

MEDC Introduction and Programs

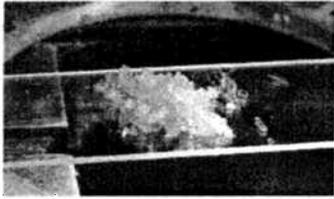
House Commerce Committee
Presentation

Honorable Rep. Robert B. Jones, Chair
March 4, 2009

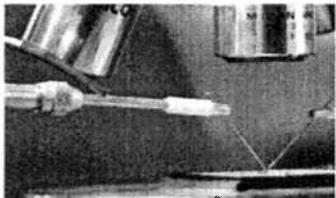
Presented by:

Debra Dansby, Chief Operating Officer

James McBryde, Legislative Liaison



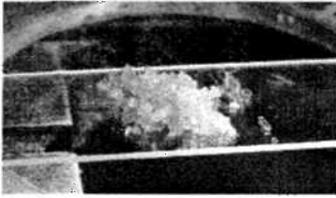
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THE UPPER HAND



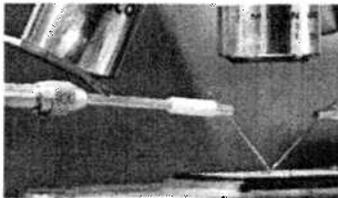
Mission Statement

The mission of the Michigan Economic Development Corporation, in collaboration with its local economic development partners, is to transform the economy of our state. By executing the Governor's economic development strategy, the MEDC promotes business and tourism, thereby generating opportunities and economic growth.

The MEDC further achieves its mission by retaining and expanding commerce, by facilitating new partnerships and by serving as the principal advocate for the business community, thereby creating desirable jobs and contributing to a superior quality of life for all Michigan residents.

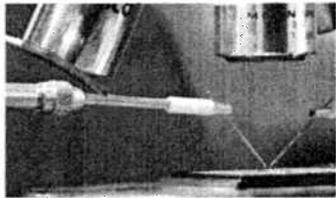
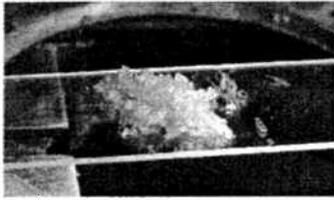


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What is the MEDDC?

- Created in April 1999 by an Interlocal Agreement.
- Partnership between the Michigan Strategic Fund for the State and local/regional economic development agencies
- Designed to promote proactive economic development programs and encourage intergovernmental cooperation in Michigan.
- 61 local economic development partners, 81 corporate partners, 20-member Executive Committee
- Result: an innovative, acclaimed, award-winning model duplicated by other states



