

Notes from October 23, 2018 CDC Meeting

Attendees

MEDC: Greg Tedder, Lynne Feldpausch, Doug Kuiper, Brad Heffner, Valerie Hoag, Keli Edmonds,

Christine Roeder, Amanda Bright McClanahan, Josh Hundt, Jeff Mason, Dave Greco

MSHDA: Gary Heidel

CDC Members: Kevin Johnson, Bill Raymond, Jennifer Owens, Rob Cleveland, Ron Kitchens, Matt McCauley, John Avery, Janice Karcher, Jim McBryde, Paul Krutko

David Greco, Legislative Director, MEDC gave an update on MEDC Legislative priorities and policy monitoring for November and December 2018 (see attached document).

Top priority for the MEDC is the 21st Century Jobs Fund Sunset Extension (SB1108), ending in 2019. This current legislation would extend the Fund's sunset for another four years, to 2023. Without extending the sunset, MEDC will lose \$75 million in annual funding. MEDC has already experienced significant cuts, and this would further negatively impact MEDC's ability to move forward with strategic priorities such as increased support for rural and small community projects, a site development program, early stage capital efforts, and the award-winning Pure Michigan tourism campaign. If you have questions, please contact Dave at grecod@michigan.org

Greco shared information on "Renewing Michigan's Environment" funds to clean up thousands of contaminated sites statewide. Raising Michigan's extremely low \$0.36/ton landfill fee will generate up to \$69 million per year to ensure strong and healthy communities. (see attached document) If you have questions, please contact Angela Ayers w/Governor Snyder's office at ayersa@michigan.gov.

Valerie Hoag, Senior Advisor, MEDC gave a brief overview of the Michigan Site Readiness Program. Fiscal year 2019 funding set at \$2.5 million, and currently looking for longer term funding beyond 2019. Hoag requested volunteers from the CDC to collaborate and work cohesively with the MEDC to work on the seven work streams currently in place (establish vetted industrial site standards, establish a site improvement program, MSRP funding beyond the pilot, MEGA & large site development, create and fund new infrastructure financing tools, speculative building development program and site information, marketing and branding.) See attached documents on Site Readiness and dashboard/timeline. Please contact Valerie Hoag at hoagv@michigan.org with any questions.



Gary Heidel, Chief Housing Investment Officer, MSHDA gave an update on the federal Opportunity Zones program and Treasury guidance documents issued on October 20, 2018, currently in the comment stage. (See attached Federal Register and Capital Gains Invested in OZ)

Opportunity Zones are a new concept recently enacted in the 2017 Tax Cuts and Jobs Act. The program is designed to incent capital investments in low-income communities nationwide that have been cut off from capital and experienced a lack of business growth and investment. There are three types of tax incentives that relate to the treatment of capital gains, each of the incentives are connected to the longevity of an investor's stake in a qualified Opportunity Fund that provides the most upside to those who hold their investment for 10 years or more. Information on Opportunity Zones can be seen here: https://www.michigan.gov/mshda/0,4641,7-141-5587_85624---,00.html

Questions? heidelg@michigan.gov

Jeff Mason, MEDC President & CEO, gave an update of the FY18 final numbers. MEDC reports \$7.3B in private investment and 40K new jobs from incentive projects.

Looking ahead at 2019, Mason reviewed the MEDC's priorities as presented to the Executive Committee in July as we transition to the new administration; Business Attraction (stepping up more focused efforts), Business Marketing (sharpening the message, value/offerings in Michigan), Site Readiness Program, Community Investment (RRC Program – 245 in the process and/or completed the process. Now focus on helping those communities large and small), Mobility/PlanetM, Rural Region focus, and Leveraging Strategic Partners (MMTC, SBDC, MCIC, etc.)
