



Cascade Engineering



ePrize

Your success begins in  
PURE MICHIGAN

# Placemaking Summit “Attracting Investment”



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## 20 – 30 Years Ago

- People seeking companies and moving to the jobs
- Roads, water, sewer, rail – Access to Shipping key
- Business costs
- Taxes
- Industrial Parks were developed based on “build it and they will come” mentality
- Incentives were created based on geography (Renaissance Zones and Tax Credits)

# Today

- Companies seeking to expand/move/establish a location where people are living and locating
- High-speed/Wireless Internet
- Total Energy Costs
- Vibrant Downtowns
- Walkable Communities
- Talent

# Highlighting Regional Assets

*Fewer incentives requires emphasis on regional strengths*

## MEGA Credits

YEAR	Approved Job Creation MEGAS	Approved Credit Value
2010	109	\$341.7 million
2011	50	\$70.0 million

## Brownfield MBT Credits

YEAR	Approved Brownfield Projects	Approved Credit Value
2010	79	\$175.1 million
2011	90	\$125.6 million

YEAR	Total Approved Value
2010	\$516.8 million
2011	\$195.6 million
2012	\$100 million

# New Approach

## *Regional Economic Development Collaboratives*



- Asset based economic development
- Development of a regional strategic plan
- Defining regional advantages
- Proactive vs. Reactive

# MEDC Defined Regions



## Region 2 Resource Team



- Business Development
  - Tino Breithaupt and Lydia Murray
- Community Assistance Team – Kathy Adair
- Regional Project Manager – Ken Murdoch
- International Trade Specialist – Chris Bosio
- MDOT – Matt Opsommer
- MDARD – James Padden
- SBTDC - Mary Rogers
- PTAC – Anne Helbig
- MMTC – Rich Wolin
- Michigan Works – Jaclyn Sanborn

# Economic Development Incentive Fund

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- \$100 Million Fund for Economic Development
  - Michigan Business Development Program
    - Replaces MEGA Tax Credit
    - Performance Based Grants and Loans
  - Community Revitalization Program
    - Replaces Brownfield and Historic Tax Credits
    - Grants and Loans



# Michigan Business Development Program

## ■ Requirements

- Job Creation Projects
  - 50 new jobs, except 25 new jobs for Rural or High-Tech Projects
- Local Support
- No Retention Projects
- No Retail Projects
- Project is Financially Viable

## ■ Evaluation Criteria

- Out-of State Competition
- Net Positive Return to the State
- Level of Investment
- Shovel Ready Projects with Funding Support
- Business Diversification
- Re-Use of Existing Facilities
- Near Terms Job Creation
- Level of Wages for New Workers
- Employer Provided Benefits
- Strong Links to Michigan Suppliers
- Distressed or Targeted Community

\* Exceptions to requirements would require MSF Board authorization

# Community Revitalization Program

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## ■ Requirements

- Focus on Regional Urban Areas
- No Business Development Projects
- Local Support
- Project is Financially Viable

## ■ Evaluation Criteria

- Infill and Reuse Projects
- Catalyst for Additional Revitalization
- Extent of Environmental Cleanup
- Job Creation
- Promotes Area wide Redevelopment
- Increases Urban Density
- Mixed-Use Development
- Sustainable Development
- Historic Resource
- Underserved Market

\* Exceptions to requirements would require MSF Board authorization

# Benefits of Cash vs. Tax Credits

## *Why cash is king?*

- Cash offers more near term benefit than tax credits
- Cash offers flexible payout terms and milestones
- Cash benefit is not estimated or inflated
- Easier application process with no application fee
- More streamlined reporting process
- Efficient grant disbursements are not tied to tax filing

**You Must be Focused on  
Continuous Improvements to  
your Community's Infrastructure  
in Order to be an Attractive  
Community**

# Other Programs and Tools

- Community Development Block Grant
  - Roads, Water, Sewer, Electric, Gas, High Speed Internet
- CDBG—Downtown
  - Façade Improvement Grants
  - Planning Grants
  - Public Infrastructure
  - Signature Building Acquisition Grants
- Competitive Programs
  - Infrastructure Capacity Enhancement (ICE) Grants
  - Downtown Infrastructure (DIG) Grants

# Saying Yes to Michigan and your region

Identify regional and state assets and advantages  
(non cash)

What are the features of your region?

Why are they important to business?

## Preliminary Project Screening Questions

### Local skin in the game?

The local unit of government should be aware of project before engaging MEDC support.

- Project must be a demonstrated high priority for the community.
- Local support in the form of cash, in-kind, or a local incentive (e.g. PA 198, TIF, PILOT)

### Where's the gap?

We want our limited funding to be a small piece in many projects instead of a large piece in just a few projects.

- All incentives are now calculated by the demonstrated financial need of a project
- A project will only receive funding up to the level of demonstrated gap, not to exceed MEDC program guidelines.

## Project Example – Elk Rapids

- Need to Expand WWTP to support Growing Businesses
- Received \$20,000 NWM-COG Community Growth Grant to conduct Feasibility Study in 2010
- \$5,000 Match of local funds
- Received \$25,000 CDBG Grant from MEDC
- Study completed in 2011 (\$50,000 total grant)
- Next Steps are to move forward with project in 2013