

# **GUIDELINES AND PROCESSES GOVERNING THE APPLICATION FOR FUNDING TO THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITIES OF ANN ARBOR AND YPSILANTI, MICHIGAN**

The following serves as a set of guidelines and processes to permit Local Development Financing Authority (LDFA) consideration and action in support of or in opposition to any solicited or unsolicited Proposal for funding presented to the Authority.

## **MISSION**

The mission of the LDFA is to form viable companies that create jobs and business opportunities within the Cities of Ann Arbor and Ypsilanti, Michigan, and to increase the tax base within the geographic boundaries of the LDFA by fostering the development of high technology enterprises through commercialization of technological innovation and the establishment of new firms through development of incubators, entrepreneurial education and business acceleration mentoring.

## **GOAL**

To build sustainable partnerships that will move the Cities of Ann Arbor and Ypsilanti, Michigan, to a position of national leadership in ~~the selected~~high-technology focus areas ~~of life sciences, advanced manufacturing, information technology, alternative energy, and homeland security~~ by supporting company incubation, entrepreneurial education and business acceleration mentoring, as well as enhancements to technology-related infrastructure.

## **ELIGIBILITY**

The LDFA accepts applications for funding from certified Michigan non-profit corporations for activities that are directly relevant to advancing the Mission and Goal of the LDFA within the Cities of Ann Arbor and/or Ypsilanti, Michigan as defined by the LDFA's district and geographical boundaries.

For-profit organizations can participate in a grant application, but only a non-profit can be the lead and fiduciary entity. Furthermore, strong rationale must be provided for any role to be fulfilled by a for-profit organization and why such an entity should receive public tax funding. Generally, the LDFA is reticent to support for-profit organizations, especially if there's a possibility for the private company to develop further value by virtue of public funding. Instead, the Authority looks to such private sector partners to bring expertise and matching funding to a proposed project and demonstrate public benefit.

Eligible applications must make a direct and strong connection to a goal, strategy, or tactic specified in the LDFA Tax Increment Financing Plan or related foundational documents or strategic plans/priorities formally adopted and/or authorized by the LDFA's Board of Directors, and should never be perceived as an entitlement to agencies, organizations or individuals seeking funding.

An organization must be appropriately incorporated in good standing with the State of Michigan and through its Licensing and Regulatory Agency. At the time of award, Contractor must certify that they do not owe: 1) delinquent taxes to the State or a political subdivision of the State; 2) any moneys to the State or a state agency for the administration or enforcement of any

environmental laws of the State; and 3) any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contests in a court of law or not.

The LDFA will give preferential consideration generally to funding requests from organizations or service providers whose Proposals are accompanied by matching cash contributions from private, foundation or public funds.

Contracts for services will require Contractors to comply with all applicable federal, state and local laws in the performance of the Project. Awarding agencies must accept full responsibility for payments of all unemployment compensation, insurance premiums, workers' compensation premiums, all income tax deductions, social security deductions, and any and all other taxes or payroll deductions required for all employees engaged by Contractor on the performance of the work authorized by the Contract agreement.

Each funding request will be evaluated against funding requests previously approved, potential creation of any new precedent, and availability of alternate funding sources. The LDFA will not consider any request for retroactive assistance.

In addition, any request recommended for funding will be reviewed by the Michigan Economic Development Corporation for its legal suitability in meeting the goals set forth by the LDFA and in accordance with the Authority's governing documents and enabling legislation.

## **PROCESS**

All proposed projects will be subject to an administrative review during which the Proposals are screened for compliance to these guidelines and reflection of the mission or goals of the LDFA.

Proposals found not to comply with these guidelines may be eliminated and will not undergo further review. The LDFA reserves the right to reject any or all bids, to waive or not waive informalities or irregularities in bids or bidding procedures, fund any proposal in full or in part, to request additional information, and to accept or further negotiate costs, terms, or conditions of any bid determined by the LDFA to be in the best interests of the LDFA.

