



Economic Development Corporation
Of Jackson County
Served By The Enterprise Group

**The Economic Development Corporation
Of Jackson County**

**Annual Board Meeting
Friday, December 3, 2021
7:30 a.m.**

**Jackson Square, 11th Floor, East Conference Room
100 E. Michigan Avenue, Jackson MI 49201**

Agenda

- I. Call to Order by Chair
- II. Public Comment
- III. Welcome Ms. Cindy Richardson to the EDC Board
- IV. *Approve Minutes from March 24, 2021 EDC Board Meeting
- V. *Discuss/Approve 2020 EDC Audit (*attached separately*)
- VI. *2021 End of Year Report
- VII. *2022 Scope of Work
- VIII. *2021 Amended Budget and Proposed 2022 EDC Budget
- IX. Authorize EDC Staff to prepare recommendation to General Government Committee to renew terms for Mr. Willis, which expire on 3/31/22, and if willing to serve another six-year term.
- X. *Election of 2022 EDC Officers
- XI. *Approve 2022 EG/EDC Management Agreement
- XII. Other EDC Updates – Revolving Loan Fund Updates
- XIII. Adjourn

****Indicates attachment***



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EDC BOARD MEETING MINUTES
March 24, 2021 at 7:30 a.m.
Via Zoom

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

EDC Board absent (0): None.

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

Others: None

EDC Chairman Ellison called the meeting to order at 7:31 a.m.

Public Comment: None

Meeting Minutes from December 4, 2020: *Mr. Shotwell moved, with Mr. Sanders supporting the approval of the December 4, 2020 annual meeting minutes. Unanimous approval.*

EDC Financials through 2/28/2021:

Mr. Willis stated that the EDC is collecting interest from the Cox Brothers RLF and earning interest income and asked if the EDC will still be eligible for Defederalization with showing an asset. Ms. Kelly replied that she will contact Ms. Bower for clarification, and share the payment plan with the EDC Board. Chairman Ellison added that without Ms. Bowers' discretion, the EDC is not sure how to correctly add the interest to the financials, if allowed. *Mr. Willis moved, with Mr. Sanders supporting the approval of the EDC Financials through 2/28/2021 subject to adding interest to receivables if legal counsel advises. Unanimous approval.*

Authorize EDC Staff to prepare letter of request to the EDA to begin defederalization process:

Ms. Kelly explained the defederalization process. She indicated that the EDC still has to use the funds for economic development related projects, but there won't be as many restrictions. Ms. Kelly reiterated that the new RLF program, should the EDC be approved to defederalize, will still require the Davis-Bacon prevailing wage requirement. As a result, Ms. Kelly recommends continuing with only working capital loans. Mr. Shotwell asked if the EDC needs to have County approval to do this, and Ms. Kelly replied yes, including that this will be the next step in the process prior to submitting the required documents to the EDA. Mr. Sanders asked if there are other Revolving Loan Funds across the state and wonders what the likelihood of our EDC being awarded is. Ms. Kelly replied she isn't sure how many, but stated she would be surprised if others aren't doing this as well. Ms. Kelly stated that any RLF program seven years or older is eligible to request defederalization. *Ms. Fuerstenau moved, with Mr. Shotwell supporting the approval to authorize EDC Staff to prepare a letter of request to the EDA to begin the defederalization process. Unanimous approval.*

Discuss/Approve EDC Resolution requesting defederalization of the RLF Program:

Mr. Shotwell asked if we can still accept funds into the RLF Program if we defederalize. Both Ms. Kelly and Ms. Masten stated they are unsure, but will ask our EDA Representative. Chairman Ellison asked if this also has to go to the County for approval, and Ms. Kelly replied yes, along with the letter of request, prior to submitting all required documents to the EDA. *Mr. Shotwell moved, with Ms. Schlecte supporting the approval of the EDC Resolution requesting defederalization of the RLF Program. Unanimous approval.*

Other Updates:

Ms. Kelly reminded the Board that at the last meeting Mr. Willis asked why the EDC Audit and other administrative expenses were not paid from the EDA portions of the EDC Budget. Ms. Kelly stated that after going back through paperwork, she recalls Mr. Atkins (previous auditor) indicating that administrative fees are not eligible expenses out of the EDA RLF fund. Therefore, they are paid out of the EDC Money Market account. Lastly, she explained that if we are approved for defederalization, this will no longer be an issue, and we can pay for these fees out of the EDA RLF funds.

