

MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION

PURE MICHIGAN®

Overview of the Michigan Economic  
Development Corporation  
May 2018

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*Steve Bakkal*  
*Strategy & Technology*  
*MEDC*



Workforce Development Agency  
(Michigan Works! offices)  
Unemployment Insurance Agency



Michigan Strategic Fund  
Business development  
Community development  
Marketing (attraction and  
Pure Michigan campaign)



Land Bank Fast Track Authority  
Low interest financing to build  
affordable housing  
Demotion of dilapidated and  
abandoned properties  
Blight eradication

# 2018–2019 STRATEGIC FOCUS

## MISSION

We market Michigan's opportunity and provide the tools to assist job creation and investment.

## VISION

Michigan is a top 10 state for low unemployment, GDP growth, per capita income, and talent retention and growth.

## CUSTOMER FOCUSED

We are committed to delivering exceptional service and satisfaction as we engage with businesses, entrepreneurs, communities, and local partners.

## BUSINESS INVESTMENT: CORE FOCUS

1. Retain and grow Michigan businesses
2. Maintain and strengthen our global automotive leadership
3. Grow value-added agriculture and natural resource economy
4. Accelerate manufacturing innovation
5. Strengthen and develop our mobility initiatives
6. Attract and grow aerospace manufacturing
7. Grow Michigan exports
8. Deliver key entrepreneurial and Pure Michigan Business Connect services
9. Aggressive national and international business attraction
10. Protect and grow our defense-related industries

## COMMUNITY VITALITY: CORE FOCUS

1. Community developments that are catalytic
2. Critical infrastructure creating job growth and sustainability
3. Expanding assistance to rural and small communities
4. Technical economic development assistance for communities

## IMAGE

Improve Michigan's image as a business location and travel destination by:

1. Further advance the Pure Michigan brand to attract national and international visitors
2. Extend the Pure Michigan brand across business, community, and partner marketing initiatives
3. Advance Planet M, promoting Michigan as the "mobility" place to find talent and opportunity

