

STRATEGIC SITE READINESS PROGRAM GUIDELINES

Program Overview

The Strategic Site Readiness Program (SSRP) provides financial incentives to Eligible Applicants to conduct Eligible Activities on, or related to, Strategic Sites and Mega-Strategic Sites in Michigan, for the purpose of creating investment-ready sites to attract and promote investment in Michigan. Administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF), this tool provides access to grants, loans, and other economic assistance.

Eligible Applicant

An applicant for an SSRP award must be an Eligible Applicant. An Eligible Applicant means one or more of the following:

- 1) A political subdivision of Michigan, including without limitation, a county, city, village, township, charter township, or instrumentality of any of the foregoing;
- 2) A local economic development corporation or similar authority;
- 3) A person who is the owner of the site for which the improvements are proposed but is not its End User, provided that person must apply jointly with an Eligible Applicant under 1) or 2) above;
- 4) If identified, a person that is or will be the End User of a site.

End User

End User means with respect to a site that is the subject of an SSRP application, the person, either directly or through an affiliate, that will establish and operate the manufacturing or other commercial enterprise that constitutes the end use of the improved site.

Eligible Activities

Eligible Activities mean one or more of the following for an applicable site:

- Land acquisition and assembly;
- Site preparation and improvement;
- Infrastructure improvements that directly benefit the site, including without limitation, transportation; infrastructure, water and wastewater infrastructure, and utilities necessary to service the site;
- Any demolition, construction, alteration, rehabilitation, or improvement of buildings on the site;
- Environmental remediation; and
- Architectural, engineering, surveying, and similar professional fees.

Strategic site

Strategic Site means a site, whether publicly or privately owned, that is, or subsequent to a proposed acquisition will be, used for manufacturing or another commercial use.

Mega-strategic site

A Mega-Strategic Site means a Strategic Site that is or will be used for a large industrial site.

Qualified job

Qualified Job means a job performed by an individual who is 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 by an individual who is not a resident of this state and is employed by a business at a project location that is located in this state, as determined and verified by the MSF.

Application for SSRP award

The SSRP shall have an application, approval, and compliance process in a form and manner determined by MSF, that shall be published and available on the MSF website, which at a minimum, shall include

separate application criteria for Mega-Strategic Sites and other Strategic Sites, and for sites that have a specifically identified End User and those that do not.

General Criteria for consideration of all SSRP awards

To the extent reasonably applicable as reasonably determined by the MSF board to the type of project proposed, the MSF shall consider and document at least all of the following criteria for all SSRP awards before entering into a written agreement:

- The importance of the project or Eligible Activities to the community in which is located and Michigan;
- If the project will act as a catalyst for additional revitalization of the community where it is located and Michigan;
- The amount of local community and financial support for the project;
- The amount of any other economic assistance or support provided by Michigan for the project;
- The amount of any other economic assistance or support provided by the federal government for the project, including without limitation, federal appropriations or tax credits;
- The amount of any private funds or investments for the project, including the Eligible Applicant's own investments in the project;
- The Eligible Applicant's financial need for a grant, loan, or other economic assistance under the SSRP;
- The extent of reuse of vacant buildings, public or private, reuse of historic resources and redevelopment of blighted property;
- Creation or retention of Qualified Jobs as a result of a technological shift in product or production at the project location and within Michigan;
- Whether and how the project is financially and economically sound;
- Whether and how the project converts abandoned public buildings to private use;
- Whether and how the project promotes sustainable development;
- Whether and how the project involves the rehabilitation of a historic resource;
- Whether and how the project addresses areawide redevelopment;
- Whether and how the project addresses underserved markets of commerce;
- The level and extent of environmental contamination;
- Whether and how the project will compete with or affect existing Michigan businesses within the same industry;
- Whether and how the project's proximity to rail and utility will impact the performance of the project and will maximize energy and logistics needs in the community in which it is located, and in Michigan;
- The risk of obsolescence that the project, products, and investments in the future;
- The overall return on investment to Michigan;
- Whether the proposed Strategic Site or Mega-Strategic Site is incorporated into a strategic plan of a political subdivision of Michigan; and
- Any other additional criteria approved by the MSF Board that are specific to each individual project, and consistent with the purpose of the SSRP.

