. per capita personal income (PCPI) was \$56,490, while the State of Michigan's PCPI was \$49,228, or 87.1 percent of the national average. Region 2's per capita personal income in 2019 was \$39,907. Jackson County's is \$40,387, 49th highest in Michigan. Median household income for Region 2 and its counties trails the state and national averages, although not as significantly as per capita personal income. The most recent median household income data are from 2019, at which time the U.S. median household income was \$65,723, while Michigan's median household income was \$59,584, or 90.6 percent of the national average. Jackson County had the highest median household income in the region in 2019 at \$56,001.

SWOT Analysis

Through committee input, public engagement, stakeholder guidance, and research and analysis, the CEDS Committee completed a SWOT (strengths, weaknesses, opportunities, threats) analysis that identified several factors affecting the region's economic well-being.

Strengths:

- Strong and deep manufacturing presence in the region
- Agriculture
- Cost of living
- Cost of doing business
- Available land
- Industry adaptability
- Arts, culture, museums
- Strong higher education presence with 5 colleges and universities in region
- Positive regulatory environment

- K-12 school choice options including home and micro schools
- Middle college program at Jackson College
- Jackson Area Manufacturers Association (JAMA)
- Health Care
- Workforce training and education options at Litchfield Training Center
- Safe, stable communities benefits resident attraction
- Natural resource amenities such as lakes and rivers for outdoor recreation
- Downtown districts with a sense of place
- Strategic location near major metro areas
- Boomerangs interested in returning to region
- Housing values in region are attractive to transplants

Weaknesses:

- Regional population loss
- Regional median age older than state and nation
- Significantly lower educational attainment measured by college degree than state and national averages
- Lack of widespread broadband access
- Talent retention and attraction
- Reliance on automotive manufacturing
- Weather
- Lack of marketing and promotion of region
- Lack of skilled labor
- Affordable and attainable housing
- Lack of contractors
- High material prices
- Region is affected by proximity to Indiana and Ohio, which have better business tax and incentive climate
- Vacant downtown buildings

Opportunities:

- Renewable energy investment, projects, and businesses
- Developing entrepreneurship ecosystem
- Expand outdoor recreation opportunities utilizing lakes, rivers, trails & other resources as an attraction mechanism
- Encourage placemaking to enhance quality of life
- Food manufacturing
- Arts and culture
- K-12 education and school of choice
- Manufacturing positions and training in the trades

- Boomerangs interested in returning to the region
- More accessible path to home ownership than in more expensive regions
- Hillsdale College students and graduates are entrepreneurial and interested in staying
- Vacant downtown buildings
- Quality of life
- Relocation interest from people in larger metro areas driven by remote work, quality of life and housing values
- Vacant retail space
- Remote work / co-work options can benefit family-friendly communities
- American Relief Plan funds
- Hillsdale College Shooting Sports facility
- Midwestern values and friendliness and family-friendly communities
- Sense of place without urban sprawl and intensity
- Regional trail connectivity
- Senior housing for aging in place
- Distribution / fulfillment centers for online retail
- Electricity stability, availability and cost

Threats:

- Regional per capita income that is 70% of U.S. average and 80% of Michigan average
- Perceptions / reality of high crime rates and homelessness in more populated areas of the region
- Lack of housing availability and inventory at certain price points
- Lack of a clearly defined and articulated regional vision
- Significant portion of the workforce without soft skills
- Commercial real estate vacancies as a result of remote work
- Low wages and lack of opportunities as a gateway to drug abuse
- Electricity stability, availability and cost
- Conversion to electric vehicles impact on traditional auto manufacturing and its supply chain

Mission Statement, Vision, and Action Plan

R2PC will collaboratively work with all partners to create a flourishing regional environment by pursuing economic prosperity through sustainable land use, devotion to developing and maintaining the natural and historic beauty of the region. In five years, Region 2 will continue on the path to prosperity through a resilient and vibrant regional economy that develops, attracts and retains talent and industry by leveraging quality of life while promoting our natural and cultural resources.

In order to achieve this vision an Action Plan was developed. The Action Plan is comprised of four strategies:

1. Create Fiscally Sustainable Quality Connected Places

2. Link Development with Transportation & Other Infrastructure
3. Provide Placemaking Amenities to Attract Talent
4. Attract & Retain Businesses & Encourage Innovation

Strategies with corresponding Performance Measures were also identified to address each goal.

CEDS Project Types

The Region 2 CEDS Committee has developed the following list of potential projects that could be planned and/or implemented during the years 2021 to 2025:

1. Broadband expansion
2. Regional marketing and branding campaign
3. Trail system expansion with regional connectivity
4. EV infrastructure/smart roads
5. Expansion of expressway connecting all three regional counties
6. Infrastructure development serving the outdoor recreation industry, such as MTB trails, marketing and branding campaigns, and event development and support
7. Identification and support to prepare industrial, commercial, and residential sites for development
8. Expansion of the entrepreneurial ecosystem including additional funding resources
9. Development of recycling infrastructure
10. Talent pipeline development and workforce attraction and retention marketing
11. Marketing support for regional shovel-ready development sites
12. Larger-scale downtown redevelopment projects

THE CEDS 2021-2025 REPORT IS AVAILABLE UPON REQUEST OR CAN BE FOUND AT REGION2PLANNING.COM.