## KEY MEASURES



PRIVATE  
INVESTMENT

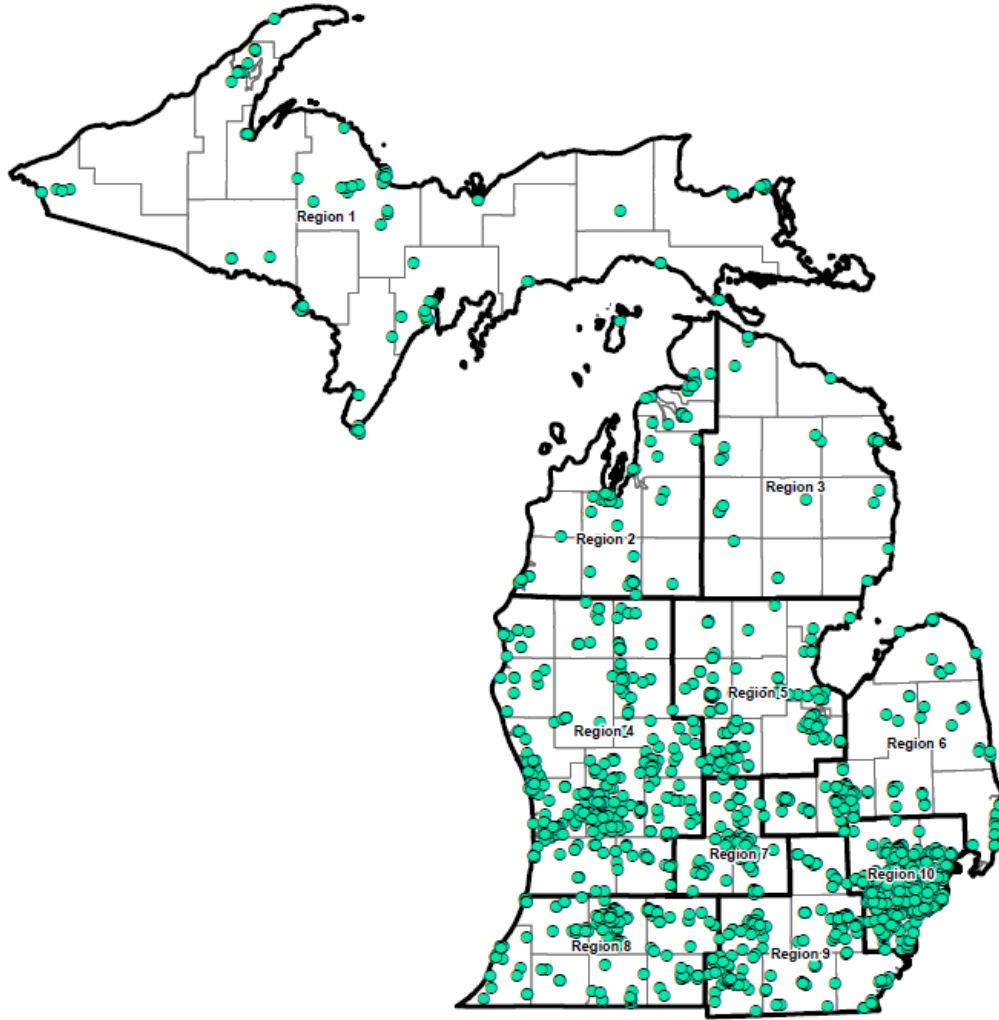


JOBS



CUSTOMER  
SATISFACTION

# 2,077 TOTAL PROJECTS ACROSS MICHIGAN FROM JAN 2013 – SEP 2017



*Projects utilized the following programs:*

- Business Development Program
- Brownfield Tax Increment Financing
- Community Development Block Grants
- Community Revitalization Program
- State Small Business Credit Initiative
- 21st CJF
- Other Programs<sup>1</sup>

2018 - 2019

# STRATEGIC FOCUS



2018 - 2019

# STRATEGIC FOCUS



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# PURE MICHIGAN BUSINESS CONNECT

## Connections that make your business stronger.

Pure Michigan Business Connect (PMBC) is a public/private initiative developed by the Michigan Economic Development Corporation that helps connect local and global purchasers to suppliers of Michigan goods and services.



### Since 2011:

- facilitated nearly **\$5 billion** in new contracts between local, national and global purchasers – the equivalent of more than **20,000 jobs**.
- worked with over **300+ global corporations**.
- facilitated over **8,500 unique supplier/buyer meetings**.
- provided business connections across **25 industries**.

