



# **Economic Development Tools for Bay County**





# Bay Future, Inc.

- Leading Economic Development in Bay County
- Public/private economic development organization created in October 2004 as a 501 (c) 6 to promote the retention and attraction of business investment for all of Bay County
- Over 70 investing partners





# Bay Future, Inc.

- Building and site research
- Available financing research
- Contacts with local government
- Assistance with regulatory agencies
- Demographic research





# Real Estate Information

- Bay Future tracks available buildings and sites in Bay County.
  - [bayfuture.com/available.html](http://bayfuture.com/available.html)
- Michigan Site Network tracks available buildings and sites in Michigan.
  - [misitenet.org](http://misitenet.org)
- Bay County Realtors Association
  - [baycityhomes.com](http://baycityhomes.com)



# Financing

- Local Lending Institutions
  - Banks
  - Leasing companies
  - Credit unions
  - Investment brokers



# Financing

- Public Financing Agencies
  - Bay County Growth Alliance
  - US Small Business Administration
  - US Department of Agriculture
  - Michigan Economic Development Corporation
  - Bay City Economic Development Corporation
  - Bay County Economic Development Corporation
  - Bay City P.O.W.E.R. Fund



# Financing

- Bay County Growth Alliance
  - Local revolving loan fund
  - Small business loans
  - Existing or start-up firms
  - Must be located in Bay County
  - Contact: Cliff Van Dyke 989-893-5596



# Financing

- US SBA (Small Business Administration)
  - Assists companies with less than 500 employees with some exceptions
  - SBA 504 Loan
  - The 7(A) Loan Guaranty Program
  - CAPLines is a revolving line of credit designed to help small business owners meet their short-term and cyclical working capital financing needs.
  - Export Working Capital is a program used to provide financing for pre and post-shipment working capital.
  - Contact: [sba.gov](http://sba.gov)



# Financing

- USDA (Department of Agriculture)
  - Business Loan Guarantees. USDA provides commercial loan guarantees up to 80% of the loan amount.
  - Renewable Energy/Efficiency Program. This program provides grants, loans and loan guarantees to purchase renewable energy systems.
  - Local office: 989-673-7588 in Caro
  - Contact: [rurdev.usda.gov](http://rurdev.usda.gov)



# Financing

- Industrial Revenue Bonds
  - MEDC, Bay City Economic Development Corporation and the Bay County Economic Development Corporation each have the authority to issue Industrial Revenue Bonds (IRB).
  - What is an IRB?



# Financing

- Industrial Revenue Bonds
  - A tax exempt public bond used for the public purpose of “economic development”
  - The governmental unit borrows money from private capital markets, secured only by the project’s revenues rather than the government’s full faith and credit.
  - For manufacturing projects, bond proceeds can only be used to acquire land or buildings and equipment directly related to the manufacturing process.

# Financing

- Industrial Revenue Bond Contacts
  - MEDC [michigan.org/medc/services/](http://michigan.org/medc/services/)  
Brenda Flory at 517-241-1666
  - Bay City Economic Development Corporation  
City of Bay City: Mike Brandow at 989-894-8159
  - Bay County Economic Development Corporation  
Bay County: Laura Ogar at 989-895-4135



# Financing

- Bay City P.O.W.E.R. Fund
  - The purpose of the P.O.W.E.R. Fund is to promote economic development within the City of Bay City by:
    - 1) the creation/retention of jobs,
    - 2) increased electrical and utility usage, and
    - 3) the development of taxable real estate through the provision of capital for new and expanding businesses.



# Financing

- Bay City P.O.W.E.R. Fund
  - The P.O.W.E.R. Fund is intended to supplement, but not to replace conventional financing sources
  - All applicants to the P.O.W.E.R. Fund are subject to the approval of the City's Economic Development Corporation and the City Commission
  - Contact: City of Bay City Department of Economic Development



# Financing

- Tax Increment Financing
  - Captures local real property taxes and redirects them toward infrastructure projects related to a business expansion.
  - Available in specific areas such as a Special Assessment District, Downtown Development Area (DDA) or a Brownfield District.
  - Contact your local government or Bay Future to determine the eligibility of a site or building.



