



MONROE COUNTY LINK
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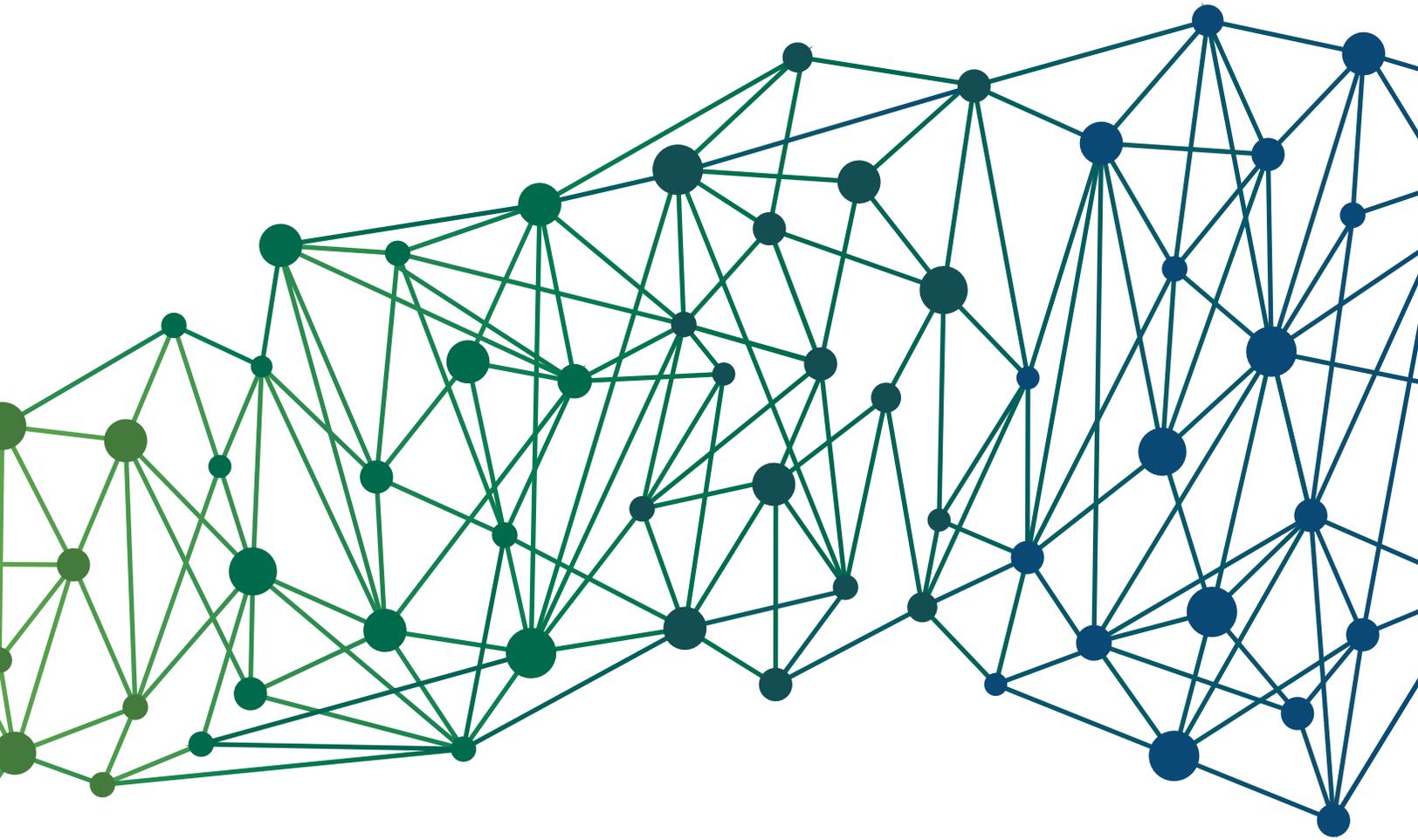


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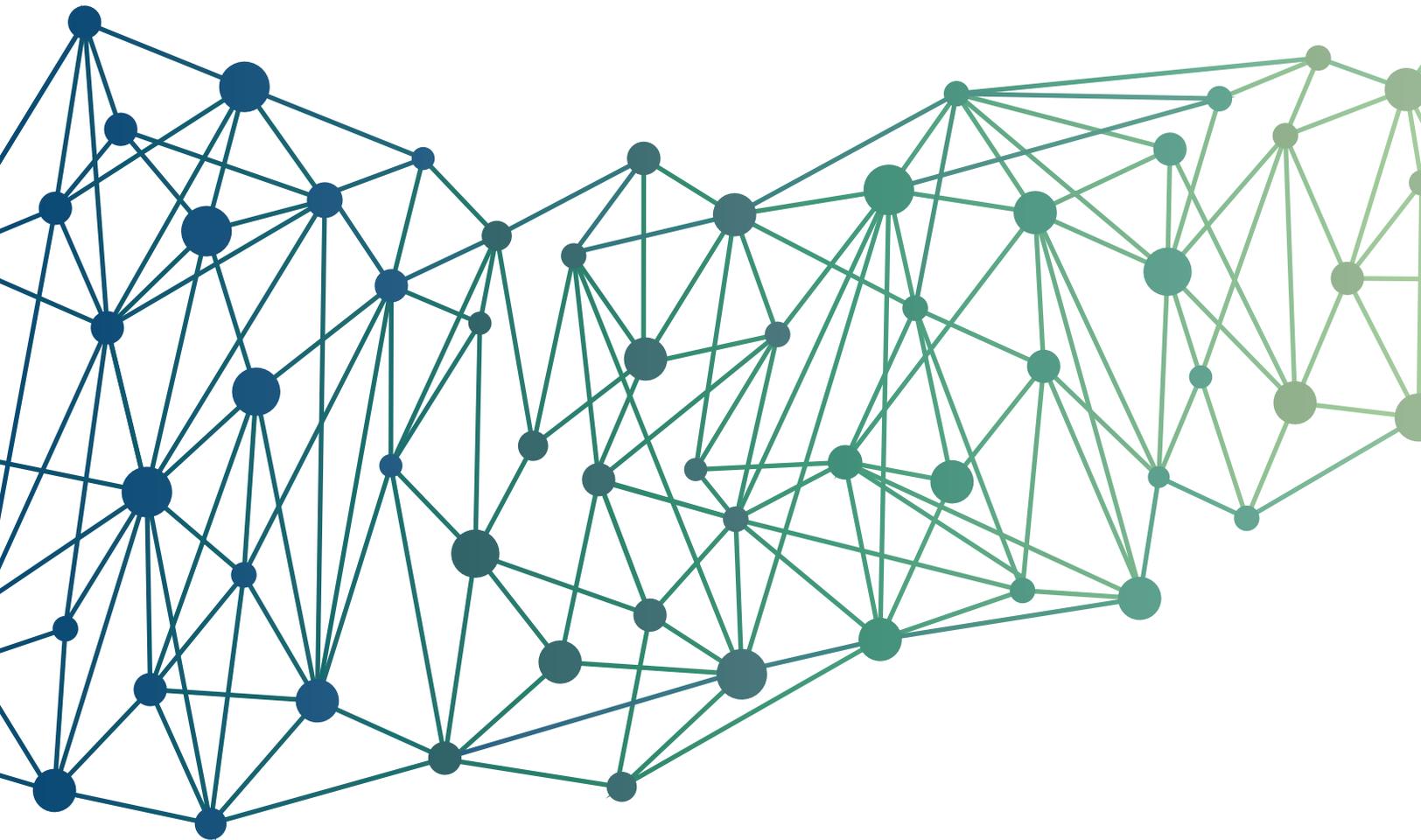




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EXECUTIVE SUMMARY





The strengths of Monroe County's economy lie in its geography and infrastructure; strengths that are attractive to firms in a variety of industries. The Monroe County Link is a strategy to guide future economic development along the I-75 corridor, the County's economic backbone. This Plan identifies industries Monroe County should attract to the corridor, action steps that will entice companies to relocate along I-75, and specific development areas along the corridor that would appeal to various companies. Critical to this development process is a commitment to improving quality of life and strengthening the image and brand of the County. The Monroe County Link will position the County to grow and adapt in a changing 21st century economy.



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EXECUTIVE SUMMARY

COMMUNITY AND STAKEHOLDER ENGAGEMENT OVERVIEW

The Planning Team engaged two key groups throughout the planning process: a Project Working Group and local stakeholders.

The Project Working Group met with the Planning Team regularly and provided insight on 3 key questions:

- What could enable growth?
- What could inhibit growth?
- Where should growth and development be directed geographically along the I-75 corridor?

The Planning Team consulted local stakeholders to gain further insight on issues and opportunities facing Monroe County. A snapshot of that feedback is highlighted to the right.

WHAT WE HEARD FROM THE STAKEHOLDERS...

Issues

- “Monroe County loses economic activity because there are not enough places to spend money locally.”
- “Companies with low wage jobs are struggling to retain employees.”
- “Warehousing and distribution infrastructure and availability is limited.”

Opportunities

- “Opportunity to redefine the area after an economic decline.”
- “The planned Gordie Howe Bridge will provide easier access into Canada.”
- “Close proximity to community colleges, and a skilled labor force.”

Big Ideas

- “Beautify the entire I-75 corridor consistent with a broader branding strategy.”
- “Connect the natural and cultural resources along the I-75 corridor to enhance the quality of life.”
- “Target specific government funding to make strategic land purchases.”



STAKEHOLDER ENGAGEMENT

11 BROKERS AND DEVELOPERS

11 COMMUNITY + GOVERNMENT LEADERS

15 LOCAL BUSINESSES



MARKET CONDITIONS AND OPPORTUNITY OVERVIEW

MDB Insight conducted a detailed assessment of economic and market conditions facing Monroe County. Specifically, the findings detail Monroe County’s current economic conditions, the direction that Monroe County needs to go in order to remain

economically competitive, and the steps that Monroe County should take to ensure economic competitiveness. The analysis concluded that Monroe County has geographic advantages that favor the logistics sector but also has an opportunity to diversify its economy. Furthermore, investing in livable communities are important for attracting and retaining quality employees in the County.

KEY QUESTIONS

1 What are Monroe County’s current economic conditions today?

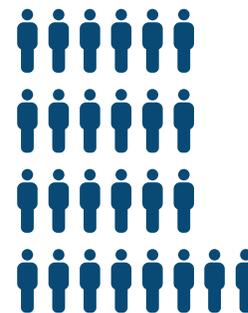
- While the economy is recovering in Monroe County, wages have been relatively stagnant.
- New businesses are driving recent economic growth in Monroe County, and are an important factor in building a strong, resilient economy.



of working Monroe County residents work outside the County.

2 Where does Monroe County need to go in order to remain economically competitive?

- Monroe County is the anchor of a region that has geographic and infrastructure advantages for the logistics sector.
- Simultaneously, Monroe County has an opportunity to expand its footprint in the health and life sciences sector and the renewable energy sector to diversify its economy.



26 qualified individuals for every open logistics job in Monroe County.

3 What steps does Monroe County need to take to ensure economic competitiveness?

- Companies are looking for stability in the economic, legal, and regulatory environment to better protect their investments.
- Investing in livable communities with a high quality of life entice employees to the area and retain the large number of qualified individuals already living in Monroe County.



Downtown Monroe is making needed investments in its quality of life to retain and attract residents.

EXECUTIVE SUMMARY

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Community and stakeholder engagement, the market assessment, along with the application of best practices, led to the formation of 6 Plan Pillars, listed to the right.

The 6 Plan Pillars guide a series of action steps that Monroe County stakeholders should take in order to advance the economic objectives of the Plan. Each action step also identifies the responsible stakeholder, or stakeholder(s) responsible for carrying out each action step. The four priority actions, as voted on by the Project Working Group, are listed below.

PRIORITY ACTIONS

1. Growing the Port of Monroe as the primary destination for port-related service within the Lake Erie seaway network.
2. Invest in an online site-selection tool that can communicate the opportunity for investing in Monroe County to investors.
3. Position existing facilities within Monroe County to accommodate new economic opportunities.
4. Using the Michigan Redevelopment Ready Communities program tool, implement a 'one-stop shop' model across local municipalities to strive for a universal local regulatory and permitting process.

PLAN PILLARS



Prepare for Investment



Grow Strategically



Enhance the Local Image & Brand



Grow Monroe As A Logistics Gateway



Improve the Local Quality of Life & Strengthen Tourism Opportunities



Improve Workforce Development & Education



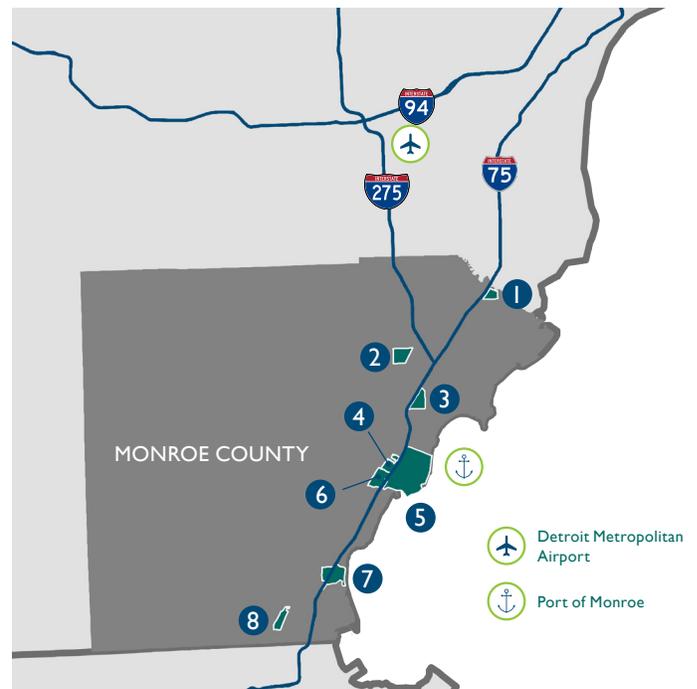
PRIORITY DEVELOPMENT AREAS

The final step of the Plan involved identifying 8 Priority Development Areas (PDAs) to further development along the I-75 corridor. These PDAs were established through input gathered throughout the planning process. The final PDAs were selected based on the following characteristics:

- Areas that have the ability to significantly elevate the character, image, and brand of the County;
- Areas with considerable commercial and industrial potential; and,
- Areas identified through the market analysis with the ability to accommodate economic growth.

The 8 Priority Development Areas detailed in Chapter 5 offer a site history and context, recommendations on development types and opportunities, along with applicable economic development incentives geared toward advancing this development. The snapshot of PDA #2 highlights the analysis undertaken for all of the Priority Development Areas.

PRIORITY DEVELOPMENT AREAS

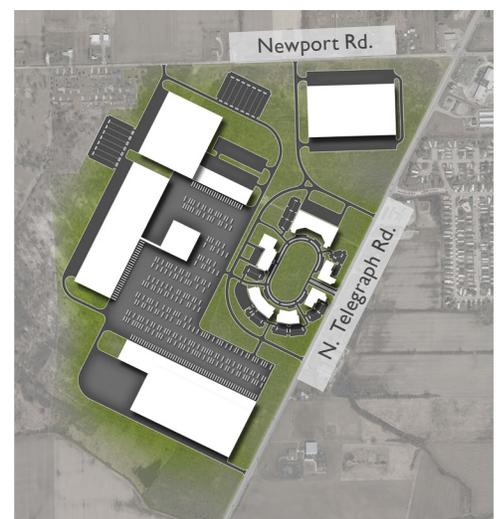


PDA #2

Priority Development Area #2 is one of the 16 original NIKE Missile Batteries that surrounded the city of Detroit. Today, the primary development site within this PDA is approximately 280 acres, and within close proximity to both I-75 and I-275.

This PDA should target innovative logistics and distribution companies, or warehousing and manufacturing operations. The concept to the right highlights how the site can be developed.

Applicable incentive programs that will help advance this development include: an industrial property tax abatement, the Michigan Business Development Program, Private Activity Bonds and USDA Business and Industry Guaranteed Loans.



INTRODUCTION

STRATEGY OVERVIEW

This strategy is intended to serve as a guide for local policymakers, Monroe County stakeholders, and existing and future businesses along the I-75 corridor in Monroe County.

In 2016, Monroe County officials desired to create an economic development strategy to guide future planning, investment, and development decisions along the I-75 corridor.

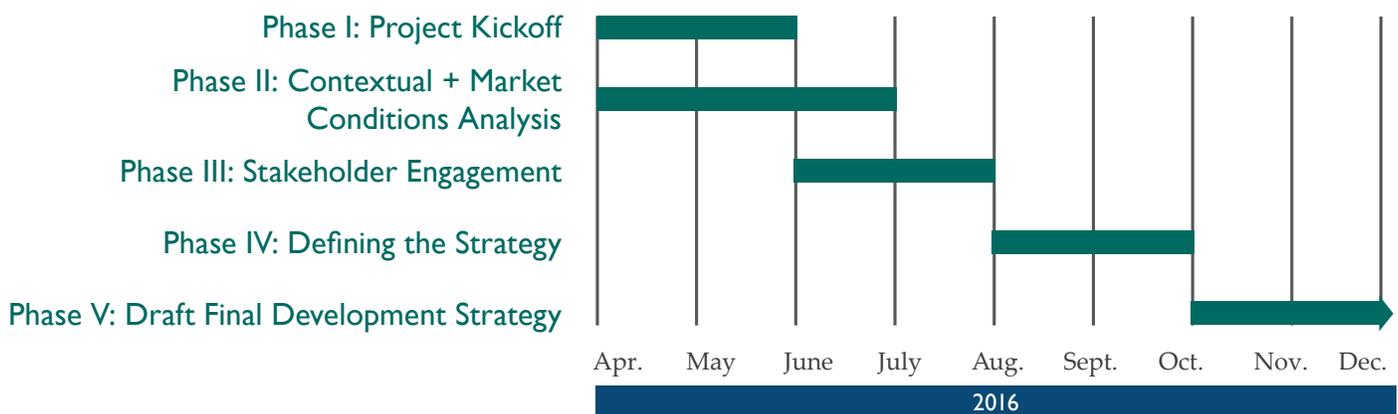
To develop this strategy, Monroe County officials and the consultant team gathered input from stakeholders and members of the working group, conducted market research, completed an existing site conditions analysis, and researched applicable economic development incentives. The end result of this process identified 8 areas as targets for future growth and development, referred to herein as Priority Development Areas. These 8 Priority Development Areas are locations chosen to advance the goals and objectives of the County and create opportunities for catalyst development projects along the I-75 corridor.

Specifically, the Plan will:

- Identify short-term actions that stakeholders should take in order to attract development to the County.
- Identify the types of public and private projects that will both support and spur additional investment.
- Provide a direction for how public dollars and incentive programs could be used to advance private sector investment in the 8 Priority Development Areas.
- Identify target sites within the 8 Priority Development Areas that present the greatest near-term development opportunities.

The strategy provides a unified, comprehensive approach for planning the I-75 corridor over the next 5-10 years. Ultimately, this strategy will assist County leadership in communicating Monroe's economic potential to future businesses, developers, and industries.

PROJECT SCHEDULE





PLAN FRAMEWORK

The plan is broken down into 5 chapters, described below. The plan framework is a blend of qualitative and quantitative analysis, culminating in the 8 Priority Development Areas outlined in Chapter 5. Chapter 2 is a qualitative analysis, summarizing stakeholder input and engagement. A quantitative analysis is undertaken in Chapter 3, detailing market conditions and opportunities across the County. The analysis in Chapters 2 and 3 informs the economic development strategy, and specific recommended actions, outlined in Chapter 4. The analysis, along with an overview of site conditions, also informs the recommendations for each of the Priority Development Areas in Chapter 5.

1

INTRODUCTION

- Presents the overall approach and elements of the Strategy
- Introduces the I-75 corridor.

2

COMMUNITY + STAKEHOLDER OUTREACH

- Describes the public engagement process
- Outlines perspectives from local and regional stakeholders regarding Monroe County's economic potential.

3

MARKET CONDITIONS + OPPORTUNITY

- Outlines the market potential through an in-depth analysis of local market conditions.
- Identifies market gaps and opportunities to inform the economic development strategy.

4

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

- Introduces the organizing principles and policies that frame the plan.
- Provides specific action steps for different County stakeholders to take in order to advance the strategy.

5

PRIORITY DEVELOPMENT AREAS

- Outlines the 8 Priority Development Areas.
- Details specific target sites and economic incentives to attract development.

