



## MICHIGAN STRATEGIC FUND

### MEMORANDUM

**DATE:** June 8, 2021

**TO:** Members of the Michigan Legislature

**FROM:** D. Jeffrey Noel, President  
Michigan Strategic Fund

**SUBJECT:** FY 2021 Michigan Small Business Survival Grant Program – Final Report

Public Act 257 of 2020 allocated \$55 million to the Michigan Strategic Fund (MSF) to implement the Michigan Small Business Survival Grant Program to assist small businesses impacted by DHHS “gatherings and face mask orders.” The program allowed for grants of up to \$20,000 to be awarded to businesses that were fully closed, with grants of up to \$15,000 awarded to businesses that were partially closed, or otherwise were open and demonstrated an impact. The funds were distributed across 15 local economic development organizations (EDOs) designated by the Act to administer the program.

The Act required the MSF to submit a preliminary report to Appropriations Committees, fiscal agencies, and the State Budget Office listing the grants awarded, including the name of each recipient. That report was submitted on February 17, 2021, and is available on the transparency page of our website at <https://www.michiganbusiness.org/reports-data/transparency/>.

A final report that includes a summary of all grants awarded under the program, by industry, is required to be submitted by September 30, 2021. Pursuant to this requirement, attached is the final report.

Because of the legislative interest in this program and to provide full transparency, this report is being shared with all members of the Michigan Legislature.

If you have any questions regarding the information in this report, please contact our Office of Government Relations at 517.335.1847.

#### Attachment

cc: Dave Massaron, State Budget Director  
Chris Harkins, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency

# **Michigan Strategic Fund**

## **Michigan Small Business Survival Grant Program**

### **FY 2021 Report - Final**

Public Act 257 of 2020, which provided FY 2021 supplemental appropriations, allocated \$55 million to the Michigan Strategic Fund (MSF) to implement the Michigan Small Business Survival Grant Program to support the needs of eligible Michigan businesses that experienced a significant financial hardship due to the COVID-19 emergency “gatherings and face mask order” issued by the Michigan Department of Health and Human Services (DHHS) effective on December 9, 2020 through December 20, 2020, and the order effective on November 18, 2020 that it rescinded and replaced.

The program allowed for grants of up to \$20,000 to be awarded to businesses that were fully closed, with grants of up to \$15,000 awarded to businesses that were partially closed, or otherwise open and could demonstrate an impact. Only businesses with 1 to 100 employees (including full-time, part-time and owner/employees) on a world-wide basis on November 17, 2020, were eligible to receive assistance.

As required under the Act, funding was distributed to each of the 15 local economic development organizations (EDOs) that participated in the Michigan Small Business Relief Program created at the March 19, 2020 Michigan Strategic Fund Board meeting, on a percentage basis consistent with the small business restart grants distributed in Public Act 123 of 2020. Factors taken into consideration included: number of counties served by EDO; total population; estimated small businesses impacted by COVID-19; and percentage of small businesses located in a geographically disadvantaged area.

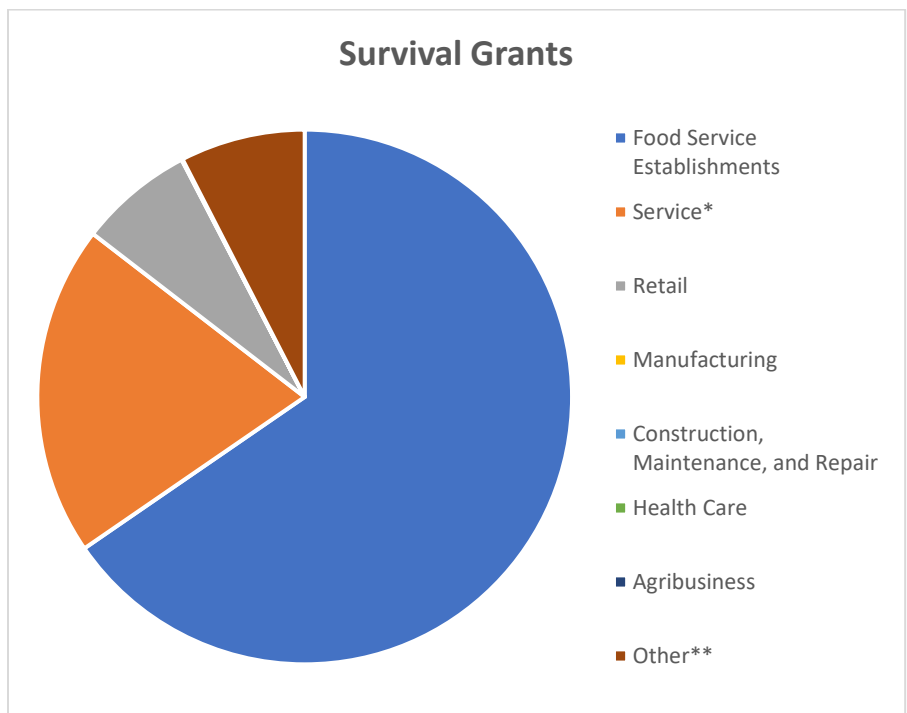
The EDOs were responsible for accepting, reviewing and approving applications, and ultimately, awarding and disbursing grant funds under sub-grants to the selected eligible businesses. The EDOs could retain up to five percent of the amount they received for awards for administrative costs involved in the direct administration of the grants.

