









Placemaking Summit "Attracting Investment"

May 21, 2012





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 were 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

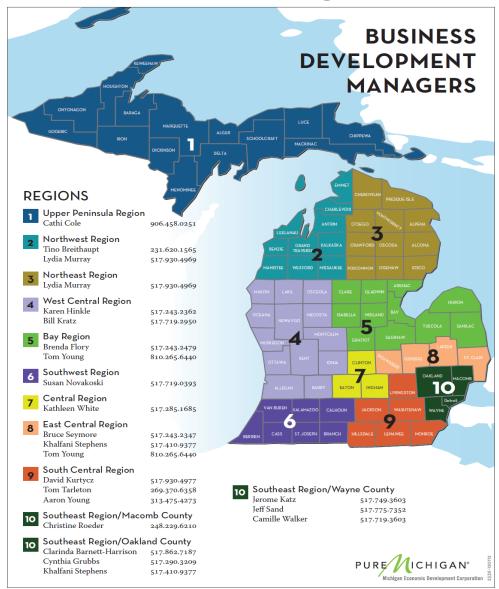


- Asset based economic development
- Development of a regional strategic plan
- Defining regional advantages
- Proactive vs. Reactive



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

- \$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

Requirements

- Focus on Regional Urban Areas
- No BusinessDevelopment 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