

Albion Business & Community Incentives

As a Redevelopment Ready Certified Community®, Albion, Michigan, is positioned to support, grow, and sustain businesses.



Whether the need is starting a new business, expanding or relocating a current business, or moving from abroad to Michigan, there are programs, incentives, resources, and support to make sure it's a success in Albion.

The community has two robust industrial parks, targeted development sites, and a historic downtown on the cusp of revitalization.

MI QUICK FACTS

6%

Corporate income tax

4.25%

Personal income tax

No

Personal property tax or sales tax on most capital equipment

13th

In the nation for overall business climate

377,000+

Workforce ready individuals nearby.



**The Albion Economic Development Corporation (AEDC)
wants to help your business succeed!**

For assistance in navigating the numerous opportunities and building supportive partnerships, contact us!

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Business Financial Incentives



FEDERAL INCENTIVES

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.



STATE INCENTIVES

Access to Capital - Debt Funding Programs

The Michigan Economic Development Corporation (MEDC) assists qualifying businesses with commercial loans and cash flow or collateral shortfalls through 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.



Business Financial Incentives



STATE INCENTIVES (CONTINUED)

Access to Capital - Equity Funding Programs

The Michigan Pre-Seed II Fund supports high-tech start-up companies with early-stage capital as they near commercial viability to accelerate company development.

The First Capital Fund provides up to \$150,000 in “genesis” funds to new technology companies in Michigan in the earliest stages of commercialization. It is milestone-driven and focuses 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 strengthens and diversifies Michigan’s economy by fostering the creation and growth of new jobs and industries in four target sectors: life sciences, alternative energy, homeland security and defense, and advanced manufacturing.

The Venture Michigan Fund I & II seek to create jobs and bring new industries to Michigan by creating a fund-of-funds that invests in private equity managers who primarily invest in Michigan-based, early-stage companies.

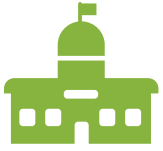
InvestMichigan is a fund focused on growing next-generation Michigan companies in the early and later stages of development. Under the Growth Capital Program, the fund targets lead and co-investment opportunities in venture capital and small buyout stage companies.

The Michigan Opportunities Program targets lead investment opportunities in buyouts and growth equity investments in well-established companies.

Michigan Business Development Program (MBDP)

The MBDP is an incentive program made possible by the Michigan Strategic Fund (MSF) and the MEDC. It provides businesses with grants, loans, and other economic assistance or highly competitive projects that create jobs and/or provide investment, resulting in a net-positive return to Michigan.

Business Financial Incentives



LOCAL INCENTIVES

AEDC Revolving Loan Fund (RLF)

By making loans to new and expanding enterprises that are unable to obtain full financing from private and traditional sources, AEDC RLF seeks to revitalize the local economy and retain, expand, and recruit businesses and industries to the greater Albion area.

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

Competitive Facility & Land Pricing

The greater Albion area offers very competitive lease and sale prices for buildings and land. Albion Industrial Park lots are negotiable with substantial incentives available based on the amount of investment and job creation.



Business Workforce Incentives

Businesses, workforce development providers, educators, and economic developers collaborate to help position businesses in Albion for success, including meeting their demands for a skilled workforce. A variety of services are available for employers at no cost, including outreach and recruitment assistance, applicant screening, 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.

Customized training opportunities are also available, including the following workforce programs.



STATE INCENTIVES

Going PRO Talent Fund

Formerly known as the Skilled Trades Training Fund, the Going PRO Talent Fund provides employers funding to assist in training, developing, and retaining current and newly hired employees. The funded training must be short-term, fill a demonstrated talent need, and lead to a credential for a skill that is transferable and recognized by industry standards.

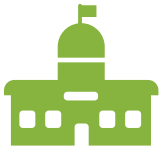
Michigan New Jobs Training Program (MNJTP)

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 (KCC), producing highly trained employees that can increase the employer's competitive edge.

The debt associated with this program is repaid through a diversion of the new employee's withholding tax. No new additional dollars are expended to cover the cost of the training, making it possible to provide cost-free training to new employees.