The attached spreadsheet summarizes the grant amount received by each EDO, total amount disbursed, number of businesses assisted, and number of jobs retained. No funds were returned to the MSF. A complete list of businesses that received awards is available on our website at <https://www.michiganbusiness.org/494fe3/globalassets/documents/covid19/survival-grant-summary.pdf>.

Below is a list of industry categories, followed by a summary of awards by industry.

1. Food service establishments (such as restaurants and bars, coffee, bakeries, catering, breweries, distilleries, wineries, tea shops, banquet facilities and other food and beverage service providers)
2. Exercise facilities (such as gyms, studios, pool facilities, ice skating rinks, organized sports)
3. Personal care services (such as hair, nail, tanning, massage, spa)
4. Retail (such as boutiques, bookstores, hardware, anything being sold that is not food)
5. Recreational Facilities and places of public amusement (such as bowling alleys, arcades, bingo halls)
6. Nonprofits (such as library, museum, churches, religious centers, advocacy organizations)
7. Entertainment venues or live event venues that are not eligible for the Michigan Stages Survival Grant as defined in PA 257 of 2020 Section 401
8. Childcare and Camps
9. Transportation (such as limo services)
10. Schools
11. Nonprofits
12. Other industry

<b>Industry Category</b>	<b>Survival Grants</b>
Food Service Establishments	4,114
Service*	1,260
Retail	436
Manufacturing	2
Construction, Maintenance, and Repair	1
Health Care	1
Agribusiness	0
Other**	475
<b>Total</b>	<b>6,289</b>



\*Encompasses categories of Fitness, Recreation, Arts & Entertainment, Personal Care, Professional & Other Services, and Accommodations

\*\*Encompasses categories of Other, Nonprofit, and Transportation

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Below is a summary of the awards by participating Economic Development Organizations (EDOs). Where the “Total Grant Amount Disbursed” is greater than the “Grant Award After Administrative Fee,” the EDO covered the excess with its administrative amount.

<b>Participating EDO</b>	<b>Grant Amount Received</b>	<b>5% Administrative Fee</b>	<b>Grant Award After Administrative Fee</b>	<b>Additional Funds Awarded by EDO (from Admin. Fee)</b>	<b>Total Grant Amount Disbursed</b>	<b>Number of Business Recipients</b>	<b>Retained Jobs<sup>1</sup></b>
Detroit Economic Growth Corporation	\$8,550,000	\$427,500	\$8,122,500	-	\$8,122,500	727	5,485
Flint & Genesee Chamber	\$4,425,000	\$221,250	\$4,203,750	\$150,000	\$4,353,750	291	2,846
Invest UP	\$2,500,000	\$125,000	\$2,375,000	-	\$2,375,000	415	3,222
Lakeshore Advantage	\$1,925,000	\$96,250	\$1,828,750	-	\$1,828,750	187	2,454
Lansing Economic Area Partnership (LEAP)	\$3,050,000	\$152,500	\$2,897,500	\$12,500	\$2,910,000	194	2,247
Macomb County	\$4,150,000	\$207,500	\$3,942,500	\$52,500	\$3,995,000	799	7,046
Middle Michigan Development Corporation	\$1,925,000	\$96,250	\$1,828,750	\$11,250	\$1,840,000	183	1,711
Networks Northwest	\$2,500,000	\$125,000	\$2,375,000	\$15,001	\$2,390,001	184	2,245
Oakland County	\$6,075,000	\$303,750	\$5,771,250	\$285,445	\$6,056,695	1,320	9,534
Otsego County Economic Alliance	\$1,925,000	\$96,250	\$1,828,750	-	\$1,828,750	168	1,403
Saginaw Future	\$1,950,000	\$97,500	\$1,852,500	\$60,000	\$1,912,500	271	2,700
Ann Arbor SPARK	\$4,700,000	\$235,000	\$4,465,000	\$160	\$4,465,160	644	6,274
Southwest Michigan First	\$4,150,000	\$207,500	\$3,942,500	\$180,615	\$4,123,115	279	3,819
Target Alpena	\$1,925,000	\$96,250	\$1,828,750	\$37,190	\$1,865,940	200	1,369
The Right Place	\$5,250,000	\$262,500	\$4,987,500	\$2,399	\$4,989,899	427	4,150
<b>TOTAL</b>	<b>\$55,000,000</b>	<b>\$2,750,000</b>	<b>\$52,250,000</b>		<b>\$53,057,060</b>	<b>6,289</b>	<b>56,505</b>

<sup>1</sup> Some businesses reported a range of retained jobs and this column represents the lowest number in the range.