# PMBC AGRICULTURE-RELATED SUMMITS

*PMBC's participation in Ag-related summits and initiatives has resulted in:*

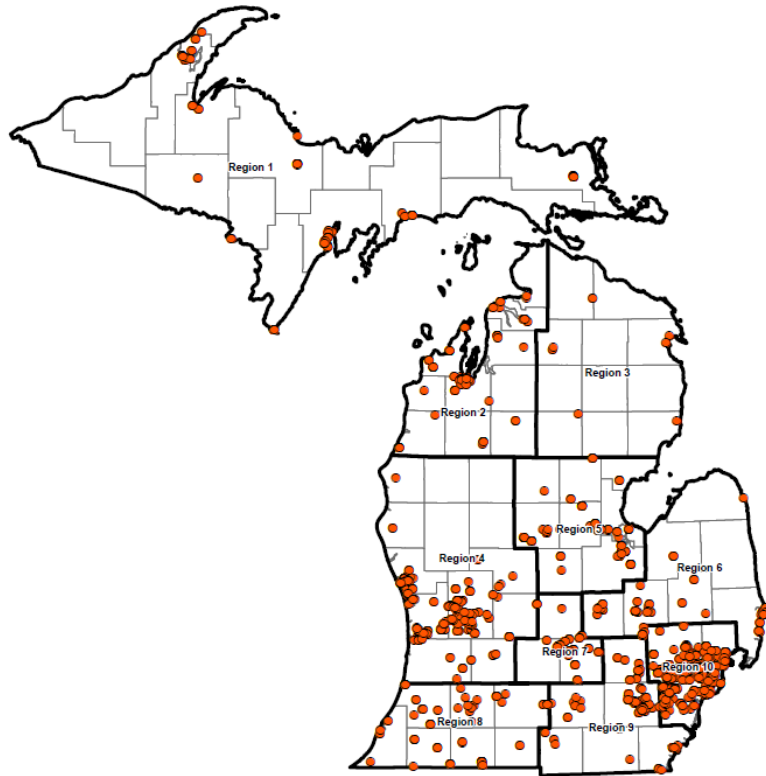


- **66 contracts** from companies across Michigan
- **\$4.19 million in facilitated revenue**
- Increasing demand for events – with over **668 company applications** for summit participation (from 2014 – 2017)
- Diverse business presence – **131 woman-owned businesses, 62 minority-owned, 17 veteran-owned, and 2 tribal owned**
- Span of influence – representing **68 of Michigan's 83 counties**



# INTERNATIONAL TRADE SERVICES

*Providing grants and other services to encourage export sales.*



- In FY 2017, the Michigan International Trade Program assisted over **460** companies.
- Exports that came as a direct result of MEDC assistance (facilitated exports) totaled **\$607.0M** to **128 countries**.
- Since the program was established in FY 2012, companies have reported facilitated export sales of over **\$1.9B** or **8,839 jobs**.



In two years, with the assistance of the International Trade team, Redi-Rock was able to increase their international footprint by 50%.

~ Charlevoix, MI

# SUPPORTING SMALL, MEDIUM-SIZED BUSINESSES

The MEDC partners with the Michigan Small Business Development Center (SBDC) to support small businesses. The SBDC provides counseling, training and research for new ventures, existing small businesses and advanced technology companies.

Since 2014

## HI-TECH START-UPS

1,285 JOBS CREATED

\$429M PRIVATE INVESTMENT

145 BUSINESS STARTS

\$19M AWARDED

\$>12.5M DIRECT SUPPORT

## TRADITIONAL BUSINESSES\*

7,344 JOBS CREATED

\$524M PRIVATE INVESTMENT

1201 BUSINESS STARTS

\$6M AWARDED

\$>268M INCREASED SALES

# SUPPORTING SMALL, MEDIUM-SIZED BUSINESSES

*The MEDC partners with Procurement Technical Assistance Centers (PTAC) and the Michigan Manufacturing Technology Center to support small and medium-sized businesses.*



*Supports MI companies obtain federal government contracts through counseling, bid matching and more*

- **\$1.2M** in FY17 to support 10 PTAC offices
- **\$1.6B** in facilitated sales in FY17.



*Provides small and medium-sized manufacturers strategies to diversify, get lean and grow*

- Past 12 months results: **\$209.5M** increased sales, **\$62.6M** cost savings.

A man in a pink shirt and striped tie stands in the center, smiling and looking towards two other people seated at a table. The seated individuals are seen from the back and side, focused on documents. The background shows a bright office environment with windows. A paperclip graphic is positioned on the right side of the green text box.

