



**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION

# **BUSINESS DEVELOPMENT TOOLS AND PROCESS**

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# MEDC IS COMMITTED TO ENABLING LONG-TERM ECONOMIC OPPORTUNITY FOR ALL MICHIGANDERS



## MISSION

Achieve long-term economic prosperity for Michiganders by investing in communities, enabling the growth of good jobs and promoting Michigan's strong image worldwide



## VISION

Make Michigan's economy the nation's fastest growing, most equitable and most resilient by:

Achieving 'Top 10' status for:

- Job growth in targeted sectors
- Equitable job growth
- Real median household income growth

Attaining the largest net gain of talent in the Midwest.

## GUIDING PRINCIPLES



### Sustainable, long term growth

Catalyze long-term job growth. **Ensure resilience** of Michigan's economy against downturns and **automation potential**.



### Regional impact

Empower and support every region – from rural areas to urban cores – in improving economic outcomes.



### Equitable, high-wage growth

Drive equitable pathways toward high-wage growth by enabling industries, communities and businesses that provide opportunities for all.



### Customer focus

Ensure a customer (businesses, communities, entrepreneurs) and partner orientation in all we do.

## STRATEGIC FOCUS AREAS



### Attract, retain and grow businesses

Attract, keep and grow businesses in industries that support maximum growth in jobs, wages and investments



### Support and grow our talent

Cultivate the skills and talent needed for in-demand and high-growth occupations statewide



### Develop attractive places

Collaborate with local communities and partners to create places in which people and talent want to live, work, visit and play



### Accelerate high-tech innovation

Support entrepreneurial growth to enable commercialization and new high-tech business creation



### Market the state

Promote Michigan's image as a world-class business location and travel destination



### Support small business

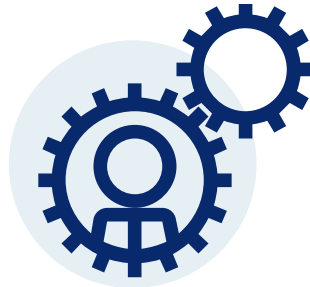
Help existing small and microbusinesses grow and thrive and improve economic prosperity for all through small business ownership

# BUSINESS DEVELOPMENT OVERVIEW

**Business Development Incentives are designed to support projects that lead to job creation and/or investment that would not happen without state support**



