Lansing Economic Development Corporation

Board of Directors Meeting

Friday, September 06, 2024 – 8:30 AM

Lansing EDC Office - 401 S. Washington Sq. Suite 101, Lansing, MI 48933

AGENDA

1) Call to Order/Rollcall
2) Approval of LEDC Board Meeting Minutes – Friday, August 02, 2024
3) Financial Update
4) Barber Styling College LEDC Micro-Loan Request (ACTION)
5) Moss Man LEDC Micro-Loan Request (ACTION)
6) Corridor Updates
7) LEED Initiative Update
8) Project Updates
9) Operations Update
10) Open Forum for LEDC Board Members
11) Other Business
12) Public Comment
13) Adjournment

Lansing Economic Development Corporation

Board of Directors Meeting
Friday, August 02, 2024 – 3:00 PM
Lansing Shuffleboard & Social Club – 325 Riverfront Dr, Lansing, MI 48912

MINUTES

Members Present:	Chair - Shelley Davis Boyd, Vice-Chair - Calvin Jones, Treasurer - Catherine Rathbun, Secretary - Dr. Alane Laws-Barker, Chaz Carrillo, Jordan Sutton, Michael McKissic
Members Absent:	Sandra Lupien, Rawley Van Fossen
Staff Present:	Karl Dorshimer, Kris Klein, Brandy Standler, Aurelius Christian, Alex Watkins, and Chelsea Dowler
Guests:	Paul and John Gentilozzi with other guests.

1) Call to Order/Roll Call

Chair Davis Boyd called the Lansing Economic Development Corporation meeting to order at 3:03 PM.

2) Welcome to Lansing Shuffle

Paris from Lansing Shuffle welcomed the board and guests.

3) Approval of LEDC Board Meeting Minutes – Friday, July 12, 2024 (ACTION)

MOTION: Member Jones moved to approve the LEDC meeting minutes from the Friday, July 12, 2024, Board of Directors meeting, as presented. Motion seconded by member Rathbun.

YEAS: Unanimous, motion carried.

4) Strategic Site Readiness Program: Grant and Pledge Agreement (ACTION)

Klein provided an overview and purpose of the plan to prep the RACER Trust site, formerly the GM Fisher Body plant location for future manufacturing. Environmental remediation is needed for this project. The MEDC/MSF the grantor and EDC the grantee. Award is $18.975 million. Project is executed over 5 years. 2024 – 2029. Annual and final reporting is required.

MOTION: Member Carrillo moved to approve the Strategic Site Readiness Program: Grant and Pledge Agreement, as presented. Motion seconded by member Jones.

YEAS: Unanimous, motion carried.

5) Strategic Site Readiness Program: Deposit Account Control Agrmt. (ACTION)

Klein explained the request to enter into a DACA between Lansing EDC, MEDC, and PNC Bank for receipt of the SSRP grant funds. No other Lansing EDC assets or bank accounts would be accessible by the grantor under the DACA.

MOTION: Member Rathbun moved to approve the Strategic Site Readiness Program: Deposit Account Control Agreement as presented. Motion seconded by member Carrillo.

YEAS: Unanimous, motion carried.

3:25 PM meeting was recessed to call the Brownfield Meeting to order.

4:25 PM LEDC meeting was called back to order.

6) Financial Update

Standler updated the board that the audit is scheduled for the week of October 21st. Net profit for 2024 is over $500,000. Net profit is expected to increase as adjustments are made.

7) Corridor Updates

Washington provided an update on Corridors as well as the Placemaking project. Washington announced she will be staying on with the Lansing EDC when her fellowship concludes. Watkins announced the Façade grant award recipients. 14 awards for $150,000.

8) LEED Initiative Update

Christian discussed that the next Empower School cohort will be beginning the program. The format has changed and includes additional content. Enhance Grants Program applications opened August 1st.

9) Project Updates

Dorshimer noted that Neogen Brownfield plan will go to council on August 12th. The public hearing will be held later in August.

10) Operations Update

Dorshimer reported that the office is continuing to progress. The search continues to find an Economic Development Finance Specialist / additional staff person with a strong finance background. Klein mentioned that the RFP for the EDC website closes August 9th.

11) Open Forum for LEDC Board Members

Member Michael McKissic addressed the board regarding his commitment to the Mikey 23 Foundation and impacting gun violence. Due to his commitment, he announced he is stepping down and resigning his position on the board. Chair Davis Boyd, member Jones, and member Dr. Laws-Barker thanked McKissic for his contribution to the board and the community.

12) Other Business

None.

13) Public Comment

None.

14) Adjournment

Chair Davis Boyd called the Lansing Economic Development Corporation meeting to adjournment at 4:49 PM.

