



301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
Fax (616) 897-4085

CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
REGULAR
THURSDAY, DECEMBER 16, 2021
12 NOON

1. CALL TO ORDER; ROLL CALL
2. APPROVAL OF THE AGENDA
3. APPROVAL MINUTES OF PREVIOUS MEETING(S)
 - a) October 14, 2021
4. TREASURER'S REPORT
5. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA
6. OLD BUSINESS
7. NEW BUSINESS
 - a) Electric Vehicle Charging Station
 - b) Line Shack
8. REPORTS AND MEMBER COMMENTS
9. ADJOURNMENT

**OFFICIAL PROCEEDINGS
OF THE
DOWNTOWN DEVELOPMENT AUTHORITY
OF THE
CITY OF LOWELL
MEETING
THURSDAY, OCTOBER 14, 2021**

1. CALL TO ORDER; ROLL CALL.

The Meeting was called to order at 12:00 p.m. by Chair Reagan.

Present: Board members Brian Doyle, Rick Seese, Eric Wakeman, Martha Davis
and Chair Reagan.

Absent: Board members Mike DeVore, Rita Reister, Mike Springer and Julie DeVoe.

Also Present: City Manager Michael Burns, Clerk Susan Ullery, City Treasurer Sue Olin, DPW
Director Dan Czarnecki, Lisa Plank

2. EXCUSE OF ABSENCES.

IT WAS MOVED BY WAKEMAN and seconded by SEESE to excuse the absences of board members
Mike DeVore, Rita Reister, Mike Springer and Julie DeVoe.

YES: 5. NO: 0. ABSENT: 4. MOTION CARRIED.

3. APPROVAL OF THE AGENDA.

IT WAS MOVED BY DOYLE and seconded by WAKEMAN to approve the agenda as written.

YES: 5. NO: 0. ABSENT: 4. MOTION CARRIED.

4. APPROVAL OF THE MINUTES.

IT WAS MOVED BY WAKEMAN and seconded by SEESE to approve the minutes of September 09,
2021 as written.

YES: 5. NO: 0. ABSENT: 4. MOTION CARRIED.

5. TREASURER'S REPORT.

**DOWNTOWN DEVELOPMENT AUTHORITY FUND
October 13, 2021**

Beginning Balance:	\$403,248.64
Revenue:	
TIFA Revenue	\$615,700.00
Interest	

Total Revenues \$1,018,948.64

Expenditures:

Capital Outlay	\$74,271.58
Salaries	\$10,215.79
Maintenance Supplies	\$13,640.23
Utilities	\$5,119.40
Marketing and Community promotions	
Accrued Wages	\$4,718.00
Administration	\$13,920.58
Accrued Payables	\$2,065.63
Transfer to Equipment	\$
Transfer to General Fund	\$
Debt Service to light and power	\$34,752.54

Total Expenditures: \$158,703.75

Ending Balance \$860,244.89

IT WAS MOVED BY DOYLE and seconded by WAKEMAN to approve the Treasurers Report as submitted.

YES: 5. NO: 0. ABSENT: 4. MOTION CARRIED.

6. **PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA.**

There were none.

7. **OLD BUSINESS**

a.) **Social District.**

City Manager Michael Burns spoke regarding businesses and the fire pits during the winter months; they will only be for special events. Involved businesses do not want to get rid of the social district. Picnic tables will be considered next spring.

8. **NEW BUSINESS.**

a.) **Christmas Marketing.**

City Manager Michael Burns read him memo explaining the DDA has received its annual Christmas in Lowell marketing funds requests from the Lowell Area Chamber of Commerce. The DDA has provided sponsorship for a number of years on these events in the Downtown district. This year the Chamber of Commerce is requesting \$6800 in sponsorship for the event. This is a little higher than years past. Information is available explaining what this will entail. Funds for budgeted for this.

IT WAS MOVED BY DOYLE and seconded by SEESE that the Downtown Development Authority provide a sponsorship to the Lowell Area Chamber of Commerce at a cost not to exceed \$6,800 for the Christmas in Lowell marketing sponsorship.

YES:5.

NO: 0.

ABSENT: 4.

MOTION CARRIED.

b.) Lineshack Building.

City Manager Michael Burns stated that Monday, City Council met to review the Lineshack building at 115 Riverside Drive and are going to move forward with Brent Slagel as a mixed use building. Slagels' plan is a white box restaurant on the first floor with apartments above. Slagel may seek funds from local contribution. May need public improvement.

9. **REPORTS AND MEMBER COMMENTS.**

City Council will look at refinancing the bond on City Hall from \$200,000 to \$250,000 which will be a savings to the DDA.

IT WAS MOVED BY Seese and seconded by WAKEMAN to adjourn at 12:14.

Date:

APPROVED:

James E. Reagan, Chair

Susan Ullery, Lowell City Clerk

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

MEMORANDUM



DATE: December 15, 2021

TO: Downtown Development Authority Board of Directors

FROM: Michael T. Burns, City Manager MB

RE: Electric Vehicle Charging Stations

For many years now, Lowell Light and Power has been providing electric vehicle charging stations, which have been free to the public. As technology has continued to improve as well as demand, the charging stations are reaching the end of their useful life and need to be upgraded.

