



MEMORANDUM

DATE: February 28, 2014

TO: The Honorable Rick Snyder
Governor of Michigan

Members of the Michigan Legislature

FROM: Michael A. Finney
President and CEO

SUBJECT: FY 2013 MSF/MEDC Annual Report - Revised

Attached you will find the revised annual report for the Michigan Strategic Fund (MSF) and Michigan Economic Development Corporation (MEDC) as required in the MSF Act and budget boilerplate. This report summarizes the activities and programmatic spending for fiscal year 2013 and replaces the version you received on February 18. The revisions may be found in the Business Development Program section on page 19. Column subtotals in the previous report had not incorporated all amounts in the column, but have now been corrected. All individual project data is unchanged.

In an effort to consolidate legislative reporting, the attachment also includes the following reports:

- Business Incubators and Accelerators annual report (pages 8-9) – PA 59 of 2013, the General Government Omnibus Budget Act, Section 1034
- A revised Michigan Business Development Program annual report (pages 16-19) – MSF Act, Section 88r (MCL 125.2088r)
- Michigan Community Revitalization Program annual report (pages 41-44) – MSF Act, Section 90d (MCL 125.2090d)
- Urban Land Assembly annual report (page 46) – PA 171 of 1981, the Urban Land Assembly Act, Section 9 (MCL 125.1859)
- Skilled Trades Training Program annual report (page 54) – PA 59 of 2013, Section 1039
- Workforce Training Programs annual report (page 55) – PA 59 of 2013, Section 1068
- North American Indian Tuition Waivers annual report (pages 56-59) – PA 59 of 2013, Section 1050(2)
- Michigan Community Colleges Awards Conferred annual report (pages 60-61) – PA 59 of 2013, Section 1050(3)
- Michigan Film Incentives and Tax Credits annual report (pages 75-76) – PA 59 of 2013, Section 1032 and PA 36 of 2007, the Michigan Business Tax Act, Section 455 (MCL 208.1455)

If you have any questions regarding this report or need additional information, please contact James McBryde in our Office of Governmental Affairs at 517.335.1847.

Attachment

cc: John Nixon, State Budget Director
Ellen Jeffries, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

FISCAL YEAR 2013

MSF/MEDC Annual Report to the Legislature

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Michigan Economic Development Corporation

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EXECUTIVE SUMMARY

The Michigan Strategic Fund (MSF) is required to submit an annual report to the Michigan Legislature summarizing activities and program spending for the previous fiscal year. This requirement is contained within the Michigan Strategic Fund Act (1984 PA 270) and the budget boilerplate. The MSF board has granted authority to the Michigan Economic Development Corporation (MEDC) to provide administrative services to the MSF for a variety of programs overseen by the MSF. The MEDC serves as the state's marketing arm and lead advocate for business growth, jobs and opportunity with a focus on helping grow Michigan's economy.

The summary below and the pages that follow are a comprehensive review of the programs and services administered by MEDC in FY 2013 and an overview of incentives and investments made during that time period.

In FY 2013, the MEDC successfully impacted the acceleration of business investments, increased community vitality, matched talent supply with demand, and extended the state's award-winning Pure Michigan brand.

Michigan's comeback accelerated in FY 2013 as demonstrated by *Site Selection* magazine ranking Michigan, the eighth most competitive state for achieving success in job creation and economic development. Other accolades include Michigan coming in first on the list of states that recovered most from the Great Recession according to 24/7 Wall Street, and a third-place ranking by Engine Advocacy for high-job growth.

Implemented at the beginning of the fiscal year, MEDC's "Pure Michigan Focus" initiative zeroed in on delivering value-added services through regional partnerships to growing Michigan businesses and providing capital access in partnership with the private sector. This asset-based economic development approach recognizes that Michigan businesses will foster growth and new businesses will be attracted when the state focuses on its strategic advantages.

Michigan has one of the richest talent pools in the country. The state's high-tech workforce is the fourth largest in the country with more than 87,000 engineers, 70,000 R&D professionals and 75,000 skilled trades workers. In FY 2013, the MEDC talent enhancement team continued efforts to attract, retain and develop talent to support business attraction, economic

gardening and entrepreneurship. New programs like Michigan Shifting Gears and Shifting Code support people who are in career transition to keep them in Michigan by offering training to gain new skills and helping to make industry connections.

Another new program, Community Ventures, provides real jobs for people with few employment options plus additional services to prepare people for success. The program was launched in September 2012 with a goal to place 1,000 structurally unemployed residents in four urban areas—Detroit, Flint, Pontiac and Saginaw. In FY 2013, the goal was met and exceeded with 63 employers hiring more than 1,100 individuals.

The powerful Pure Michigan brand has been expanded to serve as the single brand for the state, including business and talent. In the spring of 2013, it was reported that the Pure Michigan travel campaign had its biggest impact ever in 2012, attracting 3.8 million out-of-state visitors who spent a record of \$1.1 billion at Michigan businesses.

Based on the business marketing campaign launched in 2012, the MEDC focused on delivering three key messages in 2013: brand attraction, talent attraction and Pure Michigan Business Connect. The business attraction marketing campaign, which sought to improve perceptions of Michigan, promoted the state as a desirable place to do business in order to increase international, national, and in-state business leads. A survey conducted of out-of-state C-level executives to determine the effectiveness of the FY 2013 Pure Michigan business marketing campaign showed that Michigan is gaining ground on other states.

While continuing to cultivate programs to assist Michigan-based businesses grow, like Pure Michigan Business Connect and expanded export services, the MEDC refocused business attraction efforts on leveraging Michigan's strengths and targeting outreach to site selectors and key industries. In collaboration with economic development organization (EDO) partners, the MEDC attraction team met with 92 key site selectors in four key national markets to help tell the "Why Michigan?" story and gather valuable feedback on how the state is perceived as a business location. In FY 2013, MEDC business attraction successfully attracted 40 new business opportunities to Michigan.

Increasing access to capital is another key driver in the strategy to help Michigan small businesses

EXECUTIVE SUMMARY *continued*

grow. The MEDC deploys programs at every stage of business development that connect businesses to capital providers. Michigan is now the fastest growing venture capital state in the country, with venture funding up over 60 percent in the state since 2008. Innovative programs like the Business Accelerator Fund are supporting entrepreneurs by helping companies raise capital, solidify important strategic partnerships and sell new products. In FY 2013, Michigan achieved unparalleled levels of cooperation with the state's banking sector, including a nation-leading federal State Small Business Credit Initiative (SSBCI) program. To date, Michigan has deployed \$76 million of the \$79 million SSBCI funding received in 2011, drawing an additional \$400 million from private lenders.

The global economy has drastically shifted how municipalities and regions establish and maintain a competitive advantage. Success is determined by the ability to attract and retain the best people and ideas, with vibrant communities playing an important role in attracting new businesses and talent to Michigan. A recent addition to the MEDC community development toolbox is the Redevelopment Ready Communities® (RRC) initiative, a state-wide certification program that helps municipalities build deliberate, fair and consistent development processes from the inside out and effectively communicate them to potential investors.

MSF AND MEDC EXPENDITURES

MSF AND MEDC EXPENDITURES¹				
Fiscal year 2013: 10/01/2012 - 09/30/2013				
Programs	State FTE	State expenditures	Corporate expenditures	Total expenditures
Business development attraction, entrepreneurship (including CDBG and 21st Century Jobs Fund admin)	43.4	\$15,656,423	\$15,164,072	\$30,820,495
Talent enhancement	9.0	2,166,213	3,931,512	6,097,725
Workforce Development Agency ²	189.6	31,519,571		31,519,571
Energy Office ²	12.4	3,305,965		3,305,965
Land Bank ²	9.7	1,982,329		1,982,329
Film Office	4.0	954,198	21,999	976,197
Marketing and communications (includes Travel Michigan and business promotion programs)	21.0	30,363,894	5,931,780	36,295,674
Other (administration and non-program) ²	60.9	4,732,920	8,358,803	13,091,723
Sub-total programs	350.0	\$90,681,513	\$33,408,166	\$124,089,679
Program grants				
Jobs for Michigan Investment Fund		\$24,295,216		\$24,295,216
Business Incubators and Accelerators		8,790,819		8,790,819
Centers for Energy Excellence		4,100,000		4,100,000
Closing Fund			58,422	58,422
Community Development Block Grant (CDBG) ²		16,771,987		16,771,987
Community Ventures		2,491,715	712,086	3,203,801
Core Communities Fund		43,749		43,749
Economic Development Contingency Fund			3,028,902	3,028,902
Economic Development Job Training		415,830		415,830
Energy ²		8,499,096		8,499,096
Jobs and Innovation			254,318	254,318
Film Incentive		3,185,107		3,185,107
Growth Business Fund ²			17,789,425	17,789,425
Land Bank ²		10,786,297		10,786,297
Business Attraction and Community Revitalization		29,082,059		29,082,059
Michigan Council for Art & Cultural Affairs ²		5,246,997		5,246,997
Michigan Manufacturing Technology Center ³			2,000,000	2,000,000
Michigan Match Program ³			938,266	938,266
NextEnergy			2,750,000	2,750,000
National Center for Manufacturing Sciences			317,500	317,500
Pre-college engineering programs		170,000		170,000
Regional collaborative agreements			1,902,077	1,902,077

MSF AND MEDC EXPENDITURES *continued*

MSF AND MEDC EXPENDITURES¹ <i>continued</i>				
Fiscal year 2013: 10/01/2012 - 09/30/2013				
Program grants	State FTE	State expenditures	Corporate expenditures	Total expenditures
SBA—Export program ^{2,3}			1,204,301	1,204,301
SBTDC (Emerging Technology Company Support) ³		207,506	1,840,781	2,048,287
Urban and rural economic development projects			956,143	956,143
Van Andel Research Institution		400,000		400,000
Workforce Development Agency ²		276,925,097		276,925,097
Sub-total grants		\$391,411,475	\$33,752,221	\$425,163,696
Total program and grants	350.0	\$482,092,988	\$67,160,387	\$549,253,375
¹ Cash and accrued expenditures made during fiscal year 2013 including payments against prior year encumbrances and work projects.				
² Includes federal funding.				
³ Grants made to leverage federal grants.				

BUSINESS ATTRACTION

In recent years, it has become evident that foreign and domestic direct investments are important drivers of more and better jobs in Michigan. The Great Lakes state is home to 5,320 foreign business establishments representing 58 countries and employing 227,000 Michigan residents. In addition to foreign investment, Michigan also has been successful in attracting investment from companies in other states. In FY 2013, MEDC business attraction, in collaboration with local economic development organization (EDO) partners, successfully attracted 40 projects.

Of the 40 projects, 22 investments were from foreign countries, including Austria, Brazil, Canada, Germany, India, Italy, Japan, Mexico, South Korea and the United Kingdom. The remaining projects originated within the United States. The projects were primarily in the automotive sector, followed by information technology, metal stamping and fabrication. Other industries included business services, electronics, food processing, furniture, life science, plastics and wood products.

Much of this success can be attributed to the new strategic plan developed by the MEDC to guide the agency through 2017. While continuing to pursue reactive leads, MEDC business attraction is working to develop a more proactive approach that focuses on targeted industries and countries. Work was done with each of Michigan's 10 regions to identify these targets and MEDC now has staff dedicated to the Canadian,

German/Italian/Austrian, the U.K., French, Japanese, Chinese and South Korean markets. The attraction team also includes staff dedicated to specific industries, including targeted automotive sectors, agriculture, life sciences, composite materials, logistics, alternative energy, information technology and financial services.

As part of the plan, MEDC business attraction coordinated or participated in many activities in FY 2013 to help identify leads and build the project pipeline. These included investment missions to China, Israel, Canada, Brazil and the Netherlands. EDO partners, company officials and others were invited to participate in these events. In addition, as a part of the strategy, the business attraction team collaborated with the heads of other state departments when attending investment missions overseas. Business attraction staff also participated in lead generation events both internationally and nationally.

In FY 2013, the MEDC hosted delegations from around the world, including those from Japan, Austria, Germany, China, Turkey, Kazakhstan, and Portugal.

In collaboration with EDO partners, business attraction staff met with 92 key site selectors in four key national markets to help tell the "Why Michigan?" story and gather valuable feedback on how the state is perceived as a business location. The MEDC also hosted regional familiarization tours with key national site selectors to highlight Michigan's robust business assets.

BUSINESS INCUBATORS AND ACCELERATORS

Section 1034(1) of the FY 2013 Omnibus Appropriations Act, Public Act 200 of 2012, requires that \$8.5 million of the funds appropriated to the MSF for innovation and entrepreneurship be used for business incubators and accelerators located in the following governmental units: Houghton County, Isabella County, Kent County, Macomb County, Oakland County, Washtenaw County, Midland County, Mason County, Ingham County, a city with a population greater than 650,000, and an incubator or accelerator that provides services in at least eight counties and received funding as an auto technology business accelerator under section 88(j) of the MSF Act.

In October 2012, the MSF/MEDC issued a request for proposals for business incubator and accelerator grants. Of the 12 proposals that were submitted, 10 were approved by the MSF board for grants totaling \$8,042,000. Although legislation requires funding be awarded to a Mason County business incubator that provides services to Lake, Mason, Manistee, and

Oceana counties, no business incubator within this governmental unit submitted a proposal for grant funding. Awardees are required to develop a dashboard of indicators to measure the effectiveness of the business incubator and accelerator program.

Results for FY 2013 are shown, sorted by county, on the following page. Columns for FY 2011, FY 2012, and FY 2013 awards are shown, pursuant to the legislation requiring dashboard indicators to be reported for the prior fiscal year and cumulatively if available. Dollars awarded in one year may be spent beyond the award year. Companies may receive services from more than one incubator.

Cumulative activity to date has resulted in the creation of 306 new companies, 1,983 jobs created, and \$429.4 million of new capital received by the companies that the incubators and accelerators serve. These results indicate that the business incubators are leveraging the MSF board-approved funding to accelerate the creation and growth of new companies.

BUSINESS INCUBATORS AND ACCELERATORS DASHBOARD INDICATORS

BUSINESS INCUBATORS AND ACCELERATORS DASHBOARD INDICATORS
Fiscal year 2013: 10/01/2012 - 09/30/2013

															TYPES OF CAPITAL RECEIVED BY CLIENT COMPANIES SERVED BY THE INCUBATOR									
															FOR CLIENT COMPANIES SERVED BY INCUBATORS		Grant funding	Equity financing		Direct investment				
Business incubator	City	County	FY 2011 grants	End date	FY 2012 grants	End date	FY 2013 grants	End date	Dollars leveraged (matching funds received due to medc grant) ¹	New companies launched ¹	Businesses expanded ²	Companies served (traditional) ³	Companies served (tech) ³	Direct jobs created ⁴	Jobs retained ⁴	SBIR/STTR/other federal ²	Venture capital ²	Angel funds ²	Bank/loan ²	Owner investment ²	New sales ²	Other ²	Total capital received ⁵	
TechWorks/Kettering University	Flint	Genesee			\$150,000	12/31/12			\$3,000,000	31	12	61	439	36.0	0.0	\$0	\$7,000	\$100,000	\$0	\$70,700	\$617,600	\$0	\$795,300	
Michigan Tech Enterprise Corporation (MTEC) SmartZone	Houghton	Houghton	\$100,000	2/28/12	\$750,000	10/1/14	\$702,000	1/31/16	\$1,474,793	39	15	65	564	72.5	154.0	\$2,034,146	\$0	\$20,000	\$1,021,250	\$457,302	\$7,733,789	\$1,500	\$11,267,987	
Lansing/East Lansing SmartZone/Lansing Economic Area Partnership (LEAP)	Lansing/East Lansing	Ingham	\$100,000	2/28/12	\$150,000	6/30/13	\$500,000	9/30/15	\$900,000	22	4	134	428	68.0	0.0	\$1,450,000	\$6,500,000	\$250,000	\$0	\$405,000	\$2,542,600	\$400,000	\$11,547,600	
Central Michigan University Research Corporation (CMURC)	Mt. Pleasant	Isabella	\$100,000	2/28/12	\$350,000	12/31/13	\$500,000	4/1/15	\$0	21	64	203	586	104.5	346.0	\$2,240,000	\$5,036,000	\$17,283,416	\$25,480,650	\$10,532,380	\$16,489,219	\$38,100	\$77,099,765	
Southwest Michigan Innovation Center (SMIC)	Kalamazoo	Kalamazoo	\$100,000	2/28/12	\$600,000	2/28/14			\$0	6	15	334	292	32.8	210.0	\$8,653,490	\$53,898,529	\$17,704,964	\$100,000	\$201,500	\$18,134,343	\$0	\$98,692,826	
Grand Valley State University/West Michigan Science & Technology Initiative (WMSTI)/Grand Rapids SmartZone	Grand Rapids	Kent	\$100,000	6/30/12	\$500,000	3/31/15	\$840,000	3/31/17	\$667,732	30	8	96	545	47.0	50.0	\$2,000,000	\$2,004,000	\$1,220,000	\$100,000	\$242,600	\$300,600	\$796,400	\$6,663,600	
Macomb Oakland University Incubator	Sterling Heights	Macomb	\$250,000	2/28/13	\$500,000	4/1/14	\$500,000	12/31/14	\$0	7	2	6	701	147.5	0.0	\$0	\$0	\$3,677,000	\$3,157,150	\$1,775,150	\$2,490,198	\$137,500	\$11,236,998	
Mid-Michigan Innovation Center (MMIC)	Midland	Midland			\$500,000	4/1/13	\$500,000	12/31/14	\$282,969	5	8	533	614	140.0	161.0	\$50,000	\$901,975	\$7,760,150	\$185,800	\$686,112	\$26,292,860	\$32,000	\$35,908,897	
Michigan Alternative and Renewable Energy Center (MAREC)	Muskegon	Muskegon	\$100,000	3/31/13					\$0	7	15	68	93	40.5	33.0	\$0	\$0	\$0	\$0	\$1,000	\$4,650	\$22,036	\$27,686	
The Stream ⁶	Newaygo	Newaygo			\$250,000	9/30/14			\$640,000	4	50	1,019	10	0.0	14.0	\$0	\$0	\$0	\$0	\$0	\$60,000,000	\$0	\$60,000,000	
Automation Alley ⁷	Troy	Oakland	\$250,000	8/31/12	\$625,000	2/28/15	\$2,000,000 \$500,000	12/31/15 9/30/15	\$222,500	1	12	10	923	710.0	2,183.0	\$1,995,830	\$19,100,000	\$5,336,400	\$1,050,000	\$3,090,000	\$5,343,156	\$800,000	\$36,715,386	
The Starting Block ⁶	Hart	Oceana			\$250,000	9/30/14			\$0	7	10	283	0	21.0	14.0	\$0	\$0	\$0	\$0	\$55,000	\$10,000	\$0	\$65,000	
Ann Arbor SPARK ⁸	Ann Arbor	Washtenaw	\$100,000	2/28/12	\$500,000	4/1/15	\$1,000,000	3/31/15	\$442,854	92	4	266	1,575	255.5	205.0	\$3,011,000	\$19,818,297	\$0	\$26,000	\$0	\$1,881,041	\$4,614,990	\$29,351,328	
TechTown ⁹	Detroit	Wayne			\$875,000	12/31/13	\$1,000,000	4/15/15	\$8,049,353	34	59	3,218	1,154	308.0	166.5	\$6,318,689	\$5,952,500	\$3,349,000	\$1,412,000	\$3,198,125	\$27,394,607	\$2,462,219	\$50,087,140	
Total			\$1,200,000		\$6,000,000		\$8,042,000		\$15,680,201	306	278	6,296	7,924	1,983.3	3,536.5	\$27,753,155	\$113,218,301	\$56,700,930	\$32,532,850	\$20,714,869	\$169,234,663	\$9,304,745	\$429,459,513	

¹ These self-reported figures were collected from the incubators' semi-annual progress reports, submitted every April and October by the business incubators with active grant agreements. "Direct jobs created" are the cumulative totals to date, over the life of all grant(s) that a business incubator has received.

² These self-reported figures were collected from the incubators' monthly metrics, submitted to the MEDC every month, and are the cumulative totals to date over the life of all grant(s) that a business incubator has received.

³ The "companies served (tech)" and "companies served (traditional)" figures are the cumulative totals to date over the life of the business incubator award(s), collected from the monthly metrics submitted by the incubators.

⁴ "Jobs retained" figures are taken from the last monthly metrics report for each fiscal year submitted by each business incubator.

⁵ The "total capital received" excludes the amount of MEDC funds awarded to client companies of the business incubators, as MEDC funds are not counted as leveraged funds.

⁶ The applicant, Newaygo County Economic Development Office (NCEDO), received one award of \$500,000 that is split it between The Stream and The Starting Block.

⁷ The applicant, Automation Alley, received two awards. The second award for \$500,000 is split between Automation Alley and Oakland University Incubator.

⁸ A portion of the FY 2012 funding was allocated to, and work performed by, the Ann Arbor SPARK East Business Incubator.

⁹ The applicant, TechTown, received a single award of \$875,000 in FY 2012 that was split between TechTown and its partner, Bizdom U. This fulfills the legislative requirement that one award be given to an incubator or accelerator in a city with a population greater than 650,000.

MICHIGAN TRANSLATIONAL RESEARCH AND COMMERCIALIZATION PROGRAM

Through the 21st Century Jobs Fund program, the Michigan Strategic Fund (MSF) provides funding for entrepreneurship and innovation projects. Pursuant to Section 88(o) of the MSF Act, the MSF is charged with creating and operating a program to accelerate technology transfer from Michigan's institutions of higher education to the private sector for commercialization of competitive edge and bioeconomy technologies.

In FY 2013, the MSF approved \$6 million for innovation and entrepreneurship projects through the Michigan Translational Research and Commercialization program (M-TRAC). M-TRAC is funded by the 21st Century Jobs Fund to create high-tech jobs through commercialization of university research and creation of university spin-offs in focus areas. M-TRAC uses the nationally recognized Coulter Process to translate innovations into economic value.

On September 27, 2012, the MSF board issued a request for proposals (RFP) for the M-TRAC program. In total, seven proposals were received, and on February 27, 2013, the MSF board approved the following seven grant awards as recommended by the Joint Evaluation Committee (JEC). Out of the \$6 million allocated to the program, \$5,448,000 was recommended for the below-listed grant awards. The average duration of these grants is approximately one to three years. The balance of \$552,000 remains unallocated to provide follow-on funding to the M-TRAC awardees for projects that demonstrate successful completion of certain milestones and objectives under the M-TRAC awards, and that provide at least an equivalent amount of matching funds from private sources (the "M-TRAC Incentive Fund"). To date, these funds have not been awarded.

M-TRAC GRANT AWARDS Fiscal year 2013: 10/01/2012 - 09/30/2013			
Program administrator	Program	Approved award amount	Funds to be leveraged
Eastern Michigan University ¹	Technology Transfer Process Improvement	\$50,000	\$0
Michigan State University ²	Agro-Biotechnology and Bioprocessing	\$1,092,500	\$1,350,000
Michigan Technological University ³	Advanced Applied Materials	\$517,500	\$551,234
University of Michigan ²	Advanced Transportation	\$150,000	\$1,000,000
University of Michigan ²	Accelerating Life Sciences Discoveries to Market	\$2,415,000	\$5,123,000
Wayne State University ⁴	Technology Transfer Process Improvement/BioMedical	\$1,173,000	\$1,260,000
Western Michigan University ¹	Technology Transfer Process Improvement	\$50,000	\$0
Total		\$5,448,000	\$9,284,234
<p>¹ These universities each received grants to improve their university technology transfer and commercialization processes. It is not expected that any new jobs or companies will be created as a direct result of either of these grants. These awards did not require a match or funds leveraged by the grantee.</p> <p>² These projects have executed their agreements subsequent to the reporting period.</p> <p>³ As of September 30, 2013, this contract have not yet been executed and no progress report has been required.</p> <p>⁴ The MSF board approved a total grant of \$1,173,000 to Wayne State University. Initially, the university only received a \$100,000 grant contract to improve the university's technology transfer and commercialization processes. Upon successful implementation of process improvement measures, Wayne State University will then be eligible to receive a second grant award for the remaining award of \$1,073,000, which will require \$1,260,000 in funds leveraged by Wayne State.</p>			

PURE MICHIGAN BUSINESS CONNECT

In FY 2013, Pure Michigan Business Connect (PMBC) continued to proactively identify and develop new procurement opportunities and business resources to help Michigan companies grow. The PMBC-initiated pledge by Consumers Energy and DTE Energy to procure from Michigan-based companies in 2012 increased by \$750 million in FY 2013. This year's procurement commitment raises the total of each purchaser's overall pledge since PMBC's inception to \$2 billion. Additionally, as a virtual extension to this increased procurement activity, PMBC now has almost 24,000 Michigan companies on puremichiganb2b.com, a dynamic online marketplace where companies can post and review new business opportunities.

From January to October 2013, PMBC set up over 2,800 unique in-person meetings between Michigan companies and over 80 corporate buying partners.

In July 2013, PMBC and Blue Cross Blue Shield of Michigan (BCBSM) illustrated how the PMBC matchmaking process can work in service-focused industries like healthcare. BCBSM provided PMBC with 38 real-time procurement needs. PMBC then deployed an online application to Michigan companies with potential to fill those needs. In just over two weeks,

over 140 Michigan companies responded 385 times to the needs listed. Of those 140+ companies, BCBSM selected 94 companies for private meetings the day of the summit. In total, PMBC set up 125 unique meetings between Michigan businesses and BCBSM buyers.

In addition to matchmaking summits, PMBC led multiple global purchasing teams on intensive tours of Michigan supplier facilities and led Michigan companies on intensive tours of global purchaser facilities.

The PMBC services component connects professionals with small Michigan companies in need of business assistance. In partnership with the Small Business Technology & Development Center (SBTDC) and the Michigan Manufacturing Technology Center (MMTC), PMBC added 2,232 hours of service hours in FY 2013 for small Michigan companies to utilize. The current totals include over 30,000 pro-bono service hours from 54 partners, including Varnum Law Firm, Google, and Morgan Stanley. PMBC also launched the Technology Innovation Challenge, which will award selected purchasers, like General Dynamics, matching funds based upon the purchaser's demonstrated need to invest in solutions offered by Michigan small businesses.

EXPORT PROGRAM

MEDC's export program is committed to increasing Michigan's exporting opportunities by helping businesses identify and enter key emerging foreign markets. The goals of the export program are to:

- Provide strategic business growth solutions to small Michigan companies, helping them reach an international customer base
- Increase the number of small business exporters in Michigan
- Increase the value and volume of exports from Michigan
- Expand Michigan exports to new foreign markets
- Strengthen Michigan's economy by increasing export-driven job growth

These goals are accomplished through the State Trade Export Promotion (STEP) program, which is administered by the export team to assist companies with their exporting needs. The STEP program was launched in October 2011 to give Michigan companies a stronger competitive edge in the global marketplace. Federally funded by the U.S. Small Business Administration (SBA), STEP connects companies

with resources to reach foreign markets. Eligible companies are provided a direct reimbursement of 50 percent of costs from allowable export-related activities (up to \$12,000). Export activities may include trade missions, international or domestic trade shows, foreign market sales trips, and website or marketing material translation services. The program aims to increase the number of Michigan small businesses which export and increase the value of exports for small businesses which are currently exporting.

