Lansing Economic Development Corporation

Board of Directors Meeting
Friday, June 09, 2023 – 8:30 AM
Lansing EDC Office
230 N. Washington Square, 2nd Floor Boardroom, Ste. 209
Lansing, MI 48933

AGENDA

1) Call to Order/Roll Call
2) Introduction of Community Development Fellow
3) Approval of LEDC Board Meeting Minutes – Friday, May 05, 2023
4) Update on Financials
5) FY2023/2024 LEDC & City of Lansing Economic Development Contract (ACTION)
6) FY2023/2024 LEDC & City of Lansing Façade Program Contract (ACTION)
7) Approval of FY2022/2023 LEDC Budget Amendment (ACTION)
   Attached Amended FY2022/2023 LEDC Budget- Highlighted in Orange
8) Approval of FY2023/2024 LEDC Budget (ACTION)
   Attached Proposed FY2023/2024 LEDC Budget- Highlighted in Blue
9) Approval of Micro-Loan Request (ACTION)
10) Approval of Micro-Loan Policy Update (ACTION)
11) Approval to Repurchase Corner Parcel (ACTION)
12) LEED Initiative Update
13) Organization Update
14) Open Forum for LEDC Board Members
15) Other Business
16) Public Comment
17) Adjournment

Board of Directors Meeting

Friday, May 05, 2023 – 8:30 AM

Lansing EDC Office - 230 N. Washington Sq. Suite 209, Lansing, MI 48933

MINUTES

Members Present: Chair - Calvin Jones, Vice-Chair - Shelley Davis Boyd, Secretary - Dr. Alane Laws-Barker, Chaz Carrillo, Jordan Hankwitz, Sandra Lupien, Michael McKissic, Jordan Sutton

Members Absent: Treasurer - Catherine Rathbun

Staff Present: Karl Dorshimer, Kris Klein, Brandy Standler, Aurelius Christian, Simon Verghese

Guests: Andrea Binoneimi

Call to Order/Roll Call

Chair Jones called the Lansing Economic Development Corporation meeting to order at 8:32 AM.

Special Presentation – Chair Calvin Jones presented to past board chair Andrea Binoneimi a clock in appreciation for her years of service on the board of directors.

Introduction of New Board Member – Jordan Hankwitz was introduced to the board as a new member. Jordan is the new Director of Economic Development with the City of Lansing.

Approval of LEDC Board Meeting Minutes – Friday April 14, 2023 (ACTION)

MOTION: Member Davis Boyd moved to approve the LEDC meeting minutes from the Friday, April 14, 2023, Board of Directors meeting, as presented. Motion seconded by member Carrillo.

YEAS: Unanimous, motion carried.

Update on Financials

Standler noted that the ARPA funds are reflected in the financials, and everything is on track as we approach the end of the fiscal year.

FY2024 Budget Preview and Discussion

Klein provided a preview to the budget that will be fully presented in June. Revenue services and expenses were covered.

LEED Initiative Update

Christian provided an update. The Empower Program is the technical assistance aspect to the LEED Initiative. 25 BIPOC owned businesses will be supported. Applications open in May. A six-month program starts June 28^{th}.

Organization Update

Dorshimer noted that interviews are concluding for the Economic Development Specialist position and a decision will be made soon to add a new staff member. Lansing EDC office will be moving to the Arbaugh building, as the current lease for office space will be up on June 30^{th}.

Projects Update

Lofts at Dodge Park project is still in progress; further updates will be provided. Hall 224 is tracking to open in August. The Ovation is coming along with groundbreaking in a few weeks. City View will be opening to residents very soon. Moneyball will be hosting a Grand Opening in the coming weeks. Niowave is expanding. LBRA working with North Point developer is trying to secure a grant for the Verlinden site for manufacturing. Verghese provided an update to the MSU practicum corridor project.

Open Forum for LEDC Board Members

Materials were passed to the board from Chair Jones, and Vice Chair Davis Boyd.

Other Business

Public Comment

Adjournment

Chair Jones called the Lansing Economic Development Corporation meeting to adjournment at 9:24 AM.

Karl R. Dorshimer

Karl Dorshimer, President, and CEO
Lansing Economic Development Corporation (LEDC)

Lansing Economic Development Corporation
Profit & Loss Budget vs. Actual
July 2022 through April 2023

	Jul '22 - A...	Budget	$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
40000 · Contract Income				
40010 · Brownfield Admin	209,330.31	230,356.00	-21,025.69	90.9%
40020 · City of Lansing Contract	300,000.00	300,000.00	0.00	100.0%
40040 · Annual Issuer's Fees	0.00	85,269.00	-85,269.00	0.0%
40050 · TIFA Admin	0.00	195,000.00	-195,000.00	0.0%
40080 · Facade Grant Contract	175,000.00	175,000.00	0.00	100.0%
40088 · ARPA Contract City of Lansing				
40088.1 · ARPA - Grant Contract	4,073.10	2,675,000.00	-2,670,926.90	0.2%
Total 40088 · ARPA Contract City of Lansing	4,073.10	2,675,000.00	-2,670,926.90	0.2%
40090 · EGLE Allen Place-Grant Contract				
40090.1 · EGLE Allen Place Grant Contract	1,467.50	0.00	1,467.50	100.0%
40090.2 · EGLE Allen Place Grant Admin.	8,446.25			
Total 40090 · EGLE Allen Place-Grant Contract	9,913.75	0.00	9,913.75	100.0%
40092 · EGLE Stadium North Grant				
40092.1 · EGLE Stadium N - Grant Contract	14,399.32	1,000,000.00	-985,600.68	1.4%
40092.2 · EGLE Stadium N Grant Admin	59.40			
Total 40092 · EGLE Stadium North Grant	14,458.72	1,000,000.00	-985,541.28	1.4%
Total 40000 · Contract Income	712,775.88	4,660,625.00	-3,947,849.12	15.3%
41000 · Loan Interest				
41097 · Irie Smoke Shack LLC	16.59			
41095 · RBM Properties Interest	2,212.95			
41096 · Osteria Vegana Lansing LLC	583.32			
41094 · Irie Smoke Shack-Interest	572.79			
41091 · The 517 Coffee Company Interest	710.95			
41093 · Sweet Encounter Bakery Cafe Int	429.19			
41000 · Loan Interest - Other	0.00	7,273.00	-7,273.00	0.0%
Total 41000 · Loan Interest	4,525.79	7,273.00	-2,747.21	62.2%
42000 · Investments				
42010 · Interest-Savings, Short-term CD	2,603.20	3,000.00	-396.80	86.8%
Total 42000 · Investments	2,603.20	3,000.00	-396.80	86.8%
43000 · Other Types of Income				
43010 · Miscellaneous Revenue	0.00	5,000.00	-5,000.00	0.0%
43037 · Application Fees	29,365.00	30,000.00	-635.00	97.9%
Total 43000 · Other Types of Income	29,365.00	35,000.00	-5,635.00	83.9%
Total Income	749,269.87	4,705,898.00	-3,956,628.13	15.9%
Gross Profit	749,269.87	4,705,898.00	-3,956,628.13	15.9%
Expense				
61000 · Contract Services				
61015 · Payroll Fees	2,056.88	4,200.00	-2,143.12	49.0%
61010 · Accounting Fees	51,540.14	50,000.00	1,540.14	103.1%
61020 · Legal Fees	9,730.50	11,733.00	-2,002.50	82.9%
61030 · Outside Contract Services	19,443.00	27,000.00	-7,557.00	72.0%
61000 · Contract Services - Other	0.00	0.00	0.00	0.0%
Total 61000 · Contract Services	82,770.52	92,933.00	-10,162.48	89.1%