B. CEDS BUSINESS DEVELOPMENT STRATEGY

Starting on page 33 of the CEDS Plan describes the Action Plan & Evaluation Measurements. Strategy 4 is to "Attract & Retain Businesses, & Encourage Innovation", and is the basis for this Reuse Plan's Business Development Strategy. That portion of the CEDS is included below:

Performance Evaluation Measure:

- Short term: 1 – 3 years
 - Number of trainings held, information shared, communication of events and opportunities

- Number of local college and university students integrated into regional entrepreneurial ecosystem
- Medium term: 3 – 5 years
 - Measure income to cost of living ratio
 - Track the number of grants and the amount of funding awarded within the region for economic and workforce development
- Long term: 5+ years
 - Transportation Improvement Program expenditures within regional population centers
 - Track employment in key industry clusters
 - Measure enrollment in colleges, universities, certification, or apprenticeships within identified gap workforce programs

In summary, the CEDS Business Development Strategy enables the community to determine the need for the RLF and the type of RLF investments that would be most effective in combination with partner business assistance programs in the following ways:

- Objectives/Targeted Business Types: The strategy which most relates to the RLF Reuse Plan is Strategy 4 - to increase access to capital for business retention, startups, and expansions in an effort to diversify the Regional economy. The objectives for Strategy 4 are as follows:
 - Business expansion and retention:
 - Recruitment of businesses from targeted clusters, such as renewable energy, as well as other high-wage producing industries.
 - R2PC/R2EDD/local governments/economic development partners collaborate to gather and distribute data regarding buildings, sites and local permit processes and fees. Aim to streamline permitting process, if necessary, at local government level.
 - R2PC/R2EDD review Transportation Improvement Program (TIP) funding criteria and consider scoring criteria for projects that invest and modernize infrastructure at key business sites.
 - Encourage entrepreneurship and innovation:
 - Work with economic development partners and other relevant entities to retain and expand diverse businesses: women-owned, locally-owned, and other small business types.

- R2PC/R2EDD/local economic development partners identify and act upon new cluster- based opportunities to maintain economic resiliency through a diverse economy.
- R2EDD/local economic development partners connect with Small Business Development Centers (SBDC), Small Business Administration (SBA), Lean Rocket Lab, and Chambers of Commerce to assist with entrepreneurial start-ups.
- R2EDD/local economic development partners work with local colleges and universities to integrate students into regional entrepreneurial ecosystem.
- Support growth of key industry clusters:
 - Support local economic development partners’ identification of desired workforce and site characteristics of key industry clusters, and share available data.
 - Explore use of industry cluster information in R2PC regional transportation and local land use planning process.
- Increase local government economic development capacity:
 - R2EDD support Hillsdale Economic Development Partnership, Enterprise Group of Jackson, and Lenawee Now’s local economic development efforts.
 - R2PC/R2EDD provide training opportunities in economic development tools, financing strategies, and policies.
- Develop a workforce that meets the needs of the region:
 - R2EDD works with local economic development partners, colleges and universities, and other local workforce development entities to identify local gaps in workforce and meet with education institutions and industries to align resources.
- Monitor, partner, and assist with catalyst projects:
 - R2EDD will encourage and monitor the development of large or significant economic sites and projects, strategic and emerging clusters, and housing policies and development.
- Other Programs & Activities: The Enterprise Group of Jackson, Inc., as the local Economic Development Organization (EDO) for Jackson County’s RLF Program, conducts a Retention/Growth Visit Program referred to as the Business Success Program, through which approximately 40+ companies are visited each year in partnership with the Michigan Economic Development Corporation’s (MEDC) Business Development Manager. The team visits with company owners, CEOs, and Presidents to bring both local and state business resources to the company to support their success and growth. Programs include, but are not limited to:

- Pure Michigan Business Connect: The [Enterprise Group](#) supports Jackson county companies by making connections to other Michigan business opportunities to help companies grow. [Pure Michigan Business Connect \(PMBC\)](#) is the perfect resource to facilitate those connections.
 - Expand supply chain – PMBC has facilitated over \$2.7 billion contracts
 - Post purchasing needs and increase sales opportunities to over 42,000 companies in the network
 - Participate in regional supplier summits
 - Utilize no-cost concierge support for a customized list of service providers
 - Maintain an active profile and connect with more than 200 global purchasers in addition to purchasers from across the state of Michigan
 - Request free or significantly reduced business services from PMBC strategic partners offering over 30,000 hours of donated technical expertise
- Pure Michigan Talent Connect: A Launchpad for new jobs, careers and employment for job seekers; a resource for talent acquisition for employers
- Michigan International Trade Programs and State Trade Expansion Program (STEP): Supports international trade and increased Michigan exports.
- APEX Accelerator (formerly PTAC): The APEX Accelerator is a partner organization of The Enterprise Group of Jackson, Inc. (EG) and services Jackson, Hillsdale, Lenawee, Ingham, Eaton and Clinton counties. The APEX Accelerator is a not-for-profit organization funded by the Department of Defense (DOD), the Michigan Economic Development Corporation (MEDC) and other local funding partners. APEX supports national security by ensuring a broad base of capable suppliers for the defense industry and other agencies. APEX offers a variety of services for businesses wishing to obtain awards from Federal, State, & local government. They offer assistance in obtaining the ability to bid on government contracts, market research, one-on-one business counseling, training seminars, conferences and networking events, and internet business opportunities.
- JCBRA: The Jackson County Brownfield Redevelopment Authority (JCBRA) is a sanctioned authority created to address Brownfield sites county-wide. The JCBRA was established in 1998 under the Brownfield Redevelopment Financing Act 381 of 1996, as amended. The JCBRA assists participating municipalities and developers through the use of tax increment financing, grants, loans, and other incentives. The JCBRA is staffed and served by The Enterprise Group of Jackson, Inc. and works to bring quality jobs and investment to the community.
- Other resources including referrals for workforce training, apprenticeships, internships, Manufacturing Day participation, site selection, incentive packaging, entrepreneurship/startup assistance through the Small Business Development Center (SBDC), etc.

C. RLF FINANCING STRATEGY

The EDA RLF was established with a \$500,000 grant from the U.S. Department of Commerce Economic Development Administration (EDA), which was awarded to the Jackson County Board of Commissioners in 1984. In accordance with the terms of the grant agreement, local match funds of \$166,666 were received from the City of Jackson's Community Development Department and its Community Development Block Grant funds. Funds provided by repayment of the original loans are available for making loans to qualifying businesses in an effort to encourage economic development in both the City of Jackson and Jackson County. As of December 31, 2016, the EDC had loaned out the original \$666,666 of grant and match funds, and loaned \$3,380,791 from repaid funds. These figures can be reviewed annually through the Annual Financial Report for The Economic Development Corporation of the County of Jackson (A component unit of Jackson County, Michigan).