INTRODUCTION

STUDY AREA OVERVIEW

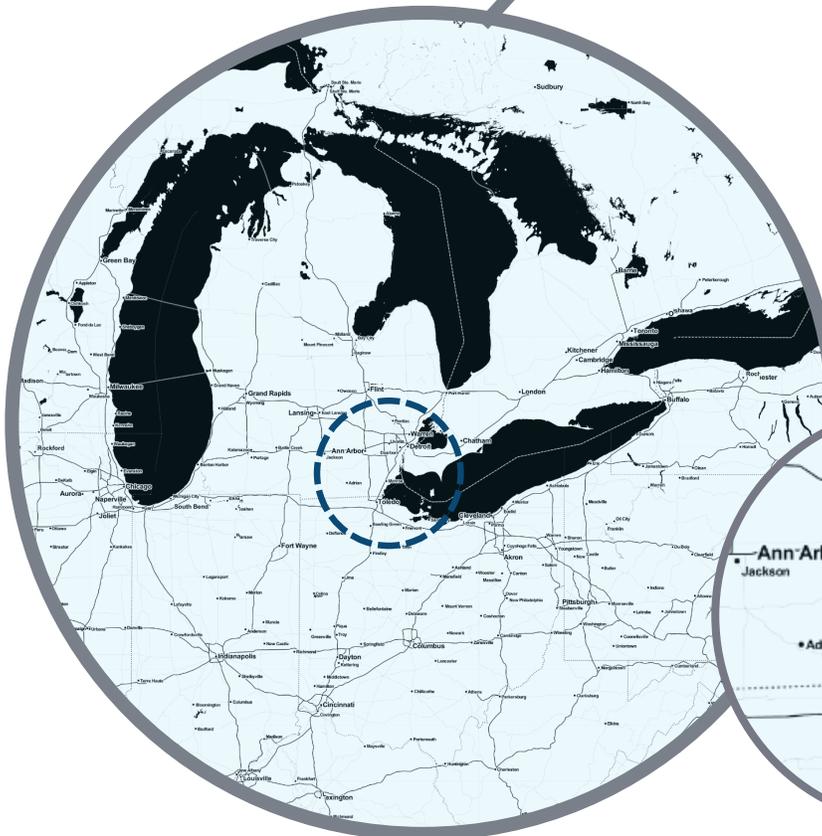
Interstate 75 (I-75) is one of the longest interstate highways in the United States, traveling from southern Florida up to the Great Lakes region.

As travelers pass into Michigan from Ohio, they travel on I-75 into Monroe County, where it heads northeastward toward Detroit. I-75 provides direct access to the America's largest border crossing at the Ambassador Bridge, a crossing which will expand

with the future Gordie Howe International Bridge.

Known as "Michigan's Main Street", I-75 is an important roadway for Monroe County's economy and mobility, making the county a strategic location for economic development. Additionally, three major freight rail lines, two short haul lines, connecting highways (I-275 & US23), the Port of Monroe, and proximity to two International airports makes I-75 a major corridor for carrying goods and services.

REGIONAL CONTEXT



REGIONAL DRIVE TIMES

- 4 Hr. 30 Min to Toronto, CA
- 4 Hr. 30 MIN to Chicago, IL
- Within a 5 hr. Drive of approx. 15% of the U.S. population.

LOCAL DRIVE TIMES (FROM THE CITY OF MONROE)

- 40 Minutes to Downtown Detroit
- 30 Minutes to Detroit Metro Airport
- 30 Minutes to Toledo, OH





CREATING THE STRATEGY

Throughout the 9 month planning process, each of the steps taken, and the information gathered, informed the future stages of the planning process. This ultimately led to the identification of the 8 Priority Development Areas, and the economic strategies necessary to fully revitalize the 8 Priority Development Areas.

PLAN INPUTS

Working group
Land use analysis
Market analysis
Stakeholder input
Economic incentives/tools

5 plan inputs were considered when creating the Plan. The plan inputs included both technical and intuitive information, to create a balanced set of plan inputs that considered market and community perspectives, as well as best practices and innovation in economic development.

PLAN PILLARS



The 6 plan pillars are derived from market and industry analysis and community feedback and serve as the foundation of the Plan.

PLAN RECOMMENDATIONS

A set of achievable **ACTIONS** that link what and where we want to grow.

A series of action statements promote and guide the implementation of the plan pillars.

PRIORITY DEVELOPMENT AREAS

Eight Priority Development Areas
Identified as areas to align with the pillars, market/industry opportunities, and community vision.

The Priority Development Areas (PDAs) for the Plan were established through input from the project steering committee, County staff, and stakeholder meetings. Numerous Development Areas were identified, with the areas incorporated herein featured as those having the greatest potential as a catalyst for development.

INTRODUCTION

PLAN IMPLEMENTATION

Five different groups are responsible for putting this plan into action. Below, is a summary of these specific groups and broad strategies that each group should utilize to carry out the Plan. In Chapter 4, specific action items are assigned to each of the groups in order to carry out the Plan's recommendations.

COLLABORATE WITH VARIOUS GOVERNMENT ENTITIES, ORGANIZATIONS, AND THE PRIVATE SECTOR TO IMPLEMENT THE PLAN.



SUPPORT WORKFORCE DEVELOPMENT AND TRAINING INITIATIVES THAT ALIGN WITH THE PLAN.



MARKET THE PRIORITY DEVELOPMENT AREAS AND THE I-75 CORRIDOR TO INTERESTED PARTIES.



IDENTIFY AND SECURE GRANT FUNDING TO ATTRACT INVESTMENT.



ALIGN LOCAL ORDINANCES AND CAPITAL IMPROVEMENT PROJECTS WITH THE PLAN.



Monroe County
Government



Local
Governments



State
Government
Agencies



Private Sector



Property
Owners



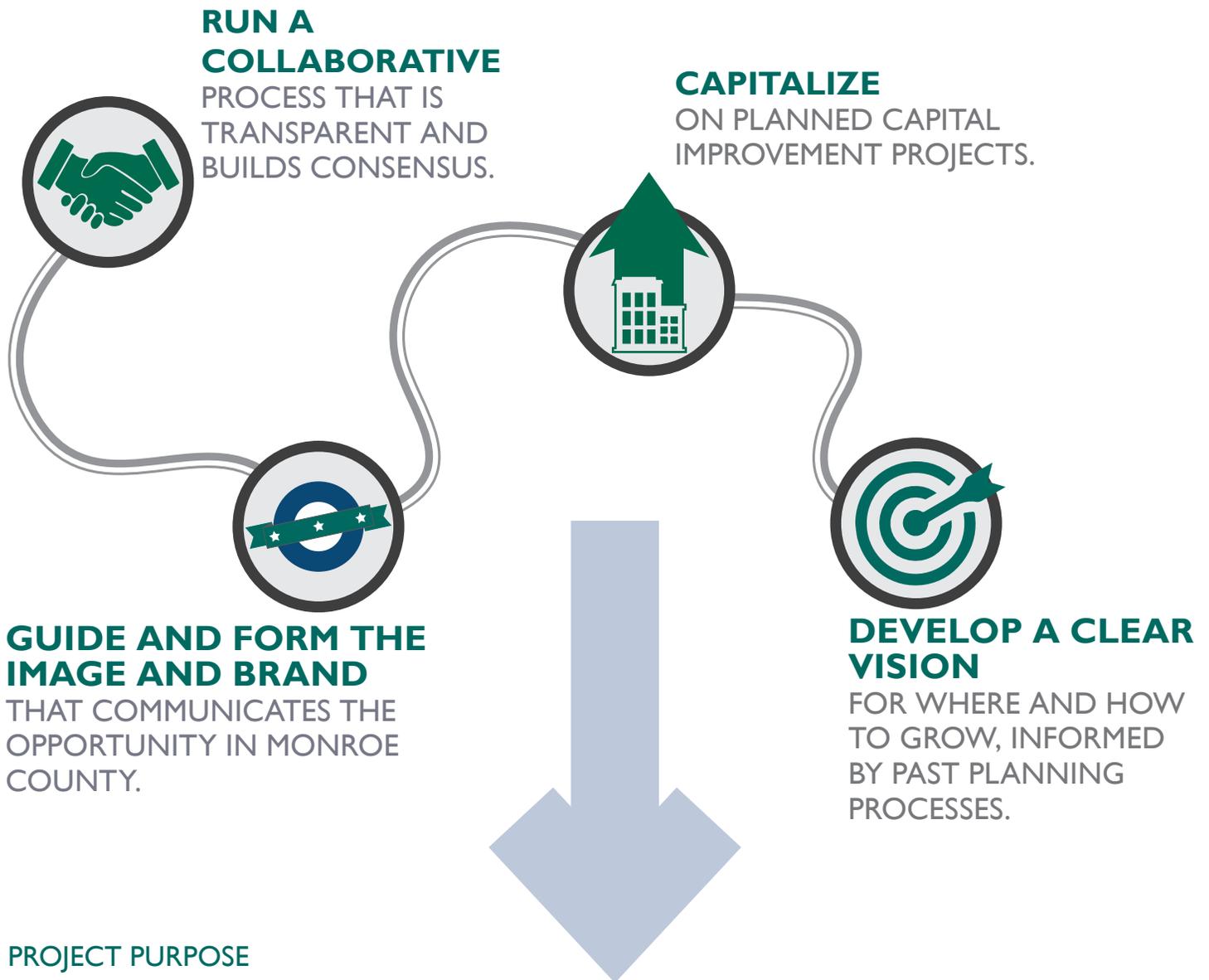
Universities





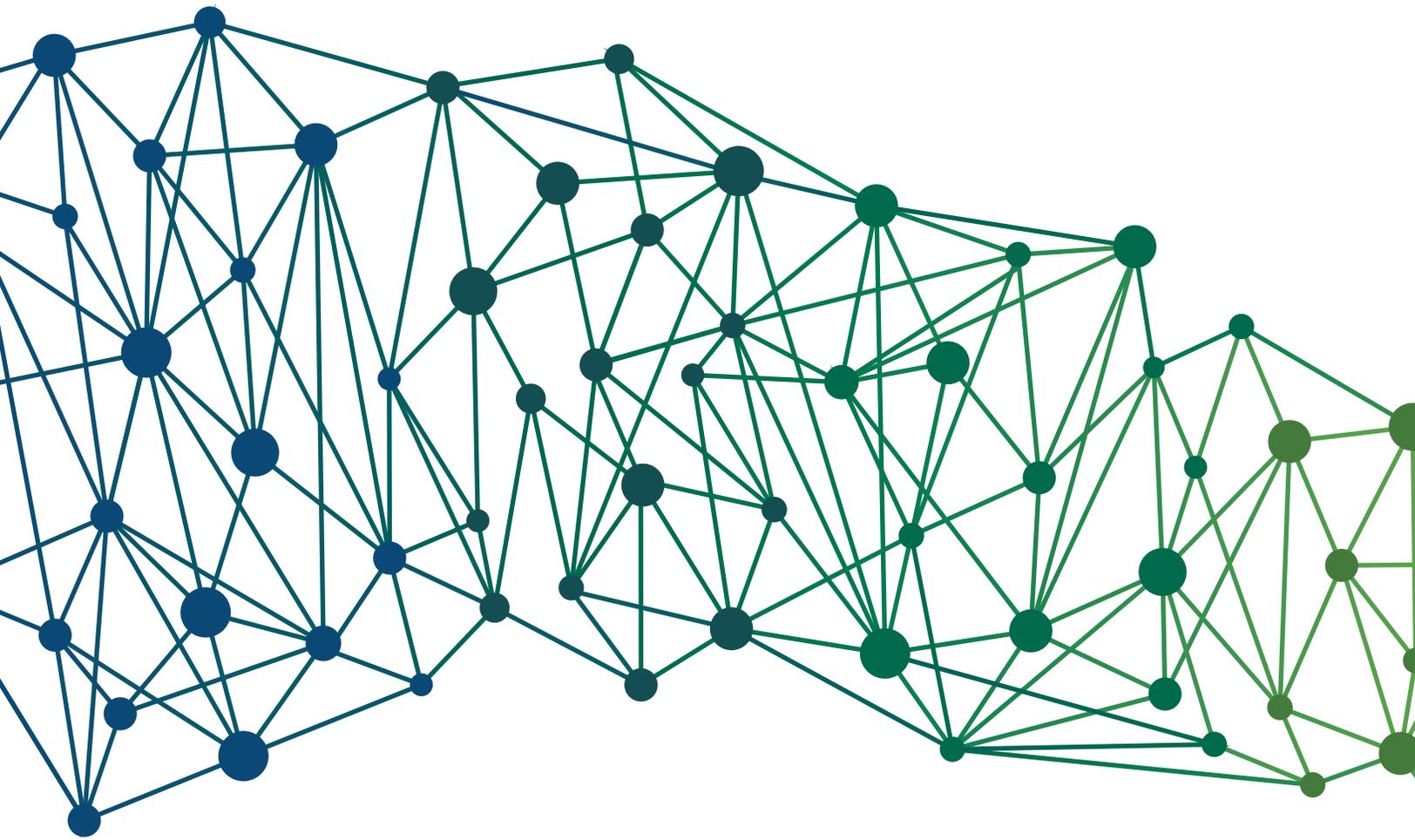
PROJECT GOALS AND PURPOSE

PROJECT GOALS



PROJECT PURPOSE

CREATE A GUIDE TO INFORM COUNTY-WIDE ECONOMIC DEVELOPMENT DECISIONS



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CHAPTER 2

COMMUNITY + STAKEHOLDER INPUT



COMMUNITY + STAKEHOLDER INPUT

OVERVIEW

Understanding the inner workings of County leadership, local municipalities, and existing businesses was an important factor in evaluating the economic conditions and opportunities along I-75. The knowledge and expertise of the project working group, as well as the perspective of internal and external stakeholders helped the consulting team develop a local and regional knowledge regarding the economic potential in Monroe County. This section outlines the key findings from the working group and area stakeholders.

PROJECT WORKING GROUP

As part of the planning process, the working group provided strategic insight into the economic development potential along I-75 by identifying key issues and opportunities related to current and future economic conditions. The working group helped to identify key areas where future growth and development should be focused on the I-75 Corridor.

The Working Group provided insight on 3 key questions.

- What could enable growth?
- What could inhibit growth?
- Where should growth and development be directed geographically along the I-75 Corridor?

INTERNAL & EXTERNAL STAKEHOLDERS

As part of the project, the consultant team also met with groups of stakeholders identified by the client team and the project steering committee. Three stakeholder meetings were held with different groups to obtain viewpoints on Monroe County's economic outlook. The stakeholders were organized by community and government leaders, business leaders, and brokers and developers. During the meetings, the stakeholders discussed issues and opportunities that face them in Monroe County, along with a range of Big Ideas that stakeholders thought could transform Monroe County. Their ideas and feedback, highlighted on the following page, helped shape the final recommendations.



STAKEHOLDER ENGAGEMENT

- 11 BROKERS + DEVELOPERS
- 11 COMMUNITY + GOVERNMENT LEADERS
- 15 LOCAL BUSINESSES

Stakeholders provided strategic and intuitive insight. In the planning process, these individuals and groups have a vested interest in, and the ability to shape, the future economic success of Monroe County.



DID YOU KNOW ?

STAKEHOLDERS THINK...

“Enticing companies to build on the I-75 corridor would reduce business costs.”

- Local Business Leader



“The Exit 11 commercial area is a prime spot for development.”

-Local Developer



“The planned Gordie Howe Bridge will provide easier access to Canada.”

- Local Business Leader



“We need to beautify the entire corridor with a consistent branding strategy.”

-Government Leader



COMMUNITY + STAKEHOLDER INPUT

STAKEHOLDER INPUT

ACTIVITY RESULTS

The stakeholder interviews that occurred on June 30, 2016, solicited feedback around key issues and opportunities facing Monroe County. Snapshots from the interviews are provided below, broken down by each of the 3 stakeholder groups. Each of the stakeholder groups provided diverse feedback based on their area of expertise. Brokers and developers, along with local business leaders emphasized ideas that can improve business opportunities. Community and government leaders noted the need for quality of life amenities and other conditions necessary to attract businesses and economic development.



ISSUES

Brokers + Developers	<p>"Monroe County loses economic activity because there are not enough places to spend money locally."</p> <p>"Companies with low wage jobs are struggling to retain employees."</p> <p>"There is too much plan/code driven development not in line with the market."</p>
Community + Government Leaders	<p>"Lack of promotion of waterfront and recreation activities."</p> <p>"High end housing is not available across Monroe County."</p> <p>"Opportunities aren't being marketed to investors."</p>
Local Businesses	<p>"Improve roads to the Industrial Park."</p> <p>"Warehousing and distribution infrastructure and availability is limited."</p> <p>"Gateways to Monroe are weak."</p>



OPPORTUNITIES

Brokers + Developers	<p>"Fantastic community college in Monroe; good welding and agricultural program."</p> <p>"Short to mid-term strategic acquisition of the Exit 11 commercial area, a prime spot for industrial development."</p>
Community + Government Leaders	<p>"Tourism."</p> <p>"Opportunity to redefine the area after an economic decline."</p> <p>"Market the County to a young workforce."</p>
Local Businesses	<p>"A gateway to the Detroit Metro area."</p> <p>"The planned Gordie Howe Bridge will provide easier access into Canada."</p> <p>"Close proximity to community colleges, and a skilled labor force."</p>



THE BIG IDEA

Brokers + Developers	<p>"Link automotive sector growth to Monroe County strengths."</p> <p>"Target specific government funding to make strategic land purchases."</p> <p>"Court site selectors for specific companies strongly."</p>
Community + Government Leaders	<p>"Beautify the entire I-75 corridor consistent with a broader branding strategy."</p> <p>"Fix I-75 interchanges and overpasses."</p> <p>"Connect the natural and cultural resources along the I-75 corridor to enhance the quality of life."</p>
Local Businesses	<p>"Collaborate with Lucas County and embrace the future of logistics."</p> <p>"Enticing companies to build along the I-75 corridor would reduce logistics costs."</p> <p>"Better the facilitation of freight movement to both the U.S. and Canada."</p>



STAKEHOLDER KEY FINDINGS

The feedback from the stakeholder meetings were further summarized to begin to shape short-term, medium-term, and long-term recommended actions. These key findings, and the holistic perspective provided in the stakeholder interviews, helped shape the foundation for the Comprehensive Economic Development Strategy outlined in Chapter 4.