Specific Criteria for a Strategic Site where an End User has not been identified:

For a strategic site for which an End User has *not* been specifically identified, the MSF shall consider and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The degree to which the proposed site demonstrates a high level of competitiveness for future development, considering and documenting all of the following:
 - Whether the proposed site is currently assembled;
 - Whether the proposed site is under site control; and

- Whether the proposed site is of a size, configuration, location, and condition that makes the site substantially ready for marketing and competitive for development upon completion of the SSRP award, and demonstrated matching contributions;
- Whether the proposed investment will result in the elimination of blight and the remediation of environmental contamination;
- The degree of local matching contributions;
- Whether the SSRP award will promote geographic equity in the distribution of funds among different areas of Michigan; and
- Whether the Eligible Applicant has pursued all available cost-containment measures.

Specific Criteria for a Mega-Strategic Site where an End User has not been identified:

For a mega-strategic site for which an End User has *not* been specifically identified, the MSF shall consider, and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The degree to which the proposed site demonstrates a high level of competitiveness for future development, considering and documenting all of the following:
 - Whether the proposed site is currently assembled;
 - Whether the proposed site is under site control; and
 - Whether the proposed site is of a size, configuration, location, and condition that makes the site substantially ready for marketing and competitive for development upon completion of the SSRP award, and demonstrated matching contributions;
- Whether the proposed Mega-Strategic Site is supported by a strategic analysis that supports the demand for the proposed site;
- The feasibility of proposed land acquisition;
- Utility and transportation availability and the feasibility of necessary utility and transportation improvements;
- Workforce availability and training capability; and
- Environmental and topographical conditions and the feasibility of necessary site improvements to address environmental and topographical conditions.

In making an award for a Mega-Strategic Site without a specifically identified End User, the MSF, working in collaboration with the Eligible Applicant, shall prepare a Mega-Strategic Site investment strategy and spending plan that details the sequence and cost of anticipated investments in the selected site, the benchmarks for bringing the Mega-Strategic Site to a marketable condition, and the marketing strategy for the Mega-Strategic Site. Each plan must have the objective of establishing a certified Mega-Strategic Site under a nationally recognized third-party certification program.

Specific Criteria for a Strategic Site and a Mega-Strategic Site where an End User has been identified:

For a Strategic Site and a Mega-Strategic Site for which an End User has been specifically identified, the MSF shall consider, and document as reasonably determined by the MSF:

- Each of the General Criteria for consideration of all SSRP awards listed above;
- The strategic economic importance of the project to the community where it is located and Michigan;
- Whether the financial assistance is needed to secure the project in Michigan;
- The degree to which the project is a priority for the local governmental unit or local economic development corporation in the jurisdiction of which the site is located;
- The level of creation or retention of Qualified Jobs as a result of a technological shift in product or production;
- Whether the Qualified Jobs created or retained as a result of a technological shift in product or production equal or exceed the average wage for the county in which the project is located;

- The level of capital investment; and
- The evidence of the End User's commitment to the site.

Written Agreements

All MSF support is subject to available funding, completion of due diligence the results of which are satisfactory to the MEDC, and shall be memorialized by a final written agreement, with terms and conditions relating to the award as determined by the MSF board, in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation:

- Specific dates and benchmarks for the Eligible Applicant to receive a grant, loan, or other economic assistance from the SSRP, including conditions for the disbursement of funds in installments; provided that disbursements are not permitted to an Eligible Applicant that has not fully repaid all money subject to clawback required to be repaid under a specific repayment provision in a written agreement under the SSRP or if the Eligible Applicant is in default on any grant, loan, investment, or other economic assistance made or guaranteed by Michigan.
- For an SSRP award provided to a person identified as the End User of the site, a clawback and specific repayment provision if the person fails to comply with the provisions of the written agreement.
- A provision that all money that is subject to clawback or required to be repaid under a specific repayment provision must be paid within 90 days of notification by the fund. Any amounts not paid within that 90-day period are subject to a penalty of 1% per month, prorated on a daily basis.
- A provision that Michigan shall have a security interest as defined in section 1201(2)(ii) of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the grant, loan, or other economic assistance provided under this program. This provision does not apply if it conflicts with any contractual obligation of the Eligible Applicant or any federal or state bankruptcy or insolvency laws.
- An audit provision that requires the MSF to verify that the established benchmarks for the project have been met.
- A provision that the Eligible Applicant will provide the data described in the written agreement that is necessary for MSF to report to the legislature as required under the SSRP; and
- Other provisions requiring periodic reporting of data, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project.

Provided however, notwithstanding any of the above, the MSF may make grants and provide technical assistance to local economic development corporations for the purpose of creating an inventory of development-ready sites, provided that the inventory shall utilize nationally recognized criteria to identify the readiness of those sites for investment, and provided further, the MSF shall maintain a comprehensive inventory of these sites, including in an interactive and user-friendly manner a listing of all local and state development ready sites with pictures, maps and documentation related to those sites.