Per the April 20, 2021 EDA de-federalization documents releasing its federal interest in the RLF funds, The EDC agrees to use Award Funds for one or more activities that continue to carry out the economic development purposes of the Public Works and Economic Development Act of 1965 (PWEDA).

- a) Recipient shall not use Award Funds to construct schools, community centers, municipal buildings, or otherwise use Award Funds to carry out activities outside of the economic development purposes of PWEDA, nor shall Recipient use Award Funds to pay general costs of government.
- b) Recipient shall not transfer Award Funds to a natural person, for-profit entity, or other entity ineligible for award under sections 3(4) and 209 of PWEDA (42 U.S.C. § 3122(4) and § 3149). For the sake of clarity, Award Funds may be used to contract with for-profit entities for goods and services for one or more activities that continue to carry out the economic development purposes of PWEDA and to operate an RLF that makes loans to for-profit organizations.
- c) Award Funds must be used in a manner consistent with EDA's non-relocation policy. Specifically, Recipient shall not use Award Funds to induce the relocation of existing jobs within the U.S. that are located outside of a jurisdiction to within that jurisdiction in competition with other U.S. jurisdictions for those same jobs.
- d) Award Funds must be used in accordance with section 602 of PWEDA (42U.S.C. § 3212). Specifically, Recipient shall ensure that all laborers and mechanics employed by contractors or subcontractors on projects assisted by Award Funds shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor as provided by section 602 of PWEDA or as it may be amended in the future.
- e) Recipient shall use Award Funds in accordance with applicable federal, state, and local law, including applicable non-discrimination law. Recipient may not use Award Funds for any purpose that would be prohibited by the Establishment Clause of the U.S. Constitution if the Award Funds were expended directly by the Federal Government.

- f) Recipient is not required by the terms of this Agreement to seek EDA approval or permission to use Award Funds for one or more activities that continue to carry out the economic development purposes of PWEDA.
- g) Recipient shall provide timely and accurate responses to EDA inquiries regarding Recipient's use of the Award Funds. EDA remains interested in working with Recipient to promote Recipient's RLF or other activities that continue to carry out the economic development purposes of PWEDA.

D. FINANCING POLICIES

- 1) Eligible Lending Area, Allowable Borrowers and Allowable Lending Activities: The RLF is intended to provide short and long-term, low interest loans for for-profit businesses, and in some cases to be determined by the LRC, non-profit agencies in the geographic area of Jackson County, Michigan for the following purposes:
 - a. Acquisition of industrial property
 - b. Acquisition of commercial (business) property
 - c. Acquisition of Machinery & Equipment
 - d. Working Capital (which can include trainings)
- 2) Interest rates: The minimum interest rate allowed is four percentage points below the **lesser of** the current money center prime interest rate quoted in the Wall Street Journal, or the maximum interest rate allowed under State law. In no event shall the interest rate be less than the lower of four percent or 75 percent of the prime interest rate listed in the Wall Street Journal. As an example, if:
 - a. WSJ Prime rate is 4.25%; four percentage points below would be .25%
 - b. If the maximum interest allowed in the State of Michigan is 7%, four points below is 3%

The minimum interest which could be charged would be the lesser of 4%, or 75% of 4.25% (WSJ Prime), which equals **3.19%**.

- 3) Equity: All borrowers will be required to provide a five to ten percent (5% to 10%) of the total project cost in down-payment of cash or equity at closing toward any project being financed, although this requirement could be waived by the LRC on a case-by-case basis.
- 4) Repayment Terms: The standard repayment terms for working capital loans shall be a range of 12 – 36 months. Fixed asset loans will be provided with a term of 3 - 20 years depending upon the purpose of the financing, the useful life of the asset being financed, and the primary lender's repayment terms. Cash flow requirements for the business will be the determining factor for any deviations that are allowed. It is anticipated that these exceptions will be provided primarily for startup ventures.

5) Collateral: The LRC will look at collateral value and seek first position on collateral if a participating bank loan is not part of the financing. If the client is utilizing bank or investor financing, the LRC will secure a subordinate position on collateral behind the bank. Collateral could include a UCC blanket lien on business assets, a specific UCC lien on certain equipment or assets, a mortgage on real estate, an assignment of life insurance, and CDs or cash/investment collateral. Fixed asset and real estate based loans will require at least a security interest in the property acquired.

Personal guaranties will be required for all shareholders with greater than 20% interest in the company.

The RLF shall take the most senior position available to secure the loan on all assets. The collateral may include, but will not necessarily be limited to, real estate, machinery & equipment, accounts receivable, inventory, etc.

6) Loan size: The RLF will entertain loans in a range from a minimum of \$15,000 to a maximum of \$200,000. The LRC may consider exceptions to these ranges on a case-by-case basis, and in no case can a loan exceed 25% of the RLF loan base, which will be determined for each application.

7) Fees: Loan Closing Documentation Requirements - The borrower will be responsible to reimburse the EDC of Jackson County, or pay directly for respective professional services upon receipt of an invoice and/or the closing statement, for expenses incurred in originating the loan. These expenses include, but are not necessarily limited to:

- a. Title Insurance
- b. Appraisal
- c. Survey
- d. Recording Fees
- e. Legal Fees
- f. Title Search
- g. Credit Reports
- h. Environmental Survey
- i. UCC Filing Fees
- j. Public Notice Publishing Fee
- k. Attorney Fees
- l. Other

The Uniform Commercial Code search shall be made after the bank has recorded their position in the assets being financed, by EDC legal counsel

At the time of the application, a good faith effort will be made to calculate the fees. If the revolving loan fund loan is made in participation with a lending institution, then only one appraisal, survey and environmental review may be required. The borrower will be requested to pay the fees at loan closing. An invoice may be provided to the borrower for the fees, which shall be due within 30 days of loan closing.