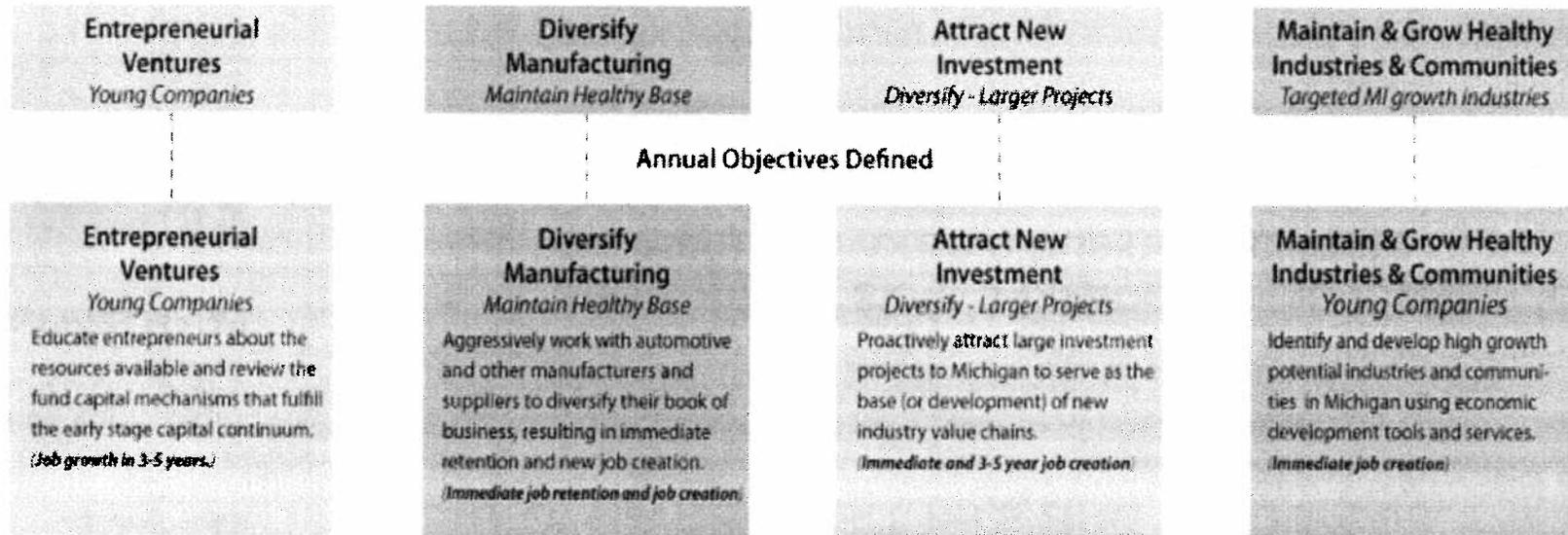
Strategic Plan for the Future

- *The MEDC will leverage Michigan's economic development capacity by bringing together myriad partners and resources.*
- *The MEDC will attract, retain and support Michigan businesses.*
- *The MEDC will lead the diversification of Michigan's economy.*
- *The MEDC will promote Michigan globally while assuring that the success of our efforts is shared locally.*
- *The MEDC will maintain a favorable business climate for small businesses and entrepreneurs.*
- *The MEDC will measure the performance of its economic development strategy to assure and document success.*

The MEDC Strategic Plan for Michigan's Economy 2007 - 2009



Areas of Focus for Fiscal Year 2009



The steps MEDC took to plan and prepare:

A • Analysis of Current Environment

(July 2008)

- Existing tools/ services that can be coordinated, aligned and leveraged
- Identification of gaps in tools / services



B • Selection of Solutions for Gaps

(August 2008)

Decision Criteria:

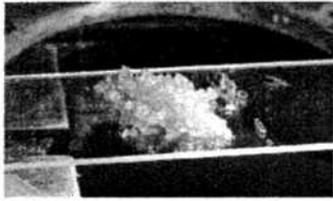
- Alignment with strategic plan / tactical objectives
- Timeliness to market
- Metrics and impact results
- Long-term sustainability
- Cost



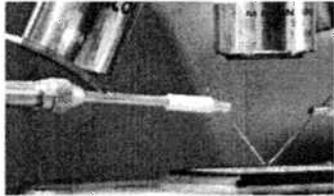
C • Development of 2009 Business Plan and Budgets

(September/October 2008)

- Tactical Plan Projects Defined
- Annual Corporate Budget
- 21st Century Jobs Fund Spending Plan
- General Fund Appropriations
- Legislative Priorities

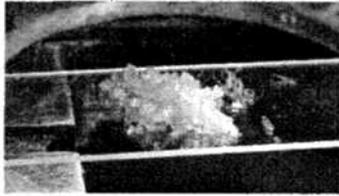


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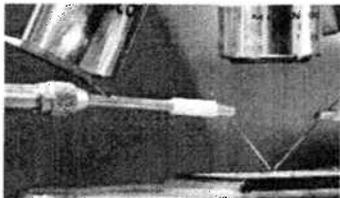


Six-Part Strategy for Transformation

1. Leverage Michigan's economic development capacity by bringing together a of myriad partners and resources.
 - Lead economic development efforts for maximum impact within state government
 - Serve as the state's business ombudsman to maintain a favorable business climate
 - Share processes, communication, and sources with external, inter-local and corporate partners
 - Brand state economic development activities under a common message and strategy
 - Expand statewide economic diversification strategies through collaborative networks



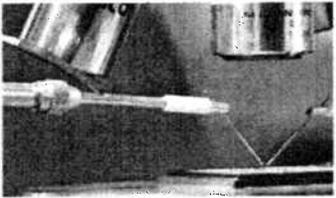
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Six-Part Strategy for Transformation

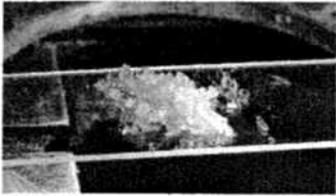
2. Attract, retain and support Michigan businesses.