**Job Opportunities  
and Characteristics**



**Strategic Plan  
Alignment: Focus  
and Regional Impact  
Industries**



**Investment in  
Communities – Both  
Rural and Urban –  
Throughout the State**

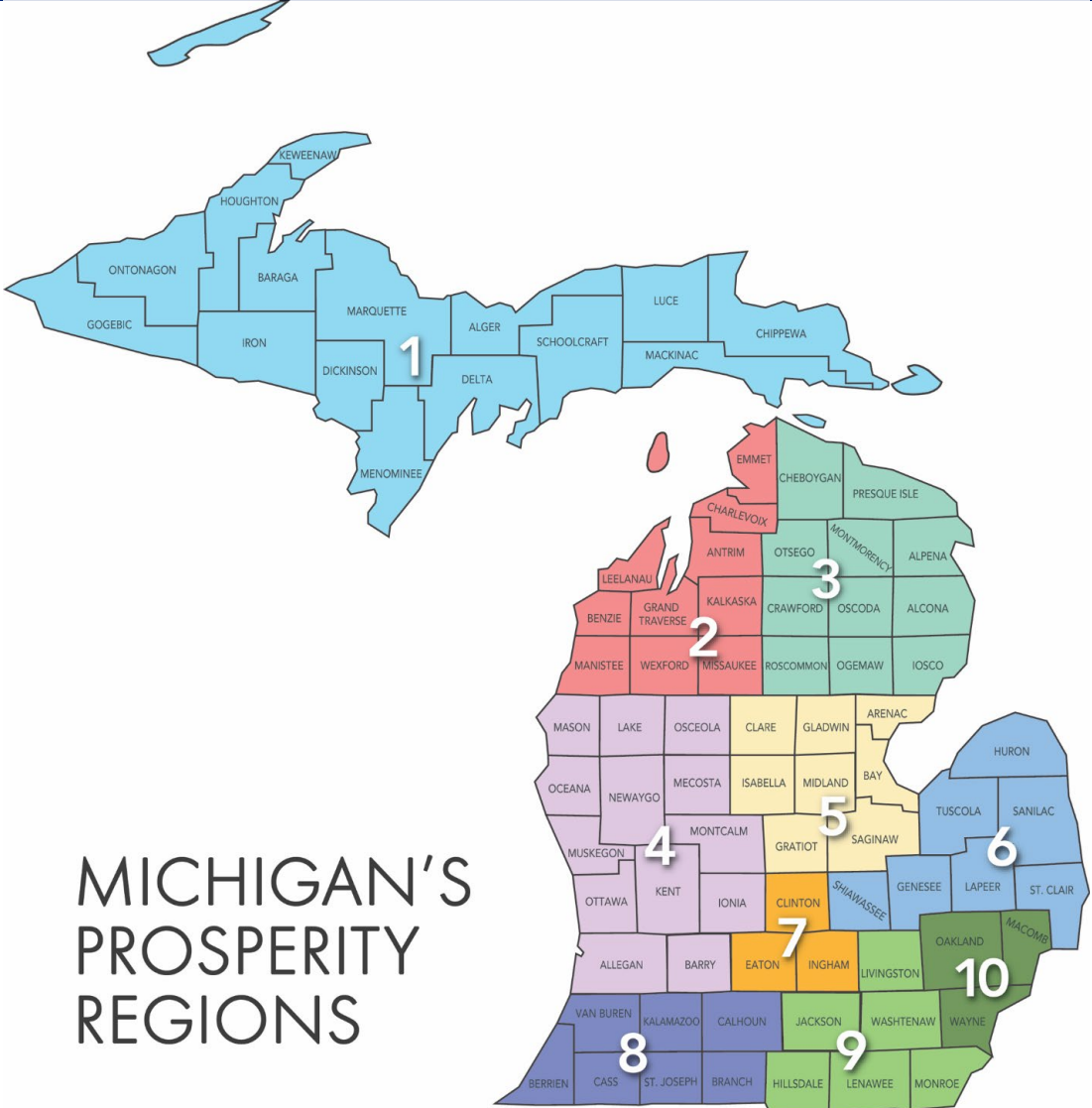


**Community  
Development  
Consideration**

# **Project Intake and Evaluation**



# MICHIGAN'S PROSPERITY REGIONS



MICHIGAN'S PROSPERITY REGIONS

# PROJECT EVALUATION PROCESS: PROJECT IDENTIFICATION/REVIEW

## Step 1:

- Project Identification:
  - Job growth, [pathway jobs](#), high paying wages, and significant job growth with competing sites.

## Step 2:

- The MEDC will review to ensure:
  - Fit with [MEDC strategic focus industry](#)
  - [ALICE](#) wage consideration

## Step 3:

- Applicant completes the [pre-application](#)
- Communicates to the MEDC's [Regional BDM](#) to discuss next steps
- BDM connects with BD Project Manager and next steps for review are determined

# PROJECT EVALUATION PROCESS

## EVALUATION AND RECOMMENDATION OF SUPPORT



BDPM Team completes evaluation, requests any necessary clarification, and determines program fit and support amount.

\*Five business days is the goal, however depending on when information is received and the size of the recommended incentive package it may need to be discussed with executive leadership team, which meets once per week.



\*5  
business  
days

04

## OFFER LETTER ISSUED



Offer letter is drafted with specific incentives, reviewed by internal team prior to sending to the company. Depending on project, a call may be scheduled to discuss prior to letter transmission. Offer letters are generally valid for a one month period.



1 business  
days

05

Letter created within 1  
business day of approval

## DUE DILIGENCE, BACKGROUND REVIEW AND APPLICATION



This step requires all due diligence and background reviews to be completed. Due diligence items include, but may not be limited to:

- Certificate of Good Standing (in Michigan and state where incorporated)
- Copy of Bylaws/Operating agreement
- Articles of Incorporation/Organization
- Business Entity Org Chart
- Resolution authorizing agreement
- SIGMA (State vendor) Registration
- Financial review
- Background Check completion (six calendar week minimum from submission)



90  
calendar  
days

06

To receive all documents  
and complete background  
review process.

# PROJECT EVALUATION PROCESS

## FINAL TERMS NEGOTIATED



Once necessary legal documents have been provided, the final terms may be structured and negotiated. This generally can happen quickly and discussions regarding terms regularly occur during the previous step as well. Execution of final terms is reserved for when application and legal documents are received for accuracy of information that will be included in the final legal agreement.



