



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: April 1, 2022

TO: The Honorable Jim Stamas, Chair
Senate Appropriations Committee

The Honorable Curtis Hertel, Jr.
Minority Vice Chair
Senate Appropriations Committee
and Subcommittee on LEO/MEDC

The Honorable Ken Horn, Chair
Senate Appropriations Subcommittee on
Labor and Economic Opportunity/MEDC

The Honorable Roger Victory, Chair
Senate Appropriations Subcommittee
on General Government

The Honorable Terry Sabo
Minority Vice Chair
House Appropriations Subcommittee on
General Government

The Honorable Thomas Albert, Chair
House Appropriations Committee

The Honorable Joe Tate
Minority Vice Chair
House Appropriations Committee

The Honorable Greg VanWoerkom, Chair
House Appropriations Subcommittee on
General Government

The Honorable Terry Sabo, Minority Vice Chair
House Appropriations Subcommittee
on General Government

The Honorable Jon Bumstead, Chair
Joint Committee on Administrative Rules

The Honorable Luke Meerman, Alternate Chair
Joint Committee on Administrative Rules

FROM: Quentin L. Messer, President
Michigan Strategic Fund

SUBJECT: CY 2021 Michigan Strategic Fund Specific Policy Change Report

Section 220 of Public Act 87 of 2021, the FY 2022 Omnibus Budget, requires a report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year. Pursuant to this requirement, attached is the CY 2021 report for the Michigan Strategic Fund.

If you have any questions, please contact our Office of Government Relations at 517.335.1847.

Attachment

cc: Members, Senate and House Appropriations Committees
Members, Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC
Members, Senate and House Appropriations Subcommittee on General Government
Members, Joint Committee on Administrative Rules
Kathryn Summer, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

**Michigan Strategic Fund
Specific Policy Change Report
Calendar Year 2021**

Bill Number	PA No.	Effective Date	Subject	Policy Change
SB 82	87	9/29/2021	Community Revitalization and Placemaking Grants: The legislature appropriated \$100 million in federal American Rescue Plan Act (ARPA) funding to support investments that will repurpose vacant, underutilized, blighted or historic buildings and place-based infrastructure to address the impacts of COVID-19. The Michigan Strategic Fund was required to work with local economic development organizations to develop guidelines and eligibility criteria for the program. The program requires legislative reporting.	<p>On December 7, 2021, the MSF Board approved the Community Revitalization and Placemaking (RAP) Program as well as guidelines consistent with PA 87 (Resolution 2021-154). The guidelines were amended on February 22, 2022, to conform with federal guidance after the U.S. Department of Treasury released the State and Local Federal Relief Funds Final Rule on January 7, 2022 (Resolution 2022-029).</p> <p>An interim report on the status of program implementation was submitted to Senate and House Appropriations Committee members, state budget office, and fiscal agency directors on March 15, 2022.</p> <p>Program information is available at www.michiganbusiness.org/rap. The final application is expected to go live in early 2022, and applicants selected for recommendation to the Michigan Strategic Fund will be notified in early summer of 2022; all RAP funds must be allocated by December 31, 2024.</p>
SB 82	87	9/29/2021	Training Center Equipment Grants: The legislature appropriated \$3 million to implement the Training Center Equipment Grants Program. In consultation with local and non-profit economic development organizations designated under the Act, the program provides one-time equipment grants of up to \$90,000 to support the needs of qualified training providers that provide workforce training for employers and individuals in Michigan. The program requires legislative reporting.	Program criteria and guidelines were developed consistent with PA 87 and did not require MSF Board approval. An overview of the grant program and criteria were posted on the michiganbusiness.org/workforce-training-grant landing page on January 7, 2022. The application opened for the program on January 10 and closed on January 19. The local EDOs have reviewed applications, and grant announcements are expected in early 2022.
SB 437	27	6/15/2021	Brownfield MBT Credit Amendment: The enacted legislation amended the Michigan Business Tax Act to modify the timeframe required for the completion of a specific multiphase project in Detroit, giving the qualified taxpayer until September 14, 2023, to complete the project and claim the brownfield MBT credit without penalty.	The MSF Board is expected to consider a formal amendment request later in 2022 for the Mid at 3750 Woodward project. There is no change in the credit amount.
HB 4712	93	10/29/2021	Brownfield MBT Credit Amendment: The enacted legislation amended the Michigan Business Tax Act to extend the number of years from 10 to 15 to complete a certain multi-phase brownfield MBT project in Wixom that involves the development of two adjacent development areas.	The MSF Board is expected to consider a formal amendment request later in 2022 for the Ford Motor Company Wixom Facility project. The enacted legislation will result in the consolidation of two separate credits, but the cumulative amount is not changing.
SB 671	138	12/27/2021	Transformational Brownfield Plan: The enacted legislation amended the Brownfield Redevelopment Financing Act to change several provisions concerning Transformational Brownfield Plans (TBP), including waiver of mixed-use development requirement and safe harbor method of calculating income and withholding tax capture revenue, among others. The legislation also extended the program sunset from December 31, 2022, to December 31, 2027.	The MSF Board approved TBP guidelines on July 25, 2017, in accordance with the original legislation that established the program, which have been amended twice since then to make minor modifications. The MSF Board approved additional amendments to the program guidelines on March 22, 2022, in accordance with PA 138 (Resolution 2022-055).

**Michigan Strategic Fund
Specific Policy Change Report
Calendar Year 2021**

Bill Number	PA No.	Effective Date	Subject	Policy Change
SB 771	136	12/27/2021	<p>Critical Industry Program: The enacted legislation amended the Michigan Strategic Fund Act to create the Critical Industry Program that will allow Michigan to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result of a technological shift in product or production or to make capital investments, or both, as determined by the MSF Board.</p> <p>*The program would use money transferred from the Strategic Outreach and Attraction Reserve (SOAR) Fund established under SB 769/2021 PA 137, which amended the Michigan Trust Fund Act, to make qualified investments to qualified businesses under this program.</p> <p>The program requires a legislative transfer to fund and annual legislative reporting.</p>	<p>On January 11, 2022, the MSF Board approved the Critical Industry Program as well as guidelines consistent with PA 136 (Resolution 2022-001).</p>
HB 5603	134	12/27/2021	<p>Michigan Strategic Site Readiness Program: The enacted legislation amended the Michigan Strategic Fund Act to create the Michigan Strategic Site Readiness Program to provide economic assistance for applicants to conduct activities to create investment-ready sites to attract and promote investment in Michigan.</p> <p>*The program would use money transferred from the Strategic Outreach and Attraction Reserve (SOAR) Fund established under SB 769/2021 PA 137, which amended the Michigan Trust Fund Act, to make grants, loans, or other economic assistance under this program.</p> <p>The program requires a legislative transfer to fund and annual legislative reporting.</p>	<p>On January 11, 2022, the MSF Board approved the Michigan Strategic Site Readiness Program as well as guidelines consistent with PA 134 (Resolution 2022-002).</p>