- Maximize available space
- Simplify the development process
- Review multi-jurisdictional approaches
- Develop site selection tools/relationships

- Target relevant industries for Monroe County, including:
 - * Value-added agriculture
 - * SMART technologies
 - * Warehousing and distribution
 - * Autonomous transportation and automotive technology

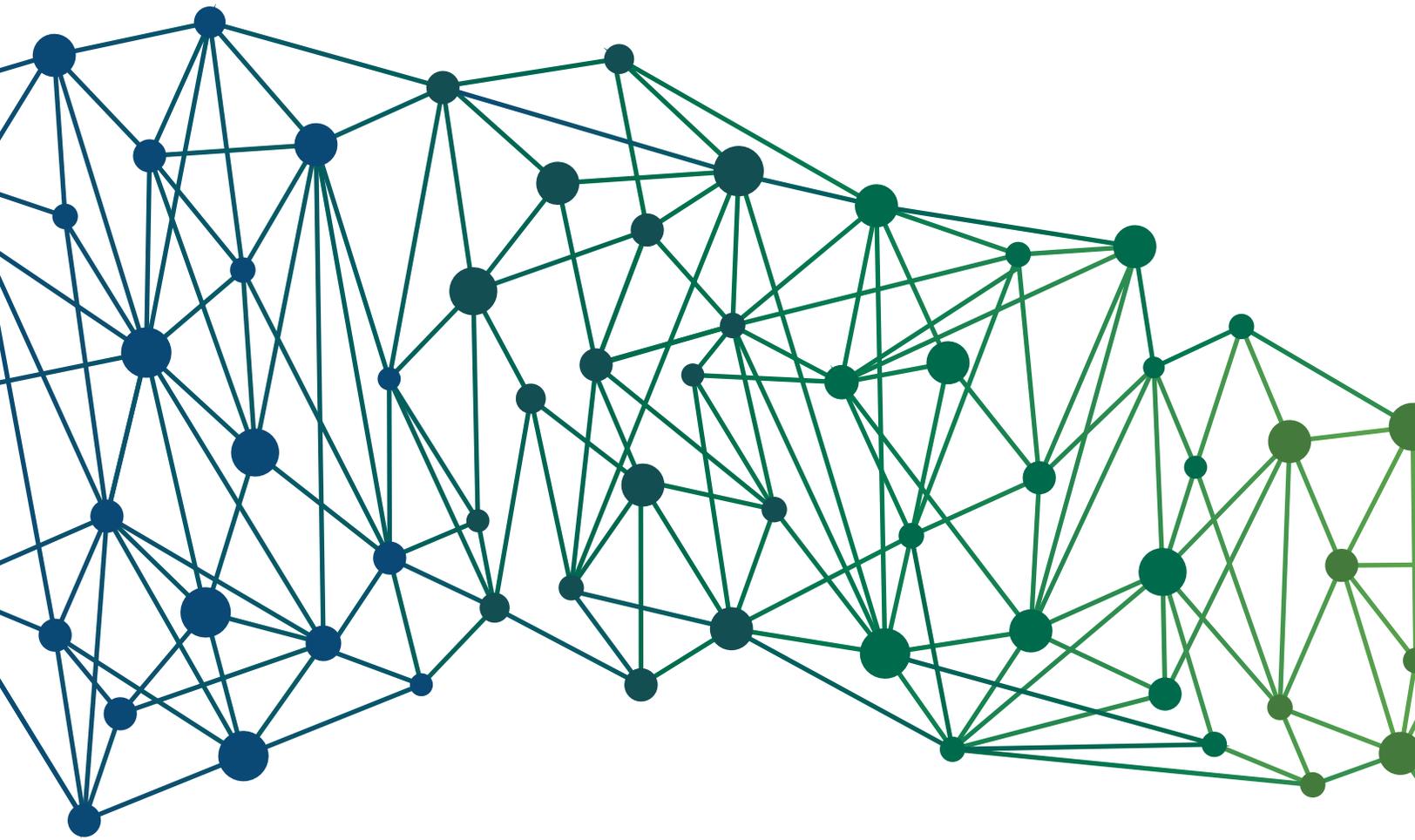
- Create a brand and image to attract visitors
- Beautify the entire corridor with a consistent branding strategy
- Strengthen branding of the Port and Lake Erie

- Improve infrastructure (roads, overpasses)
- Expand warehousing and distribution availability
- Build on existing assets, including:
 - * Port of Monroe
 - * Gordie Howe Bridge
 - * Local Businesses
- Become an innovator in smart technology

- Offer increased amenities (e.g. shopping, restaurants)
- Connect the natural and cultural resources along the I-75 corridor to enhance quality of life

- Find new ways to attract workers
- Leverage unique access to higher education
- Create an environment to attract a talented workforce





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CHAPTER 3

MARKET CONDITIONS & OPPORTUNITY



MARKET CONDITIONS + OPPORTUNITY

OVERVIEW

As Monroe County plans for its economic future along the I-75 corridor, it needs to keep 3 main considerations in mind: the existing economic and workforce conditions across the County, the industries that it makes the most sense for Monroe to attract, and the best methods to attract these specific industries. The following sections will outline and elaborate on these three considerations.

ECONOMIC CONDITIONS

DEMOGRAPHIC CHANGE AND THE COUNTY'S WORKFORCE

- Employment growth in Monroe County is strong.
- In the next 20 years, Monroe County will see a significant increase in the number of residents aged 65 and older.

In 2000, the population of Monroe County, Michigan was 145,945 and represented less than 2% of Michigan's population of 9.9 million people. Although Monroe County had recently declined

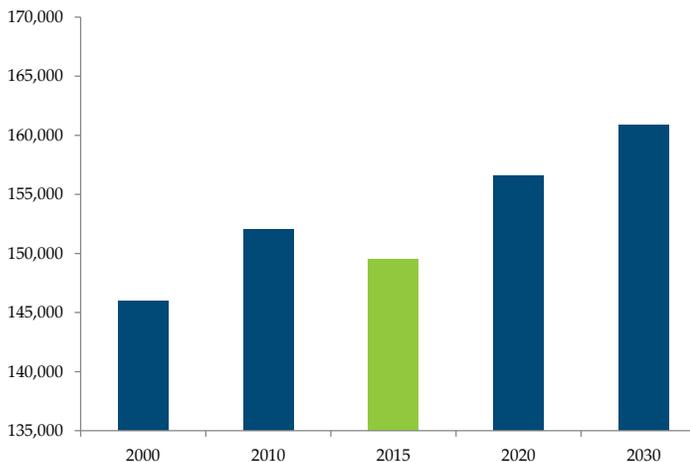


Figure 3-1 Monroe County Population Forecast (U.S. Census, SEMCOG)

in population from 2010 to 2015, it is expected to gradually see increases in its population out to 2040. This is in contrast to the neighboring counties of Wayne and Lucas, who are expected to see continued population declines year-over-year. However, these projections are favorably swayed in the growth of 65 and above individuals. The County is projected to see an increase of approximately 15,000 residents aged 75 and over by 2040. This poses a future challenge to the County. As the workforce ages and labor force growth slows, retaining older workers will become increasingly important, both for their well-being and for the health of the County's economy. The Organization for Economic Co-operation and Development (OECD) notes that individuals aged 55-64 who lose their jobs stay unemployed, on average, for nearly 50% longer than prime-age workers. Older workers in one-industry communities are especially at risk in the event of layoff or firm closure.

The County's labor force today is recovering quickly. As of 2014, Monroe County had a reported total labor force of 72,941 people. It was reported that since 2000, the County's labor force had increased by 2.2% with an estimate of 7,419 unemployed. Recently, monthly estimates have illustrated that the rate of employment has continued to increase in Monroe County. In the course of a calendar year (May 2015-2016), the County had added 2,562 jobs, drastically lowering its unemployment rate (2.6% decrease). This pace has altered the County's forecast and has the County now outperforming both Wayne and Lucas County in terms of relative employment growth.

Despite the positive employment growth, the County's businesses continue to lag behind its neighboring communities when it comes to offering competitive wages and salaries. As a result, several businesses are now struggling to find the talent they require. This in turn has left the County with a large commuting workforce; up to 50% of all workers work outside its borders.



MARKET CONDITIONS AND OPPORTUNITY OVERVIEW

KEY QUESTIONS

1 What are Monroe County's current economic conditions today?

- While the economy is recovering in Monroe County, wages have been relatively stagnant.
- New businesses are driving recent economic growth in Monroe County, and are an important factor in building a strong, resilient economy.

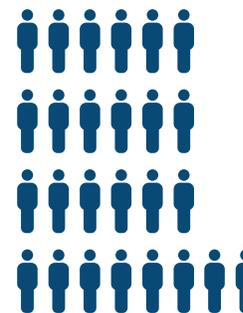


50%
of working Monroe County residents work outside the County.



2 What industries does Monroe County need to attract in order to remain economically competitive?

- Monroe County is the anchor of a region that has geographic and infrastructure advantages for the logistics sector.
- Simultaneously, Monroe County has an opportunity to expand its footprint in the health and life sciences sector and the renewable energy sector to diversify its economy.



26 qualified individuals for every open logistics job in Monroe County.



3 What steps does Monroe County need to take to ensure economic competitiveness?

- Companies are looking for stability in the economic, legal, and regulatory environment to better protect their investments.
- Investing in livable communities with a high quality of life entice employees to the area and retain the large number of qualified individuals already living in Monroe County.



Downtown Monroe is making needed investments in its quality of life to retain and attract residents.

MARKET CONDITIONS + OPPORTUNITY

BUSINESS PERFORMANCE TODAY

- **New businesses are critical to the economic recovery in Monroe County.**

In 2014, Monroe County was home to approximately 2,260 business establishments, or roughly 1% of the total number of business establishments across Michigan. Like other areas of Michigan, Monroe County has experienced a decline in the number of establishments since the onset of the global recession. From 2008-2014, the number of establishments in the County declined by 11.3%; a rate faster than declines at the State (4.8%) and national (0.5%) level over the same time period. In addition to business decline, the County experienced an associated decline in paid employees.

However, first-quarter and annual payrolls have increased from 2008, providing an indication of income growth of establishments that have continued to operate in the county. Despite the decline in employees and establishments, it should be noted that Monroe County's business base has been able to maintain its positioning in the state. Monroe County accounted for approximately 1.11% of business in Michigan in 2008, a proportion that has remained relatively stable to 2014 (1.03% of businesses in Michigan).

Perhaps Monroe County's most interesting change has been in the strength of its recent start-ups and young firms. A 2010 study completed by the National Bureau of Economic Research (NBER) found that young firms and start-ups generate the majority of new job growth in the United States. Since 2003, Monroe County has outpaced both Michigan and Detroit MSA in terms of net job creation rate. In large part, net job creation was driven by new and young businesses in the County. The years leading up to the recession were quite substantive, with new businesses supplying record highs of new employment. Following the recession (2010 and beyond), new

businesses have provided 3 new jobs for every job that was lost.

The conditions in Monroe are reflective of Michigan as a whole and offer some important considerations for the County in its plans for increased economic development along I-75. The data illustrates that there are positive business and employment growth trends that the County can leverage to realize economic development impacts – particularly the growth of young, employment generating firms to offset the losses of employment experienced over the last several decades. The key to realizing these opportunities is to establish connections to the organizations and structures that are driving this positive change across the metropolitan area.

2 ATTRACTING KEY INDUSTRIES

The positioning of Monroe County as a logistics and transportation hub has been an evolving discussion. From an industry standpoint, the logistics, warehousing and transportation sector is one of the County's largest employers. This is largely due to the County's robust quasi-modal network (Air, Port, Rail, Road).

THINKING BEYOND BLUE COLLAR JOBS IN THE LOGISTICS INDUSTRY

- **Monroe County needs to look beyond traditional blue collar jobs in the logistics sector.**

Previous plans have failed to lift this sector into its potential. The predominant reason has been the way logistics and transportation activity has been positioned previously in the County. For most, the sector stops at the classic blue-collar job activities, such as warehousing and truck-driving. But, logistics activities reach far beyond that level. It includes information technology jobs and jobs in customer service and management. The sector is also prone to additional job creation through value added



activities. Distribution centers are the ideal place to do so-called postponement operations, which is the point in the supply chain, when customer demand is determined. Another source of job creation in logistics clusters is manufacturing. Since these clusters enjoy low transportation costs coupled with high level of service, manufacturing plants tend to locate in the area where it can enjoy efficient movement of inbound material and parts as well as distribution of the finished product.

Logistic clusters often form based on their ability to access multiple transportation modes. As mentioned previously, Monroe County has access to a variety of terminals e.g. the airport, U.S. Class I railroads, a port, and direct access to a border crossing. Monroe County is primed to be a center for logistics activity.

DETROIT-MONROE-FULTON-OTTAWA'S LOGISTICS CLUSTER

- Monroe County has 26 qualified applicants for every open logistics job in the County.
- Southeast Michigan and Northwest Ohio have grown into a regional logistics hub. Monroe County is the geographic anchor of this area.

Research points to transportation and distribution companies looking at logistic clusters as prime service locations. The Detroit (Wayne)-Monroe- Fulton-Ottawa region has some of the country's highest concentrations of transportation and warehousing activity and is directly competing with the likes of established logistic clusters such as Memphis and Houston. Additionally, Yossi Sheffi an expert in logistic clusters at MIT has pointed to the Detroit-Toledo corridor as a growing cluster. He and Perter De Langen, a Dutch expert on cluster analysis, have put forward formulas that calculate the strength of logistic clusters.

The formula is known as the Horizontal Cluster

LOGISTICS CLUSTERS RANKED BY HCLQ SCORE

Rank	HCLQ Score	Type of Logistics Cluster
Level 1	0-5000	Local leader of logistics activity
Level 2	5001-10000	Regional leader of logistics activity
Level 3	10001-25000	Mega region leader of logistics activity
Level 4	25001+	National leader of logistics leader

Figure 3-2 Logistics Clusters ranked by HCLQ Score

Logistics Quotient (HCLQ) which identifies both the magnitude of the concentration of logistics activities in a given location and ranks it with a score (Figure 3-2). The score determines the level and type of cluster ranking from a local leader to a country leader in logistics activities. The HCLQ calculates the difference in the number of employees in the logistic industry against the number of required employees in the logistic industry. This horizontal calculation measures the upward mobility of a sector to grow pending on the location's ability to staff new firms quicker. A positive score occurs once there are more required employees than the total number of employees – providing an indication of how well an economy can support the capacity of new logistics activity. With a surplus of knowledge and skill, the opportunity for new firms to emerge in the sector is often greater within zones with a high HCLQ score.

In 2008, Yossi used this formula to define and rank counties and regions across the continental U.S. In his rankings, he had the Detroit-Toledo corridor ranked as a level 2 logistics cluster, meaning

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it predominantly served a regional market. In replicating that formula with 2014 data points, it revealed that the Detroit-Toledo cluster has grown significantly and has moved closer to a level 3 logistics cluster, or a cluster that serves a large region such as the Great Lakes/Rust Belt area. At the center of this cluster is Monroe County. On its own, the County is a level 1 logistics cluster and the largest center for logistics activity outside of Detroit (Wayne County) in Southeast Michigan and Northwest Ohio (see Figure 3-3).

The HCLQ formula also quantifies the net capacity that a location has to support new activity in the logistics sector. Based on employment concentration figures (location quotients in Figure 3-3), Monroe's logistics sector is already pegged as having the highest employment concentration in the region. The HCLQ calculates that the net capacity to support the growth of the logistics cluster is 26 workers for one logistic job - the strongest capacity among its adjacent neighbors.

When looking at the Detroit-Toledo corridor as a whole, the HCLQ score has grown significantly over the past few years. From 2008 to 2014 the Detroit-Toledo cluster has taken its score from a low level 2 to a high level 2, trending towards a low level 3 logistic cluster. The trending growth points to Detroit-Toledo region becoming a top ten logistic center in the nation anchored by a strong I-75 goods movement corridor (Detroit-Columbus-Atlanta-Orlando). The growth of the logistics cluster puts the region in the same level of logistics activity as Dallas-Fort Worth (Texas), San Bernardino (California), and Indianapolis (Indiana) (see Figure 3-4).

County	Employment LQ (against adjacent counties)	HCLQ Score	Net Capacity to Support the Logistics Cluster
Monroe	1.53	1736	26 workers for 1 logistics job
Ottawa	1.28	258	13 workers
Wayne	1.19	6228	9 workers
Lucas	1.16	1403	7 workers
Fulton	1.12	109	5 workers

Figure 3-3 HCLQ Scores and Employment Location Quotients for Southeast MI and Northwest OH
(U.S. Census, 2014 ACS)



Figure 3-4 Growth of Detroit-Toledo HCLQ Score, (as compared to national examples)
(U.S. Census, 2014 ACS)



NEAR TERM OPPORTUNITIES FOR MONROE COUNTY'S LOGISTIC CLUSTER

- Monroe County's proximity to Canada is critical for trade.
- The Port of Monroe can facilitate economic activity with trading partners across Lake Erie.

Unlike many logistics clusters across the nation, Monroe County's logistics cluster directly borders Canada (the United States' largest trading partner). The I-75 corridor plays a major role for drayage activity between Monroe County and Canada. It provides access to all terminals.

The announcement of the new international bridge presents the largest opportunity to establish Monroe County's logistics cluster. Currently, the Detroit-Windsor Gateway is the busiest commercial land border crossing in North America with approximately 3.5 million trucks crossing each year. The crossing

accounts for more than 28% of all U.S.-Canada border traffic. A large majority of the cross-border trade coming through Michigan to Canada comes by truck (roughly 74% of total Michigan-Canada trade flows in 2015). Rail is the next highest value followed by water. Trade flows from Michigan to Canada are projected to increase by 144% from 2015 to 2040, growing from \$139.4 billion to \$340.6 billion.

The second largest opportunity is the Port of Monroe. The Port had an annual tonnage of 2,431,000 tons of cargo in 2015, handling mostly coal, limestone, and more recently, synthetic gypsum. The Port also accounted for roughly 577 jobs contributing roughly \$44,000,000 dollars in income payments to its labor force. It is expected that the Port will continue to play a major role in Monroe County. Trade flows from Michigan to Canada by water are projected to increase by 81% from 2015 to 2040, (\$5.3 billion to \$9.6 billion). One example of the increasing activity at the Port of Monroe, is the recent agreement with DTE Energy for

Mode	2015	2020(p)	2030(p)	2040(p)	% Change
Truck	\$103,449.18	\$124,214.30	\$177,812.93	\$262,598.46	154%
Rail	\$18,052.39	\$20,786.19	\$27,113.76	\$36,182.11	100%
Water	\$5,293.86	\$5,903.53	\$7,012.56	\$9,603.68	81%
Air (include truck-air)	\$1,722.58	\$2,131.45	\$3,219.20	\$5,031.59	192%
Multiple modes & mail	\$8,600.14	\$10,435.38	\$15,444.68	\$23,428.44	172%
Pipeline	\$2,204.97	\$2,454.77	\$2,980.02	\$3,637.17	65%
Other and unknown	\$43.13	\$53.35	\$80.67	\$126.75	194%
Total	\$139,366.24	\$165,978.97	\$233,663.83	\$340,608.20	144%

Figure 3-5 Total Flows from US, through Michigan to Canada (\$, millions)
(Freight Analysis Framework Data Tabulation Tool, (p)= projected)

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the transport of synthetic gypsum which is produced within the Port of Monroe Industrial Park. The Port will now ship out gypsum which can be utilized for wallboard and/or soil enhancer.

This, along with other increases in activity (see Figure 3-5) resulted in the Port receiving a \$3.7 million grant from the State of Michigan through the Michigan Economic Development Corporation (MEDC) and the Michigan Department of Environmental Quality (DEQ). This will be used to build a new riverfront dock facility that will allow for the simultaneous loading and unloading of multiple vessels and allow for cargo diversification at the Port.

Another example of the increasing activity at the Port of Monroe is the recent announcement of a new Marine Highway Project on Lake Erie. The proposed project is the Lake Erie Shuttle, a route that would carry cargo for shippers between the ports of Monroe, Cleveland and Detroit. This service is sponsored by the Port of Monroe, and is just one of the many future opportunities unfolding in Monroe County.

Driving these opportunities is the increase in local exports, in particular the demand for steel and plastics. Plastics used in parts such as instrument panels, interior trim and bumpers have also seen an increase in production. Carbon fiber is gaining traction as a material of choice for auto body panels, hoods and trunk lids. Both sectors support significant automotive industry requirements. Automotive parts are the main export product of Michigan. The supply chain is certainly capable of supporting these industries in the County.

FUTURE OPPORTUNITIES FOR MONROE COUNTY'S LOGISTIC CLUSTER

- The logistics sector continues to evolve with advances in technology.
- Monroe County needs to adapt to be on the forefront of these changes.

Trends across the nation are pointing towards increased sophistication in the logistics sector. Autonomous logistics has seen a significant increase within the industry; this includes both on the ground (self-driving vehicles) and in the air (drones). A similar development can be seen in the area of robotics and automation. Complex logistics operations and cost sensitivity were key barriers to the adoption of industrial robots in the past. Next-generation robots have changed – they have become lighter, more flexible, easier to program, and more affordable.

Additionally, the growth of the Internet of Things (IoT) model and its potential to connect virtually anything to the Internet has accelerated data-driven

logistics. Significant strides are being made in the area of machine-human interaction and collaboration in logistics. Augmented reality (AR) accessed via smart glasses has exceeded predicted levels of impact. So far mainly adopted for order picking in logistics (also known as 'vision picking'), smart glasses enable intelligent, hands free operations.

A new trend that will shape e-commerce in the future is omni-channel logistics. The modern shopper's journey includes offline and online options, shifting from a sequence of actions in a single channel to a seamless variety of actions across multiple channels.

These opportunities are not without its challenges. It requires an environment that is open to innovation and new ideas.

Autonomous logistics, the Internet of Things, and e-commerce will effect the future of the logistics industry in Monroe County.



EMBRACING INNOVATION AND A DIVERSE ECONOMY

- Despite Monroe County’s geographic advantage and momentum in the logistics sector, it needs to diversify its economy in order to stay resilient.

Today, communities across Michigan continue to face ongoing economic and social challenges as a result of the 2008-09 economic downturn that led to reduced potential output growth and rising unemployment. While communities are slowly recovering across the state, there is still considerable effort to be made in finding new and sustainable sources of growth.

There is growing recognition that future growth must increasingly come from innovation-induced productivity growth. Innovation, the introduction of a new or significantly improved product or method, holds the key to boosting productivity. Innovation is not secluded to one or a few sectors. It encompasses a wide range of activities in addition to R&D, such as organizational changes, training, testing, marketing and design or the implementation of a new or significantly improved product (good or service) or process.

In Monroe County, regional governments have made the policy and budgeting decisions to encourage innovation and the creation of diverse economies. Monroe County has begun to see this transpire in its industries, witnessing growth in knowledge based services, health sciences and value added agriculture. Workforce projection models presented by the Southeast Michigan Council of Governments (SEMCOG) and the Workforce Innovation and Opportunity Act (WIOA) Regional Plan for Prosperity Region 9, indicate that it expects the trend to continue across the County (see Figure 3-6).