	Jul '22 - A...	Budget	$ Over Bud...	% of Budget
62000 · Facilities and Equipment				
62020 · Office Expense	8,275.30	50,271.00	-41,995.70	16.5%
62025 · Equipment	130.96			
62050 · Rent	32,000.00	45,000.00	-13,000.00	71.1%
62055 · Software Subscriptions	43,959.84			
62060 · Telephone/Communications	4,309.91			
Total 62000 · Facilities and Equipment	88,676.01	95,271.00	-6,594.99	93.1%
63000 · Development				
63030 · Contractual Services	10,000.00			
63050 · Insurance & Bonds	12,455.00	15,012.00	-2,557.00	83.0%
63055 · Marketing & Promotions	375.00	20,000.00	-19,625.00	1.9%
63056 · Travel & Conferences & Training	10,811.39	10,000.00	811.39	108.1%
63060 · Miscellaneous Operating	2,612.28	4,000.00	-1,387.72	65.3%
63080 · Bank Fees	771.99	900.00	-128.01	85.8%
63081 · Bank Fees-2575	216.00			
63085 · Parking Lot 55 Reimbursement	3.30			
Total 63000 · Development	37,244.96	49,912.00	-12,667.04	74.6%
65000 · Grant and Program Expenses				
65020 · Facade Grants	37,728.91	175,000.00	-137,271.09	21.6%
65025 · EGLE Allen Place Grant Contract	9,913.75			
65088 · ARPA Grant				
65088.1 · ARPA LEED Initiative	73.10	2,000,000.00	-1,999,926.90	0.0%
65088.2 · ARPA CIA Allocations	4,000.00	400,000.00	-396,000.00	1.0%
65088.3 · ARPA Facade Program	0.00	175,000.00	-175,000.00	0.0%
65088.4 · ARPA - LEDC Conversion/Start Up	0.00	100,000.00	-100,000.00	0.0%
Total 65088 · ARPA Grant	4,073.10	2,675,000.00	-2,670,926.90	0.2%
65092 · EGLE Stadium North Grant				
65092.1 · EGLE Stadium N Grant Contract	14,399.32	1,000,000.00	-985,600.68	1.4%
Total 65092 · EGLE Stadium North Grant	14,399.32	1,000,000.00	-985,600.68	1.4%
Total 65000 · Grant and Program Expenses	66,115.08	3,850,000.00	-3,783,884.92	1.7%
66000 · Payroll & Empl Benefit Expenses				
66100 · Payroll Expenses				
66110 · Salaries - Staff	315,329.66	434,738.00	-119,408.34	72.5%
66120 · Taxes-FICA	23,826.43	33,257.00	-9,430.57	71.6%
66125 · Taxes-unemployment	3,218.04	19,256.00	-16,037.96	16.7%
Total 66100 · Payroll Expenses	342,374.13	487,251.00	-144,876.87	70.3%
66500 · Employee Benefits				
66510 · Health Insurance-Employees	22,356.97	95,425.00	-73,068.03	23.4%
66515 · Life/Disability Ins - Employees	4,330.47	2,391.00	1,939.47	181.1%
66520 · Retirement Expense	17,075.80	26,084.00	-9,008.20	65.5%
66525 · Parking-Employees	6,247.36	6,000.00	247.36	104.1%
66530 · Workers Comp Insurance	737.50	630.00	107.50	117.1%
Total 66500 · Employee Benefits	50,748.10	130,530.00	-79,781.90	38.9%
Total 66000 · Payroll & Empl Benefit Expenses	393,122.23	617,781.00	-224,658.77	63.6%
Total Expense	667,928.80	4,705,897.00	-4,037,968.20	14.2%
Net Ordinary Income	81,341.07	1.00	81,340.07	8,134,107.0%
Net Income	**81,341.07**	**1.00**	**81,340.07**	**8,134,107.0%**

CONTRACT BETWEEN
THE LANSING ECONOMIC DEVELOPMENT CORPORATION
AND
THE CITY OF LANSING
(2023-2024)

THIS CONTRACT, entered into this __st day of June 2023 effective from July 1, 2023 through June 30, 2024 by and between the City of Lansing, a Michigan municipal corporation (the “City”) and the Economic Development Corporation of the City of Lansing, a non-profit corporation organized and existing under the laws of the State of Michigan (the "Contractor"). The Contractor is the exclusive and independent employer of its employees, if any.

WITNESSETH THAT:

WHEREAS, the City desires to engage the Contractor to perform certain services and activities; and

WHEREAS, the Contractor represents that it will perform such services and activities in a lawful, satisfactory and proper manner, all in accordance with the policies, procedures and requirements which have been or, from time to time, may be prescribed by the City; and

NOW, THEREFORE, the City and the Contractor do mutually agree as follows:

1. Scope of Work

Introduction:

The LEDC will provide via this contract economic development services to the City. These services include assisting with business expansion, retention and attraction along with facilitating real estate and place-based development projects in the City. In addition, LEDC will assistthe West Saginaw St., East Michigan Ave., and South MLK Blvd. Corridor Improvement Authorities’ (CIA) while also continuing the planning work for the CIA on N. Grand River Ave. LEDC will also promote, manage and implement the City Façade Improvement Program and the Lansing Equitable Economic Development (LEED) Initiative. To support and ensure that these efforts will be successful The LEDC will also provide administrative services to the Tax Increment Financing Authority (TIFA), Lansing Brownfield Redevelopment Authority (LBRA) and all four CIA Boards.

Scope of Work Details (City Project)

A. Lansing Real Estate and Place Development

Preparing, marketing and facilitating the development of land and buildings in the City of Lansing including contaminated, blighted, functionally obsolete and surplus properties.

B. Lansing Business Retention and Expansion

Assisting Lansing businesses with expansion and relocation including making business retention calls to determine and meet their needs to remain strong and profitable.

C. Lansing Business Attraction

Marketing, Promoting and Assisting with the attraction and location of Businesses to the City of Lansing.

D. LEDC Lansing Equitable Economic Development Initiative

Promoting, Implementing and Managing the Lansing Equitable Economic Development (LEED) Initiative, per a separate contract between the Contractor and City and subject to available funding of the program.

E. Lansing Façade Improvement Program

Promoting, Implementing and Managing the Lansing Façade Improvement Program, per a separate contract between the Contractor and City and subject to available funding of the program.

F. Lansing Covid-19 Small Business Assistance/Business Recovery

Participation and implementation as necessary in Lansing of all Federal, State and Local funding Covid-19 related grant and loan programs.

G. LEDC Management and Administration

Managing and conducting all the responsibilities, tasks, and functions of the Lansing Economic Development Corporation.

H. LBRA Plans, Grants, Loans, Acct. Admin & Board Management

Managing and conducting all the responsibilities, tasks, and functions of the Lansing Brownfield Redevelopment Authority.

