



Economic Development Corporation
Of Jackson County
Served By The Enterprise Group

**The Economic Development Corporation
Of Jackson County**

**Annual Board Meeting
Friday, December 15, 2017
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 September 26, 2017 EDC Board Meeting
- IV. *Discuss/Approve 2016 EDC Audit – Doug Atkins
- V. Revolving Loan Fund Updates:
 - a) *Annual RLF Compliance Letter
 - b) EDA ReUse Plan (*to be presented at the meeting*)
- VI. *2017 End of Year Report
- VII. *2018 Scope of Work
- VIII. *2018 EDC Budget and Amended 2017 EDC Budget
- IX. Authorize EDC Staff to prepare recommendation to County Affairs and Agencies to renew terms for Mr. Ellison, Mr. Levy, and Mr. Shotwell, which expire on 3/31/18 and if willing to serve another six-year term.
- X. Discuss recommendations for vacant EDC Board seat, and reconfirm EDC Representatives on EG Board of Directors
- XI. *Election of 2018 EDC Officers
- XII. *Approve 2018 EG/EDC Management Agreement
- XIII. Other EDC Updates
- XIV. Adjourn – *EDC Loan Review Committee convenes to consider Loan Extension Request*

**Indicates attachment*



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EDC BOARD MEETING MINUTES

September 26, 2017

100 E. Michigan Avenue

11th Floor – EG Conference Room

EDC Board Present (7): Ron Ellison, Andrew Frounfelker, Tim Levy, Jason Sanders, Steve Shotwell, Robert Simmons, and Phil Willis.

EDC Board Absent (2): Rick Craft and Phil Wrzesinski.

EDC Staff: Tim Rogers, Amy Torres and Debbie Kelly.

Others: None.

EDC Chairman Ellison called the meeting to order at 7:32 a.m.

Public Comment: None.

Minutes of December 9, 2016: *Mr. Shotwell moved, with Mr. Levy supporting, the approval of the Annual Meeting Minutes from December 9, 2016. Unanimous approval.*

Second Amendment to MEDC Interlocal Agreement:

Ms. Torres reminded the Board that in 1999, the EDC adopted a resolution to enter into an Interlocal Agreement (IA) with the Michigan Strategic Fund (MSF) under the Urban Cooperation Act, which created the Michigan Economic Development Corporation. Since that initial approval, the IA was amended in 2001, and again in 2007 by all 61 participants, including the EDC. At the request of the MEDC, a Second Amendment is necessary to reflect administrative improvements; expiration date of April 4, 2019; and changes with State laws affecting the Agreement. Ms. Torres added that within the binder provided, the MEDC listed the MSF projects, which can be summarized by County. Staff can send the summary upon request. *Mr. Levy moved, with Mr. Willis supporting the adoption of a Second Amendment to Interlocal Agreement Creating the Michigan Economic Development Corporation between the Michigan Strategic Fund and Participating Public Agencies, and authorize Chairman Ellison to sign all necessary documents related to the Amendment on behalf of the Jackson County Economic Development Corporation. Unanimous approval.*

EDC Board Member Resignation:

A letter from Mr. Phil Wrzesinski was included within the Board packets for his immediate resignation from the EDC Board. *Mr. Shotwell moved, with Mr. Frounfelker supporting the acceptance of Mr. Wrzesinski's resignation. Unanimous approval.* Chairman Ellison asked the Board for recommendations to fill the vacant seat. Ms. Kelly added that she would assist with the County application process for anyone interested in applying.

RLF Updates:

EDA RLF Reuse Plan:

Ms. Torres mentioned that the EDA RLF Reuse Plan has been a work in progress, and due to the EDA changes to legislation, which are not finalized, EDC Staff is standing by to incorporate those changes into the Reuse Plan. Ms. Torres added that we now have an EDA Representative that is responsive to our questions, and she is researching the question of using RLF funds for public infrastructure. After the Board reviews the draft Reuse Plan, and provides feedback to EDC Staff, a revised draft will be presented at the Annual Meeting. As a guide, EDC Staff used the Comprehensive Economic Development Strategy (CEDS) that was adopted by the Region 2 Planning Commission Board on September 14, 2017. The CEDS relates back to the RLF and addresses how funds were originally granted, in an effort to make both documents agreeable. Ms. Torres added that she has reached out to various RLF program recipients for suggestions, asking the EDC Board for their input as well. Mr. Willis suggested reducing the interest rate to 2.5%. After discussion, the Board concurred that the EDC needs to keep it simple. Mr. Sanders will share one-page summary examples with Staff for better marketing efforts. Other suggestions were to create a Commercial Lenders group, and educating CPAs about the RLF Program. Chairman Ellison would like a red-lined copy brought back to the Annual Meeting in December.