5 business days

07

## MSF OR DELEGATE APPROVAL



Once the terms have been accepted, the briefing memo is shared with the company for any feedback. Feedback is then incorporated and the project can be moved forward for Michigan Strategic Fund, (MSF) approval. If a delegate MSF approval, this can be routed via DocuSign and the process takes on average less than one week. If full board approval necessary, the next MSF meeting can be targeted, being mindful of material due dates for project consideration.



5 to 30 business days

08

Depending on approval and final document receipt 1 business day of approval

## AGREEMENT SIGNED



MEDC legal reviews all due diligence and drafts final contract agreement.



20 business days

09

To get contract draft to company from time of MSF approval



# **Business Development Tools**



# **JOB CREATION PROGRAMS**

Business Development Program

# MICHIGAN BUSINESS DEVELOPMENT PROGRAM

The MBDP is one of our flagship performance-based incentive programs, designed to provide a grant, loan or other economic assistance to qualified businesses that make investments and/or create jobs in Michigan



## Mayville Engineering- Hazel Park

- 387 management and entry-level pathway jobs
- \$51.5 million investment
- \$2.5 million MBDP performance-based grant

# **JOB CREATION PROGRAMS**

Business Development Program

Micro Business Development Program

# MICRO BUSINESS DEVELOPMENT PROGRAM



## Quality Roasting, LLC- Caro

- Eight jobs
- \$10 million investment
- \$80,000 Micro MBDP

# INVESTMENT TOOLS

State Essential Services Assessment Exemption

# STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION

The MSF in certain circumstances may choose to exempt or reduce the Assessment costs for projects that create jobs and/or private investment in the state

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## Hydro Aluminum Metals, USA LLC

- 67 jobs
- \$149.5 million investment
- 100% 15-year SESA exemption valued at \$708,325

# INVESTMENT TOOLS

State Essential Services Assessment Exemption

Michigan Strategic Fund Renaissance Zone



# RENAISSANCE ZONES

**Renaissance Zones are aimed at encouraging economic stability and development, while spurring the creation of new jobs and investment by requiring lower state or local taxes from the company**

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## **LG Energy Solution Michigan, LLC- Holland**

- 1,200 jobs
- \$1.7 billion investment
- 20-year Ren Zone estimated to be worth \$140 million

# INVESTMENT TOOLS

State Essential Services Assessment Exemption

Michigan Strategic Fund Renaissance Zone

State Education Tax Abatement

# STATE EDUCATION TAX ABATEMENT

## SET abatements can be used in conjunction with other support tools

- \$94 million in private investment
- Creation of 270 new jobs
- 130,000 SF robotic fulfillment center in Romulus, Michigan
- 6-mil SET abatement



### Exterior Rendering

#### Building Materials:

- Insulated metal panel exterior walls at warehouse
- Architectural metal panels & storefront glass at office

# INVESTMENT TOOLS

State Essential Services Assessment Exemption

Michigan Strategic Fund Renaissance Zone

State Education Tax Abatement

Brownfield Tax Increment Financing

# BROWNFIELD TAX INCREMENT FINANCING (TIF)



## Ashley Capital- Livonia

- 185 jobs
- \$32 million investment
- Brownfield TIF- \$3,689,531

# **JOB SUPPORT / INFRASTRUCTURE NEED**

Community Development Block Grant

# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM PROJECT EXAMPLE:

- Peterson Farms
  - Hart Township, Oceana County
  - \$1 million CDBG to support 54 jobs and \$22 million investment
    - CDBG reimbursed \$1 million of \$22 million in M&E
    - Project increased fruit output in Hart by 150 million pounds a year
    - Michigan won over competing sites in New York, Georgia, and Washington.



# TALENT / WORKFORCE

Jobs Ready Michigan Program



# **JOBS READY MICHIGAN PROGRAM**

**A program 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**

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## **LER Techforce, LLC**

- 220 jobs
- \$8.4 million investment
- \$1 million Jobs Ready Michigan performance-based grant

# CRITICAL INDUSTRY PROGRAM (CIP)

The Critical Industry Program provides 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 make capital investments, or both, in Michigan.

- For more information, view the [Critical Industry Program guidelines](#).

# STRATEGIC SITE READINESS PROGRAM (SSRP)

The Strategic Site Readiness Program provides financial incentives to eligible applicants to conduct eligible activities on, or related to, strategic sites and mega-strategic sites in Michigan, for the purpose of creating investment-ready sites to attract and promote investment in Michigan.

- For more information, view the [Strategic Site Readiness Program guidelines](#).



# THANK YOU

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