



Economic Development Corporation
Of Jackson County
Served By The Enterprise Group

**The Economic Development Corporation
Of Jackson County**

**Annual Board Meeting
Friday, December 9, 2016
7:30 a.m.**

**100 E. Michigan Ave. (One Jackson Square)
11th Floor – EG Conference Room**

Agenda

- I. Call to Order by Chair
- II. Public Comment
- III. *Approve Minutes from December 11, 2015 EDC Board Meeting
- IV. *Discuss/Approve 2015 EDC Audit – Doug Atkins
- V. Revolving Loan Fund Updates:
 - a) *Annual RLF Compliance Letter
 - b) *EDA Semi-Annual Report for September 30, 2016
- VI. *2016 End of Year Report
- VII. *2017 Scope of Work
- VIII. *2017 EDC Budget and Amended 2016 EDC Budget
- IX. *Election of 2017 EDC Officers
- X. *Approve 2017 EG/EDC Management Agreement
- XI. Other EDC Updates
- XII. Adjourn

****Indicates attachment***



Economic Development Corporation
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EDC ANNUAL MEETING MINUTES

December 11, 2015

100 E. Michigan Avenue

11th Floor – South Conference Room

- EDC Board Present (8):** Rick Craft, Ron Ellison, Andrew Frounfelker, Tim Levy, Jason Sanders, Steve Shotwell, Phil Willis, and Phil Wrzesinski.
- EDC Board Absent (1):** Robert Simmons.
- EDC Staff:** Amy Torres and Debbie Kelly.
- Others:** Doug Atkins, Markowski & Co.; and Mike Overton, County Administrator.

EDC Chairman Ellison called the meeting to order at 7:32 a.m. EDC Staff asked to remove the consideration of a RLF Marketing Program from the agenda.

Public Comment: None.

Minutes of August 18, 2015: *Mr. Levy moved, with Mr. Sanders supporting, the approval of the meeting minutes for August 18, 2015. Unanimous approval.*

2014 EDC Audit:

Mr. Doug Atkins from Markowski & Co. presented the 2014 EDC Audit stating it was another good year. The internal controls are functioning well with great segregation of duties. Mr. Atkins pointed out that the EDC is in compliance, with no findings. The MIWI RLF will be written-off and overall, Staff demonstrated accurate accounting and record keeping. Mr. Atkins and Ms. Kelly worked together to adjust the amounts on the EDA RLF Semi-Annual Report ending September 30, 2015 to ensure the bottom line of available funds was accurate. Mr. Atkins concluded that it was a positive year for the EDC. *Mr. Levy moved, with Mr. Shotwell supporting the acceptance of the 2014 EDC Audit as presented. Unanimous approval.*

RLF Updates:

EDA RLF Program and EDC Assessment of Reuse Plan Compliance:

Ms. Torres mentioned that the EDC Assessment of the EDA Reuse Plan Compliance must be done annually, and it is a requirement stated within the EDA Reuse Plan. There are targets we try to meet for the RLF Program, which have been exceeded. Ms. Torres will make the report current through September 30, 2015 to match the amounts on the EDA Semi-Annual Report. *Mr. Willis moved, with Mr. Levy supporting the certification of general compliance, as amended through September 30, 2015. Unanimous approval.*

Ms. Torres shared that the latest EDA Semi-Annual Report through September 30, 2015, brought some concerns by the EDA as it relates to Administration fees. The first report showed a 191% in administration fee, when only 100% is allowed. As a result, the report was revised and money was transferred from the EDA portion account to the Money Maker account, which is also known as the EDC Operating Fund. Mr. Atkins added that this revision was incorporated in the budget amendment and there is no need for a motion.

RLF ReUse Plan Discussion:

Ms. Torres shared that the red-lined, final EDA Reuse Plan was emailed as a separate file. Ms. Torres mentioned that the Plan is our guiding document for the process and procedures we follow to loan funds from the RLF. An appeal procedure was added, which would require full EDC Board for action. Ms. Torres recommended adoption subject to legal review. After discussion regarding the timeframe to appeal as well as any associated fees, Ms. Torres and Ms. Kelly noted that the RLF application is being revised to match the EDA ReUse Plan as well. ***Mr. Sanders moved, with Mr. Frounfelker supporting the adoption of the EDA ReUse Plan, subject to legal review. Unanimous approval.***

2015 EDC End of Year Report:

Ms. Kelly explained the 2015 End of Year Report, noting two additions, and the successes of the year were highlighted. Mr. Levy asked about the Cox Brothers RLF and Staff assured the Board that they would be invoiced for legal fees, if they are able to resume payments. Chairman Ellison added that we need to make sure the legal fees are stated in all EDC RLF documents. ***Mr. Levy moved, with Mr. Shotwell supporting the acceptance of the 2015 EDC End of Year Report, as amended to reflect the document stating applicant is responsible for any legal and/or late fees. Unanimous approval.***

