



Michigan Economic Development Corporation

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

The background of the slide features the Michigan State Flag waving on a flagpole against a blue sky with light rays. The flag is blue with a white field in the center containing a bald eagle with wings spread, a red banner above it with the Latin motto "E PLURIBUS UNUM", and a brown tree to the right. Below the eagle is a scroll with the Latin motto "CONSTITUAMUS AMICITIAM INTER OMNES HOMINES".

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION (MEDC)

MEDC is the economic development agency of the State of Michigan. We are a public body corporate organization, employing state as well as corporate employees. In cooperation with our regional economic development partners, we are tasked by Governor Snyder to expand and attract businesses to Michigan.



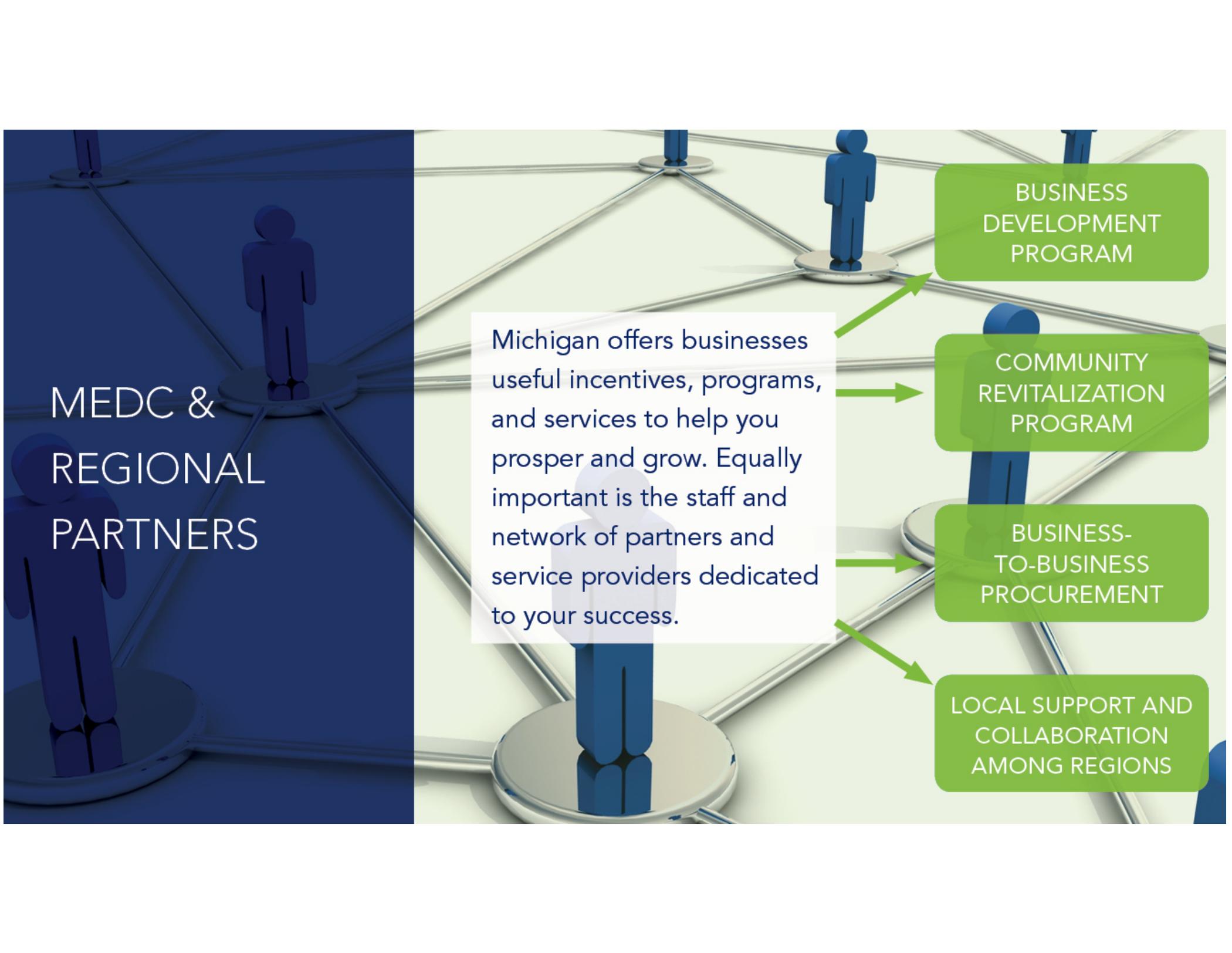
Workforce Development Agency
(Michigan Works! offices)
Unemployment Insurance Agency

