



## MICHIGAN STRATEGIC FUND

# MICHIGAN BUSINESS DEVELOPMENT PROGRAM

### OVERVIEW

The Michigan Business Development Program (MBDP) is an incentive program available from the Michigan Strategic Fund (MSF) in cooperation with the Michigan Economic Development Corporation (MEDC). The program is designed to provide grants, loans and other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment and results in a net-positive return to Michigan.

### ELIGIBILITY

The MBDP is available to eligible businesses that create qualified new jobs and/or make qualified new investment in Michigan. "Qualified new job" means a new, full-time job performed by an individual who is either: a resident of this state whose Michigan income taxes are withheld by an employer; or an employee leasing company or professional employer organization on behalf of the employer or an individual who is not a resident of Michigan and is employed by a business at a project location that is located in this state, provided that the business certifies in writing at the time of the MSF disbursement that not less than 75 percent of the employees of that business are residents of Michigan. In both cases, the qualified new job must be in excess of the number of jobs maintained by the qualified business prior to the expansion or location as determined by the MSF.

### PROGRAM PROVISIONS AND GUIDELINES

MSF support in the form of a grant will be performance based, with preference given to eligible businesses seeking to locate or expand in Michigan rather than in another state. Grants will include flexible terms and conditions, and will include repayment provisions under circumstances approved by the MSF.

MSF support in the form of a loan will also be performance based, with preference given to qualified businesses needing assistance to expand in Michigan. Loans may include flexible terms and conditions, including below market interest rates, extended grace and repayment provisions, forgivable terms and flexible security requirements. Loans will also include provisions requiring repayment of loan funds under circumstances approved by the MSF.

A commitment of staff, financial or economic support by the local municipality is required for all projects. The MSF will not provide support under this program for retail or retention projects

### PROCESS

All projects are subject to an application and due diligence process conducted by the MEDC. Projects that receive MEDC support will require MSF approval and an agreement between the MSF and the qualified business.

To receive consideration for funding under the MBDP, initial contact should be made with your local economic development office or the MEDC business development manager assigned to your territory. You may also contact the MEDC customer contact center at 888.522.0103 or visit [www.michiganbusiness.org](http://www.michiganbusiness.org).

CATEGORY	STANDARD	RURAL	INNOVATION	MICRO
Qualified new jobs (minimum)	50	25	25	A number of qualified new jobs acceptable to the MSF
Company stage	Second	Second	Second	Second
Other qualifications	None	County population less than 90,000*	The project must fall within an "innovation industry" <sup>^</sup>	Must meet one of the following: <ul style="list-style-type: none"> <li>• MEDC "Strategic Focus Industry" or "Regional Impact Industry"<sup>^^</sup></li> <li>• The project must be located in a geographically disadvantaged area<sup>***</sup></li> <li>• The project is located in a city, township or village population less than 15,000* OR population of 25,000* or more, and unemployment greater than state unemployment<sup>**</sup></li> </ul>

The list of the innovation industries is captured below. These industries have been prioritized to serve as a catalyst for continued innovation and economic growth.

NAICS	DESCRIPTION
3251	Basic chemicals
3252	Resins and synthetic rubbers, fibers, and filaments
3253	Pesticides, fertilizers, and other agr. chemicals
3254	Pharmaceuticals and medicine
3259	Other chemical products
3261	Plastics products manufacturing
3331	Agr., construction, and mining machinery
3332	Industrial machinery
3333	Commercial and service industry machinery
3336	Engines, turbines, and power trans. equipment
3339	Other general-purpose machinery
3341	Computers and peripheral equipment
3342	Communications equipment
3343	Audio and video equipment
3344	Semiconductors and other electronic components

NAICS	DESCRIPTION
3345	Navigation, measurement, and control instruments
3359	Other electrical equipment and components
3361	Motor vehicles
3362	Motor vehicle bodies and trailers
3363	Motor vehicle parts
3364	Aerospace products and parts
3369	Other transportation equipment
3391	Medical equipment and supplies
5112	Software publishers
5174	Satellite telecommunications
5182	Data processing and hosting
5191	Other information
5413	Architecture and engineering
5415	Computer systems design
5417	Scientific research and development
6215	Medical and diagnostic laboratories

\*Based on the most recent census data

\*\*Not seasonally adjusted and based on the most recent data available from the U.S. Bureau of Labor Statistics

\*\*\*As outlined in Executive Directive 2019-08. Includes businesses located in SBA HubZones or Michigan Opportunity Zones or businesses with more than half of employees living within opportunity zones

<sup>^</sup> An "innovation industry" is comprised of 32 industry groups categorized by the four-digit NAICS code level. See next page for list.

<sup>^^</sup> MEDC's "Strategic Focus Industry" includes, without limitation: mobility and automotive manufacturing; medical device technology; engineering, design and development; technology; advanced manufacturing; and professional and corporate services. "Regional Impact Industry" includes, without limitation: agribusiness; tourism; logistics; financial services; and other manufacturing. Demonstrates characteristics related to technology/innovation utilization, resiliency to recessions and automation, or special importance to Michigan.