2016 Scope of Work:

Ms. Kelly mentioned the Scope of Work mirrors last year's, after removing the RLF Marketing references. Mr. Willis questioned why infrastructure wasn't noted, and Mr. Sanders, as EG Chairman, stated that The EG is leading this initiative and is the #1 strategy as it relates the Imagine Jackson 2020 Campaign. Mr. Overton and Mr. Shotwell shared that the County is setting aside funds to start the process of identifying potential development sites and the due diligence necessary to make those shovel-ready. Mr. Overton added that beyond setting aside funds, the County and The EG need involvement from the Townships and Villages, and added that the County and The EG can't do it by themselves. Mr. Frounfelker noted that the City is using CDBG funds to provide infrastructure assistance for parcels identified within the City. Ms. Torres added that The EG is looking at Brownfield sites as well. Mr. Overton commented that site selectors look at the political issues within an area when considering a location. No action taken.

2015 EDC Budget Amendment and 2016 EDC Budget:

Ms. Torres and Ms. Kelly explained the amended 2015 EDC Budget as well as the Proposed 2016 EDC Budget. Mr. Willis asked Staff to change the name of the Money Maker Fund to the Operating Fund so there is no confusion. ***Mr. Willis moved, with Mr. Levy supporting the approval of the Amended 2015 EDC Budget and the Proposed 2016 EDC Budget, as amended. Unanimous approval.***

Election of 2016 EDC Officers:

Mr. Willis moved, with Chairman Ellison supporting the approval of keeping the same slate of officers for 2016 (Chairman Ellison, Treasurer/ Secretary Simmons, and Vice Chairman Levy). Unanimous approval.

Ms. Kelly shared that on March 31, 2015, the term expires for Mr. Willis. EDC Staff will send a recommendation to the County Affairs & Agencies Committee suggesting the reappointment of Mr. Willis, as he is willing to serve another term. Mr. Shotwell reminded the Board that the County has an application process for individuals seeking appointment as well as reappointment. *Mr. Sanders moved, with Mr. Levy supporting to have Staff send the appropriate communication to the County, recommending reappointment for Mr. Willis. Motion approved with one abstention (Mr. Willis).*

2016 EDC/EG Management Agreement:

Ms. Kelly noted that the Management Agreement mirrors last year's. *Mr. Levy moved, with Mr. Willis supporting the approval of the 2016 EDC/EG Management Agreement, as presented. Unanimous approval.*

Other Updates:

Ms. Torres shared that it is difficult to find qualified/eligible applicants for the EDC Revolving Loan Fund. EDC Staff has had several referrals from local banks but found that the SBA was a participant and there wasn't at least a 10% gap for the EDC RLF to fund, as required by the ReUse Plan.

Ms. Torres mentioned that the EDA Semi-Annual Report, ending September 30, 2015 was the second consecutive report where the EDC was over the 25% requirement for the amount of funds not loaned in the community. EDC Staff received a letter from the EDA noting that the sequestration of funds was pending. Mr. Atkins shared that the end result would be that we would have to segregate a percentage of funds in a separate account. EDC Staff notified the EDA of the \$200,000 RLF pending for Crown Industrial and as a result, we haven't heard back from them regarding next steps. Staff will keep the EDC Board aware of any EDA correspondence. Chairman Ellison added that even though we are out of compliance, the EDC Loan Review Committee wants to ensure we don't approve any bad loans.

Chairman Ellison commented that he is seeing a lot of positive growth in our community, and thanked Mr. Frounfelker and the City of Jackson for their commitment to improve the downtown. The streets are done and they look great!

Meeting adjourned at 8:35 a.m.

Respectfully submitted by Ms. Torres and Ms. Kelly, EDC Staff.



Economic Development Corporation
Of Jackson County

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EDC Assessment of Reuse Plan Compliance

Annual Meeting – Friday, December 9, 2016

The Jackson County EDC certifies general compliance with the Reuse Plan for 2016 as follows:

1. EDC anticipates no modifications to the plan at their annual meeting on December 9, 2016. Modifications were adopted at the Annual EDC Board Meeting on December 11, 2015, but requires legal review and potential revision subject to new regulatory changes to the program implementation challenges. The current plan was formally adopted on November 18, 2008 by the Jackson County Board of Commissioners, after EDC approval on October 14, 2008. This Assessment addresses compliance with the 2008 Plan, currently in effect.
2. Of 44 Total Loans of \$4,332,457, four are active, totaling \$663,491.
3. \$471,362 comprises loan losses, which is 10.9% of the portfolio.
4. The Reuse Plan provides Portfolio Standards and Targets:

	<u>Reuse Plan Target</u>	<u>Actual as of 9/30/16 (Total Loans)</u>
Industrial	60%	71.2%
Commercial/Service	40%	28.8%
New Businesses	30%	20.1%
Expansion/Retention	70%	75.3%
Fixed Asset	50%	73.2%
Working Capital	50%	26.8%

5. RLF money loaned of \$4,332,457 leveraged \$49,766,595, or 1,148.7% (Reuse Plan calls for 2:1 ratio)
6. As a result of loan activity, 541 jobs were reported as having been created and 920 were retained, totaling 1,461 private sector jobs affected through the program.
7. The cost of public money loaned per private sector job created or retained is \$2,965 (Reuse Plan suggests \$10,000 per job). At the target of \$10,000 per job, 433 jobs would have been affected versus the 1,461 accomplished.
8. Through their annual audit and administrative oversight, the program has generally met Reuse Plan RLF Operational and Administrative Procedures, and has had no significant adverse audit findings.

