



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

MEMORANDUM

Date: October 28, 2021
To: Michigan Strategic Fund (“MSF”) Board Members
From: Sara Bishop, Business Development Project Manager
Subject: Grant Request
Jobs Ready Michigan Program (“JRMP”)
Allegiant Air, LLC (“Company” or “Applicant”)

Request Summary

- This is a request from the Applicant for a \$200,000 JRMP Grant, as outlined in the attached Term Sheet (“JRMP Request”).
- This project involves the creation of up to 88 new jobs and a capital investment of up to \$76,935,000 in the City of Flint, Genesee County.
- The Company anticipates completion of computer-based training, on-the-job training, and instructor-led training for up to 88 employees as a result of the project.

Applicant History

Allegiant Air, LLC was founded in 1998 in Nevada and is the premier ultra-low-cost air carrier in the United States. The Company operates more than 100 aircraft and serves approximately 130 cities across the United States. The airline currently employs 4,300 employees worldwide with 75 of those employees located in Michigan, all based at the Grand Rapids Airport. With industry leading operating margins and a focus on leisure travel, the Company is an airline that makes both investors and customers happy.

The MEDC has completed civil and criminal background checks in accordance with the MSF Background Review Policy.

Project Description

The Company currently maintains a strong presence at the Bishop International Airport in Flint, Michigan, establishing an operational base in Flint would continue to increase route expansion and network growth, providing additional flights to the airport and bringing more low fares and non-stop routes to meet consumer demand. The Company is investing up to \$76,935,000, over three years, to develop an operational base, which would include three permanent airplanes, at the Bishop International Airport. This project would include increasing its leasehold with the airport by up to 20,000 square foot and would result in the creation of up to 88 jobs with an average hourly wage of \$69.92. The jobs would be for all functions associated with the new aircrafts including general and operations managers, flight attendants, aircraft mechanics and service technicians, airline pilots, copilots, and flight engineers.

Demonstrated Need

Michigan is contending with Florida, Ohio, Texas, and Arizona for this project. All five locations provide opportunities for increased route expansion and network growth. These locations meet the capacity for hangars, office space and crew space the Company is looking for in an operational base. The investment requirements are also the same for all locations. The Company looks at airline tax incentives, site improvements, discounted rates, and workforce opportunities and pursues locations where they can deploy their assets in the most fiscally responsible way. This often comes down to applying for and obtaining incentives; therefore, the state that provides the most favorable incentives will be awarded the project. Incentive assistance will help offset the cost to train 88 new positions within the first year of the project and

ultimately secure the project in Michigan. Training requirements will vary across the different positions; however, will include a mixture of computer-based training, on-the-job training, and instructor-led training.

Request

An operational base at Bishop International Airport will create up to 88 high-paying jobs and a capital investment of \$76,935,000 in Flint, Michigan. The partnership between the Company and Bishop International Airport will bring increased traffic flow to the airport, provide travelers a low fare option to more locations outside the region, non-stop routes, and bring additional economic benefit to the community through tourism and job creation. This project falls within the regional impact industry of logistics and supports our strategic focus area of attract, retain and support businesses. The \$200,000 Jobs Ready Michigan Program grant will support the Company with various training activities, including computer-based training, on-the-job training, and instructor-led training required for up to 88 new positions. Without support under the JRMP, Michigan stands to lose this project to a competing state.

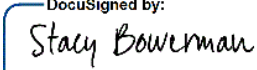
Recommendation

MEDC Staff recommends the following (collectively, “Recommendation”):

- a) Approval of the JRMP Request;
- b) Closing the JRMP Request, subject to available funding under the JRMP at the time of closing (“Available Funding”), satisfactory completion of due diligence, (collectively, “Due Diligence”), finalization of all JRMP transaction documents; and
- c) Commitment will remain valid for 120 days with approval for the MSF Fund Manager to extend the commitment an additional 60 days.

Approval Authority – JRMP Support Memo

Michigan Economic Development Corporation

DocuSigned by:

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Stacy Bowerman, Senior Vice President, Business Development Projects & Services

The Recommendation is approved subject to Available Funding and Completion of Due Diligence, and execution of all JRMP transaction documents, all in accordance with the JRMP and its guidelines.

Note: Pursuant to Section 125.2088b-4 of the MSF Compiled Resolutions, the MSF President, the MSF Fund Manager, and State Treasurer, with any two required to act, may make all decisions with respect to awards under the JRMP where the award amount is \$1,000,000 or less in accordance with the JRMP guidelines adopted by the MSF Board.