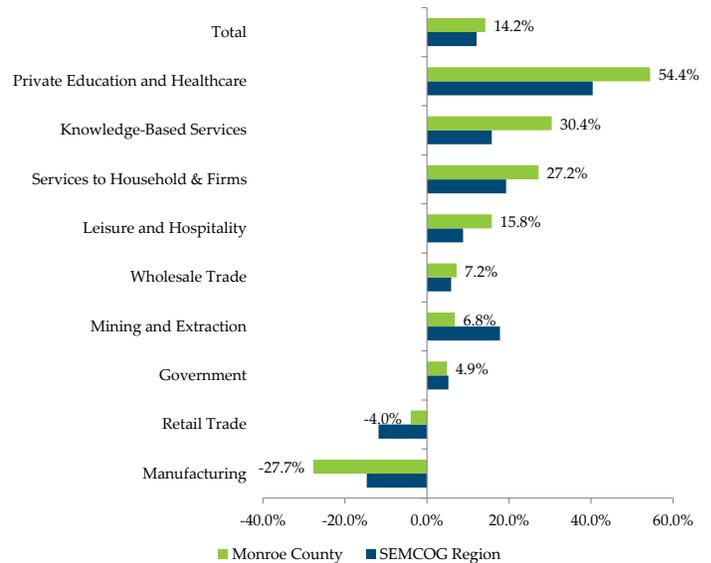


Figure 3-6 Job Forecast by Industry, 2040
(SEMCOG 2040 forecast produced in 2012; generated by MDB Insight (June 2016))

MONROE COUNTY’S HEALTH AND LIFE SCIENCES SECTOR

- Monroe County’s healthcare sector will remain a leading employment industry in the future, but there is space to collaborate with bio-industries.

The Health and Life Sciences Sector is growing in importance, both to society as a whole and as an innovative economic engine. Not only does the industry bring promise of breakthroughs in health and medicine, but it is increasingly viewed as an integral part of economic development strategies, especially as states look to build a high-skill, high-wage employment base.

Monroe County has seen a significant growth in this sector. This sector employs over 10,000 individuals across the County. Currently, plans exist to expand its Hospital and transform it into a state-of-the-art facility primed with new technology and practices.

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These trends are reflected across Michigan as a whole.

In 2016, Michigan's total employment in the biosciences grew 5.7% to 44,277, a gain of almost 2,400 jobs since the last findings in 2014. The increase was led by a robust 11% gain in the Drugs & Pharmaceuticals sector, demonstrating seemingly a nice recovery following the sector's consolidation during the latter part of the last decade. Employment in the Bioscience-related Distribution, Medical Devices & Equipment, and Research Testing and Medical Laboratories sectors improved by 6.0%, 5.7% and 5.0%, respectively. Additionally, there was parallel growth in a number of bioscience companies. The largest gains were seen by the Drugs & Pharmaceuticals (49%) and Medical Devices & Equipment (24%) sectors.

While the numbers are very encouraging, continued growth is not guaranteed unless the County proactively develops its bio-industry. The Michigan Bio-Industry Roadmap for Success Strategic Plan released by MichBio earlier in the year presents near term opportunities for the County to act upon. In particular, the County is one of the few in Michigan that have access to the development of an agri-bioscience cluster.

RENEWABLE ENERGY SECTOR IN MONROE COUNTY

- **The Port of Monroe both ships and manufactures renewable energy.**
- **Momentum in renewable energy is growing across Michigan**

A second opportunity for Monroe County's growing agricultural sector is the synergies it can build with the established renewable energy cluster in the county. Michigan's bio-science sector is divided into

three broad clusters – renewable industrial products (bio-based chemicals and materials, bio-energy), food and animal safety (vaccines, diagnostics, animal and crop protection, biotechnology), and food and health products (health supplements and nutraceuticals, animal feed and nutrition, medical food, craft brewing). While Monroe County's bioscience sector is currently focused on renewable industrial products, there is the potential to support the development of bio-mass and bio-energy products. A driving factor for this opportunity is the County's proximity to the Port. The Port has been influential in increasing output of renewable energy products. The Port current acts as both the shipper and main manufacturer of renewable energy (wind) and as such is seen as the County's renewable energy district.

Investing in small business innovation is no longer a new frontier for economic development agencies, it is now a necessity.

The opportunity to expand on the bio-science movement is approaching quickly. Between 2001 and 2013, global bio-fuel production grew rapidly, driven by a combination of rising gasoline prices, falling prices of bio-fuel inputs, and policies mandating use of renewable fuels. The same factors that led to production increases also led to the expansion of global trade in bio-fuels. The U.S., among other countries, has emerged as a major exporter of bio-fuel.

Bio-fuels support the four key focus areas of Michigan energy policy: adaptability, reliability, affordability, and environmental protection. The U.S. Department of Energy (DOE) has awarded more than \$32 million to university and industrial partners in Michigan to research, develop, and deploy sustainable bio-based fuels and products since 2005. In 2011, the Michigan Biotechnology Institute in Lansing, Michigan, was selected to receive up to \$4.3 million to improve biomass pretreatment processes to enable regional biomass processing depots. The project completed in February 2015 with successful operation of the pilot plant. Michigan Technological University is working



to develop life-cycle assessments of hybrid catalytic routes to fuels from biomass syngas.

MichBio's Roadmap for Success Strategic Plan has begun to put forward dollars aimed at establishing a cluster of networks around the different bioscience technology or market areas to develop critical mass, allowing strategic partnerships to foster. For Monroe County, this could be an immediate opportunity to develop a partnership with its existing sectors.

SMALL BUSINESS INNOVATION RESEARCH PROGRAMS

- Small businesses are critical supporters of larger companies.
- The State of Michigan offers a range of support to small business development, particularly those focused on technological development.
- Monroe County needs to promote the development of small businesses in order to build a strong, resilient economy.

Local business patterns have illustrated that small and young businesses are the dominant supplier of jobs across the County. While small businesses may not generate as much money as large corporations, they are a critical component of, and major contributor to, the strength of local economies. Small businesses present new employment opportunities and serve as the building blocks of the United States' largest corporations. Many small businesses also possess the ability to respond and adapt quickly to changing economic climates, in large part because they are customer-oriented. Many local customers will remain loyal to their favorite small businesses in the midst of an economic crisis. This loyalty means that small businesses are often able to stay afloat during tough

times, which can further strengthen local economies. Small businesses also accumulate less revenue than larger corporations, meaning they may have less to lose in times of economic crisis.

The State of Michigan is quickly empowering its small businesses as part of its transition to a new diverse economy. The Small Business Innovation Research (SBIR) Program offered by the state is intended to stimulate technological innovation in the private sector in three ways: by strengthening the role of small business concerns in meeting Federal research and development needs, by increasing the commercial application of federally supported research results, and by fostering and encouraging participation by socially and economically disadvantaged and women-owned small businesses.

A strong local economy, coupled with stability in the legal and regulatory environments, will make Monroe County a more attractive place to start a business.

In addition to the SBIR, the State of Michigan also provides a wide variety of financing and capital funding programs that assist with innovation. These programs support a range of specific industries such as high-tech, advanced manufacturing, automotive, and alternative energy (among others).

In Monroe County, the Monroe County Business Development Corporation (MCBDC) and Monroe County's Economic Development Corporation (MCEDC) Business First Initiative assists businesses with research and coordination needs, often connecting them to the Small Business Development Center and the array of universities and colleges across the region.

Investing in small business innovation is no longer a new frontier for economic development agencies, it is now a necessity. Small businesses are largely thought to be more innovative than larger firms for three reasons: a lack of entrenched hierarchies, more competitive markets, and stronger incentives (such as personal gain and satisfaction). Small businesses are indeed vital innovators in today's economy and are

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the technological leaders of many industries. This is not to discredit large firms from being able to make significant innovations. Both types of firms are critical to the success of today's economy.

OPPORTUNITIES TO DEVELOP A FOOD HUB

- The I-75 corridor needs to take advantage of its proximity to the agriculture industry, coupled with momentum in small-farming, in order to develop a food hub.

Trends across the nation point to regional food hubs emerging as collaborative enterprises for moving local foods into larger mainstream markets, providing scale-appropriate markets for mid-sized farmers and opportunities for small and beginning farmers to scale up without increasing time spent marketing food.

This does raise the profile of value-added agriculture as an innovative opportunity for Monroe County.

Local food systems are becoming increasingly popular as destinations for consumers to interact with local producers. The change in food consumption culture has gained traction in research centers supporting the development of food hubs in areas where farmers are beginners. According to the 2013 National Food Hub Survey, conducted by scientists at Michigan State University, 76 percent of food hubs worked exclusively or mostly with farmers with sales under \$500,000, of which 26 percent were beginning farmers (those with less than 10 years' experience farming) – this is the market in Southeast Michigan, and it is heavily concentrated in Monroe County.

3 ENSURING ECONOMIC COMPETITIVENESS

Communities need to provide critical urban infrastructure and deliver municipal services as efficiently and cost effectively as possible in

order to be successful. Mature municipalities are experiencing the need to upgrade its failing and aging infrastructure, and developing municipalities are now seeking to establish new infrastructure and systems that will enable transition, and position it as a global leader or next generation community.

Today, municipalities are motivated by the need to drive economic growth, increase investment and job creation, and allow for better standards of living. In response to this, community competitiveness is a subtlety that is emerging across the world – how to attract financial investment and human capital, and how to deliver services more efficiently. To do this, municipalities need to understand the fundamental concept of investment readiness to provide confidence to investors that the emerging challenges are understood and can be managed.

INVESTORS' NEEDS

- Confidence in the legal and regulatory markets will make residents more inclined to invest in Monroe County.

For all investors, confidence in the local economy, legal system, and regulatory environment is crucial. This confidence translates into an expectation that the returns from investment can be shared with investors and stakeholders.

Given these expectations, it is important for municipal authorities to invest time in anticipating investors' demands and, where necessary, initiating the reforms needed to create the right local conditions for investment readiness. Specifically, investors will look to the credit-worthiness of the city, the finances of the project and any guarantors backing the city. Risk identification and management is of vital importance to investors – as is investment profitability, investment protection, and the ability to exit an investment. Investors are interested in seeing a municipality's vision, its strategic objectives, and the priorities and programs in place for achieving



the vision. They are interested in seeing the overall budget strategy for delivering on the vision and how the municipality has secured support from its stakeholders for the vision, priorities and programs.

Municipalities will need to establish examples of successful public sector investment to create confidence that the municipality is capable of delivering projects. The ability of a municipality to successfully deliver a project depends on the stability of the local economy, and legal and regulatory environments.

SUSTAINING ECONOMIC INVESTMENT

- **Collaboration between jurisdictions in Monroe County is crucial for economic success.**

The number one concern in achieving investment readiness for most communities is the long term fiscal implications of these investments. Monroe County is not a stranger to these trends. The Partnering for Prosperity Economic Development Strategy prepared for Southeast Michigan paints a sobering picture of the road ahead for the local governments in the region and adds a sense of urgency to future economic development budget and policy deliberations at the local level. The implications of a limited population base from which to pay for local services; an over reliance on residential tax assessment; increases in local government debt; and policy and program design conditions that limit participation of many smaller communities present major challenges to local governments' ability to generate sufficient revenues to sustain services and often to deliver those services in a cost-effective manner.

A limited commercial and industrial tax assessment base means that Monroe County relies almost exclusively on residential tax assessment as its primary source of revenue. This means that individual households are carrying almost all the cost of paying for local services, including services which

are provided to state facilities and assets.

The Partnering for Prosperity Economic Development Strategy emphasized throughout its strategies that collaboration across municipal boundaries and levels of government was a necessary element to support economic development priorities across the region. It spoke at length about the need to strengthen and build collaboration between education and businesses to ensure students develop problem solving, critical thinking, analytical, and other skills needed for lifelong learning and career success. Additionally, it stressed the need to involve workforce development agencies, education and training organizations, state and federal agencies in economic development discussions around attracting and developing sophisticated workers.

The Strategy also spoke directly about the role municipalities could take in being facilitators of collaboration and partnership. It raised the idea that Southeast Michigan has the potential to be a hub for advanced manufacturing and the automotive industry. Monroe County can help play a significant role in this hub, connecting industries with distribution centers.

ATTRACTING A SOPHISTICATED WORKFORCE

- **Local quality of life amenities are central to a firm's location decision.**
- **Diverse, exciting places to live help companies attract and retain quality employees.**

Attracting, developing, and retaining a sophisticated workforce is critical to ensuring the continued vitality of Monroe County's commerce. As baby boomers age and retire, companies will lose a significant number of experienced workers and, consequently, valuable institutional knowledge. For the first time in the history of America, the incoming generation of workers is smaller than the preceding generation –

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resulting in a net reduction of the skilled workforce. As noted earlier, the impact of this situation is enhanced in Monroe County by the continual loss of workers who leave the area to find jobs that meet their lifestyle, geographic, or career preferences.

Having a diverse population provides the skills and a 'global perspective' that increase the competitiveness of industries and the innovation process. Low retention rates post graduation at area universities and colleges reduce an area's competitiveness related to educational attainment, cost of public services, and competencies needed for industrial productivity. In Monroe County, the challenge is exacerbated when neighboring communities continue to build reputations as a destination for highly skilled and motivated employees that work for dynamic companies in a welcoming business climate.

Quality of life matters in attracting and retaining skilled workers and employers, and making neighborhoods appealing and attractive. Even when a job prospect is the initial draw to a city or region, quality of life is often what keeps people in a place. A growing body of research has identified quality of life as central to fostering an inviting environment within which old and new businesses, entrepreneurs, workers and their families can flourish. International research on the topic has found that the improvement of quality of life is not only a question of social equity, but also a strategy to attract people and investments in certain locations. Traditional economic development strategies were focused on location factors such as raw materials, labor costs, site or infrastructure costs, transportation links, industry clusters and other incentives. However, as industry has become uncoupled from geographic location, quality of life and place have become much more central to company location decisions.

Fostering an exciting urban environment within which businesses, workers and entrepreneurs alike can flourish, is no longer an added investment. It is

at the core of a community's economic health and prosperity. No individual wants to locate a business where workers will not also want to locate. It is no coincidence that cities with a high quality of life enjoy similarly robust economies: in Michigan people are flocking to cities like Ann Arbor for its "cultural edge," touted creative amenities, shops and restaurants, abundant natural areas, opportunities for intellectual and social interaction, quality public schools and vibrant neighborhoods.

It is clear that there has been investment in quality of life amenities across municipalities in Monroe County. The Monroe Downtown Development Authority has led efforts to revitalize the City of Monroe's downtown district, from improved urban design, to increased programming, to historic rehabilitation. This has helped create a new energy in the City of Monroe.

The State of Michigan has also begun to invest in the quality of life assets within its communities. Through its Michigan Main Street program, the State is creating opportunities for redevelopment, placemaking and economic growth in downtowns across the state. The City of Milan in Monroe County was one of the first communities to take part in this new initiative. The program over the next year will have the City receive training on the basics of its four-point program: organization, promotion, economic restructuring and design.

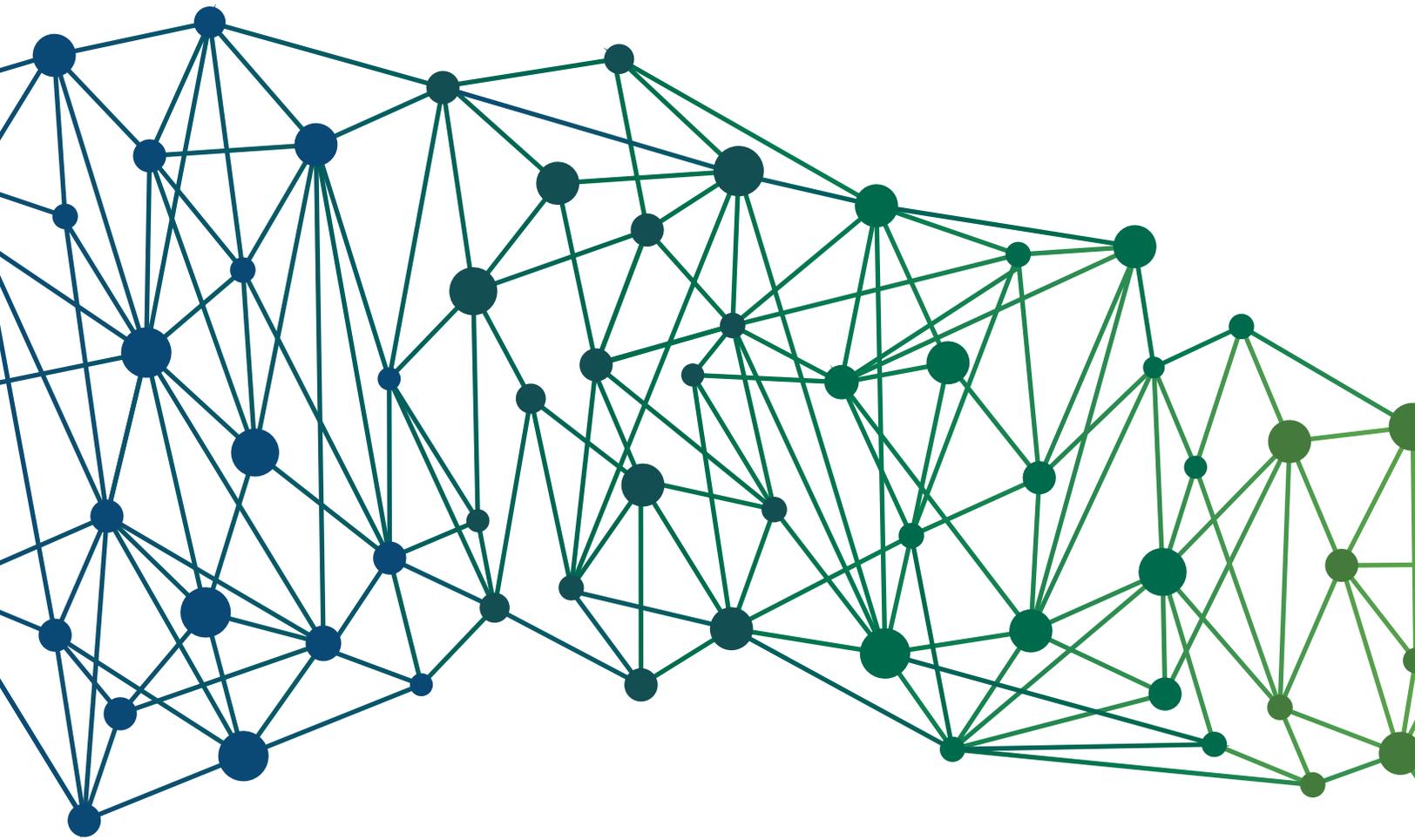
Embracing more of these efforts will support Monroe County's ability to attract a stronger workforce.

CONCLUSION

There are many variables that will impact future economic development of Monroe County. Currently, unemployment is low across the County, but wages are low as well, leading residents across County lines in search of work. As Monroe County moves forward, it needs to think critically about what industries it needs to attract, and how it should attract these industries. Monroe should to continue to leverage its



geographic and infrastructure advantages in order to attract the logistics industry, while remaining cognizant that technological advances and changing trends in the economy will impact the needs of these industries. Furthermore, Monroe County should seek to diversify its economy, looking at opportunities in the health and life sciences sector, renewable energy, and agriculture. Finally, in order to attract these industries, Monroe County needs to focus on two key areas: ensuring that its legal, regulatory, and economic framework are transparent and stable and that it makes significant investments in its quality of life amenities, in order to make Monroe and its surrounding communities attractive places to live and raise a family.



TO THE **WORLD.** TO THE **REGION.** TO **YOU.**

CHAPTER 4

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

OVERVIEW

Successful economic development requires an interdisciplinary approach, where one discipline feeds off another, to help advance development. Economic development of the I-75 corridor in Monroe County will require a commitment from many different disciplines in order to for Monroe to reach its full potential. Ensuring the County is ready for investment goes hand-in-hand with marketing and branding the opportunities and advantages that Monroe County offers companies, developers, and employees.

PLAN PILLARS

The foundation of the Plan is a core set of development principles and action items. Informed by input from local stakeholders, market research, and other best practices, these principles and actions will be instrumental for attracting new employers and industries while retaining existing ones.

The Plan pillars are the main organizing elements of the Plan. They reflect and address the key findings identified through the public input and technical research processes.

The Plan pillars respond to industry sectors where Monroe has a historic advantage, location advantage, or market potential for future economic growth to grow and advance the economic potential of the corridor.