In addition to STEP, the MEDC has four foreign offices through a partnership with the Council of Great Lakes Governors (CGLG). These centers provide export trade development services to small and medium-sized companies interested in expanding their sales to Brazil, Canada, China and Mexico.

In only its second year, the Michigan export program assisted over 400 Michigan companies, with 273 of them entering 61 new foreign markets. Exports which came as a direct result of MEDC assistance (facilitated exports) totaled \$132.3 million. This was an increase of 524 percent over FY 2012.

EXPORT PROGRAM ACTIVITIES Fiscal year 2013: 10/01/2012 - 09/30/2013

Date(s)	Type of activity	Country/state	Details
October 3– November 28, 2012	Legal export webinar series	Michigan	Over 140 companies participated; hosted by MEDC and Miller Canfield
November 25–30, 2012	Trade mission	Canada	Six companies participated; led by MEDC's export team
January 28–31, 2013	Arab Health trade show	United Arab Emirates (UAE)	Three companies and three local partners participated; led by MEDC
February 20–June 26, 2013	Legal export webinar series	Michigan	Over 150 companies participated; hosted by MEDC and Foster Swift
April 29–May 3, 2013	Doing Business in China road show	Michigan	Over 290 companies participated; hosted by MEDC
May 5–10, 2013	Trade mission	Mexico	Nine Michigan companies participated; led by Automation Alley
May 12–17, 2013	Trade mission	Brazil	Nine Michigan companies participated; led by Van Andel Global Trade Center (VAGTC)
June 10–14, 2013	Go Expo Trade mission/show	Canada	Eight Michigan companies participated; led by Northwest Michigan Council of Governments (NWMCOG)
June 17–18; August 12–15, 2013	NASBITE training	Michigan	Forty-two MEDC staff and local partners participated in the professional global business development training
September 3–13, 2013	Trade mission	China	Fifteen Michigan companies participated; led by MEDC
September 6–13, 2013	Trade mission	Indonesia and Singapore	Nine Michigan companies participated; led by Automation Alley
September 12–16, 2013	CIAPE trade show	China	Eight Michigan companies participated; led by MEDC

MICHIGAN DEFENSE CENTER

The Michigan Defense Center (MDC) was created by statute, per Public Act 317 of 2006, in order to focus on job creation and business development opportunities associated with Department of Defense and Homeland Security contracts. In particular, the MDC was tasked with supporting the statewide network of Procurement Technical Assistance Centers (PTACs) and focusing its efforts on the communities most impacted by the contraction in the manufacturing sector. The MDC works in close partnership with Michigan defense companies, economic development partners, PTACs, and federal agencies to analyze defense sector purchasing trends and forecasting, attract defense and homeland security opportunities for Michigan, and assure the defense contracting pipeline continues to grow.

PTACs are a valuable partner of the MDC. They match the capabilities of Michigan companies with government contract opportunities by preparing them to compete for government contracts and educating them regarding the opportunities, requirements, and process of becoming successful government contractors.

PTACs provide pre- and post-award assistance, helping companies through the entire procurement process from registering as a government contractor and finding bid opportunities through proposal preparation and post-award modifications. The MDC works closely with the PTACs on specific contracting opportunities and helps the PTAC offices assemble Michigan companies to meet the supply chain needs of prime contractors and federal agencies.

The PTACs of Michigan are not-for-profit organizations funded by the Defense Logistics Agency (DLA), the MEDC, and local funding partners. In FY 2013, the MEDC provided \$1.25 million to support 11 PTAC offices, an average of 37 percent of their annual operation budgets.

In FY 2013, the PTACs assisted Michigan companies to obtain federal, state and local contracts for a combined total of \$1.713 billion. The total Department of Defense spend in Michigan for FY 2012 (the most recent data available) was \$4.7 billion, with companies in 71 of Michigan's 83 counties being awarded defense contracts.

PTAC ANNUAL ACTIVITY REPORT Fiscal year 2013: 10/01/2012 - 09/30/2013

Center	New firms	Value of contracts (federal, state, local)	Number of jobs ¹
Northwest Michigan Council of Governments (Traverse City)	66	\$143,370,060	717
Northeast Michigan Consortium (Onaway)	41	\$11,272,665	56
Muskegon Area First (Muskegon)	144	\$191,953,928	960
Macomb Community College Regional PTAC (Warren)	99	\$910,939,447	4,555
Saginaw Future, Inc. (Saginaw)	41	\$26,204,421	131
Flint and Genesee Chamber of Commerce (Flint)	75	\$82,308,273	412
Southwest Michigan Technical Assistance Center (Kalamazoo)	97	\$62,395,881	312
The Enterprise Group of Jackson, Inc. (Jackson)	112	\$60,632,389	303
Downriver Community Conference (Southgate)	57	\$52,517,948	263
PTAC of Schoolcraft College (Livonia)	177	\$149,447,216	747
Wayne State University PTAC (Detroit)	89	\$21,558,898	108
Total²	998	\$1,712,601,126	8,563

¹ MEDC's research calculates that \$200,000 of facilitated contract revenues equals one job.

² Results from the joint funding of U.S. Department of Defense, Defense Logistics Agency (DLA) (56 percent), the MEDC (37 percent), and local funding (7 percent); data pulled and compiled from Federal Procurement Data System (FPDS) and surveys of PTACs' active client base.

MICHIGAN DEFENSE CENTER *continued*

PTAC METRICS REPORT				
Fiscal year 2013: 10/01/2012 - 09/30/2013				
Center	Clients awarded first time contracts of all types	Clients awarded first time defense contracts	Clients awarded contracts	Clients awarded defense contracts
Northwest Michigan Council of Governments	5	1	96	52
Northeast Michigan Consortium	1	1	39	19
Muskegon Area First	0	0	130	114
Macomb Community College Regional PTAC	11	8	173	148
Saginaw Future, Inc.	10	4	38	26
Flint and Genesee Chamber of Commerce	6	3	101	43
Southwest Michigan Technical Assistance Center	20	8	133	49
The Enterprise Group of Jackson, Inc.	16	3	180	41
Downriver Community Conference	1	1	42	16
PTAC of Schoolcraft College	9	1	102	83
Wayne State University PTAC	8	2	52	39
Total	87	32	1086	630

PTACs OF MICHIGAN		
Fiscal year 2013: 10/01/2012 - 09/30/2013		
Grantee	Grant amount	Percent of total budget
Northwest Michigan Council of Governments	\$160,600	43%
Northeast Michigan Consortium	\$75,000	43%
Muskegon Area First	\$85,000	28%
Macomb Community College Regional PTAC	\$190,000	38%
Saginaw Future, Inc.	\$104,000	50%
Flint and Genesee Chamber of Commerce	\$85,000	33%
Southwest Michigan Technical Assistance Center	\$120,000	34%
The Enterprise Group of Jackson, Inc.	\$105,000	39%
Downriver Community Conference	\$95,000	50%
PTAC of Schoolcraft College	\$150,000	28%
Wayne State University PTAC	\$83,000	40%
Total	\$1,252,600	

TRIBAL BUSINESS DEVELOPMENT

In late 2010, the MEDC expanded into Tribal Business Development to foster state-tribal relationships that encourage non-gaming business development and facilitate tribal economic diversification. Tribal business development staff works closely with Michigan's 12 federally recognized Indian tribes to achieve these goals in alignment with unique tribal pursuits, using a customized approach to create jobs and investment in Michigan. In FY 2013, the team held 43 tribal meetings, and another 35 conference calls with tribes.

Specific initiatives are designed to meet both community and business development needs by creating greater awareness and leveraging of resources, generating government and corporate supplier diversity contracting opportunities, facilitating tribal participation in core and emerging growth sectors of Michigan's economy, developing strategic partnerships, and providing technical and funding assistance for project gaps and non-gaming business enterprise development.

The tribal business development unit hosts an annual tribal economic forum. This year the forum featured Michigan tribes, with several presenting projects being pursued as a result of assistance from the MEDC. Many of the projects represented inter-governmental and/or public/private partnership endeavors, and an inter-tribal economic development workgroup has emerged as a result of the forum.

Through MEDC corporate funding, 11 grants totaling \$1,035,140 were distributed to seven tribes, resulting in \$12,892,500 in private investment, 37 new jobs committed and 17 jobs retained. In addition, two tribes adopted non-gaming business development entities, and two new tribal companies were formed or acquired. One tribe submitted an application to the Small Business Administration (SBA), under section 8(a) of the SBA Act, which if awarded, provides for preference in federal contracting for the tribally owned business. If successful, they will be the first tribe in Michigan to achieve certification.

MICHIGAN BUSINESS DEVELOPMENT PROGRAM

Legislative report for fiscal year 2013 as of September 30, 2013

Enabling legislation for the Michigan Business Development Program (MBDP) was signed into law on December 13, 2011. On the following pages is a detailed spreadsheet (exhibit 1) showing the specifics of each approved project. All project milestones and disbursement requests are reviewed and verified through a consistent compliance process. Where applicable, job creation numbers in this report are cross-referenced against recent project milestones and disbursement requests.

Since October 1, 2012, 64 projects have been approved by the MSF board or by MSF delegated authority. Of the 64 projects that have been approved during the reporting period, 55 have executed agreements. The members of the MSF board are notified of the delegated projects as they occur and all awards are posted on the MEDC's website.

The total administrative costs for MBDP and the Michigan Community Revitalization Program (MCRP) in FY 2013 were \$1,445,950. Administrative costs were charged to the business attraction and economic gardening appropriation line item of \$100 million pursuant to Public Act 200 of 2012. These administrative costs were not assigned specifically to each program.

The aggregated projected return on investment (ROI) to the state of Michigan for the projects approved in FY 2013 is 7.6. This means that for every \$1 invested, there is a projected return of \$7.60. The formula is based on the anticipated amount of overall cash flow to the state through new personal income generated by the projects divided by the cost of the incentives over the period of the incentive agreements using the Regional Economic Models, Inc. (REMI) analysis. This method utilizes projected personal income generated through direct jobs created by the companies, indirect jobs as a result of the projects, and projected capital investment.

The MEDC also has calculated the aggregate projected direct ROI to the state of Michigan based solely on the anticipated amount of cash flow to the state of Michigan through new payroll generated by direct jobs created by the companies. The projected ROI for direct jobs is 3.0. This means that for every \$1 of payroll, there is a projected return of \$3. The formula for direct ROI considers the new cash flow to the state as a result of the payroll of directly created jobs divided by the cost of the incentives over the period of the incentive agreements.

MICHIGAN BUSINESS DEVELOPMENT PROGRAM *continued*

EXHIBIT 1 *continued*
MICHIGAN STRATEGIC FUND ACT: MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Legislative report for fiscal year 2013 as of September 30, 2013

MSF BOARD ACTION TAKEN—AGREEMENT EXECUTED																EDUCATIONAL ATTAINMENT								
Fiscal year approved	Company name	MSF approval	Municipality	County	Project type	Incentive type	Approved amount ¹	Actual amount disbursed	Proposed qualified investment attracted ²	Actual qualified investment attracted ³	Committed number of new jobs ⁴	Total projected jobs ⁵	Actual net new jobs ⁶	New hires relocated to MI	Actual new hires for period ⁷	Less than a high school diploma	High school diploma or equivalent	Advanced training/certificate	Some college	Associate's degree	Bachelor's degree	Master's degree	Doctorate degree	
FY 2013	Summit Polymers, Inc.	11/8/12	Portage, Vicksburg and Sturgis	Kalamazoo	Expansion	Grant	\$370,000	\$370,000	\$9,300,000	\$3,772,599	70	74	193	0	193	9	71	14	77	6	16	0	0	
	Cataphora, Inc.	11/19/12	Ann Arbor	Washtenaw	Expansion	Grant	\$300,000	\$150,000	\$206,200	\$0	30	30	0	0	0	0	0	0	0	0	0	0	0	
	Henrob Corporation	11/20/12	Lyon Twp	Oakland	Expansion	Grant	\$300,000	\$0	\$68,491,000	\$0	152	158	54	0	53	0	31	3	0	3	14	2	0	
	Dart Container Corporation	11/28/12	Alaiedon Twp	Ingham	Expansion	Grant	\$3,000,000	\$0	\$47,000,000	\$13,031,317	325	347	237	24	237	3	78	24	0	22	68	39	3	
	Getman Corporation	12/4/12	Comstock Charter Twp	Kalamazoo	Expansion	Grant	\$300,000	\$0	\$5,538,560	\$6,562,000	150	150	73	1	73	0	10	21	14	13	11	4	0	
	Mueller Plastics Corporation, Inc. ¹⁵	12/6/12	Portage	Kalamazoo	Relocation	Grant	\$700,000	\$0	\$26,116,000	\$0	63	78	0	0	0	0	0	0	0	0	0	0	0	
	OPS Solutions, LLC	12/6/12	Novi	Oakland	Expansion	Grant	\$400,000	\$200,000	\$268,000	\$0	25	25	1	0	1	0	0	0	0	0	0	1	0	0
	Canal Street Brewing Co., LLC d/b/a Founders Brewing Company	12/19/12	Grand Rapids	Kent	Expansion	Other	\$2,000,000	\$2,000,000	\$26,000,000	\$7,900,000	52	52	24	1	24	0	11	0	0	2	9	2	0	
	La-Z-Boy, Inc.*	12/19/12	Monroe	Monroe	Expansion	Grant	\$3,000,000	\$600,000	\$51,500,000	\$7,611,415	50	50	33	0	33	0	17	0	0	2	12	2	0	
	Two Men and A Truck International	1/9/13	Lansing Twp	Ingham	Expansion	Grant	\$350,000	\$0	\$3,951,900	\$768,951	70	95	40	0	40	0	6	0	13	4	16	1	0	
	Black & Veatch Corporation	1/23/13	Ann Arbor	Washtenaw	Expansion	Grant	\$435,000	\$0	\$13,488,723	\$27,500	75	78	16	0	11	0	0	0	0	0	0	9	2	0
	Denso International America, Inc.	1/23/13	Southfield	Oakland	Expansion	Grant	\$1,540,000	\$0	\$45,700,000	\$11,500,000	176	176	106	4	31	0	4	0	0	1	21	5	0	
	Denso Manufacturing Michigan, Inc.	1/23/13	Battle Creek	Calhoun	Expansion	Grant	\$1,460,000	\$0	\$105,440,764	\$36,918,960	266	266	255	4	255	32	152	3	25	13	22	8	0	
	Dieomatic, Inc. d/b/a Cosma Casting Michigan	1/23/13	Battle Creek	Calhoun	Expansion	Grant	\$1,600,000	\$0	\$162,072,542	\$0	500	527	0	0	0	0	0	0	0	0	0	0	0	
	Lenawee Stamping Corporation	1/23/13	Tecumseh	Lenawee	Expansion	Grant	\$5,300,000	\$0	\$30,682,381	\$7,253,714	450	530	47	0	47	0	35	2	4	5	1	0	0	
	Moran Iron Works, Incorporated	1/23/13	Onaway; Rogers City	Cheboygan; Presque Isle	Expansion	Grant	\$2,000,000	\$0	\$16,224,911	\$4,197,595	75	75	30	1	30	0	2	23	1	2	2	0	0	
	Norplas Industries, Inc. ¹⁶	1/23/13	Brownstown Twp; Delta Twp	Wayne; Eaton	Expansion	Grant	\$2,000,000	\$0	\$81,750,485	\$0	620	658	0	0	0	0	0	0	0	0	0	0	0	
	Rigaku Innovative Technologies Inc.	1/23/13	Auburn Hills	Oakland	Expansion	Other	\$2,000,000	\$2,000,000	\$55,700,000	\$0	25	27	-3	0	0	0	0	0	0	0	0	0	0	
	Whirlpool Corporation	1/23/13	Benton Harbor	Berrien	Relocation	Grant	\$2,400,000	\$0	\$18,945,000	\$4,878,392	180	180	70	15	70	0	9	3	0	13	31	13	1	
	Baker Aerospace Tooling & Machining, Inc.*	1/28/13	Macomb Twp	Macomb	Expansion	Grant	\$800,000	\$200,000	\$9,856,650	\$0	165	188	77	0	77	3	38	6	19	9	2	0	0	
	Herbruck Poultry Ranch, Inc.	2/14/13	Saranac	Ionia	Expansion	Grant	\$500,000	\$0	\$17,150,000	\$1,632,838	50	55	43	0	43	14	21	3	4	1	0	0	0	
	Lyons Consulting Group, LLC	3/1/13	Ann Arbor	Washtenaw	Expansion	Grant	\$300,000	\$0	\$1,142,833	\$2,332	30	30	1	1	1	0	0	0	0	0	1	0	0	
	Challenge Manufacturing Company	3/11/13	Holland; Walker	Allegan	Expansion	Grant	\$1,000,000	\$0	\$10,290,000	\$2,978,244	180	180	288	0	288	31	166	10	58	16	6	1	0	
	Hanwha L&C Alabama, LLC	3/12/13	Monroe	Monroe	Expansion	Grant	\$300,000	\$0	\$12,000,000	\$9,073,000	70	70	3	0	1	0	1	0	0	0	0	0	0	
	Detroit Thermal Systems, LLC	3/21/13	Romulus	Wayne	New	Grant	\$750,000	\$0	\$27,073,125	\$0	312	382	98	0	98	2	66	5	4	5	11	5	0	
	Newell Rubbermaid, Inc.	3/27/13	Kalamazoo	Kalamazoo	Relocation	Grant	\$2,000,000	\$0	\$2,300,000	\$50,000	100	100	18	10	18	0	0	2	0	0	13	3	0	
	Southwest Michigan First Corporation	3/27/13	Kalamazoo	Kalamazoo	Expansion	Loan	\$4,000,000	\$3,000,000	\$4,265,000	\$576,792	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Rassini Brakes, LLC	4/4/13	Mt. Morris Twp	Genesee	New	Grant	\$500,000	\$0	\$17,310,800	\$0	55	59	22	0	22	0	10	4	5	1	2	0	0	
	Bleistahl North America, LP	4/5/13	Battle Creek	Calhoun	New	Grant	\$475,000	\$0	\$11,593,900	\$3,100,000	55	58	9	0	9	0	4	2	0	2	1	0	0	
	Kay Manufacturing Company	4/8/13	St. Joseph Charter Twp	Berrien	Expansion	Grant	\$350,000	\$0	\$9,290,000	\$4,743,740	80	80	20	1	20	0	4	1	10	2	3	0	0	
Belmont Engineered Plastics, LLC	4/15/13	Belmont	Kent	New	Grant	\$900,000	\$450,000	\$5,510,000	\$4,800,000	62	62	6	2	6	0	3	0	0	0	3	0	0		
Grand Rapids Chair Company	4/15/13	Byron Twp	Kent	Expansion	Grant	\$200,000	\$0	\$2,540,000	\$0	50	50	20	0	20	0	13	0	0	0	7	0	0		
Rec Boat Holdings, LLC	4/25/13	Cadillac	Wexford	Expansion	Grant	\$1,000,000	\$0	\$4,785,381	\$824,412	135	150	-3	0	0	0	0	0	0	0	0	0	0		
JR Automation Technologies, LLC	4/29/13	Holland Charter Twp; Olive Twp	Ottawa	Expansion	Grant	\$300,000	\$50,000	\$4,166,000	\$0	90	99	43	1	43	0	9	5	4	3	21	1	0		
Kay Print Screening, Inc. d/b/a Kay Automotive Graphics	5/6/13	Orion Charter Twp	Oakland	Expansion	Grant	\$350,000	\$0	\$12,915,000	\$0	50	50	0	0	0	0	0	0	0	0	0	0	0		
Post Foods, LLC	5/7/13	Battle Creek	Calhoun	Expansion	Grant	\$700,000	\$0	\$29,825,000	\$6,569,373	92	92	14	0	14	0	8	5	0	1	0	0	0		
SMR Automotive Systems USA, Inc.	5/22/13	Marysville	St. Clair	Expansion	Grant	\$4,000,000	\$0	\$40,237,154	\$1,553,075	350	366	99	1	99	7	54	2	18	4	13	1	0		
Merhow Acquisition LLC, d/b/a Merhow Industries	6/3/13	White Pigeon	St. Joseph	Relocation	Grant	\$200,000	\$30,000	\$1,075,000	\$70,000	46	46	15	0	15	0	8	6	0	1	0	0	0		
TRMI, Inc.	6/3/13	Battle Creek	Calhoun	Expansion	Grant	\$700,000	\$0	\$11,100,000	\$8,000,000	150	153	63	0	63	0	53	10	0	0	0	0	0		

MICHIGAN BUSINESS DEVELOPMENT PROGRAM *continued*

EXHIBIT 1 *continued*
MICHIGAN STRATEGIC FUND ACT: MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Legislative report for fiscal year 2013 as of September 30, 2013

MSF BOARD ACTION TAKEN—AGREEMENT EXECUTED																EDUCATIONAL ATTAINMENT								
Fiscal year approved	Company name	MSF approval	Municipality	County	Project type	Incentive type	Approved amount ¹	Actual amount disbursed	Proposed qualified investment attracted ²	Actual qualified investment attracted ³	Committed number of new jobs ⁴	Total projected jobs ⁵	Actual net new jobs ⁶	New hires relocated to MI	Actual new hires for period ⁷	Less than a high school diploma	High school diploma or equivalent	Advanced training/certificate	Some college	Associate's degree	Bachelor's degree	Master's degree	Doctorate degree	
FY 2013	Blissfield Manufacturing Company	6/14/13	Blissfield	Lenawee	Expansion	Grant	\$365,000	\$0	\$1,530,735	\$0	68	73	29	0	29	0	22	2	1	3	1	0	0	
	Senderra RX Partners, LLC	6/14/13	Flint Twp	Genesee	Expansion	Grant	\$500,000	\$0	\$675,500	\$51,285	170	172	0	0	0	0	0	0	0	0	0	0	0	
	ZYNP International Corporation	6/21/13	Romulus	Wayne	Expansion	Grant	\$350,000	\$0	\$9,561,532	\$112,009	51	51	27	0	27	0	25	0	0	0	0	2	0	0
	Integrated Manufacturing & Assembly, LLC ^{17a}	6/26/13	Detroit	Wayne	Expansion	Grant	\$4,600,000	\$0	\$32,454,809	\$13,942,000	851	1,089	260	2	170	0	153	0	15	0	0	2	0	0
	GKN Driveline North America, Inc.	7/11/13	Auburn Hills	Oakland	Expansion	Grant	\$1,000,000	\$0	\$5,100,000	\$0	50	50	0	0	0	0	0	0	0	0	0	0	0	0
	Detroit Diesel Corporation	7/18/13	Detroit	Wayne	Expansion	Grant	\$250,000	\$0	\$77,200,000	\$0	50	79	20	0	20	0	5	0	0	3	2	7	3	0
	Fairlife, LLC ¹⁸	7/23/13	Coopersville	Ottawa	New	Grant	\$900,000	\$0	\$127,563,150	\$20,000,000	125	133	50	2	50	0	24	2	5	7	11	1	0	0
	TPUSA, Inc. d/b/a Teleperformance USA	7/23/13	Cascade Twp	Kent	Expansion	Grant	\$600,000	\$0	\$3,792,000	\$0	400	500	0	0	0	0	0	0	0	0	0	0	0	0
	Jackson National Life Insurance Company*	7/24/13	Lansing	Ingham	Expansion	Grant	\$3,000,000	\$0	\$100,000,004	\$0	400	1,019	0	0	0	0	0	0	0	0	0	0	0	0
	Unique Tool and Manufacturing Company, Inc.*	7/26/13	Bedford Twp	Monroe	Expansion	Grant	\$150,000	\$0	\$4,669,325	\$244,000	57	62	2	0	2	0	0	2	0	0	0	0	0	0
Coyote Logistics, LLC	8/5/13	Ann Arbor	Washtenaw	Expansion	Grant	\$1,000,000	\$0	\$1,200,500	\$0	120	125	2	2	2	0	0	0	0	0	0	2	0	0	
Total							\$97,742,230	\$23,551,218	\$1,936,095,503	\$399,889,142	12,666	14,504	4,790	287	4,182	135	2,275	227	594	257	644	207	7	

MSF BOARD ACTION TAKEN—NO AGREEMENT EXECUTED																EDUCATIONAL ATTAINMENT							
Fiscal year approved	Company name	MSF approval	Municipality	County	Project type	Incentive type	Approved amount ¹	Actual amount disbursed	Proposed qualified investment attracted ²	Actual qualified investment attracted ³	Committed number of new jobs ⁴	Total projected jobs ⁵	Actual net new jobs ⁶	New hires relocated to MI	Actual new hires for period ⁷	Less than a high school diploma	High school diploma or equivalent	Advanced training/certificate	Some college	Associate's degree	Bachelor's degree	Master's degree	Doctorate degree
FY 2012	Barracuda Networks ¹⁹	6/27/12	Ann Arbor	Washtenaw	Expansion	Grant	\$1,200,000	\$0	\$6,020,500	Not applicable	174	174	0	0	0	0	0	0	0	0	0	0	0
	Corium International, Inc. ¹⁹	9/28/12	Kentwood	Kent	Expansion	Grant	\$360,000	\$0	\$8,435,000		45	45											
FY 2013	Automatic Data Processing, Inc.	4/24/13	Detroit	Wayne	Expansion	Grant	\$1,500,000	\$0	\$3,300,000		150	150											
	Asterand Inc.	7/29/13	Detroit	Wayne	Expansion	Grant	\$250,000	\$0	\$1,700,000		25	25											
	VernDale Products, Inc.	8/28/13	Detroit	Wayne	Expansion	Other	\$436,000	\$0	\$15,991,458		13	13											
	Topsy Labs, Inc.	8/30/13	Comstock Charter Twp	Kalamazoo	Expansion	Grant	\$350,000	\$0	\$170,000		35	35											
	Firstronic LLC	9/4/13	Grand Rapids	Kent	Expansion	Grant	\$300,000	\$0	\$2,245,000		110	121											
	ADAC Plastics, Inc. d/b/a ADAC Automotive	9/9/13	Muskegon	Muskegon	Expansion	Grant	\$650,000	\$0	\$7,903,000		90	97											
	Longbow Advantage, Inc.	9/10/13	Ann Arbor	Washtenaw	Expansion	Grant	\$250,000	\$0	\$411,400		32	32											
	Dairy Farmers of America, Inc.*	9/25/13	Cass City	Tuscola	Expansion	Grant	\$500,000	\$0	\$40,000,000		25	25											
Renu Wireless USA, LLC	9/29/13	Roseville	Macomb	Expansion	Grant	\$900,000	\$0	\$5,254,002	200	228													
Total							\$6,696,000	\$0	\$91,430,360	\$0	899	945	0	0	0	0	0	0	0	0	0	0	0
Grand total							\$104,438,230	\$23,551,218	\$2,027,525,863	\$399,889,142	13,565	15,449	4,790	287	4,182	135	2,275	227	594	257	644	207	7

FY 2013 total projects: 64
FY 2013 total executed agreements: 55

¹ Awards are committed in the fiscal year in which it was approved; this reserves the funds for the project. The average duration of these awards is generally 2–3 years, but each award agreement contains its own specified time period.