Michigan Strategic Fund

DocuSigned by:

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By: Valerie Hoag
Its: Fund Manager

DS TF DS RV

DocuSigned by:



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By: Quentin L. Messer, Jr.
Its: President & Chairman

N/A

By: Rachel Eubanks, State Treasurer
Its: Director



EXHIBIT A
JOBS READY MICHIGAN PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund (“MSF”) under the Jobs Ready Michigan Program (“JRMP”).

Date: October 27, 2021

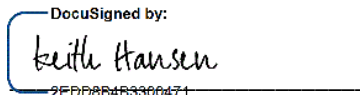
- Company Name:** Allegiant Air, LLC and/or its affiliates and subsidiaries.
- Project Location:** Flint Bishop International Airport
3425 W. Bristol Road
Flint, MI 48507
- JRMP Incentive Type:** Performance Based Grant
- Maximum Amount of JRMP Incentive:** Up to \$200,000
- Start Date for Measurement of Eligible Activities:** MSF Approval Date
- Term of the Agreement:** September 30, 2023
- Milestone Based Incentive:** Disbursements will be made over a one-year period and will be performance based on job creation as follows:

Milestone 1: \$200,000 upon demonstrated completion of Computer-Based Training (CBT), On-the-Job Training (OJT), and Instructor-Led Training (ILT) activities related to the following positions: General and Operations Managers, Flight Attendants, Aircraft Mechanics and Service Technicians, and Airline Pilots, Copilots, and Flight Engineers by no later than March 31, 2023. *(Please see Allegiant Basic Training Curricula attached).*

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:

Allegiant Air, LLC

By: 
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Printed Name: Keith Hansen

Its: Vice President, Public Affairs

Michigan Economic Development Corporation

By: 

Printed Name: Sara Bishop

Its: Business Development Project Manager

|| ALLEGIANT BASIC TRAINING CURRICULA

Summary

This document outlines required training for select operational groups that may be required to establish a new base. The courses listed are part of the basic training curriculum and do not include temporary courses created to mitigate hazards or inform team members of new policies or procedure. All Allegiant employees are required to complete the Corporate curriculum in addition to job-specific training

Total Training Hours

The total hours for each basic curriculum is listed below. A breakdown of each curriculum by course can be found on the following pages:

Job Group	Description	Hours*
Corporate	Required for all Allegiant Employees	13.22
Maintenance	Limited to Aircraft Maintenance Technicians, Leads, Shift Managers, Base Managers. Does not include training required to obtain and maintain certain qualifications	253.68
In-Flight	Flight Attendant required training	195.07
Flight Operations	New Hire Pilot required training	314
Stations: GOA	Required training for Allegiant Ground Operations Agents	25.54
Stations: CSA	Required training for Allegiant Customer Service Agents	22.99
Stations: CUA	Required training for Allegiant Cross-Utilized Agents	33.51
Stations: GSC	Required training for Domestic Ground Security Coordinator; does not include required training for Charter or International GSC. All GSCs must be a qualified GOA, CSA or CUA prior to becoming a GSC.	13.32
Stations: Commissary	Required training for Commissary team members	11.23
Stations: Skycap & Baggage	Required training for Skycap and Baggage team members	9.26
Fuelers	Required training for fuelers	1.05
Deicers	Required training for deicers (seasonal)	4.17
Stores	Required training for stores personnel	10.8

*Total hours do not include On-the-job training (OJT)

References

Each operational group maintains a manual that outlines specific training requirements. Additional information about each training program can be found in the manuals are listed below:

Maintenance: Maintenance Training Manual (MTM)

Stations: Stations Training Guide (STG)

In-Flight: In-Fight Training Manual (IFTM)

Flight Operations: Flight Operations Training Manual (FOTM)

