

## **MICHIGAN COMMUNITY REVITALIZATION PROGRAM PROGRAM GUIDELINES**

- 1) The program may provide community revitalization incentives in the form of a grant, loan, other economic assistance, or any combination, for eligible investments in Michigan (“MSF Support”).
- 2) An eligible investment to a project means one or more of the following if subject to a written agreement with the MSF, including investment which occurred prior to the MSF approval of the application for MSF Support to the extent that the investment has not been reimbursed to, or been paid for on behalf of, the applicant:
  - a) any alteration, construction, improvement, demolition, or rehabilitation of buildings of an approved project;
  - b) site improvements to an approved project;
  - c) the addition of machinery, equipment, or fixtures to an approved project;
  - d) architectural, engineering, surveying, and similar professional fees for the project but not certain soft costs of the eligible investment as determined by the MSF, including without limitation, developer fees, appraisals, performance bonds, closing costs, bank fees, loan fees, risk contingencies, financing costs, permanent or construction period interest, legal expenses, leasing or sales commission, marketing costs, professional fees, shared savings, taxes, title insurance, bank inspection fees, insurance and project management fees.
- 3) Requests for MSF Support shall be made in accordance with the requirements of the MSF, including without limitation, submission by an applicant of:
  - a) a completed application; and
  - b) a complete project description; and
  - c) a project pro-forma.
- 4) The municipality in which the project is located must make a staff, financial or economic commitment to the project, in each case on terms acceptable to the MSF, and the project must otherwise be a project the MSF desires to support under the program.
- 5) MSF Support for a single project shall not exceed 25% of the eligible investment, but in no event may the MSF Support exceed a total of \$10,000,000 for any project (including any combination of loan, grant, or other economic assistance). Further, no part of the MSF Support that is in the form of a grant may exceed \$1,000,000 for any project.
- 6) MSF Support in the form of a grant shall be performance based. Grants shall include flexible terms and conditions. Grants shall also include provisions requiring grant funds to be paid back under circumstances required by the MSF, and that the grants may be assignable upon approval of the MSF.

- 7) MSF Support in the form of a loan shall also be performance based. Loans may include flexible terms and conditions, all of which must be acceptable to the MSF, including without limitation, below market interest rates, extended grace and repayment provisions, forgivable terms and no security, or some security (which also may be subordinated). Loans shall also include provisions requiring loans funds otherwise not due the MSF, to be paid back under circumstances required by the MSF, and that the loans may be assignable upon approval of the MSF.
- 8) MSF Support in the form of economic assistance (other than loans or grants) may include MSF participation (or other support vehicles) to enhance the making of loans by other lenders.
- 9) When considering a project for MSF Support, consideration shall include the following to the extent reasonably applicable to the type of proposed project, and any other considerations satisfactory to the MSF:
  - a) Projects which include revitalization of regional urban areas shall be given preference for MSF Support;
  - b) MSF Support shall not include support for economic based projects that are not located in a downtown or traditional commercial center and that do not primarily promote the desired revitalization of urban areas;
  - c) The importance of the project to the community in which it is located;
  - d) Whether the project will act as a catalyst for additional revitalization of the community in which it is located;
  - e) The amount of local community and financial support for the project;
  - f) The applicant's financial need for the incentive;
  - g) The extent of reuse of vacant buildings and reuse of historical buildings and redevelopment of blighted property;
  - h) The level and extent of environmental contamination;
  - i) Creation of jobs;
  - j) The level of private sector and other contributions, including federal resources;
  - k) Whether the project is financially and economically sound;
  - l) Whether the project increases the density of the area;
  - m) Whether the project promotes mixed-use development and walkable communities;
  - n) Whether the project promotes sustainable development;
  - o) Whether the project involves the rehabilitation of a historic resource. Historic Resource means a historic building or structure located within a historic district designated by the national register of historic places, the state register of historic sites, or a local unit acting under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, as may be

amended from time to time, or that is individually listed on the state register of historic sites or national register of historic places.

- p) Whether the project addresses area wide redevelopment;
- q) Whether the project addresses underserved markets of commerce.

- 10) The MEDC shall provide administrative services to the MSF for the program, including conducting due diligence and compliance processes, and coordinating pre-closing background checks as may be required by the Chief Compliance Officer.
- 11) The program may require applicants to pay reasonable application fees, and any other expenses incurred in administering the program, to the MEDC.
- 12) 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.
- 13) All decisions for MSF Support, including any exceptions to these guidelines, are subject to approval of the full MSF Board, however (except as to any exceptions to these guidelines), all decisions for MSF Support in an amount of \$1,000,000 or less may be authorized by any two of the following delegates of the MSF Board: the MSF Chairperson, the MSF State Treasurer Director, and the MSF Fund Manager. A summary of the MSF Support authorized by the delegates shall be reported to MSF Board on a quarterly basis.