



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: September 29, 2020

TO: Members of the Michigan Legislature

FROM: Mark Burton, President
Michigan Strategic Fund

SUBJECT: FY 2020 Michigan Small Business Restart Grant Program Report

Public Act 144 of 2020 allocated \$100 million of federal CARES Act funding to the Michigan Strategic Fund (MSF) to create and execute the Michigan Small Business Restart Grant Program. The program provides up to \$20,000 in grants to assist small businesses and nonprofit entities with COVID-19 recovery efforts. The funds were distributed across 15 local economic development organization (EDOs) designated by the Act to administer the program.

The Act requires the MSF to submit a report to Appropriations Committees, fiscal agencies, and the State Budget Office by September 30, 2020, summarizing all the grants awarded under the program. Pursuant to this requirement, attached is a summary of the awards. A list of the grants is available on the Michigan Economic Development Corporation (MEDC) website at <https://www.michiganbusiness.org/restart/>. With well over 11,000 grants awarded to date, we have included the direct link to the report [here](#), rather than attaching as a document.

This report reflects data submitted to the MEDC by the EDOs as of September 10. The EDOs are required to submit progress reports by the tenth of each month through the term of the Grant Agreement or until all program funds are disbursed. The list of grants on the [michiganbusiness.org/restart](https://www.michiganbusiness.org/restart/) page will be updated as data is received from the EDOs. We encourage you to check back frequently for updates. A subsequent report will be provided to legislatively required recipients when all awards are final.

Because of the legislative interest in this program and to provide full transparency, this monthly 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: Chris Kolb, State Budget Director
Chris Harkins, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

Michigan Strategic Fund

Michigan Small Business Restart Grant Program

FY 2020 Report

In response to the economic impact of COVID-19, the State of Michigan allocated \$100 million of CARES Act funding to implement the Michigan Small Business Restart Grant Program to support the needs of Michigan businesses directly impacted by COVID-19. The program is modeled after the Michigan Small Business Relief Program, approved on March 19, 2020, by the Michigan Strategic Fund to support small businesses impacted by the COVID-19 crisis.

In an effort to continue to support small businesses and nonprofits, the Michigan Small Business Restart Grant Program provided funding to local economic development organizations (EDOs) to award grants of up to \$20,000 to eligible small businesses or nonprofits that have been negatively impacted by COVID-19 and needed working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses.

Businesses and nonprofits with 50 or fewer employees, worldwide, located in Michigan were eligible to apply. Businesses also had to demonstrate the following:

- Part of an industry or nonprofit that can demonstrate it has been impacted by the COVID-19 emergency
- Needs working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses
- Demonstrates an income loss as result of the COVID-19 emergency as determined by the Michigan Strategic Fund (MSF)

Additionally, at least 30 percent of the funds awarded under this program were required to be provided to women-owned, minority-owned, or veteran-owned eligible businesses.

The MSF approved the distribution of grant funding across 15 local EDOs covering all 83 counties in the state on July 7, 2020 with the application for the program going live July 15, 2020. The \$100 million was distributed among the EDOs using the same formula as was used for the Michigan Small Business Relief Program with adjustments made to meet statutory requirements that each EDO receive a minimum of \$3.5 million for Restart grants. A list of the local EDOs, funding amount, and the counties covered by each entity is included on the following page.

The local EDOs could retain up to five percent of the amount they received for awards for administration and the MSF could retain not more than \$1,000,000 for administration. Several of the EDOs are expecting to retain a fee of less than five percent or not retain their administration fee. The MSF also did not retain an administration fee allowing for additional grants to be awarded.

A total of 36,727 applications for this funding was received from all 83 counties in the state. Those applications were submitted to the 15 local EDOs for their review and selection process once the application period closed on August 5, 2020. A total of 11,637¹ grants have been awarded to date totaling \$73,340,230². Approximately 76 percent³ of the grants have been awarded to women, minority, and veteran business owners.

A list of the grants and the status of the awards reported as of September 10th is available on the Michigan Economic Development Corporation (MEDC) website [here](#). The EDOs are required to submit progress reports to the MEDC by the tenth of each month through the term of the Grant Agreement or until all program funds are disbursed. The list of grants on the michiganbusiness.org/restart page will be updated as data is received from the EDOs. A subsequent report will be provided to legislatively required recipients when all awards are final.

	Local EDO	Funding Amount	Counties Covered
1	Invest UP	\$4,545,455	Keweenaw, Houghton, Ontonagon, Gogebic, Baraga, Iron, Marquette, Dickinson, Menominee, Alger, Delta, Schoolcraft, Luce, Mackinac, Chippewa
2	Networks Northwest	\$4,545,455	Emmet, Grand Traverse, Charlevoix, Antrim, Kalkaska, Missaukee, Wexford, Manistee, Benzie, Leelanau
3	Otsego County Economic Alliance	\$3,500,000	Otsego, Crawford, Roscommon, Montmorency, Ogemaw, Oscoda
4	Target Alpena	\$3,500,000	Iosco, Alcona, Alpena, Presque Isle, Cheboygan
5	The Right Place, Inc.	\$9,545,455	Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola
6	Lakeshore Advantage	\$3,500,000	Allegan, Ottawa
7	Middle Michigan Development Corporation (MMDC)	\$3,500,000	Isabella, Gratiot, Clare, Gladwin, Arenac, Midland
8	Saginaw Future	\$3,545,455	Bay, Saginaw
9	Flint & Genesee Chamber Foundation	\$8,045,455	Shiawassee, Genesee, Lapeer, St. Clair, Tuscola, Sanilac, Huron
10	Lansing Economic Area Partnership (LEAP)	\$5,545,455	Clinton, Eaton, Ingham
11	Southwest Michigan First (SWMF)	\$7,545,455	Kalamazoo, St. Joseph, Berrien, Calhoun, Van Buren, Cass, Branch
12	Ann Arbor SPARK	\$8,545,455	Livingston, Washtenaw, Hillsdale, Jackson, Lenawee, Monroe
13	Oakland County	\$11,045,455	Oakland
14	Macomb County	\$7,545,455	Macomb
15	Detroit Economic Growth Corporation (DEGC)	\$15,545,450	Wayne

¹Saginaw Future had not identified businesses to receive a Restart grant by the September 10th reporting due date. Therefore, their number of awardees and grant amounts are not included for this month.

²This amount reflects the amount of EDO grants awarded as of September 10, 2020. EDOs have until September 30, 2020 to award their full grant award. Any amount not awarded to an eligible business by September 30, 2020 will be returned to the MSF.

³Of the 11,637 businesses to receive an award, 3,348 reported as minority owned, 4,666 reported as woman owned, and 591 reported as veteran owned for a total of 8,605. Some of these businesses reported a combination of the three categories, therefore, the actual percentage may be smaller.