I. Lansing TIFA Management and Administration

Managing and conducting all the responsibilities, tasks, and functions of the Lansing Tax Increment Financing Authority.

J. Lansing Corridor Improvement Authorities

Creating, Developing and Assisting the East Michigan, West Saginaw, South MLK and N. Grand River Corridor Improvement Authorities.

K. General Economic Development Services and Activities

Day to day and general economic development activities necessary to assist and conduct economic development in the City of Lansing.

L. General Administrative Services

Perform all general administrative duties and tasks to fulfill the LEDC contract for services.

M. Lansing Development Projects Audits, Policy & Analysis

Review and auditing of completed development projects, creating, and applying economic incentive policies, reporting and documentation of successfully completed LEDC/City projects.

2. Time of Performance

The time of the performance under this Contract shall be from July 1, 2023 to June 30, 2024. In no event shall this contract extend beyond June 30, 2024, unless so provided by a written amendment hereto that has been executed by both parties. Unless otherwise terminated pursuant to the terms of this Contract, the Contractor shall continue to perform services and activities until the Contract expires.

3. Compensation and Method of Payment for LEDC Contract Services

A) As full compensation for the Contractor's satisfactory performance under and completion of this Contract, the City shall pay the Contractor the amount of Three Hundred Thousand and 00/100 ($300,000.00) Dollars on July 1, 2023.

B) It is expressly understood by and between the City and Contractor that except as provided in subparagraph (E) below, in no event shall the total compensation and reimbursement, if any, to be paid to the Contractor pursuant to this Contract, exceed the maximum sum of Three Hundred Thousand and 00/100 dollars ($300,000.00).

C) The Contractor agrees, subject to availability of funds and any necessary Board approvals, to provide any additional money, services and/or physical resources which may be required to complete its performance under this Contract.

D) The Contractor agrees to request payment on an invoice or as otherwise mutually agreeable between the City Finance Department and the Contractor.

E) If the City desires additional services on any specific project or issue that is outside the scope of this Contract, the City may hire the Contractor for an additional agreed upon rate.

4. <u>Continued Funding</u>

The City makes no implied or explicit guarantee, offer or representation of future funding from the City of Lansing beyond the termination of this Contract. The City further makes no implied or expressed guarantee that it will not terminate this Contract pursuant to the terms and conditions of Paragraph 22.

5. <u>Finance Procedures</u>

A) The Contractor must have in place generally accepted accounting practices (GAAP) through the agency's internal structure or through services provided by the City of Lansing. To allow the Contractor to meet GAAP standards the City commits to providing all necessary accounting information to the Contractor in a timely manner per GAAP standards.

B) Suspension of Funding: The City Finance Director ("Finance Director"), in its sole discretion, has the authority to suspend, reduce or disallow any payment(s) of funds to the Contractor included in Paragraph 3, notwithstanding any other provision of the Contract, upon written notice to the Contractor when: the internal fiscal controls and records established pursuant to Paragraph 3 and Paragraph 4 are changed without the Finance Director's approval; or, where in the opinion of the Finance Director, there is a reasonable likelihood that funds may be misused, misappropriated, or spent for an ineligible purpose as defined within this Contract.

1. Any unearned payments under this Contract may be suspended by the Finance Director upon the Contractor's refusal to accept and comply with any additional conditions or requirements of the City.

2. Any unearned payments under this Contract may be suspended or reduced if the funding sources for this Contract are reduced or suspended or terminated for any reason.

6. <u>Contract Modifications</u>

The City, from time to time, may expand, diminish or otherwise modify the project objectives, scope of services, or any other Contract provision related thereto, which the Contractor is required to perform. However, only modifications that are mutually agreed upon by the City and the Contractor, and incorporated into written amendments to this Contract after approval by the City, shall be amendments to this Contract.

7. <u>Contractor's Failure of Performance</u>

A) The failure of the Contractor to provide any work or services required by this Contract in a satisfactory and timely manner shall be a material breach of the Contract.

1. The City in its sole discretion shall determine whether the work is satisfactorily completed.

2. In the event the City determines the work or services provided under this Contract have not been performed in a timely or satisfactory manner, the City shall notify the Contractor and allow Contractor ten (10) days to cure or provide a corrective action plan for any such failure to perform work or services in a timely and satisfactory manner.

3. In the event that Contractor fails to provide a corrective action plan or cure the unsatisfactory or untimely work or performance, the City may take any other action permitted by law or this Contract, including but not limited to Contract termination.

B) Reduction of Compensation by the City of Lansing:

In the event the Contractor fails to perform, in a timely and proper manner any of the services or activities required under this Contract, the City may, in its sole discretion, reduce or modify the compensation payable hereunder to the Contractor in a manner which appropriately reflects such reduction or diminution of services or activities.

C) Termination by the City of Lansing:

1. In the event the Contractor fails to fulfill in a timely and proper manner any of the terms, conditions, or obligations of this Contract, or if the Contractor violates any of the covenants, agreements, or stipulations of the Contract, the City shall notify the Contractor and allow Contractor ten (10) days to cure or provide a corrective action plan for any such failure or violation. In the event that Contractor fails to cure or provide a corrective action plan after receiving the notice described above, the Mayor of the City of Lansing, in the Mayor's sole discretion may terminate this Contract with no further liability to the Contractor beyond that expressly provided for within Paragraph 7 herein.

2. In the event this Contract is terminated:

a) All data, documents, drawings, maps, models, photographs, reports, studies and surveys which have been or were prepared by the Contractor with City funds pursuant to the Contract, become the property of the City; and

b) The Contractor shall receive just and equitable compensation for any work which the Contractor satisfactorily completed pursuant to this Contract, subject to (3) (b) below.

3. It is agreed that nothing contained herein shall:

a) Deprive the City of any additional rights or remedies, either at law or equity, or under the terms, conditions, obligations, covenants, agreements, and stipulations of this Contract, which they may respectively assert against the Contractor upon failure to fulfill any of the terms, conditions, obligations, covenants, agreements or stipulations of this Contract; or

b) Relieve the Contractor of any liability to the City for any damages sustained by the City as a result of any breach of Contract by the Contractor; and if it sustains such damages, the City may withhold, as a set off, any payments due the Contractor until such time as an exact amount of damages sustained by the City is properly and legally determined.

8. <u>Reports and Information</u>

A) Financial Records and Reports:

The Contractor agrees to make and maintain adequate financial records in a form satisfactory to the Finance Director. Such financial records and reports shall reflect all costs and expenses incurred in performing this agreement and records of the use of all consideration received pursuant to this agreement.

Financial records and reports of the Contractor shall conform with the "City of Lansing Standard Operating Procedures for City Support Agencies" to be made available to the Contractor by the Finance Director, which manual is hereby incorporated by reference herein, and further the Contractor acknowledges and agrees that said "City of Lansing Standard Operating Procedures for City Supported Agencies" is available for use by the Contractor and the Contractor shall have the duty to be fully familiar with said manual.

B) Equal Employment Opportunity Provisions:

Pursuant to Chapter 1-302.1 of the Lansing City Charter, the Contractor agrees that it will ensure that no person or group engaged in the conduct of official business or seeking to do business arising from this Contract is discriminated against because of race, creed, political orientation, color, national origin, marital status, sex, age, handicap, or for any cause not reasonably related to the accomplishment of a legitimate governmental purpose.