Proposals found to comply with these guidelines will be reviewed by a select group of LDFA Board members or otherwise at the discretion of the full LDFA Board. In addition, the LDFA reserves the right to consult outside experts or advisors with knowledge pertinent to any application as ad hoc external reviewers. Also, the LDFA may require interviews of potential awardees in cases requiring further clarity of the Proposal.

### **A. PROJECT PROPOSALS OF <\$100,000.**

All Proposals for funding of <\$100,00 should be submitted as being potential small programs in nature. Such projects should be limited in scope and projected timelines or as otherwise approved/stipulated by the LDFA.

#### **Submission Requirements:**

- Applicants are not limited to a maximum number of proposals submitted through this RFP. However, if a program utilizes multiple site locations for the delivery of similar programs, then only one program should be submitted for that program(s).
- Applicants need **NOT** be based in the Ann Arbor-Ypsilanti SmartZone® service area to be eligible to submit a proposal.

- Services or program deliverables must be executed in the Ann Arbor-Ypsilanti SmarZone® for the benefit of those entities eligible to receive such offerings.
- Collaborative applications are welcome and be submitted by a single organization on behalf of all partner entities who have agreed to the scope of the application.
- Proposal must be signed by an official authorized to bind the applicant to its provisions for a least a period of 180 days. Failure of the successful awardee to accept the obligation of the proposal may result in the cancellation of any award.

Submission Deadline: Proposals for small projects of <\$100,000 can be submitted on a rolling basis. Reviews of such Proposals will be conducted by the LDFA and/or its designated select review committee on a quarterly basis (i.e., January 1, April 1, July 1, and October 1). The LDFA reserves the right to adjust this date with public notification as it deems appropriate.

Applicants are cautioned that even if approved the funding may not be available till the subsequent fiscal year depending on fund availability in the current fiscal year's budget.

General Requirements: The following must be completed/included to be reviewed:

- Proposal must be submitted electronically to [tcrawfordldfa@a2gov.org](mailto:tcrawfordldfa@a2gov.org) include "LDFA GRANT APPLICATION" in the Subject line.
- Proposal must be in ~~as a~~ Word or PDF file format.
- Font must be Helvetica in 11 point ~~size or larger~~.
- All pages must be numbered consecutively.
- The Proposal must not exceed four (4) pages.

*Note:* All information submitted to the LDFA is public information. Therefore, applicants should refrain from including any proprietary disclosure.

Specific Requirements/Instructions: The following must be completed/included in the order listed:

*Application Information:* Name of organization, address, telephone, contact email address(es), website, date of incorporation, name, signature, and contact information of persons authorized to 1) submit proposals on behalf of the applicant, and 2) perform project outcomes, Include direct, indirect and total amount of funds requested, the total not to exceed \$100,000.

*Abstract or Summary:* Prepare a summary (maximum 100 words) of the proposed Project, funding request and its expected outcomes.

*Proposal Narrative:* Briefly describe the opportunities or challenges that you are addressing and why your solutions will increase the likelihood of successfully achieving the LDFA Mission and/or Goals. Specifically, address how the project will help advance or meet the LDFA's five (5) strategic priorities:

- High-tech company friendly infrastructure
- Connected high-tech ecosystem
- Promote region
- High-tech company creation and growth

- Talent and workforce investment

*Project Goals and Objectives:* Clearly state the goals and objectives of the Proposal Project.

*Work Plan:* Outline and discuss the overall activities that are proposed to meet your goals and objectives. Identify the key factors, ~~and risks,~~ and challenges that may affect the success of the proposed Project. Briefly define the project's anticipated endpoints/deliverables and timelines to achieve the key milestones. Articulate the anticipated benefits of the project including but not limited to anticipated job creation, economic impact, revenue generation, or other suitably ~~defined~~ metrics. Speak to the range of the intended service area and/or demographics of the targeted/effected population that will benefit from the proposed activity/service/technology.

*Management:* Please describe the participating organization(s) and capabilities to deliver on the project's outcomes. Explain the rationale or benefit of including other organizations in the project and the benefits and/or contributions they will bring to bear. Present and discuss the principals that will make up the project management team and their individual and collective capabilities.