Business Workforce Incentives



LOCAL INCENTIVES

Job Fairs

AEDC hosts a job fair each spring in conjunction with its workforce development and educational partners. AEDC also assists individual companies in planning and hosting job fairs or marketing company-planned job fairs through its network of workforce development partners.

KCC Eastern Academic Center (EAC)

KCC's EAC campus is a state-of-the-art higher education facility that offers training in Industrial Electricity and Electronics, Industrial Technology and Industrial Welding, as well as courses in programs including Business Management, Certified Nursing Assistant and Emergency Medical Services. The facility consists of several classrooms, a computer lab, a student lounge, welding and mechatronics labs and more, providing excellent education and resources to local businesses and the community.

KCC's Regional Manufacturing Technology Center (RMTCC) campus in Battle Creek offers additional training options, including flexible customized training programs for businesses and local employers with a blend of learning techniques and creative schedules.

On-The-Job Training

Employers can receive up to 50% of a new employee's wages for a set training period with on-the-job training.



Tax Savings & Community Reinvestment Incentives



FEDERAL INCENTIVES

Foreign Trade Zones (FTZ)

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

Opportunity Zones

Established by Congress in 2017, Opportunity Zones encourage long-term private sector investments in targeted communities by providing tax incentives for investors to re-invest their unrealized capital gains into Opportunity Funds dedicated to investing in designated areas. The fund invests at least 90% of its assets in Opportunity Zone properties, either directly or through qualifying corporations or partnerships.



STATE INCENTIVES

Brownfield Redevelopment

State incentives are available to help support the redevelopment of contaminated, blighted, functionally obsolete, and potentially historic brownfield sites and the economic impediments they face in reuse and redevelopment. These efforts capture increased tax revenue resulting from the redevelopment project and use that tax capture to reimburse the developer and help offset the costs of environmental and non-environmental eligible activities including demolition, asbestos abatement, site preparation, public infrastructure improvements, and more.

Build MI Community Grant Initiative

Administered by the MEDC, the Build MI Community Grant Initiative promotes private investment by emerging developers with limited real estate development experience and provides access to real estate development gap financing for small-scale, incremental development projects. Grants range from \$50,000 to \$350,000 and can be used to cover up to 50% of project costs.

Tax Savings & Community Reinvestment Incentives



STATE INCENTIVES (CONTINUED)

Food and Agriculture Investment Program (FAIP)

This program provides financial support for food and agriculture projects that help expand food and agriculture processing to enable growth in the industry and Michigan's economy. Projects are selected based on their impact to the overall agriculture industry, food and agriculture growth, and investment in Michigan. Projects are invited for consideration by the MI Commission of Agriculture & Rural Development (Ag Commission) for funding and companies work with MDARD to complete a project screening document that includes a description of the project, supply chain impacts, investment, and timeline and preliminary approval before the Ag Commission considers the full application.

The grant program operates on a reimbursement basis pertaining to the completion of milestones; reimbursement usually occurs after project completion. Projects should be submitted before incurring any costs since costs incurred before approval by the Ag Commission are not reimbursable.

Food Systems Partners Investing in Communities and Entrepreneurs (Food SPICE)

This United States Department of Agriculture (USDA) Regional Food Systems Partnership-funded program is managed by Michigan State University's (MSU's) Center for Regional Food Systems and focuses on southwest Michigan and the Upper Peninsula to provide resources to food and farm businesses. It provides technical and financial support to create more resilient and just food systems in rural and urban communities across Michigan.

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

Communities can provide Industrial Property Tax Abatements to encourage eligible businesses to make new investments in expansion, renovation, or new plant construction. Manufacturers and related facilities can apply for tax abatements of up to a 50% reduction for up to 12 years, allowing for considerable investment into new real property. High technology operations can also be considered.

Michigan Community Revitalization Program (MCRP)

As an incentive of the MSF in cooperation with the MEDC, the MCRP encourages and promotes structural renovations and redevelopment of brownfield and historic preservation sites located in traditional downtowns and high-impact corridors. It provides gap financing through performance-based grants, loans, or other economic assistance for eligible investment projects.