Safety/Security: OSH/ SAFE manuals

Corporate Training

Topic	Method	Training Type	Hours
New Hire Orientation	ILT	Initial	5
New Hire Orientation: Introduction to Travel Benefits	CBT	Initial	.33
New Hire Orientation: Introduction to Safety and Security	CBT	Initial	.1
New Hire Orientation: Introduction to Information	CBT	Initial	.08
New Hire Orientation: Drug and Alcohol Awareness	CBT	Initial	.57
Social Engineering Awareness	CBT	Initial	.2
Phishing Awareness	CBT	Recurrent	.36
Code of Ethics-Key Policies	CBT	Biennial	.47
Security: Active Shooter Preparedness Training	CBT	Initial	.29
General Safety Management System (SMS)	ILT	Initial	.32
Preventing Harassment and Discrimination (Manager)	CBT	Biennial	1.71
Preventing Harassment and Discrimination (Team Member)	CBT	Biennial	.77
Company Badge Agreement	CBT	Initial	.03
Allegiant Handbook Acknowledgement	CBT	Initial	.02
Payment Card Industry and Acknowledgement	CBT	Recurrent	.35
Corrective Counseling	CBT	Initial	1.45
Leave of Absence	CBT	Initial	.52
Customer Experience Training (Non-Operational Groups)	CBT	Initial	.43
How to Book Travel in G4Plus- Pass Travel	CBT	Initial	.22

Maintenance Training

Topic	Method	Training Type	Hours
A320 General Familiarization	ILT	Initial	40
Airbus Competency Training (L2-L3)	ILT/FTD/Sim	Additional Training	120
A320 Engine, Run and Taxi Initial	ILT/FTD/Sim	Qualification	24
A320 Engine, Run and Taxi Recurrent	ILT/FTD/Sim	Qualification	16
Structured On the Job Training Instructor	ILT	Qualification	8
Principles of Troubleshooting	ILT	Additional Training	24
Electrical Wiring Interconnection Systems (EWIS)	ILT	Additional Training	32
Power Industrial Truck	CBT/ILT	Qualification	10
Troubleshooting Manual (TSM)	ILT	Additional Training	8
Required Inspection Items	CBT	Qualification	2.28
Receiving Inspection	CBT	Qualification	2
Airworthiness Release	CBT	Qualification	1.08
Electronics Parts Request	CBT	Initial	.25
Emergency Evacuation Systems	CBT	Initial	1.81
EWIS	CBT	Biennial	2.4
Human Factors	CBT	Recurrent	1.31
MX Policies and Procedures	CBT	Recurrent	4.9
Radio Communications	CBT	Initial	.8
Reduced Vertical Separation Minimum (RVSM)	CBT	Recurrent	2.1
Fuel Tank Safety	CBT	Recurrent	1.2
Tow and Brake Rider	CBT	Initial	.88
Hazardous Materials Recognition	CBT	Recurrent	.59
Aircraft Drinking Water	CBT	Initial	.41
Hazardous Communications	CBT	Initial	.3
Bloodborne Pathogens	CBT	Recurrent	.36
Personal Protective Equipment	CBT	Recurrent	.38

In-Flight Training

Topic	Method	Training Type	Hours
Flight Attendant Basic Indoctrination	ILT; Practical	Initial	180
In-Flight Mobile Device Policy & Expectation	CBT	Initial	.03
Inflight: VIDA	CBT	Initial	.57
Inflight: Allegiant Credit Card Sales Regulatory Training	CBT	Recurrent	.35
Decompression	CBT	Recurrent	1.15
Disability awareness & special needs passengers	CBT	Recurrent	1.21
Drugs and Alcohol	CBT	Recurrent	0.88
Emergency Equipment	CBT	Recurrent	1.19
Fatigue	CBT	Recurrent	0.86
Human Trafficking	CBT	Recurrent	1.01
Illness, Injury, First Aid & CPR	CBT	Recurrent	2.12
INOP Equipment	CBT	Recurrent	0.56
Observational Videos	CBT	Recurrent	0.94
Security	CBT	Recurrent	0.71
Turbulence	CBT	Recurrent	1.09
Unusual Situations	CBT	Recurrent	0.77
Welcome to CQ	CBT	Initial	0.14
Competency Check	CBT	Initial	0.75
Bloodborne Pathogens	CBT	Recurrent	.36
Personal Protective Equipment	CBT	Recurrent	.38

Flight Ops Training

Topic	Method	Training Type	Hours
A320 Systems	CBT/ILT	Initial	80
Basic Indoctrination	CBT/ILT	Initial	40
CRM/TEM	CBT/ILT	Initial	4
GOS	CBT/ILT	Initial	16
SIT	CBT/ILT	Initial	30
Emergency Situations	CBT/ILT	Initial	4
Security Training	CBT/ILT	Initial	4
Hazardous Materials	CBT/ILT	Initial	1
Initial Equipment Training (includes various areas of emphasis and use of simulators to demonstrate proficiency)	ILT/OJT	Initial	135

Stations Training- Ground Operations Agent (GOA)

