MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

MiGROW Program Guidelines

PROGRAM OVERVIEW

The program provides targeted funding to support businesses undertaking growth, expansion, or investment projects in Michigan. Program assistance is intended to address a demonstrated financing gap or competitive gap affecting a project's feasibility, scale, timing, or location to leverage private investment that increases productivity, diversification, and economic activity in the state.

The program gives priority to projects within Michigan's strategic clusters, or regional impact clusters, with limited eligibility for non-strategic cluster projects demonstrating significant economic and regional impact.

Visit the program page for more information.

PROGRAM GOALS

The program's goal is to contribute to a growing, more resilient, and more diversified Michigan economy through targeted business investment. Supported projects are expected to:

- increase economic output and contribute to real GDP growth by expanding capacity, productivity, and private capital investment;
- strengthen Michigan's economic resilience by increasing activity within strategic clusters; and
- advance economic diversification by supporting new and adjacent industries and enabling existing businesses to enter new products, technologies, customers, and markets.

ELIGIBILITY

Eligibility is the first threshold for consideration under the program.

ELIGIBLE APPLICANTS

An eligible applicant is any qualified business, which may include more than one business entity, as determined by the Michigan Economic Development Corporation (MEDC). A qualified business means a business that demonstrates to the MEDC that it is located in, will locate to, operates in, or will operate in, Michigan.

ELIGIBLE APPLICANTS MUST MEET THE FOLLOWING:

- Be in compliance with any other program or incentive offered by the MEDC or Michigan Strategic Fund (MSF); and
- Complete background reviews and meet financial, legal, and other program requirements as determined by the MEDC; and propose a project that is either:
  - » a project within a strategic or regional impact cluster; or
  - » a project not within a strategic cluster bringing a high economic value, as outlined below.*

**In limited circumstances, applicants with projects outside identified strategic clusters may be considered when the proposed project demonstrates high economic value to the local economy and broad geographic or regional benefit, and a positive return on investment. To be considered, a non-strategic cluster project will achieve:*

- ***Employment Impact:*** *Creation of new jobs equal to at least 1% of existing employment in the county; and*
- ***Wage Impact:*** *At least 75% of new jobs created must be compensated at or above the regional median wage at the time of application. Regional median wages can be found here: Michigan Prosperity Region Hourly Wage Rates*

INELIGIBLE APPLICANTS AND PROJECTS INCLUDE:

- Non-tradeable industries including retail operations and franchises
- Not-for-profit organizations

ELIGIBLE PROJECTS

Eligible projects will involve expansion, growth or other investment projects occurring in Michigan. Projects will be evaluated based on strategic and economic impact, demonstrated need for program assistance, financial viability, available funding, and other applicable program criteria, including, but not limited to, the following:

Eligible projects must:

- occur in Michigan and represent business growth, expansion, or new investment;
- result in new private investment or new job creation beyond the applicant's existing Michigan operations;
- demonstrate a financing gap or competitive gap affecting the project's feasibility, scale, timing, or location in Michigan;
- generate a positive return on investment to the state;
- be referred by a local partner, or otherwise demonstrate appropriate local support, as determined by the MEDC; and
- meet applicable program timing and information requirements.

Eligible expenses are:

Actual expenditures by the company for hard and soft costs directly related to the project at the project site, as determined by the MEDC. Eligible expenses include the following:

Hard Costs

- Land acquisition, demolition, and site preparation
- Construction, renovation, rehabilitation, and improvement of buildings, facilities, and infrastructure
- Acquisition, installation, modification, or removal of machinery, equipment, tooling, furniture, and fixtures
- Project-related utility connections, permits, zoning, and inspection costs

Soft Costs

- Project-related architectural, engineering, environmental, surveying, and other professional services
- Software and technology directly related to production, operations, or delivery of the project
- Third-party training on project-specific equipment and job-training certifications necessary to make the project operational

A detailed list of eligible expenses is available here.

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OTHER PROGRAM PRIORITIES

The MEDC may, at its discretion, establish a minimum funding allocation for businesses that qualify as small businesses under U.S. Small Business Administration (SBA) size standards. In fiscal year 2027, no less than $5,000,000 will be awarded to small businesses that qualify under SBA size standards.

The MEDC may reserve or prioritize a portion of available program funding for projects within specific geographic regions of the state to support regional economic development opportunities.

AWARD STRUCTURE

These performance-based grants are for no more than 25% of total project cost, not to exceed $1,000,000 for any one project.

Disbursements are made on a reimbursement basis:

- Reimbursement is available for up up to 50% of eligible expenses
  - » Reimbursements are subject to the total approved award and all applicable award limitations.
- Disbursements occur no more than quarterly.
- At project completion the grantee must report on total job creation and/or investment targets.
- Prorated repayment may be required if jobs or investment commitments are not met in full.