You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.

-Buckminster Fuller



1 RESEARCH/ANALYSIS

- STAKEHOLDER INPUT
- LAND USE ANALYSIS
- ECONOMIC/MARKET ANALYSIS
- OTHER CONSIDERATIONS

2 PLAN PILLARS

-  Prepare for Investment
-  Grow Strategically
-  Enhance the Local Image & Brand
-  Grow Monroe As A Logistics Gateway
-  Improve the Local Quality of Life & Strengthen Tourism Opportunities
-  Improve Workforce Development & Education

3 PLAN RECOMMENDATIONS

- DIRECTION**
 - WHAT WE GROW**

Specific plan areas, elements, and industries that will support the future economic success in the I-75 Corridor
 - WHERE WE GROW**

Priority Development Areas in the I-75 Corridor that have the potential to spark economic and social activity
- STRATEGY**
 - HOW WE GROW**

A set of actionable strategies and incentives that will support the strategy for each Priority Development Area

IN ESSENCE...



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



PRIORITY ACTIONS

The Comprehensive Economic Development Strategy outlines 30 action steps to advance Monroe County's economic development strategy. Listed here are the top 5 priority actions with subsequent steps that will help achieve each of the actions.

1

Grow Port of Monroe as the primary destination for port-related service and supply activities within the Lake Erie seaway network. Increased emphasis should be placed on the convergence of transportation modes, for the movement and transport of materials throughout Eastern United States and Southern Ontario.



Grow Monroe as a Logistics Gateway

1

Develop a long-range plan and identify funding to upgrade the Exit 11 interchange, a key node in the transportation network of Monroe County.

2

Evaluate the readiness of municipal infrastructure to support future Port growth/expansion, specifically to the eastern side of I-75.

3

Create a signature gateway feature at Exit 11 to signify the entrance to the Port and the City of Monroe.

2

Invest in the development of an online site selection tool that depicts surrounding resources and available sites, with enhanced interactive features.

1

Undertake a review of economic development site selection tools to determine best practices that could be incorporated into the development of the online site selection tool.

2

Designate a key contact to provide support to the local municipalities for all site selection inquiries and to collect, publish and maintain online information for key Monroe County employment areas.

3

Align the site selection tool with a regional initiative to combine and streamline GIS data and applications (advance the one-stop shop approach).

4

Prepare an annual listing of a variety of virtual speculative buildings for each Priority Development Area.



Prepare for Investment



- 3 Create a county-wide regional branding campaign that provides facts about the region's competitive advantages, regional assets, and quality of life amenities (which could include broadening the Pure Michigan campaign to promote benefits of locating businesses in the region).



Enhance the Local Image and Brand

- 1 Create branding plan. Plan should inventory key assets in Monroe County to develop brief branding statements. Formulate and hone brand messages.
- 2 Target specific industry-publications and conferences to market Monroe County's development opportunity. Revisit this list annually.
- 3 Identify highly visible locations along I-75 in Monroe County to promote the Monroe County Link brand concepts provided in this Chapter.

- 4 Using the Michigan Redevelopment Ready Communities program tool, encourage local municipalities to implement a 'one-stop shop' model to strive for a universal local regulatory and permitting process along the I-75 corridor.



Prepare for Investment

- 1 Create and engage local jurisdictions in a memorandum of understanding to support the implementation of the Plan.
- 2 Contact the Michigan Economic Development Corporation to receive technical assistance and begin the process of certification.
- 3 Align the one-stop shop program with an image and branding initiative.

- 5 Market and develop the Priority Development Areas.



Grow Strategically

- 1 Identify "master-broker" to market and develop the Priority Development Areas.
- 2 Coordinate the marketing of the Priority Development Areas with the image and branding campaign and the development of the site-selection tool.
- 3 Contact the Detroit Produce Terminal to discuss a move to Monroe County. Prepare a business case illustrating the intermodal connections and proximity to agricultural products and processing/distribution plants.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



PREPARE FOR INVESTMENT

PILLAR INPUTS

Stakeholder Input

- Maximize available space.
- Streamline the development process.
- Review multi-jurisdictional approaches and find areas for improvement.
- Develop site selection tools.

Economic Conditions Analysis

- There is a limited amount of marketable land that meets the demand of today's economy.
- Currently, Monroe County is carrying most of the responsibility for the region's infrastructure costs.
- A limited population and business base has financial implications for the funding of local services.

Best Practices and Other Considerations

- A one-stop-shop for all development processes enables developers to streamline their development costs.
- A Memorandum of Understanding (MOU) for Joint Land Use Planning allows for a consistent approach to clearly communicate the opportunity within Monroe County to industry leaders and the development community.
- Site selection tools and databases allow public officials and stakeholders to easily understand development opportunities.

The Link:



Strategic improvements in both infrastructure and public development processes will help attract businesses to Monroe County.



ACTION ITEMS

ACTION	RESP. PARTY	ACTION	RESP. PARTY
<p>1</p> <ul style="list-style-type: none"> Maintain and increase investment in the diverse types of infrastructure that currently gives Monroe County its competitive advantage. 		<p>5</p> <ul style="list-style-type: none"> Make each Priority Development Area "infrastructure ready" to support targeted development. 	
<p>2</p> <ul style="list-style-type: none"> Invest in the development of an online site selection tool that depicts surrounding resources and available sites, with the ability for computer-aided design applications for virtual speculative buildings. 		<p>6</p> <ul style="list-style-type: none"> Align local and regional capital improvement plans to support the principles and actions outlined in this Plan. 	
<p>3</p> <ul style="list-style-type: none"> Using the Michigan Redevelopment Ready Communities program tool, implement a 'one-stop shop' model across local municipalities to strive for a universal local regulatory and permitting process. 		<p>7</p> <ul style="list-style-type: none"> Create a one-stop shop approach to guide future development in the corridor (e.g. zoning overlay, common development authority or review agency, etc.) 	
<p>4</p> <ul style="list-style-type: none"> Institute a Foreign Trade Zone policy for the I-75 Corridor. 		<p>8</p> <ul style="list-style-type: none"> Work with MDOT to upgrade the Front Street interchange to promote future growth and development at the Port and the surrounding areas. The Plan improvements should promote the image and brand of the corridor. 	
		<p>9</p> <ul style="list-style-type: none"> When appropriate, cities and neighboring townships should enter into mutually beneficial 425 agreements in order to generate income tax revenue from potential development projects that may occur outside municipal boundaries. 	

MONROE COUNTY STAKEHOLDERS

Monroe County Government



Local Governments



State Government Agencies



Federal Government



Property Owners



Universities



Private Sector



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



GROW STRATEGICALLY

PILLAR INPUTS

Stakeholder Input

- Target relevant industries for Monroe County, including:
 - * Value-added agriculture
 - * SMART technologies
 - * Warehousing and distribution
 - * Autonomous transportation and automotive technology

Economic Conditions Analysis

- Local and regional employment growth projections and business patterns suggest that healthcare, biosciences and food processing can contribute to Monroe County's economic success.
- Small to medium-sized businesses make up the bulk of economic activity in Monroe County.
- An emphasis on skill development in industrial and knowledge-based areas of the economy is critical.

Best Practices and Other Considerations

- Market-based planning provides solutions based on economic realities.
- A logistics ecosystem enables an "industrial commons" that will attract all levels of the logistics industry.
- The planned construction of the Gordie Howe Bridge will facilitate the expansion of international trade close to Monroe County.
- The rebirth of the automobile industry will change the nature of supply-chain economics in Southeast Michigan.

The Link: Identify Monroe County's competitive advantage and leverage it to grow strategically in key markets.



ACTION ITEMS

ACTION		RESPONSIBLE PARTY
1	<ul style="list-style-type: none"> Market and develop the Priority Development Areas. 	
2	<ul style="list-style-type: none"> Coordinate with state authorities to implement recommendations emerging from the Michigan Bio-Industry Roadmap for Success Strategic Plan within Monroe County, specifically related to the development of the agri-bioscience cluster initiative that is aimed to be developed in the County. 	
3	<ul style="list-style-type: none"> Coordinate with the Detroit Produce Terminal for all potential relocation of the terminal to the north end of the I-75 corridor. 	
4	<ul style="list-style-type: none"> Invest in the Small Business Innovation Research (SBIR) Program to stimulate technological innovation in the private sector. 	
5	<ul style="list-style-type: none"> Continue to invest in the Business First initiative. Highlight successful examples of program implementation to further bolster program success. 	

MONROE COUNTY STAKEHOLDERS

Monroe County Government



Local Governments



State Government Agencies



Federal Government



Property Owners



Universities



Private Sector



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



ENHANCE THE LOCAL IMAGE & BRAND

PILLAR INPUTS

Stakeholder Input

- Create a County-wide image and brand to elevate the overall brand recognition of the County.
- Beautify and enhance the I-75 corridor with a consistent branding strategy.
- Strengthen branding and awareness of the Port and Lake Erie.

Economic Conditions Analysis

- Neighboring communities continue to build reputations, aided with strong marketing campaigns, as destinations for highly skilled and motivated employees.
- Monroe County has invested \$118.2 million in reconstruction 5.6 miles of I-75; this is an important asset to market to prospective companies.

Best Practices and Other Considerations

- A unified branding strategy will help with recruiting businesses, who will begin to understand the direction Monroe County is moving toward.
- A new brand signals to prospective companies and employers a renewed commitment to investing in Monroe County.