- 8) Prohibited Lending Activities: Sections 3(4) and 209 of PWEDA (42 U.S.C. § 3122(4) and § 3149) on use of RLF Cash Available for Lending prohibits lending for the following summarized uses:
- m. Acquire an equity position in a private business
 - n. Subsidize interest payments on an existing RLF loan
 - o. Provide a loan to a borrower for the purpose of meeting the requirements of equity contributions under another Federal Agency's loan programs
 - p. Enable borrowers to acquire an interest in a business either through the purchase of stock or through the acquisition of assets, unless sufficient justification is provided in the loan documentation. (see regulations)
 - q. Provide RLF loans to a borrower for the purpose of investing in interest-bearing accounts, certificates of deposit, or any investment unrelated to the RLF
 - r. Refinance existing debt, unless the reason meets the criteria in the regulations.
 - s. Shall not use funds to construct the following:
 - i. Schools
 - ii. Community Centers
 - iii. Municipal Buildings
 - iv. Or otherwise use RLF funds to carry out activities outside of the economic development purposes of PWEDA.

E. PORTFOLIO STANDARDS AND TARGETS

1) Target Percentages: It is anticipated that the RLF shall strive to invest funds in the following proportion:

- a. Land Use:
 - i. Industrial 60%
 - ii. Commercial/Service 40%
- b. Business Status:
 - i. New Businesses 30%
 - ii. Expansion/Retention 70%
- c. It is anticipated that the RLF shall invest funds in the following proportion:
 - i. Working Capital 100%

The RLF shall encourage and give preference to projects proposed from minorities, women and the disabled.

2) Private Sector Leverage: The leveraging ratio goal shall be the investment of two private dollars for every one dollar of RLF public investment in the project. This requirement can be adjusted for individual loans at the discretion of the LRC, as long as the total portfolio remains at the minimum 2:1 ratio.

- 3) Job cost ratio: The minimum impact that must be realized to justify a loan is the creation or retention of one job for every \$10,000 to \$35,000 loaned from the RLF. The EDC may consider exceptions to this standard in consideration of high-paying jobs for targeted high-tech industries, which are characteristically lower-volume employers.

F. RLF LOAN SELECTION CRITERIA

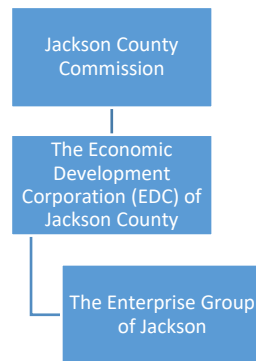
- 1) A Loan Write-up will be prepared for each application, which will address the following:
 - a. Is the proposed loan consistent with the RLF Plan?
 - b. Does the proposed loan application capitalize on existing regional assets?
 - c. Will the proposed loan support and advance innovation, increase productivity in a particular industry or emerging sector of the economy?
 - d. Is the potential borrower part of an existing industry cluster?
 - e. To what extent will the project leverage private investment that would not otherwise come to fruition without the RLF's investment?
 - f. Will the proposed loan result in the creation or retention of higher-skilled, higher-wage jobs?

PART II: REVOLVING LOAN FUND OPERATIONAL PROCEDURES

This part of the reuse plan defines how the Economic Development Corporation of Jackson County shall administer the RLF.

A. ORGANIZATIONAL STRUCTURE

- 1) The Economic Development Corporation of Jackson County (EDC) was incorporated in 1977, and serves as Jackson County's economic development agency under the authority of the Economic Development Corporations Act, PA 338 of 1974. Their purpose is to bring quality jobs and new investment to the county and help existing businesses succeed.
- 2) The Enterprise Group of Jackson, Inc. (EG) was established in 1997 to lead business recruitment and retention in Jackson County. The EG is a private/public partnership organized to promote and coordinate economic development initiatives and create wealth within Jackson County. The EG provides administration and oversight staffing to the EDC on a contractual basis, which includes all critical operational functions. The Vice President of Economic Development position at The EG holds the position of Executive Director of the EDC, serving on the Loan Review Committee. She has been in this position since 2020. The position of Vice President of Operations and/or Executive Assistant provides staffing assistance to the EDC, to include oversight of the loan process, administration of the RLF, and general day-to-day management of the EDC. She has been in this position since 1999. All aspects of operational functions are handled by The Enterprise Group, with support from the EDC's attorney and accounting/auditing firm.
- 3) The organizational structure within which the RLF operates is graphically depicted as follows:



- 4) The Board of Directors of the EDC of Jackson County is comprised of nine members. Each member is appointed by the Jackson County Board of Commissioners and serves for a six-year term. The EDC Board is responsible for lending and servicing the RLF portfolio through their Loan Review Committee (LRC), which is their Loan Administration Board. A quorum constitutes a majority of the EDC board.

The minimum five-member LRC consists of members of the EDC Board (and others as appointed by the EDC Chair) to include; The Chairman, one member affiliated with banking/accounting, one additional member, one member from the financing industry, and the Executive Director of the EDC. This committee will make lending decisions on prospective applications. This process shall serve to streamline the process of making loans through the RLF to maintain confidentiality of applicants with their business financials.

Once the LRC has taken action on a loan, the full EDC Board will be notified of the decision rendered. The EDC has ultimate responsibility for the RLF loan portfolio.

- 5) Conflicts of Interest (See Exhibit B Conflicts of Interest): The EDC will identify potential Conflicts of Interest at the time of application, and where evidence or suspicion of one exists, will request documentation from the applicant either refuting or confirming same. Should one be suspected or confirmed, EDC staff will advise the LRC and legal counsel; and will seek authorization to advise the applicant they are ineligible for the program. The applicant will be provided a copy of Exhibit D – Conflicts of Interest. Should they pursue application, EDC staff will defer to legal counsel to ensure compliance with the regulations is accomplished. The LRC has established an appeals process for declined loans, and the Applicant will also be referred to Part II.B.4 of the 2023 Amended Reuse Plan regarding the Appeals for Declined Loans.