In a motion at their December 9, 2016 Annual Meeting, the Economic Development Corporation of Jackson County certified general compliance with their 2008 EDA RLF Reuse Plan, as stated in this Assessment.

Ron Ellison, EDC Chairman



Economic Development Administration
 Revolving Loan Fund Semi-Annual Financial Report
 ED-209 Version 4.6

Grantee Data

Grantee Name: Jackson County EDC	Contact Person: Debbie Kelly
Address Line 1: 100 E. Michigan Avenue	Contact Phone: 517-788-4330
Address Line 2: Suite 1100	Contact Email: dkelly@enterprisegroup.org
City: Jackson	EIN: 521373798
State: Michigan	DUNS: 83-123-5143
Zip Code: 49201	EDA Award Number(s): 061902068
Reporting Period: 04/01/2016 - 09/30/2016	Reporting Unit: 12971MI
Web Site URL: www.tnterprisegroup.org/partners/edc	

Part I: Portfolio Status

	No.	RLF \$ Loaned	RLF Principal Outstanding	Loan Losses
1. Current Loans:	4	\$ 463,491.00	\$ 272,283.42	
2. Delinquent Loans:	0	\$ 0.00	\$ 0.00	
3. In Default Loans:	1	\$ 200,000.00	\$ 174,001.00	
4. Total Active Loans:	5	\$ 663,491.00	\$ 446,284.42	
5. Fully Repaid Loans:	34	\$ 3,061,966.00	\$ 0.00	
6. Written Off Loans:	5	\$ 607,000.00		\$ 471,362.00
7. Total Loans:	44	\$ 4,332,457.00	\$ 446,284.42	\$ 471,362.00

Part II: Portfolio Summary

A. Summary of Loan Activities

	Total Loans	Active Loans
1. Number of RLF Loans:	44	5
2. RLF \$ Loaned:	\$ 4,332,457.00	\$ 663,491.00
3. Private Non-RLF \$ Leveraged by RLF:	\$ 30,217,195.00	\$ 4,623,230.80
4. Other Non-RLF \$ Leveraged by RLF:	\$ 19,549,400.00	\$ 2,991,058.20
5. Total \$ Leveraged:	\$ 49,766,595.00	\$ 7,614,289.00
6. Total Project Financing:	\$ 54,099,052.00	\$ 8,277,780.00
7. Private Sector Jobs Created:	541	56
8. Private Sector Jobs Saved:	920	245
9. Total Private Sector Jobs:	1,461	301
10. RLF \$ Loaned for Fixed Assets:	\$ 3,169,457.00	\$ 518,491.00
11. RLF \$ Loaned for Working Capital:	\$ 1,163,000.00	\$ 145,000.00
12. RLF \$ Loaned for Start-Up:	\$ 872,000.00	\$ 0.00
13. RLF \$ Loaned for Expansion:	\$ 2,590,457.00	\$ 463,491.00
14. RLF \$ Loaned for Retention:	\$ 670,000.00	\$ 200,000.00
15. RLF \$ Loaned for Industrial:	\$ 3,086,666.00	\$ 615,000.00
16. RLF \$ Loaned for Commercial:	\$ 422,291.00	\$ 48,491.00
17. RLF \$ Loaned for Service:	\$ 823,500.00	\$ 0.00



Economic Development Administration
 Revolving Loan Fund Semi-Annual Financial Report
 ED-209 Version 4.6

B. Comparison of RLF Portfolio to RLF Plan

	RLF Plan	Total Loans	Active Loans
1. Cost Per Job:	\$ 10,000.00	\$ 2,965.41	\$ 2,204.29
2. Non-RLF Private Leverage Ratios:	2.00 : 1	6.97 : 1	6.97 : 1
3. Non-RLF Private and Other Leverage Ratios:	2.00 : 1	11.49 : 1	11.48 : 1
4. % Working Capital Loans:	50.00%	26.80%	1.52%
5. % Loans for Start-Ups:	30.00%	20.10%	0.00%
6. % Loans for Industrial:	60.00%	71.20%	35.80%