Due to some legal requirements which Lowell Light and Power must operate under, the charging stations really must be removed as a function of their business. In August, Lowell Light and Power General Manager Charlie West, approached me to explain the situation and see if there would be interest in the Downtown Development Authority taking over ownership and operation of the charging stations.

With electric vehicles becoming more common and with more people continuing to visit our Downtown District, I believe these would be attractive tools for us.

Over the fall, I began learning what I could about charging stations. In addition, Lowell Light and Power gave me some information as to electric costs for operating the station (attached). In addition, I had conversations with a representative from Consumers Energy who approached Lowell Light and Power about more charging stations. We also discussed the need to charge customers for usage to pay for future upgrades but making sure we are not overpricing ourselves with the charging.

The average cost for the past two years by Lowell Light and Power for the two current charging stations located in the Veterans Parking Lot and the Broadway Parking lot is \$701.95 per unit. There is also a \$656 per charging unit cost for customer support/internet support with keeping the software up to date with the charging stations.

What is being proposed is to replace and upgrade the two charging stations at their current locations. Those stations will be upgraded to where two vehicles can be charged at the same time rather than one now. We are also proposing to add an additional charging station (with two chargers) on the north side of the library parking lot adjacent to the current Lowell Light and Power transformers.

We will not need to add additional expenses to our current approved budget to address this. I will explain this but the total cost to upgrade the two charging stations and add the additional station are the following:

- To replace the two charging stations is \$15,450.
- To add the additional charging station is \$20,068.

Based on the recommendation I received the charging fees \$.25 per kilowatt per hour with an idle fee of \$5 per hour. I will explain this in further detail. However, the intent for the revenue would be to pay for upgrades to the charging stations for further usage and additional stations if needed in the future.

I would recommend the Lowell Downtown Development Authority approve the charging stations in the manner prescribed.

ELECTRIC USAGE AND COSTS FOR BROADWAY CHARGING STATION

Billing Date	Days	kWhs	Monthly Charges	Full Collection Rate
11/30/2021	31	506	\$ 108.29	\$ 0.21
10/29/2021	30	256	\$ 77.91	\$ 0.30
9/30/2021	31	420	\$ 97.83	\$ 0.23
8/31/2021	30	398	\$ 95.17	\$ 0.24
7/30/2021	31	112	\$ 60.41	\$ 0.54
6/30/2021	33	121	\$ 61.50	\$ 0.51
5/28/2021	28	76	\$ 56.03	\$ 0.74
4/30/2021	30	119	\$ 61.26	\$ 0.51
3/31/2021	32	88	\$ 57.49	\$ 0.65
2/26/2021	29	70	\$ 55.31	\$ 0.79
1/29/2021	31	75	\$ 55.92	\$ 0.75
12/31/2020	32	136	\$ 61.11	\$ 0.45
		2377	\$ 848.23	\$ 0.36
11/30/2020	29	85	\$ 54.99	\$ 0.65
10/31/2020	30	48	\$ 50.56	\$ 1.05
9/30/2020	30	99	\$ 56.68	\$ 0.57
8/31/2020	31	82	\$ 54.64	\$ 0.67
7/31/2020	31	87	\$ 55.46	\$ 0.64
6/30/2020	30	104	\$ 57.53	\$ 0.55
5/29/2020	30	68	\$ 53.13	\$ 0.78
4/30/2020	30	65	\$ 52.76	\$ 0.81
3/31/2020	32	28	\$ 48.23	\$ 1.72
2/29/2020	30	74	\$ 53.86	\$ 0.73
1/31/2020	31	151	\$ 63.29	\$ 0.42
12/31/2019	31	32	\$ 46.67	\$ 1.46
		923	\$ 647.80	\$ 0.70

ELECTRIC USAGE AND COSTS FOR BROADWAY CHARGING STATION

Billing Date	Days	kWhs	Monthly Charges	Full Collection Rate
11/30/2021	31	35	\$ 51.06	\$ 1.46
10/29/2021	30	5	\$ 47.41	\$ 9.48
9/30/2021	31	6	\$ 47.53	\$ 7.92
8/31/2021	30	277	\$ 80.46	\$ 0.29
7/30/2021	31	144	\$ 64.30	\$ 0.45
6/30/2021	32	220	\$ 73.53	\$ 0.33
5/28/2021	29	70	\$ 55.31	\$ 0.79
4/30/2021	30	66	\$ 54.82	\$ 0.83
3/31/2021	32	129	\$ 62.47	\$ 0.48
2/26/2021	29	71	\$ 55.43	\$ 0.78
1/29/2021	31	69	\$ 55.18	\$ 0.80
12/31/2020	32	26	\$ 47.92	\$ 1.84
12 Month Total		1118	\$ 695.42	\$ 0.62
11/30/2020	29	40	\$ 49.60	\$ 1.24
10/31/2020	30	109	\$ 57.87	\$ 0.53
9/30/2020	30	84	\$ 54.88	\$ 0.65
8/31/2020	31	53	\$ 51.15	\$ 0.97
7/31/2020	31	29	\$ 48.36	\$ 1.67
6/30/2020	30	72	\$ 53.62	\$ 0.74
5/29/2020	30	23	\$ 47.62	\$ 2.07
4/30/2020	30	15	\$ 46.64	\$ 3.11
3/31/2020	32	100	\$ 57.05	\$ 0.57
2/29/2020	30	64	\$ 52.64	\$ 0.82
1/31/2020	31	8	\$ 45.78	\$ 5.72
12/31/2019	31	69	\$ 51.15	\$ 0.74
		666	616.36	\$ 0.93