² The investment the company stated on its application and what is expected to occur by the completion of the project.

³ The actual investment amount the project has generated since the project was approved.

⁴ Number of jobs contractually obligated and subject to clawback for non-performance. The company must create this number of jobs in order to receive the entire approved amount.

⁵ The number of jobs estimated to result from this business opportunity. This number is the same or more than the committed number of jobs, but never less than the committed number of jobs.

⁶ The number of jobs the project has actually created since the project was approved.

⁷ The actual number of jobs created during FY 2013.

⁸ The company reported job creation statewide in FY 2012.

⁹ The company also created new jobs that are being counted in a Michigan Economic Growth Authority (MEGA) incentive, so they cannot count for the BDP. The jobs reported here are not included in the totals.

¹⁰ Subsequent to the reporting period, this incentive was terminated and dismissed on December 9, 2013.

¹¹ Subsequent to the reporting period, this incentive was terminated and dismissed on November 19, 2013.

¹² This incentive was terminated and dismissed on October 18, 2013.

¹³ This incentive was terminated and dismissed on August 27, 2013.

¹⁴ Subsequent to the reporting period, this incentive was terminated and dismissed on January 13, 2014.

¹⁵ This incentive was terminated and dismissed on October 2, 2013.

¹⁶ The agreement was amended, with an effective date of October 15, 2013, to reduce the number of new jobs the company is committed to create from 620 to 520 and reduce the incentive amount from \$2 million to \$1.7 million.

¹⁷ Originally approved as two separate projects for Integrated Manufacturing and Assembly, LLC and Lear Corporation, which were dismissed. This is a new combined project incentive for Integrated Manufacturing and Assembly, LLC.

¹⁸ Originally approved as Fair Oaks Farm Brands, Inc., which was dismissed and approved under a new entity, under the same terms and conditions, due to a corporate restructure.

¹⁹ This incentive was dismissed in FY 2013.

* Project has been approved for additional incentives such as CDBG, SBCI or MEDC corporate funds.

MICHIGAN SUPPLIER DIVERSIFICATION FUND

The Michigan Supplier Diversification Fund (MSDF) operates two loan enhancement programs designed to help traditional manufacturers capitalize on growth opportunities and add new customers. A loan enhancement program, the Michigan Loan Participation Program (LPP), offsets a borrower's cash flow deficiency by purchasing a portion of a lender's credit facility and offers a grace period on the MSF's portion. A second program, the Michigan Collateral Support Program (CSP), balances a borrower's collateral shortfall by depositing cash collateral into a lending institution to create an "in policy" loan for the senior lender. Both programs are designed to facilitate

greater access to capital and are measured according to the leverage they create.

Michigan was the first state that received federal funds through the State Small Business Credit Initiative (SSBCI), part of the Small Business Jobs Act signed into law in September 2010, and was awarded approximately \$79.1 million to back small business loans. The goal of the federal program is to help small businesses obtain loans for at least \$10 for every one dollar the state provides in support. In May 2011, the MSF board approved the SSBCI program, which is essentially a federal version of the MSDF program. Like the MSDF, SSBCI also operates CSP and LPP programs.

MSDF STATE AWARDS									
Fiscal year 2013: 10/01/2012 - 09/30/2013									
Date of close	Company	City	County	Type of funding	Total loan amount	MSF share	Current industry	Closing fees ¹	Estimated annual fees ¹
6/21/13	Newco Industries LLC DBA Nex Solutions	Litchfield	Hillsdale	CSP	\$1,000,000	\$499,000	Silverware/hollow manufacturing	\$14,970	\$6,238
2/6/13	C&J Seeger, Inc.	Kalamazoo	Kalamazoo	CSP	\$200,000	\$99,800	General freight/trucking	\$2,994	\$998
7/31/13	CRT Medical Systems, Inc.	Novi	Oakland	LPP	\$425,000	\$212,075	Accounting services	\$2,121	\$2,121
12/12/12	Ringside Creative LLC	Oak Park	Oakland	CSP	\$3,150,000	\$1,000,000	Teleproduction/post production	\$22,500	\$12,500
12/27/12	Royal Engineering International, Inc.	Fraser	Macomb	CSP	\$300,000	\$100,000	Engineering services	\$2,250	\$1,250
12/27/12	Royal Engineering International, Inc.	Fraser	Macomb	CSP	\$300,000	\$147,000	Engineering services	\$3,675	\$1,838
7/9/13	Benore Logistic Systems, Inc.	Erie	Monroe	CSP	\$1,500,000	\$300,000	Warehouse/logistics	\$6,375	\$3,000
5/14/13	ALS Enterprises, Inc. DBA Scent-Loc Technologies	Muskegon	Muskegon	CSP	\$1,000,000	\$499,000	Clothing wholesalers	\$12,475	\$6,238
6/26/13	Zehnders of Frankenmuth	Frankenmuth	Saginaw	LPP	\$11,132,500	\$5,000,000	Destination tourism	\$50,000	\$50,000
Total					\$19,007,500	\$7,856,875		\$117,360	\$84,183
					Additional loans induced by MSDF ³	\$9,725,887			
					Total leverage:	\$28,733,387			
					Leverage ratio:	3.66			
<p>¹ Closing and annual fees are different depending on whether they are the result of an MSDF program or a SSBCI (federal) program. For MSDF, all costs and fees are returned to the Jobs for Michigan Investment Fund and recommitted to the MSDF program. For SSBCI projects, they are returned to the SSBCI program and may be used either to offset costs to administer the program or to fund new transactions under the program.</p> <p>² The MSDF has an approved program called the "Small Business Mezzanine Program" which has never been active. These activities have been predominately funded using participation in private equity funds such as Grow Michigan, LLC and Arctaris Michigan Partners.</p> <p>³ "Additional loans induced" includes loans that were a part of the total loan package, but did not directly receive a loan enhancement.</p>									

MICHIGAN SUPPLIER DIVERSIFICATION FUND *continued*

SSBCI FEDERAL AWARDS									
Fiscal year 2013: 10/01/2012 - 09/30/2013									
Date of close	Company	City	County	Type of funding	Total loan amount	MSF share	Current industry	Closing fees ¹	Estimated annual fees ¹
10/4/12	Brink Terminal Services, Inc.	Hamilton	Allegan	LPP	\$1,000,000	\$499,000	Chemical storage services	\$4,990	\$4,990
5/24/13	Premier Tool & Die Cast Corp.	Berrien Springs	Berrien	CSP	\$8,500,000	\$2,400,000	Cutting tools and machining	\$60,000	\$24,000
6/12/13	PulverDryer USA LLC	Springfield	Calhoun	CSP	\$2,500,000	\$1,247,500	Miscellaneous manufacturing	\$24,950	\$15,594
2/11/13	C&B Investments LLC	Traverse City	Grand Traverse	CSP	\$483,000	\$178,000	Construction materials wholesalers	\$4,895	\$1,780
7/10/13	DA Glass	Calumet Township	Houghton	LPP	\$4,000,000	\$1,996,000	Flat glass manufacturing	\$29,940	\$29,940
11/14/12	Midbrook Industrial Washers, Inc.	Jackson	Jackson	CSP	\$697,000	\$341,500	Industrial washing equipment manufacturer	\$6,830	\$3,415
11/14/12	Midbrook Industrial Washers, Inc.	Jackson	Jackson	CSP	\$4,000,000	\$1,350,000	Industrial washing equipment manufacturer	\$27,000	\$13,500
8/20/13	LeMatic, Inc.	Jackson	Jackson	LPP	\$748,000	\$373,252	Baking equip manufacturing	\$3,733	\$3,733
6/20/13	Glov Enterprises	Tecumseh	Lenawee	CSP	\$750,000	\$270,000	Plastics products manufacturing	\$6,750	\$3,510
6/14/13	Midwest Industrial Services	Howell	Livingston	CSP	\$150,000	\$74,850	Masonry contracting	\$2,246	\$936
1/25/13	Action Wood Technologies, Inc.	Clinton Township	Macomb	CSP	\$750,000	\$367,500	Packing and crating	\$7,350	\$4,594
6/19/13	Synergy PSM Corporation	Mount Clemens	Macomb	CSP	\$400,000	\$199,600	Professional services	\$4,491	\$2,495
10/31/12	Plastic Systems LLC	Romeo	Macomb	Mezzanine ²	\$875,000	\$425,000	Plastics products manufacturing	\$0	\$0
2/7/13	PNP Investments LLC	Shelby Township	Macomb	CSP	\$728,000	\$168,000	Testing equipment manufacturing	\$4,200	\$2,100
5/30/13	Dynamite Trucking LLC	Big Rapids	Mecosta	CSP	\$262,000	\$62,000	General freight trucking	\$1,860	\$620
3/19/13	Beaver Creek Wood Products, LLC	Menominee	Menominee	CSP	\$325,000	\$157,000	Wood product manufacturing	\$4,318	\$1,570
8/12/13	Enstrom Helicopter Company	Menominee	Menominee	LPP	\$5,000,000	\$2,495,000	Aircraft manufacturing	\$24,950	\$24,950
5/14/13	Industrial Inspection Company	Monroe	Monroe	CSP	\$1,510,283	\$497,461	Machine shops	\$11,193	\$7,462
3/22/13	Synergies Plus LLC	Berkley	Oakland	CSP	\$500,000	\$249,500	Industrial services	\$6,238	\$2,495
8/19/13	Bloem, LLC	Hudsonville	Ottawa	CSP	\$1,400,000	\$698,600	Artificial flowers wholesalers	\$19,212	\$8,733

MICHIGAN SUPPLIER DIVERSIFICATION FUND *continued*

SSBCI FEDERAL AWARDS									
Fiscal year 2013: 10/01/2012 - 09/30/2013									
Date of close	Company	City	County	Type of funding	Total loan amount	MSF share	Current industry	Closing fees ¹	Estimated annual fees ¹
6/21/13	Mol-Son LLC	Mattawan	Van Buren	CSP	\$7,000,000	\$2,000,000	Specialty tool & die	\$35,000	\$20,000
8/1/13	Humantech, Inc.	Ann Arbor	Washtenaw	CSP	\$1,700,000	\$570,500	Consulting management services	\$12,123	\$7,131
7/15/13	Scalable Informatics, Inc.	Canton	Wayne	CSP	\$500,000	\$249,500	Computer storage manufacturing	\$7,485	\$3,119
3/26/13	New Center Stamping, Inc.	Detroit	Wayne	CSP	\$7,500,000	\$3,742,500	Motor vehicle metal stamping	\$79,528	\$46,781
4/16/13	Edibles Rex, Inc.	Detroit	Wayne	CSP	\$1,900,000	\$939,000	Caterers	\$18,780	\$11,738
10/3/12	Grandpapa's, Inc.	Detroit	Wayne	CSP	\$2,414,377	\$905,374	Snack food manufacturing	\$18,107	\$13,581
10/12/12	Enrinity Supplements, Inc.	Westland	Wayne	LPP	\$250,000	\$124,750	Biological product manufacturing	\$1,248	\$1,248
Total:					\$55,842,660	\$22,581,387		\$427,417	\$260,015
Additional loans induced ³					\$79,335,054				
Total leverage					\$135,177,714				
Leverage ratio					5.99				
<p>¹ Closing and Annual Fees are different depending on whether they are the result of an MSDF program or a SSBCI (Federal) program. For MSDF, all costs and fees are returned to the 21st Century Jobs and Investment Fund and recommitted to the MSDF program. For SSBCI projects, they are returned to the SSBCI program and may be used either to offset costs to administer the program or to fund new transactions under the program.</p> <p>² The MSDF has an approved program called the "Small Business Mezzanine Program" which has never been active. These activities have been predominately funded using participation in private equity funds such as Grow Michigan, LLC and Arctaris Michigan Partners.</p> <p>³ "Additional loans induced" includes loans that were a part of the total loan package, but did not directly receive a loan enhancement.</p>									

SMALL BUSINESS CAPITAL ACCESS PROGRAM LOANS

The Small Business Capital Access Program (SBCAP) is a loan enhancement program that helps small businesses acquire financing through lending institutions that might otherwise be unavailable. SBCAP operates on a pooled reserve concept in which a reserve account at each participating bank protects each enrolled loan under the program. The reserve account is funded through one-time premium charges paid in equal parts by the borrower and the lender, plus the sum of those charges will be matched by the MSF. This reserve, which grows with each subsequent loan, will offset any future losses incurred by the lender. The success of Michigan's SBCAP program, which was the first of its kind in the nation, inspired other states to copy the program.

SBCAP LOANS – FEDERALLY FUNDED¹			
Fiscal year 2013: 10/01/2012 - 09/30/2013			
Company name	City	County	Award amount
Randy Loucks	Coldwater	Branch	\$1,200
Thomas and Samantha Merkle	Coldwater	Branch	\$450
Steady-Flow Promotions Inc. DBA Creative Eyeball Agency	Quincy	Branch	\$270
David Peterson	Quincy	Branch	\$1,560
The Stables, Inc.	Quincy	Branch	\$750
Zak and Zoe Co.	Clare	Clare	\$2,250
Complete Automotive Tire & Services of DeWitt, Inc.	DeWitt	Clinton	\$25,600
Bridge Street Funeral Service	Grand Ledge	Eaton	\$750
Bridge Street Funeral Service	Grand Ledge	Eaton	\$10,133
Hall Funeral Home	Gladwin	Gladwin	\$6,000
Johnson's Sons Ceramic Tile & Marble Inc.	Traverse City	Grand Traverse	\$158
J & J Hirschman LLC	Alma	Gratiot	\$2,085
Brent Skinner Trucking	Carson City	Gratiot	\$3,441
Brandon Harrier/LCB LLC	Ithaca	Gratiot	\$1,315
Brandon Harrier/LCB LLC	Ithaca	Gratiot	\$1,301
Brandon Harrier/LCB LLC	Ithaca	Gratiot	\$1,072
Powell's Service, Inc.	St. Louis	Gratiot	\$1,578
Richard Hayes II	Sumner	Gratiot	\$1,320
H & H Land Company of Michigan LLC	Allen	Hillsdale	\$2,030
At the Turn, Inc.	Hillsdale	Hillsdale	\$715
Jeffrey P. Layman & Deborah A. Layman	Hillsdale	Hillsdale	\$1,500
Ravi David Yarid, D.O., PLLC	Hillsdale	Hillsdale	\$1,312
Ravi David Yarid, D.O., PLLC	Hillsdale	Hillsdale	\$3,955
Bryan T Dunlap, Kelly H. Dunlap	Jonesville	Hillsdale	\$1,050
Bradley Blonde and Michelle Blonde	Litchfield	Hillsdale	\$900
Litchfield Diner LLC	Litchfield	Hillsdale	\$150
Country Carpets	Reading	Hillsdale	\$300
Country Carpets	Reading	Hillsdale	\$600
Wolverine Sealcoating LLC	Leslie	Ingham	\$1,800
Reliable Aftermarket Parts, Inc.	Williamston	Ingham	\$3,093
Bonita Steele LLC and Steel3t1 LLC	Belding	Ionia	\$3,600
Sandborn Farm and Trucking LLC	Portland	Ionia	\$2,099
The Painted Turtle LLC	Mt. Pleasant	Isabella	\$800
Absolute Granite LLC	Mt. Pleasant	Isabella	\$3,000
Terry Ball D.O., PLLC	Mt. Pleasant	Isabella	\$1,500
Kevin's Auto Repair	Shepard	Isabella	\$1,401
William & Shirley D. Powers	Concord	Jackson	\$688
Advanced Communication Cabling	Spring Arbor	Jackson	\$900

SMALL BUSINESS CAPITAL ACCESS PROGRAM LOANS *continued*

SBCAP LOANS – FEDERALLY FUNDED¹ <i>continued</i>			
Fiscal year 2013: 10/01/2012 - 09/30/2013			
Company name	City	County	Award amount
Brakeman Design, Inc.	Kalamazoo	Kalamazoo	\$1,050
Flying Dog Garage LLC	Kalamazoo	Kalamazoo	\$600
Flying Dog Garage LLC	Kalamazoo	Kalamazoo	\$2,100
James L. McCall DBA McCall's Distributing	Kalamazoo	Kalamazoo	\$4,500
Walk A Bout Lawn Care, Inc.	Portage	Kalamazoo	\$350
Stillwater Enterprises LLC	Ada	Kent	\$1,950
Gymco, Inc.	Grand Rapids	Kent	\$1,650
The Subway, LLC	Grand Rapids	Kent	\$5,250
Ames & McBain, Inc.	Grand Rapids	Kent	\$300
Cannon Machine, Inc.	Grand Rapids	Kent	\$5,700
GLFC, Inc.	Grand Rapids	Kent	\$5,250
Integrity Insurance Services, Inc.	Grand Rapids	Kent	\$15,000
Lambert Creek Outdoor Services	Grand Rapids	Kent	\$405
Mulders Merchant	Grand Rapids	Kent	\$2,880
Paul G. Goebel Group	Grand Rapids	Kent	\$10,500
R. Cook Holdings LLC	Grand Rapids	Kent	\$3,000
Suhani Inc.	Grand Rapids	Kent	\$1,620
Tiny Giant Store, Inc.	Kentwood	Kent	\$1,488
Tiny Giant Store, Inc.	Kentwood	Kent	\$1,500
Preferred Construction Group LLC	Kentwood	Kent	\$750
Rising Star Fitness	Kentwood	Kent	\$300
J & L Trucking of Lowell	Lowell	Kent	\$1,190
Judd T. Carroll, D.M.D., P.L.C.	Lowell	Kent	\$5,600
Daniel Thompson/Thompson Well Drilling	Rockford	Kent	\$795
Tool Worx LLC	Wyoming	Kent	\$750
Arman, LLC	Baldwin	Lake	\$3,000
Baldwin Pattie Drug LLC	Baldwin	Lake	\$9,450
Kenneth G. Smith	Idlewild	Lake	\$1,500
RIMA Manufacturing Company	Hudson	Lenawee	\$6,000
Golf Reit, LLC	Morenci	Lenawee	\$6,737
Kevin M. Murphy and Deanna L. Murphy	Brighton	Livingston	\$1,380
Rival Insulation LLC	Fraser	Macomb	\$1,799
Rival Insulation LLC	Fraser	Macomb	\$1,500
Heritage Services of Wayne County LLC	Macomb	Macomb	\$420
Linda Hannah-Karim	Mt. Clemens	Macomb	\$900
Buddy and Sons	Sterling Heights	Macomb	\$1,500
Osman Kekic	Sterling Heights	Macomb	\$750
P.M.S. Diversified Construction	Sterling Heights	Macomb	\$2,244
In Transport	Warren	Macomb	\$1,617
Senad Balic Trucking	Warren	Macomb	\$1,033
Killswitch LLC	Manistee	Manistee	\$4,110
Big Rapids Furniture, Inc.	Big Rapids	Mecosta	\$600
Bulldawg Fitness and Tanning LLC	Big Rapids	Mecosta	\$1,500
Dynamite Trucking LLC	Big Rapids	Mecosta	\$6,000
Heartland Motor Sales, LLC	Big Rapids	Mecosta	\$1,500
Heartland Motor Sales, LLC	Big Rapids	Mecosta	\$3,000

SMALL BUSINESS CAPITAL ACCESS PROGRAM LOANS *continued*

SBCAP LOANS – FEDERALLY FUNDED¹ <i>continued</i>			
Fiscal year 2013: 10/01/2012 - 09/30/2013			
Company name	City	County	Award amount
JL Miller Transport	Big Rapids	Mecosta	\$450
Jonathon Beagle	Big Rapids	Mecosta	\$750
JPE Restaurant Corporation	Big Rapids	Mecosta	\$1,320
Nicholas P. Routley DBA Routley's Septic Service	Big Rapids	Mecosta	\$600
Blanchard Lanes and Sports Bar LLC	Blanchard	Mecosta	\$810
MEC	Morley	Mecosta	\$1,500
Great Lakes Equipment	Paris	Mecosta	\$2,808
Rodney Liquor, Inc.	Rodney	Mecosta	\$720
Vantek International, Inc.	Midland	Midland	\$750
D & D Asphalt Specialists LLC	Midland	Midland	\$1,553
John C. O'Donald	Greenville	Montcalm	\$4,000
Knapp Printing Services, Inc.	Greenville	Montcalm	\$1,000
Mashuk, Inc.	Greenville	Montcalm	\$7,107
Naperola Building LLC	Greenville	Montcalm	\$1,400
Skarls Tool Sales LLC	Greenville	Montcalm	\$480
Sureshot Pest Control	Greenville	Montcalm	\$450
Curtice Forest Products, Inc.	Muskegon	Muskegon	\$300
Misze Sand and Mine	Muskegon	Muskegon	\$2,947
Z Supply LLC	Muskegon	Muskegon	\$585
Z Supply LLC	Muskegon	Muskegon	\$1,950
Ruby's Land Co. LLC	Muskegon	Muskegon	\$893
Precision Body & Machine, Inc.	Auburn Hills	Oakland	\$3,000
Frederick Collins Construction & Repair	Berkley	Oakland	\$600
Frederick Collins Construction & Repair	Berkley	Oakland	\$2,885
Aesthetic Dentistry by Dipilla, P.C.	Birmingham	Oakland	\$3,000
Bill Harb Agency	Novi	Oakland	\$2,250
Tharp Insurance Agency, Inc.	Walled Lake	Oakland	\$15,000
Craig A. Herremans	Hart	Oceana	\$450
Charles W. Sadenwater	Walkerville	Oceana	\$900
Daniel Dimambro	LeRoy	Osceola	\$1,034
Michael J. Saez	Reed City	Osceola	\$1,344
Ron's Outdoor Power Equipment	Reed City	Osceola	\$300
ADL Homecare Incorporated	Holland	Ottawa	\$1,500
Hunt Movers, Inc.	Holland	Ottawa	\$2,703
Kaitlin Cook DBA Hairworxs	Colon	St. Joseph	\$1,245
IEGT LLC	Dearborn	Wayne	\$750
Laurel Park Insurance Agency, Inc.	Livonia	Wayne	\$12,164
Total			\$305,141

¹ Federal funds authorized under the Small Business Banking and Jobs Act of 2010, known as the State Small Business Credit Initiative, were used to fund all SBCAP activities this reporting period. See other activities utilizing SSBCI funds in the MSDF section of this report.

21ST CENTURY INVESTMENT FUND PROGRAM

The Michigan 21st Century Investment Fund (21st CIF) was created, as per the provisions of Public Act 225, of 2005, through an agreement between Credit Suisse Bank and the MSF. The fund encourages the growth of emerging Michigan companies, diversifies the state's economy by creating and retaining knowledge-based jobs, and grows a community of investors to create a long-term, sustainable capital ecosystem within Michigan. Credit Suisse Bank, a fund management industry leader, manages the 21st CIF. Credit Suisse brings expertise in the selection of venture capital, private equity, and mezzanine funds to invest in Michigan companies that are creating jobs. Since 2006, the Michigan 21st CIF has committed \$109 million to 13 funds and one company.

FY 2013 Michigan investments include:

- **Eliason Corporation** is a Kalamazoo-based manufacturer of double action impact traffic doors used in supermarkets, warehouses and manufacturing facilities.

- **Humanetics Innovative Solutions, Inc.** is a Plymouth-based designer and manufacturer of crash test dummies.
- **Llamasoft** is an Ann Arbor-based provider of software to design and improve supply chain network operations

As of September 2013, as reported by Credit Suisse, the Michigan 21st CIF managers have invested \$135.9 million into 28 Michigan-based portfolio companies which have 951 Michigan employees. Overall, \$797.1 million of equity has been invested into these 28 portfolio companies by all syndicate partners. This represents a 5.86x leveraging of the Michigan 21st CIF underlying fund manager investments. These portfolio companies continue to be diversified across sectors, including life sciences, manufacturing, health care, IT, waste services and media.

21ST CIF AWARDS AS OF SEPTEMBER 30, 2013

Entity receiving funding	City	County	Type of funding	Amount committed	Capital called for investment ¹	Total private investment
Pegasus Fund V	Birmingham	Oakland	Private equity	\$10,000,000	\$7,163,863	\$340,000,000
Quad Partners II	Madison Heights	Oakland	Private equity	\$10,000,000	\$8,832,851	\$72,300,000
Relativity I	Bloomfield Hills	Oakland	Private equity	\$10,000,000	\$6,167,472	\$192,500,000
Maranon Mezzanine	Birmingham	Oakland	Mezzanine	\$7,500,000	\$10,471,440	\$196,700,000
Midwest Mezzanine IV	Grand Rapids	Kent	Mezzanine	\$10,000,000	\$9,544,077	\$100,700,000
Arboretum II	Ann Arbor	Washtenaw	Venture capital	\$7,500,000	\$6,654,750	\$65,900,000
Arboretum III	Ann Arbor	Washtenaw	Venture capital	\$10,000,000	\$4,313,000	\$128,200,000
Arsenal Venture Partners II	Birmingham	Oakland	Venture capital	\$5,000,000	\$919,156	\$49,000,000
Early Stage Partners II	Ann Arbor	Washtenaw	Venture capital	\$6,000,000	\$4,984,765	\$48,500,000
MK Capital II	Ann Arbor	Washtenaw	Venture capital	\$4,500,000	\$2,992,500	\$99,500,000
Nth Power IV	Detroit	Wayne	Venture capital	\$10,000,000	\$7,837,500	\$159,100,000
RPM Ventures II	Ann Arbor	Washtenaw	Venture capital	\$6,000,000	\$4,617,060	\$49,600,000
Venture Investors IV	Ann Arbor	Washtenaw	Venture capital	\$10,850,000	\$9,379,825	\$107,650,000
Microposite, Inc.	Auburn Hills	Oakland	Direct investment	\$1,650,000	\$1,567,293	\$1,950,000
Total				\$109,000,000	\$85,445,552	\$1,611,600,000

¹ Commitments remain in an MSF account until capital calls are issued. Capital calls are requests from the fund to send a portion of the commitment needed to fund a specific investment or fee. "Capital called for investment" can be greater than the "amount committed" if a fund reinvests proceeds into new investments.