The Contractor further agrees that all subcontractors or other agreements entered into pursuant to this Contract shall obligate any Beneficiaries of this Contract to adhere to the same equal opportunity provisions noted above.

The Contractor and any subcontractors agree to provide equal employment opportunity pursuant to all state and federal laws including the Americans with Disability Act and to provide proof to the City as requested by the Human Relations & Community Services Department pursuant to Section 206.20 and 206.21 of the Codified Ordinances of the City of Lansing.

9. Eligible Costs of the Contractor

Under this Contract, all costs incurred and expenditures made pursuant to this Contract shall be fully documented and shall be in conformance with any limitations or exclusions of applicable Federal, State and local laws, rules, regulations and conditions mandated by the City.

10. Records and Documentation

A) The Contractor shall establish and maintain all necessary records concerning any matter covered by this Contract which, from time to time, may be requested by the City.

B) Unless otherwise expressly authorized by the City, the Contractor shall maintain all records related to this Contract, including financial records and accounts for a period of three (3) years after receipt of final payment under this Contract.

C) If any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained by the Contractor until all litigation, claim or audit findings involving the records have been resolved.

11. Audits and Inspections

A) At any time during normal business hours and as often as the City may deem necessary to ensure proper accountability for all project funds, the Contractor shall:

1. Make available to the City all checks, payrolls, time records, invoices, Contract vouchers, orders and other data, information and material concerning any matter covered by this Contract; and

2. Permit the City to audit, examine, excerpt, or transcribe all checks, vouchers, orders or other data, information and material concerning any matter covered by this Contract; and

3. Allow the City to review such documents that are considered as backup to the operation of the Contractor, regardless of funding source; and

4. Make available to the City documentation supporting service reports.

12. Conflict of Interest

A) Conflict of interest is defined as: Contractor's officers, directors, and/or employees using position for a purpose that is or gives the appearance of being motivated by a desire for private financial gain for themselves or others, particularly those with whom they have family, business, or other ties.

B) Contractor covenants, to the best of its knowledge, that no such interest exists and no person having any conflicting interest in this Contract shall be employed for the purpose of performing the services and activities set forth in the Scope of Services section of the Contract or fulfilling the terms, conditions, obligations, covenants, agreements or stipulations of this Contract.

C) The Contractor shall establish safeguards to prohibit conflicts of interest as defined by 12.A. above.

13. Assignment and Transfer of Interest: Subcontracting

Except as provided in Section 23, the Contractor shall not assign or transfer, whether by assignment or novation, any interest in this Contract or subcontract any performance or portion thereof pursuant to this Contract without written consent of the City, provided however, that claims for money due or to come due the Contractor from the City pursuant to this Contract may be assigned or transferred to a bank, trust company, or other financial institution without such consent, and the Contractor shall promptly notify the City of any such assignment or transfer.

14. Lobbying and Political Activities

None of the money, compensation, reimbursement, funds, property or services provided, directly or indirectly, under, by or pursuant to this Contract shall be used for any partisan political activity or to further the election or defeat of any candidate for any public office, or propaganda designed to support or defeat any legislation pending before the Congress of the United States, the Michigan State Legislature, or the City Council of the City.

15. "Save Harmless" Clause

Contractor shall indemnify, defend, and hold the City harmless for all damages arising out of a claim a third party brings against the City that arises solely out of Contractor's negligent or intentional misconduct.

The City shall include in all Development agreements with third parties that those third parties must indemnify, defend, and hold harmless Contractor as well as the City, to the extent allowed by law.

16. Civil Rights

A) Contractor agrees that it will not discriminate as to provision of services pursuant to this agreement or as to hiring or terms or conditions of employment based on race, creed, color, religion, national origin, sex, handicap, marital status, height, weight or age. It will maintain written personnel rules, guidelines, practices, and terms and conditions of employment. The personnel rules established may be amended from time to time, as necessary. Contractor shall have in place its personnel policies with copies of any amendments made to them. A violation of this provision shall be a material breach of the Contract.

B) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, height, weight, marital status, sex, age, handicap, national origin, sexual orientation or gender preference.

C) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part.

17. City Charter

It is clearly understood that nothing contained in the Contract shall deprive the City of Lansing of any rights that it may exercise by virtue of the provisions of the Charter of the City.

18. Severability of Provisions

If any clauses, sections, provisions or parts of this Contract are held invalid or if any portion of any clause, section, provision or part of the Contract is held invalid, the remainder of this Contract shall continue to be enforceable as written. Unless otherwise specified in the Contract, all notices, duties or rights of the City shall be exercised by and through this Contract as specified in this herein.

19. Waiver

The failure of the City to demand compliance with any term of this Contract or to take action when this Contract is breached in any way shall not be considered a waiver of that Contractual requirement thereafter nor the City's right of action for the breach of that term.

20. Insurance and Bonds

In addition to any other insurance and bonding requirements of this Contract the Contractor shall maintain at least the following insurance coverage: Worker's compensation and unemployment compensation that meet minimal State of Michigan statutory requirements, if required by law.

21. Disclosure of Confidential Material

All reports, data, information, statements, forecasts, records, and so forth, assembled, constructed or prepared pursuant to or as a consequence of this Contract are subject to all Federal and Michigan laws and regulations governing the disclosure of "public, client and medical, or other records" subject to certain exemptions from disclosure under the circumstances expressly authorized by the above laws and regulations.

22. Termination and Parties' Election

The City may, upon sixty (60) days written notice to the Contractor, with or without cause, terminate this agreement and all of the City's obligations hereunder, including any obligations to provide financial assistance. The City may exercise its rights pursuant to this provision regardless of whether the Contractor is in default of any condition or obligation under this Contract. Once the City has provided written notice to the Contractor, the City shall not be obligated to supply financial assistance in any amount greater than the average monthly payment to the Contractor over the preceding months of this agreement. Average monthly payment, for purpose of this section, shall be determined by totaling the City's contribution from the inception of the Contract until the time notice is provided and divide the number of funded months (or any fraction thereof) by the amount of monies expended over such period. The City may also compensate in excess of the average monthly payment upon receiving documentation that warrants such action.

23. Subcontracting

The Contractor may subcontract some or all of the responsibilities set forth in Section 1, scope of services, subject to the prior written consent of the Mayor. Any such subcontract must provide substantially the same terms as this Contract and provide that it can be terminated by the LEDC under the same terms as Section #22.

24. Applicable Law

This Agreement will be governed by the laws of the State of Michigan.

[Signatures on the following page.]

Attest:

____

____

City of Lansing

BY: __________________________________
Andy Schor, Mayor

Witness:

____

____

Lansing Economic Development Corp.

BY: __________________________________
Calvin Jones, LEDC Chair

Approved as to form only:

____
City Attorney

Certification as to availability of funds & Account Number:

Account #101.966000.991280.000000

LEDC Contract Amount: $300,000.00

____
Finance Director

FAÇADE IMPROVEMENT GRANT PROGRAM
CONTRACT BETWEEN
THE LANSING ECONOMIC DEVELOPMENT CORPORATION
AND
THE CITY OF LANSING

THIS CONTRACT, entered into this _ day of ___ 2023 effective from January 1st, 2024, through December 31, 2024 by and between the City of Lansing, a Michigan municipal corporation (the "City") and the Lansing Economic Development Corporation, a non-profit corporation organized and existing under the laws of the State of Michigan (the "LEDC").