Date: December 9, 2021

Prepared by:

Kyle Andrzejewski
kyle@westside-solutions.com
 (989) 464-8346

Prepared for:

Lowell Light & Power
 127 N. Broadway St
 Lowell, MI 49331
 Attn: Charlie West
 Ph: 616-897-8402

Item	Model	Description	Qty	Cost	Total
Charging Station Model	CT4021-GW1	Level 2 Commercial Charging Station w/ 2 ports - 18' cords	1	\$7,210	\$7,210
Commercial Cloud Plan	CPCLD-COMMERCIAL-5	Cloud Plan for 5 years (price per port)	2	\$1,319	\$2,638
Assure Warranty	CT4000-ASSURE5	ASSURE warranty program for 5 years (price per unit)	1	\$2,495	\$2,495
Install Validation	CTSUPPORT-SITEVALID	ChargePoint Validation that site is installed correctly	1	\$0	\$0
Initial Station Activation and Configuration	CP SUPPORT-ACTIVE	Activation of charging station (price per charger)	1	\$0	\$0
Shipping		Freight to Contractor or Site	1	\$225	\$225
Estimated Construction/Installation Cost Total	Provide and install (1) concrete based for charging stations - Provide labor to install (1) charging stations - Provide and install (2) bollards				\$7,500
*Applicable taxes not included					\$20,068
Estimated Rebate	N/A				
*Customer Net Total After Rebate	\$20,068				

Commercial Cloud Plan	Includes Secure Network Connection, On-going Station Software updates, Station Inventory, 24X7 Driver Support, Host Support, Session Data and Analytics, Power Management, Scheduled Charging, Driver Access Control, Pricing and Automatic Funds Collection, Waitlist and Videos on screen
Assure Warranty Plan	Assure is the most comprehensive parts and on-site labor warranty. Parts and On-Site Labor to repair or replace any manufacturing defect and includes station management, remote monitoring of station and proactive repair dispatch.
Install Validation	On-site validation of electrical capacity, transformers, panels, breakers, wiring, cellular coverage and that the station installation meets all ChargePoint published requirements and local codes.
Initial Site Activation & Configuration	Initial Station Activation & Configuration Service includes activation of cloud services and configuration of radio groups, custom groups, connections, access control, visibility control, pricing, reports and alerts.



Date: August 6, 2021

Prepared by:

Kyle Andrzejewski
kyle@westside-solutions.com
 (989) 464-8346

Prepared for:
 Lowell Light & Power
 127 N. Broadway St
 Lowell, MI 49331
 Attn: Charlie West
 Ph: 616-897-8402

Item	Model	Description	Qty	Cost	Total
Charging Station Model	CT4021-GW1	Level 2 Commercial Charging Station w/ 2 ports - 18' cords - Trading in CT2000 Series Units towards new CT4000 Series Units	2	\$4,600	\$9,200
Commercial Cloud Plan	CPCLD-COMMERCIAL-1	Cloud Plan for 1 year (included with trade in program)	2	\$0	\$0
Assure Warranty	CT4000-ASSURE1	ASSURE warranty program for 1 year (included with trade in program)	2	\$0	\$0
Install Validation	CTSUPPORT-SITEVALID	ChargePoint Validation that site is installed correctly (included with trade in program)	2	\$0	\$0
Initial Station Activation and Configuration	CP SUPPORT-ACTIVE	Activation of charging station (included with trade in program)	2	\$0	\$0
Shipping		Freight to Contractor or Site	2	\$225	\$450
Estimated Construction/Installation Cost	Labor and materials to remove 2 existings Level 2 Charging Stations and replace with 2 new Level 2 Charging Stations - Includes 2 new 40 amp/240 volt circuits for each location - Electrical permit as needed				\$5,800
Total					\$15,450
*Applicable taxes not included					
Estimated Rebate					
*Customer Net Total After Rebate					\$15,450
*Quote valid for 30 days					
Commercial Cloud Plan	Includes Secure Network Connection, On-going Station Software updates, Station Inventory, 24X7 Driver Support, Host Support, Session Data and Analytics, Power Management, Scheduled Charging, Driver Access Control, Pricing and Automatic Funds Collection, Waitlist and Videos on screen				
Assure Warranty Plan	Assure is the most comprehensive parts and on-site labor warranty. Parts and On-Site Labor to repair or replace any manufacturing defect and includes station management, remote monitoring of station and proactive repair dispatch.				
Install Validation	On-site validation of electrical capacity, transformers, panels, breakers, wiring, cellular coverage and that the station installation meets all ChargePoint published requirements and local codes.				
Initial Site Activation & Configuration	Initial Station Activation & Configuration Service includes activation of cloud services and configuration of radio groups, custom groups, connections, access control, visibility control, pricing, reports and alerts.				