Part III: Portfolio Financial Status

A. RLF Funding Sources

1. EDA Funding:	\$ 500,000.00
2. Local Match:	\$ 166,666.00
3. Total Funding:	\$ 666,666.00

B. RLF Income Earned to Date

1. Interest Earned on Loans:	\$ 1,111,745.53
2. Interest Earned on Deposit Accounts:	\$ 78,871.76
3. RLF Income from Application Fees:	\$ 0.00
4. Other RLF Income:	\$ 0.00
5. Fees Earned on Closed Loans:	\$ 0.00
6. Total RLF Income:	\$ 1,190,617.29
7. Portion of RLF Income Used for Administrative Expenses:	\$ 526,368.96
8. RLF Income Added to Capital Base for Lending:	\$ 664,248.33

C. Status of RLF Capital

1. Total RLF Funding:	\$ 666,666.00
2. RLF Income Added to RLF Capital Base for Lending:	\$ 664,248.33
3. Loan Losses:	\$ 471,362.00
4. Disallowance:	\$ 0.00
5. Voluntary Contributed Capital:	\$ 0.00
6. Current RLF Capital Base:	\$ 859,552.33

D. Current Balance Available for New Loans

1. RLF Principal Outstanding on Loans:	\$ 446,284.42
2. Current Balance Available for Lending:	\$ 413,267.91
3. RLF \$ Committed but Not Disbursed:	\$ 0.00
4. Current Balance Available, Net of Committed RLF \$:	\$ 413,267.91
5. Current Balance Available, as % of Capital Base:	48.08%
6. Balance Available, as % of Capital Base, for Previous Reporting Period:	31.91%



Economic Development Administration
 Revolving Loan Fund Semi-Annual Financial Report
 ED-209 Version 4.6

Part IV: Miscellaneous Information and Certification

A. Recent Loan Activity (Last 6 Months Only)

- 1. Number of Applications Received During Reporting Period: 0
- 2. Number of Loans Closed During Reporting Period: 0

B. Capital Utilization

- 1. Amount of Excess Cash for Reporting Period: \$ 198,379.83
- 2. Amount of Excess Cash Subject to Sequestration: \$ 198,379.83
- 3. Change in Excess Cash Subject to Sequestration: \$ 138,979.53
- 4. Amount Sequestered in a Separate Account, as Reported by Grantee: \$ 0.00
- 5. Name of Bank in which Funds are Sequestered: First Merit Bank - when seq. occurs
- 6. Total Interest Remitted to EDA, as of End of Reporting Period: \$ 0.00

C. RLF Income and Expenses

- 1. RLF Income Earned During Reporting Period: \$ 8,836.58
- 2. RLF Income Used for Administrative Expenses During Reporting Period: \$ 8,894.45
- 3. % of RLF Income Used for Administrative Expenses During Reporting Period: 100.65%

D. Administration

- 1. Has there been any staff turnover during this reporting period? No
- 2. If yes, please list:
- 3. Date of most Recent Independent Audit: 12/31/2015
- 4. Type of Most Recent Independent Audit: Single Audit
- 5. Was the audit filed with the Federal Audit Clearinghouse on time? Yes
- 6. If no, why not?

E. Semiannual RLF Plan Certification

- 1. Does the RLF's governing board certify that the RLF is operating in accordance with its EDA-approved RLF plan? Yes
- 2. If no, why not?

F. Signature of Authorized Representative: I hereby certify that the information provided in my organization's electronic submission of the RLF report form (ED209) is complete and accurate to the best of my knowledge.

Debbie Kelly

Digitally signed by Debbie Kelly
 DN: cn=Debbie Kelly, o=Jackson County EDC, ou=17871ML, email=dkelly@enterprisegroup.org, c=US
 Date: 2016.10.28 12:54:35 -0400

10/28/2016

Signature of Authorized Official

Date

Click HERE before signing form!

Debbie Kelly

RLF Administrator

Name of Authorized Official

Title of Authorized Official



Economic Development Administration
 Revolving Loan Fund Income and Expense Statement
 ED-209I Version 4.6

Reporting Period 04/01/2016 - 09/30/2016

Reporting Unit Number 12971MI

Expenses Charged to RLF Income

	Most Recent Paid	Prior Period
RLF Income:	\$ 8,836.58	\$ 6,731.28
Employee Salaries:	\$ 0.00	\$ 0.00
Employee Fringe Benefits:	\$ 0.00	\$ 0.00
RLF-related Travel:	\$ 0.00	\$ 0.00
Loan Processing/Closing Costs:	\$ 0.00	\$ 0.00
Professional Services:	\$ 8,894.45	\$ 6,714.01
Marketing:	\$ 0.00	\$ 0.00
RLF Staff Training:	\$ 0.00	\$ 0.00
Equipment – Rental:	\$ 0.00	\$ 0.00
Equipment- Acquisition:	\$ 0.00	\$ 0.00
Space (rent):	\$ 0.00	\$ 0.00
Audit:	\$ 0.00	\$ 0.00
Indirect Costs:	\$ 0.00	\$ 0.00
Other (specify):	\$ 0.00	\$ 0.00
Total Expenses:	\$ 8,894.45	\$ 6,714.01
Net RLF Income:	(\$ 57.87)	\$ 17.27
Cumulative Net RLF Income:	\$ 0.00	\$ 0.00
Expenses as % of RLF Income:	100.65%	99.74%