WITNESSETH THAT:

WHEREAS, the City and the LEDC are committed to help strengthen the economic viability of businesses in the City of Lansing by providing incentives for improving the appearance and structural conditions of the exterior of commercial buildings; and

WHEREAS, to best utilize limited funds for the purposes of creating and executing a business façade grant program that is available to be used on commercial properties throughout the city of Lansing, a relationship has been created between the City and the LEDC; and

WHEREAS, on behalf of the City of Lansing, the LEDC will administer a façade improvement grant program (the "Façade Improvement Grant Program") from funds secured through the City's general fund; and

NOW, THEREFORE, the City and the LEDC do mutually agree that the LEDC shall meet and perform the program goals and objectives within the stated time of performance and comply with the terms and conditions as outlined in this contract:

1. <u>Program Goal</u>

   To implement a Façade Improvement Grant Program that allows property owners, tenants and others to apply for matching grant funds to make permanent improvements to commercial building exteriors located in the city of Lansing.

2. <u>Program Objectives</u>

   a) Strengthen the economic viability of Lansing by providing incentives for improving the appearance and structural conditions of its commercial buildings.

   b) Improve business success by enhancing the curb appeal of commercial properties to customers and visitors in Lansing.

   c) Help restore historic features of buildings and encourage façade design treatments that complement and enhance adjacent properties.

d) Ensure that façade improvements meet design guidelines, building codes and zoning requirements.

3. Scope of Services

In order to accomplish the program goals and objectives, the LEDC shall perform in a lawful, satisfactory and proper manner, all in accordance with the policies, procedures and requirements which have been or, from time-to-time, may be prescribed by the City, administration of the Façade Improvement Grant Program.

Subject to the availability of funding from the City, the LEDC will manage $175,000 for the purposes of creating, executing a Façade Improvement Grant Program available to commercial property owners, tenants and others for properties located primarily outside downtown Lansing.

4. Time of Performance

The time of the performance under this contract shall be from January 1st, 2024, to December 31, 2024. In no event shall this contract extend beyond December 31, 2024, unless so provided by a written amendment hereto that has been executed by both parties. Unless otherwise terminated pursuant to the terms of this contract, the LEDC shall continue to perform services and activities until the contract expires.

5. Grant Funds

It is expressly understood by and between the City and the LEDC that in no event shall the total grant funds exceed ONE HUNDRED SEVENTY-FIVE THOUSAND NO/100 ($175,000.00) DOLLARS.

To be paid in the amount of $175,000.00 on January 1st, 2024. The grant funds will be used as follows.

a) Not less than 97% or $169,750 for eligible Façade Improvements or Design Assistance.
b) Up to 3% or $5,250 for Marketing and Promotion of the program

6. Continued Funding

The City makes no implied or explicit guarantee, offer or representation of future funding from the City of Lansing beyond the termination of this contract.

7. Contract Modifications

The City, from time to time, may expand, diminish or otherwise modify the program goals, objectives, scope of services, or any other contract provision related thereto, which the LEDC is required to perform. However, only after modifications that are mutually agreed upon by the City and the LEDC and incorporated into written amendments to this contract after approval by the City.

8. Equal Employment Opportunity Provisions:

Pursuant to Chapter 1-302.1 of the Lansing City Charter, the LEDC agrees that it will ensure that no person or group engaged in the conduct of official business or seeking to do business arising from this contract is discriminated against because of race, creed, political orientation, color, national origin, marital status, sex, age, handicap, or for any cause not reasonably related to the accomplishment of a legitimate governmental purpose.

The LEDC further agrees that all grant recipients adhere to the same equal opportunity provisions noted above, which provisions shall be included in all other agreements entered into pursuant to this contract.

The LEDC and any grant recipients agree to provide equal employment opportunity pursuant to all state and federal laws including the Americans with Disability Act and to provide proof to the City as requested by the Human Relations & Community Services Department pursuant to Section 206.20 and 206.21 of the Codified Ordinances of the City of Lansing.

9. Records and Documentation

The LEDC shall establish and maintain all necessary records concerning any matter covered by this contract including financial records and accounts which, from time to time, may be requested by the City.

Attest:

____

____

City of Lansing

BY: __________________________________
Andy Schor, Mayor

Witness:

____

____

Lansing Economic Development Corp.

BY: __________________________________
Calvin Jones, LEDC Chair

Approved as to form only:

____
City Attorney

Certification as to availability of funds & account number:

Account #101.834101.960095.000000

Facade Improvement Grant Funds: $175,000

____
Desiree Kirkland, Finance Director

ECONOMIC DEVELOPMENT CORPORATION
OF THE CITY OF LANSING
Certificate of Resolution by Board of Directors

At a rescheduled meeting of the Board of Directors of the Economic Development Corporation of the City of Lansing held on Friday, June 9th, 2023 at 8:30 a.m., pursuant to notice duly given:

PRESENT: Members:

ABSENT: Members:

The following preamble and resolution was offered by;

Member: , and seconded by:

Member:

LEDC 2022-2023 Budget Amendment:

WHEREAS, on Friday, June 10th, 2022, the Lansing Economic Development Corporation Board of Directors (LEDC Board) adopted its FY2022/2023 budget; and

WHEREAS, the Board previously amended the FY2022/2023 budget on Friday, December 16th, 2022, to reflect a State of Michigan Brownfield Grant, FY2023 Façade Improvement Program Contract with the City of Lansing, and City of Lansing ARPA Funds for program implementation as well as increasing the Operational Equipment & Services expenditure category; and

WHEREAS, a further amendment to the FY2022/2023 budget by the Board is needed to address revenues under Brownfield Admin and TIFA Admin that are projected to be higher than budgeted and expenditures under Contractual Services, Travel & Conferences & Training, and Operational Equipment & Services that are projected to be higher than budgeted.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANSING ECONOMIC DEVELOPMENT CORPORATION AS FOLLOWS:

1. Lansing Economic Development Corporation Board of Directors (LEDC Board) approves amending the Fiscal Year 2022/2023 budget to reflect the above-mentioned changes to revenue and expenditures by adjusting General Operating Revenue and Expenditure line items as follows:

	Adopted FY22/23 Budget (as amended)	Amended FY22/23 Budget (by this amendment)	Change
General Operating Revenues			
Brownfield Admin	$230,356	$265,334	$34,978
TIFA Admin	$195,000	$251,633	$56,633
General Operating Expenditures			
Contractual Services	$92,933	$111,200	$18,267
Travel & Conferences & Training	$10,000	$20,000	$10,000
Operational Equipment & Services	$50,271	$65,000	$14,729

2. Additionally, the LEDC agrees that if any section, clause or phrase of this Resolution is declared as invalid by a court of law, that ruling shall not affect the intent and purpose of this Resolution and validity of the remaining provisions of the Resolution.

3. Finally, the LEDC declares that all resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are repealed.

The foregoing preamble and resolutions are hereby approved by the Board of Directors for the Economic Development Corporation of the City of Lansing.