Meeting adjourned at 7:46 a.m.

Respectfully submitted by Ms. Cones, EDC Staff.



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2021 End of Year Report

Based upon the 2021 Scope of Work for The Economic Development Corporation of Jackson County, the achieved objectives are described below:

- **Call on 80-100 manufacturers to discuss tools.**
 - a. As of November 23, 2021, The Enterprise Group will have made over 51 local retention visits discussing all relevant tools. Staff continues to work with the MEDC and Michigan Works! Southeast for scheduling.
 - b. EG Staff schedules the calls and the MEDC attends most of the visits. Our MEDC Business Development Manager, James Coutu 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 via Zoom and in person.
- **Make loans from the Revolving Loan Fund (RLF) as funds allow.**
 - a. The Economic Development Corporation of Jackson (EDC), staffed by The Enterprise Group of Jackson, was excited to close on a Revolving Loan Fund (RLF) loan for \$41,250 in June 2021 in partnership with County National Bank. The loan was for Jackson Healing Clinic; a local, small business. The EDC was able to help this small business with gap financing needed for a down payment on their first physical location right here in Jackson. This business is a mental health clinic that offers many different types of therapy for both children and adults. Since June of 2021, the business has added 20 jobs to the community and has grown immensely!
 - b. Based on the court order, Cox Brothers paid their RLF.
 - c. At this time, The EDC has approximately \$415,000 to loan from the Revolving Loan Fund (RLF) (\$366,000 from the County portion and \$49,000 from the City portion). Currently, there is one outstanding loan, and the EDC did not receive any Private Activity Bond inducement requests in 2021.
 - d. Through June 30, 2021, the EDC portfolio includes 45 Loans in the amount of \$4,373,707. Total amount leveraged is almost \$50 Million, and as a result, 920 jobs have been retained and/or saved and 561 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. Since January 1st 2021, The EG has received 92 site search inquiries from the Michigan Economic Development Corporation (MEDC), and was eligible to and did respond to 42 of those inquires.
- **Develop marketing efforts to aggressively attract new business into Jackson County.**
 - a. EDC Staff marketed the more flexible terms of the Revolving Loan Fund, and the application is available online on the EDC partner page of The EG's web site.
 - b. 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 through blast emails, on social media sites and promoted during retention visits. EDC Staff shared the new RLF Fact Sheet, noting the more flexible terms of the program 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 to promote local and regional successes.
 - g. EG outreach in 2021 included: Jackson Challenge 2025 Campaign visits, Business Success Retention-Growth Visits, Investor events, PTAC Trainings and Workshops, and being the lead organization for Jackson County Manufacturing Day for the fifth year, which was virtual again this year thanks to our partners at JTV, Jackson College, Northwest Schools, MACI, Alro, Lomar, and Technique, who all participated in the MFG Day video.

- **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. Mr. Rogers attended the International Economic Development Corporation (IEDC) Conference in Nashville, Tennessee in October 2021. Ms. Masten attended the 2021 Mid-America EDC Virtual Best Practices Conference in May 2021.

- **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 2021.
 - b. As a result of the COVID-19 pandemic, EG/EDC Staff had added duties including partnering with Consumers Energy to carry out the Our Town Meal Program which delivered 41,983 free meals to families in need. In January 2021, Staff helped to administer the Michigan Small Business Survival Grant helping to administer \$704,363 in grant funds to a total of 202 small businesses which impacted approximately 1,200 jobs.
 - c. Ms. Alex Masten, EDC Executive Director, serves on a number of Boards throughout the County including the Lean Rocket Lab, the Jackson Area Comprehensive Transportation Study (JACTS) Technical Advisory Committee and Michigan Tribe. Ms. Masten also regularly attends Board meetings at the Jackson County Chamber of Commerce. Other EG staff members are also represented on various Boards. Ms. Masten is also a member of the Jackson County Airport Advisory Council and the Jackson County Talent Consortium.