Topic	Method	Training Type	Hours
Hazardous Materials Recognition	CBT	Recurrent	0.59
Hazardous Communication (G4 Only)	CBT	Initial	0.3
Bloodborne Pathogens (G4 Only)	CBT	Recurrent	0.36
Personal Protective Equipment (G4 Only)	CBT	Recurrent	0.28
Power Industrial High Lift	CBT	Recurrent	0.53
Stations Human Factors	CBT	Recurrent	0.85
Emergency Response Training	CBT	Recurrent	0.15
General Safety Management	CBT	Recurrent	0.32
Aviation Safety Action Program (G4 Only)	CBT	Recurrent	0.19
Catering Security Search	CBT	Recurrent	0.39
Aircraft Security Search	CBT	Recurrent	1.51
Aviation Security Awareness	CBT	Recurrent	0.49
Aircraft Security	CBT	Recurrent	0.43
Welcome to Stations	CBT	Initial	0.39
GOA Roles and Responsibilities	CBT	Recurrent	4.83
Jet Bridge	CBT	Recurrent	0.53
ADA Ramp	CBT	Recurrent	0.66
RON cleaning	CBT	Recurrent	1.96
First Aid	CBT	Recurrent	1.38
Complaint Resolution Official	CBT	Recurrent	3.07
A320 Aircraft Familiarization	CBT	Recurrent	1.14
Towbar and Pushback Procedures	CBR	Recurrent	1.8
Human Trafficking	CBT	Recurrent	0.46
Quarterly Bulletins	CBT	Quarterly	2
GOA Final Exam	CBT	Recurrent	0.93
GOA OJT	CBT	Initial	N/A

Stations Training- Customer Service Agent (CSA)

Topic	Method	Training Type	Hours
Hazardous Materials Recognition	CBT	Recurrent	0.59
Hazardous Communication (G4 Only)	CBT	Initial	0.3
Bloodborne Pathogens (G4 Only)	CBT	Recurrent	0.36
Personal Protective Equipment (G4 Only)	CBT	Recurrent	0.28
Aviation Safety Action Program (G4 Only)	CBT	Recurrent	0.19
Stations Human Factors	CBT	Recurrent	0.85
Emergency Response Training	CBT	Recurrent	0.15
General Safety Management	CBT	Recurrent	0.32
First Aid	CBT	Recurrent	1.38
Jet Bridge	CBT	Recurrent	0.53
ADA Ramp	CBT	Recurrent	0.66
Customer Processing Security	CBT	Recurrent	2.42
Aviation Security Awareness	CBT	Recurrent	0.49
Aircraft Security	CBT	Recurrent	0.43
Aircraft Security Search	CBT	Initial	1.51
De-escalation Techniques- Baggage Fee	CBT	Recurrent	0.34
De-escalation Techniques- Extended Delay	CBT	Recurrent	0.31
Welcome to Stations	CBT	Initial	0.39
CSA Roles and Responsibilities	CBT	Recurrent	5.16
Human Trafficking	CBT	Recurrent	0.46
Complaint Resolution Official	CBT	Recurrent	3.07
Quarterly Bulletins	CBT	Quarterly	2
CSA Final Exam	CBT	Recurrent	0.8
CSA OJT	CBT	Initial	N/A

Stations Training- Cross-Utilized Agent (CUA)

Topic	Method	Training Type	Hours
Hazardous Materials Recognition	CBT	Recurrent	0.59
Hazardous Communication (G4 Only)	CBT	Initial	0.3
Bloodborne Pathogens (G4 Only)	CBT	Recurrent	0.36
Personal Protective Equipment (G4 Only)	CBT	Recurrent	0.28
Aviation Safety Action Program (G4 Only)	CBT	Recurrent	0.19
Power Industrial High Lift	CBT	Recurrent	0.53
Stations Human Factors	CBT	Recurrent	0.85
Emergency Response Training	CBT	Recurrent	0.15
General Safety Management	CBT	Recurrent	0.32
First Aid	CBT	Recurrent	1.38
Jet Bridge	CBT	Recurrent	0.53
ADA Ramp	CBT	Recurrent	0.66
RON cleaning	CBT	Recurrent	1.96
Towbar and Pushback Procedures	CBR	Recurrent	1.8
Customer Processing Security	CBT	Recurrent	2.42
Catering Security Search	CBT	Recurrent	0.39
Aviation Security Awareness	CBT	Recurrent	0.49
Aircraft Security	CBT	Recurrent	0.43
Aircraft Security Search	CBT	Initial	1.51
De-escalation Techniques- Baggage Fee	CBT	Recurrent	0.34
De-escalation Techniques- Extended Delay	CBT	Recurrent	0.31
Welcome to Stations	CBT	Initial	0.39
CSA Roles and Responsibilities	CBT	Recurrent	5.16
GOA Roles and Responsibilities	CBT	Recurrent	4.83
Complaint Resolution Official	CBT	Recurrent	3.07
Human Trafficking	CBT	Recurrent	0.46
Quarterly Bulletins	CBT	Quarterly	2
CUA Final Exam	CBT	Recurrent	1.91
CSA OJT	OJT	Initial	N/A
GOA OJT	OJT	Initial	N/A

