



MI Small Business Relief Program (MSBRP) – Loans

Lansing Tri-County Region: Ingham, Eaton & Clinton Counties

Business Eligibility, Application Scoring Criteria & Review Process

Business Eligibility:

State Requirements – All businesses seeking funds must meet *all* of the following criteria:

1. A Michigan business with 100 employees or fewer, company-wide, both full-time and part-time
2. Business is in an industry outlined in Executive Order (EO) [2020-9](#) or subsequent EOs, or demonstrates it is otherwise affected by the COVID-19 outbreak, or is a company that provides goods and services to affected companies
3. Business must demonstrate income loss *specifically related* to the COVID-19 pandemic or EO [2020-9](#) or subsequent EOs
4. Business must demonstrate a need for working capital
 - Ex. support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business
5. Business must demonstrate it is unable to access credit at similar terms through alternative sources

Regional Requirements – Businesses seeking funds must meet *all* of the following criteria:

1. Annual business revenue in 2019 was \$1,500,000 or less, company-wide
2. Business is not a franchise nor affiliated with a national chain
3. Business was founded & is headquartered in the Lansing tri-county region
4. Business' majority ownership lives in Lansing tri-county region

Application Scoring Criteria:

LEAP has created a multi-entity and multi-stage review committee and process consisting of LEAP staff, representatives from the Capital Region Michigan Small Business Development Center (SBDC), Capital Area Michigan Works! (CAMW!) and stakeholders from a variety of additional organizations and larger businesses in the community, who will score applications on the following criteria:

Economic Distress: 25 points

The business must attempt to quantify the financial burden *caused by* the COVID-19 pandemic. The application asks numerous financially driven questions to portray the hardship endured. Examples include detailing the difference in full-time employees (FTE) from March 1 to March 27 and revenue comparisons from previous periods to current state.

Economic Viability: 20 points

Businesses that convey the ability to sustain profitable business operations since 2018 will be scored more favorably. Is the business likely to repay the loan based on recent financials? Does the business show signs of financial struggle unrelated and prior to the COVID-19 pandemic? Businesses not profitable in recent years will be provided the opportunity to explain why.

Working Capital Need: 15 points

The business must detail its immediate business needs to operate in this time of crisis. Examples include payroll expenses, rent, mortgage payments, utility expenses or other expenses incurred during ordinary business. The business can also describe other resources it has sought or is currently utilizing during this time, such as a Small Business Administration (SBA) Disaster Loan or other grant funding, in an effort to meet working capital needs. A business must allocate its loan request to its most pressing and distinct working capital needs.

Uniqueness of Product/Service/Offering: 15 points

Many communities have businesses that uniquely contribute to the community and are likely difficult to replace, impacting the community's character. Is the business the community's only grocery store, hair salon or coffee shop? Is the business the only information technology consultant in the community? What differentiates this business from others and its competitors? Provide a compelling narrative why the community needs this business.

Supply Chain Repercussions of Bankruptcy/Closing: 15 points

Understanding the ripple effect of a company on the local economy is integral to mitigating the community's economic distress. What would happen to the local and regional economy if the business closed? Does the business utilize local and regional suppliers, or does it supply local and regional companies? What other businesses would be affected by the business closing? Attempt to describe the immediate economic impact of the business closing.

Strategic Location: 5 points

Each community holds a strategic location, such as a downtown or commercial corridor where most business activity occurs. As seen with historic main streets over time, it is imperative to ensure their vitality for small business success and community identity. The business location does not need to be in a downtown or commercial corridor; rather, what makes the business' location special? Does it draw large quantities of vehicle and/or foot traffic? Is it integral to local neighborhoods? Is the business located in a historic building that would otherwise be vacant? Summarize how the business's location contributes to the local community character.

#LoveLansing Community Impact: 5 points

Small businesses are integral to the economy in a myriad of ways, such as how they engage with the community through philanthropy, events, programming and more. Does the business engage with the local main street program or chamber of commerce for holiday festivals and parades? Does the business engage with community organizations like Rotary or Lions Club? Is the business beloved by its community with a proven track record? How does the community relate to the business's brand? Briefly describe the intangible impact the business has on the residents of the community.

Review Process

Panel

A multi-entity panel made up of the Lansing Economic Area Partnership (LEAP) as administrator, Capital Region Small Business Development Center (SBDC), Capital Area Michigan Works! (CAMW!) and key stakeholders from a variety of additional organizations and larger businesses in the community.

1st Stage

To ensure an objective and fair process, the review committee will represent a diverse background and bring unique perspectives. The number of reviewers required will depend on the influx of applications. LEAP has engaged and prepared many key stakeholders representing various organizations and larger businesses to participate in the review process if need be, in addition to LEAP staff, SBDC and CAMW!

No reviewer will be permitted to review an application when there is any conflict of interest present.

Once conflicts of interest are resolved, applications will be randomly assigned into scoring teams. Each scoring team will be 2 persons. Applications will be scored individually, with the two scores then combined for review by each scoring team. Each team will elevate approximately their top 10 applications for 2nd stage consideration.

2nd Stage

A deliberation panel of approximately 6-8 persons comprised of three LEAP staff, one SBDC staff, one CAMW! staff and approximately 1-3 key financial institution leaders.

Panel representatives will offer a diverse background and will bring unique perspectives to the review process. Panel representatives will also have deep experience in working with hundreds of small businesses throughout their careers.

Approximately 50 top applications will be presented to the review panel for deliberation, as elevated by the scoring teams. The panel will subsequently select the top 4-20 businesses to recommend to the MEDC for a loan.

Next Steps for Regionally Approved Businesses

Applications of regionally approved businesses will be forwarded to the MEDC Loan Committee for further information gathering and final approval. If approved, the following steps will occur:

- MEDC will provide approved business with contract
- Approved business submits milestone / disbursement request
- MEDC Compliance reviews and approves disbursements
- MEDC Compliance gathers necessary reports during life of the loan