YEAS: ()

NAYS: ()

ABSTENTIONS: ()

ABSENT: ()

PREAMBLE AND RESOLUTIONS DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

I hereby certify that the foregoing is a true and a complete copy of a preamble and resolutions adopted at a meeting of the Economic Development Corporation of the City of Lansing held on the 9th day of June 2023, and said preamble and resolutions are on file in the office of the Economic Development Corporation of the City of Lansing and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan 1976, including in the case of a special or re-scheduled meeting, notice by publication or posting of at least eighteen (18) hours prior to the time set for the meeting. In addition, the meeting was held in full compliance with the Board's By-Laws.

IN WITNESS WHEREOF, I have hereunto affixed my official signature.

____

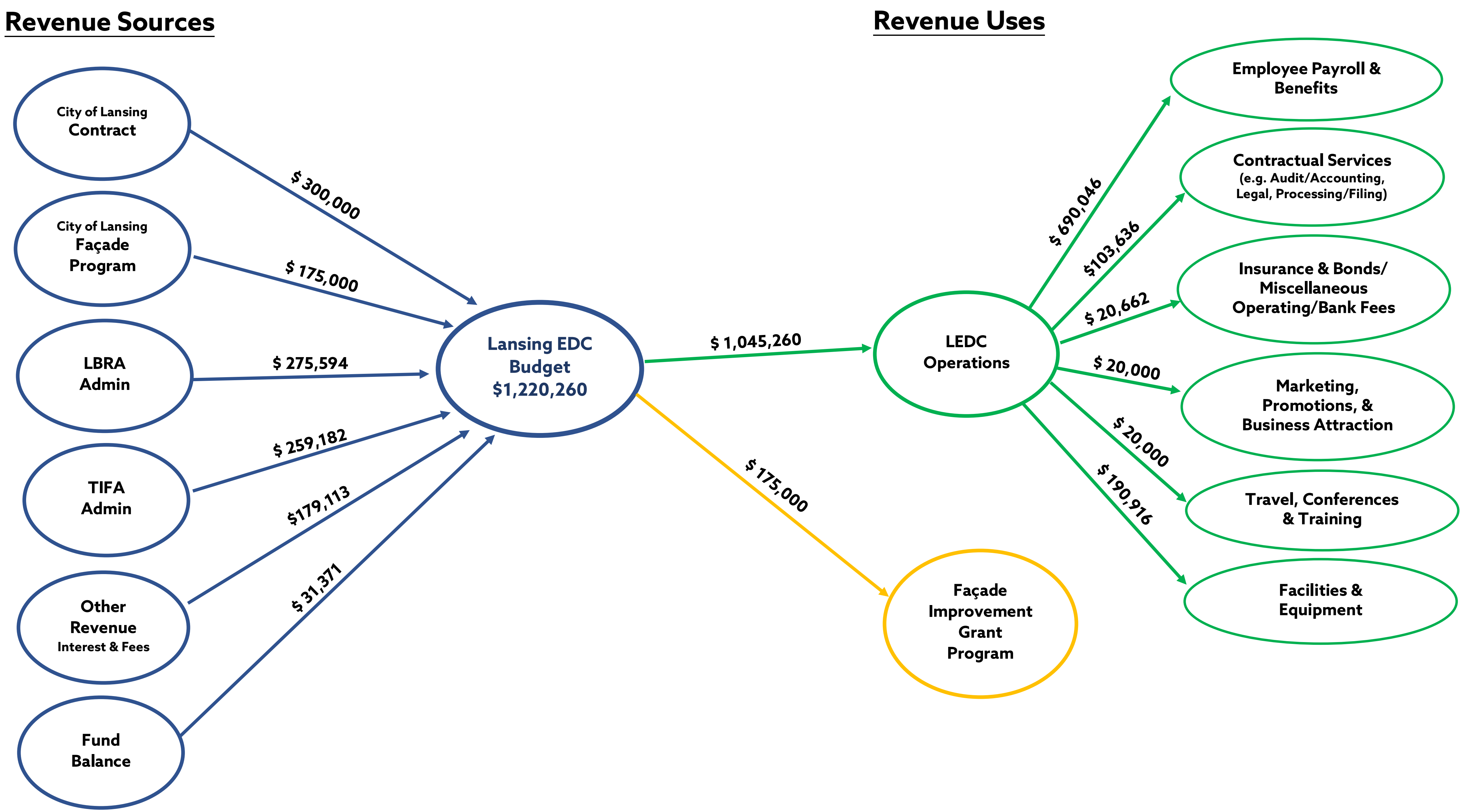
Calvin L. Jones, Chair
LEDC Board of Directors

LANSING ECONOMIC DEVELOPMENT CORPORATION (LEDC)
FY 2022/2023 AMENDED BUDGET
FY 20203/2024 PROPOSED BUDGET

Description	FY 2021/2022 Amended Budget	FY 2022/2023 Adopted Budget	FY 2022/2023 DRAFT Projected Budget	FY 2022/2023 Amended Budget	FY 2023/2024 Proposed Budget
General Operating Income					
Brownfield Admin	210,070	230,356	265,334	265,334	275,594
City of Lansing Contract	300,000	300,000	300,000	300,000	300,000
Annual Issuer's Fees	49,850	85,269	85,269	85,269	142,944
Project Review Fees	-	20,000	30,000	30,000	20,000
TIFA Admin	228,423	195,000	251,633	251,633	259,182
From/(To) Fund Balance	150,000	-	-	-	31,371
Façade Grant Contract City of Lansing	175,000	200,000	175,000	175,000	175,000
ARPA Contract City of Lansing	-	-	2,675,000	2,675,000	-
CDBG-CV/Lansing CARES	-	-	-	-	-
Allen Place EGLE Grant	-	-	-	-	-
Stadium North EGLE Grant	-	-	1,000,000	1,000,000	-
City of Lansing ARPA Funds	-	-	-	-	-
Loan Interest	1,172	7,273	6,106	7,273	8,169
Interest Income	3,000	3,000	3,000	3,000	3,000
Miscellaneous Revenue	50	5,000	5,000	5,000	5,000
Total General Operating Income	**1,117,565**	**1,045,898**	**4,796,342**	**4,797,509**	**1,220,260**

Description	FY 2021/2022 Amended Budget	FY 2022/2023 Adopted Budget	FY 2022/2023 DRAFT Projected Budget	FY 2022/2023 Amended Budget	FY 2023/2024 Proposed Budget
General Operating Expenditures					
Depreciation	-	-	-	-	-
Contractual Services	632,929	92,933	111,200	111,200	103,636
Payroll	-	434,738	429,112	434,738	602,071
Employee Benefits	-	183,044	60,441	183,044	87,975
Insurance & Bonds	21,960	15,012	15,012	15,012	15,462
Marketing, Promotions & Business Attraction	5,000	20,000	20,000	20,000	20,000
Travel & Conferences & Training	6,000	10,000	20,000	20,000	20,000
Miscellaneous Operating	1,876	4,000	4,000	4,000	4,000
CDBG-CV/Lansing CARES	-	-	-	-	-
Allen Place EGLE Grant	-	-	-	-	-
Stadium North EGLE Grant	-	-	1,000,000	1,000,000	-
LSBRP Rescue Fund	-	-	-	-	-
LBA Econ Dev Analysis	150,000	-	-	-	-
Façade Grant Program	175,000	200,000	175,000	175,000	175,000
ARPA LEED Initiative	-	-	2,000,000	2,000,000	-
ARPA CIA Allocations	-	-	400,000	400,000	-
ARPA Façade Program	-	-	175,000	175,000	-
ARPA LEDC Conversion/Start Up	-	-	100,000	100,000	-
Rent	-	60,000	45,000	45,000	51,732
Utilities	-	-	-	-	8,718
Facilities, Equipment & Services	60,000	25,271	65,000	65,000	130,466
To/(From) Fund Balance	-	-	-	-	-
Bank Fees	600	900	900	900	1,200
Total General Operating Expenses	**1,053,365**	**1,045,898**	**4,620,665**	**4,748,894**	**1,220,260**
Less Depreciation Expense		-			
Total General Operating Expenses	**1,053,365**	**1,045,898**	**4,620,665**	**4,748,894**	**1,220,260**
Net Income	**64,200**	**(0)**	**175,677**	**48,615**	**(0)**
Add Back Depreciation Expense	**-**	**-**	**-**	**-**	**-**
Net Income	**64,200**	**(0)**	**175,677**	**48,615**	**(0)**