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

Michigan Strategic Fund
Business development
Community development
Marketing (attraction and
Pure Michigan campaign)



Land Bank Fast Track Authority
Low interest financing to build
affordable housing
Demotion of dilapidated and
abandoned properties
Blight eradication



MEDC & REGIONAL PARTNERS

Michigan offers businesses useful incentives, programs, and services to help you prosper and grow. Equally important is the staff and network of partners and service providers dedicated to your success.

BUSINESS
DEVELOPMENT
PROGRAM

COMMUNITY
REVITALIZATION
PROGRAM

BUSINESS-
TO-BUSINESS
PROCUREMENT

LOCAL SUPPORT AND
COLLABORATION
AMONG REGIONS

BUSINESS DEVELOPMENT MISSION

grow
business

retain
business

attract
business

How do we do this?

By delivering customized packages and value-added services that leverage the economic assets of Michigan.



The background of the slide features a dark blue world map on the left side. In the center, there are black silhouettes of a man in a suit and a woman in a business dress standing together. The right side of the background is filled with vertical columns of glowing blue binary code (0s and 1s).

BUSINESS DEVELOPMENT

- Global business development
- Pure Michigan Business Connect
- International trade
- Retention and growth
- Sales and service operations
- Defense and homeland security
- Entrepreneurship and innovation
- Capital markets and incentives

Market Driven Model & Philosophy

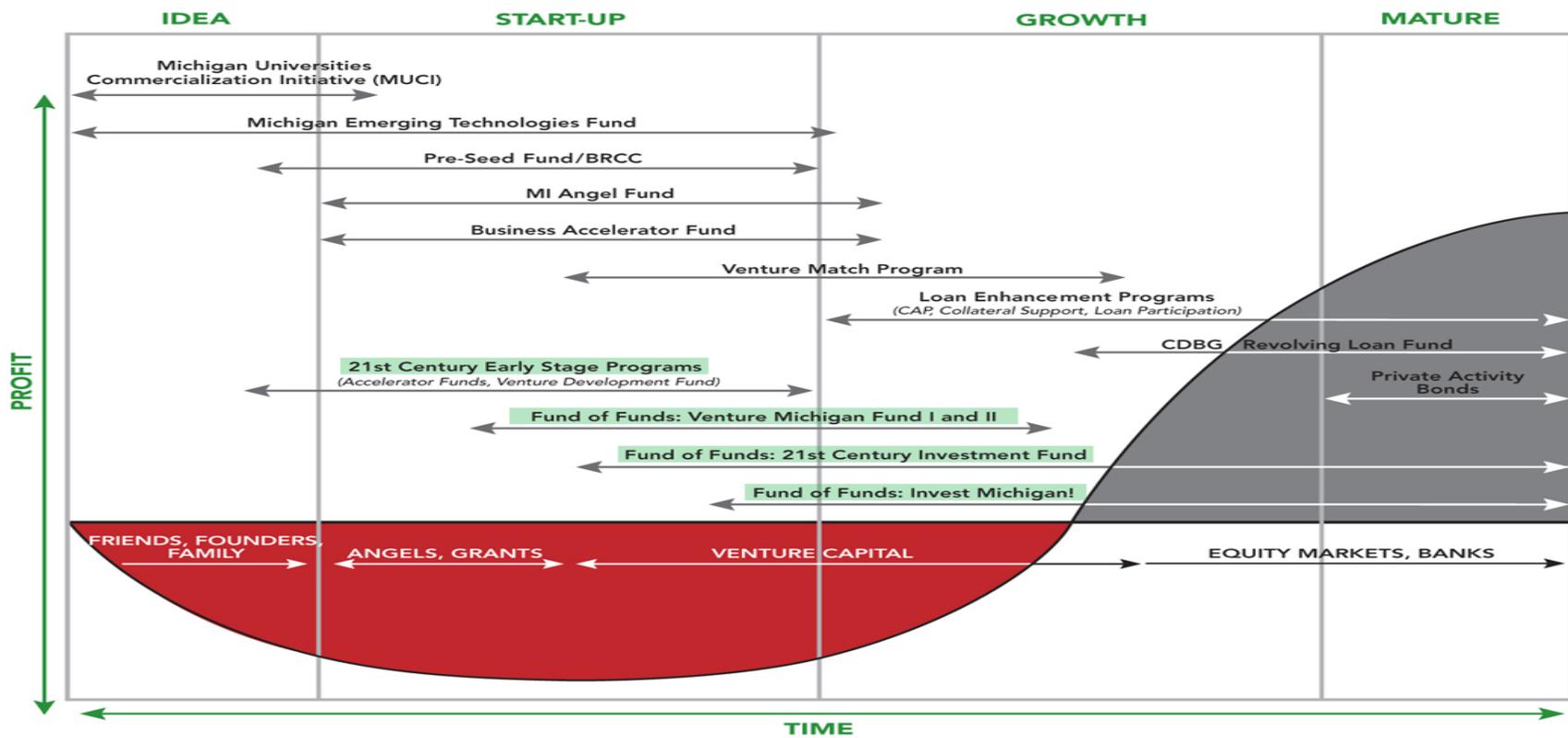
The Debt Capital team develops programs to increase the availability of capital by asking these three questions:

1. Is there a clear inefficiency in the market and a public benefit in addressing the need?
2. Can a small amount of properly structured state funding create enough leverage to have a meaningful impact on the problem?
3. Can the state's capital be deployed by expert, private sector decision-makers whose interests are aligned with the state?

MEDC Loan Enhancement Programs

- Collateral Support Program
- Loan Participation Program
- Grow Michigan Mezzanine Fund
- Capital Access Program
- Pure Michigan Micro Loan Program

The Capital Continuum



Collateral Support & Loan Participation

- Two programs, one deals with Collateral Value, one with Capacity to Repay (debt service coverage).
- Designed to use public capital to deal with an “access” issue, not a “cost” issue. (CRITICAL)
- Designed to work with bank policy and regulatory framework for commercial credit.

Collateral Support & Loan Participation

- Business must operate in one of the following industries:
 - *manufacturing*
 - *wholesale & trade*
 - *research & development*
 - *high technology*
 - *mining*
 - *office operations*
 - *film & digital media productions*
- No Retail or Passive R/E
- R/E, FF&E, Working Capital,

Capital Access Program

- Pooled Risk Concept - Boosts Provision for Loan Loss Reserve
 - A Reserve Fund is created consisting of the following:

Borrower's fee (contribution):	1.5% - 3.5%
Lender's contribution:	1.5% - 3.5%
MSF matching contribution:	<u>3.0% - 7.0%</u>
Total reserve deposit:	6.0% - 14.0%

Example: \$100,000 loan

\$	3,000 - 3% Borrower & Bank Contribution
\$	3,000 - 3% MSF Program money
<hr/>	
\$	6,000 – Total Reserve Fund Deposit (6%)

Pure Michigan Micro Lending

- Loans ranging between \$10,000 and \$250,000
- Program administrated by Opportunity Resource Fund utilizing funding received from Huntington National Bank
- SBDC responsible for all intake and initial review of all loan applicants
- ORF recently provided a loan of \$40,000 to a restaurant in Grand Rapids which allowed the business to purchase equipment.

Grow Michigan

- \$60 million fund privately managed fund
- Senior lender must sponsor the project
- Target borrower
 - \$3-\$50 million in revenue
 - Positive EBITDA
 - Manufacturing, distribution, transportation, life sciences, and high technology
- Investment Size and Structure
 - \$1-\$5 million, typically less than \$3 million
 - 3-5 year term
 - 10-15% all-in return