EG President & CEO Update:

Mr. Rogers was in attendance and presented a loan payment to the EDC Board, bringing The EG's balance to \$25,001.21. Mr. Rogers provided an update regarding the Blackman Charter Township Local Development Finance Authority (BLDFA), which is also staffed by The EG. Mr. Rogers shared that the BLDFA has a verbal agreement to purchase the 181 acres on the north side of County Farm Road, and hopes that the transaction is completed by the end of this calendar year. With the assistance of The EG and Jackson County, the due diligence process is underway to have a shovel-ready site to tout for Jackson County. It is possible that the EDC could be asked to provide financial assistance, if necessary. Mr. Rogers shared that Commissioner Shotwell, Commissioner Elwell, and Supervisor Pete Jancek have provided a lot of leadership to reach this point in the process. Ms. Torres noted that BLDFA Staff is currently amending the Tax Increment Finance (TIF) and Development Plan, which allows for debt obligation, as well as tax increment to fund public infrastructure. Lastly, Ms. Torres mentioned that this site, in addition to the site on US-127, is a designated Energy-Ready site by Consumers Energy. Ms. Torres will share both Energy-Ready documents with the EDC Board.

Other Updates:

Ms. Torres shared that The EGs Business Success – Retention/Growth Program is very strong, and provides many connections with companies. We have excellent representation and communication from the Michigan Economic Development Corporation (MEDC). Chairman Ellison asked Mr. Frounfelker to discuss the RLF Program with Pat Burtch, City Manager.

Mr. Rogers added that The EG anticipates an announcement this week for a \$15 Million expansion project, creating 150 new jobs. In addition, Mr. Rogers discussed the upcoming Manufacturing Day on Friday, October 6th. Mr. Levy added that The EG stepped up to plan this event, adding that many companies and businesses are dealing with talent and workforce issues. Mr. Frounfelker asked how folks with prior records could be assisted, and Mr. Rogers and Ms. Torres mentioned that there are vocational programs for non-violent offenders.

Meeting adjourned at 8:26 a.m.

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



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EDC Assessment of Reuse Plan Compliance
Annual Meeting – Friday, December 15, 2017

The Jackson County EDC certifies general compliance with the Reuse Plan for 2017 as follows:

1. EDC Board Members will review modifications to the plan at their annual meeting on December 15, 2017. Modifications will be adopted at an upcoming EDC Board Meeting, to be held during the first quarter of 2018, but will require legal review and potential revision subject to new regulatory changes to the program implementation challenges, which are yet to be approved by the Economic Development Administration. 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 9/30/17 (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 15, 2017 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



2017 End of Year Report

Based upon the 2017 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 almost 100 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, Ryan Hundt is 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. EG/EDC Staff presented an economic development update, and discussed the RLF program with the Township Supervisor's Association at their November 16, 2017 Meeting.
- **Make loans from the Revolving Loan Fund (RLF) as funds allow.**
 - a. The EDC marketed the RLF Program at each applicable company visit. In 2017, there were two referrals for the RLF.
 - b. At this time, The EDC has approximately \$271,000 to loan from the Revolving Loan Fund (RLF) (\$185,000 from the County portion and \$86,000 from the City portion). Funds in sequestration total \$394,979 and are available to lend. The county-portion fund is recapitalizing at approximately \$2,688 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 2017.
 - c. Through September 30, 2017, 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 42 Attraction inquiries, out of 81 total inquiries for 2017, 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 2017 (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.

- **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 2017 included: Imagine Jackson 2020 Campaign visits, Business Success Retention-Growth Visits, Investor events, PTAC Trainings and Workshops, and being the lead organization for the 2017 Jackson County Manufacturing Day.

- **Enhance regional opportunities through the Greater Ann Arbor Region 9 (GAAR) marketing and promotional activities, particularly for collaborative attraction efforts.**
 - a. 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.
 - b. On April 21, 2017, the GAAR partners held their third annual Legislative Briefing to which all legislators serving each County were invited. The 2017 event was another successful meeting, highlighting through a power point presentation some of the promo materials sent to Site Selection Professionals, data showing the mobility of our workforce, regional MEDC-incented project successes, and project and talent project presentations for each County. The multitude of resources which assisted Lomar Machine's expansion project were featured for Jackson County, including a Transportation Economic Development Fund (TEDF) grant improving Coats Road, a successful award of Skilled Trades Training Funds for workforce training, opportunities for growth through the MEDC's Pure Michigan Business Connect, Department of Labor apprentices, and participation in the Jackson College, Career and Connection Early Middle College (JAC3/EMC) program. The talent-related slide represented details of the JAC3/EMC Program, and its award as a Best Practice at the Mid-America Economic Development Council's meeting in Ohio, and acknowledgement of the Completion Celebration Event for the first class of the program.
 - c. In early December, Tim Rogers attended The Mid-America Economic Development Council Competitiveness Conference and the GAAR Region 9 Site Selector Dinner Event. The *GAAR Winter Campaign* was awarded as a finalist for the **2017 MID-AMERICA ECONOMIC DEVELOPMENT COUNCIL MARKETING AWARD**. This award is based on GAAR's overall comprehensive marketing program to market a community, county, state, or region to a prospect.

- **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 2017.
 - 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). The EG and Blackman Charter Township no longer have a contract for a SmartZone Incubator needs with Baker College although, Baker would be willing to consider offers if there was a need for high-tech incubator space.