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

	Jul 24	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
40000 · Contract Income				
40010 · Brownfield Admin	0.00	338,083.00	-338,083.00	0.0%
40020 · City of Lansing Contract	300,000.00	300,000.00	0.00	100.0%
40040 · Annual Issuer's Fees	0.00	53,132.00	-53,132.00	0.0%
40050 · TIFA Admin	0.00	354,382.00	-354,382.00	0.0%
40070 · Fund Balance	0.00	37,078.00	-37,078.00	0.0%
40080 · Facade Grant Contract	0.00	175,000.00	-175,000.00	0.0%
40088 · ARPA Contract City of Lansing				
40088.1 · ARPA - Grant Contract	15,000.00	0.00	15,000.00	100.0%
Total 40088 · ARPA Contract City of Lansing	15,000.00	0.00	15,000.00	100.0%
40096 · SSRP Verlinden Grant	0.00	18,975,000.00	-18,975,000.00	0.0%
Total 40000 · Contract Income	315,000.00	20,232,675.00	-19,917,675.00	1.6%
41000 · Loan Interest				
41091 · The 517 Coffee Company Interest	35.89	0.00	35.89	100.0%
41093 · Sweet Encounter Bakery Cafe Int	23.57	0.00	23.57	100.0%
41095 · RBM Properties Interest	424.81	0.00	424.81	100.0%
41096 · Osteria Vegana Lansing LLC	72.67	0.00	72.67	100.0%
41000 · Loan Interest - Other	0.00	6,000.00	-6,000.00	0.0%
Total 41000 · Loan Interest	556.94	6,000.00	-5,443.06	9.3%
42000 · Investments				
42010 · Interest-Savings, Short-term CD	10,887.73	50,000.00	-39,112.27	21.8%
Total 42000 · Investments	10,887.73	50,000.00	-39,112.27	21.8%
43000 · Other Types of Income				
43010 · Miscellaneous Revenue	0.00	5,000.00	-5,000.00	0.0%
43037 · Application Fees	5,000.00	30,000.00	-25,000.00	16.7%
Total 43000 · Other Types of Income	5,000.00	35,000.00	-30,000.00	14.3%
Total Income	331,444.67	20,323,675.00	-19,992,230.33	1.6%
Gross Profit	331,444.67	20,323,675.00	-19,992,230.33	1.6%
Expense				
61000 · Contract Services				
61010 · Accounting Fees	2,950.00	0.00	2,950.00	100.0%
61015 · Payroll Fees	298.90	0.00	298.90	100.0%
61030 · Outside Contract Services	2,585.82	0.00	2,585.82	100.0%
61000 · Contract Services - Other	0.00	110,000.00	-110,000.00	0.0%
Total 61000 · Contract Services	5,834.72	110,000.00	-104,165.28	5.3%
62000 · Facilities and Equipment				
62010 · Depreciation	1,601.70	11,500.00	-9,898.30	13.9%
62020 · Office Expense	973.25	0.00	973.25	100.0%
62025 · Equipment	859.00	51,440.00	-50,581.00	1.7%
62045 · Utilities	0.00	9,153.00	-9,153.00	0.0%
62050 · Rent	5,567.15	68,807.00	-63,239.85	8.1%
62055 · Software Subscriptions	819.51	0.00	819.51	100.0%
62060 · Telephone/Communications	252.94	0.00	252.94	100.0%
Total 62000 · Facilities and Equipment	10,073.55	140,900.00	-130,826.45	7.1%
63000 · Development				
63050 · Insurance & Bonds	1,374.93	16,695.00	-15,320.07	8.2%
63055 · Marketing & Promotions	765.30	39,000.00	-38,234.70	2.0%
63056 · Travel & Conferences & Training	2,666.73	24,000.00	-21,333.27	11.1%
63060 · Operating Expense	843.40	14,000.00	-13,156.60	6.0%
63080 · Bank Fees	77.00	5,000.00	-4,923.00	1.5%
63081 · Bank Fees-2575	25.00	0.00	25.00	100.0%
Total 63000 · Development	5,752.36	98,695.00	-92,942.64	5.8%
64000 · EDC Business Incubator				