For the current 12-month period, provided an estimate of projected RLF Income and the percentage expected to be used for RLF administrative expenses:

Projected RLF Income:	\$ 20,000.00
Percentage for Administrative Expenses:	100.00%

In box below, list all personnel positions which were funded partially or in full with RLF Income for the most recent period only; list the aggregate dollar amount for salaries and fringe benefits for each listed position, and the amount and percent which were funded by RLF Income.

Based upon timing issues regarding the amount of RLF interest earned during 4/1/16 and 9/30/16 and RLF Administration fees paid during the same time frame (reporting period); there is a \$57.87 difference as a result.

Certification of Authorized Representative (Designated RLF Administrator or Chief Financial Officer)

I hereby certify that the information provided in my organization's electronic submission of the RLF Income and Expense Statement (ED-209I) for this period is complete and accurate to the best of my knowledge.

Debbie Kelly

Digitally signed by Debbie Kelly
 DN: cn=Debbie Kelly, o=Jackson County EDC, ou=1281181, email=dkelly@emrcplacgroup.org, c=US
 Date: 2016.10.28 12:56:23 -0400

10/28/2016

Signature of Authorized Official

Click HERE before signing form!

Date

Debbie Kelly

RLF Administrator

Name of Authorized Official

Title of Authorized Official



2016 End of Year Report

Based upon the 2016 Scope of Work for The Economic Development Corporation of Jackson County, the achieved objectives are described below:

- **Call on 100-125 manufacturers to discuss tools.**
 - a. By year's end, The Enterprise Group will have made about 120 local retention visits and campaign calls, discussing all relevant tools, and meeting their annual goal of 100 companies.
 - b. EG Staff schedules the calls and the MEDC attends most of the visits. Our MEDC Business Development Manager, Valerie Christofferson received a promotion at the MEDC, and Ryan Hundt is now our Jackson County representative.

- **Call on at least two professional organizations to discuss tools to assist businesses.**
 - a. EDC Staff met with various organizations and attended various conferences to market EDC programs.
 - b. In addition to regularly-scheduled retention visits, Staff attended all Greater Ann Arbor Region (GAAR) leader meetings. GAAR is comprised of Jackson, Lenawee, Hillsdale, Monroe, Livingston, and Washtenaw counties, and was developed in 2011 by the MEDC and the Governor to form 10 State-wide economic development regions.
 - c. EG/EDC Staff participated in JAXPO on October 20, 2016 to discuss available tools.
 - d. EG/EDC Staff met with Mr. Erik Hannah from the Michigan Magnet Fund to discuss the RLF program.

- **Make loans from the Revolving Loan Fund (RLF) as funds allow.**
 - a. The EDC marketed the RLF Program at each applicable company visit. In 2016, there were approximately six referrals for the RLF.
 - b. The EDC Loan Review Committee approved a \$200,000 County-portion RLF for Crown Industrial Services in early January.
 - c. At this time, The EDC has approximately \$605,000 to loan from the Revolving Loan Fund (RLF) (\$325,000 from the County portion and \$280,000 from the City portion). The county-portion fund is recapitalizing at approximately \$7,000 per month. Currently, there are no paying loans in the City-portion fund. The EDC did not receive any loan applications or Private Activity Bond inducement requests in 2016.
 - d. Through September 30, 2016, the EDC portfolio includes 44 Loans in the amount of \$4,332,457. Total amount leveraged is approximately \$49.7 Million, and as a result, 920 jobs have been retained and/or saved and 541 new jobs have been created.

- **Utilize EDC tools to fill available land in Jackson County.**
 - a. The EDC continues to market the tools of the EDC to developers as well as other businesses involved in development locally. Information and links were provided to 50 Attraction inquiries, of which seven were responses to Requests for Information from the MEDC.

- **Develop marketing efforts to aggressively attract new business into Jackson County.**
 - a. The Enterprise Group of Jackson's Scorecard was redesigned and improved in 2016 (to be provided at the meeting).

