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From the President's Desk: BCU Post COVID-19



By Joe Sobieralski
President & CEO

As June arrives and the warm weather sets in, the COVID-19 crisis appears to be turning a corner. Who could have predicted the impact of the corona virus when the news first broke back in January? Almost three months after Governor Whitmer's first executive order declaring a state of emergency, life is slowly returning to normal. Earlier this week, the Governor ended the stay at home order, paving the way for businesses to reopen.

While the economy is slowly coming back to life, the economic impact of the pandemic will last for quite some time. It is estimated that 90% of small businesses in the US were negatively impacted by the corona virus. The US Department of Labor reported last week that more than 40 million Americans have filed for first-time unemployment benefits since the start of the pandemic. One in four American workers has filed for unemployment insurance. In early April, the National Federation of Independent Business (NFIB) reported that 70% of small businesses had applied for the loans as a part of the Payroll Protection Program (PPP) and nearly half of all small businesses applied for the Small

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BCU Responds to COVID-19 with \$1.6 Million in Local Support

In the wake of the corona virus outbreak, Battle Creek Unlimited (BCU) provided approximately \$1.6 million in direct support to 161 small businesses and nonprofits in the Battle Creek region, impacting 872 jobs. This financial assistance, in the form of loans and grants, was made possible by generous donations from the W.K. Kellogg Foundation, Consumers Energy Foundation, Chemical Bank, and Battle Creek Unlimited.

On March 19, days after Governor Whitmer's executive order shuttered restaurants and bars, BCU announced its Emergency Loan Fund. Financed with \$500,000 from BCU's own revolving loan fund, the Direct Investment Fund (DIF), the Emergency Loan Fund was designed to provide an emergency cash infusion with favorable repayment terms, affording small businesses time to not only apply for SBA programs but also time to weather a multiple month shutdown. BCU also launched a COVID-19 resource website to provide local companies with information on available assistance.

As demand for loan requests from local companies grew, Chemical Bank donated \$10,000 and BCU repurposed money from its Downtown Real Estate Improvement Fund, bringing the loan fund to almost \$1 million. The loan fund provided 29 companies with loans totaling \$955,000, impacting 363 jobs.

As the crisis worsened, BCU recognized that small businesses in Battle Creek were hardest hit by the pandemic. On April 16, BCU announced the COVID-19 Emergency Microgrant Fund for Small Businesses & Nonprofit Organizations. Funded by a donation of \$250,000 from the W.K. Kellogg Foundation, the microgrant fund provided cash grants to nonprofit organizations and small businesses. Priority was given to companies owned by women, minorities, and people of color as well as nonprofits whose mission serves those communities.

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Pure Michigan Business Connect Helps Companies Source PPE

The Michigan Economic Development Corporation (MEDC) has expanded its Pure Michigan Business Connect (PMBC) program to assist companies in need of Personal Protection Equipment (PPE). As many operations reopen, the extension – the COVID-19 Procurement Platform – is offering a free procurement program to help businesses access these supplies as staff return to work. In accordance with Executive Order 2020-91, PPE

helps keep employees and customers healthy as in-person operations resume.

The PMBC COVID-19 Procurement Platform, which is online and free, makes virtual introductions between vetted businesses within Michigan providing face masks, face shields, gloves, goggles and related materials.

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Michigan's Work Share Program: Bringing Workers Back from Unemployment

Michigan's Work Share program allows employers to restart their business and bring employees back from unemployment. Employers can bring employees back with reduced hours - while employees collect partial unemployment benefits to make up a portion of the lost wages. Employers can also retain their current workforce and are given the flexibility to choose which of their employees are part of a Work Share plan.

As a result of Executive Order 2020-57, Michigan's Work Share program eligibility requirements have been expanded:

- If business demand is down, employers participating in workshare can preserve their workforce while reducing hours and wages by 10 - 60%.
- Waived the time requirement that employers must be in business.
- Waived the requirement that employers have a current or positive balance with UIA.

WORK SHARE REQUIREMENTS

- Employers are given flexibility to organize which employees are in a Work Share plan.
- A plan must include a minimum of two employees and an employer can have multiple plans.
- Plans may be approved for a period of up to 52 consecutive weeks.
- Employee hours/wages may be reduced by a minimum of 10% up to a maximum 60%.
- Part-time employees are eligible, but Work Share does not apply to seasonal, temporary, or intermittent employment.
- Employees must be eligible to receive state unemployment benefits.
- Employer must obtain approval of any applicable collective bargaining unit representative.

- Employers participating in Work Share cannot modify employee fringe benefits.

With the Work Share program, a worker receives a reduced salary from an employer, but is given a percent of their state benefits plus the additional \$600 federal benefit through July. The reduction in work hours must result in an equivalent reduction in wages.

With Work Share, the employee would earn \$1,408/week through July 2020 vs. \$962 without Work Share. As businesses are reopened, Work Share can help employers bring back their employees from unemployment faster and allows employers to retain their workforce and avoid layoffs.