- **Support the Jackson Technology Park SmartZoneSM status for the community and potentially participate financially, if possible.**
 - a. JCDOT completed the 60% design plan review in mid-October, noting that 14 property easements were needed. Staff at JCDOT sent letters to those property owners, and businesses on record to acquire the necessary easements, and resolve any remaining issues such as the wetland permits and tree notifications. The EDA approved the BL DFA Sales/Option Agreement, and we anticipate that potential tenants may start building in the summer/fall of 2022. The bid letting is anticipated for late 2021, along with a Ground Breaking event to be held in the spring of 2022.

- **Additional news for 2021:**

- a. In other great news, in February of 2021, the EDC was sent an invitation to release the federal interest in the Capital Base of the EDA Financial Assistance Award No. 06-19-02068. As of June 17, 2021, the EDC has a document on file that finalizes the release of the EDA's interest in the Awards with no continued EDA monitoring and oversight. This means that our Revolving Loan Fund is de-federalized.
- b. The 2020 EDC Audit was completed on June 15, 2021 and will be presented to the Board at their Annual Meeting.



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2022 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 2022

- 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, as needed.
- Prepare and submit all required reports for the RLF and the EDC.
- Monitor and implement pending EDA regulations pertaining to RLF operations and administration.
- 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 2022

- Call on 50-75 businesses to discuss tools;
- Call on at least two professional organizations to discuss tools to assist businesses;
- Promote and make one loan 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; and
- Conduct visits with existing RLF active loan businesses and document loan file.

**THE ECONOMIC DEVELOPMENT CORPORATION OF THE COUNTY OF JACKSON
BUDGETARY COMPARISON SCHEDULE - ALL GOVERNMENTAL FUNDS
2021 Amended Budget**

	Operating FUND				EDA REVOLVING LOAN FUND				GRAND TOTALS			
	EDC Money Maker Account				City and County Portion Accounts				ORIGINAL BUDGET	AMENDED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	AMENDED	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	ORIGINAL BUDGET	AMENDED	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)				
REVENUES:												
1 Charges for Service	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		\$ -
2 Interest - Loans	-		-	-	-	775	688	688	-	775	688	688
3 Interest - Bank Interest earned	400	20	20	380	650	70	70	(580)	1,050	90	90	960
5 Total revenues	400	20	20	380	650	845	758	108	1,050	865	778	1,648
EXPENDITURES:												
6 Current - Economic Development:												
7 Contractual services - STAFFING	-	1,500	1,500	(1,500)	3,000	1,500	1,500	1,500	3,000	3,000	3,000	-
8 Professional services	-	-	-	-	4,500	4,725	4,725	(225)	4,500	4,725	4,725	(225)
9 Administrative expenses	-	-	-	-	550	-	-	550	550	-	-	-
10 Bank fees	-	-	-	-	-	-	-	-	-	-	-	-
11 Loan closing costs	-	-	-	-	-	100	100	(100)	-	100	100	100
12 Grants	-	-	-	-	-	-	-	-	-	-	-	-
13 Total Expenditures	-	1,500	1,500	(1,500)	8,050	6,325	6,325	1,725	8,050	7,825	7,825	(125)
EXCESS OF REVENUES OVER												
14 EXPENDITURES	400	(1,480)	(1,480)	-	(7,400)	(5,480)	(5,567)	(1,617)	(7,000)	(6,960)	(7,047)	1,773

NOTES:	
Line 2: Interest on Loans	This line item reflects the one active loan for 2021, as of June 10, 2021. Anticipate \$775 by year-end.
Line 3: Bank Interest	This line item reflects all expected bank interest earned on the accounts.
Line 7: Contractual Services	This line item reflects the amount paid to The EG, per the approved EDC/EG Management Agreement for 2021. After RLF defederalized, charged 2nd contract payment to EDA RLF Account - NO more restrictions.
Line 8: Professional services	This line item reflects the auditor's fee paid in 2021 for the 2020 Audit.
Line 9: Administrative Expenses	This line item reflects the annual loan software fee that EDC no longer utilizes. Using EG accounting software.
Line 11: Loan Closing Costs	This line item reflects the closing costs received from Jackson Healing Clinic in May 2021.

