



## MICHIGAN STRATEGIC FUND

# MICHIGAN BUSINESS DEVELOPMENT PROGRAM EXPANSION OF PROGRAM GUIDELINES FOR STRATEGIC BUSINESS GROWTH PROJECTS

### IN GENERAL

- The Michigan Business Development Program (“MBDP”) was created pursuant to Section 88r of the Michigan Strategic Fund Act, MCL 125.2088r to provide grants, loans, and other economic assistance to qualified businesses that make qualified investments in Michigan or provide qualified new jobs in Michigan.
- On December 21, 2011 the Michigan Strategic Fund Board (“MSF”) approved Program Guidelines for the MBDP, including considerations for support, defining a qualified business, defining qualified investment, defining qualified new jobs, and establishing requirements for the number of qualified new jobs to be created in order for a company to qualify for MSF support under the MBDP.
- The Minimum Number of Qualified New Jobs (including in rural counties or high technology activity projects) was defined as follows: “If the qualified business is seeking to qualify for MSF Support on the basis of creation of qualified new jobs: (a) in the event the project is located in a rural county, or is a high technology activity project, the creation of a minimum of 25 qualified new jobs shall be required, otherwise (b) the creation of a minimum of 50 qualified new jobs shall be required. A rural county is a Michigan county with a population of 90,000 or less based on the 2010 census. High technology activity means as defined in Section 3(l) of the Michigan Economic Growth Authority Act, 1995 PA 24, MCL 207.803(l), as may be amended from time to time.”
- In furtherance of the objectives of the program, the Michigan Strategic Fund (“MSF”) wishes to provide grants, loans, and other economic assistance funding to certain Strategic Business Growth Projects that plan to create fewer jobs than required by the MBDP Program Guidelines approved on December 21, 2011.

### ELIGIBILITY REQUIREMENTS OF STRATEGIC BUSINESS GROWTH PROJECTS

In order to be designated as a Strategic Business Growth Project, and to receive funding from the MSF under the MBDP, an applicant must meet all of the following criteria:

- Meet all MBDP Program Guidelines as approved by the MSF on December 21, 2011, with the exception of the Minimum Qualified New Jobs requirement;
- When considering a project for MSF Support the MSF may include the following and any other considerations satisfactory to the MSF in terms of company profile:
  - Company is well established and funded; and
  - Company invests heavily in their employees; and
  - Company with a demonstrated market opportunity and established customers; and
  - Company serves a target industry of the MEDC or local partner
- When considering a project for MSF support the MSF and any other considerations satisfactory to

the MSF in terms of company presence in Michigan:

- Second stage companies currently located in Michigan; or
- Large companies with a limited, but growing, presence in Michigan; or
- Company considering locating in Michigan for the first time;
- In addition to the project considerations outlined in the MBDP Program Guidelines approved December 21, 2011 when considering a project for MSF support, consideration may include the following and any other considerations satisfactory to the MSF:
  - significant out of state competition;
  - Projects represents significant growth for the company;
  - Financing in place;
  - Creation of more and better jobs for Michigan;
  - Significant community impact;

#### **ADDITIONAL PROGRAM DETAILS**

- The MEDC shall provide administrative services to the MSF for the MBDP, including conducting due diligence and compliance processes, and coordinating pre-closing background checks as may be required by the Chief Compliance Officer.
- All MSF Support shall be memorialized by final written grant, loan or other economic assistance agreements, with terms and conditions in accordance with these guidelines and otherwise satisfactory to the MSF, including without limitation, requiring performance based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF Board and the Michigan legislature, including periodic reporting after completion of a project.
- Total MBDP Support for projects of this type are capped at \$5,000,000 per fiscal year.