



Business & Community Incentives

MICHIGAN QUICK FACTS:

- 1 6% Corporate Income Tax
- 2 4.25% Personal Income Tax
- 3 No Personal Property Tax or Sales Tax on most Capital Equipment
- 4 Michigan's Overall Business Climate is 13th in the Nation

Albion is the right choice to grow your business, with flexible facilities ranging from incubator space, to industrial park acreage, to a historic downtown on the cusp of revitalization. Whether you are an entrepreneur, an existing business looking to relocate or expand, or looking at Michigan to relocate your operations from abroad, Albion has programs and incentives to help grow your business.

Business Financial Incentives

Michigan Business Development Program

The Michigan Business Development Program is a competitive state incentive program designed to provide loans and grants to companies creating jobs in Michigan. The program is based on performance and funds are made available to the company once pre-established milestones are completed. The Program is very flexible and funds can be used for almost anything. Typically this program requires 50 new jobs over a 3 year period (or 25 if the company is high tech), however there are circumstances when the MBDP can be used to incent projects with less jobs provided the project results in a significant percentage of growth for the company.

Competitive Facility & Land Pricing

The greater Albion area offers very competitive lease and sale prices for buildings and land. Industrial Park lots are priced at \$6,000 acre with substantial incentives available based on amount of investment and job creation. Business incubator and kitchen incubator space is also available at very competitive rates for early stage businesses.

Albion EDC Revolving Loan Fund (RLF)

The mission of the Albion RLF is to revitalize the local economy and to retain, expand and recruit businesses and industry to the area. The purpose of the fund is to promote job creation in the greater Albion area by making loans to new and expanding enterprises that are unable to obtain the full financing from private and traditional sources.

Funding can be used for working capital, fixed-asset financing, inventory, renovation of commercial and industrial developments, real estate improvements and access to start-up and construction financing.

Small Business Administration (SBA)

Partnering with private lenders and non-profit institutions, the SBA provides long-term, low interest rate loans to assist small businesses when traditional financing is not an option.

SBA 504 Program - The 504 is a long-term, low interest rate financing tool for capital asset projects.

7(a) Loan Guaranty Program - the 7(a) has the broadest eligibility requirements and credit criteria and can be used in a variety of financing needs.

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Access to Capital

A variety of venture and capital programs are available for growing business. Companies engaged with a private lender for the purpose of acquiring a commercial loan for a diversification project experiencing a cash flow or collateral shortfall may qualify for assistance through the Michigan Collateral Support Program or the Michigan Loan Participation Program. Additionally, Private Activity Bonds can be an attractive form of financial assistance as they provide capital cost savings stemming from a difference between taxable and tax-exempt interest rates.

Seed, Angel, Capital

Programs to fund growth through Michigan Pre-Seed Capital Fund, supporting high-tech start up companies as they near commercial viability; Venture Michigan Fund is a \$95 million venture capital investment designed to support new investment; Michigan 21st Century Investment Fund invests in private equity, venture capital and mezzanine funds and is focused on life sciences, alternative energy, homeland security, defense and advanced manufacturing; and InvestMichigan representing a public private partnership focused on generating strong returns for investors and growing the next generation of Michigan companies.

Business Workforce Incentives

A multi-partner collaboration between businesses, workforce development, educators and economic developers help businesses in Albion be successful and to meet their demands for a skilled workforce. A variety of services are available for employers at no cost including outreach and recruitment assistance, screen applicants, job posting on Pure Michigan Talent Connect (PMTTC), job fairs, training and funding opportunities for new and existing workers (including on-the-job training) and much more. Just a few of the workforce assets are listed below:

On-The Job Training (OJT): Reimburses employers up to 50% of the new employee's wages for a set training period.

Going Pro Talent Fund: The Going PRO Talent Fund (Talent Fund), formerly known as the Skilled Trades Training Fund, makes awards to employers to assist in training, developing and retaining current and newly hired employees. Training funded by the Talent Fund must be short-term and fill a demonstrated talent need experienced by the employer. Training must lead to a credential for a skill that is transferable and recognized by industry.

Michigan New Jobs Training Program (MNJTP): Designed as an economic development incentive, the MNJTP authorizes community colleges to issue debt on behalf of employers that are creating new jobs and/or expanding operations in Michigan. The funds can be used to provide customized training and employee development needs for those new positions through Kellogg Community College producing highly-trained employees that can increase your competitive edge. The debt associated with this program is repaid through a diversion of the new employee's withholding tax; in effect the new employee's training is paid with funds that would have otherwise been paid to the State for withholding taxes. No new additional dollars are expended to cover the cost of the training, making it possible to provide cost-free training to new employees.

KCC Regional Manufacturing Technology Center (RMTTC): Located in Fort Custer Industrial Park in Battle Creek, Michigan, the RMTTC offers businesses customized training programs with a blend of learning techniques and creative schedules. Their open/entry, open/exit plan allows the RMTTC to respond quickly and efficiently to your training needs whether by scheduling classes to meet production schedules or allowing students to learn at their own pace. Additionally, the Kellogg Eastern Academic Center, located between Albion and Marshall, is also available to assist with your training needs.

Business Other Incentives & Tax Savings

Industrial Property Tax Abatement (PA 198 & PA 328)

Communities can provide industrial property tax abatements to eligible businesses that make new investments as an incentive to encourage building new plants, expanding existing plants and renovating aging plants. Manufacturers and related facilities can apply for tax abatements for up to 50% reduction for a period of up to 12 years for considerable investment into new real property. High technology operations can also be considered. Abatements on Personal Property Tax are no longer needed following recent tax law changes which phased out and eliminated industrial personal property tax.

Foreign Trade Zone

Companies conducting international trade can benefit from the efficient services of an inland U.S. Port of Entry and Foreign Trade Zone (FTZ) #43, located at the Fort Custer Industrial Park in Battle Creek, Michigan. FTZ #43 serves the Albion area making it even easier to compete in the global marketplace by streamlining logistics capabilities and allowing for delay, reduction or elimination of customs duties.

Opportunity Zone

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term private sector investments in targeted urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into designated Opportunity Zones. The fund invests at least 90% of its assets in Opportunity Zone properties, either directly or through qualifying corporations or partnerships

Community Reinvestment Incentives

Reclaiming, reinvigorating and reintroducing contaminated, historic, blighted or underutilized structures and sites for new purposes and life.

Brownfield Redevelopment

Brownfield sites can have long histories of contamination, blight, be functionally obsolete, or may be historic; regardless these properties face economic impediments to reuse and redevelopment. State and local incentives are available to help support the redevelopment through the capture of increased tax revenue resulting from the redevelopment project, and using that tax capture to reimburse the developer to help offset the costs of environmental and non-environmental eligible activities. Activities can include demolition, asbestos abatement, site preparation, public infrastructure improvements, plus more.

Community Development Block Grant (CDBG)

The State's CDBG Program is administered by the Michigan Economic Development Corporation and can be used to target economic and downtown development by local communities. Funds can be used for blight elimination, façade improvement, infrastructure grants, planning grants and rental rehabilitation grants. The process for CDBG can take 3-5 months before actual funds can be spent or contracts signed. It is imperative that the project have the timing to allow for the process and public comment.

Tax Sharing & Various Rehabilitation Acts

Michigan law encourages the redevelopment of obsolete, blighted and underutilized buildings with the creation of districts that allow for tax capture by essentially freezing the taxable value of the building prior to redevelopment for a period of up to 12 years. Depending on many variables, the tax capture can be provided to the developer or shared between the developer and the community to incent significant improvements in the property without increasing the property taxes on the building.