- **Additional news for 2017:**
 - a. In February 2017, Cox Brothers Machining, Inc. began making interest payments on their remaining RLF balance of approx. \$18,000.
 - b. On May 26, 2017, The EDC received the final RLF payment from Full Spectrum Solutions, paying their \$200,000 RLF in full.



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PROPOSED 2018 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 2018

- 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 2018

- 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 2017 EDC Budget - through 10/31/17

	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)
	A	B	C	D	E	F	G	H	I
REVENUES:									
1 Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Interest - Loans	-	-	-	18,000	7,204	(10,796)	18,000	7,204	(10,796)
3 Interest - Bank Interest earned	130	85	(45)	475	635	160	605	720	115
5 Total revenues	130	85	(45)	18,475	7,839	(10,636)	18,605	7,924	(10,681)
EXPENDITURES:									
6 Current - Economic Development:									
7 Contractual services	-	-	-	18,000	7,204	10,796	18,000	7,204	10,796
8 Professional services	3,900	3,900	-	-	-	-	3,900	3,900	-
9 Administrative expenses	400	366	-	-	-	-	400	366	34
10 Bank fees	70	-	70	-	3	(3)	70	3	67
11 Loan closing costs	-	-	-	-	-	-	-	-	-
12 Grants	-	-	-	-	-	-	-	-	-
13 Total Expenditures	4,370	4,266	70	18,000	7,207	10,793	22,370	11,473	10,897
EXCESS OF REVENUES OVER									
14 EXPENDITURES	(4,240)	(4,181)	(115)	475	632	(21,429)	(3,765)	(3,549)	(21,578)

ACCOUNT FUND BALANCE on 01/01/17	\$85,761.90	\$432,489.14	\$518,251.04
ACCOUNT FUND BALANCE on 10/31/17	\$98,194.52	\$271,045.98	\$369,240.50

NOTES:

<i>Line 2: Interest on Loans</i>	Column E: The interest earned on loans through 9/30/17. Anticipate 4th Q to be approx. \$1,700 (Total of \$8,904 for 2017). Shortfall of \$9,069.
<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 Operating (MM) account.
<i>Line 9: Administrative Expenses</i>	This line item reflects the loan software fee for 2017.

EDC Sequestration Account:	
<i>Balance on 1/1/17:</i>	\$198,415.87
<i>Balance on 10/31/17:</i>	\$394,979.62
PAID ALL INTEREST to EDA	\$283.32

THE ECONOMIC DEVELOPMENT CORPORATION OF THE COUNTY OF JACKSON
BUDGETARY COMPARISON SCHEDULE - ALL GOVERNMENTAL FUNDS
Proposed 2018 EDC Budget

<u>Operating (MM) FUND</u>			<u>EDA REVOLVING LOAN FUND</u>			<u>TOTAL</u>		
<u>ORIGINAL</u>	<u>VARIANCE -</u>		<u>ORIGINAL</u>	<u>VARIANCE -</u>		<u>ORIGINAL</u>	<u>VARIANCE</u>	
<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>

REVENUES:

1	Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Interest - Loans	-	-	-	10,000	-	(10,000)	10,000	-	
3	Interest - Bank Interest earned	90	-	(90)	650	-	(650)	740	-	
5	Total revenues	90	-	(90)	10,650	-	(10,650)	10,740	-	
EXPENDITURES:										
6	Current - Economic Development:									
7	Contractual services	-	-	-	10,000	-	10,000	10,000	-	
8	Professional services	3,900	-	3,900	-	-	-	3,900	-	
9	Administrative expenses	400	-	400	-	-	-	400	-	
10	Bank fees	-	-	-	-	-	-	-	-	
11	Loan closing costs	-	-	-	-	-	-	-	-	
12	Grants	-	-	-	-	-	-	-	-	
13	Total Expenditures	4,300	-	4,300	10,000	-	10,000	14,300	-	
EXCESS OF REVENUES OVER										
14	EXPENDITURES	(4,210)	-	(4,390)	650	-	(20,650)	(3,560)	-	

NOTES:

<i>Line 2: Interest on Loans</i>	The interest earned on loans is estimated for 2018.
<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 2018.
<i>Line 8: Professional services</i>	This line item reflects the auditor's fee expected for the 2017 Audit expenses, which will be paid out of the Money Maker account in late 2017, early 2018.



2017 Board of Directors & Officers as of 12/15/2017

*Ron Ellison, **Chairman** (3/31/2018)
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Andrew Frounfelker, (3/31/2020)
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*Robert Simmons, **Treasurer/Secretary**
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Richard Craft (3/31/2019)
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*Loan Review Committee Members and also
includes:
Ron Clingerman: 817-1121
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Timothy Levy, **Vice Chairman** (3/31/2018)
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Economic Development Corporation
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2018 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 2018, 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 15, 2017.

FOR THE EDC:

FOR THE ENTERPRISE GROUP:

Ronald L. Ellison, Chairman

Tim Rogers, President and CEO

Date

Date