BANK ACCOUNT BALANCES as of 10/31/2021:
 EDA - County Portion Account: \$367,534.63
 EDA - City Portion Account: \$49,252.64 **\$416,787.27** Available to Loan
 EDC Money Maker Account (Operating Fund): \$181,497.44

THE ECONOMIC DEVELOPMENT CORPORATION OF THE COUNTY OF JACKSON
BUDGETARY COMPARISON SCHEDULE - ALL GOVERNMENTAL FUNDS
2022 PROPOSED Budget

	Operating FUND				EDA REVOLVING LOAN FUND				GRAND TOTALS			
	EDC Money Maker Account				City and County Portion Accounts							
	ORIGINAL BUDGET	AMENDED	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	ORIGINAL BUDGET	AMENDED	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	ORIGINAL BUDGET	AMENDED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:												
1 Charges for Service	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
2 Interest - Loans	-				1,200			(1,200)	1,200			(1,200)
3 Interest - Bank Interest earned	50			(50)	100			(100)	150			(150)
5 Total revenues	50	-	-	(50)	1,300	-	-	(1,300)	1,350	-	-	(1,350)
EXPENDITURES:												
6 Current - Economic Development:												
7 Contractual services - STAFFING	-			-	3,000			3,000	3,000			3,000
8 Professional services				-	4,800			4,800	4,800			4,800
9 Administrative expenses				-	100	-	-	100	100			100
10 Bank fees	-			-	-			-	-			-
11 Loan closing costs	-			-	100			100	100			100
12 Grants	-			-	-			-	-			-
13 Total Expenditures	-	-	-	-	8,000	-	-	8,000	8,000	-	-	8,000
EXCESS OF REVENUES OVER												
14 EXPENDITURES	50	-	-	-	(6,700)	-	-	(9,300)	(6,650)	-	-	(9,350)

NOTES:

<i>Line 2: Interest on Loans</i>	This line item reflects 2022 interest earned on the one active RLF for 2022.
<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 amount paid to The EG, per the approved EDC/EG Management Agreement for 2022.
<i>Line 8: Professional services</i>	This line item reflects the anticipated auditor's fee for the 2021 Audit.
<i>Line 9: Administrative Expenses</i>	This line item reflects any administrative fee/bank fees/etc.
<i>Line 11: Loan Closing Costs</i>	This line item reflects closing costs for one new RLF in 2022.

2022 Board of Directors & Officers as of 11/16/2021

*Ron Ellison, **Chairman** (3/31/2024)
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Timothy Levy, **Vice Chairman** (3/31/2024)
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Laura Schlecte, (3/31/2026)
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James E. Shotwell, Jr. (3/31/2024)
Jackson County Commissioner
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Cynthia Richardson (3/31/2027)
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***Phil S. Willis (3/31/2022)**
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Martha Fuerstenau (3/31/2027)
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*Jason Sanders, **Treasurer/Secretary**
(3/31/2025)
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Mindy Bradish-Orta (3/31/2025)
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*Alex Masten/Emily Cones, EDC Staff
Debbie Kelly, RLF Administrator
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***Loan Review Committee Members and also includes:**
Ron Clingerman: 817-1121
ron.clingerman@flagstar.com



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2022 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,
- ◆ 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, 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 Enterprise Group of Jackson (The EG) proposes to enter into a management agreement with the Economic Development Corporation of Jackson County (EDC) to provide staff support, marketing services and strategic counsel. The compensation for services to the EDC will be based on an annual management fee in the amount of \$3,000, payable in equal semi-annual installments of \$1,500 on March 1 and September 1. The term of this agreement is for the year 2022, 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 3, 2021.

FOR THE EDC:

FOR THE ENTERPRISE GROUP:

Ronald L. Ellison, Chairman

Tim Rogers, President and CEO

Date

Date