

Economic Development Corporation Meeting
April 29, 2020
City Hall
Enterprise Video Conferencing
Battle Creek, MI
3:00 P.M.

Present: Rebecca Fleury, Ted Dearing, Brenda Whited, Tom Beuchler, Anmar Atchu, Joe Sobieralski, Lynn Ward Gray and John Gallagher

Absent: Stacy Flathau

Staff Present: Jill Steele, City Attorney, Victoria Houser, City Clerk, John Hart, Downtown Development Director and Sarah VanWormer, IT Director

Call to Order: Mr. Beuchler called the meeting to order at 3:04 P.M.

Public Comment: There were no callers on the line for public comments and no written comments were received in the Clerk's office.

Approval of Minutes:

A motion was made by Comm. Gray, supported by Mr. Dearing, to approve the December 6, 2019 Economic Development Corporation meeting minutes. All yes, none opposed. Motion approved.

Rent and Mortgage Assistance Program

a. Project Updates

Jill Steele, City Attorney, discussed how the City would administer this program, noting the City is limited in using funds to those things set out in State statute or City Charter. Ms. Steele also noted the City did not have the authority to directly set up a program such as this as the funds would come from tax payer dollars. Ms. Steele noted the Economic Development Act does state that there is a legislative finding and purpose, that there is a need for programs to elevate, prevent conditions of unemployment and to assist to retain local and industrial enterprises, noting Section 2 of the Act. Ms. Steele noted Section 7 states that in order to accomplish those public purposes, the corporation may make secured or unsecured loans, can lend, grant, transfer or convey the funds. Ms. Steele noted Section 27 of the Act says any municipality may lend, transfer or contribute funds to the Economic Development Corporation for public purposes. Ms. Steele stated that with those provisions of the Act, it seemed to her best way to have the authority, and have this be an accepted use of public funds, stating the best way would be through the Economic Development Corporation. Ms. Steele noted the program is detailed in 9 pages, with a promissory note to secure the loan and an affidavit that shows the recipient of the funds will abide by the City's anti-discrimination ordinance, Chapter 214.

Committee members discussed the program details, including the listed target areas and credit checks on applicants. Mr. Dearing noted this was strictly intended to be a rent/mortgage assistance program, noting they targeted the areas of the community that had the highest concentration of commercial rental property, noting it is not 100% limited to the target areas, wanting to make sure other qualified candidates could participate. Comm. Gray asked that the language in the document be adjusted to a preference for target areas, not excluding other areas.

As to credit checks, Mr. Hart stated they were not going to do credit checks. Comm. Gray asked that the application clearly state credit checks will not be required. Mr. Hart stated it would be best to reserve the right to do credit checks.

Ms. Steele noted applicants could not be in default of any payments to the City, such as taxes, per the City Charter. Ms. Steele also noted there was a provision for those administering the program to check with

the mortgage company of the applicant, and staff was responsible to ensure the business was viable prior to the Covid-19 epidemic, which was clear in the program documents.

Mr. Sobieralski asked if the promissory note allows the City to pursue payment at a later date if they do not comply with all terms, which was confirmed by Ms. Steele.

Mr. Hart informed the members that the terms and requirements were on the application and within the program policy manual, including the requirement that the applicant was current on their mortgage/rent and information related the business income the last 2 years and last six months and the number of employees prior to the Covid-19 pandemic. Mr. Hart also noted the application asks if the business has received assistance funds from another agency, noting this would not exclude them from receiving these funds.

As to denial of applications, Ms. Steele confirmed an applicant would receive a written denial with the reason for denial.

Ms. Steele reviewed the proposed resolution, noting Mr. Dearing, as the Secretary of the EDC, would approve the applications once all criteria is met.

THIS IS TO CERTIFY that at a meeting of the Board of Directors of THE ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF BATTLE CREEK, formed under the provisions of Act 338 of the Public Acts of 1974 of the State of Michigan (the "Corporation"), duly called and held on April 29, 2020, as further attested to in the Certification below, the resolution below was unanimously adopted:

WHEREAS, by Resolution of the Commission of the City of Battle Creek (the "City") dated May 21, 1976, the Corporation was formed pursuant to City Ordinance adopted on May 11, 1976;

WHEREAS, by various Resolutions of the City, the following have been duly appointed and established as members of the Board of Directors of the Corporation: Anmar Achu, Rebecca L. Fleury, Ted Dearing, Joe Sobieralski, John Gallagher; Brenda Whited, Lynn Ward Gray, Tom Beuchler, and Stacy Flathau (the "Board of Directors"); and at a meeting of the Corporation on December 6, 2019, the following individuals were elected by the board members to serve as its officers: Tom Beuchler, President; Ted Dearing, Secretary; Lynn Ward Gray, Treasurer; and Anmar Atchu, Vice President.

WHEREAS, the Board heard and considered a presentation regarding a need in the City of Battle Creek for a Rent and Mortgage Assistance Program (RMAP) COVID-19 Emergency Response Initiative ("RMAP COVID-19 Program") and agreed that Section 7 of Act 338 of 1974 ("the Act") permits the EDC to provide financial assistance in the form of loans and/or grants in order to achieve its intended purpose, and this constitutes the performance of essential public purposes and functions for the EDC and City of Battle Creek; and

WHEREAS, the City of Battle Creek has agreed to provide funding to the Corporation as permitted by Section 27 of the Act to carry out the RMAP COVID-19 Program.

NOW THEREFORE, it is duly resolved by the Corporation as follows:

"RESOLVED, that the Corporation has determined that it is in the best interest of the City for the EDC to accept funding from the City of Battle Creek for the RMAP COVID-19 Program and to allow the City's Small Business Development team to administratively carry out the Program as set out in the program manual with revisions as recommended by the Corporation;"

"BE IT FURTHER RESOLVED, that the Corporation authorizes the Secretary of the Corporation to execute documents on behalf of the Corporation necessary to implement the RMAP COVID-19 Program;" and

"BE IT FURTHER RESOLVED that any funds that have not been distributed pursuant to this program or that have been repaid pursuant to the terms of the promissory notes shall be returned to the City of Battle Creek."

A motion was made by Comm. Gray to approve the resolution as stated by the City Attorney, supported by Mr. Gallagher. All yes, none opposed. Motion was approved.

Board Member Comments:

Mr. Atchu expressed appreciation of the work being done, in addition to the programs BCU has provided.

Mr. Sobieralski provided an update on the work occurring at the Arcadia building.

Mr. Beuchler stated construction would be restarted at New Holland once the emergency order is lifted.

Next Meeting: Friday, December 6, 2020 at 8:00 A.M. in Room 302A.

Adjournment: Mr. Beuchler asked if there were any further comments. Hearing none, the meeting was adjourned at 3:54 P.M.