PROJECT SCORING

The following criteria reflect the general considerations the MEDC intends to use in evaluating and prioritizing projects for funding. Specific scoring questions will be established and may be modified as appropriate to support program objectives and strategic priorities within the overall four-section structure.

1. **Strategic Cluster & Business Size Impact (maximum of 25 points)**
   - Alignment with MEDC strategic clusters
   - Diversification into new products, customers, markets, technologies, or industries
   - Small business status
2. **Investment Impact (maximum of 25 points)**
   - Total investment
   - Investment quality
   - Project permanence
3. **Jobs Impact (maximum of 25 points)**
   - Number of new jobs created
   - Wage levels at or above the regional median wage
4. **Place Impact (maximum of 25 points)**
   - Redevelopment of vacant or brownfield properties
   - Area unemployment rate
   - Job creation as a % of total county employment

Projects will be evaluated holistically, with consideration given to both their overall economic impact and their alignment with the MEDC's strategic priorities. Meeting eligibility requirements does not guarantee funding, and projects must achieve a minimum score to be considered for an award.

PROGRAM LEVEL OUTCOMES

- Increased private investment
- Business growth
- Increased employment opportunity
- Growth of strategic industries and strategic clusters
- Increased capital formation
- Positive regional impact generated
- Long-term GDP growth

APPLICATION PROCESS:

MEDC support is based on, but not limited to, a high-level application and selection process outlined below.

- Applicants should first contact their local economic development office or the applicable MEDC business development relationship manager.
- Applicant provides initial intake documentation.
- The MEDC reviews project based on the project scoring outlined above.
- The MEDC provides an indication of support, when appropriate.
- Applicant provides completed application with additional supporting documents.
- The MEDC completes its review, and, if appropriate, provides a proposed term sheet to the applicant.
- The MEDC prepares a recommendation, as appropriate, to the MEDC or its authorized delegates for project approval.
- After all due diligence is satisfactorily completed, the MEDC drafts the appropriate legal agreement for execution.
- Applicant completes performance-based milestones outlined in the MEDC agreement, including those related to the disbursement of funds following completion of compliance verification.
- Applicant completes the reporting.
- The MEDC completes compliance verification, including final headcount verification for project closeout.

All support shall be memorialized by final written agreement with terms and conditions in accordance with the MEDC, these guidelines, MEDC approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MEDC, and shall include, without limitation, performance-based milestones governing disbursements; repayment provisions and periodic reporting to facilitate any MEDC reporting to the Michigan Legislature.

The MEDC reserves the right to decline, reduce, condition, structure, or defer assistance based on available funding, program priorities, project impact, financial need, project and credit risk, portfolio considerations, or other relevant factors. The MEDC may also establish additional terms or conditions necessary to protect program resources and advance program objectives.

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DEFINITIONS

Applicant: A business seeking program assistance for an eligible project.

Competitive Gap: A demonstrated cost or economic disadvantage affecting the likelihood, scale, timing, or location of a project in Michigan compared with a reasonably viable alternative.

Eligible Expenses: Project costs that may be supported with program assistance, as identified in these program guidelines and other applicable program documents.

Eligible NAICS Codes: Strategic cluster eligibility will be determined based on the NAICS code applicable to the project activity. Eligible NAICS codes are identified on the **program page** at michiganbusiness.org.

Financing Gap: The portion of project financing that cannot reasonably be obtained from available private, public, or other sources on terms that allow an otherwise viable project to proceed at the proposed scale, timing, or location.

New Job: A new full-time position resulting from the project that increases employment in Michigan above an established baseline, as determined by the MEDC, and is filled by an individual employed directly by the applicant or through an employee leasing company or professional employer organization. Seventy-five percent of new jobs must be filled by Michigan residents.

Private Investment: Eligible project investment funded from non-governmental sources, including applicant equity and private financing, as determined by the MEDC.

Program Assistance: Financial assistance provided through the program, including performance-based grants.

Project: A defined business growth, expansion, or investment activity occurring in Michigan for which program assistance is requested, including the associated activities, costs, investment, financing, and performance commitments accepted by the MEDC as part of the project.

Qualified Business: A business that demonstrates to the MEDC that the business is located in, will locate to, operates in, or will operate in, Michigan.

Regional Impact Clusters: Industry clusters identified as priorities within specific regions of Michigan. Projects within a regional impact cluster are eligible for consideration only if located within the region for which the cluster has been designated.

Regional Median Wage: The median annual wage for workers employed within a designated region of Michigan, as determined by the MEDC using the most recent available wage data from a recognized source.

Strategic Cluster: An industry, or group of related industries, identified by the MEDC (see "Eligible NAICS Codes") as a strategic priority pursuant to the MEDC's current organizational strategy and applicable cluster strategies.

Total Project Cost: The total costs associated with completing the project and accepted by the MEDC as part of its project evaluation, whether or not such costs are eligible for reimbursement or payment with program assistance.