Quotation

ChargePoint, Inc.
Driving a Better Way™
chargepoint.com

Sales Representative: Brandon Terrazas
E-Mail: brandon.terrazas@chargepoint.com
Telephone: (669) 237-1703

Quote Number: Q-104909-2
Date: 1/5/2021
Expires On: 1/31/2021

Primary Contact: Charlie West

ChargePoint Org Name: CITY OF LOWELL
ChargePoint Org: ORG00443

ChargePoint Cloud Plan Renewals

Please Select

Total Ports	:	2
Expires On	:	12/31/2021
Total Price	:	USD 656.00

Total: _____



Cloud Plan Details

COMMERCIAL:

CPCLD-COMMERCIAL-REN

Prepaid coterminous renewal Commercial Cloud Plan. Includes Secure Network Connection, On-going Station Software updates, Station Inventory, 24x7 Driver Support, Host Support, Session Data and Analytics, Fleet Vehicle Management and Integration, Fleet Access Control, Valet Dashboard, Power Management (Circuit, Panel, Site Sharing), Scheduled Charging, Driver Access Control, Pricing and Automatic Funds Collection, Waitlist, Videos (on supported hardware).

Quote Acceptance

- The provision of cloud services described in this agreement is subject to the terms and conditions of the Master Services and Subscription Agreement between the parties.
- All pricing confidential between Customer and ChargePoint.
- All invoices are: Net 30 days or prepaid.
- Prices do not include tax where applicable.
- Purchaser confirms that the shipping and billing information provided in the Quotation is accurate for ChargePoint's shipping and invoicing purposes.
- Customer to be invoiced at time of shipment
- Additional purchase terms and conditions can be found at <http://www.chargepoint.com/termsandconditions>

By signing this quote I hereby acknowledge that I have the authority to purchase the product detailed on this document on behalf of my organization. Furthermore, I agree to the terms and conditions set forth above and that this signed quote shall act as a purchase order.

Signature:

Accounts Payable Contact Name:

Name (Print):

Accounts Payable Contact E-Mail:

Title:

Bill To Address:

Company Name:

Date:

Name:

Street:

City:

State:

Postal Code:

Country:



Renewal Details

Cloud Plan Renewals

Station Name Station S/N	Station Location	Plan Type	Token S/N	Expiration Date	Option 1		Option 2		Option 3	
					Co-Term Exp Date	Co-Term Price	Co-Term Exp Date	Co-Term Price	Co-Term Exp Date	Co-Term Price
CITY OF LOWELL / 302 W MAIN 104910005225	302 W Main St Lowell, Michigan	COMMERCIAL	REN1588118148282	12/31/20	12/31/21	328.00	-- NA --	-- NA --	-- NA --	-- NA --
CITY OF LOWELL / 204 E MAIN 110410000861	204 E Main Lowell, Michigan	COMMERCIAL	REN1588118148281	12/31/20	12/31/21	328.00	-- NA --	-- NA --	-- NA --	-- NA --

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

MEMORANDUM



DATE: December 15, 2021

TO: Downtown Development Authority Board of Directors

FROM: Michael T. Burns, City Manager

RE: Lineshack

In November, the Lowell City Council approved the sale of the Lineshack building located at 115 Riverside Drive to RBG Investments (owned by Brent Slagell). Brent proposes to purchase the building, demolish it and create a mixed use building with some sort of restaurant/retail at the lower level along with five residential units above. The City is currently in the process of putting together a development agreement with RBG Investments.

Mr. Slagell is in the process seeking funding through the Michigan Economic Development Corporation's (MEDC) Community Revitalization Program (CRP). This would provide grant funding by the State of Michigan to assist with gap financing for the project. A component of this project is there being a local contribution to the project. Previously, there was no requirement as to how much provided by the City was considered as a local contribution. Mr. Slagell is seeking \$300,000 in grant funding from MEDC for this project. We are now told that MEDC would like to see a local contribution of 10% of the grant request to assist with these projects.

With the Michigan Constitution being very restrictive for local government to assist with contributing to a development project. There is not much municipalities can legally do to assist. Mr. Slagell has received three previous grants from the MEDC CRP for Big Boiler Brewing, Superior Lofts and Rio Plano Taquiera. In those projects, the City has provided a local contribution. For Big Boiler, we provided an Industrial Facility Tax Credit. For the other two, the Historic District Commission has provided him with façade grants to assist.

For this project, neither of those options are available to him. Brent and I discussed options which might be available to him and we determined there were two options, both of which should be considered. The more significant option would be for him to submit a 381 Brownfield Plan to our Brownfield Authority (this board) to seek mitigation costs for asbestos and lead removal from the site. This would be done at a later date. Initially, Mr. Slagell anticipates approximately \$25,000 in costs for mitigation, which can be reimbursed through his future tax capture.