- Develop and execute business attraction strategies in support of Michigan's economic diversification goals
- Expand and integrate tourism and business marketing campaigns nationally and internationally
- In cooperation with the state legislature, create customized new best-practice incentive tools to support the retention and growth of existing Michigan businesses and attract new investment to the state
- Promote Michigan's outstanding healthcare system as an exceptional resource for healthcare consumers and as the state's top provider of employment for Michigan citizens
- Create the Defense Contract Coordination Center structure to increase federal contracts awarded to Michigan businesses with an initial emphasis on products generated within the other three target clusters

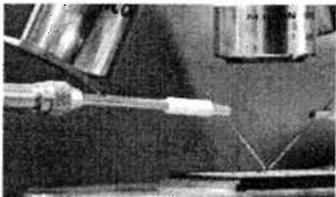


Six-Part Strategy for Transformation

3. Lead the diversification of Michigan's economy.
 - Leverage existing strengths of Michigan's industry sectors, the higher educational system and skilled workforce, by creating new opportunities within the emerging growth sectors of alternative energy, advanced automotive manufacturing, life sciences, and homeland security/defense
 - Develop and implement customized incentive packages to attract and grow the emerging growth sectors
 - Support the revitalization of Michigan's cities, in particular the downtown communities that serve as economic nerve centers

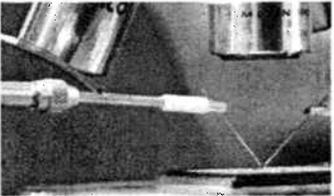
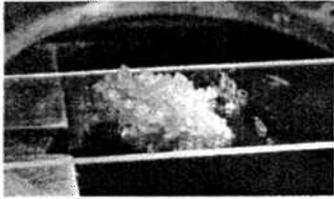


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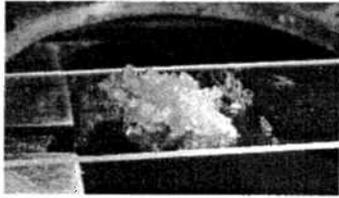
Six-Part Strategy for Transformation

4. Promote Michigan globally while assuring that the success of our efforts is shared locally.
 - Market Michigan's unique assets to national and international audiences by highlighting the competitive business advantages, skilled workforce, economic incentives tools, and unsurpassed natural resources
 - Share Michigan's business success stories among Michigan residents by encouraging the state's positive image and generating enthusiasm and confidence among all Michigan residents
 - Market Michigan's targeted business opportunities along with the state's unique quality of life

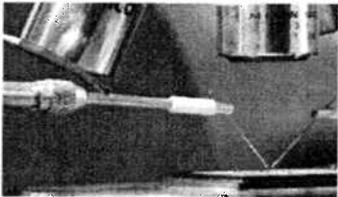


Six-Part Strategy for Transformation

5. Maintain a favorable business climate for small businesses and entrepreneurs.
 - Support and grow small businesses and entrepreneurial innovations through loans, capitalization, and business incubators
 - Facilitate the transfer of technology and intellectual property from Michigan colleges and universities to allow commercialization of new processes and inventions
 - Encourage, support, and nurture entrepreneurial efforts and successes in the state through customized programs and services

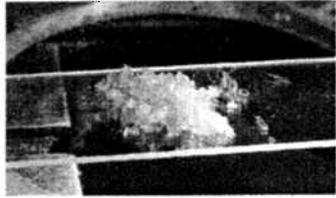


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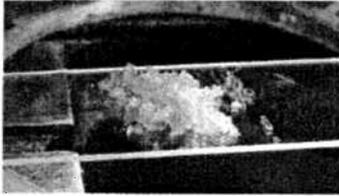
Six-Part Strategy for Transformation

6. Measure the success of MEDC's economic development strategy to assure and document success.
 - Implement a standardized return-on-investment measurement process to evaluate the effectiveness of MEDC's programs
 - Create benchmarks for programs and services provided by the MEDC
 - Maintain timely competitive intelligence reporting for state, national, and international business activity

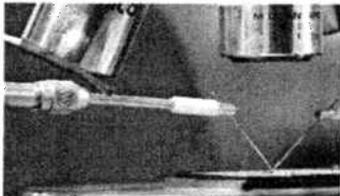


What We Do

- One-stop resource for business retention, expansion and relocation projects
- Promote the State nationally and internationally as the location of choice for business expansion and location
- Assist emerging industry sectors grow
- Assist Michigan businesses transition, diversify, survive and grow
- Travel Michigan, the State of Michigan's official agency for the promotion of tourism

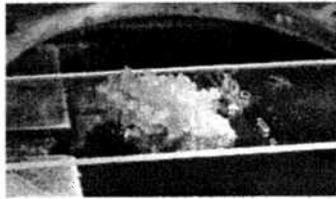


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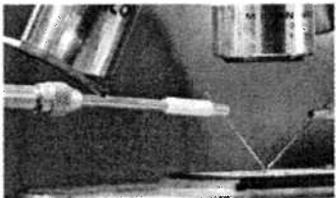


