



Cascade Engineering



ePrize

Your success begins in
PURE MICHIGAN

Reinventing Michigan



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Why Michigan Now

- Improved business climate for suppliers
- Helping OEMs, Tier Ones find suppliers through economic gardening
- State's fiscal house is in order
- Business can count on stability
- Replacing tax credits with LIMITED cash incentives
- Continuing aggressive business attraction, retention

Business Tax Reform

- 86% Tax Cut for Businesses

Most companies will not pay business taxes

C Corporations will pay 6%

- Business Tax Climate

Michigan projected to rank #13

- Corporate Tax Climate

Michigan projected to rank #22

Economic Gardening in Action

- Major Michigan manufacturer seeks in-state firm to replace European supplier of specialty shells for helmets.
- Needs answer within 2 weeks
- MEDC notifies Michigan Manufacturing Tech Center, Michigan Manufacturers Association, key regional ED partners.
- Six responses fitting the criteria are delivered to the manufacturer – within the deadline

Business Funding Assistance

- Huntington Bank – (\$ 2 billion) -debt financing
- Export Import Bank (\$5 million) – export financing
- State of Michigan Collateral Support and Loan Participation Program - \$80 million
- MEDC Economic Development Incentive Fund - \$100 million



Business Support Service

- Customized Market Research
- Executive and Professional Talent Search
- Strategic Service Providers (SBTDC, MMTC)
- Ombudsman
- Business Tax Estimating
- Workers Compensation Cost Control
- Federal Procurement - PTAC networks
- Free Legal Services
- Export Assistance

New Michigan Spending

- Consumers Energy - \$250 million over 5 years
- DTE Energy - \$250 million over 5 years
- Several more large corporations are currently considering participation in this program
- State of Michigan Contract Connect – information on state contract opportunities

www.michigan.gov/buymichiganfirst



Economic Gardening Pilot

For small companies

- \$1 million revenue potential
- Serving regional and/or international markets

Participants

- Small Business Association of Michigan
- Michigan Manufacturers Association
- Michigan Manufacturing Technology Center
- Small Business & Tech Development Center
- Edward Lowe Foundation

Supplier Diversification Fund

- Stimulate private lending
- Finance transition of viable businesses
- Cash flow loan participation
- Collateral support
- Results through 12/15/2010
- \$191 million
- Program dollars \$27 million
- Direct loans \$67 million
- Indirect loans \$97 million

Supplier Success Story

- Startup
- Builds electric vehicle charging stations
- \$383,000 owner
- \$367,000 MSF
- \$750,000 bank for working capital, sales & marketing, additional technology
- \$2 million federal energy revolving loan fund for manufacturing equipment

Supplier Success Story

- Manufacturer of oil, gas industry technology
- \$510,000 company assets supporting debt
- \$490,000 MSF
- \$1 million from bank for working capital, technology acquisition, financing of additional contracts
- \$2.5 million additional loans from lender

Supplier Success Story

- Alternative Energy supplier of vehicle washing, environmental control technology for commercial, military applications
- \$408,000 company debt
- \$392,000 MSF loan participation, reduced interest
- \$800,000 bank loan with highly competitive costs allowing firm to export to Canadian military
- \$1 million additional loans from lender

In these three situations, MSF filled collateral gap or bridged cash flow gap allowing the bank to finalize an offer to finance

Contact Information

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