



The State of Michigan has a number of tools available to help your business grow and prosper. Our suite of incentives, abatements and one-of-a-kind programs are ready to help make The Great Lakes State your next home.

Michigan Business Development Program (MBDP)

One of the 21st Century Jobs Fund's economic incentive programs administered by the MEDC. The MBDP is designed to provide a cash grant, loan, or other economic assistance to qualified businesses that make qualified investments, create qualified new jobs, or both, in Michigan. While the program is operated and funded through the Michigan Strategic Fund ("MSF"), recommendations for awards under the program are presented by the MEDC to the MSF Board.

MSF support in the form of a grant shall be performance based, with preference given to qualified businesses seeking to locate or expand in Michigan rather than in another state which is competing to locate or expand the qualified business within its state. Grants shall include flexible terms and conditions and shall include provisions requiring grant funds to be paid back under circumstances required by the MSF.

The Michigan Business Development Program is funded annually through legislative order. Applications are accepted on a rolling basis anytime throughout the year.

Any incentive is dependent on availability of funds each year through the legislative budget process. Incentive amounts are contingent upon the ability of the project to meet program requirements and are subject to an application review and approval process.

Repayment provisions are required by law. The Repayment terms and conditions will be effective through the Term of the Agreement and shall be defined in the final Agreement. The final repayment provisions may require repayment of some or all of disbursements made by the MSF, including if the Company moves 25% or more of their employees out of Michigan, if the Company fails to maintain the Base Employment Level in Michigan and/or if the Company fails to maintain the Qualified New Jobs incented by an Award.

Jobs Ready Michigan Program

The program is designed to be flexible and responsive to the specific talent needs of companies and to address the costs associated with recruiting and training individuals for occupations that are high-wage, high-skill, or high-demand. Program awards may be used for a variety of activities related to talent recruitment and job training including, but not limited to, employee recruitment expenses, development of customized training development plans, instructor and training materials costs, purchase of equipment related to training, construction of training facilities, and on-the job training costs. The Michigan Economic Development Corporation ("MEDC") provides administrative services for the MSF for the program.

Repayment provisions are required by law. The Repayment terms and conditions will be effective through the Term of the Agreement and shall be defined in the final Agreement. The final repayment provisions may require repayment of some or all of the disbursements made by the MSF, including if the Company moves 25% or more of their employees out of Michigan, if the Company fails to maintain the Base Employment



Level in Michigan, if the Company fails to maintain the Qualified New Jobs incited by this Award.

Community Development Block Grant (CDBG)

CDBG is a federal grant program using funds received from the U.S. Department of Housing and Urban Development (HUD). Funds are used to provide grants to eligible counties, cities, villages and townships, for economic development, community development and housing projects. Qualifying economic development projects are those directly related to a for-profit business location or expansion involving eligible activities that will result in the creation of jobs, with at least 51% of those jobs held by low- and moderate-income workers. Project proposals are considered and evaluated continuously

Personal Property Tax Reform

In an ongoing effort to make the state a more attractive place for businesses to invest and grow, Michigan is phasing out its Personal Property Tax (PPT) for most businesses beginning in 2014. This reform will substantially reduce compliance and administrative costs for businesses and will be especially attractive to manufacturers who rely on expensive capital investments in tools and other equipment. Eligible manufacturing personal property could include both commercial personal property and industrial personal property. More specifically, the term refers to all personal property located on real property where that personal property is used more than 50% of the time in industrial processing or in supporting industrial processes.

Eligible manufacturing personal property purchased by the first owner:

- after 2012 will be 100% exempt beginning in 2016.
- before 2006 will be 100% exempt beginning in 2016.
- in 2006 through 2012 will be 100% exempt when the personal property becomes 10 years old.

Brownfield Tax Increment Financing

The Brownfield Tax Increment Financing (TIF) program allows eligible brownfield projects to utilize certain state and local property taxes (including school taxes) to pay for costs related to brownfield site redevelopment. TIF funds can be used to pay for certain environmental and non-environmental “eligible activities,” including baseline environmental assessments, due care activities, site evaluation, remedial actions, demolition, lead and asbestos abatement, site preparation, and infrastructure improvements related to the Brownfield property. These projects must occur on eligible property that is included in an established brownfield plan, approved by the local brownfield authority. Projects seeking the use of state school tax capture must receive approval from the Michigan Strategic Fund (MSF) Board.

Property Tax Abatement under PA 198 of 1974

Local units of government have the ability to reduce property taxes on new investment by 50 percent for manufacturers and high-tech businesses. These abatements can last up to 12 years and can provide relief on real property taxes. The local unit of government is responsible for approving these abatements and their duration.



State Education Tax Abatement

The MEDC can abate half or all of the 6-mill State Education Tax on new investment when the project presents significant economic benefits to Michigan, and when the project receives a property tax abatement under PA 198 of 1974.

State Essential Services Assessment Exemption Program

The State Essential Services Assessment (SESA) is required for manufacturers that do not pay personal property tax on eligible manufacturing personal property. In certain circumstances, the MSF Board may choose to exempt or reduce the SESA for highly competitive projects that create jobs and/or private investment in Michigan through the SESA Exemption Program. This program can eliminate the SESA requirement for up to 15 years.

Pure Michigan Business Connect (PMBC)

Pure Michigan Business Connect is a free service that brings small to medium-sized Michigan businesses together with local, national and global companies for supply chain sourcing opportunities. Several different avenues for connection exist with PMBC, depending on the size and scope of the opportunities.

PlanetM

PlanetM is Michigan's mobility initiative representing the collective mobility efforts across the state. PlanetM connects companies to Michigan's mobility ecosystem – the people, places and resources dedicated to the evolution of transportation mobility.

Michigan Works!

Regional Michigan Works! offices are able to provide talent support by offering a number of programs designed to offset the company's talent costs. This process is designed to attract and retain the best possible employees for the employer. The process is designed to be as flexible as possible to meet the expected outcomes and timelines of the project. To assure successful project outcomes, it will be necessary for the client to meet with the Michigan Works! Business Service Staff to finalize this process. Once the process is defined, it will be the hiring and training plan for current and future hiring needs.

The regional Michigan Works! office can coordinate efforts with the company, local Planning & Economic Development organizations, the local municipality, Michigan Economic Development Corporation, all Regional Michigan Works! partners, and any other partners identified to meet the successful outcomes of the project.