



FISCAL SNAPSHOT

MSF: BUSINESS ATTRACTION AND REVITALIZATION PROGRAM

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Summary

The Michigan Business Development Program and the Michigan Community Revitalization Program are business incentive programs established in FY 2011-12 to replace the Michigan Economic Growth Authority (MEGA), brownfield, and historic preservation tax credits. The programs are administered by the Michigan Strategic Fund (MSF), in cooperation with the Michigan Economic Development Corporation (MEDC), and provide incentive grants and loans and other economic assistance to businesses that are either moving to or expanding in the state of Michigan or are investing in eligible community revitalization projects.

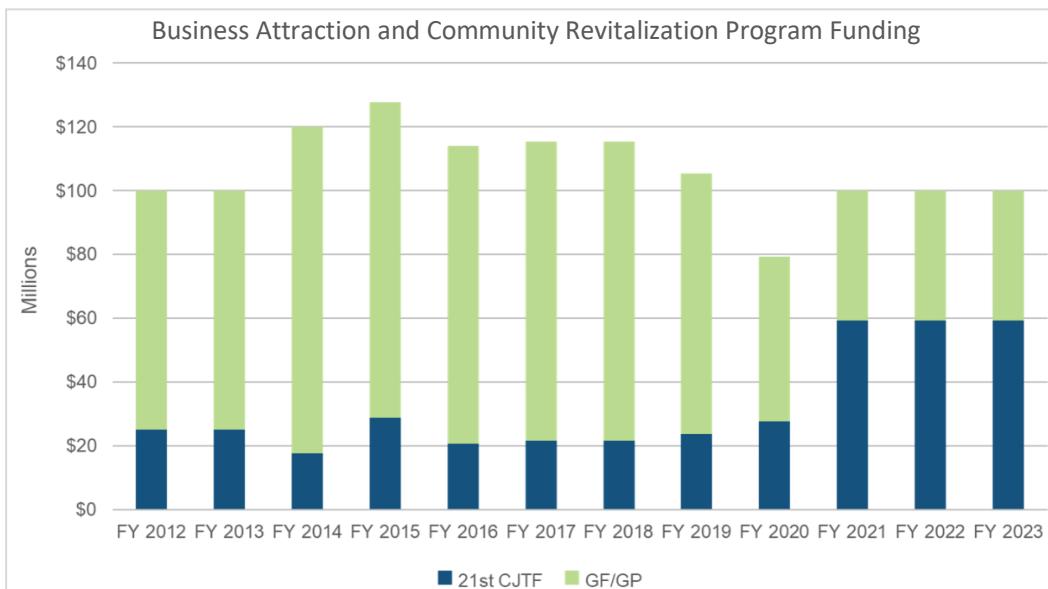
Background

The Michigan Business Development Program was created in 2012 by [2011 PA 250](#), which amended the Michigan Strategic Fund Act ([1984 PA 270](#)) and included a new [section 88r](#) that authorized the program. The program provides incentive grants and loans and other economic assistance to businesses moving to or expanding in the state of Michigan for competitive projects that create qualified jobs or include qualified investments that provide a net positive return to Michigan, or both. The program was created to replace the MEGA tax credit program that was eliminated in FY 2011-12. As of January 2023, [335 awards](#) have been approved by the MSF.

The Michigan Community Revitalization Program was created in 2012 by [2011 PA 252](#), which amended the Michigan Strategic Fund Act and included a new [section 90b](#) that authorized the program. The program provides incentive grants and loans and other economic assistance to businesses for community revitalization investments and was created to replace the brownfield and historic preservation tax credits. The program focuses on the development of brownfield and historic preservation sites in traditional downtowns and high-impact corridors. As of January 2023, [189 awards](#) have been approved by the MSF.

Funding

Both programs are supported by state restricted funding from the 21st Century Jobs Trust Fund (CJTF) and general fund/general purpose (GF/GP) funding. Since FY 2011-12, when they were created, the programs have been appropriated a total of \$1.3 billion dollars. As of September 30, 2022, of the \$1.2 billion appropriated up to that date, all funding except [\\$27.3 million](#) had been expended or encumbered (except for a lapse of \$20 million in FY 2019-20).ⁱ In each of the three most recent years, FY 2020-21 through FY 2022-23, the programs were appropriated \$100.0 million, of which \$40.7 million is GF/GP.



Additional Information

The **Michigan Business Development Program** funding is disbursed to businesses when agreed-upon job growth and investment targets are met. Both grants and loans are performance-based, as determined by the MSF. Any qualified new jobs created must be in excess of the number of jobs maintained by the business prior to the expansion or relocation. All projects require a commitment of staff, financial, or economic support by the local municipality. An [overview](#) of the Michigan Business Development Program can be found on the MEDC website, as well as [program guidelines](#) for businesses.

The **Michigan Community Revitalization Program** funding is disbursed to businesses when specific agreement milestones are reached. Eligible properties must meet certain [statutory conditions](#), and only eligible investments are considered for funding (such as building and site improvements, additional equipment or fixtures, and professional fees). MSF support for a project cannot exceed 25% of the eligible investment, and no project receives more than \$10.0 million funding from the MSF (including the total of any loan, grant, or other assistance). However, for a local city, village, or township with a population of 15,000 or less, the MSF incentives cannot exceed 50% of the eligible investment, up to \$10.0 million. In addition, no project receives an MSF grant over \$1.5 million. An [overview](#) of the Michigan Community Revitalization Program can be found on the MEDC website, as well as [program guidelines](#) for businesses.

Of the total funding for both programs, at least 20% must be awarded for brownfield redevelopment and historic preservation projects under the Michigan Community Revitalization Program.ⁱⁱ The MSF Board is also requiredⁱⁱⁱ to submit an [annual performance outcomes report](#) on both programs, including, but not limited to, total verified jobs created for the Michigan Business Development Program, total private investment for both programs, and the amount of private and public square footage of business space created and reactivated through the Community Revitalization Program.

ⁱ In FY 2019-20, \$20.0 million work project funding for FY 2015-16 was lapsed per an agreement between the Legislature and the governor to balance the budget.

ⁱⁱ [HB 5783 \(2022 PA 166\), Article 5, section 1024](#)

ⁱⁱⁱ [HB 5783 \(2022 PA 166\), Article 5, section 1050](#)