B. LOAN PROCESSING PROCEDURES

- 1) Loan Application/Credit & Financial Analysis/Loan Write-up: The EDC staff distributes the loan application to prospective borrowers, may meet with the applicant, and conducts a preliminary review of the project. If the project warrants further evaluation, the staff requests the documentation necessary to compile the write-up to analyze the loan for funding. A Loan Write-up evaluation is

prepared, and a recommendation is then presented to the LRC. The Loan Write-up summarizes the key components of the proposed loan, including firm history, management, product capability, market conditions, financing, collateral, repayment ability, consistency with the RLF Financing Policy and Reuse Plan, and whether any environmental issues exist. A copy of the current (at time of approval) Loan Application and checklist for submission is attached as Exhibit B. With authorization from the applicant, the LRC works with the lender (if involved) to utilize their credit evaluation for the applicant, review credit report scores, appraisal reports, etc. Collateral requirements are provided prior to the closing process.

- 2) Environmental Review: For loan applications involving construction projects, the procedures outlined in Exhibit C Environmental Review, will take place.
- 3) Procedures for Loan Approvals: The Executive Director will present the Loan Write-up to the Loan Review Committee, which has reviewed the Write-up and its recommendation. A decision will be made of whether to fund the application. If approved, the recommendation portion of the Loan Write-up is documented with the LRC's action and any conditions, or additional information that may have been part of their action. Their action will include interest rate, term, collateral requirements, etc. Once approved:
 - a. The EDC staff notifies the applicant of the decision of the loan review committee.
 - b. The staff notifies the EDC Board of the loan project.
 - c. The EDC staff initiates a closing documentation request with the EDC's legal counsel.
 - d. The EDC staff is responsible for closings, collections, and servicing.
 - e. Staff also handles defaulted loans and foreclosures. This may be done in cooperation with a participating lender on the project.
- 4) Applicant Notification: EDC staff shall notify the applicant in writing if an application will be funded, has been rejected, or is still under consideration. Said notification shall be mailed or emailed within 45 business days of the date the complete application has been submitted for funding consideration, barring unforeseen circumstances, which shall be related to the applicant.
- 5) Appeal for Declined Loans: An applicant may request a Disclosure Form to appeal the LRC's decision made to decline their loan, which will include the following:
 - a. The appeal would require a separate disclosure from the original application
 - b. Applicant would have the option to request a full EDC Board Meeting to appeal the LRC's decision
 - c. Applicant would be advised that EDC meetings are public meetings, which are posted
 - d. Applicant would sign to authorize and certify their understanding that if they proceed to the full board, any and all documents submitted and used by the LRC, including LRC minutes, to make their determination would be subject to full disclosure, dissemination and discussion at the full EDC Board meeting.
 - e. An applicant has 15 days from the date of their denial to make the appeal, after which their opportunity to file an appeal would expire.
 - f. The decision of the full EDC Board regarding the appeal is final.

C. LOAN CLOSING AND DISBURSEMENT PROCEDURES

- 1) General Closing Requirements: Once a loan has been approved, the funds will not be disbursed until all of the necessary documents have been filed. The EDC shall require that the borrower inject the required equity into the project prior to disbursing funds toward the project, which would normally take place at the closing. If a private lender is participating in the project, the lender will be required to provide written documentation regarding the amount, rate, and term of its participation. Documents required for closing include, but are not limited to the following information:
 - a. Original, signed application
 - b. Loan commitment letters
 - c. Loan agreement
 - d. Promissory note
 - e. Security Agreements
 - f. Deed of trust or mortgage
 - g. A copy of the private lender loan agreement
 - h. Security agreements
 - i. Meeting minutes reflecting the loan approval
 - j. Agreement of prior lien holder, if applicable

- 2) Loan Closing Applicant Fees: The borrower will be responsible to reimburse the EDC of Jackson County, or pay directly for respective professional services upon receipt of an invoice and/or the closing statement, for expenses incurred in originating the loan. These expenses include, but are not necessarily limited to:
 - a. Title Insurance
 - b. Appraisal
 - c. Survey
 - d. Recording Fees
 - e. Legal Fees
 - f. Title Search
 - g. Credit Reports
 - h. Environmental Survey
 - i. UCC Filing Fees
 - j. Public Notice Publishing Fee
 - k. Attorney Fees
 - l. Other

The Uniform Commercial Code search shall be made after the bank has recorded their position in the assets being financed.

At the time of the application, a good faith effort will be made to calculate the fees. If the revolving loan fund loan is made in participation with a lending institution, then only one appraisal, survey and environmental review may be required. The borrower will be requested to pay the fees at loan closing. An invoice may be provided to the borrower for the fees, which shall be due within 30 days of loan closing.

1) Loan Agreement Provisions:

- a. EDC legal counsel will provide loan closing documents, to include a loan agreement, which will clearly state the purpose of the loan.
- b. All RLF loan documents and procedures shall protect and hold the Federal government harmless from and against all liabilities that the Federal government may incur as a result of providing the RLF grant to assist directly or indirectly in site preparation or construction, as well as the direct or indirect renovation or repair of any facility or site, in accordance with Section 602 of PWEDA (42 U.S.C. § 3212).
- c. Prospective borrowers, consultants, or contractors will be made aware of and must comply with the Federal statutory and regulatory requirements that apply to activities carried out with RLF loans, in accordance with CFR 307.10(b). RLF loan agreements will include applicable Federal requirements to ensure compliance and the EDC will assure that instances of non-compliance will be diligently corrected, including loan call stipulations.

2) Loan Disbursement & RLF Funds Draw Down: The following evidence must be provided by the borrower in order to draw down funds from the RLF:

- a. Equipment: Invoice
- b. Real Estate Acquisition: Purchase Agreement
- c. Working Capital: Business Plan and cash flow projections of the business as it currently exists, which shall be compared to the business plan.