The Link:
~~~~~

**The Monroe County Link brand should communicate the fact that Monroe County is committed to growing its businesses.**



## ACTION ITEMS

| ACTION |                                                                                                                                                                                                                                                                                                                                       | RESPONSIBLE PARTY |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1      | <ul style="list-style-type: none"> <li>• Create a county-wide regional branding campaign that provides facts about the region’s competitive advantages, regional assets, and quality of life amenities (which could include broadening the Pure Michigan campaign to promote benefits of locating business in the region).</li> </ul> |                   |
| 2      | <ul style="list-style-type: none"> <li>• Implement highway beautification efforts, such as native plantings, that complement the Pure Michigan brand, along the I-75 corridor.</li> </ul>                                                                                                                                             |                   |
| 3      | <ul style="list-style-type: none"> <li>• Emphasize branding at strategic points along the I-75 corridor, such as the Ohio-Michigan border, in order to strengthen the gateway into Monroe County.</li> </ul>                                                                                                                          |                   |
| 4      | <ul style="list-style-type: none"> <li>• Consider a ‘Corridor Keeper’ program to communicate with property and business owners along the I-75 corridor.</li> </ul>                                                                                                                                                                    |                   |
| 5      | <ul style="list-style-type: none"> <li>• Evaluate the potential of developing a shared marketing strategy for the sites and properties.</li> </ul>                                                                                                                                                                                    |                   |

## MONROE COUNTY STAKEHOLDERS

Monroe County Government



Local Governments



State Government Agencies



Federal Government



Property Owners



Universities



Private Sector

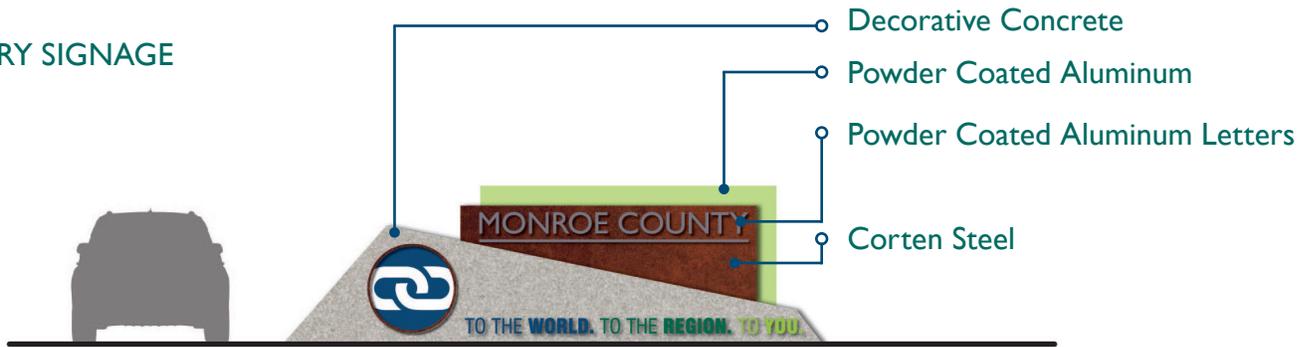


# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

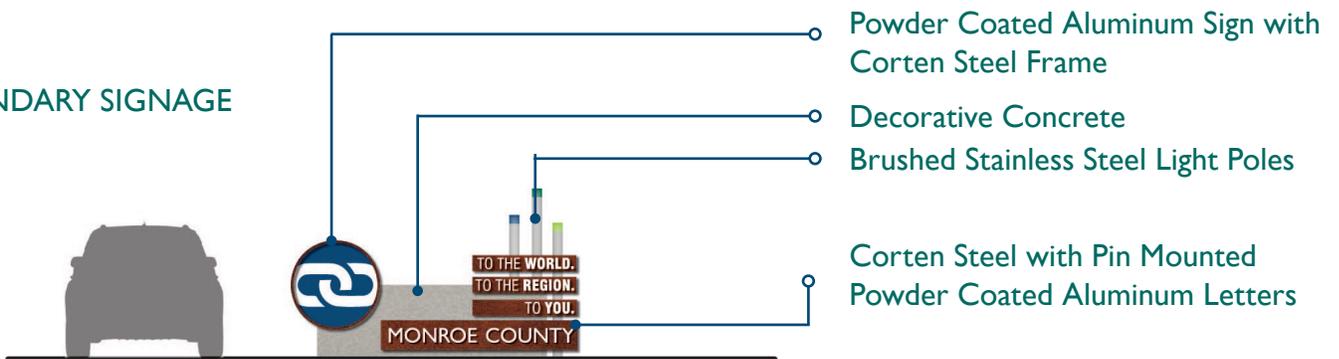


## BRANDING CONCEPTS

### PRIMARY SIGNAGE



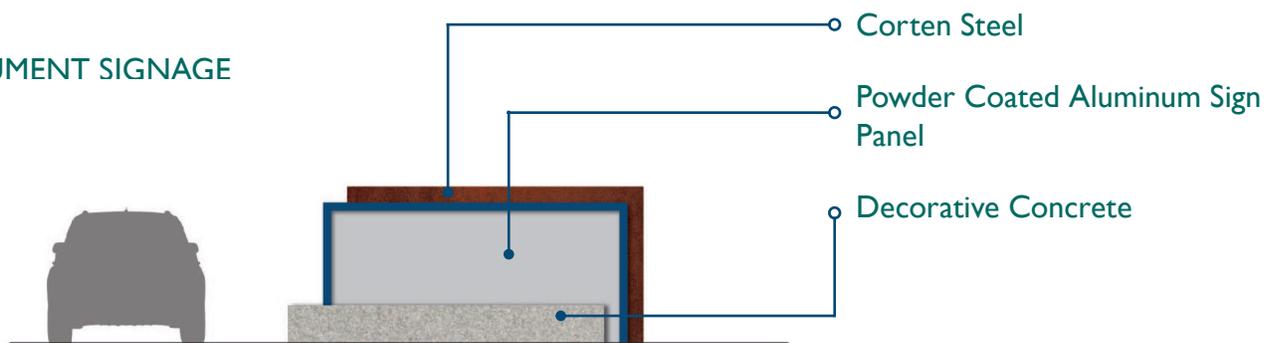
### SECONDARY SIGNAGE



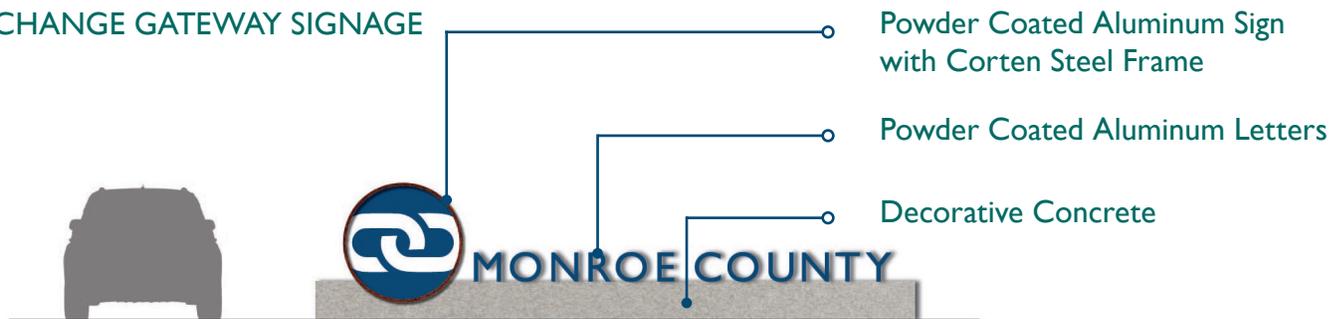


## BRANDING CONCEPTS

### MONUMENT SIGNAGE



### INTERCHANGE GATEWAY SIGNAGE



# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



## GROW MONROE AS A LOGISTICS GATEWAY

### PILLAR INPUTS

#### Stakeholder Input

- Improve infrastructure (roads, overpasses) to accommodate future growth and development.
- Expand warehousing and distribution availability.
- Build on what existing assets, including:
  - \* Port of Monroe
  - \* I-75
  - \* Proximity to key population and manufacturing centers.
- Become an innovator in smart technology.

#### Economic Conditions Analysis

- The Detroit (Wayne)-Monroe-Fulton-Ottawa area has some of the country's highest concentrations of transportation and warehousing activity in the country.
- Monroe County has access to a quad modal logistics network (rail, air, road, port)
- The Detroit-Windsor Gateway is the busiest commercial land border crossing in North America with approximately 3.5 million trucks crossing each year, accounting for 28% of all U.S.-Canada border traffic.
- Monroe County has 26 qualified individuals for every logistics job available.

#### Best Practices and Other Considerations

- The logistics industry includes jobs outside of the blue-collar industry, including IT jobs, and jobs in customer service and management.

**The Link:** Monroe County has a unique geographic and infrastructure advantage for logistics companies.



## ACTION ITEMS

| ACTION |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | RESPONSIBLE PARTY |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1      | <ul style="list-style-type: none"> <li>Support the expansion and operation of commercial marine ports, including improving connections to roads and rail.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                  |                   |
| 2      | <ul style="list-style-type: none"> <li>Maintain a directory of companies engaged in activities that are directly associated with port, air and rail facilities. In addition to being provided online, this directory can be circulated to local companies and potential investors as a fact sheet outlining the full suite of services available in Monroe County. These activities include professional services, ship supply and chandlery, cargo management, docking, storage and warehousing, maintenance, and repair.</li> </ul> |                   |
| 3      | <ul style="list-style-type: none"> <li>Grow Port of Monroe as a premier destination for port-related service and supply activities within the Lake Erie seaway network. Increased emphasis should be placed on the convergence of transportation modes, for the movement and transport of materials throughout the Eastern United States, Southern Ontario, and Canada.</li> </ul>                                                                                                                                                    |                   |
| 4      | <ul style="list-style-type: none"> <li>Establish a research and innovation partnership with Georgia State's Center of Innovation for Logistics. Focus on the development of I-75 as an high-tech autonomous alley from Michigan to Georgia.</li> </ul>                                                                                                                                                                                                                                                                                |                   |

## MONROE COUNTY STAKEHOLDERS

Monroe County Government



Local Governments



State Government Agencies



Federal Government



Property Owners



Universities



Private Sector



# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



## IMPROVE THE LOCAL QUALITY OF LIFE & STRENGTHEN TOURISM OPPORTUNITIES

### PILLAR INPUTS

#### Stakeholder Input

- Promote increased amenities (e.g. shopping, restaurants).
- Connect the natural and cultural resources along the I-75 corridor to enhance quality of life.
- Create a strong Lakefront Park to capitalize on Lake Erie as an asset.

#### Economic Conditions Analysis

- Tourism has grown consistently from 2009-2014, with 113.4 million visitors to Michigan in 2014.
- Travelers to Michigan spend a lot of money in the food and beverages and the lodging and accommodation sectors.
- Northern Michigan and the Upper Peninsula have a high concentration of tourism in Michigan. I-75 is a gateway to the northern part of the state; Monroe County is in a strategic location to capture tourism traffic.

#### Best Practices and Other Considerations

- Creating a sense of place is key. A growing number of millennials choose where to live first and work second. Vibrant and stable places attract the best and brightest to the workforce.
- Quality of life amenities, including diverse entertainment and programming options, are important assets that drive millennials and baby boomers to move to new locations.
- Communities are increasingly offering a wider spectrum of housing options, so that residents can remain in their community as their housing needs change over time.

## The Link:



**A significant investment in quality of life amenities is necessary in order to attract qualified employees to Monroe County, and retain those already here.**



## ACTION ITEMS

| ACTION |                                                                                                                                                                                               | RESPONSIBLE PARTY |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1      | <ul style="list-style-type: none"> <li>Focus growth in the City of Monroe, the largest community in close proximity to the I-75 corridor in Monroe County.</li> </ul>                         |                   |
| 2      | <ul style="list-style-type: none"> <li>Increase the diversity of housing options in the City of Monroe and across Monroe County, to retain current employees and attract new ones.</li> </ul> |                   |
| 3      | <ul style="list-style-type: none"> <li>Promote new restaurant and entertainment options in Monroe employment and residential options grow in Monroe County.</li> </ul>                        |                   |
| 4      | <ul style="list-style-type: none"> <li>Provide improved signage and wayfinding to existing amenities in Monroe County, such as to public beachfronts.</li> </ul>                              |                   |

## MONROE COUNTY STAKEHOLDERS

Monroe County Government



Local Governments



State Government Agencies



Federal Government



Property Owners



Universities



Private Sector



# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



## IMPROVE WORKFORCE DEVELOPMENT & EDUCATION

### PILLAR INPUTS

#### Stakeholder input

- Identify new strategies to match qualified employees with available jobs.
- Leverage unique access to higher education.
- Create an environment to attract a talented workforce.

#### Economic Conditions Analysis

- Monroe County is expected to see an increase of approximately 15,000 residents over the age of 75 by 2040. Retaining older workers will become increasingly important, both for their well-being and for the health of the County's economy.
- Businesses are finding it difficult to retain workers due to low wages.
- Statewide, Michigan is seeing a demand for tractor-trailer truck drivers, operations managers, machinists, and industrial machinery mechanics, among other fields.

#### Best Practices and Other Considerations

- Apprenticeship training can provide companies with skilled employees that matches their specific needs.
- Monroe County Community College has a range of innovative training programs that could provide value to current and prospective companies in Monroe County, including:
  - \* Nuclear Engineering Technology and Non-Destructive Testing training
  - \* Health care

## The Link:



**The economic resiliency of Monroe County will depend on a skilled workforce with training suited to local businesses and institutions.**



## ACTION ITEMS

| ACTION |                                                                                                                                                                                                                                                                                                                                          | RESPONSIBLE PARTY |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1      | <ul style="list-style-type: none"> <li>Continue, increase, and expand partnerships with industry and community colleges and universities to provide training and workforce development. Work closely with local universities and industry in order to ensure that technical training and program needs match industry trends.</li> </ul> |                   |
