

RESOLUTION #21-12

At a meeting of the Alpena County Board of Commissioners, the following Resolution was duly authorized this 12th day of May, 2021:

WHEREAS, The County of Alpena was a “sponsoring entity” and a 25% contributor to the hereinafter described Revolving Loan Fund (RLF) established through the U.S. Department of Commerce Economic Development Administration (EDA); and

WHEREAS, The County of Alpena wishes to hereby support the request of Target Alpena Development Corporation (Target Alpena) to have the “federal interest” in the Award Funds released pursuant to the statutory authority hereafter set forth; and

WHEREAS the resolution approved by the Target Alpena Development Corporation (Target Alpena), which the County of Alpena adopts and submits as it’s request to the EDA as well, is set forth as follows:

WHEREAS, from June 1991 to present, the Target Alpena Development Corporation (Target Alpena) has administered U.S. Department of Commerce Economic Development Administration (EDA) Revolving Loan Funds (RLF); and

WHEREAS, the Target Alpena Development Corporation, the “Recipient”, administers the Economic Development Administration RLF Award Fund pursuant to the Public Works and Economic Development Act of 1965 (PWEDA) (42 U.S.C. Section 3121 et. seq.); and

WHEREAS, the current value of the revolving loan fund capital base is \$ 645,774.30, the federal investment rate is 75% and the federal share of the capital base is \$ 300,000.00 (the Award Funds); and

WHEREAS, pursuant to authority under the Public Works and Economic Development Act of 1965, EDA retains a “federal interest” in the Award Funds; however, Recipient has been invited to submit a request to EDA to release such “federal interest” in the Award Funds consistent with the requirements of the Reinvigorating Lending for Future Act (Pub. L. 116-192); and

WHEREAS, Recipient has requested that EDA release its “federal interest” in the Award Funds provided that Recipient will use the Award Funds for one or more of the approved activities that carry out the economic development purposes of the Public Works and Economic Development Act of 1965.

NOW, THEREFORE, BE IT RESOLVED, that the Directors of Target Alpena (i.e., the Recipient) hereby authorize Michael W. Mahler, Executive Director, (i) to request on behalf of the Corporation that EDA release its “federal interest” in the RLF Award Funds (a copy of which is attached hereto as **Exhibit “A”**) and (ii) that, upon acceptance of such request, Michael W. Mahler execute the Agreement to Release Federal Interest in a Revolving Loan Fund Award.

BE IT FURTHER RESOLVED, that concurrent with EDA's release of its "federal interest" in the Award Funds, Target Alpena (i.e., the Recipient) hereby agrees that it will utilize such funds in accordance with the following authorized activities consistent with the economic development purposes of the Public Works and Economic Development Act of 1965, to-wit:

- a. Recipient shall not use Award Funds to construct schools, community centers, municipal buildings, or otherwise use Award Funds to carry out activities outside of the economic development purposes of PWEDA, nor shall Recipient use Award Funds to pay general costs of government.
- b. Recipient shall not transfer Award Funds to a natural person, for-profit entity, or other entity ineligible for award under sections 3(4) and 209 of PWEDA (42 U.S.C. § 3122(4) and § 3149). For the sake of clarity, Award Funds may be used to contract with for-profit entities for goods and services for one or more activities that continue to carry out the economic development purposes of PWEDA and to operate an RLF that makes loans to for-profit organizations.
- c. Award Funds must be used in a manner consistent with EDA's non-relocation policy. Specifically, Recipient shall not use Award Funds to induce the relocation of existing jobs within the U.S. that are located outside of a jurisdiction to within that jurisdiction in competition with other U.S. jurisdictions for those same jobs.
- d. Award Funds must be used in accordance with section 602 of PWEDA (42 U.S.C. § 3212). Specifically, Recipient shall ensure that all laborers and mechanics employed by contractors or subcontractors on projects assisted by Award Funds shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor as provided by section 602 of PWEDA or as it may be amended in the future.
- e. Recipient shall use Award Funds in accordance with applicable federal, state, and local law, including applicable non-discrimination law. Recipient may not use Award Funds for any purpose that would be prohibited by the Establishment Clause of the U.S. Constitution if the Award Funds were expended directly by the Federal Government.
- f. Recipient is not required by the terms of the Agreement to seek EDA approval or permission to use Award Funds for one or more activities that continue to carry out the economic development purposes of PWEDA but that differ from the activities described in the Letter Request.
- g. Recipient shall provide timely and accurate responses to EDA inquiries regarding Recipient's use of the Award Funds. Following the release of EDA's federal interest, EDA remains interested in working with Recipient

to promote Recipient's RLF or other activities that continue to carry out the economic development purposes of PWEDA.

BE IT FURTHER RESOLVED, that Michael W. Mahler is furthermore authorized to execute and deliver any and all documents as may be necessary to effectuate the purpose and intent of this Resolution.

Date: May 12, 2021

Robert Adrian, Chairman
Alpena County Board of Commissioners

Bonnie Friedrichs, County Clerk

CERTIFICATION

The undersigned, Bonnie Friedrichs, duly elected Clerk of Alpena County, Michigan hereby certifies that the above stated Resolution was duly adopted by the Alpena County Board of Commissioners.

Date: _____

Bonnie Friedrichs, County Clerk

EXHIBIT "A"
LETTER

Exhibit A

Organization: Target Alpena Development Corporation,
County of Alpena, Michigan

Contact Information: Target: Michael W. Mahler - Director of Economic Development (989) 464-8321
County: Kim Ludlow – County Treasurer (989) 354-9534

Award Number: 06-19-02464

Date of Award: Obligated: June 28, 1991

Federal Investment Rate: 75%

Evidence of Final Disbursement: March 30, 1995

Value of RLF Capital base:

Proposed use of RLF Awards / Funds

Target hereby formally requests the release of EDA rights in the Target Alpena Development Corporation RLF fund. The County (as an original party and partner to the agreement) adopted a board resolution in support of this application (attached).

Based upon extensive Target board discussion and deliberation, the board adopted the attached resolution seeking defederalization status of our RLF fund.

Upon approval, ***it is our intent to continue to maintain the RLF fund.*** The RLF fund is arguably one of the most important tools in helping support economic development for the region.

Our intention will be to expand the counties covered under this Fund which currently is only Alpena County. Target also operates a second fund (an MRLF fund) which can make smaller loans in Alpena, Alcona, Presque Isle, Cheboygan, Montmorency, and Otsego counties. It would be our intent to expand the RLF fund to support Alpena, Alcona, Presque Isle and Montmorency counties thereby making the RLF fund the primary lending fund for Target Alpena.

We find it unnecessarily burdensome to operate 2 different loan funds, with 2 different applications and differing servicing and reporting requirements. Moving to a single revolving loan fund serving more counties with the larger dollar limits of the current RLF makes the most sense.

We will change up the loan committee following approval adding new members including members from some of the expanded counties.

Given the planned expansion of the counties eligible for support through the RLF fund, it is also our intent to return the original investment of \$100,000 to Alpena county that was allocated by them to Target at the time the RLF was established.

The board also recognizes, through this process, that the potential exists for other allowable uses of these same funds. While there are no plans for uses outside of the RLF, the board is aware of the allowable PWEDA activities which were part of the adopted resolution.

The board is appreciative of the EDA support to allow for the creation of this loan fund. It has been an invaluable tool to support development activities in the community. As such, the priority is to maintain the fund with some small modifications upon the approval of the EDA to defederalize the fund.