	Jul 24	Budget	$ Over Budget	% of Budget
64040 · Miscellaneous Operating	28.32	0.00	28.32	100.0%
Total 64000 · EDC Business Incubator	28.32	0.00	28.32	100.0%
65000 · Grant and Program Expenses				
65088 · ARPA Grant				
65088.1 · ARPA LEED Initiative	15,000.00	0.00	15,000.00	100.0%
65088.3 · ARPA Facade Program	0.00	175,000.00	-175,000.00	0.0%
Total 65088 · ARPA Grant	15,000.00	175,000.00	-160,000.00	8.6%
65096 · SSRP Verlinden Grant Expense	0.00	18,975,000.00	-18,975,000.00	0.0%
Total 65000 · Grant and Program Expenses	15,000.00	19,150,000.00	-19,135,000.00	0.1%
66000 · Payroll & Empl Benefit Expenses				
66100 · Payroll Expenses				
66110 · Salaries - Staff	42,691.68	0.00	42,691.68	100.0%
66120 · Taxes-FICA	3,265.94	0.00	3,265.94	100.0%
66100 · Payroll Expenses - Other	0.00	727,655.00	-727,655.00	0.0%
Total 66100 · Payroll Expenses	45,957.62	727,655.00	-681,697.38	6.3%
66500 · Employee Benefits				
66510 · Health Insurance-Employees	3,565.99	0.00	3,565.99	100.0%
66515 · Life/Disability Ins - Employees	565.83	0.00	565.83	100.0%
66520 · Retirement Expense	2,189.00	0.00	2,189.00	100.0%
66525 · Parking-Employees	543.64	0.00	543.64	100.0%
66530 · Workers Comp Insurance	110.72	0.00	110.72	100.0%
66500 · Employee Benefits - Other	0.00	107,925.00	-107,925.00	0.0%
Total 66500 · Employee Benefits	6,975.18	107,925.00	-100,949.82	6.5%
Total 66000 · Payroll & Empl Benefit Expenses	52,932.80	835,580.00	-782,647.20	6.3%
Total Expense	89,621.75	20,335,175.00	-20,245,553.25	0.4%
Net Ordinary Income	241,822.92	-11,500.00	253,322.92	-2,102.8%
Net Income	**241,822.92**	**-11,500.00**	**253,322.92**	**-2,102.8%**

Lansing Economic Development Corporation
Lansing Brownfield Redevelopment Authority
Tax Increment Finance Authority
Office: 401 S. Washington Sq. Ste. 101, Lansing, MI 48933 Mailing Address: PO Box 15157, Lansing MI, 48901-5157

MEMORANDUM

DATE: September 6, 2024

TO: Lansing EDC Board

FROM: Micro Loan Committee

Subject: Request for Lansing EDC Micro-Loan for Barber Styling College, Inc.

The Lansing Economic Development Corporation (LEDC) has received a micro-loan financing request through its Business Financing Assistance Program (BFAP) from ***Barber Styling College, Inc***. The **$30,000** request is for ***the completion of building out and renovations for new location on South Pennsylvania***.

The purpose of this project is to ensure that the future barbers and hairstylist of Lansing has a institution to learn, practice and begin the process to become state licensed Barbers and Hair Stylist.

Barber Styling College, Inc. needs to complete the build out, construction, and renovation of a former office building being converted into Barber College/ Styling School. The Barber College moved out of its former location at the corner of Lake Lansing and North Cedar St. in June and has not been able to function at full capacity since their move. This funding will allow them to finish the renovations, bringing in more students and be able to offer other services to the students.

The requested loan terms are as follows:
Amount: $30,000
Term: 60 months (60-month amortization/ maturity)
Interest Rate: 7.5% Fixed
Debt Service: Monthly, During repayment period (est. $601.14)
Security: Personal Guaranty from owner Marcel Mayberry

After discussing the project, loan application, and business' financials the Loan Committee recommends approval of the loan application by the LEDC Board of Directors at the Friday, September 6th, 2024 meeting.

Appended is an executive summary of the project and the loan terms recommended by the Loan Committee. The loan committee vote for this loan is represented below:

Committee Vote: 2 Yes, 1 No, 1 Absent, 1 Abstain

Barber Styling College, Inc.
<u>LEDC Micro Loan Term Sheet</u>

Project: Relocation of the Lansing Barber College to South Pennsylvania Avenue

Location: <u>Entity Address</u>: 4414 S. Pennsylvania Ave. Lansing, MI 48910
<u>Project Property</u>: 4414 S. Pennsylvania Ave. Lansing, MI 48910

Applicant:

Program: Lansing Economic Development Corporation Business Financing Assistance Program

Background Information: The purpose of this project is to ensure that the future barbers and hairstylist of Lansing has a institution to learn, practice and begin the process to become state licensed Barbers and Hair Stylist. Barber Styling College, Inc. needs to complete the build out, construction, and renovation of a former office building being converted into Barber College/ Styling School. Pictures are attached to show the condition of the building.

Project Description: The Barber College moved out of its former location at the corner of Lake Lansing and North Cedar St. in June and has not been able to function at full capacity since their move. This funding will allow them to finish the renovations, bringing in more students and be able to offer other services to the students.