| 2      | <ul style="list-style-type: none"> <li>Promote apprenticeship training to provide companies with skilled employees, such as an apprenticeship clearinghouse.</li> </ul>                                                                                                                                                                  |                   |
| 3      | <ul style="list-style-type: none"> <li>Continue to work with workforce organizations to undertake the recommendations emerging from the Region 9 Prosperity Initiative.</li> </ul>                                                                                                                                                       |                   |

## MONROE COUNTY STAKEHOLDERS

Monroe County Government



Local Governments



State Government Agencies



Federal Government



Property Owners

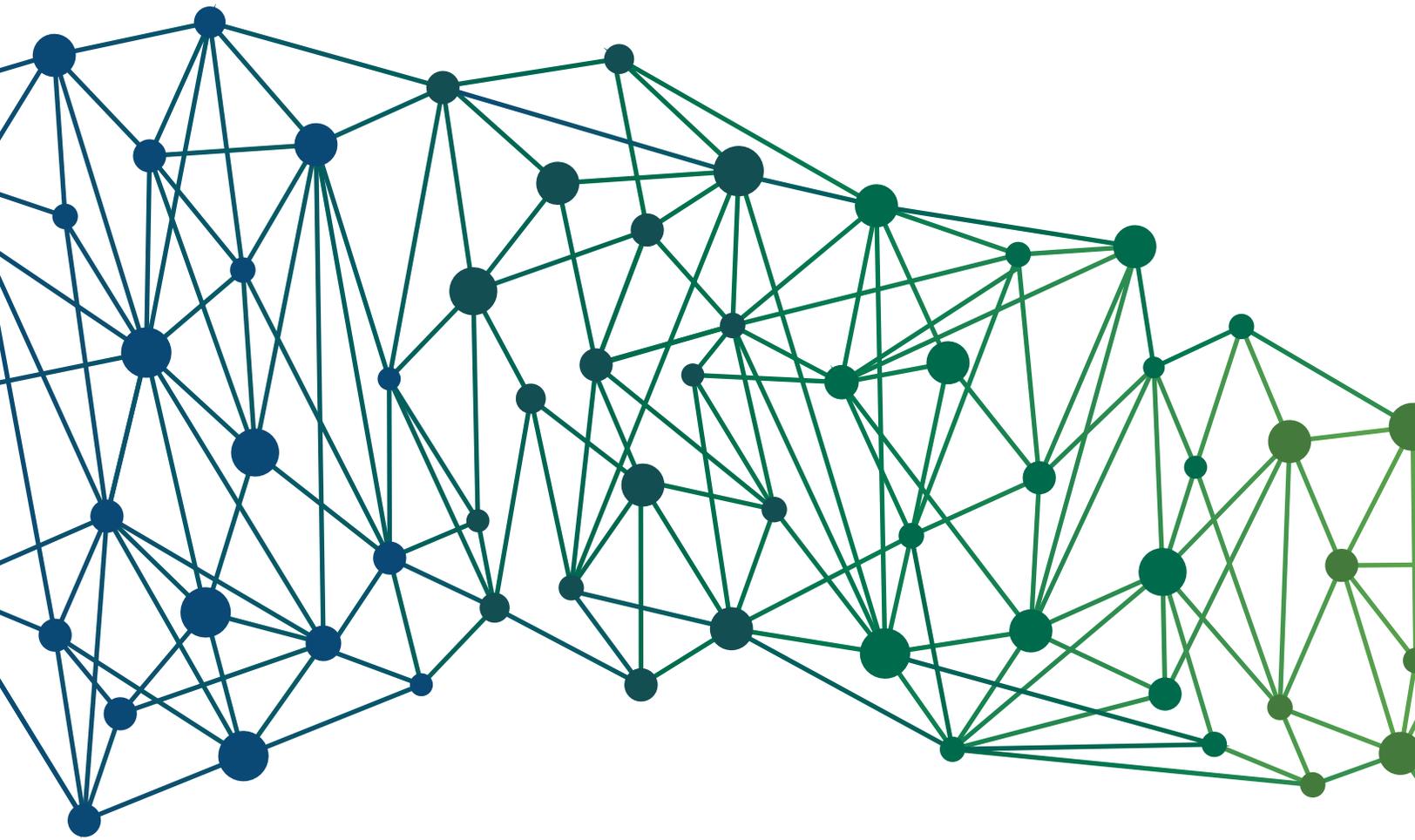


Universities



Private Sector





TO THE **WORLD.** TO THE **REGION.** TO **YOU.**

# CHAPTER 5

## PRIORITY DEVELOPMENT AREAS



# INTRODUCTION

## OVERVIEW

In order to enhance Monroe County's future growth, a closer look was taken at eight study areas along the Interstate 75 corridor. A range of existing conditions have been examined, including current land use, natural features, and environmental hazards and contaminants, to help guide the selection of target redevelopment sites within each of the eight study areas.

Across the 8 priority development areas, a series of target sites were identified for potential development. These sites are unique and present an opportunity to accommodate growth and development across Monroe County. For each priority development area, and their target sites in particular, an economic incentive strategy was developed to attract and guide development. The capacity for development within each of these sites is discussed at length in the pages that follow.

## PRIORITY DEVELOPMENT AREAS

The Priority Development Areas (PDAs) for the plan were established through input gathered during a series of meetings with the project steering committee, county staff, and local stakeholders. Numerous areas were studied throughout the planning process, with the areas incorporated herein featured as those that have the greatest potential to be a catalyst for development. This process resulted in PDAs shown on the map to the right. The final PDAs were selected based on the following characteristics:

- Areas that have the ability to significantly elevate the character, image, and brand of the County;
- Areas with considerable commercial and industrial potential; and,
- Areas identified through the market analysis with the ability to accommodate economic growth.

## DEVELOPABLE AREA

Each Priority Development Area's target sites are informed by the developable area. The process to calculate the developable area was the same for each Priority Development Area. A land use map was developed for each site. Land classified as agricultural or vacant within each Priority Development Area was deemed suitable for development. From there, wetlands, the floodway and the 100 year floodplain were subtracted from the agricultural and vacant land in each site. The developable area for each of the 8 PDA's guided the selection for the target sites of development.

## HOW TO USE THIS SECTION

The following section is divided by each of the 8 Priority Development Areas. Each PDA has a two- page spread, with an overview of the site, specific industries that should be targeted for each site, potential development concepts, and a list of applicable development incentives. Following the 2 page spread are a series of maps that indicate how the target sites were arrived at for each of the Priority Development Areas. Finally, at the end of the chapter, an overview of the incentive programs are discussed.

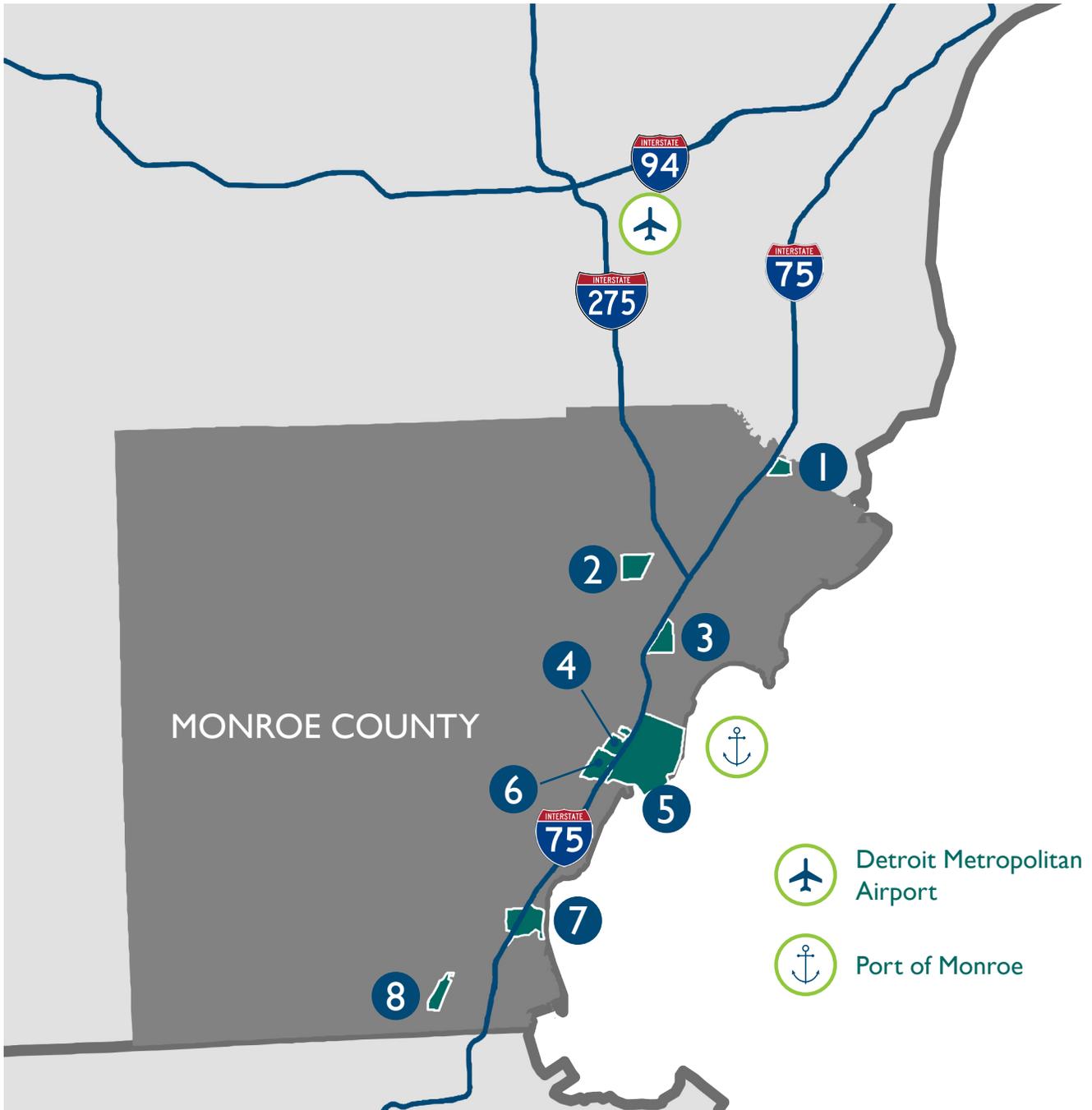


Figure 5-1 Priority Development Areas

# PDA #1

## OVERVIEW

Priority Development Area #1 encompasses 275 acres just east of Interstate 75, about a half-hour drive south of Detroit. On the northwest corner of the priority development area is an abandoned pottery manufacturing facility.

This site sits within reach of both I-75 and 275, and is also served by rail. There are two development sites (primary and secondary) at this location. The primary site is the closed pottery facility, and the secondary site is a greenfield site along the rail line.

## SITE CONTEXT



- Primary Target Sites
- Secondary Target Site

## TARGET INDUSTRIES

- Food Warehousing
- Food Processing
- Food Distribution
- Detroit Produce Terminal

## ECONOMIC INCENTIVES

- Agriculture Processing Renaissance Zones
- EDA POWER Grant
- Industrial Property Tax Abatement
- Energy Efficiency & Renewable Energy (EERE) Loans
- Michigan Community Development Block Grant (MCDBG) Revolving Loan Program
- Michigan Business Development Program

## CHARACTER IMAGES





## DEVELOPMENT CONCEPT

The concept to the right is a food distribution terminal on the primary target site. Trucks have entry and exit options on both S. Dixie Highway and S. Huron River Dr. Truck stationing is positioned behind the distribution center, minimizing the impact of the development on nearby housing around the site.

### DEVELOPMENT DATA

|          |                                    |
|----------|------------------------------------|
| <b>A</b> | 198,000 s.f. Distribution Facility |
| <b>B</b> | Loading Dock                       |

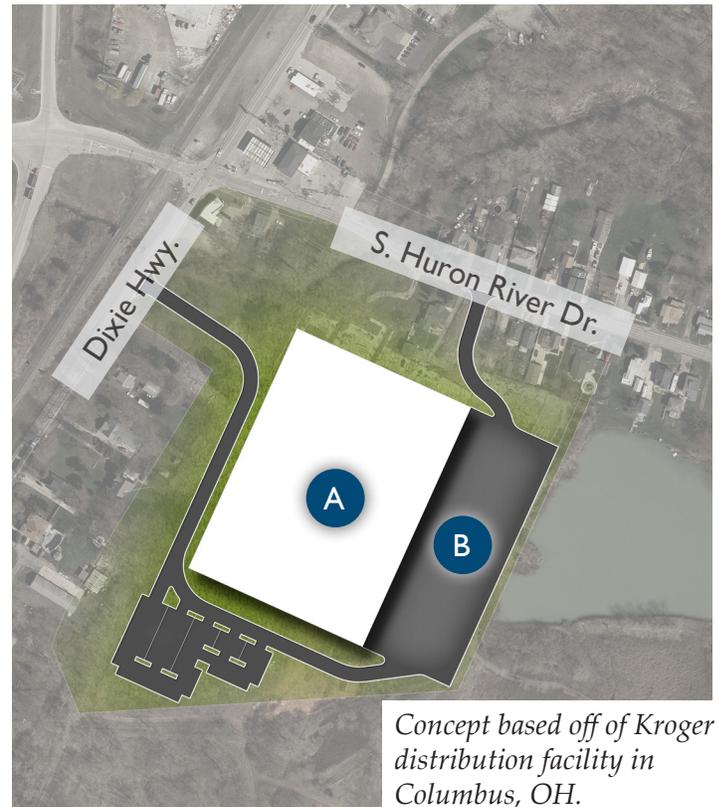
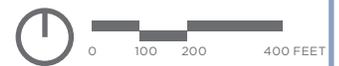


Figure 5-2 Site Concept



## TRENDS EFFECTING DEVELOPMENT

### Trends in Local Food Systems

- The Food Safety Modernization Act (FSMA), signed into law in 2011, regulates the uniformity of standards across suppliers of fresh produce. Food processing in southeastern Michigan will need to comply with the FSMA.
- Regional food hubs have emerged as collaborative enterprises for moving local foods into larger mainstream markets. These food hubs provide market opportunities to small and mid-sized farms alike.

### Trends in Value-Added Agriculture

- The Michigan Department of Agriculture and Rural Development (MDARD) has placed a focus on value-added agriculture. Value-added agriculture processes raw agricultural inputs in order to develop newer products. MDARD has solicited proposals for grant funding in the past, and this continues to be an area of focus going forward.

# PDA #1

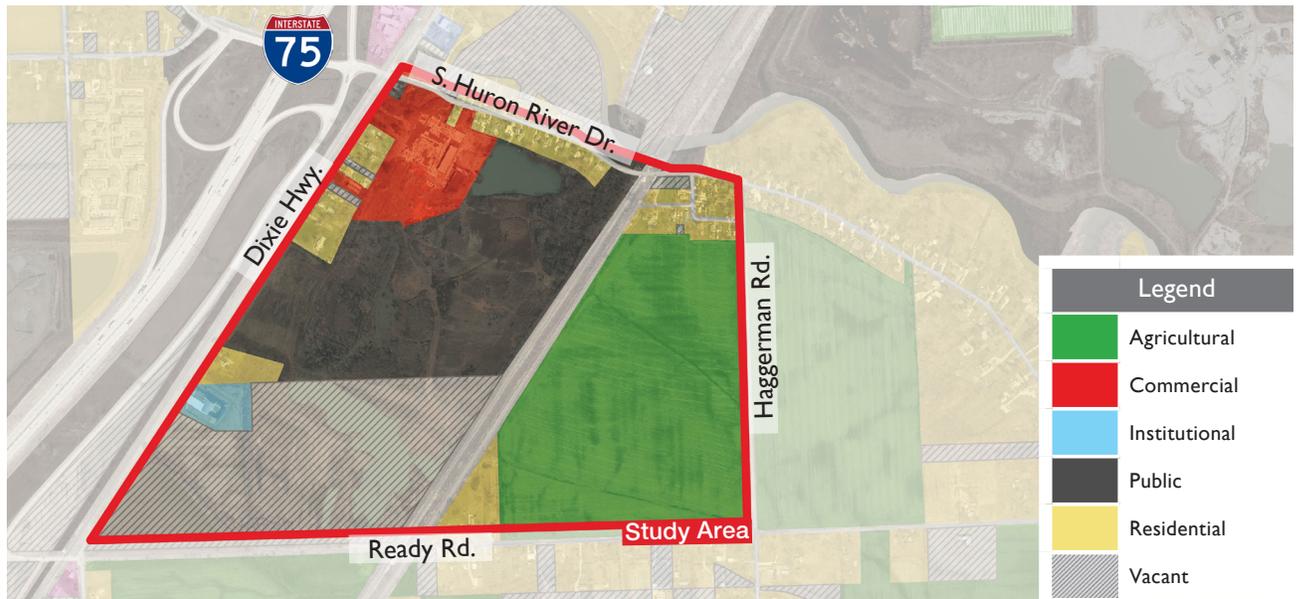


Figure 5-3 Land Use

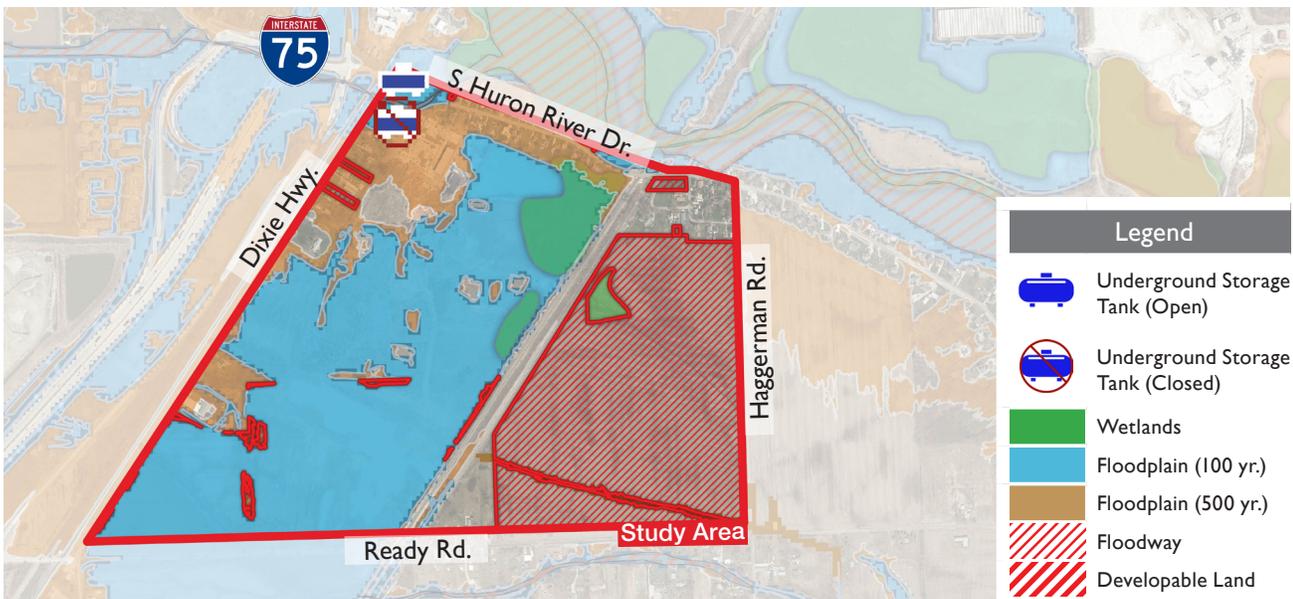


Figure 5-4 Natural Features





**Figure 5-5** Environmental Conditions



**Figure 5-6** Developable Area



# PDA # 2

## OVERVIEW

Priority Development Area #2 is one of 16 original NIKE Missile Batteries that surrounded the city of Detroit, Michigan in 1958. The site is an example of a Dual NIKE Missile Battery significant for its role in American military history, the history of the Cold War, and specifically the history of the Detroit Defense Area. Further, Nike Missile Battery D-57/58 is an important example of the relationship between military installations and the industrial economy of the State of Michigan.

Today the site is vacant/abandoned and is one of the largest single owned parcels in the I-75 Corridor that is available for development. This site has access to both I-75 and I-275 via Telegraph Road, a primary arterial in the area. The primary target site within this Priority Development Area is the Nike Missile Site totaling approximately 280 acres, and is within close proximity to the workforce in Detroit and Ann Arbor.

## SITE CONTEXT



■ Primary Target Site



## TARGET INDUSTRIES

- Innovative Logistics Companies
- Logistics & Distribution Headquarters
- Advanced Warehousing & Distribution
- Manufacturing



## ECONOMIC INCENTIVES

- Industrial Property Tax Abatement
- Michigan Business Development Program
- Private Activity Bonds
- USDA Business and Industry Guaranteed Loans

## CHARACTER IMAGES



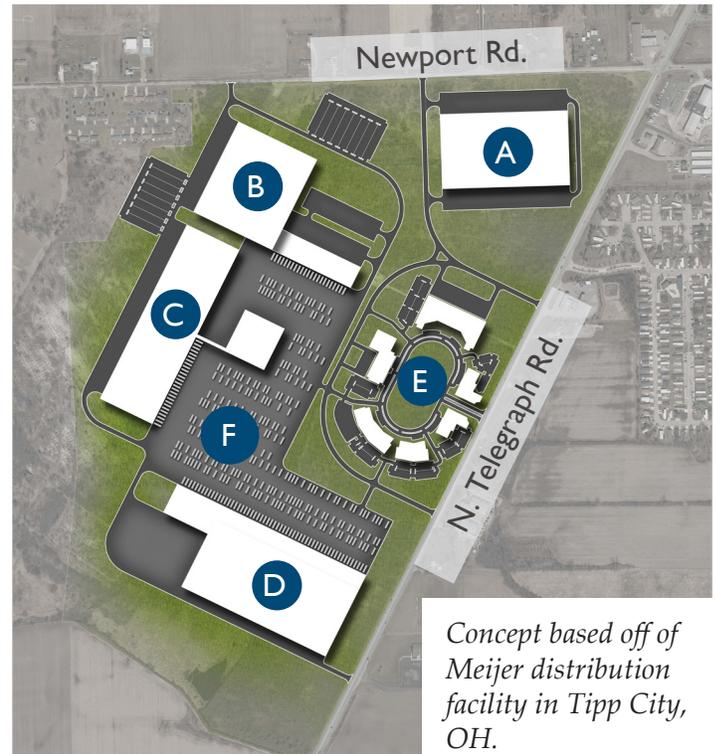


## DEVELOPMENT CONCEPT

At 280 acres, the primary target site for the Newport Nike Missile Site can accommodate a significant distribution operation. In Figure 5-7, a proposed concept calls for 4 distinct distribution facilities, with ample space for large truck parking and storage. A smaller office park, with 229,000 s.f. of office, could be the headquarters for a logistics or distribution company.

### DEVELOPMENT DATA

|          |                                            |
|----------|--------------------------------------------|
| <b>A</b> | 455,000 s.f. Distribution/Warehouse        |
| <b>B</b> | 516,000 s.f. Distribution/Warehouse        |
| <b>C</b> | 636,000 s.f. Distribution/Warehouse        |
| <b>D</b> | 768,000 s.f. Distribution/Warehouse        |
|          | 2,375,000 s.f Total Distribution/Warehouse |
| <b>E</b> | 229,000 s.f. Office                        |
| <b>F</b> | Truck Parking/Storage                      |



**Figure 5-7** Site Concept 0 333 666 1333 FEET



### TRENDS EFFECTING DEVELOPMENT

#### Trends in Local Logistics Sector

- Four counties across Southeast Michigan and Northwest Ohio, Wayne, Monroe, Fulton and Ottawa, have some of the country's highest concentrations of transportation and warehousing activity. This area can compete with well-established logistic clusters, such as those in Memphis and Chicago.

#### Trends in Global Logistics Sector

- Autonomous transportation will continue to shape many aspects of the logistics industry, from self-driving vehicles to drones.
- The Internet of Things, which allows infrastructure and machines to communicate with each other, has a strong potential to increase efficiencies in the logistics sector.
- The rise of e-commerce, will impact the future of the logistics industry.

# PDA # 2

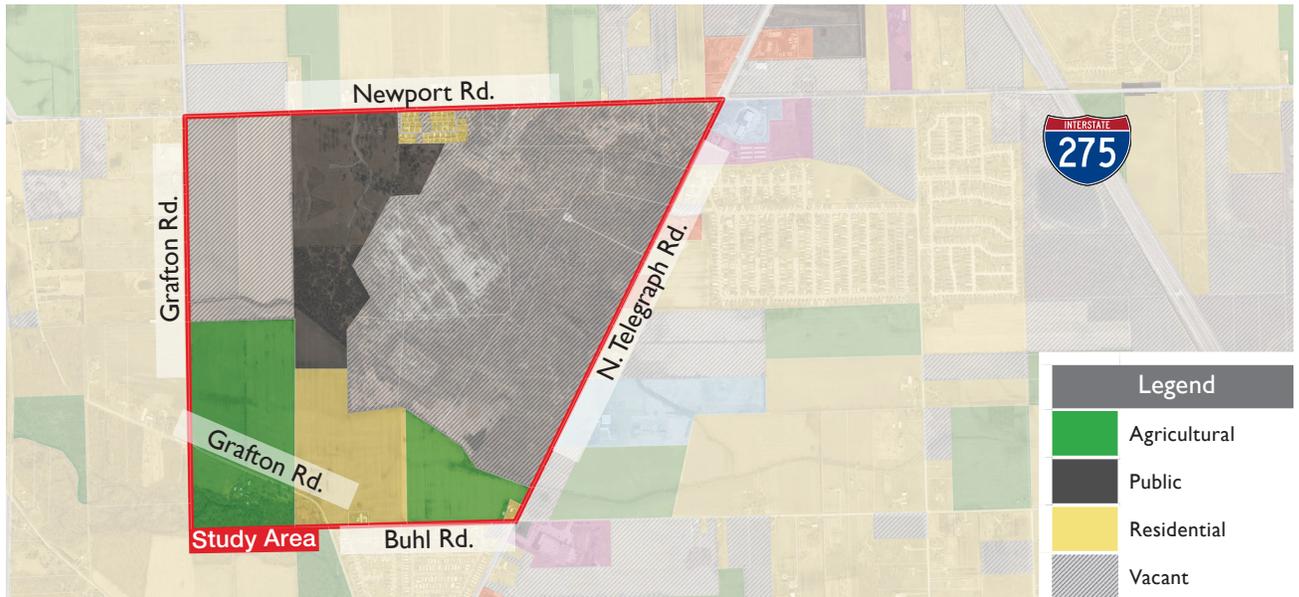


Figure 5-8 Land Use

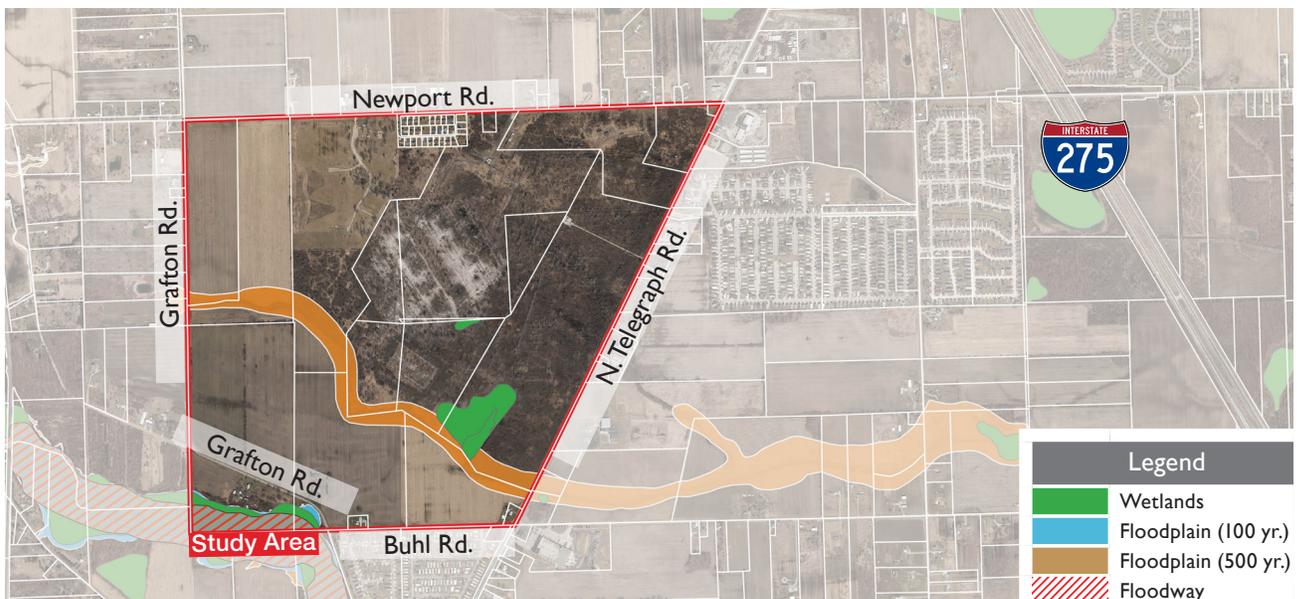
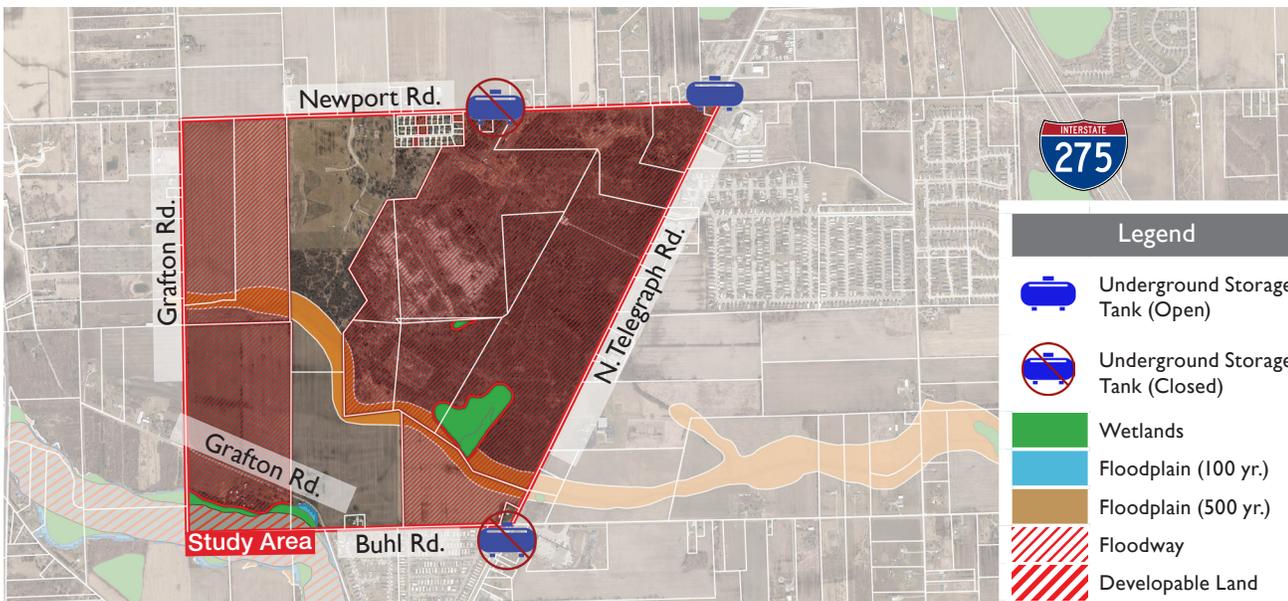


Figure 5-9 Natural Features





**Figure 5-10** Environmental Conditions



**Figure 5-11** Developable Area



# PDA # 3

## OVERVIEW

This site sits next to an existing steel processing and distribution facility. It has excellent visibility from I-75 and is an ideal location for any business or industry interested in freeway visibility. In addition to the access to, and visibility along, I-75, the site also abuts an existing rail line which supports existing operations in the area.

The site is well-positioned to support existing materials activity already occurring at neighboring facilities. Additionally, the site has the potential to support a supply chain operation focused on materials handling, to take advantage of the growing export market in this industry.

## SITE CONTEXT



- Primary Target Sites
- Secondary Target Site

### TARGET INDUSTRIES

- Supply Chains
- Plastic Manufacturers
- Advanced Warehousing & Distribution

### ECONOMIC INCENTIVES

- Industrial Property Tax Abatement
- Michigan Business Development Program
- Michigan Skills Enhancement Fund

## CHARACTER IMAGES





## DEVELOPMENT CONCEPT

The two primary target sites sits in between existing steel processing and manufacturing facilities. Site A is accessible by railroad, providing a potential facility with intermodal shipping capabilities on site. These facilities both have strong visibility to I-75.

### DEVELOPMENT DATA

|   |                              |