Lansing EDC FY2023/2024 Budget Diagram



Lansing Economic Development Corporation

Lansing Economic Development Corporation
Lansing Brownfield Redevelopment Authority
Tax Increment Finance Authority
Office: 230 N. Washington Sq. Ste. 210, Lansing, MI 48933
Mailing Address: PO Box 15157, Lansing MI, 48901-5157

MEMORANDUM

DATE: Tuesday, June 6, 2023
TO: LEDC Board of Directors
FROM: Simon Verghese, Economic Development Specialist, on behalf of the Lansing Economic Development Corporation Loan Committee
SUBJECT: Updated Lansing EDC Micro-Loan Policy and Procedures

On June 5th, 2023 the Lansing EDC Loan Committee moved to recommend the proposed updated Lansing EDC Micro-Loan Policy and Procedures to the Lansing EDC Board for adoption. These policies and procedures outline the Lansing EDC process for loan application intake, evaluation, approval, and disbursement of funds associated with its Micro-Loan Program up to $50,000. The current objectives of this program are as follows:

- Rehabilitation or redevelopment of existing properties including environmental remediation and elimination of blight
- Creation of jobs
- Leverage and attraction of private investment and personal equity funds into the project
- Positive impacts on Lansing employment and property values
- Priority for creation and acceleration of businesses with high economic growth potential
- Diversification of the Lansing economy
- Critical improvements to the image and perception of Lansing

The major changes in the proposed, recommended policy are as follows:
1. <u>Principal Limit:</u> The maximum loan size has increased from $25,000 to $50,000.
2. <u>Intake Process:</u> The two-step application process has been revised to include an Intake Checklist, an internal tool to be completed by staff during the initial meeting with a business, and the Micro-Loan Application.
3. <u>Other Financing:</u> Guidance has been provided for acceptable forms of “Other Financing” to include loans, municipal grants, grants from non-profits or institutions, Owner Equity if the loan request is for $25,000 or less, and other financing as determined by the Lansing EDC.

Through the implementation of this policy staff seeks to promote the vision and mission of our organization. We strive to build a Lansing that is strong, proud and prosperous for all by improving the Lansing community by fostering economic growth that is strategic, sustainable and equitable.

In addition to the policy, staff and the Loan Committee will develop new and updated documents to assist in the implementation of the new loan policy. The documents include:

1. <u>Intake Checklist</u> – An internal tool used by Lansing EDC staff to provide an initial evaluation to determine if the Micro-Loan Program is appropriate to address the needs of a project.
2. <u>Micro-Loan Application</u> – The application that Applicants complete to request funds from the Micro-Loan Program. As part of the application, Applicants submit supplemental documents, including historic and projected financial information of their business.
3. <u>Risk Rating Scoresheet</u> – An internal evaluation tool that will assess the vulnerability of a business and its default risk on making loan payments.

Lansing EDC Micro-Loan Policy

PURPOSE

These policies and procedures outline the Lansing EDC process for intaking, evaluating, approving, and disbursing funds associated with its Micro-Loan Program up to $50,000.

DEFINITIONS

Applicant – A For-Profit Business applying for the Lansing EDC Micro-Loan Program.

Small Business – A business with both less than 50 employees and less than $1,500,000 in gross annual revenue during the business's most recently completed fiscal year or, for a planned business, a business plan that the Lansing EDC finds to project both less than 50 employees and less than $1,500,000 in annual revenue over a period acceptable to the Lansing EDC. The Lansing EDC may require that employees and revenue of an Applicant and Owner's affiliates also be taken into account for eligibility purposes.

For-Profit Small Business – A Small Business organized as a sole-proprietorship, partnership, limited liability company (other than a low-profit limited liability company), or corporation (other than a nonprofit or low profit corporation) that was established for and operates with the purpose of earning profits that is presently generating revenue or incurring costs, or has a business plan that the Lansing EDC finds to be viable to generate revenue or incurring cost shortly after receipt of a Micro-Loan.

Owner – An individual with 20% or more direct or indirect ownership stake in a For-Profit Small Business.

Section I – Intake

POLICY

Applicants will apply to the Micro-Loan Program upon request or by referral from Lansing EDC staff through a two-step process:

1. Intake Checklist
2. Micro-Loan Application

PROCEDURE

1. At intake, Lansing EDC staff will complete the Intake Checklist, *Lansing EDC Intake Checklist*, with Applicants and determine if the Micro-Loan Program is appropriate for the project.

2. If Lansing EDC staff determine the Micro-Loan Program is appropriate, Lansing EDC staff will provide Applicants with the Micro-Loan Application, *Lansing EDC Micro-Loan Application.* Applicants will provide the completed form to Lansing EDC staff for review.

3. After completion of this form, Lansing EDC staff will evaluate the eligibility of the application based on the criteria outlined in Section II – Eligibility. Additional information may be required of the Applicant to determine eligibility.

4. If the Lansing EDC determines that the Applicant meets the criteria, Lansing EDC staff will score the project based on the *Lansing EDC Micro-Loan Scoresheet*, and Applicants will provide any supplemental documentation to Lansing EDC staff for review.

Section II – Eligibility

POLICY

Applicants are required to meet the following criteria to be eligible for the Micro-Loan Program:

1. All of the following:
    a. Operating or planned to be operating or locate in the city of Lansing as defined by the city's corporate boundaries.
    b. Be a For-Profit Small Business.
    c. Financial Health:
        i. Both existing and planned businesses must demonstrate good financial health in actual or projected financial documents as determined by the discretion of Lansing EDC staff.
    d. Good Standing:
        i. Must be in good standing with the following, as applicable:
            1. Current business lenders with a secured or unsecured interest in the applicant or the applicant's property
                a. Personal lenders will be taken into consideration at the discretion of the Lansing EDC staff.
            2. Landlords
            3. City of Lansing
                a. The Applicant and Owners must be in good standing with city property and current on income taxes as verified by the City of Lansing Finance and Treasury Department. The Lansing EDC will not be responsible for a denial of eligibility due to an incorrect verification report from the City of Lansing.
                b. The Applicant and Owners must not be in litigation with the City of Lansing or any of its affiliates.