D. LOAN SERVICING PROCEDURES

- 1) Loan Payment and Collection Procedures: If requested, the EDC shall provide monthly invoice statements to borrowers in order to submit monthly payments. The funds will be deposited into the RLF bank of account upon receipt from borrowers. The RLF unused funds shall be placed in a lending institution that is Federally Insured, and into an interest-bearing account. The EDC Staff shall be responsible for RLF bookkeeping, loan servicing and audit support.
- 2) Loan Monitoring Procedures: It shall be the policy of the EDC to examine the cause for any delinquencies or defaults through its LRC, and upon finding a valid reason for such delinquency or default, will consider modification or restructuring of the loan in order to help the business succeed. After 90 days the loan shall be considered in default.

In the event of an incurable default, the EDC shall join the private lender in instituting liquidation procedures.

The EDC will collect and maintain evidence of ongoing compliance with loan requirements, which will include verification of insurance and financial statement review. The financial statements of the borrower may be requested on an annual basis. This will alert the EDC of any adverse changes in the financial condition of the borrower.

- 3) Job Creation Claim Monitoring Procedures: Loan condition monitoring will occur via annual visits by EDC Staff through The Enterprise Group of Jackson's Retention/Expansion Business Success (RV) Program, in which the active loan recipient companies will be visited and loan conditions will be discussed and documented in RV file documentation. Employment is recorded, and trending can be reported through the Customer Relationship Management Software (CRM) in use for their program. As of the drafting of this Plan, the CRM Program used is Salesforce Enterprise Edition. Other loan requirement discussions or monitoring will also be recorded in that visit's notes. Ticker files for annual visits will be implemented through the Salesforce system.
- 4) Late Payment Follow-up Procedures:
 - a. If the borrower fails to comply with the terms of the loan, the lender will then be able to accelerate the debt and demand full payment. If the borrower is in default, a late charge may be assessed of \$100 per month until the payments are current. When a late payment has been received, all regular payments will be applied first to interest, then to principal. The policy of the EDC shall be stated clearly in the loan.
 - b. If a borrower becomes over 90 days in arrears the EDC shall request that the RLF attorney send a letter to the borrower suggesting liquidation unless some form of payment is forthcoming. The EDC Board through its LRC shall review a policy regarding the amount of time that will be provided to make the loan current.
- 5) Write-off Procedures: After it has been determined that the loan should be liquidated, the EDC shall join the private lender in instituting liquidation procedures. All documentation securing the loan shall be reviewed to determine what may be recovered if the loan is liquidated. Every effort shall be made to recover as much of the outstanding loan balance as possible. When an RLF Recipient receives proceeds on a defaulted or written off RLF loan that is not subject to liquidation, such proceeds shall be applied in the following order of priority:
 - a. First, towards any costs of collection;
 - b. Second, towards outstanding penalties and fees;
 - c. Third, towards any accrued interest to the extent due and payable; and
 - d. Fourth, towards any outstanding principal balance.

E. ADMINISTRATIVE PROCEDURES

- 1) Procedures for Loan Files and Loan Closing Documentation: The EDC shall maintain a file for each borrower, which shall include the following information:
 - a. Application
 - b. Loan commitment letters

- c. A copy of the private lender loan agreement
- d. Historical financial statements
- e. Meeting minutes reflecting the loan approval
- f. Annual site visit reports
- g. General Correspondence

The loan closing documents shall be kept in a fireproof container. This documentation shall include: All original notes, loan agreements, personal guarantees and security agreements.

- 2) Accounting: Amortization schedules will assist the EDC in applying principal and interest payments. All idle funds shall be kept in an FDIC insured interest-bearing bank account. Late payment fees shall be placed in the same account.
- 3) Loan Documents: The EDC of Jackson County, through its staff, shall certify that the basic loan documents are in place and that these documents have been reviewed by counsel for adequacy to protect the interests of the RLF. The documents include the following:
 - a. Closing Costs Statement
 - b. Promissory Note
 - c. Loan Agreement
 - d. Security Agreement(s)
 - e. Deed of Trust or Mortgage
 - f. Agreement of Prior Lien Holder
 - g. Guaranties
 - h. Environmental Agreements
 - i. Other Filings and Financing Statements

F. FUND RECAPITALIZATION

Other funding sources may be secured to increase the amount of revenue in the fund. These may include funds from:

- 1) State and local governments,
- 2) Grants from the private sector,
- 3) Local banks, and
- 4) Other financing tools.

EXHIBIT A: RLF LOAN APPLICATION AS OF 03/31/2023
(Application begins on next page)

Loan Application Attachment A

Business Plan Content Guideline

A business plan is used to introduce your business and/or project to prospective lenders. It will show them how well your proposal has been thought out. The length and sequence of contents in a business plan will vary depending on the type of and complexity involved in a project. In addition, if the business is a start-up, the business plan should provide more detail in the areas of management, market and product or service.

The format of the business plan below is designed for a business operation. In the case of a development project, a developer can still follow the logical sequence of the business plan (even though some items may not apply). Overall length of two to five pages is sufficient.

1) Description and/or Introduction of the Business

- a. Name and location
- b. Legal Structure
- c. Principal owners
- d. Nature of the business
- e. History of the business

2) Product or Service Offered

- a. Describe product lines or type(s) of service
- b. Describe materials and supply source(s)
- c. Quality and cost of product(s) or service(s)

3) Market Information

- a. Describe the market area and trends in that area
- b. Customers and potential new customers
- c. Competition, location(s) and size
- d. Summarize advantages of your product and/or service over the competition

4) Advertising and Distribution

- a. Methods of advertising and promotion
- b. Sales methods
- c. Pricing policy
- d. Customer service
- e. How you will reach your targeted buyers

5) Facilities

- a.** Location
- b.** Size, zoning
- c.** Age and condition
- d.** Expansion opportunities

6) Management and Personnel

- a.** Management expertise
- b.** Key personnel (position and qualifications)
- c.** Present and future manpower requirements
- d.** Personnel breakdown—skill level, hours, wage rates, unionization, etc.

7) Benefits to Community

- a.** Jobs created and/or retained
- b.** Benefit to low-moderate income residents (training agreements, etc.)
- c.** Meeting community needs
- d.** Increased community tax base

8) Summary of Future Plans

- a.** Short-range and long-range goals
- b.** Expansion plans

Note: This outline is intended only to assist in developing a business plan. The Michigan Small Business Development Center (MI-SBDC) offers clients assistance with their business plan as well as a variety of other research tools that businesses may not be aware of.