ACCELERATOR FUND

Since 2011, the Accelerator Fund program has invested \$12 million from the 21st Century Jobs Fund into two early stage venture funds, Huron River Ventures and Michigan Accelerator Fund I. These funds will invest 100 percent of their capital into Michigan businesses. As of September 30, 2013, the funds have leveraged an additional \$14 million from other private investors and have made a total of 28 investments into 13 early stage companies totaling \$7.6 million. Indirect leverage received by each of these companies totals \$106 million.

FY 2013 Michigan investments include:

- **Ablative Solutions** is a Kalamazoo-based company that developed a novel tool and process for ablating renal nerves for the treatment of chronic hypertension.
- **Covaron** is an Ann Arbor-based company that pioneered a new material and attendant “chemical” sintering process that yields higher throughput, consumes less energy and enables better performing ceramic materials
- **FarmLogs** is an Ann Arbor-based company that develops software to help farmers increase

productivity and reduce costs of operations on their farms.

- **NANORETE, INC.**, a Lansing-based company that provides real-time detection of pathogens using customized nanoparticle biosensors, developed a platform with the ability to test for numerous pathogens using a simple-to-use handheld device that generates results in one hour.
- **Opto Atmospheric** is an Ann Arbor-based company that developed a UV-based light detection and ranging technology systems for the wind industry.
- **Swift Biosciences** is an Ann Arbor-based company that has developed molecular biology reagents to enable technologies for genomics and personalized medicine.
- **Zipments, Inc.** is a Grand Rapids-based company that offers an enterprise software solution for couriers and businesses in need of fast local delivery.

ACCELERATOR FUND AWARDS AS OF SEPTEMBER 30, 2013

Entity receiving funding	City	County	Type of funding	Amount committed	Capital called for investment ¹	Total private investment	Companies invested in	Jobs created/retained in MI ²
Michigan Accelerator Fund I	Grand Rapids	Kent	Venture capital	\$6,000,000	\$2,790,343	\$9,128,270	7	42
Huron River Ventures	Ann Arbor	Washtenaw	Venture capital	\$6,000,000	\$1,611,556	\$5,091,667	6	66
Total				\$12,000,000	\$4,401,899	\$14,219,937	13	108

¹ Commitments remain in an MSF account until capital calls are issued. Capital calls are requests from the fund to send a portion of the commitment needed to fund a specific investment or fee. “Capital called for investment” can be greater than the “amount committed” if a fund reinvests proceeds into new investments.

² Jobs are self-reported by portfolio companies, in which the funds invest, and the funds themselves.

PURE MICHIGAN VENTURE DEVELOPMENT FUND

In FY 2013, the Pure Michigan Venture Development Fund (PMVDF) was created to assist in the growth of the venture industry in Michigan by increasing the number of viable venture funds in the state. The program is designed to invest in first and second generation funds in Michigan for the primary purpose of increasing their ability to raise additional funds and become viable funds that will invest more money into Michigan’s venture stage companies.

The MSF committed up to \$4.5 million from the 21st Century Jobs Fund in FY 2013 to split equally between two early stage venture funds. Each fund is required to raise at least \$8 million in additional private investment

in order for the full \$2.25 million investment in each fund to vest in Michigan portfolio companies. As of September 30, 2013, these funds have made investments into nine Michigan companies totaling \$1.5 million.

FY 2013 Michigan investments include:

- **Pinoccio** is an Ann Arbor-based company that is building a software and hardware platform with cloud controllable, low power MESH/WiFi enabled micro controllers and shield assemblies to power the “Internet of Things” revolution.
- **Protean** is an Ann Arbor-based mobile payment company.

PMVMF AWARDS								
Fiscal year 2013: 10/01/2012 - 09/30/2013								
Entity receiving funding	City	County	Type of funding	Amount committed	Capital called for investment ¹	Total private investment	Companies invested in	Jobs created/retained in MI ²
Michigan eLab	Ann Arbor	Washtenaw	Venture capital	\$1,250,000	\$200,000	\$6,425,000	0	1
Resonant Venture Partners	Ann Arbor	Washtenaw	Venture capital	\$1,250,000	\$487,500	\$6,375,600	9	70
Total				\$2,500,000	\$687,500	\$12,800,600	9	71
¹ Commitments remain in an MSF account until capital calls are issued. Capital calls are requests from the fund to send a portion of the commitment needed to fund a specific investment or fee. “Capital called for investment” can be greater than the “amount committed” if a fund reinvests proceeds into new investments.								
² Jobs are self-reported by portfolio companies, in which the funds invest, and the funds themselves.								

PURE MICHIGAN VENTURE MATCH FUND

Under the umbrella of the 21st Century Jobs Fund Initiative, the MSF board has been given the opportunity to foster the growth of innovative companies with the potential for high growth in Michigan by investing in the most promising, nationally competitive, commercialization opportunities. The program objective is to oversee a competitive process to award funds that encourage economic diversification in innovative, competitive edge technology sectors as defined in the MSF Act. Early stage, innovative companies often require venture capital to help bridge critical stages of development and commercialization. The MSF board seeks to bridge this capital gap and help early stage companies develop technologies, grow innovative companies, diversify Michigan's economy and create economic wealth in the state. A funding opportunity has been designed in the area of innovative venture capital. Started in FY 2013, the Pure Michigan Venture Match Fund (PMVMF) sought applications from Michigan companies that have received an equity investment commitment led by qualified venture funds for commercialization and growth purposes to provide a match of the investment.

PMVMF AWARDS				
Fiscal year 2013: 10/01/2012 - 09/30/2013				
Company name	City	County	Equity investment amount	Project highlights
nanoRETE, Inc.	Lansing	Ingham	\$500,000	nanoRETE, Inc. is developing technologies to provide real-time detection of pathogens and toxins using customized, proprietary nanoparticle biosensors. The company is developing a platform that has the ability to test for single or multiple pathogens/toxins using a simple-to-use handheld device that can generate screening results in approximately one hour.
Myine Electronics, Inc.	Ferndale	Oakland	\$387,500	In 2011, Myine Electronics a/k/a Livio started working on a business-to-business product called Livio Connect to help smartphone apps get into cars. The company has seen a strong demand for this type of solution from OEM auto, Tier 1 and Tier 2 suppliers for car radios, Bluetooth chipset makers, and mobile application developers. The company was sold in June 2013. At that time, MSF's equity interest was purchased.
Amplifinity (uRefer, Inc.)	Ann Arbor	Washtenaw	\$375,000	Founded in August 2007, Amplifinity is an enterprise software company that helps companies create a network of "commission only" sales agents who drive referrals and create brand awareness through posting to social media sites.
Gema Diagnostics, Inc.	Ann Arbor	Washtenaw	\$500,000	Gema Diagnostics is a venture-backed molecular diagnostics company that is developing applications to dramatically improve clinical outcomes in in-vitro fertilization (IVF). As Gema enters the market with the company's first diagnostic test, it will establish its own laboratory in the state of Michigan.
Tissue Regeneration Systems, Inc.	Ann Arbor	Washtenaw	\$500,000	Tissue Regeneration Systems (TRS) is a start-up medical device company commercializing a breakthrough skeletal reconstruction and bone regeneration technology platform licensed from the universities of Michigan and Wisconsin.
Knew Deal, Inc. (DBA Stik)	Detroit	Wayne	\$500,000	Knew Deal (Stik.com) is using Facebook to bring the offline small business referral process online. Stik helps small businesses build reputations and positive word-of-mouth and consumers discover businesses recommended by their friends who are known and authenticated. This trusted status makes these referrals enormously valuable.
Total			\$2,762,500	

CAPITAL CONDUIT PROGRAM

The Capital Conduit program was created to make mission investments into public-private partnerships. The program was structured with two initiatives under it: a real estate initiative and an operating company initiative. These structures were approved by the MSF board in 2011 and applications under a request for applications were received, reviewed and awarded in January 2012. Two investments were made into two awardees: Grow Michigan, LLC for the operating company initiative; and Develop Michigan, Inc. for the real estate initiative. These investments are conditioned upon the awardee raising minimum levels of private capital with success measured by attaining specific leverage goals. For Grow Michigan, LLC, the goal is 5:1 and for Develop Michigan, Inc., it is 1:1.

Designed to address growth and transition for small businesses, Grow Michigan, LLC is a public-private partnership between the MEDC, MSF, Crescent Capital LLC, and more than 10 large and small Michigan banks. The fund is designed to operate below the traditional mezzanine markets offering loans from \$500,000

to approximately \$3 million in a subordinated, or secondary, collateral position at attractive rates. This capital, delivered in conjunction with a senior bank lender, can help a business grow into new contracts or finance succession/acquisition events. The fund's projects must meet public policy goals including supporting job creation and investment in Michigan.

Develop Michigan, Inc. (DMI) is a public-private partnership between the MEDC, MSF, Great Lakes Capital Fund and Development Finance Group. A non-profit development finance organization, DMI is designed to finance commercial real estate projects throughout the state to stimulate community and economic development. The organization received a commitment from the MSF of up to \$20 million, which is aimed at leveraging private capital at a ratio of five private dollars for every one MSF-contributed dollar once fund raising is completed. The core activities of the fund include senior and mezzanine loans to high-value community development projects.

CAPITAL CONDUIT AWARDS as of September 30, 2013

Entity receiving funding	City	County	Type of funding	Amount committed	Capital called for investment ¹	Total private investment	Companies invested in
Grow Michigan, LLC ²	Plymouth	Wayne	Loan	\$500,000 ⁴	\$500,000	N/A	N/A
Grow Michigan, LLC	Plymouth	Wayne	Investment	\$9,500,000	\$1,040,864	\$26,500,400	5
Develop Michigan, Inc. ³	Lansing	Ingham	Loan	\$500,000 ⁴	\$500,000	N/A	N/A
Develop Michigan, Inc.	Lansing	Ingham	Loan	\$19,500,000	\$0	\$25,500,000	0
Total				\$30,000,000	\$2,040,864	\$52,000,400	5

¹ Commitments remain in an MSF account until capital calls are issued. Capital calls are requests from the fund to send a portion of the commitment needed to fund a specific investment or fee. "Capital called for investment" can be greater than the "amount committed" if a fund reinvests proceeds into new investments.

² Grow Michigan, LLC received a commitment from the MSF of up to \$9.5 million contingent upon private investment subscriptions to the fund. As of September 30, 2013, Grow Michigan, LLC could access up to \$4.5 million of the total MSF commitment based on its private investment subscriptions.

³ Develop Michigan, Inc. received a loan from the MSF in the amount of \$19.5 million contingent upon raising at least \$25.5 million dollars in private investment. The minimum leverage threshold to close the fund and activate 100 percent of the \$19.5 million loan has been achieved. The fund, however, remains open to additional fund raising with a fund target size of \$100 million.

⁴ Both Grow Michigan, LLC and Develop Michigan, Inc. received two separate awards; the \$500,000 loans to each organization are to be used for start-up and administrative costs.

FOLLOW-ON FUND

To maximize the economic impact of the portfolio of investments, the MEDC manages a \$6 million Follow-on Fund created in 2009 to fill a critical gap currently existing in the marketplace and to support portfolio companies that received funding through the 21st Century Jobs Fund, the Michigan Technology Tri-Corridor, the Michigan Life Sciences Corridor and pre-seed funds.

These funds assist portfolio companies to move to a stage where commercial opportunities (e.g. licensing, seed or equity funds) can be secured.

Funds can support further scientific and technical development of an idea as well as activity gauged toward improving an intellectual property position, market research, potential licensees, joint ventures and venture financing. The fund is intended to bridge the gap between traditional research grants, angel and pre-seed investments to commercial funding by supporting the very early stage of turning research outputs into a commercial proposition. In FY 2013, MEDC corporate funding supported four Follow-on Fund loans totaling \$794,000.

PRIVATE ACTIVITY BONDS

Private Activity Bonds (PABs) provide companies with capital cost savings stemming from the difference between taxable and tax-exempt interest rates. The MSF has the authority to provide tax-exempt federal bonds. These bonds finance manufacturing projects, not-for-profit corporation projects, and solid or hazardous waste disposal facilities. PABs lower the cost of capital for mature firms and help address a critical gap in project financing throughout the state.

TAX-EXEMPT BONDS						
Fiscal year 2013: 10/01/2012 - 09/30/2013						
Date issued	End date	Company	City	County	Approved amount	Type
3/14/13	12/31/19	Erwin Quarder, Inc.	Grand Rapids	Kent	\$1,686,000	Manufacturing refunding and new
5/2/13	12/31/33	Prefix Corporation/Prefix Coatings, LLC	Auburn Hills/Rochester Hills	Oakland	\$5,215,000	New manufacturing
4/10/13	12/31/28	Almond Products, Inc./Pioneer Investment Co., LLC	Spring Lake Township	Ottawa	\$5,570,000	Manufacturing refunding
Total					\$12,471,000	

MISCELLANEOUS BONDS						
Fiscal year 2013: 10/01/2012 - 09/30/2013						
Date issued	End date	Company	City	County	Approved amount	Type
7/9/13	12/31/23	Resthaven	Holland	Allegan	\$5,100,000	501(c)(3) refunding and new
4/1/13	12/31/43	Van Andel Research Institute	Grand Rapids	Kent	\$200,000,000	501(c)(3) refunding
2/7/13	12/31/47	Evangelical Homes of Michigan	Saline/Sterling Heights	Washtenaw/Macomb	\$23,910,000	501(c)(3) refunding and new
9/6/13	12/31/25	NSF International	Ann Arbor Charter Township	Washtenaw	\$22,250,000	501(c)(3) refunding and new
9/6/13	12/31/43	United Methodist Retirement Communities, Inc.	Chelsea	Washtenaw	\$11,000,000	New 501(c)(3)
7/25/13	12/31/30	Detroit Renewable Power	Detroit	Wayne	\$27,535,000	Solid waste
7/25/13	12/31/30	Detroit Thermal	Detroit	Wayne	\$27,430,000	Local district heating and cooling
Total					\$317,225,000	

MICHIGAN ECONOMIC GROWTH AUTHORITY PROGRAM

The Michigan Economic Growth Authority (MEGA) offers a refundable tax credit against the Michigan Business Tax (MBT) to companies expanding or relocating their operations in Michigan. MEGA addresses the cost differentials between Michigan and competing states to provide companies with a strong business case to choose Michigan.

On January 1, 2012, the MBT was eliminated and replaced by the corporate income tax (CIT). The new CIT eliminates almost all tax credits, including MEGA credits; however, any taxpayer that had an existing tax credit (“certificated credit”) approved and executed before January 1, 2012, will have the opportunity to realize the full benefits of their credit. The new tax system allows taxpayers the opportunity to receive the benefits of their certificated credits by electing to continue to file the MBT for the duration of their credits.

With the repeal of the MBT and the transfer of the MEGA to the MSF by Executive Order 2012-09, there

were no MEGA agreements executed in FY 2013, and no authority exists to award new tax credits against the MBT.

In the FY 2013 reporting year, the MEGA received 193 annual certificate applications. All MEGA applications and supporting documentation are reviewed for compliance prior to approval and all self-reported data is validated. After being reviewed, approved and issued a tax credit certificate, the company is responsible for attaching the signed MEGA tax credit certificate to its MBT filing to obtain a credit or refund, depending on its tax liability, from the Michigan Department of Treasury.

The MSF and MEDC now administer the appropriation-based Michigan Business Development Program and Michigan Community Revitalization Program which provides incentives for highly competitive projects in Michigan.

MICHIGAN RENAISSANCE RECOVERY ZONE PROGRAM

The Michigan Renaissance Zone initiative was established in 1996 to foster economic development; industrial, commercial, and residential improvements; prevent physical and infrastructure deterioration of defined areas; and provide for the reuse of unproductive or abandoned industrial properties. Originally, the program created nearly tax-free zones within regions for any business or resident presently in or moving into a zone for a period up to 15 years, known as geographic renaissance zones. Today, renaissance zones consist of various types of renaissance zone designations, including MSF-designated Renaissance Zones that specifically address project-driven designation requests, agricultural processing renaissance zones, forest

products processing renaissance zones, and renewable energy renaissance zones. In all cases, the tax relief is phased out in 25 percent increments over the last three years of the zone designation.

Many of the original geographic renaissance zones have begun to phase out. In 2008, a legislative amendment allowed a portion of an already designated geographic zone to receive a time extension or new subzone under certain conditions. These zones are required to have a job creation or capital investment to be eligible. The MSF board had the authority to grant these new subzones and time extensions only through December 31, 2011.

MICHIGAN RENAISSANCE ZONE ACTIVITY Fiscal year 2013: 10/01/2012 - 09/30/2013

MSF board date	Company or Renaissance Zone	Location	County	MSF board action
10/24/12	Western U.P. Recycling Center, LLC	Township of Wakefield	Gogebic	Time-extended Geographic Renaissance Zone revocation: Failure to comply with terms of development agreement
10/24/12	Renewafuel, LLC	Township of Forsyth	Marquette	Time-extended Geographic Renaissance Zone transfer/revocation: Part of Renaissance Zone was transferred to RNFL Acquisition, LLC and part was revoked
10/24/12	Michigan Biodiesel, LLC	City of Bangor	Van Buren	Agricultural Processing Renaissance Zone revocation: Failure to comply with terms of the development agreement
11/28/12	Shoreline Fruit, LLC	Township of Acme	Grand Traverse	Agricultural Processing Renaissance Zone revocation and reissuance: Changes in project required boundary modification
11/28/12	Eyde Knapp Development, LLC	City of Lansing	Ingham	Geographic Renaissance Zone subzone amendment: Resolved development agreement compliance issue
11/28/12	Energetx Composites, LLC	Charter Township of Holland	Ottawa	Renewable Energy Renaissance Zone revocation: failure to comply with terms of the development agreement
12/19/12	Terex USA, LLC	Village of Farwell	Clare	Time-extended Geographic Renaissance Zone transfer: Woodsman, LLC's Zone was transferred to Terex USA, LLC due to a change in ownership
12/19/12	MPI Research, Inc.	City of Kalamazoo	Kalamazoo	Time-extended Geographic Renaissance Zone amendment: part of the Zone was revoked, the duration of the remaining Zone was reduced
12/19/12	La-Z-Boy, Inc.	City of Monroe, Township of Frenchtown	Monroe	Approval of a new MSF-Designated Renaissance Zone

MICHIGAN RENAISSANCE RECOVERY ZONE PROGRAM *continued*
MICHIGAN RENAISSANCE ZONE ACTIVITY *continued*
Fiscal year 2013: 10/01/2012 - 09/30/2013

MSF board date	Company or Renaissance Zone	Location	County	MSF board action
1/23/13	Whirlpool Corporation	City of Benton Harbor	Berrien	Time-extended Geographic Renaissance Zone amendment: Approval of land transfer to Cornerstone Alliance and extended deadline for capital investment milestone
2/27/13	United Solar Ovonix, LLC	City of Battle Creek	Calhoun	MSF-Designated Renaissance Zone revocation: Failure to comply with terms of the development agreement
2/27/13	Mobis North America LLC	City of Detroit	Wayne	Time-extended Renaissance Zone amendment: Approval of land transfer to Sakthi Automotive
2/27/13	Dow Kokam MI LLC	City of Midland	Midland	MSF-designated Renaissance Zone amendment: Extended deadline for job creation milestone
2/27/13	1208 Woodward LLC	City of Detroit	Wayne	Renaissance Zone subzone amendment: Approval of modifications in project timeline due dates in exchange for additional milestones
4/24/13	JMWingard LLC	City of Coldwater	Branch	Time-extended Renaissance Zone revocation: Failure to comply with terms of the development agreement
8/28/13	Frontier Renewable Resources LLC	Charter Township of Kinross	Chippewa	Renewable Energy Renaissance Zone revocation: failure to comply with terms of the development agreement
9/25/13	Lawton Processing LLC	Township of Porter	Van Buren	Agricultural Processing Renaissance Zone revocation: Failure to comply with terms of the development agreement
9/25/13	Dairy Farmers of America, Inc.	Village of Cass City	Tuscola	Approval of a new Agricultural Processing Renaissance Zone

MICHIGAN TOOL & DIE RENAISSANCE RECOVERY ZONE PROGRAM

Michigan tool and die companies wrestle with economic challenges ranging from foreign competition to decreased ordering and cash flow problems as the automotive industry adjusts to its new 21st century realities. During the economic downturn, many of those companies struggled to stay in business. The Tool and Die Renaissance Recovery Zone program helped Michigan's tool and die industry to reinvent and innovate. The program provides tax free status to companies willing to work collaboratively with

other in-state tool and die businesses. The Tool and Die Renaissance Recovery Zone is an industry-based and company-specific collaborative of numerous companies sharing resources to receive the renaissance zone benefit. A recovery zone may have a duration of a renaissance zone status for a period of not less than five years and not more than 15 years. Tax relief is phased out in 25 percent increments over the last three years of the zone designation.

TOOL & DIE RECOVERY ZONE ACTIVITY Fiscal year 2013: 10/01/2012 - 09/30/2013

MSF board date	Company or Renaissance Zone	Location	County	MSF board action
10/24/12	United Engineered Tooling, Inc.	Charter Township of Garfield	Grand Traverse	Revocation and reissuance of Recovery Zone for the purpose of relocation; member of the Northwest Michigan Tooling Coalition
10/24/12	Praet Tool & Engineering, Inc.	Charter Township of Macomb	Macomb	Approval of an additional five years for a total of 10 years—end date is now 12/31/2020; member of the Michigan International Tooling Alliance
10/24/12	Paramount Tool & Die, Inc.	Township of Wright	Ottawa	Revocation and reissuance of Recovery Zone for the purpose of relocation; member of Great Lakes Tool & Die Collaborative
10/24/12	True Industrial Corporation (DBA Centerline Die & Engineering)	City of Warren	Macomb	Approval of a new company joining the Eastern Michigan Tool & Die Collaborative to begin 1/1/2013 and end 12/31/2017
11/28/12	Tower Tool & Manufacturing Co.	Charter Township of Macomb	Macomb	Approval of a new company joining the Great Lakes Tool & Die Collaborative to begin 1/1/2013 and end 12/31/2017
11/28/12	KEO Cutters LLC	City of Warren	Macomb	Approval of transfer of Recovery Zone from KEO Cutters, Inc. to KEO Cutters, LLC and approval of an additional five years for a total of 10 years—end date is now 12/31/2020; member of the Michigan International Tooling Alliance
11/28/12	Kelm Acubar LC	Charter Township of Benton	Berrien	Approval of a new company joining the Berrien Tooling Coalition to begin 1/1/2013 and end 12/31/2019
11/28/12	Ideal Tool, Inc.	City of Bay City	Bay	Revocation of existing Tool & Die Recovery Zone property; member of the American Tooling & Manufacturing Coalition

MICHIGAN TOOL & DIE RENAISSANCE RECOVERY ZONE PROGRAM *continued*

TOOL & DIE RECOVERY ZONE ACTIVITY *continued* Fiscal year 2013: 10/01/2012 - 09/30/2013

MSF board date	Company or Renaissance Zone	Location	County	MSF board action
11/28/12	Arbor Gage and Tooling, Inc.	City of Grand Rapids	Kent	Revocation and reissuance of Recovery Zone for the purpose of relocation and approval of an additional five years for a total of 10 years—end date is now 12/31/2020; member of the Michigan International Tooling Alliance
12/19/12	Ultimate Gaging Systems, Inc.	City of Grand Rapids	Kent	Approval of a new company joining the Tooling Systems Group Collaborative to begin 1/1/2013 and end 12/31/2017
12/19/12	Troy Industries, Inc.	Charter Township of Shelby	Macomb	Approval of an additional five years for a total of 10 years—end date is now 12/31/2020; member of the Michigan International Tooling Alliance
12/19/12	Tri-Mation Industries, Inc.	Village of Mattawan	Van Buren	Revocation and reissuance of Recovery Zone for the purpose of relocation; member of the Southwest Michigan Tooling Collaborative
12/19/12	Steel Craft Technologies, Inc.	City of Grand Rapids	Kent	Approval of a company adding a second location to the Tooling Systems Group Collaborative Recovery Zone to begin 1/1/2013 and end 12/31/2017
12/19/12	Schwab Industries, Inc.	Charter Township of Shelby	Macomb	Approval of an additional five years for a total of 10 years—end date is now 12/31/2019; member of the Global Tooling Alliance
12/19/12	Proper Group International, Inc.	City of Warren	Macomb	Approval of an additional five years for a total of 10 years—end date is now 12/31/2019; member of the Eastern Michigan Tool & Die Collaborative
12/19/12	Lansing Tool and Engineering, Inc.	City of Lansing	Ingham	Revocation of existing Tool & Die Recovery Zone property; member of the United Tooling Coalition
12/19/12	Krieger Craftsmen, Inc.	City of Walker	Kent	Approval of an amendment for existing Recovery Zone to add new contiguous property for the remaining duration of agreement
12/19/12	KBE Precision Products LLC	City of New Baltimore	Macomb	Approval of a new company joining the Third Coast Tooling Alliance to begin 1/1/2013 and end 12/31/2017
12/19/12	Hot Stamp Tooling Systems LLC	City of Grand Rapids	Kent	Approval of a new Company joining the Tooling Systems Group to begin 1/1/2013 and end 12/31/2017
12/19/12	Hi-Tech Tool Industries, Ltd.	City of Sterling Heights	Macomb	Approval of an additional five years for a total of 10 years—end date is now 12/31/2018; member of the American Tooling and Manufacturing Coalition
12/19/12	Fori Automation, Inc.	Charter Township of Shelby	Macomb	Approval of an amendment for existing Recovery Zone to add new contiguous property and approval of an additional five years for a total of 10 years—end date is now 12/31/2019; member of the Global Tooling Alliance

MICHIGAN TOOL & DIE RENAISSANCE RECOVERY ZONE PROGRAM *continued*

TOOL & DIE RECOVERY ZONE ACTIVITY <i>continued</i> Fiscal year 2013: 10/01/2012 - 09/30/2013				
MSF board date	Company or Renaissance Zone	Location	County	MSF board action
12/19/12	Concept Tooling Systems, Inc.	City of Grand Rapids	Kent	Revocation and reissuance of Recovery Zone for the purpose of relocation; member of the Tooling Systems Group
12/19/12	Baker Aerospace Tooling & Machining, Inc.	Charter Township of Macomb	Macomb	Approval of an amendment for existing Recovery Zone to add new contiguous property for the remaining duration of agreement
12/19/12	Baker Aerospace Tooling & Machining, Inc.	Charter Township of Macomb	Macomb	Approval of a company adding a second location to the Third Coast Tooling Alliance Recovery Zone to begin 1/1/2013 and end 12/31/2019
12/19/12	Advanced Tooling Systems, Inc.	City of Grand Rapids	Kent	Approval of a company adding a second location to the Tooling Systems Group Recovery Zone to begin 1/1/2013 and end 12/31/2017
12/19/12	3DM Source, Inc.	City of Grand Rapids	Kent	Approval of a new company joining the Tooling Systems Group to begin 1/1/2013 and end 12/31/2017
8/28/13	Imperial Laser, Inc.	City of Grand Rapids	Kent	Revocation of existing Tool & Die Recovery Zone property; member of the Central Michigan Collaborative
8/28/13	H.S. Technologies, Inc.	City of Grand Rapids	Kent	Revocation of existing Tool & Die Recovery Zone property; member of the Coopersville Tooling Coalition
8/28/13	L.S. Precision Tool & Die, Inc.	City of Battle Creek	Calhoun	Revocation of existing Tool & Die Recovery Zone property; member of the Southwest Michigan Tooling Collaborative
8/28/13	Kraftwood Engineering Company	City of Walled Lake	Oakland	Revocation of existing Tool & Die Recovery Zone property; member of the Third Coast Tooling Alliance
9/25/13	Labor Aiding Systems Corporation	Township of Napoleon	Jackson	Approval of transfer of Recovery Zone from Labor Aiding Systems, Inc. to Labor Aiding Systems Corporation; member of Automation & Tooling Alliance of North America
9/25/13	Accu-Mold LLC	City of Portage	Kalamazoo	Approval of transfer of Recovery Zone from Accu-Mold, Inc. to Accu-Mold, LLC; member of United Tooling Coalition

COMMUNITY ASSISTANCE AND DEVELOPMENT

The MEDC community development focus is on creating vibrant, sustainable and unique places by providing economic development services and programs to attract and retain talent in Michigan communities. Customers are communities with a traditional downtown. Community development focuses on transformation projects from a local and regional perspective. The Community Assistance Team (CA Team) services intake for all projects that are eligible for the Michigan Community Revitalization program and the Community Development Block Grant program. From a technical assistance standpoint, the CA Team tracks over 20 programs that can be implemented at the local level and has the ability to provide expertise upon implementation. In FY 2013, the CA Team made 508 in-person visits, which include community visits, project scoping, presentations and other meetings. Community development projects generated over 1,664 jobs and \$535,833,155 in private investment.