Tax Savings & Community Reinvestment Incentives



STATE INCENTIVES (CONTINUED)

Michigan Good Food Fund

Focused on food and farm entrepreneurs and operated through a partnership between MSU's Center for Regional Food Systems, Fair Food Network, and lending partners, the Michigan Good Food Fund is a loan fund and resource provider.

It mostly provides for community development financial institutions (CDFIs) including Northern Initiatives, Michigan Women Forward, GROW, and others.

Minority-Owned Food & Agriculture Business Capacity Building Grant

MDARD released a request for proposals for the first round of a new grant program for minority-owned food and agriculture businesses in early 2024. The first-round grants focus on increasing capacity initiatives in business plan development, grant management training, partnership development, and financial investment planning for minority-owned food and agriculture businesses. This reimbursement grant program will award eligible organizations up to \$50,000 in funding for capacity building, development readiness, and partnerships and planning.

Eligible applicants for the first round of grant funding include tax-exempt organizations/nonprofits such as community foundations and statewide associations, economic development corporations or foundations, federally recognized tribes, and educational institutions. Individual companies are expected to be eligible for the second round of funding in late 2024.

Michigan State Housing Development Authority (MSHDA) Housing Tax Increment Financing (TIF) Program

This program facilitates the implementation of brownfield plans to promote the revitalization, redevelopment, and reuse of brownfield properties, including previously developed, tax-reverted, blighted, or functionally obsolete properties. The program allows builders to develop affordable housing on non-agricultural land and be reimbursed for development expenses using additional tax money collected from the developed properties.

Rural Energy for America Program (REAP)

Operated by the USDA, the REAP program provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy-efficient equipment and new system loans for agricultural production and processing. Funding is available to small businesses and agricultural producers in eligible rural areas. Loans or a combination of grants and loans can be used for up to 75% of project costs; the total of grant funds cannot exceed 50% of the cost.

Tax Savings & Community Reinvestment Incentives



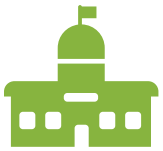
STATE INCENTIVES (CONTINUED)

Value-Added Grant Program

The MDARD Value-Added and Regional Food System Grants support projects that establish, retain, expand, attract, or develop value-added agricultural processing in Michigan and those that expand or develop regional food systems or access to healthy food. After a grant application process and committee review, awardees are announced, and grant agreements are finalized. Recipients of these competitive grants are required to provide a 30% cash match of up to \$100,000 and are reimbursed based on milestone completion and direct investment.

Tax Sharing & Various Rehabilitation Acts

Michigan law encourages the redevelopment of obsolete, blighted, and underutilized buildings through the creation of tax-capture districts that essentially freeze the taxable value of the building before redevelopment for 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 incentivize significant property improvements without increasing its taxes.



LOCAL INCENTIVES

Brownfield Redevelopment

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Brownfield Redevelopment Authority of the City of Albion (ABRA)

Within the Albion city limits, this authority identifies and facilitates the revitalization of contaminated, blighted, functionally obsolete, and potentially historic brownfield sites. These efforts capture increased tax revenue resulting from the redevelopment project and use that tax capture to reimburse the developer and help offset redevelopment costs. AEDC acts as a liaison between the ABRA and various entities involved in the brownfield redevelopment process.

Tax Increment Finance Authority of the City of Albion (TIFA)

This board helps fund land developments and infrastructure improvements and provides economic development services to the community by capturing the value of property improvements. Surplus funds may be used to pay the principal and interest on outstanding tax increment bonds and other board-approved development purposes.

AEDC Mission Statement

MISSION

We seek to innovate, collaborate, and inspire equitable solutions to modern business challenges, always mindful of the rich natural, economic, and cultural heritage of our community.

VISION

Focusing on providing investor and community confidence that supports the life for all residents, fosters innovation and entrepreneurship, and attracts diverse businesses and talents.

CORE VALUES

Compassion | Authenticity | Trust | Accountability



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