



# 2021 BUSINESS & COMMUNITY INCENTIVES

**Business  
Financial  
Incentives**

*A Redevelopment Ready Certified Community®, Albion has a robust Industrial Park, targeted development sites, and an historic downtown on the cusp of revitalization.*

*Whether you are an entrepreneur, an existing business looking to relocate or expand, or considering Michigan to relocate your operations from abroad, the City of Albion and the Albion EDC have the programs, incentives, know-how, and support to grow and sustain your business.*

## MI QUICK FACTS

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

## Michigan Business Development Program (MDBP)

The Michigan Business Development Program is a competitive state incentive program that provides loans and grants to companies creating jobs in Michigan. A performance based program, companies access MDBP funds when pre-established milestones are met. The MDBP typically requires creation of 50 new jobs over a 3 year period (25 for high tech companies), though the funds can be used to incent projects with lesser job creation, 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. Albion Industrial Park lots are \$9,000 @ acre with substantial incentives available based on amount of investment and job creation.

## Albion EDC Revolving Loan Fund (RLF)

The mission of the Albion Economic Development Corporation is to revitalize the local economy and retain, expand, and recruit businesses and industry to the greater Albion area. The AEDC helps to do this through the Albion EDC Revolving Loan Fund (RLF).

Loans made through the RLF can be used by new and expanding businesses unable to obtain 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.

The 504 Loan Program provides long-term, low interest rate financing for capital asset projects. The 7(a) Loan Guaranty Program has the broadest eligibility requirements and credit criteria and can be used for a variety of financing needs.

## Access to Capital - Debt Funding Programs

Companies engaged with a private lender for the purpose of acquiring a commercial loan for diversification projects experiencing a cash flow or collateral shortfall, may qualify for assistance through a number of Michigan Economic Development Corporation (MEDC) programs including the [Collateral Support Program](#) or [Loan Participation Program](#). The MEDC [Capital Access Program](#) uses small amounts of public resources to generate private lender financing, providing small businesses in Michigan access to capital that might not otherwise be available. The lender, the borrower, and the MEDC pay a small premium into a reserve making it possible for the borrower to receive financing. MEDC [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.

In partnership with the MEDC, the [Michigan Department of Agriculture & Rural Development](#) (MDARD) offers several programs to support the financing and growth of agricultural businesses in Michigan.

## Access to Capital - Equity Funding Programs

The [Michigan Pre-Seed II Fund](#) is a fund supporting high tech start-up companies with access to early stage capital as they near commercial viability, to accelerate company development. The [First Capital Fund](#) provides “genesis” funds (up to \$150,000) to new technology companies in Michigan in the earliest stages of commercialization. The fund is milestone driven and focused on helping companies achieve follow-on funding from angel or venture investors within 12 months.

## Access to Capital - Venture & Private Equity Programs

The [Michigan Accelerator Fund I](#) is a venture capital fund that invests in Michigan based, early stage companies in six target sectors: life sciences technology; advanced manufacturing; homeland security; alternative energy technology; information technology; and agriculture.

The [21st Century Investment Fund](#) is a fund of funds strengthening and diversifying Michigan's economy by fostering creation and growth of new jobs and industries within the state, in four target sectors: life sciences, alternative energy, homeland security and defense, and advanced manufacturing. The [Venture Michigan Fund I & II](#) seeks to create jobs and bring new industries to Michigan through the creation of a fund-of-funds that invests in private equity managers who primarily invest in Michigan-based early stage companies.

[InvestMichigan](#) is a fund focused on growing next generation Michigan companies in early and later stages of development. Under the Growth Capital Program, InvestMichigan targets lead and co-investment opportunities in venture capital and small buyout stage companies. The Michigan Opportunities Program targets lead investment opportunities in buyouts and growth equity investments in well established companies.

### Business Workforce Incentives

A multi-partner collaboration between businesses, workforce development providers, educators and economic developers helps position businesses in Albion for success, including meeting their demands for a skilled workforce. The AEDC works with the Michigan Economic Development Corporation (MEDC), Michigan Works!, The Center/Michigan Manufacturing & Technology Center, Kellogg Community College, Albion College, and Marshall Public Schools to assist businesses with their workforce development needs.

A variety of no-cost services are available to employers for outreach and recruitment assistance, applicant screening, and posting of open positions via Pure Michigan Talent Connect (PMTC), the widely followed Albion EDC Facebook page, and the Michigan WORKS! Southwest Jobs Bulletin and Employer of the Day feature. The AEDC and our partners can also assist your company in hosting a virtual job fair or finding training opportunities (and often funding) to train or upskill or new and existing employees. Fee based customized training opportunities are also available from several of our partner organizations. Contact the AEDC to discuss your employee recruitment and training needs. We will work with you and our partners to find the right resources to create an employee recruitment or training program to meet your needs.

**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 makes awards to employers to assist in training, developing, and retaining current and newly hired employees. Training funded by Going Pro 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 standards.

**Michigan New Jobs Training Program (MNJTP):** 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 (RMTC):** Located in Fort Custer Industrial Park in Battle Creek, Michigan, the RMTC offers businesses customized training programs with a blend of learning techniques and creative schedules. Their open/entry, open/exit plan allows the RMTC 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 **KCC Eastern Academic Center**, located between Albion and Marshall, is also available to assist with training needs and also enhanced career and technical training programming in Fall 2021.

### **Industrial & Personal Property Tax Abatements (PA 198 & PA 328)**

Communities can provide Industrial Property Tax Abatements to incent eligible businesses making new investment into expansion, renovation, or new plant construction. Manufacturers and related facilities can apply for tax abatements (up to 50% reduction for up to 12 years) for considerable investment into new real property. High technology operations can also be considered.

### **Foreign Trade Zones (FTZ)**

Companies conducting international trade can benefit from Albion's proximity to Foreign Trade Zone #43 at nearby Fort Custer Industrial Park in Battle Creek, Michigan. FTZ #43 makes it more cost effective for businesses to compete in the global marketplace by streamlining logistics and by delaying, reducing or eliminating customs duties.

### **Opportunity Zones**

Opportunity Zones were established by Congress in 2017 to encourage long-term private sector investments in targeted communities. The 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.

### **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, and more.

### **Community Development Block Grant (CDBG)**

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

### **Michigan Community Revitalization Program (MCRP)**

MCRP is a gap financing tool that promotes community revitalization through grants, loans or other economic assistance. Eligible projects include properties that are contaminated (facility), blighted, functionally obsolete or historic resources. Assistance amount is determined by a needs analysis.

### **Tax Sharing & Various Rehabilitation Acts**

Michigan law encourages redevelopment of obsolete, blighted and underutilized buildings through 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 is 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.

# CONTACT US

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## Albion EDC Mission Statement

*The Albion EDC works to retain, expand and recruit businesses and industry to the greater Albion area and strengthen and revitalize the local economy.*

## Vision

Revitalizing the local economy through collaboration, partnership,  
and delivering on the Mission through:

Growing and Attracting Businesses and Industry

Building Workforce Capabilities

Alleviating Conditions for Unemployment

Revitalizing Albion's Core Development Districts