

# CLIENT ALERTS

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## Michigan's Landmark Economic Development Legislation – What it Means for Your Next Investment

12.27.2021

On December 20<sup>th</sup> Governor Gretchen Whitmer signed into law a landmark package of economic development legislation designed to provide funds and incentives necessary to ready strategic property and attract large manufacturing projects such as the recent EV battery projects lost to other states.

The newly enacted legislation creates several new funds:

### **Strategic Outreach and Attraction Reserve Fund**

This fund was created to provide monies solely for the newly created Critical Industries Fund and Michigan Strategic Site Readiness Program. The Strategic Outreach and Attraction Reserve Fund can only be funded pursuant to an appropriation authorized by law or by a legislative transfer under the Management and Budget Act and must provide annual reports to the Governor and legislature on use of the funds to ensure oversight and accountability.

### **Critical Industries Fund**

This fund is intended to provide grants, loans, investments and other incentives to assist with deal-closing, gap financing, or other economic assistance to create new qualified jobs or make capital investments. Consideration will be given to projects that have particular importance to the local community, that will stimulate additional revitalization of Michigan and the community where it is located, will create new jobs, promote sustainable uses and provide for the rehabilitation of blighted properties. Written agreements with an applicant under this fund will include specific dates and benchmarks for disbursement of funds, required creation of jobs, claw-back and audit provisions.

### **Related Services**

Environment, Energy &  
Sustainability

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### **Michigan Strategic Site Readiness Program**

This fund is intended to assist local political subdivisions and private property owners to create and have available for development shovel ready property to take advantage of development opportunities. Grants, loans, investments and other assistance can be provided to assist the development of “strategic” and “mega-strategic” sites with:

- Land acquisition and assembly.
- Site preparation and improvement.
- Infrastructure improvements that directly benefit the site, such as transportation infrastructure, water and wastewater infrastructure, and utilities necessary to service the site.
- Demolition, construction, alteration, rehabilitation, or improvement of buildings on the site.
- Environmental remediation.
- Architectural, engineering, surveying, and similar professional fees.

As with the Critical Industries Fund, consideration will be given to projects that have particular importance to the local community, that will stimulate additional revitalization of Michigan and the community where it is located, will create new jobs, promote sustainable uses and provide for the rehabilitation of blighted properties. Written agreements with an applicant under this fund will include specific dates and benchmarks for disbursement of funds, claw-back and audit provisions.

Together with the many other existing economic incentive programs currently provided in the State of Michigan, Michigan has put itself in a position to compete with any state and be an ideal choice for manufacturers and other projects, particularly those supporting the auto and battery industries.

Butzel Long attorneys are ready and available to assist clients in identifying and obtaining available incentives for developments in the State of Michigan.

**Beth Gotthelf**

248.258.1303  
gotthelf@butzel.com

**Susan Johnson**

248.258.1307  
johnsons@butzel.com