Stations Training- Ground Security Coordinator (GSC)

Topic	Method	Training Type	Hours
Ground Security Coordinator Module 1	CBT	Recurrent	1.41
Ground Security Coordinator Module 2	CBT	Recurrent	1.46
Ground Security Coordinator Module 3	CBT	Recurrent	0.88
Ground Security Coordinator Module 4	CBT	Recurrent	1.08
Ground Security Coordinator	ILT	Initial	8
GSC Final Exam	CBT	Recurrent	0.49
Allegiant Field Study Packet	OJT	Initial	N/A

Stations Training- Commissary

Topic	Method	Training Type	Hours
Hazardous Materials Recognition	CBT	Recurrent	0.59
Hazardous Communication (G4 Only)	CBT	Initial	0.3
Bloodborne Pathogens (G4 Only)	CBT	Recurrent	0.36
Personal Protective Equipment (G4 Only)	CBT	Recurrent	0.28
Aviation Safety Action Program (G4 Only)	CBT	Recurrent	0.19
Power Industrial High Lift	CBT	Recurrent	0.53
Stations Human Factors	CBT	Recurrent	0.85
Emergency Response Training	CBT	Recurrent	0.15
General Safety Management	CBT	Recurrent	0.32
First Aid	CBT	Recurrent	1.38
Catering Security Search	CBT	Recurrent	0.39
Aviation Security Awareness	CBT	Recurrent	0.49
Aircraft Security	CBT	Recurrent	0.43
Aircraft Security Search	CBT	Initial	1.51
Welcome to Stations	CBT	Initial	0.39
Complaint Resolution Official	CBT	Recurrent	3.07

Stations Training- Skycap & Baggage

Topic	Method	Training Type	Hours
Hazardous Materials Recognition	CBT	Recurrent	0.59
Hazardous Communication (G4 Only)	CBT	Initial	0.3
Bloodborne Pathogens (G4 Only)	CBT	Recurrent	0.36
Personal Protective Equipment (G4 Only)	CBT	Recurrent	0.28
Aviation Safety Action Program (G4 Only)	CBT	Recurrent	0.19
Stations Human Factors	CBT	Recurrent	0.85
Emergency Response Training	CBT	Recurrent	0.15
General Safety Management	CBT	Recurrent	0.32
First Aid	CBT	Recurrent	1.38
Aviation Security Awareness	CBT	Recurrent	0.49
Aircraft Security	CBT	Recurrent	0.43
Welcome to Stations	CBT	Initial	0.39
Human Trafficking	CBT	Recurrent	0.46
Complaint Resolution Official	CBT	Recurrent	3.07

Stations Training- Fueler

Topic	Method	Training Type	Hours
Allegiant A320 Family Fueling Procedures	CBT	Recurrent	0.55
Allegiant General Fueling Safety Procedures	CBT	Recurrent	0.5

Stations Training- Deicer

Topic	Method	Training Type	Hours
Fleet Deicing/Anti-Icing 1	CBT	Recurrent	1.48
Fleet Deicing/Anti-Icing 1	CBT	Recurrent	0.91
Fleet Deicing/Anti-Icing 1	CBT	Recurrent	0.69
Fleet Deicing/Anti-Icing 1	CBT	Recurrent	1.09

Stores Training

Topic	Method	Training Type	Hours
Stores Forklift Performance & Certification Checklist	CBT/OJT	Recurrent	0.21
PIT: Counterbalanced Forklift Theory	CBT/ILT	Recurrent	8.46
PIT: Counterbalanced Forklift Video	CBT	Recurrent	0.51
Stores Human Factors	CBT	Recurrent	0.37
Bloodborne Pathogens	CBT	Recurrent	0.36
Hazardous Materials Recognition	CBT	Recurrent	0.59
Hazardous Communication	CBT	Initial	0.3