The CA Team has built partnerships within MEDC, neighborhood organizations, and regional agencies to assist the development or redevelopment of Michigan's downtowns. The team also provides services to complement the placemaking efforts of the Michigan State Housing Development Authority, Michigan Department of Transportation, Michigan Department of Agriculture and Rural Development, Michigan Department of Natural Resources, and Michigan Department of Environmental Quality.

As part of the overall community development work, the MEDC's Redevelopment Ready Communities® (RRC) program is supporting communities statewide to be development ready and competitive in today's economy. By promoting the use of effective

redevelopment strategies through a set of best practices, RRC challenges communities to proactively plan their future. A community must demonstrate all best practice components in order to receive RRC certification. RRC is assisting in the reinvention of government by formally recognizing a community for being efficient and predictable in its policies, processes and procedures, making it more attractive for investments to be made that create thriving places and attract and retain talent.

In FY 2013, the RRC program held the first open application round. Thirty-six communities applied to receive an in-depth assessment and a report of findings including recommended implementation strategies. The top eight scoring applicants were selected to formally engage in the program and begin the path to achieving RRC certification. The training series is aimed at building capacity of local governments in communities eager to work toward and adopt RRC best practices.

In August 2013, the MEDC announced the approval of \$200,000 in grants for 10 farmers markets around the state. The Farmers Market grant program provides one-time grants between \$10,000 and \$50,000 to existing farmers markets that have been in operation for at least four years in Michigan.

The Mobile Cuisine Startup program awarded \$77,775 in grants to eight food trucks throughout the state in FY 2013. The program is intended to expand the mobile cuisine, or food truck, industry in Michigan. One-time grants of up to \$10,000 are awarded to new food truck businesses or growing pre-existing businesses to assist with community and economic development by increasing pedestrian traffic in downtowns and traditional commercial cores.

COMMUNITY DEVELOPMENT PLACEMAKING TOOLS TRAINING SESSIONS

Fiscal year 2013: 10/01/2012 - 09/30/2013

Gaylord	36
Kalamazoo	34
Lansing	38
Marquette	30
Portland	47
Total attendees	185

COMMUNITY ASSISTANCE AND DEVELOPMENT *continued*

REDEVELOPMENT READY COMMUNITIES®			
Fiscal year 2013: 10/01/2012 - 09/30/2013			
Community	Status	Community	Status
Cascade Township	Engaged in training	City of Muskegon	RRC community
City of Allegan	RRC community	City of Novi	RRC community
City of Alma	Engaged in training	City of Plainwell	Engaged in training
City of Ann Arbor	RRC community	City of Rose City	Engaged in training
City of Bay City	Engaged in training	City of Roseville	Engaged in training
City of Boyne City	RRC community	City of Saginaw	Engaged in training
City of Burton	Engaged in training	City of Sault Ste. Marie	Engaged in training
City of Dearborn	Engaged in training	City of St. Louis	Engaged in training
City of East Lansing	RRC community	City of Southfield	RRC community
City of Eastpointe	RRC community	City of Ypsilanti	RRC community
City of Ferndale	RRC community	Eastern Michigan Council of Governments	Engaged in training
City of Flint	Engaged in training	Macomb Township	Engaged in training
City of Gladwin	Engaged in training	Meridian Township	Engaged in training
City of Grand Blanc	Engaged in training	Northwest Michigan Council of Governments	Engaged in training
City of Imlay City	Engaged in training	Oakland County	Engaged in training
City of Ionia	Engaged in training	Village of Almont	Engaged in training
City of Lansing	RRC community	Village of Edmore	Engaged in training
City of Lathrup Village	RRC community	Village of Quincy	Engaged in training
City of Lincoln Park	RRC community		
City of Mt. Pleasant	Engaged in training		

MICHIGAN COMMUNITY REVITALIZATION PROGRAM

Legislative report for fiscal year 2013 as of September 30, 2013

Enabling legislation for Michigan Community Revitalization Program (MCRP) was signed into law on December 13, 2011. On the following pages is a detailed spreadsheet (exhibit 1) showing the specifics of each approved project.

The program's purpose is to accelerate private investment in Michigan's communities through the redevelopment of functionally obsolete properties, reduction of blight and the reuse of brownfield and historic properties. Job creation is not a focus of this program. FY 2013 represents the second full year of the transition from Brownfield tax credits to MCRP, a grant and loan program. MCRP functions as a deal closing mechanism to address cost gaps and market deficiencies. The program provides grants upon completion of projects that offsets the excess costs of the redevelopment opportunity. Loans and other investment vehicles also are provided in conjunction with senior lenders and are required for any incentive over \$1 million.

During the fiscal year, 33 projects were approved by the MSF board or by delegated authority. Of the 33 projects that were approved, 21 projects were awarded grants, two projects were awarded loans originated by the MSF and one project was awarded a combination of loan and grant funds. Additionally, the MSF authorized nine awards of other forms of economic assistance as allowed by the statute. These awards include loan participations and collateral support in conjunction with a senior lender, as well as equity contribution through a partnership with the development entity. The members of the MSF board are notified of the delegated projects as they occur and all awards are posted on the MEDC's website.

The typical duration of a MCRP grant is a 24-month construction period after the agreement is signed prior to funding at the end of the project. This is then followed by approximately 36 months of post-funding

compliance. For a MCRP loan or other investment vehicle, the term typically matches the bank, which acts as the senior lender for the project. These loans and other investments are typically 5–7 years in length including the construction period. The MSF will match the term of the senior lender.

The total administrative costs for MCRP and the Michigan Business Development Program (MBDP) in FY 2013 were \$1,445,950. Administrative costs were charged to the business attraction and economic gardening appropriation line item of \$100 million pursuant to Public Act 200 of 2012. These administrative costs were not assigned specifically to each program.

The program did not have any finalized written agreements at the beginning of FY 2013; 23 agreements were executed during the reporting period.

As required to be reported under the statute, the details of the approved and MSF-originated loan to Whitney Partners, LLC is provided in exhibit 2. The project was approved for a \$1 million grant; a \$7.5 million loan may be issued if all project requirements are met.

Additionally, one project was granted an MCRP grant valued at \$1,000,000 based on a waiver to the MCRP guidelines. The waived requirement was that the project be located within a downtown or traditional commercial center. Kirco CH Distribution, LLC and Henry Ford Health Systems were granted the waiver based on the significant impact the project will have in reactivating approximately 23 acres of blighted and contaminated property. This project will jumpstart Henry Ford Health System's 10 year plan to invest \$500 million in the reactivation and redevelopment of over 300 acres in the city of Detroit. The overall development plan will help to connect the efforts taking place in the Midtown and New Center areas of the city by focusing on the redevelopment of the blocks between I-94, the Lodge Freeway, Rosa Parks Boulevard and Grand Boulevard.

MICHIGAN COMMUNITY REVITALIZATION PROGRAM *continued*

EXHIBIT 1
MICHIGAN STRATEGIC FUND ACT: MICHIGAN COMMUNITY REVITALIZATION PROGRAM
 Legislative report for fiscal year 2013 as of September 30, 2013

MSF BOARD ACTION TAKEN—AGREEMENT EXECUTED

Fiscal year approved	Company name	City	County	Project type	Incentive type	MSF approval	Approved amount	Actual amount disbursed	Proposed private investment amount ¹	Actual private investment attracted ²	Commercial-square footage revitalized/ added	Residential-square footage revitalized/ added	Retail-square footage revitalized/ added	Number of residential units revitalized/ added	Projected return on investment ³	Actual return on investment ⁴
FY 2012	Woodward Theater, LLC*	Detroit	Wayne	New	Loan participation	4/17/12	\$750,000	\$750,000	\$12,389,857	\$3,000,721	32,000	0	0	0	34%	-32%
	Ionia Ventures, LLC	Grand Rapids	Kent	New	Grant	6/11/12	\$361,500	\$361,500	\$6,499,500	\$6,730,000	12,500	24,000	5,000	25	12%	20%
	Arcadia Brewing Company	Kalamazoo	Kalamazoo	New	Grant	6/25/12	\$575,000	\$0	\$2,300,000	\$3,270,200	0	0	0	0	-	-
	Enmar, LLC	Kalamazoo	Kalamazoo	New	Grant	6/25/12	\$425,000	\$0	\$3,165,000	\$3,374,384	0	0	0	0	-	-
	313 East Grand River, LLC	Lansing	Ingham	New	Grant	9/24/12	\$68,187	\$0	\$682,284	\$708,581	1,859	0	450	0	-	-
	Uptown RDA, LLC	Flint	Genesee	New	Grant	9/24/12	\$625,000	\$0	\$3,724,778	\$3,431,048	22,116	0	0	0	-	-
	Sherbrooke Land Company, LLC	Detroit	Wayne	New	Grant	9/26/12	\$599,412	\$0	\$3,509,615	\$3,126,220	0	19,260	0	14	-	-
FY 2013	Detroit Mutt LLC	Detroit	Wayne	New	Grant	10/23/12	\$38,000	\$0	\$486,414	\$430,000	0	0	0	0	-	-
	Shiawassee Center*	Owosso	Shiawassee	New	Grant	10/23/12	\$446,000	\$0	\$7,385,496	\$6,093,750	0	0	0	0	-	-
	614 First Street Partners, LLC*	Grand Rapids	Kent	Relocation	Grant	11/14/12	\$1,000,000	\$0	\$7,935,000	\$6,935,000	69,283	0	0	0	-	-
	Veridea Group*	Marquette	Marquette	New	Loan participation	11/28/12	\$1,857,151	\$1,857,151	\$9,739,432	\$7,838,207	28,406	0	0	0	8%	0%
	Lofts on Monroe, LLC	Grand Rapids	Kent	New	Grant	12/14/12	\$475,000	\$0	\$3,460,723	\$3,325,000	0	0	0	0	-	-
	833 Michigan Street, LLC*	Grand Rapids	Kent	New	Grant	12/27/12	\$922,552	\$0	\$5,879,420	\$3,630,507	11,000	7,500	7,500	8	-	-
	Whitney Partners, LLC*	Detroit	Wayne	New	Loan; grant	1/23/13	\$8,500,000	\$1,000,000	\$82,537,141	\$12,800,000	0	0	0	0	4%	14%
	Heart of Howell	Howell	Livingston	New	Grant	1/30/13	\$375,868	\$0	\$2,498,242	\$1,251,194	17,282	0	3,088	0	-	-
	1205 West Fulton, LLC *	Grand Rapids	Kent	New	Grant	2/20/13	\$207,190	\$207,190	\$1,230,040	\$1,230,040	0	0	10,000	0	6%	-49%
	521, LLC	Spring Lake	Ottawa	New	Grant	2/21/13	\$70,535	\$0	\$440,162	\$420,000	0	0	0	0	-	-
	Grand Rapids Downtown Market Holdings*	Grand Rapids	Kent	New	Loan participation	2/27/13	\$3,000,000	\$3,000,000	\$30,165,835	\$24,000,000	137,200	0	1,200	0	0%	0%
	Blue Star 2, LLC	Benton Harbor	Berrien	New	Grant	3/5/13	\$823,250	\$0	\$3,763,000	\$1,882,500	0	0	0	0	-	-
	Gulf Shore Investments, LLC*	Bay City	Bay	New	Grant	3/27/13	\$1,000,000	\$0	\$7,727,593	\$1,630,175	0	0	0	0	-	-
	Corlin Builders, Inc.	Fenton	Genesee	New	Grant	4/30/13	\$880,000	\$0	\$5,179,250	\$939,852	0	0	12,000	23	-	-
	The Historic Vogue Theatre of Manistee	Manistee	Manistee	New	Grant	4/30/13	\$503,592	\$0	\$2,354,824	\$1,605,000	0	0	0	0	-	-
Eastern Market Corporation	Detroit	Wayne	Expansion	Grant	5/16/13	\$1,000,000	\$0	\$8,224,030	\$2,667,000	20,000	0	20,000	0	-	-	
Total							\$24,503,237	\$7,175,841	\$211,277,636	\$100,319,379	351,646	50,760	59,238	70		

¹ The investment the company stated on its application and what is expected to occur upon completion of the project.

² The company's investment in the project as of the end of the reporting period.

³ The ratio of annual before-tax cash flow to the total amount of cash invested, including contributed land, expressed as a percentage.

⁴ Projects with a negative return on investment have recently begun operations and have not yet generated a positive cash flow.

⁵ This is calculated based on the reported current taxable value less the taxable value at the time of application.

*Project has been approved for additional incentives such as Brownfield TIE, Brownfield MBT or CDBG.

MICHIGAN COMMUNITY REVITALIZATION PROGRAM *continued*

EXHIBIT 1 *continued*
MICHIGAN STRATEGIC FUND ACT: MICHIGAN COMMUNITY REVITALIZATION PROGRAM
 Legislative report for fiscal year 2013 as of September 30, 2013

MSF BOARD ACTION TAKEN—NO AGREEMENT EXECUTED

Fiscal year approved	Company name	City	County	Project type	Incentive type	MSF approval	Amount awarded	Actual amount disbursed	Proposed private investment amount ¹	Actual private investment attracted ²	Commercial—square footage revitalized/ added	Residential—square footage revitalized/ added	Retail—square footage revitalized/ added	Number of residential units revitalized/ added	Projected return on investment ³	Actual return on investment ⁴
FY 2012	Ellington WF, LLC*	Detroit	Wayne	New	Grant	6/4/12	\$1,000,000	\$0	\$14,847,904							
FY 2013	1212 Griswold Street LLC*	Detroit	Wayne	New	Loan participation	5/22/13	\$6,000,000	\$0	\$37,619,260							
	Kirco CH Distribution, LLC and Henry Ford Health System*	Detroit	Wayne	New	Grant	6/26/13	\$1,000,000	\$0	\$29,866,172							
	Uptown Reinvestment Corp. and URC FJ, LLC	Flint	Genesee	New	Equity investment	6/26/13	\$5,649,071	\$0	\$30,654,023							
	Harbor Village at Harbor Shores, LLC*	St. Joseph	Berrien	New	Grant	7/24/13	\$900,000	\$0	\$19,702,465							
	NewGAR, LLC	Detroit	Wayne	New	Collateral support	7/24/13	\$660,000	\$0	\$4,439,000							
	618 South Main LLC*	Ann Arbor	Washtenaw	New	Loan	7/24/13	\$3,000,000	\$0	\$37,047,208							
	Ben's 314, LLC	Port Huron	St. Clair	New	Grant	7/25/13	\$217,500	\$0	\$1,130,000							
	609 E. Kirby Lofts LLC*	Detroit	Wayne	New	Loan participation	7/31/13	\$1,000,000	\$0	\$6,562,627							
	Herkimer Apartments LDHA LP	Grand Rapids	Kent	Expansion	Grant	8/27/13	\$305,157	\$0	\$17,065,769							
	Dwelling Place of Grand Rapids, Inc.	Grand Rapids	Kent	New	Grant	8/27/13	\$293,659	\$0	\$1,487,510							
	Mid Towne Hospitality, LLC*	Grand Rapids	Kent	New	Loan participation	8/28/13	\$3,000,000	\$0	\$27,018,173							
	Woodward Brown Associates, LLC	Birmingham	Oakland	New	Loan participation	9/25/13	\$3,278,890	\$0	\$27,790,284							
	1145 Griswold Street LLC*	Detroit	Wayne	New	Loan participation	9/25/13	\$4,114,456	\$0	\$22,523,488							
	Parkland Muskegon*	Muskegon	Muskegon	New	Loan	9/25/13	\$1,950,000	\$0	\$10,700,000							
	Hotel Sterling II, LLC	Wyandotte	Wayne	New	Grant	9/25/13	\$445,000	\$0	\$2,515,938							
Downtown Muskegon Development Co.	Muskegon	Muskegon	Relocation	Grant	9/27/13	\$710,000	\$0	\$3,971,900								
Harbortown Riverside, LLC and Harbortown Riverside Financing, Inc.*	Detroit	Wayne	New	Grant	9/27/13	\$1,000,000	\$0	\$19,936,653								
Total							\$34,523,733	\$0	\$314,878,374							
Grand total							\$59,026,970	\$7,175,841	\$526,156,010	\$100,319,379	351,646	50,760	59,238	70		

Not applicable

Total projects: 41
Total written agreements: 23
Aggregate increase in taxable value:⁵ \$7,901,573

¹ The investment the company stated on its application and what is expected to occur upon completion of the project.

² The company's investment in the project as of the end of the reporting period.

³ The ratio of annual before-tax cash flow to the total amount of cash invested, including contributed land, expressed as a percentage.

⁴ Projects with a negative return on investment have recently begun operations and have not yet generated a positive cash flow.

⁵ This is calculated based on the reported current taxable value less the taxable value at the time of application.

*Project has been approved for additional incentives such as Brownfield TIF, Brownfield MBT or CDBG.

MICHIGAN COMMUNITY REVITALIZATION PROGRAM *continued*

Legislative report for fiscal year 2013 as of September 30, 2013

Exhibit 2

MSF LOAN SUMMARY

Borrower: Whitney Partners, LLC

Senior lender: Bank of America

MSF loan amount: Up to \$7,500,000 not to exceed 25 percent of eligible investment when combined with the MCRP performance-based grant of \$1,000,000.

Interest rate: 7 percent

Collateral: Real estate mortgage and assignment of leases and rents. Matches senior lender; subject to Subordination Non-Disturbance Agreement.

Guarantee: Full recourse to the Roxbury Group, LLC and Trans INNS Management, Inc., as well as key principals of those entities. Matches senior lender; subject to subordination non-disturbance agreement

Term: Not to exceed 84 months.

Success fee: A maximum of 5 percent of the \$7,500,000 at any sale or refinance paid to the MSF.

Funding: Certificate of occupancy and other performance criteria to be contained in final loan documents.

Repayment: Monthly payments of principle and interest amortized over 20 years.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) program is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development. Funds are used to provide grants to counties, cities, villages, and townships, usually with populations under 50,000, for economic development, community development, and housing projects. The MSF, in cooperation with the MEDC, administers the economic development and community development portions of the program. Listed below are the communities that have submitted a full application and have been authorized by the MSF board to execute a grant agreement.

CDBG GRANT AWARDS Fiscal year 2013: 10/01/2012 - 09/30/2013			
Pass-thru grantee	County	Project description	Award amount
Statewide	Various	Funding for the Housing County Allocation program and Downtown Rental Rehabilitation program	\$7,302,080
City of Allegan	Allegan	Feasibility study	\$10,000
City of Saint Joseph	Berrien	Harbor Village infrastructure project	\$2,100,000
City of Albion	Calhoun	Bohm Theatre blight elimination project	\$342,000
City of Dowagiac	Cass	Forrest Fin, LLC blight elimination project	\$171,005
Village of Cassopolis	Cass	Postle job training expansion project	\$400,000
Charlevoix County	Charlevoix	Precision Edge Surgical Products, LLC Mobile Lab	\$350,000
City of Houghton	Houghton	Roy's Pasties & Bakery Signature Building project	\$110,000
City of Houghton	Houghton	Façade improvement projects	\$640,811
Ingham County	Ingham	Jackson National Life Insurance Company infrastructure project	\$3,000,000
Village of Lyons	Ionia	Bridge Street streetscape and water improvement project	\$607,400
City of Tawas City	Iosco	Downtown parking and walkway improvements	\$368,682
City of Iron River	Iron	Genesee Street downtown infrastructure project	\$559,000
City of Imlay City	Lapeer	Parking lots improvement infrastructure project	\$479,500
Village of Fowlerville	Livingston	North Grand/Grand River Avenue infrastructure project	\$449,500
City of Manistee	Manistee	312 River Street Signature Building project	\$330,000
Monroe County	Monroe	La-Z Boy, Incorporated infrastructure project	\$700,000
City of Hart	Oceana	Downtown parking lots improvement project	\$294,000
City of Gaylord	Otsego	Façade improvement project	\$435,750
City of Grand Haven	Ottawa	Washington Avenue downtown linkage project	\$711,449
City of Frankenmuth	Saginaw	Zehnder's Splash Village infrastructure project	\$500,000
City of Frankenmuth	Saginaw	Kremin, Inc. infrastructure project	\$249,975
City of Croswell	Sanilac	City of Croswell downtown infrastructure project	\$253,000
City of Owosso	Shiawassee	Façade improvement project	\$270,375
Village of Cass City	Tuscola	Dairy Farmers of America—Project Thumb	\$1,000,000
City of South Haven	Van Buren	Phoenix Street improvement project	\$750,000
Total			\$22,384,527

CDBG GRANT AMENDMENTS Fiscal year 2013: 10/01/2012 - 09/30/2013					
Pass-thru grantee	County	Project description	Original award amount	Amendment amount	New total award amount
City of Ludington	Mason	Façade improvement project	\$142,952	\$43,650	\$186,602
Village of Nashville	Barry	Façade improvement project	\$96,662	\$13,022	\$109,684
Total			\$239,614	\$56,672	\$296,286

URBAN LAND ASSEMBLY

The Michigan Urban Land Assembly (ULA) program provides financial assistance in the form of loans to eligible municipalities for the acquisition of certain real property for economic development purposes, including industrial and commercial projects. The MEDC has administrative responsibility for the ULA program. The program is directed toward revitalizing the economic base of cities experiencing economic distress and decline. The program is used to assemble land for the strategic uses of these communities. Sometimes this results in jobs in the short term, but sometimes the time period for job creation is much longer, especially on larger projects.

Preference is given to proposals which identify one or more immediate user(s), leverage non-state financial contributions, maximize the creation of permanent full-time employment per dollar investment, increase the local tax base, and constitute a major element in a city-wide strategy for economic development. There are eight criteria used to evaluate projects.

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, 2013, the fund's available balance was \$4,036,984. No new grants or loans were approved during FY 2013. MEDC continues to collect on outstanding loans. During the fiscal year, MEDC collected receivables in the amount of \$92,724. Since the inception of the ULA program, 32 projects have been approved. The five open projects are listed below.

The ULA program continues to provide important support for projects that contribute to the revitalization of urban centers. The financial situations many communities found themselves in due to the recent Michigan recession likely prevented them from incurring any additional obligations. The MEDC recommends continuation of the ULA program.

ULA LOANS ¹							
Fiscal year 2013: 10/01/2012 - 09/30/2013							
Approval date	Borrower	Loan amount	Loan balance	Loan terms	Loan status	Use of funds	Jobs created to date
7/9/01	Detroit ²	\$2,000,000	\$2,000,000	—	Not current	Being used to assemble 183 acres for the I-94 industrial park	0
8/27/04	Sturgis	\$200,000	\$18,504	10 years 0% int	Current	Being used to assemble three acres of land for Americraft Carton	110
4/7/05	White Cloud	\$160,000	\$14,672	10 years 0% int	Current	Being used to assemble commercial property in DDA for medical facility	0
10/10/05	Corunna	\$450,000	\$177,500	10 years 0% int	Current	Being used to acquire property in DDA for Chemical Bank and county development	3
11/4/10	Cornerstone Alliance— Benton Harbor	\$3,000,000	\$2,938,252	10 years 1% int	Current	Being used to acquire approximately 12 acres by DDA for Whirlpool office project	0
		\$5,810,000	\$5,148,928				113

¹ Loans for Muskegon, Jackson, Bay City and Detroit were previously paid off and are no longer reported.

² The city of Detroit filed for bankruptcy in July 2013. Due to the bankruptcy, accuracy of job creation cannot be determined. In light of this filing, MEDC has recorded loss provisions for the full loan amount.

BROWNFIELD REDEVELOPMENT PROGRAM

The Brownfield Redevelopment program promotes the redevelopment of contaminated and under-utilized property in Michigan to bring that property back to productive use. The program, administered by the MEDC, commenced in 2000 under two major statutory elements—tax increment financing (TIF) under the Brownfield Redevelopment Act and a Michigan Brownfield Tax Credit program. Tax credits or TIF assistance is given to companies, developers, or businesses for the redevelopment of brownfield property. The MEDC and Michigan Department of Environmental Quality coordinate incentives to get challenged sites redeveloped.

On January 1, 2012, the Brownfield Tax Credit program was replaced with the implementation of the

corporate income tax (CIT). Although, the new CIT eliminates almost all tax credits, any taxpayer that had an existing tax credit (“certificated credit”) approved and executed before January 1, 2012, will be able to realize the full benefits of their credit. The new business tax system allows taxpayers to receive the benefits of their certificated credits by electing to continue to file the Michigan Business Tax (MBT) for the duration of their credits. TIF incentives will continue under the CIT.

The MSE, with administrative assistance from the MEDC, now operates under the appropriation-based Michigan Business Development Program (MBDP) and Michigan Community Revitalization Program (MCRP) which provides incentives for highly competitive projects in Michigan.