- b. EDC Staff marketed the Revolving Loan Fund by making the application available online on the EDC partner page of The EG's web site.
 - c. EG Staff markets the EDC tools at each company visit, if warranted. The MEDC regularly includes Jackson in their RFI's for State projects.
 - d. EG Staff participated with the Greater Ann Arbor Region 9 (GAAR) to host a Familiarity (FAM) Site Selection Tour for nine national site selectors in mid-September 2016 to discuss the regions workforce, infrastructure, and high-tech assets. Tim Sparks of Consumers Energy represented Jackson County during the panel discussion at the Business Leaders Luncheon.
 - e. A second Brownfield 101 Training, including a presentation regarding additional financial tools and the RLF program was held on November 4, 2016, and community bankers, CPAs, Attorneys, Real Estate Agents/Brokers, as well as Township Supervisors, Village Presidents, and other governmental entities were invited. There were 15 people in attendance.
- **Improve EDC recognition and marketing through The EG website, newsletters and social media.**
 - a. The EDC RLF program was aggressively marketed this year on social media sites and promoted during retention visits. EDC Staff shared the RLF brochure at each visit. It can also be found on the EDC partner page.
 - b. The Enterprise Group of Jackson's web site includes a partner page for the EDC. The link is as follows: <http://enterprisegroup.org/partners/edc/>.
 - c. The EG emails promotions and valuable information via targeted email lists, which highlights EDC programs and links.
 - d. The website promotes the Jackson community and also serves as a strong and innovative economic development marketing tool for Jackson County, recognized as exceptional by Chicago site selectors.
 - e. EG social media links to Facebook, Twitter and LinkedIn are prominently displayed on correspondence.
 - f. EG social media posts occur on an almost daily basis to promote local and regional successes.
 - g. EG outreach in 2016 included: Imagine Jackson 2020 Campaign visits, CEO Breakfasts, Investor events, PTAC Trainings and Workshops, Brownfield 101 Trainings, and Work Ethic Survey presentations to many community and business organizations, along with our partners at Cradle 2 Career.
- **Improve community relations with community organizations.**
 - a. EG Staff has brought attraction and retention efforts to the forefront of The EG's goals; and has presented increased communication efforts throughout 2016.
 - b. The EDC Executive Director serves on a number of Boards and Commissions throughout the County. Ms. Torres is Chair of both the County Planning Commission and Airport Advisory Council; serves on the Jackson County Parks and Recreation Commission, and also on the Jackson Area Comprehensive Transportation Study (JACTS) Technical Committee. Other EG staff members are also represented on various Boards.
- **Support the Jackson Technology Park SmartZoneSM status for the community and potentially participate financially, if possible.**
 - a. Ms. Torres attends quarterly Smart Zone meetings at Michigan Economic Development Corporation (MEDC). Baker College offers many amenities to the tenants in addition to receiving free rent for the first six months and a low lease rate thereafter. There are currently no tenants, with two available offices.
- **Additional news for 2016:**
 - a. On August 31, 2016, The EDC received the final RLF payment from RTD Manufacturing in the amount of \$90,778.93.
 - b. In October 2015, Cox Brothers Machining, Inc. filed for Chapter 11 Bankruptcy. In October 2016, The EDC received a payment of \$155,940.42, of their \$174,000.84 balance, as a result of the sale of their County Farm Road property.



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PROPOSED 2017 Scope of Work

Purpose

The Economic Development Corporation of Jackson County (EDC) serves as Jackson County's economic development agency, and the official local partner to the Michigan Economic Development Corporation (MEDC). The purpose of The EDC is to bring quality jobs and new investment to the County, and help existing businesses succeed.

Plan of Action 2017

- Continue to create opportunities to utilize EDC's financial tools for area businesses through the Retention-Growth Business Success Program; and support business attraction efforts through The EG.
- Continue to meet with area professional organizations to collaborate on partnering with the EDC to assist their clients.
- Administer the EDA-seeded Revolving Loan Fund.
- Prepare and submit all required reports for the RLF and the EDC.
- Monitor and implement pending EDA regulations pertaining to RLF operations and administration.
- Update the EDA Re-use plan, based upon the approved Economic Development Strategic Plan for Jackson County and the regional Comprehensive Economic Development Strategy (CEDS) Plan.
- Provide oversight for inducement and issuance of tax-exempt Private Activity Bonds, also known as the Industrial Development Revenue Bond program.
- Continue to develop synergies through partnerships with community organizations to help Jackson Area businesses diversify into new markets.
- Enhance regional opportunities through the Greater Ann Arbor Region marketing and promotional activities, particularly for collaborative attraction efforts.
- Maintain EDC Partner Page on The EG web site.

Goals 2017

- Call on 100-125 manufacturers to discuss tools;
- Call on at least two professional organizations to discuss tools to assist businesses;
- Promote and make loans from RLF as funds allow;
- Utilize EDC tools to fill available land in Jackson County;
- Develop marketing efforts to aggressively attract new businesses into Jackson County;
- Improve EDC recognition and marketing through the EG website, newsletters and social media;
- Improve community relations with community organizations;
- Support the Jackson Technology Park SmartZoneSM status for the community and potentially participate financially, if possible;
- Conduct visits with existing RLF active loan businesses and document loan file; and
- Provide Assessment of Reuse Plan Compliance at Annual Meeting.