# Brownfields

- Brownfield Redevelopment Act (BRA)
  - Michigan's Brownfield law is designed to encourage and assist developers who want to return property to productive use more quickly.
  - Owners and operators of contaminated sites are no longer required to pay for cleanup actions unless they caused the contamination.
  - Flexible cleanup standards give developers the option of proposing a solution to historical contamination based on future use of the property.



# Brownfields

- Brownfield Redevelopment Act (BRA)
  - Local jurisdictions create a Brownfield Redevelopment Authority.
  - Michigan allows qualified businesses to claim a credit against Single Business Tax liability equal to 10% of the investment made on a Brownfield site. The total credit per eligible investment is \$1 million.
  - The Brownfield tax increment-financing feature has been expanded to allow for asbestos and lead abatement, and certain infrastructure improvements supporting the project.



# Environment

- **Pollution Control Equipment Tax Exemption**
  - Certified air and water pollution abatement equipment is 100% exempt from property taxes in Michigan. Certification is approved by DEQ.



# Environment

- Contacts
  - Bay County Department of Environmental Affairs and Community Development  
Laura Ogar at 989-895-4135
  - Bay City Department of Economic Development  
Mike Brandow at 989-894-8159
  - Contact: [Michigan.gov/deq](http://Michigan.gov/deq)



# Environment

- The Office of the Michigan Business Ombudsman provides helpful information and assistance to businesses and individuals regarding numerous state government permitting programs and the state's regulatory agencies.
- Contact MEDC at 888-522-0103



# Property Tax Reduction

- Industrial Property Tax Abatement (PA 198)
  - Property tax incentives are available to eligible businesses to renovate or expand aging manufacturing plants or build new ones.
  - Property taxes can be reduced 50% for up to 12 years.
  - Eligible projects include manufacturing, mining, research and development, wholesale and trade, and office operations, but not retail businesses.



# Property Tax Reduction

- Industrial Property Tax Abatement (PA 328)
  - PA 328 allows communities to abate all new personal property taxes in certain geographic areas.
  - The company and the local jurisdiction negotiate the length of the abatement. There is no minimum or maximum in law.
  - Eligible projects include manufacturing, mining, research and development, wholesale and trade, and office operations, but not retail businesses.



# Property Tax Reduction

- Obsolete Property Rehabilitation Act (OPRA)
  - The Act provides an exemption from ad valorem property taxes to commercial property and commercial housing property if an obsolete property rehabilitation district has been established.
  - Buildings and improvements within the districts are eligible for exemption from ad valorem property taxes from 1 to 12 years.
  - Eligible projects include commercial property or commercial housing property.



# State Tax Credits

- Michigan Economic Growth Authority (MEGA)
  - MEGA was created to promote high quality economic growth and job creation.
  - Eligible companies engaged in manufacturing, research and development, wholesale trade or high-technology businesses that are financially sound and have financially sound proposed plans are eligible for a tax credit against the Single Business Tax.
  - This is a refundable tax credit based on the incremental Single Business Tax liability attributable to an expansion or new location, and the amount of personal income tax attributable to new jobs being created.



# State Tax Credits

- Michigan Economic Growth Authority (MEGA)
  - Each credit may be awarded for up to 20 years and 100% of the amount attributed to the project.
  - Contact: [michigan.org/medc](http://michigan.org/medc)



# Regional Partners

- Small Business & Technology Development Center
  - New business consulting services
  - Locally housed at Delta College
  - Contact Christine Grieve at 989-686-9597
  - Contact: [misbtdc.org](http://misbtdc.org)






# Regional Partners

- Center for Business & Economic Development
  - Independent testing labs
  - Rapid prototyping facilities
  - Business consulting and employee training
  - Housed at Saginaw Valley State University
  - Contact Harry Leaver at 989-964-4475
  - Contact: [svsu.edu/cbed](http://svsu.edu/cbed)



# Regional Partners

- Michigan Works!
  - Local Michigan Works! agencies oversee a wide variety of programs designed to help employers find skilled workers and help job seekers find satisfying careers.
  - Local office: 989-754-1144
  - Contact: [michiganworks.org](http://michiganworks.org)



Thank you,  
Bay Area on the Go