## MICHIGAN BUSINESS DEVELOPMENT PROGRAM

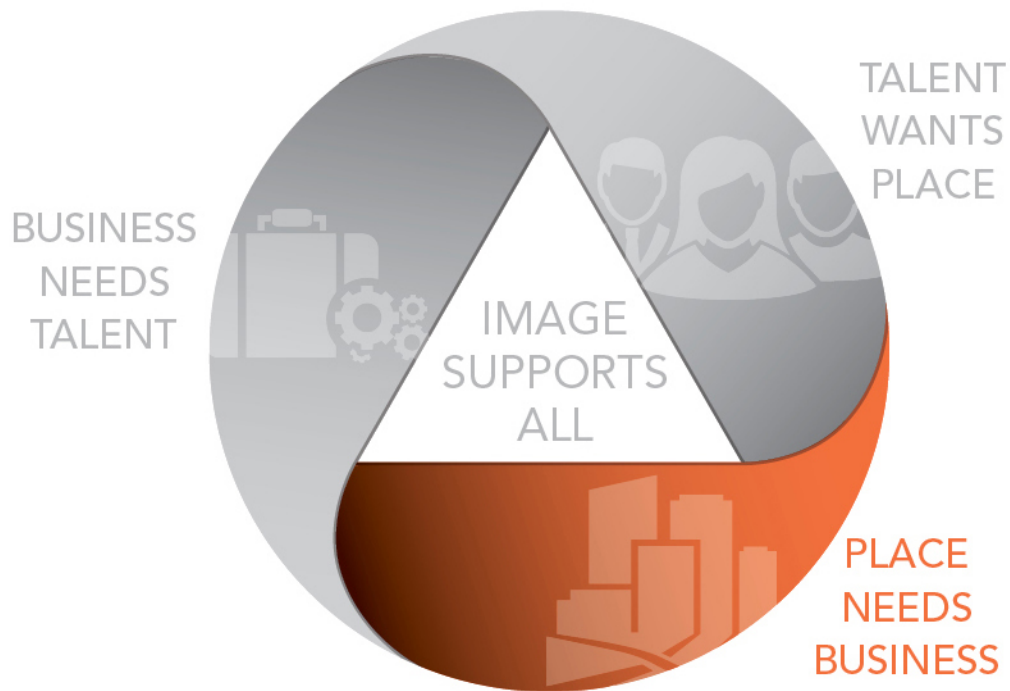
Designed to provide a grant, loan, or other economic assistance to qualified businesses that make qualified investments, create qualified new jobs, or both.

# BUSINESS DEVELOPMENT PROGRAM CONSIDERATIONS

- ✓ Out-of-state competition
- ✓ Net-positive return to this state
- ✓ Level of investment
- ✓ Business diversification
- ✓ Shovel ready projects
- ✓ Reuse of existing facilities
- ✓ Near-term job creation
- ✓ Level of wages for new jobs
- ✓ Employer provided benefits
- ✓ Whether the project is located in a distressed or targeted community
- ✓ Strong links to Michigan suppliers