Tools We Use

- Michigan Economic Growth Authority (MEGA) Credits
- Brownfield Redevelopment Incentives
- Michigan Renaissance Zones
- Centers of Energy Excellence
- Choose Michigan Fund (CMF)/21st Century Jobs Fund
- Community Development Block Grant (CDBG)
- Economic Development Job Training (EDJT)

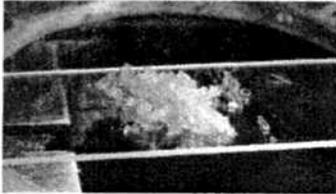


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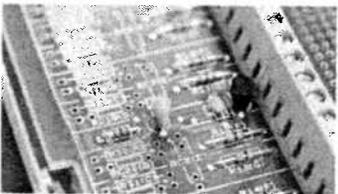
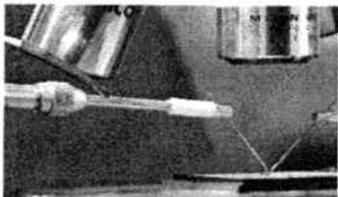


Tools We Use (continued)

- Defense Contract Coordination Center
- Private Activity Bonds (formerly IDR B)
- Site Location Services
- Property Tax Abatements
- Workers Compensation Assistance
- SmartZones
- Business Ombudsman
- And more...

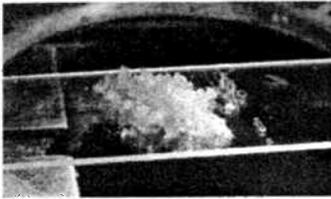


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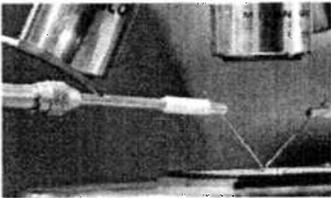


How We Reach Customers

- Michigan Business Growth & Retention Program (Geographic Business Development Managers)
- Target Industries (Industry Business Development Managers)
- National and International Attraction
- Manufacturing Diversification
- Emerging/New Markets Outreach (Industry Experts)

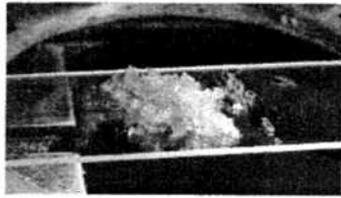


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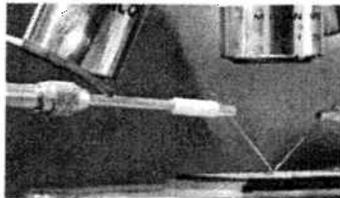


Strategic Partners: Helping Deliver Services

- Michigan Manufacturing Technology Center (MMTC)
- Small Business and Technology Development Center (SBTDC)
- Procurement Technical Assistance Centers (PTACs)
- NextEnergy



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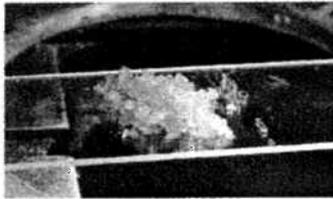


Michigan Promotion Program

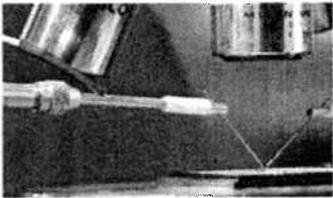
(Business and Tourism Marketing)

- Overall marketing goals:
 - Improve perceptions
 - Increase awareness
 - Generate attraction and growth opportunities – create and cultivate prospects
 - Increase travel and tourism traffic in the state
 - Increase state revenues
- *Pure Michigan* branded cooperative marketing campaigns with local economic development partners and tourism-related groups
- **Return on investment:**
 - **For every \$1 allocated to Michigan tourism advertising, a four year average of \$2.82 accrued to state treasury in incremental tax revenues.***

* Source: Longwoods International

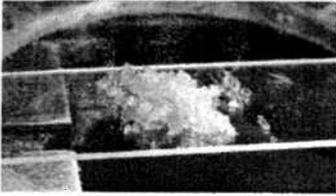


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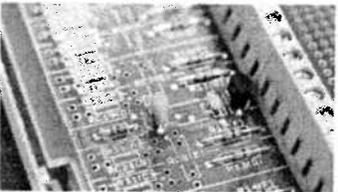
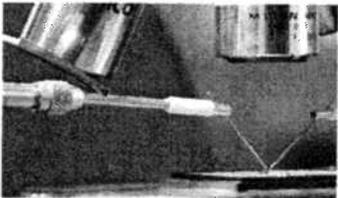