APPROVED BROWNFIELD MBT CREDIT AMENDMENTS¹ Fiscal year 2013: 10/01/2012 - 09/30/2013

Company	City	County	Original estimated credit amount	New estimated credit amount
High Grade Materials Co.	Kalamazoo	Kalamazoo	\$190,000	\$62,790
Integrity Land Company, LLC	Boyne City	Charlevoix	\$1,243,989	\$1,152,142
Charlotte Apartments LDHA LP	Detroit	Wayne	\$859,740	\$415,868
205 South Division Avenue LDHA LP	Grand Rapids	Kent	\$1,792,117	\$518,431
Chatham Village Associates, LLC	Taylor	Wayne	\$855,604	\$459,459
East 48th Street Properties, LLC	Holland	Ottawa	\$1,000,000	\$730,143
Amendment total			\$5,941,450	\$3,338,833

¹ Amendments are only reported when the credit amount has increased or decreased.

BROWNFIELD TAX INCREMENT FINANCING

APPROVED BROWNFIELD TAX INCREMENT FINANCING PROJECTS				
Fiscal year 2013: 10/01/2012 - 09/30/2013				
Brownfield authority	Project name	City	County	TIF amount
City of Bay City	101 Center Ave. (Mill End)	Bay City	Bay	\$420,000
County of Grand Traverse	TBA Credit Union Redevelopment	Traverse City	Grand Traverse	\$1,017,309
City of Grand Rapids	833 Michigan and 411 Houseman Project	Grand Rapids	Kent	\$427,227
City of Grand Rapids	600 Douglas Redevelopment	Grand Rapids	Kent	\$432,340
City of Grand Rapids	Riverside Senior Care	Grand Rapids	Kent	\$1,058,399
City of Marquette	857 West Washington Street	Marquette	Marquette	\$14,279,514
City of Midland	The Stadium District	Midland	Midland	\$7,722,774
City of Port Huron	500 Thomas Edison Parkway	Port Huron	St. Clair	\$2,230,000
County of Washtenaw	544 Detroit Street Redevelopment	Ann Arbor	Washtenaw	\$117,985
City of Detroit	Harbortown Riverside Apartments Redevelopment	Detroit	Wayne	\$2,918,462
City of Detroit	Cardinal Health Redevelopment	Detroit	Wayne	\$4,761,155
Total				\$35,385,165

APPROVED BROWNFIELD TAX INCREMENT FINANCING AMENDMENTS ¹					
Fiscal year 2013: 10/01/2012 - 09/30/2013					
Brownfield authority	Project name	City	County	Original TIF amount	Amended TIF amount
City of Grand Rapids	Fulton and Division	Grand Rapids	Kent	\$534,025	\$2,475,140
City of Grand Rapids	Mid Towne Village Project	Grand Rapids	Kent	\$2,642,787	\$10,930,446
Amendment total				\$3,176,812	\$13,405,586

¹ Amendments are only reported when the credit amount has increased or decreased.

TALENT ENHANCEMENT

During FY 2013, MEDC talent enhancement team continued its efforts to attract, retain and develop talent to support business attraction, economic gardening and entrepreneurship. They develop and implement key state-wide programs, support local talent partners with a variety of tools and resources, and help employers find talent. By partnering closely with Michigan Works! agencies, community colleges, and local economic development organizations, the team helps to reinvent Michigan's talent system.

The following programs and initiatives were supported in FY 2013:

- **Community Ventures (CV)** is an economic development initiative that promotes employment and social enterprise. The program's key workforce and economic development stakeholders are Michigan Works! agencies (MWA), Michigan Department of Human Services (DHS), non-profits, state agencies and educational institutions, enabling seamless program implementation. Started as a pilot in FY 2012, approximately \$9.8 million of GF/GP funds has been appropriated each subsequent year (FY 2013 and FY 2014) for the program. The mission of CV is to alleviate poverty and promote public safety in Michigan's four highest crime cities (Detroit, Pontiac, Flint and Saginaw). The goal for FY 2013 was to place 1,000 "structurally unemployed" residents of those communities into long-term, full-time employment by the end of the fiscal year. That goal was met and exceeded, with 63 employers hiring over 1,100 individuals using the program's incentives, with an average wage of over \$11 an hour.
- The **Michigan Advanced Technician Training (MAT²)** program is modeled after the German Dual Education system that combines work-based and classroom learning. The program's initial focus is on mechatronics, which is a combination of mechanical engineering, electronics, computer technology and information technology. The program provides participating employers with trained technicians for five years by connecting them with graduating high school seniors who get three years of industry-defined hands-on competency-based training, paid tuition, and paid work experience. Upon successful completion of the program, students receive an associate's degree and continue working for their host company for two years. Thirty-one students and 11 employers are participating in the pilot program in mechatronics.
- **Michigan Shifting Careers** supports people who are in career transitions to help keep them in Michigan. Through Michigan Shifting Gears and Shifting Code, program participants gain new skills and make industry connections. During FY 2013, 248 people took advantage of these programs with 108 finding positions.
- **Pure Michigan Talent Connect** (mitalent.org) is the State of Michigan's labor exchange system, and designed to be a one-stop site for job seekers, employers and career explorers. The mitalent.org website includes a job board, career assessment tools, information on talent programs for job seekers and employers, a career events calendar, registration for job seeker and employer newsletters, and content geared toward specific employer needs and job seeker populations. In FY 2013, 512,826 jobs were posted on mitalent.org; 11,764 new employers are using the system and 310,030 new job seeker profiles were created.
- **MiVirtualCareerFair** is an on-line career event program where job seekers and employers can interact with each other in a live, 3-D virtual environment. During FY 2013, five events were held with 69 employers and 6,178 job seekers participating.
- Through the **College Attraction and Retention** strategy, the MEDC sponsors career networking events that showcase the live, work, and play aspects of a region or city. Connecting college students to Michigan's largest cities retains talent that seeks an urban destination and provides new energy and innovation to support Grand Rapids' and Detroit's transformation and growth. A typical event agenda includes career networking with employers, tours of housing and sites, and interaction with young professionals who live in the city. On-campus clubs supported this effort on 26 campuses. During FY 2013, over 1,200 students attended events in Grand Rapids and Detroit.
- The **Out-of-State Talent Attraction** strategy is designed to connect Michigan employers needing highly-skilled workers with talented professionals who are interested and ready to move (back) to Michigan. Through alumni associations and multiple

TALENT ENHANCEMENT *continued*

networking events across the country, the team met/connected with over 1,300 out of region/state professionals interested in working in Michigan, with 56 of those individuals relocating back to the state.

The talent enhancement team works to ensure Michigan has a skill and education pipeline for the high-demand jobs of tomorrow by working to increase awareness and participation in science, technology, engineering and mathematics (STEM) classes and

industries. In FY 2013, an RFP was released, targeting statewide STEM hubs. The STEM hub grants were designed to expand STEM awareness by developing communication support, hosting quarterly meetings, hosting family engineering/innovation nights, and supporting and evaluating STEM hubs establishment of collaborative relationships. Through MEDC corporate funding, a total of \$150,000 was awarded to five STEM hubs statewide.

WORKFORCE DEVELOPMENT AGENCY

The Workforce Development Agency (WDA) is charged with promoting a flexible, innovative, and effective workforce system for the state of Michigan. Its mission is to provide thoughtful leadership around critical talent gaps and employment issues, support the development of a strategy ensuring a pipeline of talent that will attract and retain businesses in Michigan, and facilitate the implementation of these strategies statewide.

KEY ACTIVITIES

Educational programs

In order to provide a more skilled workforce, the WDA works in concert with Michigan community colleges to promote access to, retention in, and completion of individual student goals in quality, comprehensive postsecondary education. One of the major purposes is to improve postsecondary education programs which lead to the academic and occupational skill competencies necessary for individuals to work in a technological and advanced society. These goals are accomplished by allocating federal funds and providing technical assistance to develop new occupational programs; improve career guidance and counseling activities; upgrade the skills and competencies of occupational faculty and staff; and improve the transition of students between secondary schools, community colleges, four-year institutions and the workplace. In 2013, 204,960 students enrolled in occupational programs and courses and 38,766 students were conferred awards in the program year July 1, 2012, to June 30, 2013.

The federal Carl D. Perkins Vocational and Technical Education Program provides career-focused educational services within the community college system while the WDA provides program oversight.

Other adult education programs provide an opportunity for mature students to achieve education levels equivalent to those of high school graduates. More than 40,000 students are enrolled in adult basic education (ABE), English as a Second Language (ESL), GED® preparation, or high school completion (HSC) each year. Approximately 150 adult education programs are located throughout Michigan. Roughly 50 percent of Michigan's local public school systems operate an adult education program.

School districts, community colleges, faith-based organizations, and community-based organizations provide adult education services, while the WDA

provides program oversight.

Each year in Michigan, adults and youth who do not possess a high school diploma take the GED® exam. The GED® is a second chance for individuals to obtain a high school equivalency credential, which is critically needed to pursue additional career and college opportunities. In FY 2013, a total of 19,643 Michigan citizens participated in the GED® program, achieving a pass rate of 70 percent for the employer-recognized equivalency credential.

Michigan's GED® program is self-funded by participants. School districts, community colleges, faith-based organizations, and community-based organizations provide GED® services, while the WDA provides program oversight.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a federal program aimed at increasing college access for low-income students. In September 2011, the State of Michigan's King Chavez Parks (KCP) Initiative was awarded its third consecutive GEAR UP grant (MI GEAR UP), bringing to the state a \$23.5 million federal award matched by state and local MI GEAR UP partners. This has resulted in \$47 million in resources over the seven-year grant cycle. MI GEAR UP serves a cohort of approximately 10,000 students from seventh grade through their first year of college. The MI GEAR UP cohort is currently in the ninth grade.

Public universities and school districts provide MI GEAR UP services, while the WDA provides program oversight.

Established by the Michigan Legislature in 1986, the goal of the KCP Initiative is to increase the opportunities for Michigan's most educationally or economically disadvantaged citizens to complete college degrees and experience career success as active participants in a knowledge-based global economy. In 2013, the KCP Initiative oversaw funding to 15 public and six private post-secondary institutions, supporting 55 programs. The KCP programs include:

- The Select Student Support Services (4S) program
- The Michigan College/University Partnership (MICUP) program
- The Morris Hood, Jr., Educator Development (MHED) program
- The Future Faculty Fellowship (FFF) program
- The Visiting Professors (VP) program

WORKFORCE DEVELOPMENT AGENCY *continued*

VARIOUS EMPLOYMENT PROGRAMS

Employment Service (ES) program providers job seekers and employers with a variety of employment-related labor exchange services including job search assistance, assessment, job referral, and placement of job seekers; re-employment services to unemployment insurance claimants; and recruitment services to employers. Specialized services also are made available to veterans, migrant and seasonal farm workers, and individuals with disabilities. All ES activities are provided directly by the Michigan Works! agencies, with the WDA providing program oversight.

Workforce Investment Act (WIA) adult, dislocated worker, and youth programs provide a variety of employment and training services for these groups as well as employers who need assistance finding workers to fill open positions. All three programs are linked to local labor market needs. The WIA adult and dislocated worker programs offer a range of services designed to improve the educational attainment and employment outcomes of those participants.

Core Services provides outreach, job search and placement assistance, and labor market information to all job seekers. Intensive services include more comprehensive assessments and development of individual employment plans, counseling and career planning. Training services links customers to job opportunities in their communities, with occupational and basic skill training. Additional WIA adult and dislocated worker services are available under certain circumstances.

The WIA youth program is designed with a strong connection between academic and occupational learning and coordinates closely with other community youth programs and resources. Case managers facilitate intake, assessment, and development of an Individual Service Strategy (ISS) for WIA-eligible youth. Ten services are available to all WIA youth, and are delivered as appropriate. Additional services are available by referral and local accessibility.

In the program year from July 1, 2012, to June 30, 2013, 51,513 adults, dislocated workers and youth were served. The programs achieved customer satisfaction scores of 96.1 percent for job seekers and 85 percent for employers. Ninety-five percent of dislocated workers exiting the dislocated worker program were placed into employment with average earnings of \$17,431 every six months. All WIA services are provided directly to

participants by the Michigan Works! agencies, with the WDA providing program oversight.

The Trade Adjustment Assistance (TAA) is a federal program administered by the U.S. Department of Labor. The program was created to provide benefits and support to U. S. workers whose employment has been adversely affected by the impact of international trade. The TAA program provides these workers the opportunity to obtain the skills, resources, and support their need to become re-employed. Funding is provided to the statewide Michigan Works! agencies to provide adjustment assistance services to the affected individuals as part of the one-stop service center system. This program provides an integrated delivery of services through the local workforce development boards for all employment and training activities to members of their communities.

In FY 2013, 30 companies were certified, impacting 2,963 workers. A total of 4,035 active participants were enrolled in training and 1,117 participants completed training.

Started in January 2013, the Partnership. Accountability. Training. Hope. (PATH) program seeks to provide Family Independence Program (FIP) [public cash assistance] applicants and recipients identified by the Michigan Department of Human Services (DHS) with employment-related services, training, and supportive services to obtain and retain employment. PATH focuses on allowing FIP applicants/recipients to self-identify barriers to employment and assist the participants in eliminating those barriers so that they can successfully prepare themselves for long-term employment, therefore reducing the need for public assistance.

Through strong partnerships between WDA, DHS and the Michigan Works! agencies, the state raised the Temporary Assistance for Needy Families (TANF) work participation rate from 22.8 percent in FY 2010 to 50.97 percent in FY 2013 (through June 2013, the latest month for which data is available). The need to reach the 50 percent work participation rate has been a crucial priority of WDA for several years in order to avoid tens of millions of dollars in federal financial penalties.

The Michigan Works! agencies provide services to all FIP applicants and recipients referred to the program by DHS, with the WDA and the DHS provide program oversight.

WORKFORCE DEVELOPMENT AGENCY *continued*

The Food Assistance Employment & Training (FAE&T) program is designed to establish a connection to the labor market for 18- to 49-year-old Able Bodied Adults without Dependents (ABAWD) who are food assistance applicants and recipients from DHS. Members of households participating in the food assistance program are assisted in gaining skills, training, work, or experience to increase their ability to obtain regular employment.

Food assistance services are provided by the Michigan Works! agencies, with the WDA and the DHS providing program oversight.

The Migrant, Immigrant & Seasonal Worker Services program is delivered by WDA staff in conjunction with the Michigan Works! agencies around the state. There are currently 15 bilingual outreach workers and they are funded 100 percent with federal funds. With close to 22 percent of total agricultural employment being farmworkers and laborers in hand-harvested crops, nurseries, and greenhouses, the staff are charged with providing a full range of employment services to these workers, who are predominantly migrant and seasonal farm workers. With Michigan having an estimated 54,900 farms and 10 million acres of farmland, agricultural employers are served through the program with assistance to meet their labor needs.

In 2013, the Migrant, Immigrant & Seasonal Worker Services program served as a direct point of contact

between 4,290 agricultural employers and 9,334 workers in order to coordinate the fulfillment of labor demands. Michigan Works! agencies provide a full range of employment services for the workers while program staff conduct outreach, provide referrals to services, and receive complaints and/or violations.

The Veterans' Services Division (VSD) executes the U.S. Department of Labor-funded Jobs for Veterans State Grant (JVSG) program for Michigan. The JVSG program is an intensive services-level employment program providing case management services to qualified veterans and spouses of certain veterans with significant barriers to employment. These services are delivered by WDA staff with military credentials in conjunction with the Michigan Works! agencies around the state. The goal of the program is to assist these qualified veterans and spouses overcome their barriers to employment so they can enter the workforce and retain suitable employment.

The WDA directly provided services to 7,052 hard-to-place veterans in FY 2013, achieving a placement rate of 51 percent and an average wage of \$15.63 per hour.

The following pages include reports on the Skilled Trades Training program, workforce training programs, North American Indian tuition waivers, and awards conferred by community colleges, as required by the General Government Omnibus Budget Act.

SKILLED TRADES TRAINING PROGRAM

Pursuant to Section 1039 of Public Act 59 of 2013, the General Government Omnibus Budget, the fund shall provide a report on the status of the Skilled Trades Training program.

The program aims to provide employer-led training programs to enhance the competitiveness of Michigan businesses and provide an option to closing the skills gap in the state. Training is aimed at new or incumbent workers and will provide classroom learning, on-the-job training, customized company training and/or U.S. Department of Labor registered apprenticeships.

Of the \$10 million appropriated to the program, \$1 million is to be used for the Michigan Advanced Technology Training (MAT²) program, a three year training program that provides students with on-the-

job training and an advanced associate degree in a high-tech, in-demand field such as mechatronics.

Skilled Trades Training program funds were appropriated to the MSF on October 1, 2013, outside the scope of this reporting period. The complete FY 2014 data for this program will be provided in next year's annual report.

As of December 31, 2013, awards were made to 170 companies throughout all ten prosperity regions. The awards will train 10,841 current employees and 1,739 new employees for a total of 12,580 workers being up-skilled. The total funding awarded to date is \$8,174,002 and has resulted in leveraged funding of more than \$38 million.

WORKFORCE TRAINING PROGRAMS PARTICIPANT INFORMATION BY MICHIGAN WORKS! AGENCY Fiscal year 2013: 10/01/2012 - 09/30/2013

Michigan Works! agency (MWA)	Total WIA funding allocated	Total PATH funding allocated	Total TAA funding allocated	Total food assistance allocated	Total funding allocated ¹	Total participants enrolled ¹	Average duration of training ^{2,6}	Enrolled in remedial and literacy programs ³	Enrolled in 2-year institutions ³	Enrolled in 4-year institutions ³	Enrolled in proprietary schools/other technical training ³	Completed education/training	Employed within 1 year of completed training	Employed in related field ⁵	Average wages within 1 year of training ^{4,7}
ACSET	\$3,492,092	\$4,478,842	\$2,740,089	\$0	\$10,711,023	2,121	23.5	179	537	413	588	1,291	705	567	\$13.26
Berrien/Cass/Van Buren	\$1,751,747	\$2,021,496	\$2,247,135	\$112,662	\$6,133,040	1,385	51.2	75	858	95	157	843	420	217	\$14.74
Calhoun ISD	\$1,287,512	\$2,361,652	\$1,039,326	\$141,726	\$4,830,216	854	31.5	42	433	83	41	357	380	181	\$13.65
Capital Area	\$2,186,179	\$2,310,923	\$981,740	\$269,585	\$5,748,427	1,726	17.7	482	477	130	448	776	489	265	\$13.37
Central Area	\$1,449,824	\$1,217,534	\$988,658	\$79,425	\$3,735,441	779	14.8	135	182	49	102	445	334	197	\$12.92
Detroit	\$9,528,678	\$17,391,760	\$4,743,879	\$829,410	\$32,493,727	6,299	14.3	823	1,794	554	2,220	2,576	315	115	\$10.27
Eastern UP	\$470,883	\$461,545	\$116,140	\$16,956	\$1,065,524	269	13.6	12	26	63	7	128	46	36	\$12.53
Genesee/Shiawassee	\$3,076,775	\$7,859,502	\$2,331,503	\$349,452	\$13,617,232	5,876	17.5	178	1,727	1,615	214	2,043	680	321	\$14.85
Great Lakes Bay	\$2,139,101	\$3,554,832	\$1,625,000	\$196,291	\$7,515,224	2,718	13.5	58	1,604	230	657	2,019	1,305	1,148	\$25.95
Job Force	\$948,930	\$597,643	\$885,050	\$52,699	\$2,484,322	397	15.9	0	146	121	2	241	143	115	\$16.74
Kalamazoo/St. Joseph	\$1,584,784	\$2,716,963	\$1,338,656	\$16,650	\$5,657,053	1,401	12.7	55	438	123	266	882	485	175	\$13.80
Livingston County	\$819,330	\$225,068	\$822,000	\$26,101	\$1,892,499	461	44.2	6	186	72	71	196	89	62	\$16.99
Macomb/St. Clair	\$6,167,445	\$5,500,316	\$6,969,442	\$218,118	\$18,855,321	6,674	38.6	283	2,658	1,373	1,557	2,883	583	411	\$17.53
Muskegon County	\$1,292,129	\$3,555,092	\$1,538,725	\$105,320	\$6,491,266	1,102	29.2	90	336	296	103	485	236	93	\$13.38
Northeast	\$1,064,370	\$779,980	\$365,650	\$55,797	\$2,265,797	429	16.0	22	126	15	9	310	81	54	\$12.07
Northwest	\$2,021,744	\$968,432	\$2,020,156	\$92,724	\$5,103,056	623	38.2	187	222	121	9	381	225	165	\$12.46
Oakland County	\$6,227,612	\$4,091,299	\$6,490,000	\$441,692	\$17,250,603	3,108	30.1	523	756	741	1,003	1,216	317	168	\$19.82
Ottawa County	\$1,269,551	\$525,719	\$836,500	\$44,985	\$2,676,755	708	74.7	9	144	195	152	414	303	170	\$13.87
Region 7B	\$1,008,647	\$1,235,441	\$824,075	\$72,343	\$3,140,506	611	20.0	45	262	32	43	360	192	134	\$12.87
SEMCA	\$6,495,143	\$9,184,007	\$1,402,321	\$91,000	\$17,172,471	4,540	24.5	67	1,952	526	1,460	2,902	1,523	1,155	\$25.66
South Central	\$2,063,423	\$2,544,185	\$2,871,871	\$107,425	\$7,586,904	2,095	20.9	74	728	236	311	948	295	151	\$18.51
Thumb Area	\$1,544,036	\$1,052,918	\$1,044,280	\$0	\$3,641,234	1,218	16.5	34	319	215	106	890	465	275	\$14.05
Washtenaw County	\$1,270,077	\$1,160,203	\$852,000	\$135,941	\$3,418,221	662	34.1	16	266	202	97	223	70	32	\$15.60
West Central	\$962,331	\$853,268	\$1,400,000	\$63,698	\$3,279,297	494	12.3	27	90	161	63	289	25	4	\$10.10
Western U.P.	\$542,801	\$512,552	\$1,500,000	\$0	\$2,555,353	402	91.7	7	179	71	27	201	82	39	\$12.52
MWA total	\$60,665,144	\$77,161,172	\$47,974,196	\$3,520,000	\$189,320,512	46,952	22.7	3,429	16,446	7,732	9,713	23,299	9,788	6,250	\$17.86

¹ Includes WIA, PATH, TAA, and food assistance data.

² Measured in weeks; calculated from the date training began to when training ended. This column only captures individuals who exited the program during the reporting period.

³ There may be a duplication in counts as participants move between programs or institutions.

⁴ The wage amount is captured at the time a participant exits the program.

⁵ Includes WIA and TAA data only.

⁶ The MWA total average is weighted by the number of participants included in the calculation for each MWA; it is not a simple average.

⁷ The statewide average is derived by taking the number of participants in each MWA multiplied by the wage earned by each participant.

Data source: WDA OSMIS, November 2013

NORTH AMERICAN INDIAN TUITION WAIVERS

NORTH AMERICAN INDIAN TUITION WAIVERS 7/01/2012-6/30/2013					
Community college	Term 1	Term 2	Term 3	Term 4	Total
Alpena Community College					
Students enrolled	23	17	3	0	43
Number of waivers granted	9	6	0	0	15
Monetary value of waivers	\$16,752	\$9,750	\$0	\$0	\$26,502
Bay College					
Students enrolled	6	85	81	14	186
Number of waivers granted	3	37	38	8	86
Monetary value of waivers	\$2,152	\$57,683	\$56,132	\$9,150	\$125,117
C.S. Mott Community College					
Students enrolled	47	212	224	123	606
Number of waivers granted	4	19	23	11	57
Monetary value of waivers	\$2,040	\$21,912	\$27,676	\$7,938	\$59,566
Delta College					
Students enrolled	54	56	23	0	133
Number of waivers granted	11	12	7	0	30
Monetary value of waivers	\$13,291	\$12,661	\$4,470	\$0	\$30,422
Glen Oaks Community College					
Students enrolled	10	0	0	0	10
Number of waivers granted	1	0	0	0	1
Monetary value of waivers	\$2,464	\$0	\$0	\$0	\$2,464
Gogebic Community College					
Students enrolled	0	38	30	6	74
Number of waivers granted	0	15	20	4	39
Monetary value of waivers	\$0	\$25,280	\$30,412	\$2,132	\$57,824
Grand Rapids Community College					
Students enrolled	145	146	52	40	383
Number of waivers granted	61	70	30	2	163
Monetary value of waivers	\$106,637	\$120,851	\$40,577	\$10,264	\$278,329
Henry Ford Community College					
Students enrolled	35	28	10	3	76
Number of waivers granted	15	12	3	3	33
Monetary value of waivers	\$18,470	\$15,140	\$2,893	\$1,136	\$37,639
Jackson College					
Students enrolled	85	78	31	0	194
Number of waivers granted	8	7	2	0	17
Monetary value of waivers	\$17,247	\$13,314	\$4,000	\$0	\$34,561

NORTH AMERICAN INDIAN TUITION WAIVERS *continued*

NORTH AMERICAN INDIAN TUITION WAIVERS <i>continued</i> 7/01/2012-6/30/2013					
Community college	Term 1	Term 2	Term 3	Term 4	Total
Kalamazoo Valley Community College					
Students enrolled	24	29	11	0	64
Number of waivers granted	24	29	11	0	64
Monetary value of waivers	\$24,195	\$25,099	\$4,774	\$0	\$54,068
Kellogg Community College					
Students enrolled	65	48	16	0	129
Number of waivers granted	13	9	4	0	26
Monetary value of waivers	\$17,927	\$16,133	\$2,515	\$0	\$36,575
Kirtland Community College					
Students enrolled	27	31	21	0	79
Number of waivers granted	4	6	1	0	11
Monetary value of waivers	\$3,530	\$8,879	\$1,698	\$0	\$14,107
Lake Michigan College					
Students enrolled	1	33	35	9	78
Number of waivers granted	2	15	23	3	43
Monetary value of waivers	\$486	\$14,081	\$26,271	\$1,515	\$42,353
Lansing Community College					
Students enrolled	70	160	153	0	383
Number of waivers granted	28	58	57	0	143
Monetary value of waivers	\$22,870	\$85,178	\$80,430	\$0	\$188,478
Macomb Community College					
Students enrolled	46	143	137	0	326
Number of waivers granted	5	19	26	0	50
Monetary value of waivers	\$2,688	\$12,337	\$18,744	\$0	\$33,769
Mid Michigan Community College					
Students enrolled	40	30	14	0	84
Number of waivers granted	34	27	9	0	70
Monetary value of waivers	\$58,616	\$49,356	\$11,008	\$0	\$118,980
Monroe County Community College					
Students enrolled	3	3	0	0	6
Number of waivers granted	3	3	0	0	6
Monetary value of waivers	\$3,475	\$3,312	\$0	\$0	\$6,787
Montcalm Community College					
Students enrolled	7	7	0	0	14
Number of waivers granted	7	7	0	0	14
Monetary value of waivers	\$8,300	\$8,869	\$0	\$0	\$17,169