The other option to consider would be for the Downtown Development Authority to make a public improvement. In this instance, sidewalk installation around the facility would be a public improvement and could be made available to him. Mr. Slagell is requesting \$5,000 from the DDA for downtown sidewalk improvements along his property.

Both Mr. Slagell and I believe these requests would meet the city's requirements to assist him in facilitating this development. **I recommend the City of Lowell Downtown Development Authority grant RBG Investments \$5,000 for sidewalk improvements as a portion of the City's local contribution for the Community Revitalization Program.**



MICHIGAN STRATEGIC FUND

MICHIGAN COMMUNITY REVITALIZATION PROGRAM PROGRAM GUIDELINES

PROGRAM OVERVIEW

The Michigan Community Revitalization Program (MCRP) is an incentive program to promote private investment in Michigan communities. Administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF), this tool provides Michigan communities with access to real estate development gap financing for innovative and/or impactful placemaking, historical redevelopment and/or job growth in targeted sectors.

The MSF may provide support for a project in the form of a grant, direct loan or other economic assistance such as a loan participation or equity investment. All awards shall be performance-based.

PROGRAM GOALS

The focus of the MCRP is to transform underutilized properties into vibrant areas by encouraging and promoting capital investment and the redevelopment of brownfield and historic properties located in or in support of traditional downtowns¹ and high-impact corridors in every region of the state. Community revitalization will attract talent through innovative and/or impactful placemaking by accelerating private investment in areas of historical disinvestment, fostering redevelopment of functionally obsolete properties, reducing blight, and supporting the rehabilitation of historic resources.

PROJECT CONSIDERATIONS

In addition to being required to document that the project is located on an eligible property (See **Appendix A**) at the time the pre-application is submitted, all MCRP projects will be evaluated based on the criteria provided in statute (See **Appendix B**).

The most competitive MCRP project submissions will also address local and regional impact, place, and economic and financial considerations. These considerations are listed below by category and are in no particular order. A project will be considered more competitive for funding the more criteria that are met.

Local and Regional Impact Considerations:

- Project supports the vision and goals stated in the local master plan, downtown plan, capital improvements plan and/or economic development strategy.
- Project supports region-wide economic development strategy or initiative.
- Located in a Redevelopment Ready Community; a voluntary, no-cost certification program designed to promote effective redevelopment strategies through a set of best practices.
- Located in a Main Street community; unique, historic preservation based economic development strategy that focuses on leveraging existing social, economic, physical, and cultural assets to energize community revitalization efforts.
- Community financially supports the project as demonstration that the project is a priority.

¹ A "traditional downtown" or "traditional commercial center" is defined as a grouping of 20 or more contiguous commercial parcels containing buildings of historical or architectural significance. The area must have been zoned, planned, built or used for commercial purposes for more than 50 years. The area must consist of, primarily, zero-lot-line development and have pedestrian friendly infrastructure.



- Project strengthens connections to local/regional workforce and career opportunities to the community, region and/or state's overall workforce and opportunities particularly in support of the growth and development of the MEDC's strategic focus industries.
- Located in a Geographically Disadvantaged Area (GDA)²; [Click here](#) to see a public map of Michigan's Geographically Disadvantaged Areas.
- Project is coordinated with or supports other state investments in the community.
- Readiness of infrastructure – utilities, housing, transportation, public transit and other community services. Is project filling available capacity or creating need for new community or state investments in infrastructure/resources?
- Emerging developers³ who seek to generate community development projects that serve as a catalyst for community impact, specifically in geographically disadvantaged areas.
- The community has a documented public participation strategy for engaging a diverse set of community stakeholders.

Place Considerations:

- Evaluated in concert with the basic tenets of urban design; has density, building type(s), and scale appropriate to the neighborhood context and positively contributes to the pedestrian experience.
- Contributes to a traditionally dense mixed-use area and contains multi-story elements.
- Rehabilitation, infill and historic revitalization projects.
- Promotes mixed-income neighborhoods.
- Incorporate integrated and sustainable approaches to manage the quantity and the quality of stormwater for infrastructure improvements.
- Significant square footage being revitalized and activated.
- Universal design (designed to be accessed, understood and used to the greatest extent possible by all people).
- Redevelopment meets a third-party certification for green buildings (Leadership in Energy and Environmental Design [LEED], Energy Star, Living Building Challenge, Net Zero Energy Building, Green Globes, etc.)
- Level and extent of brownfield activities undertaken in direct support of the project.
- Availability of public transportation or other transportation programs to improve job access, or proximity/accessibility for workforce.
- Addresses improvement to non-motorized transportation.

Economic and Financial Considerations:

The following financial conditions will be considered by staff when determining a project's competitiveness for MCRP support:

- Senior Financing: maximize all available senior financing with preference through a federally insured and regulated senior lender.

² Geographically Disadvantaged Areas are defined as economically distressed and historically underinvested census tracts and counties, especially in urban and rural areas, that tend to experience relatively high unemployment and low household incomes. MEDC and the State of Michigan operationalize geographically disadvantaged areas to constitute Treasury-designated Opportunity Zones and Small Business Administration-defined HUBZones (Historically Underutilized Business Zones).