2018 - 2019

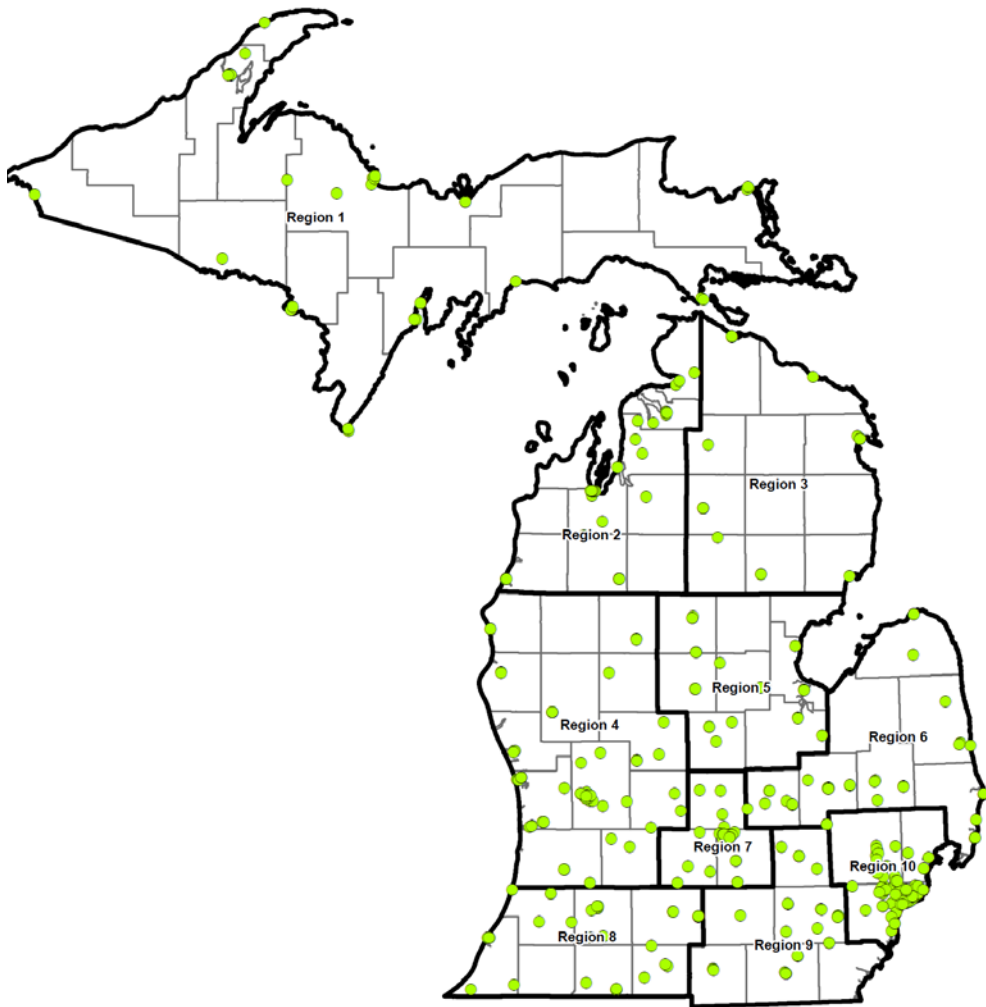
# STRATEGIC FOCUS



## COMMUNITY VITALITY: CORE FOCUS

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# 453 TOTAL COMMUNITY VITALITY PROJECTS FROM JAN 2013 – SEP 2017



*Projects utilized the following programs:*

- Brownfield Tax Increment Financing
- Community Development Block Grants
- Community Revitalization Program
- Other Programs<sup>1</sup>

# COMMUNITY REVITALIZATION PROGRAM

*The Michigan Community Revitalization Program partners with local communities and developers to facilitate mixed-use developments on underutilized properties in traditional downtowns.*

TO DATE, **75** PROJECTS HAVE COMPLETED CONSTRUCTION.

**\$6.9** PRIVATE DOLLARS LEVERAGED FOR EVERY \$1 PUBLIC DOLLAR.

RESULTING IN: **\$571.3M** IN ACTUAL VERIFIED PROJECT INVESTMENT.







## PUBLIC SPACES COMMUNITY PLACES

\$4,979,668



Funded

25,980



Patrons

143



Projects

\$4,117,333



Matched by Sponsor

# Building Vibrant Communities Across Michigan

# PUBLIC SPACES COMMUNITY PLACES

## Project Examples

### Bates Alley Project

- Bates Alley is currently an underinvested alley in Kalamazoo. Goal is to activate it as an outdoor public space.
- \$55,000 donations for a \$50,000 goal
- 50 Patrons
- Reached goal on Nov. 29, 2017



### Sparta Recreation Sports Complete

- Constructed a centralized youth sports facility actively used by **more than 1,200 kids**
- \$105,930 donations for a \$100,000 goal
- 204 Patrons
- Reached goal on Jul. 1, 2015

# redevelopment ready communities

*Certifying communities that integrate transparency, predictability and efficiency into their daily development practices.*