NORTH AMERICAN INDIAN TUITION WAIVERS *continued*

NORTH AMERICAN INDIAN TUITION WAIVERS <i>continued</i> 7/01/2012-6/30/2013					
Community college	Term 1	Term 2	Term 3	Term 4	Total
Muskegon Community College					
Students enrolled	45	46	18	0	109
Number of waivers granted	45	46	18	0	109
Monetary value of waivers	\$51,576	\$54,153	\$17,662	\$0	\$123,391
North Central Michigan College					
Students enrolled	144	147	30	0	321
Number of waivers granted	93	110	23	0	226
Monetary value of waivers	\$87,030	\$101,437	\$11,552	\$0	\$200,019
Northwestern Michigan College					
Students enrolled	112	110	19	0	241
Number of waivers granted	112	110	19	0	241
Monetary value of waivers	\$130,499	\$130,669	\$21,535	\$0	\$282,703
Oakland Community College					
Students enrolled	40	141	153	55	389
Number of waivers granted	2	23	23	16	64
Monetary value of waivers	\$1,067	\$13,683	\$13,737	\$8,229	\$36,716
Schoolcraft College					
Students enrolled	3	18	15	6	42
Number of waivers granted	3	18	15	6	42
Monetary value of waivers	\$1,728	\$20,838	\$16,017	\$3,581	\$42,164
Southwestern Michigan College					
Students enrolled	30	33	8	0	71
Number of waivers granted	11	14	8	0	33
Monetary value of waivers	\$11,737	\$13,804	\$7,201	\$0	\$32,742
St. Clair County Community College					
Students enrolled	3	53	45	10	111
Number of waivers granted	0	9	9	3	21
Monetary value of waivers	\$0	\$13,796	\$15,794	\$1,702	\$31,292
Washtenaw Community College					
Students enrolled	44	55	25	0	124
Number of waivers granted	12	12	7	0	31
Monetary value of waivers	\$11,280	\$7,119	\$2,936	\$0	\$21,335

NORTH AMERICAN INDIAN TUITION WAIVERS *continued*

NORTH AMERICAN INDIAN TUITION WAIVERS <i>continued</i>					
7/01/2012-6/30/2013					
Community college	Term 1	Term 2	Term 3	Term 4	Total
Wayne County Community College					
Students enrolled	55	100	94	43	292
Number of waivers granted	6	8	15	9	38
Monetary value of waivers	\$3,784	\$7,370	\$12,231	\$5,214	\$28,599
West Shore Community College					
Students enrolled	10	27	29	0	66
Number of waivers granted	10	27	29	0	66
Monetary value of waivers	\$4,996	\$24,254	\$24,868	\$0	\$54,118
State totals					
Students enrolled	1,174	1,874	1,277	309	4,634
Number of waivers granted	526	728	420	65	1,739
Monetary value of waivers	\$624,837	\$886,958	\$455,133	\$50,861	\$2,017,789

MICHIGAN COMMUNITY COLLEGES: AWARDS CONFERRED BY COLLEGE
7/01/2012-6/30/2013

College	Non-resident alien		Hispanic		American Indian		Asian		Black, non-Hispanic		Hawaiian/ other Pacific islander		White		Two or more		Unknown		TOTALS		
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	Tot.
Alpena	0	0	5	3	1	5	1	3	2	0	0	0	168	192	0	0	2	0	179	203	382
Bay De Noc	0	0	2	0	4	7	1	0	0	0	0	0	116	244	0	1	53	62	176	314	490
Mott	0	2	24	33	10	7	2	3	100	157	0	0	413	739	17	17	102	143	668	1,101	1,769
Delta	2	1	42	75	7	6	3	9	48	143	0	0	803	1,137	21	27	12	32	938	1,430	2,368
Glen Oaks	0	0	6	8	4	2	2	3	49	15	0	0	147	177	0	1	11	2	219	208	427
Gogebic	0	0	0	1	1	7	0	1	2	3	0	0	118	134	0	0	10	4	131	150	281
Grand Rapids	2	2	45	72	6	12	14	26	71	116	0	0	604	864	0	0	32	30	774	1,122	1,896
Henry Ford	12	16	21	19	5	7	11	11	75	225	1	0	325	482	2	5	166	300	618	1,065	1,683
Jackson	0	0	14	18	2	6	3	10	27	33	0	0	403	612	2	1	32	35	483	715	1,198
Kalamazoo Valley	12	6	28	26	10	6	7	11	60	92	0	0	698	717	1	4	30	32	846	894	1,740
Kellogg	0	1	7	14	3	5	3	16	29	67	0	0	279	652	0	0	14	43	335	798	1,133
Kirtland	0	0	1	2	2	4	0	0	2	1	0	0	121	263	0	0	1	2	127	272	399
Lake Michigan	0	1	12	14	1	2	2	4	15	49	0	0	145	265	1	2	12	16	188	353	541
Lansing	12	10	44	66	14	18	28	43	92	156	7	8	1,057	1,638	16	36	153	263	1,423	2,238	3,661
Macomb	79	94	13	29	3	5	24	28	77	127	1	0	1,051	1,273	3	2	349	322	1,600	1,880	3,480
Mid Michigan	0	1	3	4	4	9	0	0	3	7	6	1	286	481	0	3	16	19	318	525	843
Monroe County	0	1	2	10	1	1	2	2	4	2	0	0	156	314	0	0	29	30	194	360	554
Montcalm	0	0	3	9	1	0	4	0	0	0	0	0	59	259	2	3	9	28	78	299	377
Muskegon	1	1	10	13	6	3	0	1	10	27	0	0	198	339	3	5	27	46	255	435	690
North Central Michigan	0	0	1	3	10	20	2	1	2	1	0	0	76	192	0	0	13	28	104	245	349
Northwestern Michigan	6	1	7	8	6	4	1	3	2	0	0	0	377	457	4	1	32	24	435	498	933
Oakland	69	117	39	73	8	14	31	42	133	314	2	5	802	1,168	217	267	68	77	1,369	2,077	3,446
St. Clair County	5	14	7	9	2	3	0	1	6	10	0	0	205	409	0	1	0	1	225	448	673
Schoolcraft	10	23	19	36	5	5	25	58	44	111	2	5	595	1,014	5	9	80	117	785	1,378	2,163
Southwestern Michigan	3	1	4	9	1	7	1	0	12	19	0	0	172	297	2	6	7	7	202	346	548
Washtenaw	17	22	35	81	5	11	30	43	148	240	5	5	989	1,329	39	50	116	124	1,384	1,905	3,289
Wayne County	5	5	37	64	6	9	32	37	660	1,477	3	0	287	471	0	15	51	85	1,081	2,163	3,244
West Shore	0	0	0	3	2	2	0	4	1	0	0	0	55	137	0	1	1	3	59	150	209
Total	235	319	431	702	130	187	229	360	1,674	3,392	27	24	10,705	16,256	335	457	1,428	1,875	15,194	23,572	38,766

MICHIGAN COMMUNITY COLLEGES: AWARDS CONFERRED BY LEVEL
7/01/2012-6/30/2013

Degree/certificate type	Non-resident alien		Hispanic		American Indian		Asian		Black, non-Hispanic		Hawaiian/ other Pacific islander		White		Two or more		Unknown		TOTALS		
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	Total
< 1-year certificate	23	32	65	91	23	23	47	55	381	421	5	9	1,736	1,938	65	110	198	222	2,543	2,901	5,444
> 1 but < 2-year certificate	28	41	50	89	19	36	22	61	213	405	6	4	1,497	2,784	42	52	187	286	2,064	3,758	5,822
Associate degree	167	224	309	507	86	125	154	224	1,074	2,543	16	10	7,316	11,124	213	277	1,035	1,337	10,370	16,371	26,741
> 2-year but < 4-year certificate	17	22	7	15	2	3	6	20	6	23	0	1	156	410	15	18	8	30	217	542	759
Total	235	319	431	702	130	187	229	360	1,674	3,392	27	24	10,705	16,256	335	457	1,428	1,875	15,194	23,572	38,766

TRAVEL MICHIGAN

Pure Michigan tourism marketing campaign

Launched in 2006 as a regional tourism brand for Michigan, Pure Michigan has expanded both to a national brand for the promotion of Michigan tourism and the brand for all marketing activity for business development, entrepreneurship, talent attraction and retention. Pure Michigan is on a path to become one of America's most powerful and recognizable state brands.

In FY 2013, the Pure Michigan tourism marketing campaign attracted visitors to the state via three major seasonal campaigns: winter, spring/summer, and fall. The vast majority of this advertising was out-of-state, both regionally and nationally. The amount spent on Travel Michigan media for out-of-state was \$16,054,899.

The total amount spent for the Pure Michigan campaign in FY 2013 was \$16,604,884. The types of tourism promoted were:

- Agriculture related: \$126,394
- Hunting/fishing related: \$400,000
- Other (cultural, vacation, recreational, leisure): \$16,078,490

The media plan on the following page details the spending, types of media purchased and markets for the FY 2013 winter, spring/summer and fall advertising campaigns.

The campaign continues to be recognized by peers in other states and the travel industry. In the annual marketing competition between state tourism offices around the country, Pure Michigan took home two of the 12 Mercury Awards in 2013. A new "two-maximum" rule was established after sweeping the awards in 2012.

Co-branding relationships were dramatically expanded in FY 2013 with marketing partnerships with the Detroit Tigers, the Chevrolet Belle Isle Grand Prix,

Coca-Cola, Kroger and many more. The Pure Michigan 400, a collaboration between Travel Michigan and the Michigan International Speedway, NASCAR and ESPN, was held in August 2013.

There were 13 new commercials produced in FY 2013, including partner ads (five television, eight radio), shown on 25 national cable networks. This is the fifth year of the national spring/summer Pure Michigan advertising campaign.

Regional markets for FY 2013 included:

Battle Creek, MI	Green Bay, WI
Bay City, MI	Indianapolis, IN
Chicago, IL	Kalamazoo, MI
Cincinnati, OH	Lansing, MI
Cleveland, OH	Milwaukee, WI
Columbus, OH	Minneapolis, MN
Dallas, TX	Saginaw, MI
Dayton, OH	South Bend, IN
Detroit, MI	Southern Ontario, Canada
Flint, MI	St. Louis, MO
Ft. Wayne, IN	Toledo, OH
Grand Rapids, MI	Traverse City, MI

Since its launch in 2006, the award-winning Pure Michigan campaign has attracted 18.3 million new out-of-state visitors to the Great Lakes state, visitors who spent over \$5 billion at Michigan businesses and paid \$374 million in Michigan taxes, primarily sales tax. The Pure Michigan campaign has generated \$4.50 in tax revenue for the state for each dollar spent on Pure Michigan advertising. In 2013, the most recent data available, the return on investment (ROI) was \$6.66 in state revenue for each Pure Michigan advertising dollar spent, the best ROI to date for the campaign.

TRAVEL MICHIGAN *continued*

TRAVEL WEB ACTIVITY ON MICHIGAN.ORG AND E-NEWSLETTERS Fiscal year 2013: 10/01/2012 - 09/30/2013	
Month	Number of web visits
October	560,709
November	445,564
December	379,118
January	515,584
February	443,174
March	507,143
April	582,934
May	846,612
June	1,185,130
July	1,442,702
August	1,122,424
September	806,300
Total	8,837,394

There were 8,837,394 web visits in FY 2013. External clicks to Michigan tourism properties numbered 4,421,254. There were 524,031 subscribers to the Pure Michigan consumer e-newsletter; 303,216 subscribers to the featured deals e-newsletter; and 209,736 subscribers to the fall color reports.

Social media channels

Total fans/followers on the following channels at the end of FY 2013 (September 30, 2013) were:

- Facebook: 557,332 likes
- Twitter: 68,279 followers
- Google+: 488,994 individuals have Pure Michigan in their circle
- Instagram: 56,130 fans
- Pinterest: 10,182 followers
- YouTube: 3,918 subscribers

TRAVEL MICHIGAN *continued*

MEDIA DOMESTIC FAMILIARIZATION TOURS Fiscal year 2013: 10/01/2012 - 09/30/2013	
Dates	Tour details
October 4–7, 2012	Six writers visited Petoskey, Bay Harbor and Charlevoix on a Hemingway-themed press trip. Media outlets included: <i>Saveur</i> , <i>Men's Fitness</i> , Rand McNally, <i>Field & Stream</i> , Travel News Service, <i>Vagabundo Magazine</i> and Fox.
June 6–9, 2013	Eight writers visited Detroit and Ann Arbor during the Pure Michigan Melting Pot Culinary Immersion Tour. Media outlets included: The Manual, The Latin Kitchen (division of Latina), The Daily Meal, <i>Crossings Magazine</i> , Celebrity Café, <i>Chicago Daily Herald</i> , Post Media Network and Takingthekids.com
July 10–14, 2013	Nine media outlets visited Alpena, Oscoda, Bay City and Frankenmuth during the maritime-themed Ships and Shores Press Trip surrounding the Tall Ships Festival in Bay City. Outlets included AFAR, Expedia, The Planet D, <i>Boston Globe</i> , <i>Boston Magazine</i> , METRO, <i>Philadelphia Inquirer</i> , <i>Midwest Living</i> , <i>McClatchy-Tribune</i> , <i>Toronto Living</i> and the <i>Toronto Star</i> .
September 12–15, 2013	Ten writers experienced Michigan's art and culture scene in Detroit, Ann Arbor, Lansing and Grand Rapids. The group visited the Detroit Institute of Arts, Museum of Contemporary Art Detroit, The Heidelberg Project, Motawi Tiles, Eli and Edyth Broad Museum and ended up in Grand Rapids for the kick off to ArtPrize with visits to Grand Rapids Art Museum, Frederik Meijer Gardens, and Grand Rapids Downtown Market. Outlets included <i>New York Daily News</i> , Babble.com, <i>Austin Monthly Magazine</i> , <i>Philadelphia Sun Newspaper</i> , enRoute 360 (AirCanada's inflight magazine), <i>The Queens Times</i> , <i>Dreamscapes</i> , TheAesthete.com, <i>Jo Lee Magazine</i> and ArtInfo.com.

Golf writer familiarization tours

Two group press trips and eight individual visits were held with 25 visiting journalists. Numerous courses were highlighted, including Yarrow, Island Hills, Gull Lake, Boyne Highlands, Bay Harbor, Crooked Tree, Harbor Shores, Arcadia Bluffs, Manistee National, Treetops and Belvedere Golf Course. Key media outlets included *Chicago Daily Herald*, GolfChicago.com, Golf Channel, *PGA Magazine*, A-Position, Texas Golfstyles, *Toronto Globe* and *African American Golfer's Digest*.

Individual familiarization tours

Seven individual press trips were held, which included reporters, contributors, and editors on assignment for the Huffington Post, *Saveur*, *Islands Magazine*, AFAR, TheAesthete.com, enRoute 360 and Tasting Table Chicago.

Partnership programs

The partnership program is intended to extend the marketing reach of Pure Michigan by leveraging private sector marketing dollars to promote Michigan and participating communities and businesses. All partnership advertising includes the Travel Michigan brand identity and creative strategy to keep the messages consistent. Program participants also receive value-added benefits of featured web presence and public relations support.

In FY 2013, 44 advertising partners committed \$6.3 million in private sector funds for television, radio, billboard, and online advertising. Travel Michigan matched the private sector partnership dollars for a total partnership advertising budget of \$12.6 million. Interest in the program has grown since this program's initial launch in 2002 with three partners. This is a win-win program for the partners, MEDC, Travel Michigan and the state of Michigan.

TRAVEL MICHIGAN *continued*

PURE MICHIGAN PARTNERSHIPS Fiscal year 2013: 10/01/2012 - 09/30/2013	
National cable TV campaign advertising partners	In-state campaign advertising partners
Traverse City Convention & Visitors Bureau (CVB) (\$500,000 contribution)	Big Rapids CVB
Mackinac Island CVB (\$500,000 contribution)	Blue Water Area CVB (Port Huron and eight Thumb Area communities)
The Henry Ford (\$500,000 contribution)	Cadillac CVB
Ann Arbor CVB (\$1,000,000 contribution)	Charlevoix CVB
Grand Rapids CVB (\$500,000 contribution)	Coldwater/Branch County CVB
Out-of-state campaign advertising partners	Detroit CVB*
Alpena CVB	Frankenmuth CVB
Battle Creek CVB	Gaylord CVB
Beachtowns* (nine communities/CVBs along the southern Lake Michigan coastline)	Great Lakes Bay Region
Big Rapids/Mecosta County CVB	Great Waters (eight communities in the eastern UP)
Blue Water Area CVB (Port Huron and eight Thumb area communities)	Greater Lansing CVB
Cadillac CVB	Harbor Springs Chamber of Commerce
Charlevoix	Holland CVB
Coldwater/Branch County CVB	Jackson CVB
Detroit CVB*	Kalamazoo CVB
Frankenmuth CVB	Kalamazoo Air Zoo
Gaylord CVB	Ludington CVB and SS Badger
Grand Rapids CVB	Manistee
Great Lakes Bay Region CVB	Marquette CVB
Greater Lansing CVB	Michigan Adventure (Muskegon)
Holland CVB	Michigan Ag Council
Harbor Springs CVB	Michigan Apple Committee
Jackson CVB	Michigan DNR
Kalamazoo CVB	Michigan Snowsports Association
Kalamazoo Air Zoo	Michigan Wine Council
Ludington and SS Badger	Mt. Bohemia
Manistee CVB	Mt. Pleasant CVB
Michigan Wine Council	Muskegon CVB
Michigan Snowsports Association	Sault Ste Marie CVB
Muskegon CVB	St. Ignace
Mt. Pleasant CVB	Sunrise Coast (seven communities along Lake Huron coastline)
Sault Ste. Marie CVB	Tecumseh CVB
Silver Lake Sand Dunes CVB	The Wilds of Michigan (Gogebic and Ontonagon counties in the western UP)
St. Ignace CVB	Tullymore Golf Resort (Stanwood)
Sunrise Coast (seven communities along Lake Huron coastline)	
Tecumseh	
The Wilds of Michigan (Gogebic and Ontonagon counties in the western UP)	
Tullymore Golf Resort (Stanwood)	

* One of the first three partners in 2002

TRAVEL MICHIGAN *continued*

PURE MICHIGAN MEDIA PLAN: TRAVEL MICHIGAN Fiscal year 2013: 10/01/2012 - 09/30/2013					
Out-of-state markets	Types of media purchased	Winter expense (Dec-Feb)	Spring/summer expense (March-July)	Fall expense (Sept-Oct)	Total expense
National cable	TV	\$0	\$10,000,000	\$0	\$10,000,000
Digital	Digital	\$0	\$400,000	\$0	\$400,000
Hunting/fishing digital	Digital	\$0	\$400,000	\$0	\$400,000
Tigers broadcast	TV/radio	\$0	\$200,524	\$0	\$200,524
Print	Print	\$0	\$318,052	\$57,500	\$375,552
Chicago total	TV/radio/billboard	\$658,569	\$640,030	\$541,383	\$1,839,982
Indianapolis total	TV/radio/billboard	\$125,608	\$54,220	\$149,555	\$329,383
Cincinnati total	TV/radio/billboard	\$114,657	\$84,915	\$124,291	\$323,863
Cleveland total	TV/radio/billboard	\$181,574	\$149,521	\$214,728	\$545,823
Columbus total	TV/radio/billboard	\$102,458	\$37,528	\$124,832	\$264,818
Dayton total	TV/radio/billboard	\$0	\$46,126	\$0	\$46,126
St. Louis total	TV/radio/billboard	\$0	\$128,499	\$74,195	\$202,694
Milwaukee total	TV/radio/billboard	\$84,969	\$74,647	\$95,438	\$255,054
Ontario total	TV/radio/billboard	\$48,195	\$263,146	\$186,677	\$498,018
Ft. Wayne total	TV/radio/billboard	\$28,993	\$28,398	\$35,890	\$93,281
South Bend total	TV/radio/billboard	\$29,172	\$30,054	\$24,495	\$83,721
Toledo total	TV/radio/billboard	\$32,431	\$25,740	\$28,321	\$86,492
Green Bay total	TV/radio/billboard	\$35,156	\$24,232	\$50,180	\$109,568
Out-of-state total		\$1,441,782	\$12,905,632	\$1,707,485	\$16,054,899
In-state markets	Types of media purchased	Winter expense (Dec-Feb)	Spring/summer expense (March-July)	Fall expense (Sept-Oct)	Total expense
Detroit total	Radio/billboard	\$15,418	\$300,613	\$15,418	\$331,449
Flint total	Radio/billboard	\$15,714	\$31,428	\$15,714	\$62,856
Lansing total	Radio/billboard	\$12,000	\$23,980	\$11,910	\$47,890
Grand Rapids total	Radio/billboard	\$18,660	\$38,970	\$18,660	\$76,290
Traverse City total	Radio/billboard	\$9,000	\$22,500	\$0	\$31,500
In-state total		\$70,792	\$417,491	\$61,702	\$549,985
Grand totals		\$1,512,574	\$13,323,123	\$1,769,187	\$16,604,884

BUSINESS MARKETING

In January of 2011, the MEDC consolidated its marketing and communications program under the same brand of Pure Michigan. This brand is utilized for the MEDC's corporate identity as well as to promote the state for tourism, business and talent.

Based on the business marketing campaign foundation launched in 2012, in FY 2013, the MEDC focused on delivering three key messages important to business marketing: brand attraction, talent attraction and Pure Michigan Business Connect. The largest was the business attraction marketing campaign, which sought to improve perceptions of Michigan, promoting the state as a desirable place to do business in order to increase international, national, and in-state business development leads. The campaign utilized the full spectrum of communication vehicles — social media, print/digital/paid search advertising, search engine optimization tactics, trade shows and the launch of a brand new website, michiganbusiness.org. The campaign targeted site selectors, business decision makers, entrepreneurs and professionals to send the message that Michigan is a business-friendly state, offering a new ground-breaking business tax structure, highly skilled talent pool, research and development expertise, and initiatives and partnerships that create an attractive environment for business growth.

To support in-state business development and connections, the MEDC also developed a Pure Michigan Business Connect marketing campaign. The objective of the campaign was to encourage businesses to register for the program on puremichiganb2b.com.

Finally, the MEDC launched a brand new Pure Michigan talent attraction and retention campaign, with the goal of driving people, both in-state and out-of-state, to mitalent.org to search for jobs. This campaign is called "Faces of Pure Michigan," and it features real

people in Michigan representing various industries. It tells their stories about why they love to live, work and play in Michigan and then encourages people to visit mitalent.org to find the career that is right for them. The campaign includes social media, print/digital/paid search advertising, search engine optimization tactics and career fairs. The MEDC secured a partnership this year with Tim Hortons to host MiVirtualCareerFairs in their stores. Computers were available to utilize, and MEDC staff was on hand to review résumés, provide interview tips and answer questions. This partnership enables job seekers who otherwise might not have internet access to search for career opportunities throughout the state on mitalent.org.

In addition, a critical component for a successful advertising campaign and to encourage traffic to the michiganbusiness.org website is a successful pay-per-click (PPC) program. In FY 2013 the paid search campaign was utilized to support all three key marketing messages.

Rocketfuel, an advertising technology company, also conducted a survey of out-of-state C-level executives to determine the effectiveness of the Pure Michigan business marketing campaign in FY 2013. Key findings of the survey results found that:

- After being exposed to a Pure Michigan ad, users were 53.2 percent more likely to believe Michigan has a business-friendly environment.
- Michigan is gaining ground on other states in terms of responders likely to open a new business location, ranking higher than states like Kentucky and Ohio.

BUSINESS MARKETING *continued*

BUSINESS WEB ACTIVITY ON MICHIGANBUSINESS.ORG AND E-NEWSLETTERS Fiscal year 2013: 10/01/2012 - 09/30/2013	
Month	Number of web visits
October	57,983
November	54,486
December	48,800
January	46,579
February	43,790
March	56,335
April	44,267
May	37,707
June	39,677
July	47,515
August	49,575
September	63,317
Total	590,031

MichiganAdvantage.org became michiganbusiness.org in August 2013. There were 590,031 web visits in FY 2013.

There were 25,858 subscribers to the “MEDC Daily;” 31,159 subscribers to “This Just In;” 580,626 subscribers to “Job Connect;” 13,295 subscribers to “Now Hiring;” 392 subscribers to “Talent Network News;” 26,984 subscribers to “Talent Connect;” 146 subscribers to “Legislators;” 584 subscribers to “Site Selectors;” 669 subscribers to “Inside Edition;” and 57,968 subscribers to “Veteran Connect.”

Total fans/followers on the following channels at the end of FY 2013 (September 30, 2013) were:

- Facebook: 8,591 likes
- Twitter: 5,437 followers
- LinkedIn: 3,407
- YouTube: 211 subscribers

Business familiarization media tour

One group press trip with a total of eight writers was hosted in FY 2013:

- August 20–21, 2013: Eight writers visited Michigan on a food processing technology tour which highlighted the state’s business climate, resources and companies within the food processing industry.

Outbound media tour

MEDC president and CEO Mike Finney was joined by Josh Linkner of Detroit Venture Partners and Rick DeVos of StartGarden on a two-day New York media tour. On July 9–10, 2013, the group met with top tier media to discuss Michigan’s business climate and entrepreneurship.

China media trip

In September, Governor Rick Snyder hosted an Asia investment mission, visiting Shanghai, Beijing and Japan to help boost export opportunities for Michigan businesses. During the trip, Governor Snyder met with Chinese business media to address misconceptions related to Detroit’s bankruptcy announcement and encourage continued investments in the city and state.

Activities resulted in 291 website hits and more than 900 million impressions, with the key messages consistently displayed in Chinese media coverage.

Media results

Several editorial and PR opportunities were created to showcase Michigan’s improved business climate, entrepreneurship, MEDC programs and Michigan industries. Activities resulted in 60 placements and more than 228 million impressions in outlets including *Money Magazine*, *Entrepreneur*, *Bloomberg BusinessWeek*, *CNNMoney.com*, *Fox & Friends* and *Forbes*.

BUSINESS MARKETING *continued*

The FY 2013 business marketing efforts were inclusive of three main initiatives with individual media plans and key performance indicators (KPIs):

Business attraction (launched in May of 2013)

- KPIs were e-newsletter sign-ups and “contact us” form completions on michiganbusiness.org
- Media support included print and digital display

Talent attraction/retention (launched in August of 2013)

- KPIs were traffic to mitalent.org and new account creations
- Media support included print and digital display
- Results: August/September visits totaled 4,335 to mitalent.org with 498 account creations.

Pure Michigan Business Connect (launched in July of 2013)

- KPIs were member registrations on puremichiganb2b.com
- Media support included radio, email marketing and digital display

Paid Search also was used to support all business initiatives with 6,389,191 impressions and 63,705 clicks served throughout the fiscal year.