PURE MICHIGAN[®] Business Connect

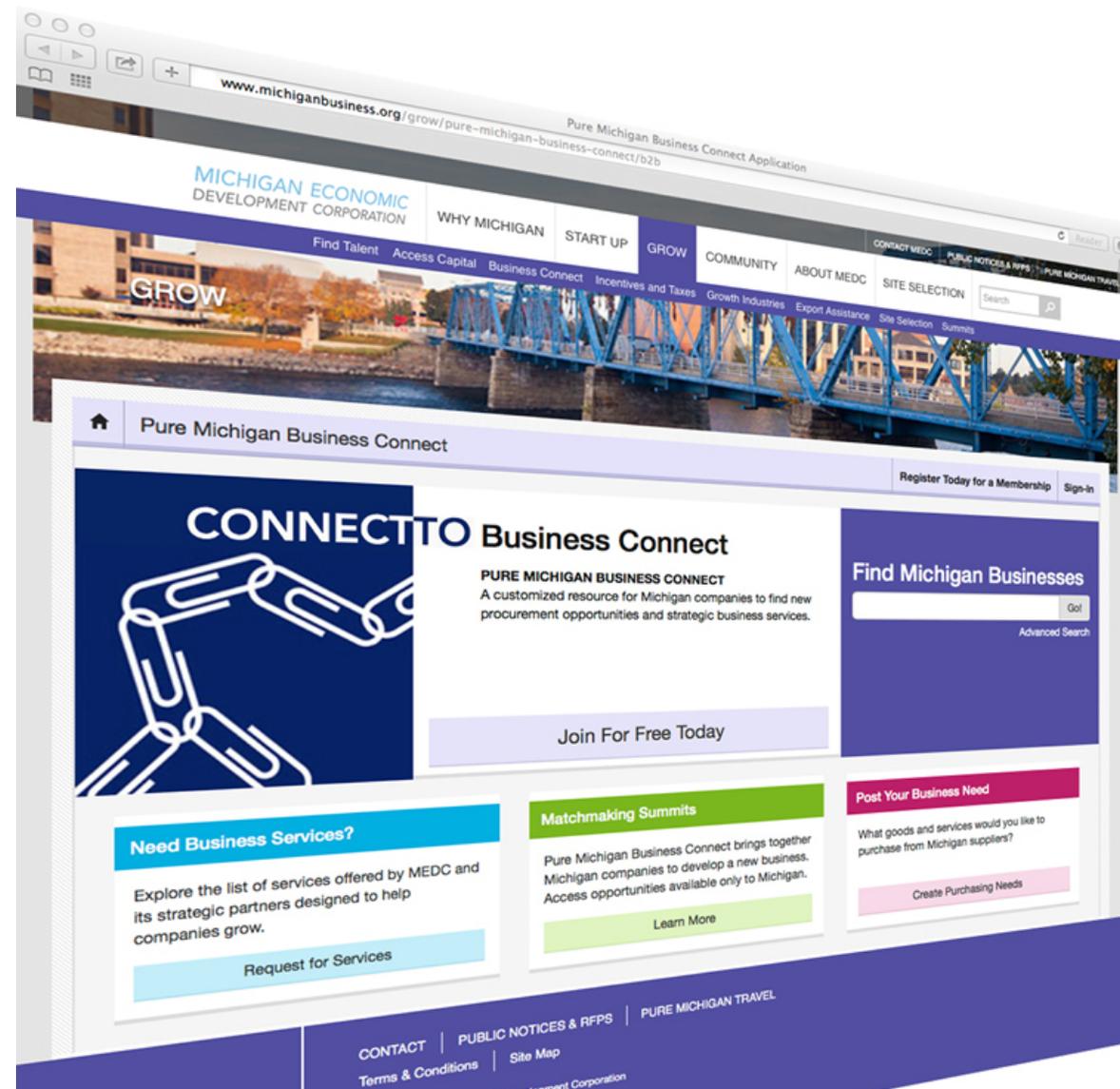
**\$3 billion in
facilitated contracts**

250+ global purchasers

**6,500+ unique
buyer/seller meetings**

30,000 hours of donated
professional services

www.puremichiganb2b.com



MICHIGAN BUSINESS DEVELOPMENT PROGRAM

Designed to provide a grant, loan, or other economic assistance to qualified businesses that make qualified investments, create qualified new jobs, or both.





OTHER ECONOMIC INCENTIVES

Tax abatements

Workforce development

Pure Michigan Business Connect

Community development



COMMUNITY DEVELOPMENT

Mission: MEDC community development will focus on creating vibrant, sustainable and unique places by providing economic development services and programs to attract and retain talent in Michigan communities.

- Community Assistance Team (CAT)
- Community Development Block Grant (CDBG)
- MSHDA
- Redevelopment Ready Communities
- Main Street



TARGETED AREAS

TRADITIONAL DOWNTOWN:

20 or more contiguous commercial parcels containing buildings of historical or architectural significance.

TRADITIONAL COMMERCIAL CORRIDOR:

a horizontal connector that contains 20 or more commercial parcels of property, connecting traditional downtowns and nodes.

REDEVELOPMENT READY COMMUNITIES (RRC)

Empower communities to shape their future by establishing a solid foundation to retain and attract business investment and talent.



WHAT IS RRC?