³ Michigan-based developers with limited real estate experience and financial resources who support local initiatives and have completed commercial real estate training programs.



- Debt Service Coverage Ratio: ensure that the projected cash flow after MCRP incentive is applied is adequate to service debt.
- Financial need for the incentive(s) is demonstrated.
- All other potential funding resources have been explored and maximized.
- Demonstrated financial commitment towards the project by developer/owner equity contribution (generally 10–20% of total development cost) and deferred developer fees. Flexibility on these contributions will be given to emerging developers.
- High ratio of private dollars compared to the total amount of public contribution (state and federal funding) to a project.
- Developer and non-third-party fees (including management, guarantee, and project coordination fees, etc.) should be deferred through available cash flow as a general rule.
- Financial sustainability of the project.

FINANCIAL STRUCTURE AND AWARD LIMITATIONS

The MSF may provide support for a project in the form of a grant, direct loan or other economic assistance such as a loan participation or equity investment. All awards shall be performance-based. The Michigan Strategic Fund reserves the right to award less than the amount requested.

MSF support for a single project shall not exceed 25% of the eligible investment (See **Appendix C**), and in no event shall the MSF support exceed a total of \$10,000,000 for any project (including any combination of loan, grant or other economic assistance). However, in a city, village, or township with a population of 15,000 or less (based on the most recent federal decennial census), the amount of community revitalization incentives for a project shall not exceed 50% of a project's eligible investment up to \$10,000,000.

Additionally, the statute also allows that annually the MSF or its delegates may consider support for up to three single projects that shall not exceed 50% of the eligible investment for the specific purpose of historic preservation.

Grants

MSF support that is in the form of a grant shall not exceed \$1,500,000 for any project. A grant may include flexible terms and conditions. Grants shall also include provisions requiring grant funds to be paid back to the MSF when certain requirements are not met. Disbursement of grant funds typically follow construction completion and issuance of a "Certificate of Occupancy" and completion of other performance-based criteria.

Loan Participation

A loan participation arrangement requires the presence of a Senior Lender willing to lead the lending relationship and operate within the underwriting standards of the MEDC. It is anticipated the MSF's investment may have different terms from the Senior Lender's portion but operate under the same loan agreement(s).

Direct Loans

Direct loans may be considered where a loan participation arrangement is not feasible. They may include flexible terms and conditions, all of which must be acceptable to the MSF Board or its delegates, including without limitation, primarily below market interest rates, extended grace and repayment provisions, forgivable terms and no security, or some security (which also may be subordinated). These loans typically require that funds are disbursed following construction completion and issuance of a "Certificate of Occupancy", and completion of other



performance-based criteria.

Equity Investments

Equity investments may be considered for projects located in geographic markets that have not seen any recent investment or that are in a state of change making traditional underwriting of income projections difficult.

APPLICANT CRITERIA

Any person or multiple persons that has a project that fits the goals of the program as determined by the MEDC, may apply.

Background Check

The MSF Act requires the MSF Board to establish requirements to ensure an applicant(s) seeking an MSF incentive in the amount of \$15,001 or more is subject to a civil and criminal background check as part of the due diligence process for programs and activities created and operated by the MSF. Background check guidelines and procedure are outlined in the Background Review and can be found on our website at michiganbusiness.org.

APPLICATION AND SELECTION PROCESS

All applicants are required to submit an application while working with their Community Assistance team member. Community Assistance team members can be identified by going to miplace.org. The MCRP incentive approval process generally takes approximately six months to one year to complete. The timing for project consideration is impacted by various factors which may include changes to project scope, process delays (e.g., inadequate or incomplete documentation), and project complexities.

MCRP requests for MSF Support is based on, but not limited to, a high-level application and selection process. The following is a summary of the process. For a more detailed process, please refer to our website at michiganbusiness.org.

1. MEDC engagement with local partners around potential project.
2. Applicant provides pre-application including proforma and initial intake documentation.
3. MEDC reviews project based on the criteria which expounds upon the Legislative mandates of the program (See **Appendix B**) and project considerations outlined above.
4. MEDC provides a Letter of Interest, when appropriate.
5. Applicant provides completed application with additional supporting documents.
6. MEDC completes a statutory review, full financial review and provides proposed financial structure and term sheet.
7. MEDC prepares a recommendation to the Michigan Strategic Fund (MSF) Board or its authorized delegates for project approval.
8. MSF Board considers the project and if approved, applicant is required to pay pre-closing fees, if applicable.
9. MEDC drafts appropriate legal agreement which is executed at closing.
10. Applicant completes milestones outlined in the agreement and necessary for disbursement of funds.
11. Applicant completes required reporting following project completion.
12. MEDC completes compliance verification and project closeout.

All MSF support shall be memorialized by final written grant, loan or other economic assistance agreements, with terms and conditions in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation, requiring performance-based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project. The program may require applicants to pay



reasonable application fees, and any other expenses incurred in administering the program.