THE ECONOMIC DEVELOPMENT CORPORATION OF THE COUNTY OF JACKSON
BUDGETARY COMPARISON SCHEDULE - ALL GOVERNMENTAL FUNDS
Amended 2016 EDC Budget - through 10/31/2016

	<u>Operating (MM) FUND</u>			<u>EDA (Co. & City) REVOLVING LOAN FUND</u>			<u>TOTAL</u>			
	AMENDED/ ORIGINAL BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	AMENDED/ ORIGINAL BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	AMENDED/ ORIGINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
	A	B	C	D	E	F	G	H	I	
REVENUES:										
1 Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Interest - Loans	-	-	-	17,250	13,179	(4,071)	17,250	13,179	(4,071)	(4,071)
3 Interest - Bank Interest earned	141	132	(9)	456	473	17	597	605	8	8
5 Total revenues	141	132	(9)	17,706	13,652	(4,054)	17,847	13,784	(4,063)	(4,063)
EXPENDITURES:										
6 Current - Economic Development:										
7 Contractual services	10,000	-	10,000	17,250	13,179	4,071	27,250	13,179	14,071	14,071
8 Professional services	3,800	3,900	(100)	-	-	-	3,800	3,900	(100)	(100)
9 Admin/Legal expenses	-	1,760	(1,760)	-	-	-	-	1,760	(1,760)	(1,760)
10 Bank fees	40	66	(26)	-	36	(36)	40	102	(62)	(62)
11 Loan closing costs	-	-	-	-	-	-	-	-	-	-
12 Grants	-	-	-	-	-	-	-	-	-	-
13 Total Expenditures	13,840	5,726	8,114	17,250	13,215	4,035	31,090	18,941	12,149	12,149
EXCESS OF REVENUES OVER										
14 EXPENDITURES	(13,699)	(5,594)	(8,123)	456	437	(8,089)	(13,243)	(5,157)	(16,212)	(16,212)

ACCOUNT FUND BALANCE on 01/01/16	\$91,706.86		\$296,943.43
ACCOUNT FUND BALANCE on 10/31/16	\$89,988.97		\$606,751.26

NOTES:

<i>Line 2: Interest on Loans</i>	Column E: The interest earned on loans through 9/30/16. Anticipate 4th Q to be approx. \$2,988.14 (Total \$16,166.83 for 2016). Shortfall of \$1,083.17.
<i>Line 3: Bank Interest</i>	This line item reflects all expected bank interest earned on the accounts.
<i>Line 7: Contractual Services</i>	Column E: This line item reflects the estimated amount to be paid to The EG, per the EDC/EG Management Agreement for 2016.
<i>Line 8: Professional services</i>	This line item reflects the auditor's fee for 2015 Audit expenses.

THE ECONOMIC DEVELOPMENT CORPORATION OF THE COUNTY OF JACKSON
BUDGETARY COMPARISON SCHEDULE - ALL GOVERNMENTAL FUNDS
Proposed 2017 EDC Budget

Operating (MM) FUND				EDA REVOLVING LOAN FUND				TOTAL			
ORIGINAL BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)		ORIGINAL BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)		ORIGINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	

REVENUES:

1	Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Interest - Loans	-	-	-	18,000	-	(18,000)	18,000	-	(18,000)
3	Interest - Bank Interest earned	130	-	(130)	475	-	(475)	605	-	(605)
5	Total revenues	130	-	(130)	18,475	-	(18,475)	18,605	-	(18,605)
EXPENDITURES:										
6	Current - Economic Development:									
7	Contractual services	-	-	-	18,000	-	18,000	18,000	-	18,000
8	Professional services	3,900	-	3,900	-	-	-	3,900	-	3,900
9	Administrative expenses	-	-	-	-	-	-	-	-	-
10	Bank fees	70	-	70	-	-	-	70	-	70
11	Loan closing costs	-	-	-	-	-	-	-	-	-
12	Grants	-	-	-	-	-	-	-	-	-
13	Total Expenditures	3,970	-	3,970	18,000	-	18,000	21,970	-	21,970
EXCESS OF REVENUES OVER										
14	EXPENDITURES	(3,840)	-	(4,100)	475	-	(36,475)	(3,365)	-	(40,575)

NOTES:

<i>Line 2: Interest on Loans</i>	The interest earned on loans is estimated for 2017. Includes new \$200,000 loan.
<i>Line 3: Bank Interest</i>	This line item reflects all expected bank interest earned on the accounts.
<i>Line 7: Contractual Services</i>	This line item reflects the estimated amount to be paid to The EG, per the EDC/EG Management Agreement for 2017.
<i>Line 8: Professional services</i>	This line item reflects the auditor's fee expected for the 2016 Audit expenses, which will be paid out of the Money Maker account.



