

Michigan Urban Land Assembly Year End Report September 30, 2007

The Michigan Economic Development Corporation (MEDC) has the administrative responsibility for the Michigan Urban Land Assembly (ULA) Fund Program. The ULA Program was created to assist eligible municipalities in the acquisition of industrial and commercial property for economic development purposes.

Section 9 of the Urban Land Assembly Act of 1981 requires that the MEDC report to the Legislature on an annual basis regarding the use of the ULA Fund, including:

- A list and description of approved projects
- The number of jobs created by approved projects
- Other accomplishments of the Fund
- The MEDC's recommendations on the continuation or cessation of the Fund, as well as, other recommendations for changes in the Fund

As of September 30, 2007, the fund's available balance is \$3,878,461. The MEDC continues to collect on the outstanding loans. In 2007, receivables in the amount of \$673,407 were expected. In 2007, loan repayments in the amount of \$1,382,529 were received. Three loans are not current. Payments of \$875,000 and \$100,000 were received from Battle Creek and Boyne City to pay off their loans.

During the fiscal year, no new loans were approved. Boyne City and Battle Creek have paid their loans in full. Since the inception of the ULA Fund, 31 projects have been approved. A list of the 12 open projects is attached.

Though no loans were made during this period, the ULA Fund continues to provide important support for projects that contribute to the revitalization of urban centers. We believe the financial situation many communities find themselves in prevented them from incurring any additional obligations. The MEDC recommends continuation of the ULA Fund.

URBAN LAND ASSEMBLY (ULA) LOAN PROGRAM
ANNUAL REPORT
YEAR ENDED SEPTEMBER 30, 2007

Approval Date	Borrower	Loan Amount	Loan Balance	Loan Status	Use of Funds	Employment		Project Status
						projected	actual to date	
12/11/96	Battle Creek City	\$900,000	\$0	Paid Off	Being used to assemble property in the DDA for Kellogg Cereal City	54	18	Cereal City closed. Kellogg buying building from city. Balance to be paid at closing.
4/23/98	Boyer City	\$360,000	\$0	Paid Off	Being used to assemble 116 acres for the Boyne City Air Industrial Park	150	159	Construction complete. Project remains open for loan repayment.
12/21/99	Muskegon City	\$1,276,900	\$676,900	Not Current	Being used to assemble 30 acres for the Seaway Industrial Park	300	0	Construction complete. Project remains open for marketing, job creation, and loan repayment.
1/16/01	Jackson City	\$1,000,000	\$448,000	Current	Being used to assemble property for Consumer Energy's downtown campus	224	750	Construction complete. Project remains open for loan repayment.
7/9/01	Detroit City	\$2,000,000	\$2,000,000	Current	Being used to assemble 183 acres for the I-94 Industrial Park	1,000	200	Construction complete. Project remains open for job creation and balloon payment 6/1/2011
8/20/01	Bay City	\$255,000	170,000	Current	Being used to acquire commercial property for hotel/conference center	164	146	Property acquired & cleared. Construction done. Project open for jobs & loan repayment.
7/31/02	Detroit City	\$150,000	\$150,000	Current	Being used to acquire commercial property for residential units	N/A	N/A	Property acquired. Project remains open for construction and loan repayment begn 6/30/2010
10/11/02	Battle Creek City	\$700,000	\$154,118	Not Current	Being used to acquire 62 acres for the Aviation and e-Learning SmartZone	1,000	0	Property acquired. Project remains open for marketing, job creation, and loan repayment.
8/27/04	Sturgis City	\$200,000	\$151,848	Not Current	Being used to assemble 3 acres of land for Americraft Carton	25	0	Property acquired. Project remains open for job creation and loan repayment beg 8/1/05
04/07/05	White Cloud City	\$160,000	\$122,672	Current	Being used to assemble commercial property in DDA for medical facility	15	0	Property acquired. Project remains open for job creation and loan repayment.
09/15/05	Muskegon	\$700,000	\$660,000	Current	Being used to assemble property in DDA for Downtown Mall project	250	0	Property acquired. Project remains open for construction, job creation and loan repayment.
10/10/05	Corunna	\$450,000	\$427,500	Current	Being used to acquire property in DDA for Chemical Bank & county development	5	0	Property acquired. Project remains open for construction, jobs & loan repayment.