APPENDIX A: ELIGIBLE PROPERTY

Eligible property includes one or more of the following:

Facility:

As defined in Public Act 451 of 1994, MCL 324.20101, means any area, place, or property where a hazardous substance in excess of concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located. A Phase I and Phase II Baseline Environmental Assessment is used to determine whether the property is a facility. The MEDC will confirm with the Michigan Department of Environment, Great Lakes and Energy (EGLE) who will certify the property as a facility after adequate documentation is received from the developer.

Historic Resource:

A publicly or privately-owned historic building or structure, individually listed, or located within a historic district designated by the National Register of Historic Places, the State Register of Historic Sites, or a local unit acting under the Local Historic Districts Act, 1970 PA 169. Documentation is required to verify any of the above designations.

Functionally Obsolete:

Property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself, or the property's relationship with other surrounding property as determined by a Michigan Advanced Assessing Officer or a Michigan Master Assessing Officer.

Blighted:

Property that meets any of the following criteria as determined by the respective unit of government, building official, or assessor when applicable:

- Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance;
- Is an attractive nuisance to children because of physical condition, use, or occupancy;
- Is a fire hazard, or is otherwise dangerous to the safety of persons or property;
- Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use;
- Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state;
- Is property owned, by or under the control of, a land bank fast track authority under the Land Bank Fast Track Act, 2003 PA 258; and
- Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.

Adjacent or Contiguous:

Other parcels that are adjacent or contiguous to qualifying property described above that is part of the same project and all properties are improved.

Neighborhood and Commercial Corridor Food Initiative ("Urban Grocery"):

Property that will be used primarily as a retail supermarket, grocery store, produce market, or delicatessen that is located in a downtown area or in a development area as defined in section 2 of the Corridor Improvement Authority Act. The qualifying project must not be less than one mile from another grocery provider and must provide unprocessed USDA-inspected meat and poultry products or meat products that carry the USDA organic



seal, fresh fruits and vegetables, and dairy products for sale to the public.

Any Other Property:

"Any Other Property" means property that when redeveloped as proposed will promote community revitalization, as determined by the MSF Board.

APPENDIX B: LEGISLATIVE CONSIDERATIONS

- The applicant's financial need for the incentive and whether the project is financially and economically sound (Sec 90(b)(4)(d) & Sec 90(b)(4)(h)).
- The importance of the project to the community, the amount of local financial support to the project, and the level of private sector and other contributions to the project, such as federal tax credits (Sec 90(b)(4)(a), Sec 90(b)(4)(c), and Sec 90(b)(4)(g)).
- Whether the project incorporates basic tenants of urban design by promoting mixed-use development, walkable communities and/or increasing the density of the area (Sec 90(b)(4)(j) & Sec 90(b)(4)(i)).
- Whether the project will redevelop a brownfield and/or historic resource and/or a vacant structure; if historic, whether the project will follow the federal secretary of the interior's standards for rehabilitation of historic buildings, 36 CFR 67 (Sec 90(b)(4)(e), Sec 90(b)(4)(m), and Sec 90(b)(4)(q)).
- Whether the project promotes sustainable development (Sec 90(b)(4)(/)).
- The level and extent of environmental contamination (Sec 90(b)(4)(p)).
- If the project will act as a catalyst for additional revitalization and/or addresses area-wide redevelopment strategies (Sec 90(b)(4)(b) & Sec 90(b)(4)(n)).
- Creation of jobs (Sec 90(b)(4)(f)).
- Whether the project addresses underserved markets of commerce; converts abandoned public buildings to private use; and if the project will compete with or affect existing Michigan businesses (Sec 90(b)(4)(o), (Sec 90(b)(4)(k), & (Sec 90(b)(4)(r)).
- Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter (Sec 90(b)(4)(s)).

APPENDIX C: ELIGIBLE INVESTMENT

An eligible investment is defined as at least one, or any combination of, the following expenditures which may have occurred up to one year prior to the MSF approval of the application and has not been completely reimbursed to, or paid for on behalf of, the applicant. Collectively these expenditures are eligible investments and are referred to as "Hard Costs":

- a. Any fees or costs for alteration, new construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections,
- b. Any fees or costs for site improvements to an approved project, including, a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing,
- c. Any fees or costs for the addition of machinery, equipment or fixtures to an approved project; or
- d. Professional fees or costs for an approved project for architectural services, engineering services, Phase I environmental site assessment, Phase II environmental site assessment, or Baseline Environmental Assessment, or surveying services.



- e. Professional fees associated with obtaining a third-party certification for environmentally sustainable design, building materials and/or development practices.

The MSF or MSF Fund Manager, on its behalf, may impose additional terms and conditions involving any Hard Costs that meet eligibility for reimbursement under any tax increment financing, including requiring those costs to be repaid to the MSF, or excluding any such costs from Hard Costs. Eligible investment will be determined through the review of invoices, work orders, bills, and corresponding evidence of payment.