*Detailed project budget and budget justifications:* Please list a general budget and/or how grant funds will be deployed. Describe how the proposed funding aligns with the scope of the project and its key components. ~~Describe~~ Clarify any matching funds or cost sharing the Lead Applicant and/or any collaborators ~~are~~ is providing towards the total cost of this project. Such matching funds or cost sharing must be for costs that are verifiable and auditable. Cost Share must be used directly in support of the Project rather than coincidental or related/similar allocations.

*Conflicts of interest:* Any and all conflicts of interest, either perceived or real, on the part of any individual identified in this Proposal must be disclosed. For instance, any financial and/or membership relationships with the LDFA, Ann Arbor Spark, City of Ann Arbor, City of Ypsilanti, or corporate entity.

~~Disclaimer: The LDFA reserves the right to fund any Proposal in full or in part, to request additional information, and/or to reject any or all Proposals.~~

**B. PROJECT PROPOSALS OF  $\geq$ \$100,000).**

All Proposals for funding of  $\geq$ \$100,00 must be submitted as being potential projects of significant scope and impact. Such projects can be of longer duration ~~longer~~ and approved for funding and completion within any given fiscal year or as otherwise stipulated by the LDFA.

Submission Requirements:

- Applicants are not limited to a maximum number of proposals submitted through this RFP. However, if a program utilizes multiple site locations for the delivery of similar programs, then only one program should be submitted for that program(s).
- Applicants need **NOT** be based in the Ann Arbor-Ypsilanti SmartZone® service area to be eligible to submit a proposal.

- Services or program deliverables must be executed in the Ann Arbor-Ypsilanti SmarZone® for the benefit of those entities eligible to receive such offerings.
- Collaborative applications are welcome and be submitted by a single organization on behalf of all partner entities who have agreed to the scope of the application.
- Proposal must be signed by an official authorized to bind the applicant to its provisions for a least a period of 180 days. Failure of the successful awardee to accept the obligation of the proposal may result in the cancellation of any award.

Submission Deadline: For the first year of the grant application process (i.e., FY2020), the proposals must be submitted no later than 5 pm on January 6, 2020. Thereafter, proposals for regular projects of ≥\$100,000 must be submitted no later than 5 pm on the first Friday of October-1 in of a calendar year. The LDFA reserves the right to adjust this date with public notification as it deems appropriate.

This deadline ensures that any approved funding requests will have sufficient time to undergo due diligence by the review committee and the full LDFA Board, and approved for be-included in the annual budget presented to the City Councils of the City of Ann Arbor and City of Ypsilanti.

Thus, applicants are cautioned that if approved, any funding is likely not to be available till the subsequent fiscal year depending on fund availability in the current fiscal year's budget. Applicants should take this into strong consideration when developing the Proposal.

General Requirements: The following must be completed/included in order to be reviewed:

- Proposal must be submitted electronically to tcrawford@a2gov.org include "LDFA GRANT APPLICATION" in the Subject line.
- Proposal must be in Word or PDF file format.
- Font must be Helvetica in 11 point size.
- The Proposal must not exceed (4) pages.
- ~~Proposal must be submitted electronically to as a Word or PDF file.~~
- ~~Font must be 11 point or larger.~~
- All pages must be numbered consecutively.
- ~~There are no page limitations, but applicants are reminded that clearly articulated Proposals are appreciated and cautioned to the amount of extraneous information provided.~~
- The proposal must not exceed 20 pages.
- The Proposal Title and Lead Applicant Organization name must appear at the bottom of each page.
- The first page of the Proposal must be the Application Information Page.

*Note:* All information submitted to the LDFA is public information. Therefore, applicants should refrain from including any proprietary disclosure.

Specific Requirements/Instructions: The following must be completed/included in the order listed:

*Application Information Page:* Name of organization, address, telephone, contact email address(es), website, date of incorporation, name, signature, and contact information of persons authorized to 1) submit proposals on behalf of the applicant, 2) perform project outcomes, and 3) oversee financial matters with fiduciary responsibility. Include direct, indirect and total amount of funds requested.

*Abstract or Summary:* Prepare a brief (~~not to exceed~~ max 2450 words) summary of the proposed Project, funding request and its expected outcomes.