Marketing Awards

- Pure Michigan Travel Campaign
 - 2008 Mercury Award – Best State Tourism Radio Advertising
 - 2007 Mercury Award – Best State Tourism Overall Advertising Campaign
- Upper Hand Campaign
 - Received seven global awards for television spots

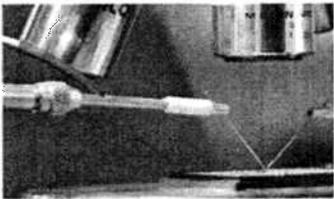
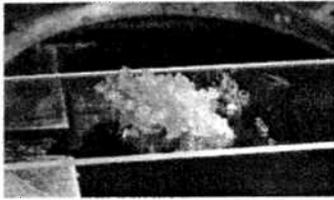


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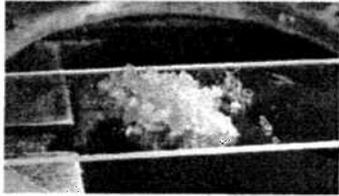
Key Economic Development Legislation Passed in 2008

Governor Jennifer Granholm, in her 2008 State of the State speech, outlined various initiatives that would bolster the state's economy and change the face of economic development in Michigan. The MEDC was assigned to lead the implementation of several of these initiatives and was directly impacted by additional goals led by other state departments. Most of the initiatives required legislation to implement. The following is a list of legislation passed in 2008 representing goals assigned to the MEDC.

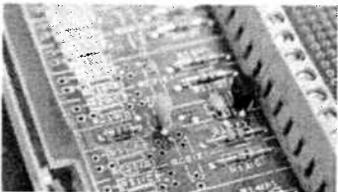
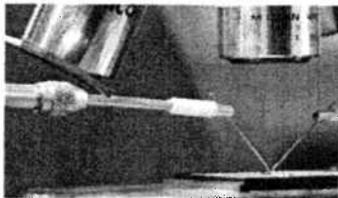


Key Economic Development Legislation Passed in 2008

- MEGA (Michigan Economic Growth Authority) Program Improvements
- Defense Contracting MBT Jobs Tax Credit
- Anchor Company Credits
- Anchor Zones Credits
- Brownfield MBT Improvements
- Brownfield Redevelopment Tax Increment Financing (TIF) Improvements
- Renaissance Zone Program Improvements

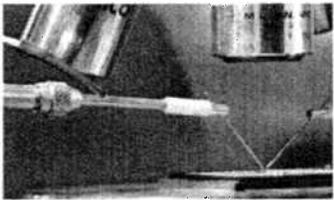
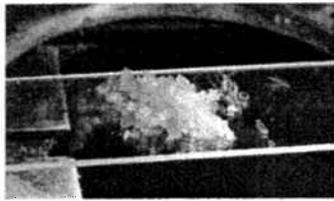


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Key Economic Development Legislation Passed in 2008

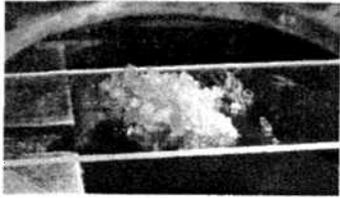
- MSF (Michigan Strategic Fund) Act
- Amendments to Expand Marketing Program
- Centers of Energy Excellence
- Choose Michigan Fund – 21st Century Loan Enhancement Program
- Senate Downtown Development Package
- Film and Digital Media Incentives
- Mandated Renewable Portfolio Standards (RPS)



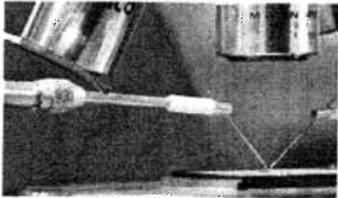
Key Economic Development Legislation Passed in 2008

Additional MEDC legislative initiatives were passed in 2008, including:

- Choose Michigan Fund II
- Advanced Battery/Plug-In Hybrid Vehicle Incentives
- Brownfield MBT Modification
- Expand Use of PA 328 for MEGA-Approved Projects
- Expand Use of PA 328 for Border Counties
- Expand Use of PA 198 for Border Counties
- PA 198 Exemption Certificates – Permanent Mechanism to Correct Mistakes
- Expand Renewable Energy Renaissance Zones for Cellulosic Biofuels
- Additional Tool & Die Recovery Zones



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Q & A