For more information, visit [Michigan.gov/WorkShare](https://www.michigan.gov/WorkShare) or call the Michigan Office of Employer Ombudsman at 1-855-484-2636.

Upcoming Road Projects

With the warm weather comes construction season. Both the City of Battle Creek and Michigan Department of Transportation have several road repaving projects scheduled for 2020:

- Main Street from East Columbia Avenue to Dickman Road
- Main Street from Hamblin Avenue to Division Street
- Dickman Road from Helmer Road to M-66

Crews also will add a right-turn lane from westbound Dickman to northbound Kendall Street, to improve traffic flow at the intersection, and the Kendall Street railroad crossing.

Construction is tentatively planned for May through August and will require day and night lane closures with posted detours.



Neighborhoods Inc. Announces Grants for Home Rehab



Neighborhoods Inc. of Battle Creek (NIBC) is now accepting grant applications to assist low to moderate income homeowners with home repairs and accessibility modifications.

The Neighborhood Impact Program (NIP) can provide up to \$7,500 for improvements such as new windows, furnaces, roofs, siding and other deferred maintenance. The Accessibility Modification Program (AMP) can provide up to \$11,000 for elderly seniors or those with permanent disability for improvements like ramps, grab bars, roll-in showers and widened doorways. These programs are available on a first come, first served basis. For more information, contact NIBC at 269-968-1113 or by email at neighbor@NIBC.org.

New Directors Named to the BCTIFA Board

The Battle Creek City Commission recently named two new members to the Board of Directors for the Battle Creek Tax Increment Finance Authority (BCTIFA): Justin Hodge and Amber Straub. Mr. Hodge is the Chief Operating Officer of Advantage Sintered Metals and will serve on the board as a business representative while Ms. Straub will act as a city resident representative. Both will serve a 4-year term.

In April, Erick Stewart of Stewart Industries completed his tenure on the BCTIFA Board. Mr. Stewart was appointed to BCTIFA Board in July 2003 and served as Chairman since April 2018. Alana White took over as Board Chair at the May meeting.

We welcome Mr. Hodge and Ms. Straub to the BCTIFA and thank Mr. Stewart for his dedication and leadership over the past 16 years.

Battle Creek's Steve Claywell Named to Workforce Development Board

On Friday, May 29, Governor Gretchen Whitmer signed an executive order creating the Michigan Workforce Development Board, a group devoted to strengthening the quality of the state's labor market "through investment, education, and economic development efforts." Steve Claywell, secretary of the Battle Creek Tax Increment Finance Authority (TIFA), was among those named to the new Workforce Development Board.

"Here in Michigan, the birthplace of the middle class, we must all work together to ensure paths to opportunity for everyone. This board will be vital in continuing our efforts to grow both our workforce and our economy," Whitmer said. "This group of leaders will be

instrumental in bringing together efforts and partners from key industries to expand our workforce, economy and educational attainment efforts."

Serving on the Battle Creek TIFA board since 2015, Claywell is president of the Michigan Building and Construction Trades Council, making him a natural addition to the Michigan Workforce Development Board. Claywell has been appointed to the board to represent the workforce and general labor in Michigan. BCU and the TIFA are excited for Claywell's recognition and appreciate the Battle Creek resident's continued efforts to create and advocate for a robust, skilled Michigan workforce. The Workforce Development Board, which

was created in accordance with the federal Workforce Innovation and Opportunity Act, will be responsible for devising and routinely improving various talent initiatives for workers. The group will also advise Governor Whitmer on a commitment to help at least 60 percent of Michiganders achieve a postsecondary degree or certification equivalent by 2030.

The new board abolishes a current, similar state workforce development board. Updates reflect current organizational structure of state government and will help bring solutions for workers looking to improve their skills and move up into new roles and opportunities – and help Michigan employers find those employees.

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Vetted firms are those with supplier capacity to meet demand. Companies can also find essentials such as food, medical devices, paper products, cleaning supplies and equipment and other items.

While larger organizations may already have a PPE distribution plan in place for their employees and customers, the MEDC's free matchmaking platform is easily accessible to small-and medium-sized businesses. Buyers interested in the COVID-19 Procurement Platform might include childcare facilities, healthcare facilities, municipalities, food distribution centers and nonprofits, among others.

The Pure Michigan Business Connect program began several years ago as an avenue for keeping business-to-business purchasing in state. Now, under that same framework, Michigan firms can collaborate in new ways as day-to-day operations and overall business approaches evolve with changing health and safety regulations.