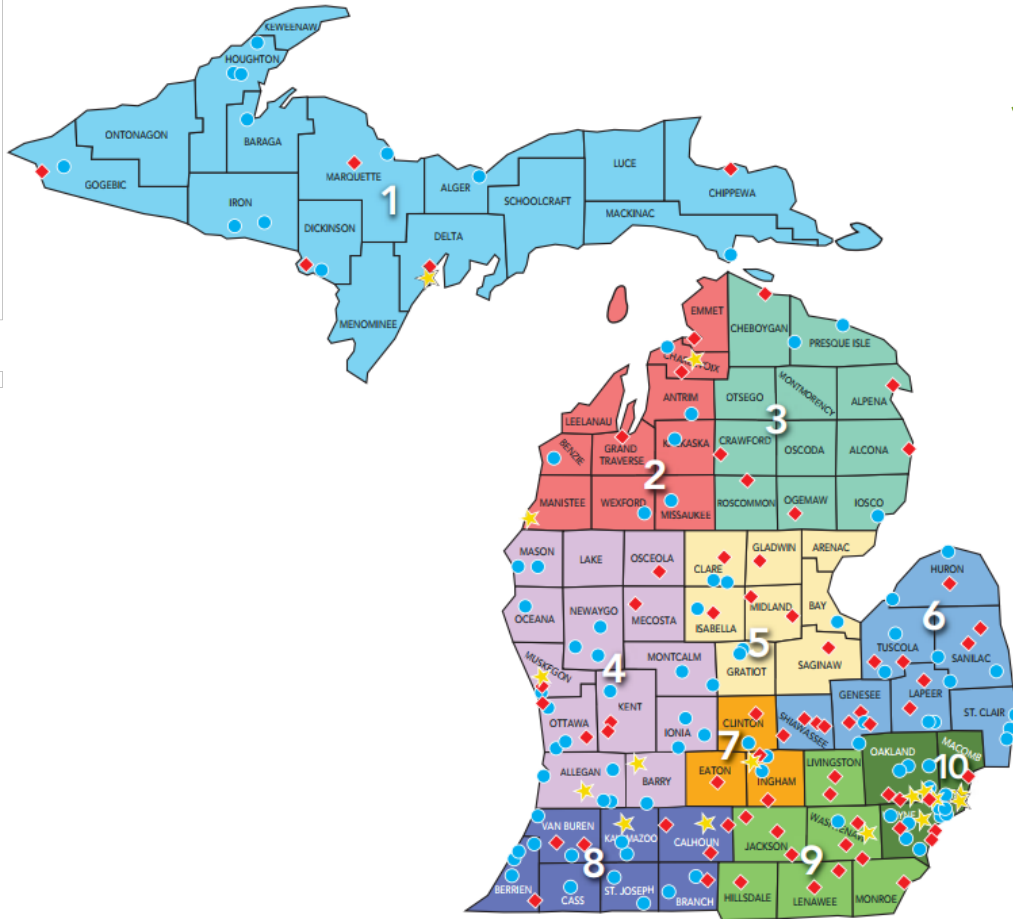
Working through and accomplishing the RRC Best Practices is beneficial to a community for a number of reasons:

- **Streamlining processes** and procedures internally **makes better use of staff time**
- Certification is the “**Good Housekeeping**” seal of approval,
- Certification status **provides a compelling sign** that a community has removed development barriers and streamlined processes to be **more competitive and attractive to investors.**
- Formal recognition that a **community has a vision for the future**—and the **fundamental practices in place** to get there.



# redevelopment ready communities

*Certifying communities that integrate transparency, predictability and efficiency into their daily development practices.*



19

Certified Communities

103

evaluations completed

99

Communities with  
evaluations in progress

2018 - 2019

# STRATEGIC FOCUS



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# Supporting Recycling Market Development

- Promoting the use of recycled materials for economic and business opportunities in Michigan
  - Leverage business contacts and visits from MEDC, understand needs and challenges
  - Leverage technical expertise of DEQ
  - Connect potential buyers with suppliers
  - Utilize MEDC tools, services, and partners for business location and expansion support



# Supporting Recycling Market Development

- Surveyed nearly 300 small and midsize manufacturing businesses, focusing on pre- and post-production opportunities:
  - Operations
  - Purchasing
  - Engineering
- Findings:
  - Main challenges in adopting recycling for post-production waste: accessibility, cost
  - Main challenges to utilize recycled materials in products: cost, correct specifications
  - Manufacturers are seeking solutions which are easy to use and have a low time investment

# Supporting Recycling Market Development

## Michigan Materials Marketplace (launch next 90 days)



United States Business Council  
for Sustainable Development

- Projects will be hosted on the award-winning Materials Marketplace software platform from the US Business Council for Sustainable Development and Pathway21.
- This online tool enables participating companies and project staff to easily post materials available or desired, identify reuse opportunities, and exchange underutilized materials.
- In addition to diverting waste from landfills, these recovery activities generate significant cost savings, generate revenue, potentially creating new jobs and business opportunities.



# Thank You!

Michigan Economic Development Corporation

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