



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

Real Estate Development Resources

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About MEDC

The Michigan Economic Development Corporation, in collaboration with more than 100 economic development partners, markets Michigan as the place to do business, assists businesses in their growth strategies, and fosters the growth of vibrant communities across the state.

Team Michigan is Here to Help

MEDC delivers tailored assistance to invest and expand your operations and workforce in Michigan communities. Through collaboration with more than 100 partners, we have tools and resources to support businesses at any stage of growth. No matter your business size, industry, or your community needs, the MEDC's many programs and local and regional partners have resources to help you.



MAKE IT IN MICHIGAN



Projects: Support Business through job growth in diverse sectors

- Strengthen competitiveness in key priority sectors and ensure sustained, long-term growth in targeted industries to protect the state against potential economic downturns or recessions.
- Become a top 10 state for small business growth, revenue growth, and venture capital funding.



People: Growing the Middle Class by empowering people and reducing barriers to increase incomes

- Support increased labor force participation, training and upskilling, as well as inbound talent attraction.
- Uplift 100,000 families out of working poverty and close equity gaps.
- Support goal of 60% of adults with a postsecondary credential by 2030.



Places: Invest in Michigan's community with high quality infrastructure that supports quality of life for all

- Provide access to low or no cost childcare to 150,000 families.
- Build or rehabilitate 75,000 housing units.
- Connect every resident to high-speed internet.

DEVELOPING ATTRACTIVE PLACES

Supporting the growth of vibrant, diverse, and resilient communities across Michigan.



Real Estate Development Tools



Grants



Loans



Tax
Incentives

Real Estate Development Tools



Grants

- Grant programs can change year to year depending on the budget allocated by the legislature
- The Community Revitalization Program (CRP) is the current program for grant funding
- Grants are reimbursement-based; projects must secure a certificate of occupancy before funds can be issued. This means a bridge loan is needed.

Real Estate Development Tools



Grants

CRP Award Guidelines:

- In communities of 15,000 or more:
Maximum grant award typically \$1.5m or 25%
of eligible project costs – whichever is less
- In communities of fewer than 15,000:
Maximum grant award typically \$1.5m or 50%
of eligible project costs – whichever is less

Real Estate Development Tools



Loans

- The Community Revitalization Program (CRP) is the program used for loan funding
- Projects can receive a grant or a loan through CRP – not both
- CRP loans are generally perm loans which are subordinated to a senior lender at 1.0% interest

Real Estate Development Tools



Loans

CRP Award Guidelines:

- In communities of 15,000 or more:
Maximum loan of \$10m or 25% of eligible project costs – whichever is less
- In communities of fewer than 15,000:
Maximum loan of \$10m or 50% of eligible project costs – whichever is less

Real Estate Development Tools

\$ Brownfield Tax Increment Financing

- Brownfield Tax Increment Financing (TIF) allows developers to be reimbursed over time for eligible up-front investments
- Allows developer to address existing site conditions on properties that are historic, blighted, functionally obsolete, or a facility
- For housing projects, developers typically leverage MSDHA's version of the TIF program

Real Estate Development Tools

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State
Historic
Tax
Credit

- Program is managed by the Michigan State Historic Preservation Office (SHPO)
- The Michigan tax credit provides a 25% credit for qualified rehabilitation expenses
- Annual available credits: \$2m for large-scale commercial projects, \$2m for commercial projects under \$2m, \$1m for residential rehab
- Properties must be listed in the National Register of Historic Places, a national historic district, or a local historic district

Real Estate Development Tools



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Local
Tax
Abatements

Local Tax Abatements:

- Obsolete Property Rehabilitation Act (OPRA): For contaminated blighted, functionally obsolete properties. Freezes taxes for 12 years.
- Commercial Rehabilitation Act (PA210): Rehabilitation in a city, village or township. Property taxes generated from new investment are abated for 10 years.
- Commercial Redevelopment Act (PA255): Replacement, restoration, or new construction of commercial property in city or village. Property taxes generated from new investment are abated for 12 years.

Is My Project a Good Fit for MEDC Funding?

FINANCING AND INCENTIVES

All place-based gap financing program investments will be evaluated on the following **REQUIRED** primary criteria to identify high priority projects:



Alignment with local vision and goals identified in a master plan, downtown plan, capital improvements plan and/or economic development strategy.