After a couple months of uncertainty, there are still more questions to be answered. What Michigan businesses can be sure of, however, is that there is an outlet for their PPE and other related needs to be met. To learn more, visit: www.michiganbusiness.org/services/pure-michigan-business-connect/ppe/

2020 Milestones

Several companies in the Fort Custer Industrial Park are observing big anniversaries this year. Omega Castings, one of the oldest companies in the park, will celebrate its 45th anniversary in 2020. Observing its 35th anniversary is Atlas Sales, while Kellogg Community College's Regional Manufacturing Technology Center (RMTTC), Advantage Sintered Metal, Goodwill, and J.J. Steel all will celebrate 30 years in Battle Creek. Marley Precision will have its 25th anniversary, and Binger Shipping Supplies, Stewart Industries, and WACO Classic Aircraft will all have their 20th anniversaries. Advanced Plastics Manufacturing will celebrate 15 years in Battle Creek and TODA America (now BASF Toda America LLC) will observe its 10th anniversary. Finally, the Battle Creek Tax Increment Finance Authority (BCTIFA) will have its 40th anniversary in 2020 and the Battle Creek Executive Airport at Kellogg Field will celebrate its 95th anniversary. BCU wishes everyone a happy anniversary and looks forward to many more prosperous years.



Jenefer O'Dell Joins BCU Board

In May, Joel Wittenberg announced that he would step down from the BCU Board of Directors. Mr. Wittenberg, the Vice President and Chief Investment Officer at W.K. Kellogg Foundation, joined the BCU Board in March 2018. The Board named Jenefer O'Dell of the W.K. Kellogg Foundation to take his place. BCU appreciates Mr. Wittenberg's service over the past two years.

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Business Administration's Economic Injury Disaster Loan (EIDL) program. BCU's mission of creating jobs and attracting investment to Battle Creek has never been more important than it is today.

During the crisis, BCU staff continued to work from home. Our team worked diligently to support local small business and nonprofit organizations, distributing \$1.6 million in financial assistance in loans and grants. At the same time, BCU continued to operate normally, albeit remotely. Looking ahead, we plan to reopen our office in phases to minimize the risk to staff. While everyone is eager to get back to normal, it is important that we move forward carefully and cautiously. Along with social distancing, BCU will limit in-person meetings and rely on technology to connect with people. We will also postpone our international attraction trips through the end of the year.

My staff and I have already begun to reevaluate BCU's Strategic Plan as we transition into a post-COVID-19 era. Stay tuned for more details. We also will be looking for additional grant opportunities to benefit the community's economic recovery. The corona virus exposed several critical gaps in the supply chain for many strategic sectors; many industries are expected to consider reshoring manufacturing. In fact, BCU continued to receive requests for information from prospects looking for space, despite the economic shutdown. The pandemic could also make a smaller community like Battle Creek attractive to employees who telecommute and want a safe, stable environment. BCU will aggressively pursue any opportunity that makes sense for our region.

BCU is especially focused on continuing the progress we have made in recent years. It is crucial that we push forward on our efforts downtown as well as in the Fort Custer Industrial Park. Throughout the crisis, we have been in close contact with companies like Handmap Brewing,

New Holland Brewing, The Milton, Umami Ramen and LKV Ventures, which all have projects underway downtown and are committed to moving forward. Staff have also been in continual communication with the teams behind several large projects in the industrial park, ensuring that BCU is doing everything possible to ensure these proposed investments move forward.

Given our location, workforce, existing company base and resources, Battle Creek is well positioned to come out the other side of this crisis even stronger than it was before.

As we begin to reopen, and position Battle Creek for recovery, reflection sets in. I am proud of my team, thankful for the City's efforts, and grateful for the wonderful partnerships we have in this community. I look forward to enjoying a beer downtown at one of our outstanding establishments. Until then, stay healthy, stay positive, and know this is too shall pass.

Major Summer Events Canceled

The COVID-19 crisis has forced the cancellation of several major summer events in Battle Creek. These include the National Cereal Festival 2020, scheduled for June 13, the Field of Flight Air Show and Balloon Festival in July and the International Summerfest scheduled for August.

Contact Us

Battle Creek Unlimited (BCU) is focused on investment generation and job creation in Battle Creek, Michigan. BCU works closely with community partners to attract new companies to the Battle Creek region while also supporting the growth of existing companies. BCU was established in 1972 to develop the Fort Custer Industrial Park (FCIP), the largest industrial park in Michigan. Today the FCIP is home to over 80 companies, including 25 international organizations, which collectively employ more than 13,000 people. FCIP covers more than 3,000 acres, with over 1,000 acres available for development, and offers convenient access to rail, air cargo, interstate and international trade highways as well as an international port of entry and a Foreign-Trade Zone.

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A \$200,000 donation from the Consumers Energy Foundation as well as additional donations of \$75,000 from the W.K. Kellogg Foundation and \$75,000 from BCU raised the microgrant fund to \$600,000. This enabled BCU to expand the program to include small businesses and nonprofit organizations in Springfield, Emmett Charter Township, Bedford Charter Township, and Pennfield Charter Township. In total, BCU made 132 grants, including 25 to local nonprofit organizations and 81 to small businesses owned by women, minorities and people of color, impacting 509 jobs.

During the crisis, BCU also supported the Michigan Economic Development Corporation (MEDC) with the Michigan Small Business Relief Program. The MEDC provided the Southwest Michigan region with \$800,000 to distributed among seven counties. BCU served as the lead organization for the greater Battle Creek region, collecting and vetting 96 applications. This resulted in \$126,600 in grants to 16 businesses, impacting 183 jobs.