Shows, events, and sponsorships

Along with advertising, the business marketing program funds events and trade shows in targeted industries in which Michigan has unique strengths. These complement the MEDC’s business attraction and retention efforts. Some of the major shows, events, and sponsorships that MEDC participated in during FY 2013 include:

- **AWEA (American Wind Energy Association Conference):** WINDPOWER is the focal point for wind professionals to network with and learn from

industry leaders and experts and to discover the latest in industry products and services.

- **The Battery Show:** Premier showcase of the latest advanced battery technology attended by technical leaders, scientists, engineers, project leaders, buyers, and senior executives concerned with advanced energy storage.
- **BIO International 2013:** Global event for biotechnology that brings together more than 16,000 industry leaders for partnering discussions and deal-making activities.
- **Detroit Regional Chamber Mackinac Policy Conference:** Brings together Michigan’s top business professionals, government leaders, corporate CEOs, entrepreneurs, and veteran regional champions featuring national experts and innovative change-makers.
- **North American International Auto Show (NAIAS):** International event that is among the most prestigious auto shows in the world.

The commitment of the MEDC to support the brand across all consumer touch points, along with the brand implementation in the public sector and private sector level, make a Pure Michigan business case that will boost awareness and drive business activity to Michigan.

BUSINESS MARKETING *continued*

PURE MICHIGAN MEDIA PLAN: BUSINESS MARKETING CAMPAIGN		
Fiscal year 2013: 10/01/2012 - 09/30/2013		
MEDC BUSINESS: OCTOBER 2012-DECEMBER 2013		
Media partner	Type of media	Media cost
Rocket Fuel	Behavioral targeted digital	\$120,000
Total		\$120,000
NATIONAL BUSINESS CAMPAIGN, FLIGHT DATES: JANUARY-MARCH 2013		
Media partner	Type of media	Media cost
Site Selection	Print	\$13,822
Area Development	Print	\$13,995
Business Xpansion Journal	Print	\$2,200
Automotive News	Print	\$63,401
Medical Device Diagnostic Industry	Print	\$14,450
Wall Street Journal	Print	\$144,098
Atlanta Business Chronicle	Print	\$35,500
Dallas Business Journal	Print	\$31,056
Austin Business Journal	Print	\$22,708
San Francisco Business Times	Print	\$39,000
Los Angeles Business Journal	Print	\$32,000
Silicon Valley/San Jose Business Journal	Print	\$29,288
Washington Business Journal	Print	\$28,088
Crains Chicago Business	Print	\$57,894
Atlanta Journal Constitution	Digital	\$13,500
Washington Post	Digital	\$20,000
Dallas Morning News	Digital	\$12,513
Ft. Forth Star- Telegram	Digital	\$10,750
Austin-American Statesman	Digital	\$8,500
Chicago Tribune	Digital	\$19,600
Los Angeles Times	Digital	\$19,016
San Francisco Chronicle	Digital	\$15,620
San Jose Mercury News	Digital	\$12,643
Contra Costa Creek Times	Digital	\$2,295
Ad Serving	Digital	\$10,000
	Total	\$671,937

BUSINESS MARKETING *continued*
PURE MICHIGAN MEDIA PLAN: BUSINESS MARKETING CAMPAIGN *continued*
Fiscal year 2013: 10/01/2012 - 09/30/2013
NATIONAL BUSINESS ATTRACTION CAMPAIGN: MAY - SEPTEMBER 2013

Media partner	Type of media	Media cost
Forbes	Print/digital	\$581,490
Fortune	Print	\$96,072
Inc.	Print	\$71,768
Chief Executive	Print	\$10,500
Coverwrap Communications	Print	\$8,717
Site Selection	Print/digital	\$51,651
Area Development	Print/digital	\$43,995
Business Xpansion	Print	\$9,600
Trade & Industry Development	Print/digital	\$19,404
LinkedIn	Digital	\$100,000
Automotive News	Print/digital	\$124,624
Medical Devices & Diagnostic Industry	Print/e-newsletter	\$39,250
Food Engineering	Print/digital	\$22,100
Logistics Management	Print/digital	\$28,500
CIO	Print/digital	\$97,999
Water, Environment & Technology	Print/digital	\$24,640
Rocketfuel	Behavioral targeted digital	\$186,000
Ad Serving	Digital	\$8,571
Total		\$1,524,881

TALENT ATTRACTION/RETENTION CAMPAIGN, FLIGHT DATES: AUGUST - SEPTEMBER 2013

Media partner	Type of media	Media cost
Adaptly—Facebook/LinkedIn	Digital	\$36,000
U of M Alumni magazine	Print	\$3,555
Total		\$39,555

MITALENT CAREER FAIR FLIGHT DATES: APRIL 22-29, 2013

Media partner	Type of media	Media cost
Radio—live reads	Radio—live reads	\$18,615
Total		\$18,615

PURE MICHIGAN BUSINESS CONNECT CAMPAIGN, FLIGHT DATES: JULY 2013 - SEPTEMBER 2013

Media partner	Type of media	Media cost
WJR	Radio/digital	\$40,000
eTarget	e-newsletter	\$3,000
Crain's	e-newsletter	\$3,615
Wall Street Journal Network	Digital	\$16,285
Total		\$62,900
Grand total		\$2,437,888

No commercials were produced in FY2013. A majority of business development marketing efforts are aimed at promoting Michigan to a combination of in-state, national and international audiences. Therefore, amounts spent for business development efforts cannot be split between in-state and out-of-state.

MICHIGAN FILM INCENTIVES

The Michigan Film and Digital Media Production incentive provides qualified production companies up to a 32 percent incentive for qualifying Michigan expenditures with the opportunity to earn an additional 3 percent for filming in one of Michigan's qualified production or post-production facilities.

In FY 2013, 35 projects were approved under the guidelines set in Section 1032 of Public Act 59 of 2013.

The MEDC film review committee, comprised of senior MEDC staff including the Michigan Film Commissioner, reviews all completed applications using the statute to guide approval decisions and makes recommendations on whether to approve or deny a project. All projects are required to be approved in concurrence with the president of the MSF.

More than 80 percent of these were independent projects, including many from Michigan-based filmmakers. The film office has also continued to support local film festivals, including the Traverse City Film Festival, Waterfront Film Festival, Cinetopia and Ann

Arbor Film Festival as a way to promote Michigan's filmmakers and projects.

The film office has also put a renewed emphasis on attracting digital media projects, including post-production and video game and mobile app development. In FY 2013, the film office nearly doubled its investment in video game development projects from the previous year.

Per statute, 5 percent of allocated incentive funding must be spent on post-production projects in the state. In FY 2013, \$357,021 was awarded to post-production projects in the state with a total of \$3.02 million carrying over into FY 2014, dedicated to post-production funding.

The figures in this report are based on applications approved by the Michigan Film Office and therefore are estimates. The film office online dashboard can be found at michiganfilmoffice.org/the-film-office/mfo-dashboard and is updated quarterly with actual data from approved certificate of completion requests.

APPROVED MICHIGAN FILM AND DIGITAL MEDIA PRODUCTION INCENTIVES Fiscal year 2013: 10/01/2012 - 09/30/2013

Project title	Effective date	End date	Total Michigan spend	Incentive amount	Description	Locations
RoboCop (<i>2nd unit shots</i>)	10/05/12	up to 5 year maximum	\$1,057,356	\$294,312	Feature film	Metro Detroit
The Castle	10/11/12	up to 5 year maximum	\$163,968	\$48,330	Web series	Charlevoix
Detroit Rubber (<i>Season 1</i>)	10/17/12	up to 5 year maximum	\$169,877	\$53,459	Web series	Royal Oak, metro Detroit
Misled	11/01/12	up to 5 year maximum	\$200,588	\$59,844	Feature film	Metro Detroit
Rumors of War	11/05/12	up to 5 year maximum	\$193,418	\$55,599	Feature film	Grand Rapids
Parts Per Billion	11/07/12	up to 5 year maximum	\$991,003	\$295,766	Feature film	Metro Detroit
Need for Speed	11/19/12	up to 5 year maximum	\$4,993,623	\$1,370,852	Feature film	Detroit
Ask Dr. Nandi (<i>Season 2</i>)	12/28/12	up to 5 year maximum	\$3,152,623	\$972,518	Television series	Wixom
Transformers 4	12/28/12	up to 5 year maximum	\$81,933,992	\$20,000,000	Feature film	Adrian, metro Detroit
Low Winter Sun (<i>Season 1</i>)	12/28/12	up to 5 year maximum	\$26,423,771	\$7,544,611	Television series	Metro Detroit

MICHIGAN FILM INCENTIVES *continued*

APPROVED MICHIGAN FILM AND DIGITAL MEDIA PRODUCTION INCENTIVES <i>continued</i>						
Fiscal year 2013: 10/01/2012 - 09/30/2013						
Project title	Effective date	End date	Total Michigan spend	Incentive amount	Description	Locations
How to Catch a Monster	12/28/12	up to 5 year maximum	\$6,238,922	\$1,873,337	Feature film	Metro Detroit
American Muscle	12/28/12	up to 5 year maximum	\$259,922	\$78,153	Television pilot	Plymouth
Don Cheto (<i>1st Cycle</i>)	01/28/13	up to 5 year maximum	\$192,355	\$66,662	Animated web series	Southfield
Gamekeeper	02/05/13	up to 5 year maximum	\$113,700	\$39,665	Animated web series	Southfield
Silver Bells	02/21/13	up to 5 year maximum	\$591,213	\$177,655	Feature film	Grand Rapids, Ludington, Manistee
Papou	02/25/13	up to 5 year maximum	\$182,089	\$54,990	Feature film	Livonia, metro Detroit
Landlord	02/27/13	up to 5 year maximum	\$118,784	\$34,870	Feature film	Hamtramck, metro Detroit
Original Bethlehem	03/14/13	up to 3 year maximum	\$217,566	\$65,270	Post-production	Holland
Series One	04/26/13	up to 3 year maximum	\$249,700	\$86,055	Animated web series	Southfield
Dial a Prayer	05/03/13	up to 3 year maximum	\$850,160	\$243,002	Feature film	Metro Detroit
Detroit Rubber (<i>Season 2</i>)	05/03/13	up to 3 year maximum	\$235,987	\$68,348	Web series	Royal Oak, metro Detroit
Matter of Faith	05/17/13	up to 3 year maximum	\$376,765	\$105,644	Feature film	Grand Rapids
Dogman 2: Wrath of the Litter	05/17/13	up to 3 year maximum	\$410,750	\$123,209	Feature film	Benzie County
Division 19	06/19/13	up to 3 year maximum	\$840,193	\$260,642	Feature film	Detroit, metro Detroit
Money is Money	06/19/13	up to 3 year maximum	\$6,453,717	\$2,009,298	Feature film	Detroit, metro Detroit
Bestseller	06/25/13	up to 3 year maximum	\$145,350	\$42,431	Feature film	DeTour, Petoskey
Blood of the Werewolf	06/27/13	up to 3 year maximum	\$142,656	\$48,880	Video game	Farmington Hills
Blue Goji Mobile Arcade Game	06/28/13	up to 3 year maximum	\$145,000	\$50,489	Video game	Southfield
Untitled Superman/Batman ¹	07/15/13	up to 3 year maximum	\$1,000,000	\$1,000,000	Feature film	Pontiac, other locations TBD
The Adventures of Mickey Matson & The Pirates Code	08/08/13	up to 3 year maximum	\$766,151	\$232,090	Feature film	Ludington, Manistee, Muskegon

MICHIGAN FILM INCENTIVES *continued*

APPROVED MICHIGAN FILM AND DIGITAL MEDIA PRODUCTION INCENTIVES <i>continued</i>						
Fiscal year 2013: 10/01/2012 - 09/30/2013						
Project title	Effective date	End date	Total Michigan spend	Incentive amount	Description	Locations
Writer's Block	08/12/13	up to 3 year maximum	\$1,139,340	\$345,544	Feature film	Ann Arbor, metro Detroit
Bring Back Summertime	08/21/13	up to 3 year maximum	\$2,160,946	\$676,305	Feature film	Detroit, Farmington Hills, Walled Lake, West Bloomfield
It Follows	08/26/13	up to 3 year maximum	\$647,873	\$183,425	Feature film	Clawson, Sterling Heights, Royal Oak
The Funeral Guest	09/30/13	up to 3 year maximum	\$518,280	\$153,506	Feature film	East Lansing, Lansing, metro Detroit
Saugatuck Cures	09/30/13	up to 3 year maximum	\$147,163	\$42,608	Feature film	Saugatuck
Total			\$143,424,801	\$38,757,369		
¹ This project was approved in FY 2013 for up to \$35 million, which is to be split between \$1 million spent in FY 2013 and \$34 million spent in FY 2014. The \$34 million to be spent in FY 2014 will be reported in the FY 2014 annual report.						

MICHIGAN FILM INCENTIVES AND TAX CREDITS ISSUED

As of December 21, 2011, the Film and Digital Media Production Assistance program has been operating within the scope of Section 29 of the MSF Act and no longer has the ability to approve new film tax credit applications under Section 455 of the MBT Act. However, previously approved projects may be issued a post-production tax credit certificate after the project is complete. The projects that were issued post-production certificates in calendar year 2013 are reported below. The Michigan Film Office is not aware of other non-state incentives that were provided to a qualified project.

In 2013, six post-production certificates of completion were signed and issued by the film office with a total value of \$558,217. These are listed by month in the table below. For one project, there is a post-production certificate issued for a project's supplemental payment in months subsequent to the project's original post-production certificate being

issued. All six post-production certificates signed in 2013 were for projects that were in production in 2010–2011. The anticipated amount of redemption fees to be collected by the film office from these signed post-production certificates totals \$2,805.

A total of \$26,551,106 in film tax credits were claimed from the Department of Treasury in 2013. As of December 31, 2013, a total of \$225,539,660 in film tax credits have been paid out by the state with \$94,148,139 in potential film tax credits that remain eligible to be claimed under the tax credit program.

In FY 2013, six projects were issued an approved Certificate of Completion Request (COCR) under the new film incentive program. These are listed in the table below. Under Section 29 of the MSF Act, projects approved in 2012 and thereafter are reported in an online dashboard found at michiganfilmoffice.org/the-film-office/mfo-dashboard. The dashboard is updated with actual data on a quarterly basis as COCRs are approved.

APPROVED POST-PRODUCTION CERTIFICATES ISSUED Calendar year 2013			
Month	# of PPCs signed	Credits certified	Redemption fee
January	3	\$277,285	\$1,393
February	0	\$0	\$0
March	1	\$170,658	\$858
April	0	\$0	\$0
May	0	\$0	\$0
June	0	\$0	\$0
July	1	\$26,166	\$131
August	1	\$84,108	\$423
September	0	\$0	\$0
October	0	\$0	\$0
November	0	\$0	\$0
December	0	\$0	\$0
Total	6	\$558,217	\$2,805

APPROVED POST-PRODUCTION CERTIFICATES ISSUED
Calendar year 2013

Production	Locations	Total MI spend	Goods	Services	Salaries and wages	BTL crew employed in state	BTL crew residents of state	Total hours worked on prod.	ATL personnel employed in state	ATL personnel residents of state	Persons employed in state who earned over \$250k	\$250k residents of state	Temporary jobs created	Permanent jobs created	Person employed in state as FTE
Setup (supplemental) ¹	Byron Center, Coopersville, East Grand Rapids, Grand Rapids	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Man v. Wild	Farmington Hills	\$460,696	-\$5,311	\$49,906	\$416,101	0	0	0	0	0	0	0	0	0	6
Fish: Zoo Zoos Wham Whams	Charlotte, Jackson	\$66,668	\$30,196	\$22,548	\$13,924	8	0	N/A	2	0	0	0	10	0	0
Chasing Jimmy	Caseville	\$86,838	\$13,123	\$33,115	\$40,600	12	12	635	1	1	0	0	13	0	0.6
Detention of the Dead	Pontiac	\$204,475	\$18,876	\$25,835	\$159,764	50	48	1,441	41	30	0	0	91	0	1
Actor? ²	Farmington Hills	\$156,000	\$0	\$156,000	\$0	0	0	0	0	0	0	0	0	0	0

APPROVED CERTIFICATES OF COMPLETION REQUESTS
Fiscal year 2013: 10/01/2012 - 09/30/2013

Production	Locations	Direct production expenditures incentive awarded	MI personnel expenditures incentive awarded	Crew personnel expenditures incentive awarded	Qualified personnel expenditures incentive awarded	Post-production expenditures incentive awarded	Qualified facility or infrastructure expenditures incentive awarded	Program administration spend	Temporary jobs created	Permanent jobs created	Persons employed in state as FTE
AKA Jimmy Picard	Byron, Commerce, Dearborn, Detroit, Howell, Newport	\$547,497	\$757,280	\$189,307	\$354,711	\$0	\$0	\$0	279	0	37
Beside Still Waters	Boyne City, Boyne Falls, Petoskey, Walloon Lake	\$36,620	\$16,508	\$5,869	\$9,033	\$0	\$0	\$0	37	0	1
Blue Goji Boxing (mobile)	Southfield	\$0	\$0	\$0	\$0	\$37,172	\$4,130	\$0	12	0	0
Keystone Studios 100th Anniversary Collection	Southfield	\$34	\$2,400	\$0	\$0	\$103,126	\$11,688	\$0	1	0	0
Low Winter Sun (pilot)	Detroit, Highland Park, Warren	\$328,474	\$476,405	\$210,254	\$175,643	\$0	\$1,054	\$0	225	0	23

¹ This was a 2010 project that was issued an initial tax credit on August 10, 2011. Michigan Department of Treasury does not provide details on supplemental post-production certificates issued.

² Post-production service contract; no BTL/ATL expenses were eligible.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

The Michigan Council for Arts and Cultural Affairs (MCACA) serves as the state agency that administers matching grants and appropriations, facilitates communication networks, and develops funding resources for arts and cultural activities. The 2013 grantees of MCACA grants reported over 22 million individuals—including over 5 million youth—benefitted from MCACA grants. The grantees also report contracting with 76,585 Michigan artists.

Not reflected in the direct numbers summarized below are the grants made with MCACA monies

through re-granting agencies, the Touring Arts program administered for MCACA by the Michigan Humanities Council, and the Bus Grant program administered for MCACA by Michigan Youth Arts Association:

Touring arts: 162 grants awarded totaling \$50,000
 Bus grants: 190 grants awarded totaling \$45,000
 Regional re-granting: 228 awards totaling \$451,284

Therefore, funds appropriated for MCACA in FY 2013 resulted in 914 grants being made across the state for arts and cultural activities.

MCACA GRANTS ¹				
Fiscal year 2013: 10/01/2012 - 09/30/2013				
Grant type	Number of awards	Individuals benefiting	Grant amount	Overall match
Capital improvements program	37	1,918,272	\$796,961	7,382,700
New leaders program	23	17,312	\$57,380	\$149,450
Operational and project support	226	15,042,506	\$3,716,939	\$182,875,602
Regional re-granting mini-grant program	38	786,746	\$684,092	\$684,092
Services to the field	10	4,732,193	\$441,000	\$7,356,274
Total	334	22,497,029	\$5,696,372	\$198,448,118

¹ Includes all grants awarded in FY 2013 and financial activity through January 15, 2013.

MICHIGAN ENERGY OFFICE

The Michigan Energy Office (MEO) is a U.S. Department of Energy (U.S. DOE) designated state energy office that operates under the umbrella of the MSF. MEO receives annual funding from U.S. DOE through the agency’s state energy program to help Michigan municipalities, businesses, and non-profits reduce costs and eliminate energy waste.

In FY 2013, the state energy program provided over \$2 million for technical assistance and incentives in the form of grants and loans for equipment purchases, manufacturing upgrades, energy assessments, building retrofits, ag-energy projects, and job creation. This enables MEO to:

- Partner with technical energy-saving experts throughout the state to provide energy audits to qualified Michigan businesses, schools, municipalities, and non-profits to help lower their energy bills.
- Provide incentives for Building Operator Certification (BOC®) training, which teaches energy-efficient practices that improve building performance.

- Help Michigan communities capitalize on their solar assets as a way to foster community vitality and new business investment. In 2013, MEO partners worked in collaboration with the Michigan Municipal League, Michigan Townships Association and Michigan Association of Counties on a solar ready community project which helped the cities of Chelsea and Ann Arbor become “solar ready.”
- Work with Michigan’s agricultural sector to foster energy initiatives that demonstrated cost effective practical technologies and practices. Nearly 107 farm energy audits were completed, resulting in lower on-farm operating costs and increased food production.

A list of the FY 2013 awards are shown below.

As a result of these awards, recipients have saved over \$300,000 in energy costs, reduced 2,145 metric tons of greenhouse gases, and leveraged \$1.4 million in private investment.

STATE ENERGY PROGRAM Fiscal year 2013: 10/01/2012 - 09/30/2013				
Recipient	Type of funding	City	County	Award amount
Delta Green; AmericInn Hotel	Grant	Wetmore	Alger	\$2,500
Straight Beam LLC; Lakeshore Public Schools	Grant	Stevensville	Berrien	\$3,500
Straight Beam LLC; Battle Creek YMCA	Grant	Battle Creek	Calhoun	\$3,500
Delta Green; Kinross Township	Grant	Kincheloe	Chippewa	\$3,000
Delta Green; Iron Mt. VA Medical Center	Grant	Iron Mountain	Dickinson	\$3,500
Hurst Mechanical; Red Mesa Grill	Grant	Traverse City	Grand Traverse	\$2,500
Youth Karate-Ka	Loan	Flint	Genesee	\$6,000
Michigan State University	Grant	East Lansing	Ingham	\$105,000
Michigan State University	Grant	East Lansing	Ingham	\$10,800
Michigan Energy Options	Grant	East Lansing	Ingham	\$20,000
Great Lakes Renewable Energy Association	Grant	East Lansing	Ingham	\$53,304
Advanced Battery Concepts LLC	Loan	Clare	Isabella	\$350,000
Straight Beam LLC; Kalamazoo YMCA	Grant	Kalamazoo	Kalamazoo	\$3,500
Straight Beam LLC; Congregation of St. Joseph	Grant	Nazareth	Kalamazoo	\$3,500

MICHIGAN ENERGY OFFICE *continued*

STATE ENERGY PROGRAM <i>continued</i>				
Fiscal year 2013: 10/01/2012 - 09/30/2013				
Recipient	Type of funding	City	County	Award amount
Hurst Mechanical; Kalkaska Kaliseum	Grant	Kalkaska	Kalkaska	\$3,000
G-Energy LLC; Grand Rapids Assoc. of REALTORS®	Grant	Grand Rapids	Kent	\$2,500
Hurst Mechanical; Manistee County	Grant	Manistee	Manistee	\$2,500
Delta Green	Grant	Marquette	Marquette	\$20,000
Delta Green; St. Michael's Parish and School	Grant	Marquette	Marquette	\$3,000
Great Lakes Renewable Energy Association	Grant	Ludington	Mason	\$3,000
Ferris State University ¹	Grant	Big Rapids	Mecosta	\$20,000
Southeast Michigan Regional Energy Office	Grant	Ferndale/Roseville	Oakland/Macomb	\$2,000
Michigan Interfaith Power & Light	Grant	Berkley	Oakland	\$21,256
Michigan Interfaith Power & Light	Grant	Southfield	Oakland	\$3,000
Oakland University	Grant	Rochester	Oakland	\$10,000
Detroit Zoological Society	Grant	Royal Oak	Oakland	\$10,868
Detroit Zoological Society	Grant	Royal Oak	Oakland	\$3,000
Michigan Alternative and Renewable Energy Center, Grand Valley State University	Grant	Allendale	Ottawa	\$19,572
AKT Peerless ¹	Grant	Saginaw	Saginaw	\$20,000
Port Huron Area School District	Grant	Port Huron	St. Clair	\$99,365
University of Michigan	Grant	Ann Arbor	Washtenaw	\$10,463
Clean Energy Coalition	Grant	Ann Arbor	Washtenaw	\$100,000
Clean Energy Coalition	Grant	Ann Arbor	Washtenaw	\$20,000
WARM Training Center	Grant	Detroit	Wayne	\$19,333
Wayne State University ¹	Grant	Detroit	Wayne	\$22,994
Total				\$986,455

¹ The full award amount was not utilized by the recipient.

MICHIGAN LAND BANK

The Michigan Land Bank Fast Track Authority (MLB) is an autonomous state agency created by Public Act 258 of 2003, the Land Bank Fast Track Authority Act. Its mission is to promote economic growth in this state through the acquisition, assembly and disposal of public property, including tax reverted property, in a coordinated manner to foster the development of that property, and to promote and support land bank operations at the county and local levels. The result of the MLB's investment and activities is reflected in the enabling of economic growth and development, the revitalization of communities through blight removal and increased public safety, the support and creation of local jobs, and the return of properties to productive use.

Since its inception, the MLB has:

- Authorized and supported 38 local land banks in Michigan
- Returned over 2,000 properties to productive use
- Completed over 400 demolitions with Neighborhood Stabilization Program (NSP) funds
- Acquired three key buildings for local redevelopment projects with NSP funds
- Supported six city partners as a member of the Michigan NSP-2 Consortium
- Demolished approximately 100 additional properties within the boundaries of five other city partners under NSP2.
- Administered a \$1 million revolving U.S. EPA loan fund

The MLB continues to support community stabilization and revitalization efforts by implementing several local initiatives with the strategic acquisition and assembling of property and clearing of liens.

In FY 2013, new initiatives included a \$25 million blight program for Detroit and 34 other Michigan communities. Of the \$25 million, \$10 million is focused

on removing blighted properties near targeted schools in Detroit and the remaining \$15 million on out-state communities chosen based upon a competitive application process. The program will continue into FY 2014.

MLB also created a public property database, managed and marketed sale of properties, and coordinated projects to maintain MLB-owned properties in urban areas using local training and employment organizations and programs such as Community Ventures.

In support of the Detroit Economic Growth Corporation's economic development plans, the MLB administered a \$3 million project to clear title tax reverted properties in the city of Detroit. Several of the MLB's responsibilities in this project included the selection and negotiation of a development agreement for the 157-acre former state fairgrounds property in Detroit and a role in identifying opportunities to assemble surplus publicly-owned land to attract investment and development projects in urban areas.

In FY 2013, the U.S. Department of Treasury approved the Michigan State Housing and Development Agency (MSHDA) to reprogram \$100 million from the funds previously allocated to the agency under the Hardest Hit Fund award for Michigan. This \$100 million will be divided among five cities—Detroit, Flint, Grand Rapids, Pontiac and Saginaw—to eliminate the surplus of blighted single family homes that have distressed these communities for years. The MLB has partnered with MSHDA to assist each community in this initiative. Assistance will range from acquisition to demolition project management.

In May 2013, the MLB was transferred to MSHDA by Executive Order 2013-8 and no longer falls under MSF authority.