2016 Board of Directors & Officers as of 12/01/2016

*Ron Ellison, **Chairman** (3/31/2018)
American Title Company of Jackson
280 W. Cortland
Jackson, MI 49201
517-787-4830
517-787-8350 Fax
rellison@atcjackson.com

Andrew Frounfelker, (3/31/2020)
City Council Representative
P.O. Box 111
Jackson, MI 49204
517-783-2011
arfrounfelker@yahoo.com

*Robert Simmons, **Treasurer/Secretary**
(3/31/2021)
The Brokerage House
601 S. Jackson Street
Jackson, MI 49203
517-788-8733
517-784-8770 Fax
rsimm1944@yahoo.com

Phil Wrzesinski (3/31/2021)
Toy House, Inc.
400 N. Mechanic Street
Jackson, MI 49201
517-787-4500 Work
517-Fax
phil.toyhouse@acd.net

Richard Craft (3/31/2019)
The Craft Agency, Inc.
2533 Spring Arbor Road/P.O Box 1187
Jackson, MI 49204-1187
517-787-0077 x277 Work
517-787-9356 Fax
dmc@craftagency.com

***Loan Review Committee Members and also includes:**
Ron Clingerman: 817-1121
ron.clingerman@flagstar.com

Timothy Levy, **Vice Chairman** (3/31/2018)
Industrial Steel Treating
613 Carroll Street/P.O. Box 98
Jackson, MI 49204-0098
517-787-6312 x117 Work
517-787-5441 Fax
tilevy@indstl.com

James S. Shotwell, Jr. (3/31/2018)
Jackson County Commissioner
120 W. Michigan Avenue
Jackson, MI 49201
517-768-8623 County
517-783-1258 Work
517-783-6472 Fax
jshotwel@co.jackson.mi.us

*Phil S. Willis (3/31/2022)
Willis & Jurasek, PC
4100 Spring Arbor Road
Jackson, MI 49201
517-788-8660
517-788-9872 Fax
phil@willispc.com

*Jason Sanders (3/31/2019)
NEW
ADDRESS
Jackson, MI 49201
517-788-xxxx
517-788-xxxx Fax
jb.sandman.44@gmail.com

*Amy Torres, EDC Exec. Director
*Debbie Kelly, EDC Staff
100 E. Michigan Ave., Suite 1100
Jackson, MI 49201
517-788-4455
517-782-0061 Fax
atorres@enterprisegroup.org
dkelly@enterprisegroup.org



Economic Development Corporation
Of Jackson County
Served By The Enterprise Group

2017 MANAGEMENT AGREEMENT

between

THE ENTERPRISE GROUP OF JACKSON, INC.

and

THE ECONOMIC DEVELOPMENT CORPORATION OF JACKSON COUNTY, INC.

This management agreement establishes the terms of the relationship between The Enterprise Group of Jackson, Inc. (EG) and The Economic Development Corporation of Jackson County ("EDC").

The EG will provide the following staff services toward the daily operation of the EDC; as authorized by the EDC Board of Directors and reflected in both the annual scope of work and the annual EDC budget:

- ◆ An annual scope of work and annual budget for Board approval,
- ◆ An annual Assessment of Reuse Plan Compliance Report,
- ◆ Operation and management services of the County's two Revolving Loan Funds (RLFs),
- ◆ Operation and management services to firms requesting Private Activity Bonds (PABs),
- ◆ Preparation and timely submission of reports required to be filed with local, state and federal agencies and organizations, in accordance with locally adopted practices and procedures,
- ◆ In partnership with Jackson County and all local units of government, develop marketing material(s) for RLFs, PABs and other EDC services,
- ◆ Maintain EDC Partner Page on The EG's web site,
- ◆ Project management services relating to any or all of the following activities: the assembly of land, the development of land, as warranted, the construction, sale, lease and/or management of buildings and the purchase, lease and/or sale of equipment, the support of the Business Success Retention-Growth Program, support of Business Attraction efforts, any and all of which may be specifically undertaken to stabilize and strengthen the economic base of Jackson County,
- ◆ Provide one seat to be reserved for an EDC Representative on The Enterprise Group Board of Directors, and
- ◆ Other routine or unique services as may be agreed upon by the Chair of the EDC and the President & CEO of The EG.

In return for these management services, the EDC will pay The EG an administrative fee equal to 100% of the first \$50,000 of all current year administrative revenues/fees and related program income derived from RLF interest and PAB fees; then the two organizations will split equally the next \$50,000 of program income. Any program income above \$100,000 will be split 25%-75% with the EDC receiving the 75% portion. The EDC agrees to pay directly from its EDC Operating/Money Market Fund, all normal and customary EDC administrative expenses that are not paid directly by the borrower.

The term of this agreement is for the year 2017, although either party, with 30 days notice, may cancel this agreement. The EDC board will review this agreement annually unless cancelled by either party. All files, records and correspondence are considered the property of the Economic Development Corporation of Jackson County and shall be returned upon termination of the management agreement. This agreement was approved by the EDC Board at a meeting on December 9, 2016.

FOR THE EDC:

FOR THE ENTERPRISE GROUP:

Ronald L. Ellison, Chairman

Tim Rogers, President and CEO

Date

Date