For further information regarding services offered by the MI-SBDC, call the MI-SBDC Regional Office at 734-477-8762.

LOAN APPLICATION
Attachment B

List of Loan Fund Uses:

LOAN FUND USES	LOAN AMOUNTS
Building Acquisition	\$
Machinery & Equipment Acquisition	\$
Inventory	\$
Working Capital	\$
Rent	\$
Supplies	\$
Account Payables	\$
Wages	\$
Advertising	\$
Other	\$
TOTAL AMOUNT REQUESTED:	\$

EXHIBIT B: CONFLICTS OF INTEREST

Conflicts of Interest:

- (a) *General.* It is Jackson County and its EDC entity's policy to maintain the highest standards of conduct to prevent conflicts of interest in connection with the award of Investment Assistance or its use for reimbursement of payment of costs (e.g., procurement of goods or services) by or to the Recipient. A conflict of interest generally exists when an Interested Party participates in a matter that has a direct and predictable effect on the Interested Party's personal or financial interests. A conflict may also exist where there is an appearance that an Interested Party's objectivity in performing his or her responsibilities under the Project is impaired. For example, an appearance of impairment of objectivity may result from an organizational conflict where, because of other activities or relationships with other persons or entities, an Interested Party is unable to render impartial assistance, services of advice to the Recipient, a participant in the Project or to the Federal government. Additionally, a conflict of interest may result from non-financial gain to an Interested Party, such as benefit to reputation or prestige in a professional field.
- (b) *Prohibition on direct or indirect financial or personal benefits.*
- (1) An interested Party shall not receive any direct or indirect financial or personal benefits in connection with the award of Investment Assistance or its use for payment or reimbursement of costs by or to the Recipient.
 - (2) An Interested Party shall also not, directly or indirectly, solicit or accept any gift, gratuity, favor, entertainment or other benefit having monetary value, for himself or herself or for another person or entity, from any person or organization which has obtained or seeks to obtain Investment Assistance from EDA.
 - (3) Costs incurred in violation of any conflicts of interest rules contained in this chapter or in violation of any assurances by the Recipient may be denied reimbursement.
 - (4) See §315.15 of this chapter for special conflicts of interest rules for Trade Adjustment Assistance Investments.
- (c) *Special rules for Revolving Loan Fund ("RLF" Grants.* In addition to the rules set forth in this section:
- (1) An Interested Party of a Recipient of an RLF Grant shall not receive, directly or indirectly, any personal or financial benefits resulting from the disbursement of RLF loans;
 - (2) A Recipient of an RLF Grant shall also not lend RLF funds to an Interested Party; and
 - (3) Former board members of a Recipient of an RLF Grant and members of his or her Immediate Family shall not receive a loan from such RLF for a period of two (2) years from the date that the board member last served on the RLF's board of directors.



Economic Development Corporation
Of Jackson County

Served By The Enterprise Group

REVOLVING LOAN FUND (RLF) APPLICATION

Each applicant is subject to a nonrefundable application fee

Loan requests of \$15,000 to \$50,000: \$100 Application Fee

Loan requests of \$51,000 to \$100,000: \$200 Application Fee

Loan requests of \$101,000 to \$200,000: \$300 Application Fee

Contact Person _____ Date of Application _____

Name of Business _____

Is this a business located in Jackson County? Yes No City of Jackson? Yes No

Address of Business _____

Home Address _____

Business Phone No. _____ Home Phone No. _____

Email Address _____ Website _____

Employer Identification # _____ Social Security # _____

List names of all owners, officers, directors or partners:

Name (list first, middle, maiden, last)	Office Held	Annual Comp.	Percent Owner-Ship	Insurance Carried for Benefit of Applicant
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Type of Organization: _____ Sole Proprietorship _____ Partnership _____ Corporation _____

Other (describe) _____

Is this business: _____ New _____ Existing _____ Purchasing an Existing

*FTE Employment _____ at present _____ after completion _____ after one year

***Employment estimates will be confirmed annually at on-site visits. Company will provide verification letter on company letterhead on anniversary date of loan closing.**

Taxes: Has applicant or any officer of the applicant or any affiliates or any other concern with which such officer may have been connected with have any past due taxes? (Federal withholding taxes, Social Security Taxes, Personal Income Taxes, Corporate Income Taxes, State Sales and Use Taxes, Single Business Tax, Property Taxes etc.)
 () Yes () NO If yes, give name, amounts and details on separate sheet.

Receivership/Bankruptcy: Has applicant or any officer of the applicant or any affiliates or any other concern with which such officer has been connected with ever been in receivership or adjudicated a bankruptcy?
 () Yes () No If "yes" give name and details on separate sheet.

Lawsuits: Has applicant or any officer of the applicant or any affiliates or any other concern with which such officer has been connected with any past or present lawsuits?
 () Yes () No If "yes" give name and details on separate sheet.

Total Dollar Amount of Project (100%) _____

Cash Equity from Applicant for Total Project _____
(10% cash equity investment required)

*Amount of Bank Participation (if any) _____

Amount of EDC Loan Requested _____
(minimum is \$15,000/maximum is \$200,000)

Use of Total Funds:

FINANCING SOURCES, USES, TERMS AND CONDITIONS:

	Primary Lender	Gap Financing	Owner's Cash Equity-at least 10%	TOTALS
USES (examples)	BANK	EDC	Equity	Totals
Acquisition of Furniture & Fixtures	\$	\$	\$	\$
Acquisition of Machinery & Equipment	\$	\$	\$	\$
Working Capital (Closing Costs)	\$	\$	\$	\$
Other (describe)	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$

Company must furnish quotations from dealer/manufacturer indicating price and purchase agreement, when applicable.