        4. Other interested parties as requested by the Lansing EDC.
    e. Other Financing
        i. The Micro-Loan must be partnered with at least one other source of financing. The funds from the Micro-Loan Program must be 50% or less of the total capital required for a project. Acceptable other financing includes:
            1. Loans from Financial Institutions
            2. Municipal Grants
            3. Grants from Non-Profit Entities
            4. Owner equity, if the loan request is for $25,000 or less.
            5. Other financing as determined by the Lansing EDC.
        ii. The Lansing EDC requires Applicants to provide evidence of a minimum of 10% Owner equity (new cash investment) in each loan project (10% of total project costs).
        iii. The Lansing EDC prefers to fill gaps in the overall financing of the project and not to be the primary lender. Primary loans, if considered, will generally be at less favorable terms and interest rate than secondary loans.
    f. All information provided will be verified and approved at the discretion of the Lansing EDC staff, Lansing EDC Loan Committee, or Lansing EDC Board.
    g. The Lansing EDC staff, Loan Committee, and Board hold the right to take into account any other eligibility criteria and circumstance at their discretion.

2. One or more positive economic benefits. Projects that meet more of the following criteria will be prioritized:
    a. Rehabilitation or redevelopment of existing properties including environmental remediation and elimination of blight.
    b. Creation of jobs.
    c. Leverage and attraction of private investment and personal equity funds into the project.
    d. Positive impacts on Lansing employment and property values.
    e. Creation and acceleration of businesses with high economic growth potential.
    f. Diversification of the Lansing economy.
    g. Critical improvements to the image and perception of Lansing.

PROCEDURE

1. After Lansing EDC staff receive the Micro-Loan Application, Lansing EDC staff will review the application.

2. Lansing EDC staff will make a determination if an applicant is eligible, per the requirements defined in this policy, for the Micro-Loan Program.

3. If Lansing EDC staff determine the Applicant eligible and have received all requested supplemental documents, they will bring the application before the Loan Committee to begin the approval process.

Section III – Loan Terms

POLICY

Eligible Applicants can receive the following Loan Terms in the discretion of the Lansing EDC staff, Lansing EDC Loan Committee, and Lansing EDC Board.

1. Principal
    a. Up to a maximum of $50,000. Loan requests exceeding $50,000 will be referred to other programs, but the Lansing EDC may determine eligibility for up to $50,000 of the request under this program.

2. Term
    a. Up to a maximum of 60 months.

3. Interest Rate
    a. The interest rate will be dependent upon the loan amount, LEDC's position and portion of project financing, length of loan term, current credit market conditions, and the project's business plan and/or project pro-forma. The minimum interest rate charged will be 1% below the prime rate, but not less than the greater of the IRS applicable federal rate or 3% at time of closing.

4. Collateral
    a. A personal guarantee from all owners.
    b. No collateral in the form of mortgages, liens, security interests, or other forms of collateral will be held by the Lansing EDC.

5. Expiration
    a. Loan offers expire 90 days after Lansing EDC Board approval.

6. Special Considerations
    a. The Lansing EDC staff, Lansing EDC Loan Committee, and Lansing EDC Board have the discretion to approve interest only periods, balloon payment terms, or other special considerations or conditions of the loan.

PROCEDURE

1. The Lansing EDC staff will evaluate each loan request and make recommendations to the Lansing EDC Loan Committee and Lansing EDC Board for terms of the loan in the Memo and Term Sheet documents.

2. Loan terms can be altered by the Loan Committee or Board and require a majority vote to be approved.

Section IV – Approval

POLICY

Eligible Micro-Loan Applications, as determined by Sections I and II, are evaluated by the Lansing EDC staff and must be approved by both the Lansing EDC Loan Committee and Lansing EDC Board. The Lansing EDC staff will draft loan documents for approval by both the Loan Committee and Board.

For denied applications, the Applicant will receive a written response from the Lansing EDC staff. Denial decisions will be final.

PROCEDURE

1. Lansing EDC Staff
    a. After receiving a complete application, Lansing EDC staff will determine if a project is eligible based on Section II – Eligibility.
    b. They will seek additional information if necessary and approve the application to be brought before the Loan Committee.
    c. For eligible applications, the Lansing EDC staff will draft a Loan Memo and Term Sheet to be provided to the Lansing EDC Loan Committee and Lansing EDC Board.
    d. The Lansing EDC staff will schedule a Lansing EDC Loan Committee meeting where the Loan Committee will review and vote on recommending the loan to the Lansing EDC Board.

2. Lansing EDC Loan Committee
    a. At a committee meeting, Lansing EDC staff will present the loan application, Loan Memo, and Term Sheet and make a recommendation to the committee.
    b. Lansing EDC Loan Committee members will vote to make a recommendation to the Lansing EDC Board. Loan applications must receive a majority vote of present members of the committee to be recommended to the Lansing EDC Board.
    c. Denied applications will receive a written response from Lansing EDC staff to the loan applicant informing them of the application determination.

3. Lansing EDC Board
    a. At a Lansing EDC Board meeting, the Lansing EDC Board Committee will make a recommendation to the Lansing EDC Board to approve or deny the loan application.
    b. The loan application must receive a majority vote of Lansing EDC Board to be approved. An approval will authorize the Lansing EDC to prepare loan

and closing documents and close the loan consistent with the approved terms, Applicants, and Owners.

c. Denied applications will receive a written response from Lansing EDC staff to the loan applicant informing them of the application determination.

Section V – Loan Documents and Closing

POLICY

After the application has been approved by Lansing EDC Board, the Lansing EDC will prepare loan documents consistent with the approved terms and present them to the Applicant for execution. The Applicant must sign the Lansing EDC Loan Closing Documents, deliver all required closing deliverables, and pay fees, as outlined in Section VI – Fees, prior to funds being disbursed. After the correct documents have been executed and all of the Lansing EDC's closing requirements have been met, the Applicant will receive the funds.

PROCEDURE

1. Owner will sign the following Loan Closing Documents:
    a. Closing disbursement authorization
    b. Commercial loan agreement and term note
    c. Written consent
        i. Provided by Owner(s) or Applicant
    d. Personal Guarantee

2. Applicants will provide the following closing deliverables at loan closing:
    a. Articles of Organization
    b. Operating Agreement or Bylaws
    c. IRS Form W9
    d. Evidence of ownership (stock certificates and history or per operating agreement)

3. After Loan Closing Documents have been executed, and all fees have been paid, Applicants will receive a check for the disbursement of funds.

Section VI – Fees

POLICY

The Lansing EDC will charge fees for Micro-Loans. The fees are due on the date loans funds are disbursed to Applicants. Fees can be deducted from the funds disbursed to the Applicant, in the discretion of the Lansing EDC. Fees are as follows:

1. Loan Closing Fee: 1% of Loan Amount

2. Lansing EDC Attorney Fees: Amount determined on a case-by-case basis.

a. Lansing EDC staff must present an invoice showing the amount of Attorney Fees prior to charging applicants.

PROCEDURE

1. At the date of loan closing, applicants will pay or accept the deduction of the appropriate Loan Closing Fee.

2. If Attorney Fees are charged, Lansing EDC staff will provide an invoice showing the amount of attorney fees to the applicant.

3. The Applicant will pay Lansing EDC Attorney Fees.

4. After all fees have been paid or deducted from the approved disbursement amount, Applicants will receive the remaining loan funds.