Level of Investment: The business is requesting a total of $30,000 for legal and professional fees, design fees and permits, equipment acquisition and installation; all in order to open and launch hair styling programs. The State Bank is providing a total of $50,000 for all initial build-out and operating costs requirements. The applicant is providing $15,000 for construction, design fees and permits. In total the cost of the project is $95,000.

Terms of the Loan:

Term:	5 years (60 - months)
Loan Amount:	$30,000
Interest Rate:	7.5% fixed
Payments:	Monthly • 60 Principle & Interest payments: $601.14 (est.)
Fees (due at closing):	$300.00 Loan Application Fee - Paid to Lender Attorney/Document Fees (TBD)
Security:	Personal guaranty from Marcel Mayberry
Collateral:	None
Additional Terms:	Approval of Other Project Financing

Mossman, LLC.
<u>LEDC Micro Loan Term Sheet</u>

Project: Grand Opening retail store and café in Frandor shopping center

Location: <u>Entity Address</u>: 3030 Vine St. Lansing, MI 48912
<u>Project Property</u>: 3030 Vine St. Lansing, MI 48912

Applicant:

Program: Lansing Economic Development Corporation Business Financing Assistance Program

Background Information: Mossman, LLC. is owned by Darian Draper, who has been selling health products since 2020 during the Covid-19 pandemic. Mr. Draper's has grown his business from home-based to a commercial location and now to the Frandor shopping center. The $50,000 is needed to order more inventory for the retail side of his store and to finish the updates needed on the café side of his two suites.

Project Description: The purpose of this project is to ensure that people in the Lansing community can have a local retail store that focuses on health, wellness and herbal cleaning products. Mossman Moss and Herbs gives customers a local retail store for hard-to-find products, as well as a small café in the adjoining suite featuring smoothies, fresh squeezed juice and vegan meals.

Level of Investment: The business is requesting a total of $50,000 for legal and professional fees, design fees and permits, equipment acquisition and installation; all in order to open and launch the retail store and smoothie cafe. The applicant is providing $25,000 for construction, design fees and permits. In total the cost of the project is $75,000.

Terms of the Loan:

Term:	5 years (60 - months)
Loan Amount:	$50,000
Interest Rate:	7.5% fixed
Payments:	Monthly • 60 Principle & Interest payments: $1001.90 (est.)
Fees (due at closing):	$500.00 Loan Application Fee - Paid to Lender Attorney/Document Fees (TBD)
Security:	Personal guaranty from Darian Draper
Collateral:	None
Additional Terms:	Approval of Other Project Financing

Lansing Economic Development Corporation
Lansing Brownfield Redevelopment Authority
Tax Increment Finance Authority
Office: 401 S. Washington Sq. Ste. 101, Lansing, MI 48933 Mailing Address: PO Box 15157, Lansing MI, 48901-5157

MEMORANDUM

DATE: September 6, 2024

TO: Lansing EDC Board

FROM: Micro Loan Committee

Subject: Request for Lansing EDC Micro-Loan for Mossman, LLC

The Lansing Economic Development Corporation (LEDC) has received a micro-loan financing request through its Business Financing Assistance Program (BFAP) from ***Mossman, LLC***. The **$50,000** request is for ***inventory, supplies, and startup cost for moving into a new location***.

The purpose of this project is to ensure that people in the Lansing community can have a local retail store that focuses on health, wellness and herbal cleaning products. Mossman Moss and Herbs gives customers a local retail store for hard-to-find products, as well as a small café in the adjoining suite featuring smoothies, fresh squeezed juice and vegan meals.

Mossman, LLC. is owned by Darian Draper, who has been selling health products since 2020 during the Covid-19 pandemic. Mr. Draper's has grown his business from home-based to a commercial location and now to the Frandor shopping center. The $50,000 is needed to order more inventory for the retail side of his store and to finish the updates needed on the café side of his two suites. **PAGE 8 of the Business Plan under USE OF PROCEEDS and then the inventory section, has a breakdown of what is needed for the Grand Opening.**

The requested loan terms are as follows:
Amount: $50,000
Term: 60 months (60-month amortization/ maturity)
Interest Rate: 7.5% Fixed
Debt Service: Monthly, During repayment period (est $1001.90)
Security: Personal Guaranty from owner Darian Draper

After discussing the project, loan application, and business' financials the Loan Committee recommends approval of the loan application by the LEDC Board of Directors at the Friday, September 6th, 2024 meeting.

Appended is an executive summary of the project and the loan terms recommended by the Loan Committee. The loan committee vote for this loan is represented below:

Committee Vote: 3 Yes, 1 No, 1 Absent