In no event shall any of the following, which are collectively referred to as "Soft Costs", be deemed any part of the Hard Costs:

- a. acquisition fees or costs for real property,
- b. developer fees or costs,
- c. closing fees or costs,
- d. legal fees or costs,
- e. professional fees or costs (other than those included above as part of the Hard Costs),
- f. title commitment fees or costs,
- g. title insurance fees, premiums or costs,
- h. management fees or costs (including related party project and construction management),
- i. Related party builder overhead and profit
- j. appraisal fees or costs,
- k. bank or other lender financing, interest, or inspection fees or costs,
- l. leasing or sales commission fees or costs,
- l. shared savings, or fees or costs arising from penalties or other reductions in payment from any contract for improvements to the Project,
- m. performance bond and other risk contingency fees and costs,
- n. marketing fees or costs,
- o. zoning fees or costs (other than those zoning fees or costs paid to a governmental entity included above as part of the Hard Costs),
- p. taxes, or
- q. hazard, liability or any other insurance fees and costs.

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CHECK DISBURSEMENT REPORT FOR CITY OF LOWELL
CHECK DATE FROM 10/13/2021 - 12/16/2021

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Check Date	Bank	Check #	Payee	Description	Account	Dept	Amount
Fund: 248 DOWNTOWN DEVELOPMENT AUTHORITY							
10/14/2021	GEN	76284	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	740.000	463	99.87
10/14/2021	GEN	76310	KERKSTRA PORTABLE, INC.	PORTABLE RESTROOM DDA	880.000	463	500.00
10/14/2021	GEN	76316	LYNCHS METAL FABRICATION	TRASH RECEPTALES & BENCHES	970.000	450	4,100.00
10/14/2021	GEN	76326	SELF SERVE LUMBER	ACCOUNT STATEMENT	880.000	463	5.99
10/29/2021	GEN	76389	WILLIAMS & WORKS INC.	AMTIY STREET RESURFACING	970.000	450	324.32
10/29/2021	GEN	76390	WOLVERINE BUILDING GROUP	SHOWBOAT RESTROOMS	970.000	450	18,780.71
11/11/2021	GEN	76395	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	930.000	463	28.99
11/11/2021	GEN	76400	CITY OF LOWELL	DDA FENCE PERMIT FOR SHOWBOAT	955.000	463	25.00
11/11/2021	GEN	76420	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	920.000	463	499.63
11/11/2021	GEN	76440	WOLVERINE BUILDING GROUP	SHOWBOAT RESTROOMS	970.000	450	14,399.12
11/22/2021	GEN	76450	BEHRENS LIMITED, LCC	MUTT MITS	740.000	463	108.75
11/22/2021	GEN	76462	KERKSTRA PORTABLE, INC.	PORTABLE RESTROOM DDA	802.000	463	500.00
11/22/2021	GEN	76465	MAG PLUMBING SERVICE LLC	WINTERIZED IRRIGATION	930.000	463	580.76
11/22/2021	GEN	76476	VISA	MERCANTILE VISA STATEMENT	740.000	463	24.00
11/22/2021	GEN	76477	WILLIAMS & WORKS INC.	AMITY STREET RESURFACING	970.000	450	30.98
12/02/2021	GEN	76497	HOMETOWN DECORATION AND DISPLAY LLC	LIGHTED HOLIDAY DEORATIONS	880.000	740	5,032.00
12/02/2021	GEN	76501	LOWELL AREA CHAMBER	2021 CHRISTMAS FESTIVITIES & PARADE			** VOIDED **
12/02/2021	GEN	76505	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS 10/26 - 11/26/2021	920.000	463	1,168.05

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CHECK DATE FROM 10/13/2021 - 12/16/2021

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Check Date	Bank	Check #	Payee	Description	Account	Dept	Amount
Fund: 248 DOWNTOWN DEVELOPMENT AUTHORITY							
12/02/2021	GEN	76513	ROCKET ENTERPRISSE INC	VETLAN'S PARK FLAG CABLES	802.000	463	400.00
				RIVERWALK PLAZA FLAG POLE REPAIR	802.000	463	850.70
				CHECK GEN 76513 TOTAL FOR FUND 248:			1,250.70
12/03/2021	GEN	76531	LOWELL AREA CHAMBER	CHRISTMAS FESTIVITIES & PARADE	880.000	740	6,800.00
				Total for fund 248 DOWNTOWN DEVELOPMENT AUTHORITY			54,258.87

DOWNTOWN DEVELOPMENT AUTHORITY FUND
December 7, 2021

Beginning Balance:	\$403,248.64
Revenue:	
TIFA Revenue	\$616,245.45
Interest	
Total Revenues	\$1,019,494.09
Expenditures:	
Capital Outlay	\$111,906.71
Salaries	\$16,540.62
Maintenance Supplies	\$19,246.52
Utilities	\$9,162.72
Marketing and Community promotions	11,832.00
Accrued Wages	\$4,718.00
Administration	\$20,032.94
Accrued Payables	\$2,065.63
Transfer to Equipment	
Transfer to General Fund	
Debt Service to light and power	\$34,752.54
<i>Total Expenditures:</i>	\$230,257.68
Ending Balance	\$789,236.41