

Finding and Securing Economic Development Incentives

We have written substantial sections of the laws and regulations that govern economic development incentives in Michigan. And we know the people and processes that move projects to the finish line.

Mapping out your best options

There are more than 50 types of federal and state incentive programs. We've worked with most of them, so we can select the best options for your project.

Here are some of the most popular incentives:

- **Brownfield TIF Funding** - Clients can be reimbursed up to 100% of the cost of environmental due diligence and cleanup, asbestos and lead abatement, demolition, infrastructure improvements and site preparation from new property taxes on brownfield Tax Increment Financing (TIF) projects.
- **Community Revitalization Program** This grant and loan program replaces the Brownfield and Historic Michigan Business Tax (MBT) credit programs. Grants of up to \$1 million and loans of up to \$10 million are available to fund up to 25% of eligible investment in a project. Eligible investment includes construction, rehabilitation, demolition, site improvements and equipment. The grant or loan is awarded when the project is completed. In certain circumstances, loans may be forgiven in part or in whole.
- **Business Development Program** - This grant and loan program replaces the Michigan Economic Growth Authority (MEGA) Job Creation MBT credit and

In the last 15 years, the Economic Incentives Group at Warner Norcross & Judd has secured more than \$700 million in incentives for parts suppliers, manufacturers, food distributors, real estate developers and other clients, resulting in tens of thousands of new jobs and billions of dollars of investment.

comes in the form of a grant of up to \$1 million, a loan of up to \$10 million or a combination of the two, not to exceed \$10 million. It includes a job-creation component, calling for at least five new jobs in rural or high-tech fields (with a total of 25 required over time) and a minimum of 50 jobs for other types of projects.

- **Industrial Facilities Tax Abatement (Public Act 198)** - This program abates a portion of new real and personal property taxes for industrial sectors. It is usually an abatement of approximately 50% for new equipment and new construction. For rehab projects, the abatement can be more significant.
- **Personal Property Tax Abatement (Public Act 328)** - This is a 100% abatement on new personal property located in certain jurisdictions in Michigan.
- **Renaissance Zones** - Renaissance Zones provide 100% abatement for real and personal property and business taxes within a specified geographic zone. There are limited opportunities for new Renaissance Zones, but some are available.
- **New Markets Tax Credits** - This federal income tax credit totals 39% of an allocation from a "community development entity," taken over 7 years. In order to qualify, the project must be in a qualified census tract and meet certain investment requirements. This can apply to industrial, commercial and residential projects, with certain limitations.

- **Federal Historic Tax Credits** - These credits account for up to 20% of the rehabilitation costs for qualifying historic structures.
- **Local TIF Districts** - Downtown Development Authorities (DDAs) as well as Local Development Finance Authorities, Corridor Improvement Authorities and other TIF districts, can be a valuable source of funding for projects, particularly those located in urban and suburban areas. Generally speaking, these TIF districts provide needed infrastructure improvements (including parking decks) and other physical amenities to improve projects.

We Deliver

As part of the planning process we will evaluate your project and help you find an appropriate blend of incentives that meets your timeline — and budget. During and after your project, we'll monitor progress and compliance and help you collect your incentives when the work is done.

Every project is different. Our goal is to make sure our clients seize every economic incentive opportunity available to help their projects succeed. Our expertise applies to tax increment financing, grants, loans, credits, tax abatements and exemptions, federal and state tax credit programs, historic preservation, low-interest loans and public and private bond programs.

Warner's Economic Incentives Group includes attorneys and paralegals with real estate, tax, finance, environmental and government affairs experience. Our depth and breadth of experience positions us as the law firm best suited to deliver the incentives that will work for you.



A BETTER PARTNERSHIP®
WNJ.com

Grand Rapids Holland Lansing Macomb County Midland Muskegon Southfield