Has any equipment to be financed been ordered? _____
If so, when? _____

Has any inventory to be financed been ordered? _____
If so, when? _____

Summary of Collateral Offered (if any):

<u>Collateral Itemized List</u>	<u>Cost</u>	<u>Book Value</u>	<u>Present Lien/Mortgage with:</u>
(Example) Machinery & Equipment	\$500,000	\$300,000	Lender Name
	\$	\$	
	\$	\$	
	\$	\$	
TOTALS:	\$	\$	

Participating Bank/Underwriter: _____

Contact Person: _____

Phone Number: _____

Email: _____

By initialing, the applicant(s) hereby authorizes the EDC to work directly with your primary lender to coordinate consideration of this loan and to schedule a closing: () Yes () No _____Initials

Accounting Firm: _____

Contact Person: _____

Phone Number: _____

Email: _____

Legal Counsel Firm: _____

Contact Person: _____

Phone Number: _____

Email: _____

Failure to disclose this information may result in being disqualified for assistance.

(I) or (We) certify that the information contained in the application and in other supporting documents is true and accurate. Any other use of EDC funds than as requested constitutes fraud. In consideration for accepting this application, the undersigned hereby authorizes the EDC to seek and obtain from whatever sources necessary, information needed to evaluate the credit worthiness of the applicant and the business for which the loan is being requested.

Penalty for false or fraudulent statement: U.S.C. Title 18, Sec. 1001, provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies...or makes any false, fictitious or fraudulent statements or representation or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both."

Print/Signatures of Applicants _____

All applicants must submit the following additional information or indicate when the following will be obtained and submitted to EDC:

- _____ 1. Non-refundable application fee made payable to The Economic Development Corporation of Jackson County (\$100 fee for loan requests \$15,000 to \$50,000; \$200 fee for loan requests \$51,000 to \$100,000; and \$300 fee for loan requests \$101,000 to \$200,000).
- _____ 2. Project Description: A brief history and description of business to be funded. Businesses less than two years old must provide a business plan (see Attachment A-Business Plan Content Guideline).
- _____ 3. Provide Sources and Uses of proposed EDC loan funds (see Attachment B).
- _____ 4. One Year income projections with explanations (for start-up businesses; expanding companies may address their projections in the text of the application).
- _____ 5. Schedule of Business Debt and name of provider.
- _____ 6. Credit Report for applicant(s).
- _____ 7. Personal financial statement and most current tax return for each principal/guarantor
- _____ 8. Business financial statements (Balance Sheet and Income Profit and Loss Statements) for previous three (3) years or if available, income tax returns on business income. If new business, last three (3) personal income tax returns.
- _____ 9. Current (interim or latest-no more than 60 days) business financial statement.
- _____ 10. Furnish resume' of each principal including two (2) references, one (1) business and one (1) personal. If new business, two (2) personal.
- _____ 11. For Working Capital RLF requests, a Business Plan and Cash Flow projections of the business as it currently exists. These shall be compared to the business plan.
- _____ 12. If using RLF funds for machinery/equipment, invoices will be required.
- _____ 13. A full listing of products and/or services that will be sold or purchased by your business and a corresponding pricing schedule.
- _____ 14. Additional information may be requested by the EDC to satisfy underwriting requirements.

NOTE:

All applicants will be subject to personal guarantee requests.

All applicants must authorize EDC Staff to work with your lender regarding any and all necessary information as it relates to the loan application and the necessary attachments.

All applicants must submit annual financial statements, upon request.

All applicants will receive an annual on-site visit. EDC Staff will contact applicant to schedule.

Return application and fee to: Alexandra Masten, Executive Director
The Economic Development Corporation of Jackson County
100 E. Michigan Avenue, Suite 1100
Jackson, Michigan 49201
amasten@enterprisegroup.org
517-788-4458

Reviewed and Updated 07/06/2020

LOAN APPLICATION

Attachment A

Business Plan Content Guideline

A business plan is used to introduce your business and/or project to prospective lenders. It will show them how well your proposal has been thought out. The length and sequence of contents in a business plan will vary depending on the type of and complexity involved in a project. In addition, if the business is a start-up, the business plan should provide more detail in the areas of management, market and product or service.

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2. Product or Service Offered

- ❖ Describe product lines or type(s) of service
- ❖ Describe materials and supply source(s)
- ❖ Quality and cost of product(s) or service(s)

3. Market Information

- ❖ Describe the market area and trends in that area
- ❖ Customers and potential new customers
- ❖ Competition, location(s) and size
- ❖ Summarize advantages of your product and/or service over the competition

4. Advertising and Distribution

- ❖ Methods of advertising and promotion
- ❖ Sales methods
- ❖ Pricing policy

Attachment A continued

- ❖ Customer service
- ❖ How you will reach your targeted buyers

5. **Facilities**

- ❖ Location
- ❖ Size, zoning
- ❖ Age and condition
- ❖ Expansion opportunities

6. **Management and Personnel**

- ❖ Management expertise
- ❖ Key personnel (position and qualifications)
- ❖ Present and future manpower requirements
- ❖ Personnel breakdown—skill level, hours, wage rates, unionization, etc.

7. **Benefits to Community**

- ❖ Jobs created and/or retained
- ❖ Benefit to low-moderate income residents (training agreements, etc.)
- ❖ Meeting community needs
- ❖ Increased community tax base

8. **Summary of Future Plans**

- ❖ Short-range and long-range goals
- ❖ Expansion plans

Note: This outline is intended only to assist in developing a business plan. The Michigan Small Business Development Center (MI-SBDC) offers clients assistance with their business plan as well as a variety of other research tools that businesses may not be aware of.

For further information regarding services offered by the MI-SBDC. Visit www.enterprise.org and click on Small Business Development Center or call the MI-SBDC Regional Office at 734-477-8762.

**LOAN APPLICATION
ATTACHMENT B**

List of Loan Fund Uses:

LOAN FUND USES	LOAN AMOUNTS
Machinery & Equipment Acquisition	\$
Inventory	\$
Working Capital	\$
Rent	\$
Supplies	\$
Account Payables	\$
Wages	\$
Advertising	\$
Other	\$
TOTAL AMOUNT REQUESTED:	\$