Technical assistance

Review of plans, processes,
policies and practices

Planning and economic
development

Talent, place, business

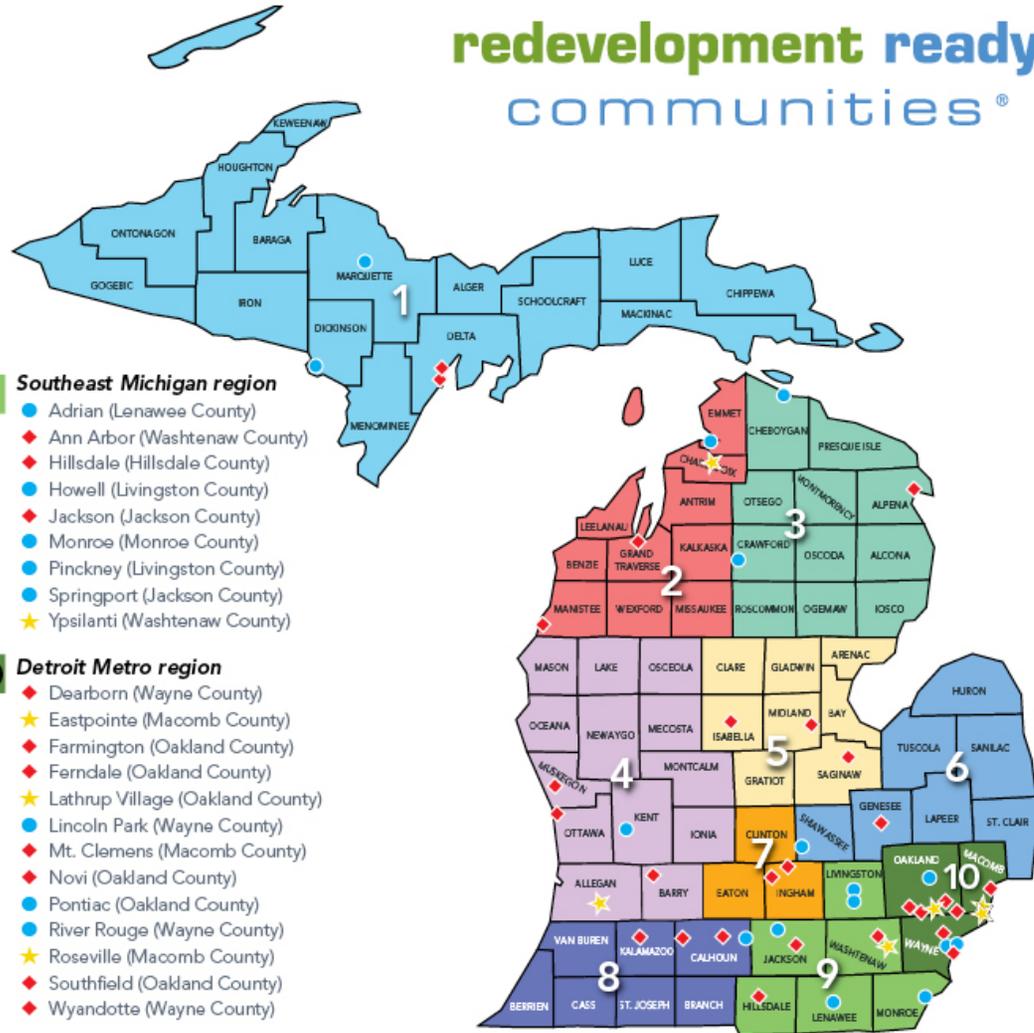
Certification

REGIONS

- 1 Upper Peninsula region**
 - ◆ Escanaba (Delta County)
 - ◆ Gladstone (Delta County)
 - Iron Mountain (Dickinson County)
 - Ishpeming (Marquette County)
- 2 Northwest region**
 - ★ Boyne City (Charlevoix County)
 - ◆ Manistee (Manistee County)
 - Petoskey (Emmet County)
 - ◆ Traverse City (Grand Traverse County)
- 3 Northeast region**
 - ◆ Alpena (Alpena County)
 - Cheboygan (Cheboygan County)
 - Grayling (Crawford County)
- 4 West Michigan region**
 - ★ Allegan (Allegan County)
 - ◆ Grand Haven (Ottawa County)
 - Grand Rapids (Kent County)
 - ◆ Middleville (Barry County)
 - ◆ Muskegon (Muskegon County)
- 5 East Central Michigan region**
 - ◆ Midland (Midland County)
 - ◆ Mt. Pleasant (Isabella County)
 - ◆ Saginaw (Saginaw County)
- 6 East Michigan region**
 - ◆ Flint (Genesee County)
 - Laingsburg (Shiawassee County)
- 7 South Central region**
 - ◆ East Lansing (Ingham County)
 - ◆ Lansing (Ingham County)
- 8 Southwest region**
 - Albion (Calhoun County)
 - ◆ Battle Creek (Calhoun County)
 - ◆ Kalamazoo (Kalamazoo County)
 - ◆ Marshall (Calhoun County)

