



MICHIGAN BUSINESS DEVELOPMENT PROGRAM

OVERVIEW

The Michigan Business Development Program (MBDP) is an incentive program available from the Michigan Strategic Fund (MSF) in cooperation with the Michigan Economic Development Corporation (MEDC). The program is designed to provide grants, loans and other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment and results in a net-positive return to Michigan.

ELIGIBILITY

The MBDP is available to eligible businesses that create qualified new jobs and/or make qualified new investment in Michigan. “Qualified new job” means a new, full-time job performed by an individual who is either: a resident of this state whose Michigan income taxes are withheld by an employer; or an employee leasing company or professional employer organization on behalf of the employer or an individual who is not a resident of Michigan and is employed by a business at a project location that is located in this state, provided that the business certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that business are residents of Michigan. In both cases, the qualified new job must be in excess of the number of jobs maintained by the qualified business prior to the expansion or location as determined by the MSF.

PROGRAM PROVISIONS AND GUIDELINES

MSF support in the form of a grant will be performance based, with preference given to eligible businesses seeking to locate or expand

in Michigan rather than in another state. Grants will include flexible terms and conditions, and will include repayment provisions under circumstances approved by the MSF.

MSF support in the form of a loan will also be performance based, with preference given to qualified businesses needing assistance to expand in Michigan. Loans may include flexible terms and conditions, including below market interest rates, extended grace and repayment provisions, forgivable terms and flexible security requirements. Loans will also include provisions requiring repayment of loan funds under circumstances approved by the MSF.

A commitment of staff, financial or economic support by the local municipality is required for all projects. The MSF will not provide support under this program for retail or retention projects

PROCESS

All projects are subject to an application and due diligence process conducted by the MEDC. Projects that receive MEDC support will require MSF approval and an agreement between the MSF and the qualified business.

To receive consideration for funding under the MBDP, initial contact should be made with your local economic development office or the MEDC business development manager assigned to your territory. You may also contact the MEDC customer contact center at 888.522.0103 or visit www.michiganbusiness.org.

| CATEGORY | STANDARD | RURAL | INNOVATION | MICRO |
|------------------------------|----------|-------------------------------------|--|---|
| Qualified new jobs (minimum) | 50 | 25 | 25 | A number of qualified new jobs acceptable to the MSF |
| Company stage | Second | Second | Second | Second |
| Other qualifications | None | County population less than 90,000* | The project must fall within an “innovation industry”^ | Must meet one of the following: <ul style="list-style-type: none"> • MEDC “Strategic Focus Industry” or “Regional Impact Industry”^^ • The project must be located in a geographically disadvantaged area*** • The project is located in a city, township or village population less than 15,000* OR population of 25,000* or more, and unemployment greater than state unemployment** |

*Based on the most recent census data

**Not seasonally adjusted and based on the most recent data available from the U.S. Bureau of Labor Statistics

***As outlined in Executive Directive 2019-08. Includes businesses located in SBA HubZones or Michigan Opportunity Zones or businesses with more than half of employees living within opportunity zones

^ An “innovation industry” is comprised of 32 industry groups categorized by the four-digit NAICS code level. See next page for list.

^^ MEDC’s “Strategic Focus Industry” includes, without limitation: mobility and automotive manufacturing; medical device technology; engineering, design and development; technology; advanced manufacturing; and professional and corporate services. “Regional Impact Industry” includes, without limitation: agribusiness; tourism; logistics; financial services; and other manufacturing. Demonstrates characteristics related to technology/innovation utilization, resiliency to recessions and automation, or special importance to Michigan.



The list of the innovation industries is captured below. These industries have been prioritized to serve as a catalyst for continued innovation and economic growth.

| NAICS | DESCRIPTION |
|-------|---|
| 3251 | Basic chemicals |
| 3252 | Resins and synthetic rubbers, fibers, and filaments |
| 3253 | Pesticides, fertilizers, and other agr. chemicals |
| 3254 | Pharmaceuticals and medicine |
| 3259 | Other chemical products |
| 3261 | Plastics products manufacturing |
| 3331 | Agr., construction, and mining machinery |
| 3332 | Industrial machinery |
| 3333 | Commercial and service industry machinery |
| 3336 | Engines, turbines, and power trans. equipment |
| 3339 | Other general-purpose machinery |
| 3341 | Computers and peripheral equipment |
| 3342 | Communications equipment |
| 3343 | Audio and video equipment |
| 3344 | Semiconductors and other electronic components |
| 3345 | Navigation, measurement, and control instruments |
| 3359 | Other electrical equipment and components |
| 3361 | Motor vehicles |
| 3362 | Motor vehicle bodies and trailers |
| 3363 | Motor vehicle parts |
| 3364 | Aerospace products and parts |
| 3369 | Other transportation equipment |
| 3391 | Medical equipment and supplies |
| 5112 | Software publishers |
| 5174 | Satellite telecommunications |
| 5182 | Data processing and hosting |
| 5191 | Other information |
| 5413 | Architecture and engineering |
| 5415 | Computer systems design |
| 5417 | Scientific research and development |
| 6215 | Medical and diagnostic laboratories |