Reuse of vacant or underutilized properties located in and contributing to a vibrant walkable mixed-use district.



Readiness as evidenced by local approval, public support, secured financing and market demand.



Association with and catalyst for business growth and retention investments.



Demonstration of financial need, with reasonable costs and other funding sources explored and maximized.



Alignment with program-specific statutory requirements.

Is My Project a Good Fit for MEDC Funding?



Can You Answer “Yes” to These Questions?

Will the project fully activate a vacant or underutilized property within a quarter-mile of downtown? OR Will new construction in this side add vibrancy and density to downtown?

Will the project be commercial or mixed-use?

Is there a financial gap in the project?

Housing Project Examples



203 N. Rose Street, Kalamazoo

Total Project Cost: \$32m
CRP Loan: \$4.8m
State TIF: \$400k
Outcome: Vacant office space converted to 82 apartments and 1 new restaurant space.



Housing Project Examples



108 West Chicago Street, Sturgis

Total Project Cost: \$16m

CRP Loan: \$4m

Outcome: Created 25 new apartments and one new restaurant commercial.



Housing Project Examples

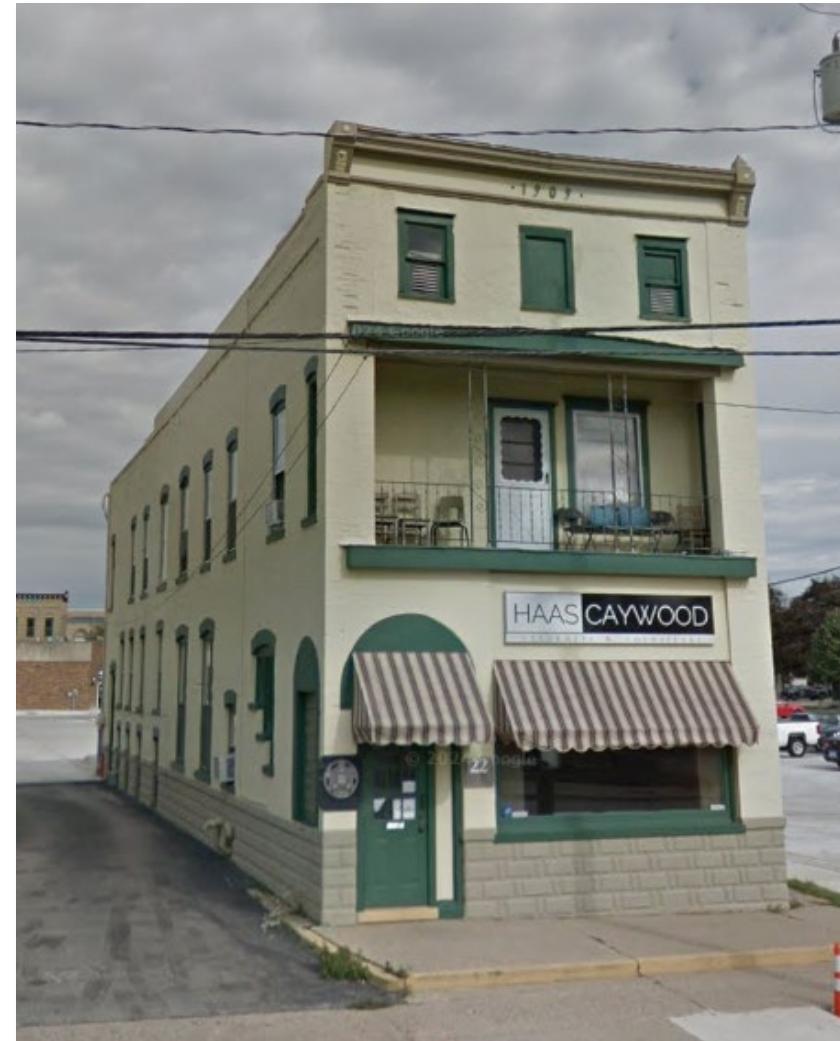


22 Pearl Street, Coldwater

Total Project Cost: \$1.2m

RAP Grant: \$639k

Outcome: Will revitalize a vacant, damaged building to create 5 new apartments and 1 commercial space.





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Questions?