*Introduction:* Provide a background description regarding the subject matter central to the proposed Project.

*Proposal Narrative:* Briefly (1-2 pages) describe the challenges that you are addressing and why your solutions to these challenges will increase the likelihood of successfully achieving the LDFA Mission and/or Goals. Specifically, address how the project will help advance or meet the LDFA's five (5) strategic priorities:

- High-tech company friendly infrastructure
- Connected high-tech ecosystem
- Promote region
- High-tech company creation and growth
- Talent and workforce investment

*Project Goals and Objectives:* Clearly and comprehensively (1-2 pages), state the goals and objectives of the Proposal Project.

*Work Plan:* Outline and discuss (max. 4 pages) the overall activities that are proposed to meet your goals and objectives. Identify the key factors, and risks and challenges that may affect the success of the proposed Project. Speak to the range of the intended service area and/or demographics of the targeted/effected population that will benefit from the proposed activity/service/technology.

*Outcomes (max. 4 pages):* Define the project's endpoints and deliverables. Please provide a schedule that graphically displays the timelines of tasks, interactions between the tasks, and timing to achieve the key milestones.

In addition, describe fully how this request is collaborative, e.g., with existing LDFA contracts, and/or with other organizations (identify as for-profit or non-profit). If this request is not collaborative with activities of other LDFA existing contracts, please describe how this request is unique and what other organizations (identify as for-profit and non-profit) are involved.

Describe the anticipated benefits following successful completion of the project. For instance, articulate how the project will contribute to job creation (near-term, i.e., through project completion; and over the longer term, e.g., 3 years), economic impact, revenue generation, or other suitable metric(s).

*Management Competency:* Please describe the participating organization(s) and capabilities to deliver on the project's outcomes. Provide a biographical sketch or resume (as an Appendix) on each key person identified in achieving the deliverables presented in this Proposal. Clearly describe why the Lead Applicant Organization, its

collaborators, or individuals associated with this Proposal believe that their previous experience is relevant to the success of this project.

*Detailed project budget and budget justifications:*

- Please provide a detailed budget and justifications for the duration of the project.
- Describe how the proposed funding aligns with the scope of the project and its key components.
- Describe any matching funds or cost sharing the Lead Applicant and/or collaborator is providing towards the total cost of this project. Such matching funds or cost sharing must be for costs that are verifiable and auditable. Cost Share must be used directly in support of the Project rather than coincidental or related/similar allocations.
- Please describe any funding received for the specific project or for related efforts from other funding entities
- Indirect costs may not be greater than 20% of the direct costs requested and must defined for their purpose.

*Conflicts of interest:* Any and all conflicts of interest, either perceived or real, on the part of any individual identified in this Proposal must be disclosed. For instance, any financial and/or membership relationships with the LDFA, Ann Arbor Spark, City of Ann Arbor, City of Ypsilanti, or corporate entity.

~~Disclaimer: The LDFA reserves the right to fund any Proposal in full or in part, to request additional information, and/or to reject any or all Proposals.~~



## **L DFA CONTRACTS MANAGEMENT**

1. All Proposals submitted to the LDFA for potential funding will be reviewed by a 3-person sub-committee appointed by the full body annually.
2. The reviewers will provide the full board with rank-ordered recommendations of the most competitive Proposals on both projects and budgets. Funding decisions of the LDFA are final. If requested, the Lead Applicants must attend the LDFA meeting at which Proposals are considered for funding. All Lead Applicants will be notified of the outcome of their Proposals after the LDFA makes its funding decisions.
3. The LDFA's Contract Committee and/or its legal counsel will negotiate all contracts. Awards of such contracts will be made based on Proposals as submitted (including such modifications as may be agreed by the Lead Applicant), the Project budget and cash flow, and any other conditions set forth by the LDFA. The Contract will remain open for the duration of the Project, plus for any additional reporting period as deemed appropriate during which annual reports are required to be submitted to the LDFA.
4. Awardees will report quarterly progress towards metrics to the LDFA Board according to their Contract agreement. Invoices and appropriate back-up documentation as determined by the Contract may be submitted monthly.
5. The LDFA will administer all contracts awarded.