- 9 Southeast Michigan region**
 - Adrian (Lenawee County)
 - ◆ Ann Arbor (Washtenaw County)
 - ◆ Hillsdale (Hillsdale County)
 - Howell (Livingston County)
 - ◆ Jackson (Jackson County)
 - Monroe (Monroe County)
 - Pinckney (Livingston County)
 - Springport (Jackson County)
 - ★ Ypsilanti (Washtenaw County)
- 10 Detroit Metro region**
 - ◆ Dearborn (Wayne County)
 - ★ Eastpointe (Macomb County)
 - ◆ Farmington (Oakland County)
 - ◆ Ferndale (Oakland County)
 - ★ Lathrup Village (Oakland County)
 - Lincoln Park (Wayne County)
 - ◆ Mt. Clemens (Macomb County)
 - ◆ Novi (Oakland County)
 - Pontiac (Oakland County)
 - River Rouge (Wayne County)
 - ★ Roseville (Macomb County)
 - ◆ Southfield (Oakland County)
 - ◆ Wyandotte (Wayne County)

redevelopment ready communities®

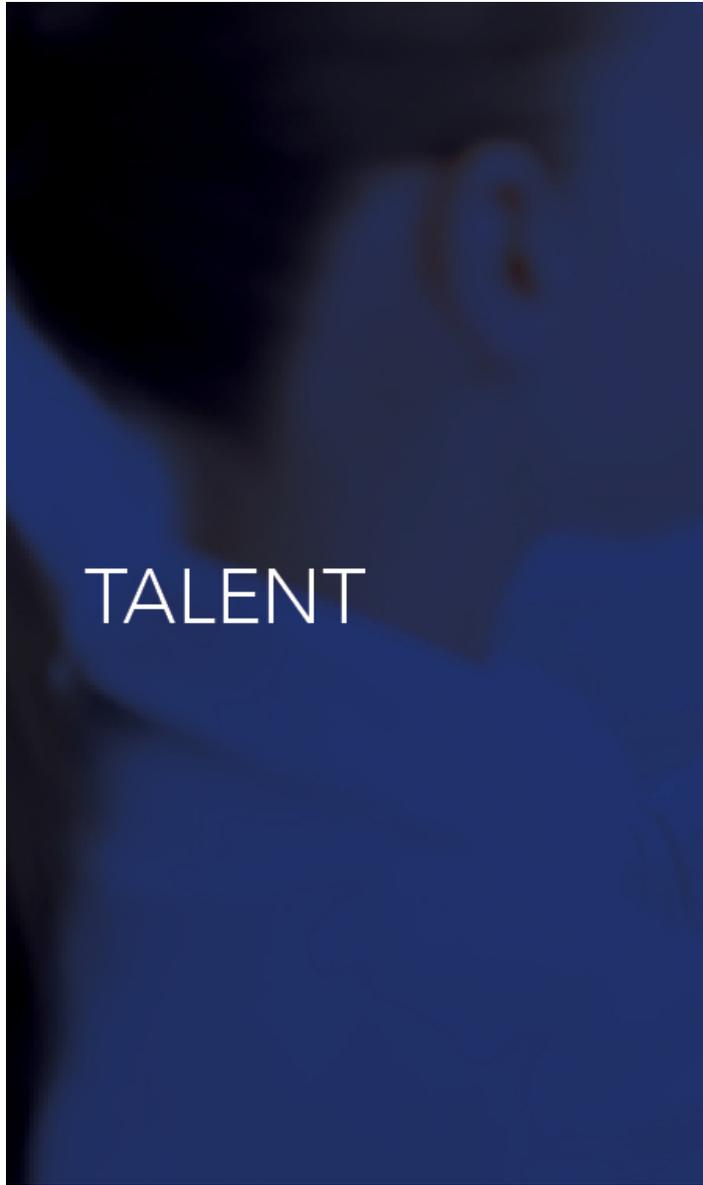


★ RRC Certified Community®

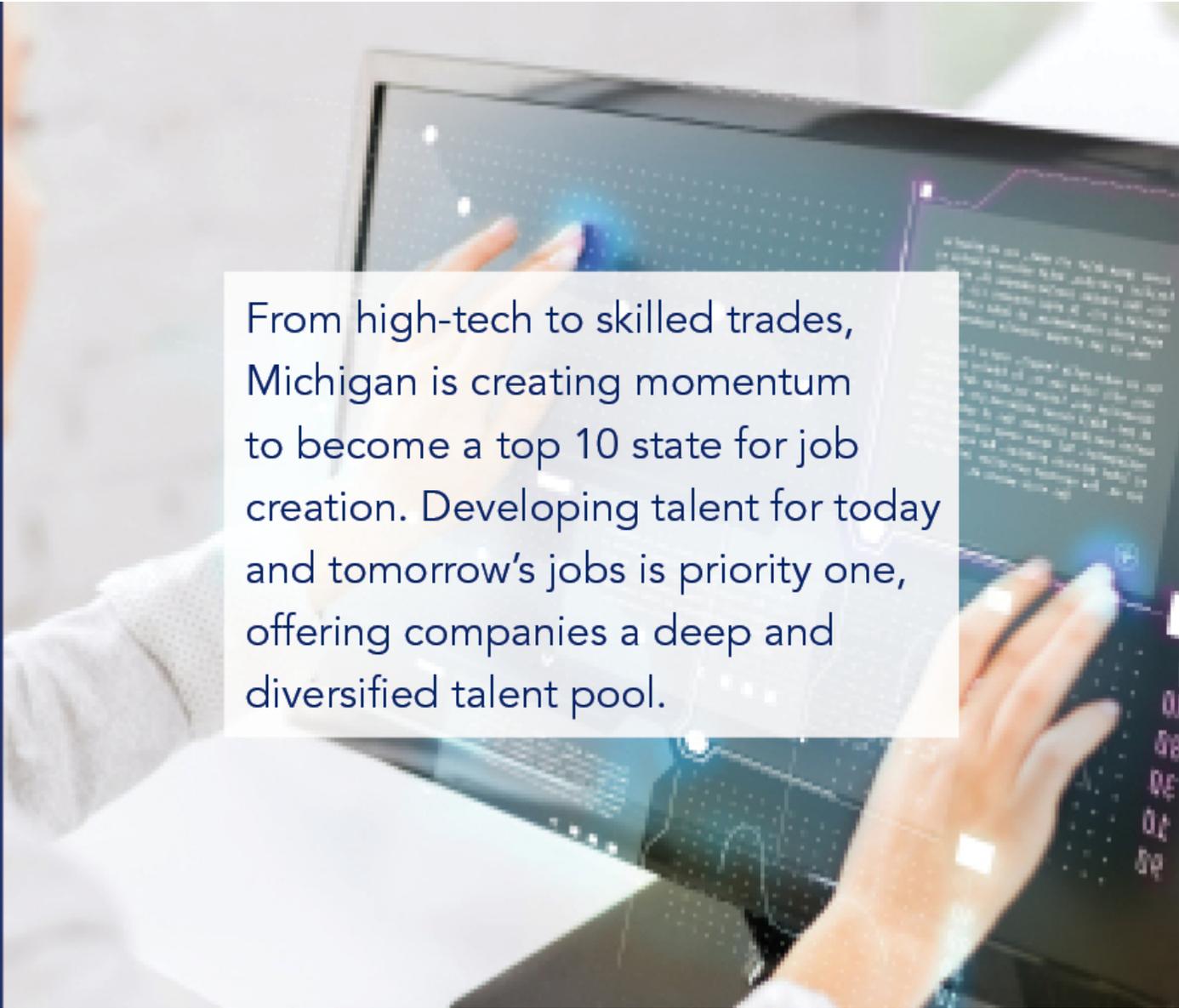
◆ RRC evaluation completed

● RRC evaluation in progress

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TALENT



From high-tech to skilled trades, Michigan is creating momentum to become a top 10 state for job creation. Developing talent for today and tomorrow's jobs is priority one, offering companies a deep and diversified talent pool.



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All Contacts

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DEVELOPMENT CORPORATION

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