|---|------------------------------|
| A | 283,500 s.f. Warehouse space |
| B | 275,200 s.f. Warehouse space |
|   | 558,700 s.f. Warehouse space |

### Current Exports from Monroe County

- 66% Transportation Equipment Manufacturing
- 7% Plastics and Rubber Products Manufacturing
- 7% Primary Metal Manufacturing
- 5% Machinery Manufacturing

### Growth Exports (2008-2016)

- 437% Transportation Equipment Manufacturing
- 170% Plastics and Rubber Products Manufacturing
- 19% Machinery Manufacturing

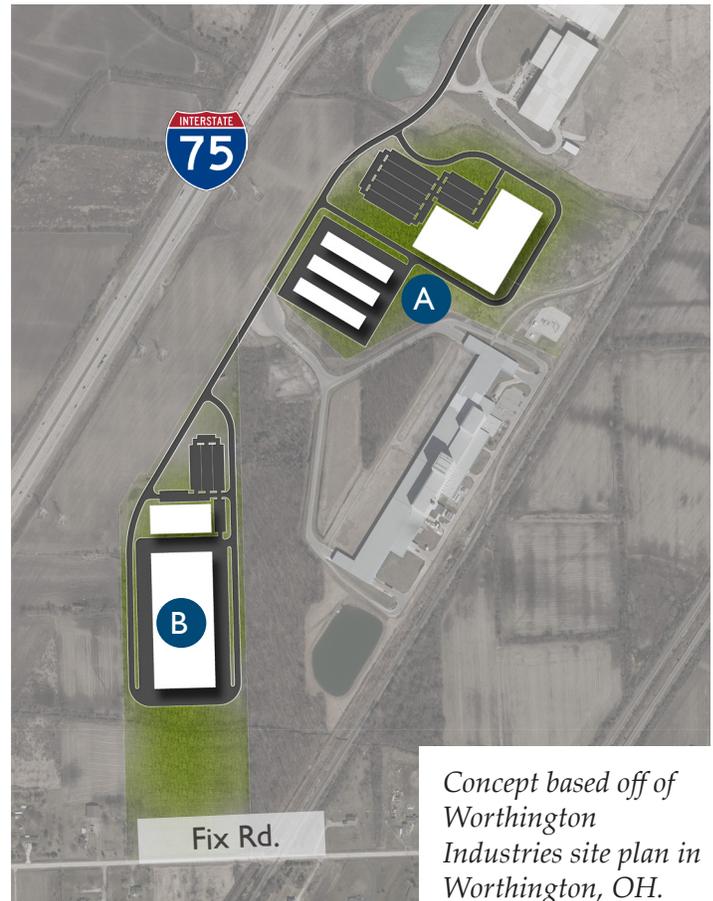


Figure 5-12 Site Concept



## TRENDS EFFECTING DEVELOPMENT

### Trends in Steel and Plastics

- Plastics are a strong growth industry in Monroe County. Plastics, including plastics reinforced by glass or fiberglass, account for approximately 360 pounds of the total weight in the average U.S. light vehicle, according to the American Plastics Council.
- Plastic is used in a variety of automobile parts, including instrument panels, interior trim, and bumpers. Material substitution replacing heavier iron and steel with weight-saving advanced composites and other plastics is essential for boosting vehicle fuel economy.

# PDA # 3

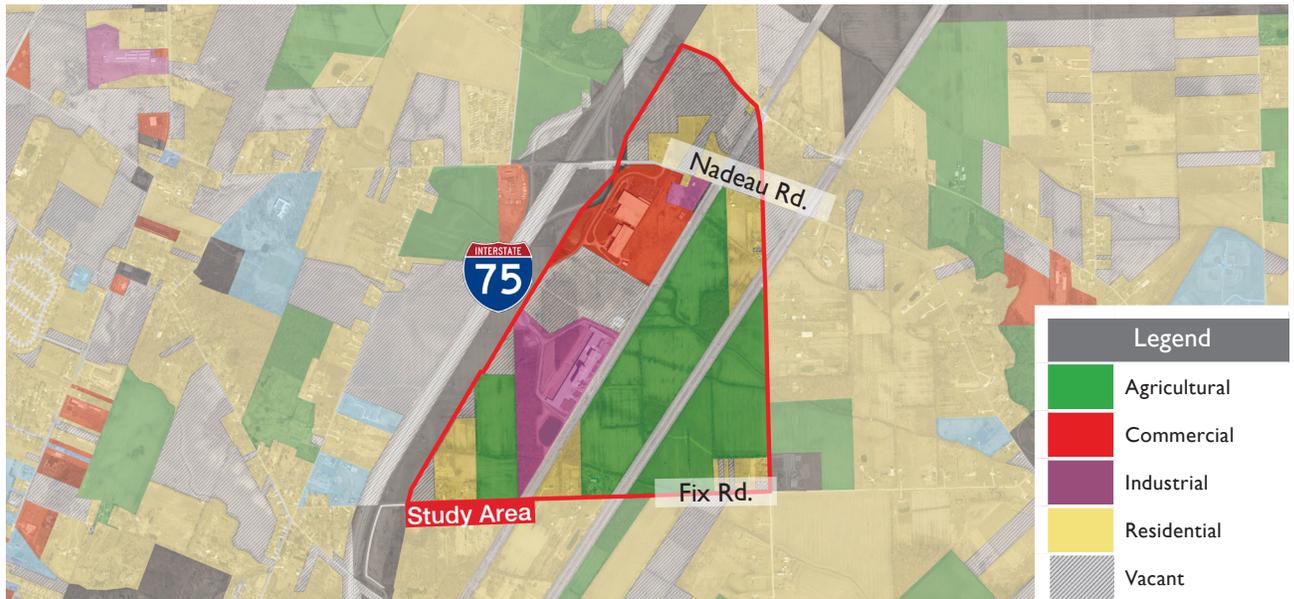


Figure 5-13 Land Use



Figure 5-14 Natural Features





Figure 5-15 Environmental Conditions



Figure 5-16 Developable Area



# PDA # 4

## OVERVIEW

PDA #4 is a prime site for redevelopment. The site is situated within the City of Monroe, and has great access and visibility to I-75. The site also adjoins the Port of Monroe, creating synergistic opportunities with existing and ongoing port operations.

The Priority Development Area as a whole is a large undeveloped area along I-75 that could be connected to the Port via an underpass. The primary redevelopment site is a multi-acre site along Front Street. This site is an ideal location for advanced manufacturing or a research and development facility. This site also abuts the development site within the Port of Monroe identified as a target location for distribution and materials handling. Together these two sites could work in concert to advance a variety of research and manufacturing operations, coupled with distribution to I-75 and the Great Lakes.

## SITE CONTEXT



## TARGET INDUSTRIES

- Bio-fuels or Bio-economy R&D
- Office Users
- Logistics Headquarters

## ECONOMIC INCENTIVES

- Federal New Markets Tax Credit
- Industrial Property Tax Abatement
- Michigan Business Development Program
- Michigan Skills Enhancement Fund

## CHARACTER IMAGES





## DEVELOPMENT CONCEPT

The concept to the right is a 1-story building with a larger footprint, that could be used for research and development. The building has a similar feel to the building one block to west on Front Street. The site has some flexibility to be customized to a specific company's R&D needs.

## DEVELOPMENT DATA

**A** 116,300 s.f.



Figure 5-17 Front St. Concept 



## TRENDS EFFECTING EAST MONROE SITE DEVELOPMENT

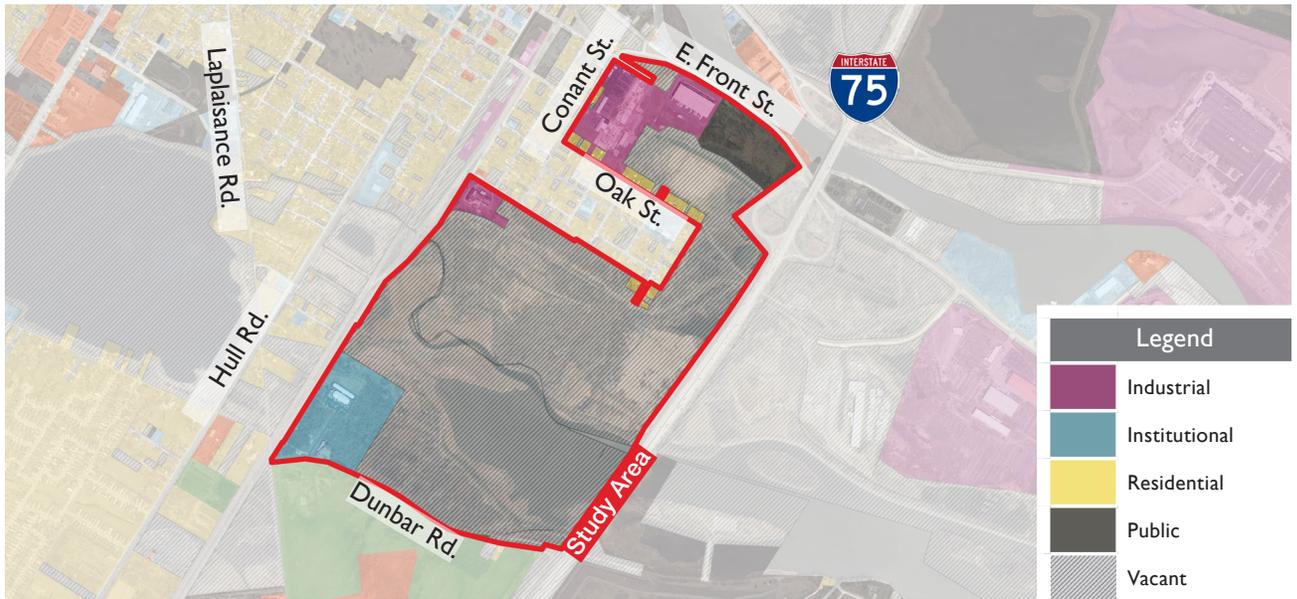
### Trends in Bio-sciences & Bio-fuels Globally

- Between 2001 and 2013, global bio-fuel production grew rapidly, driven by a combination of rising gasoline prices, falling prices of bio-fuel inputs, and policies mandating the use of renewable fuels. These same factors also led to the expansion of global trade in bio-fuels. The United States has emerged as a major exporter of bio-fuels, while the EU is a significant importer of bio-fuels.

### Trends in Global Bio-sciences & Bio-fuels in Michigan

- Bio-fuels support the four key focus areas of Michigan energy policy: adaptability, reliability, affordability, and environmental protection. The U.S. Department of Energy (DOE) has awarded more than \$32 million to university and industrial partners in Michigan to research, develop, and deploy sustainable bio-based fuels and products since 2005.

# PDA # 4



**Figure 5-19** Land Use

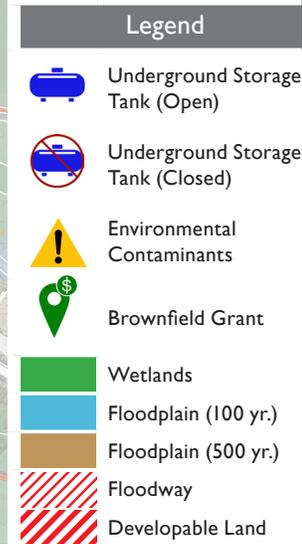


**Figure 5-18** Natural Features





**Figure 5-20** Environmental Conditions



**Figure 5-21** Developable Area



# PDA # 5

## PORT OF MONROE SITE OVERVIEW

The Port of Monroe is a growing Port along the Lake Erie shores. The size and location of the Port make it an ideal location for freight and manufacturing operations that demand a first class port, that is efficient and accessible.

Tied together with the East Monroe development area, this development area presents an opportunity for the Port to solidify itself as a logistics hub, servicing the southern Ontario and northern Ohio markets. Within the Port the primary development sites are the abandoned Ford facility, and a large site at the western edge of the Port together totaling approximately 100 acres.

### SITE CONTEXT



### TARGET INDUSTRIES

- Transportation Warehousing and Manufacturing
- Logistics and Distribution Operators
- Bio-fuels/Bio-economy users
- Renewables
- Exporting companies

### CHARACTER IMAGES





## TRENDS EFFECTING PORT OF MONROE DEVELOPMENT

### Trends in Utilities

- Changing demand patterns, the rise of distributed generation and strict reliability requirements are the major forces that created the need for a smarter grid. The electrical grid is made of electricity-generating power plants, substations, transmission lines, distribution lines, endpoint meters and other infrastructural components that ensure electricity gets from the generator to the end user. To make the grid “smart,” utilities are adding a layer of sensors, RFID tags and other Internet connected devices to these traditional assets.

### Trends in Renewable Energy

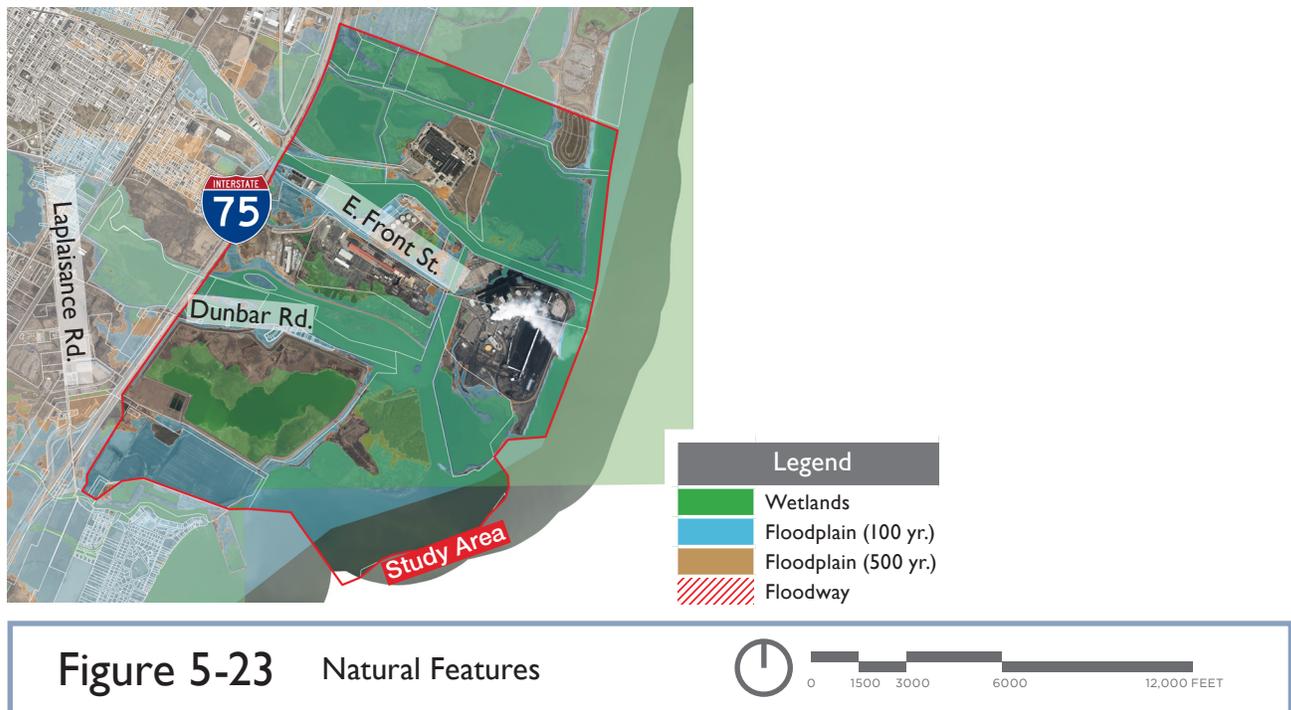
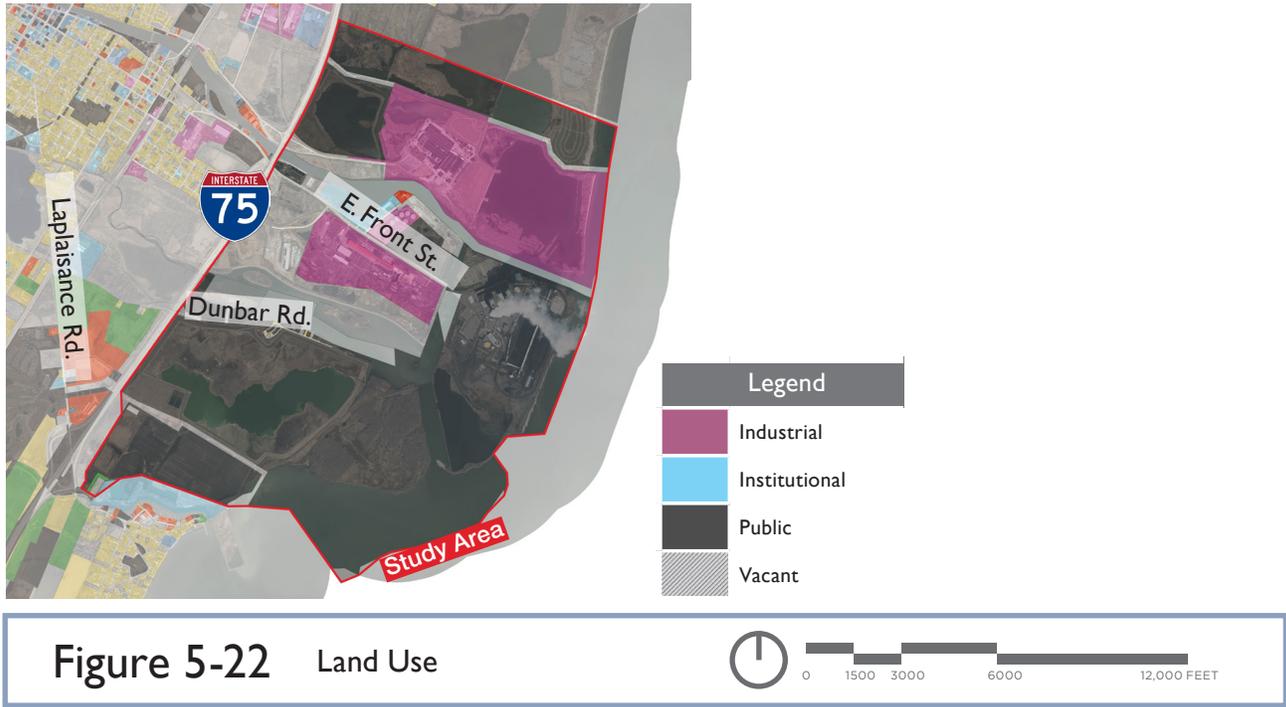
- Renewable energy generation, such as wind, solar and hydropower, as well as cleaner-burning natural gas plants, are quickly coming online as part of the National Clean Power Plan to make up for the fast-closing coal plants around the country. In addition, thousands of miles of new transmission lines will be required to connect the new capacity to the grid. This massive project will be on top of the repairs and replacement of older lines.

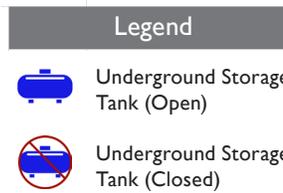
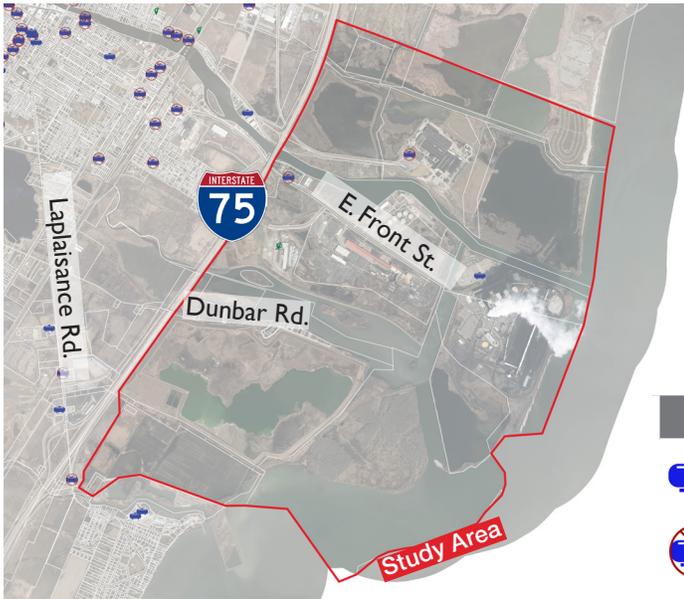


## ECONOMIC INCENTIVES

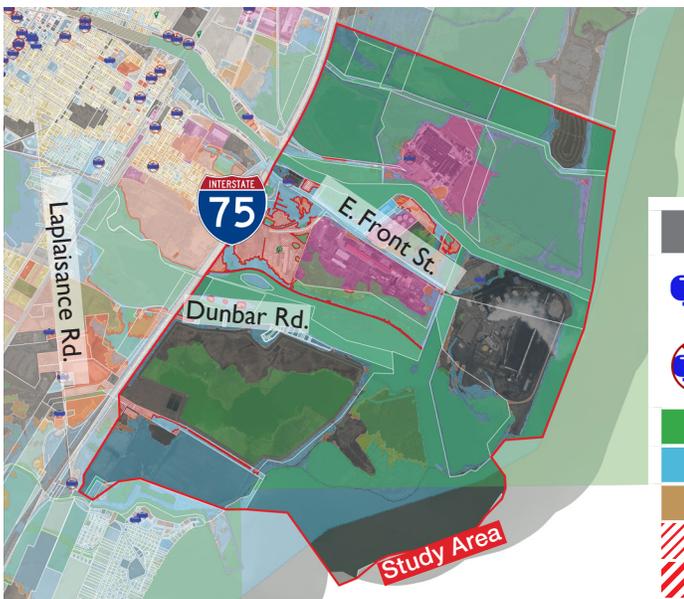
Federal New Markets Tax Credit  
Industrial Property Tax Abatement  
Michigan Business Development Program  
Michigan Skills Enhancement Fund

# PDA # 5

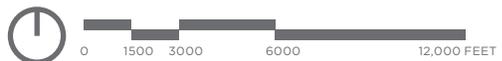




**Figure 5-24** Environmental Conditions



**Figure 5-25** Developable Area



# PDA # 6

## OVERVIEW

The Priority Development Area is located along Interstate 75, and serves as one of the main gateways into the City of Monroe, and is a major landmark/location along the Monroe County I-75 Corridor in the County. The development area includes a number of large vacant and underutilized properties under single ownership, creating a unique opportunity for redevelopment.

Due to its location in the City, County and the greater market the development area is well positioned to attract and accommodate a variety of uses. This PDA can support affordable office development geared toward small businesses. The University Research Corridor in Michigan, along with Monroe Community College, may support small business development within the site. In addition, the site should be a target for multi-family development as well as senior living options.

## SITE CONTEXT



## TARGET INDUSTRIES

- Health and Life Sciences Labs/Businesses
- Innovation Centers
- Office development and traditional users
- Residential (senior housing/integrated developments)



## ECONOMIC INCENTIVES

- Neighborhood Improvement Authority
- Small Business Administration Certified 504 Loans

## CHARACTER IMAGES





## TRENDS EFFECTING LAPLAISANCE ROAD DEVELOPMENT

### Trends in Health and Life Sciences

- There is strong growth in the health and life sciences sector. Not only does the industry bring promise of breakthroughs in health and medicine, but it is increasingly viewed as an integral part of economic development strategies, especially as states look to build a high-skill, high-wage employment base.

### Trends in Small Business

- Young, small businesses are the dominant supplier of jobs across the County
- The Small Business Innovation Research (SBIR) Program is intended to stimulate technological innovation in the private sector by strengthening the role of small business concerns in meeting Federal R & D needs, increasing the commercial application of federally supported research results, and fostering and encouraging participation of socially and economically disadvantaged and women-owned small businesses.

# PDA # 6



Figure 5-26 Land Use



Figure 5-27 Natural Features





Figure 5-28 Environmental Conditions



Figure 5-29 Developable Area



# PDA # 7

## OVERVIEW

Priority Development Area #7 contains one of the county's two public access points to Lake Erie. This area could leverage its location with complementary activities and programming, including adding retail, restaurants, and a farmers' market to support activity along Lake Erie. Additionally, it is in a strong location to attract firms in the bio-sciences and bio-fuels sector.

## SITE CONTEXT



## TARGET INDUSTRIES

- Bio-sciences and Bio-fuels
- Value-Added Agriculture
- Farmer's Markets, Boutique Retailers, Restaurants



## ECONOMIC INCENTIVES

- Agriculture Processing Renaissance Zones
- Industrial Property Tax Abatement
- Michigan Community Development Block Grant (MCDBG) Revolving Loan Program
- Michigan Business Development Program

## CHARACTER IMAGES





## TRENDS EFFECTING ERIE ROAD DEVELOPMENT

### Local Trends in Farmers Markets

- Millennials, baby boomers, and the local food movement are influencing trends toward food products with enhanced nutrition, ethical food choices, (such as animal welfare and fair trade) and environmentally sustainable diets.
- Farmers' markets provide a blend of these experiences, while also encouraging money to be spent locally.

### Trends in Agriculture

- The Food Safety Modernization Act (FSMA), signed into law in 2011, regulates the uniformity of standards across suppliers of fresh produce. Food processing in southeastern Michigan will need to comply with the FSMA.
- Regional food hubs have emerged as collaborative enterprises for moving local foods into larger mainstream markets. These food hubs provide market opportunities to small and mid-sized farms alike.

### Trends in Bio-sciences & Bio-fuels Globally

- Between 2001 and 2013, global bio-fuel production grew rapidly, driven by a combination of rising gasoline prices, falling prices of bio-fuel inputs, and policies mandating the use of renewable fuels. These same factors also led to the expansion of global trade in bio-fuels. The United States has emerged as a major exporter of bio-fuels, while the EU is a significant importer of bio-fuels.

### Trends in Global Bio-sciences & Bio-fuels in Michigan

- Bio-fuels support the four key focus areas of Michigan energy policy: adaptability, reliability, affordability, and environmental protection. The U.S. Department of Energy (DOE) has awarded more than \$32 million to university and industrial partners in Michigan to research, develop, and deploy sustainable bio-based fuels and products since 2005.

# PDA # 7



Figure 5-30 Land Use



Figure 5-31 Natural Features





Figure 5-32 Environmental Conditions



Figure 5-33 Developable Area



# PDA # 8

## OVERVIEW

Similar to the PDA's #1 and #7, the Priority Development Area #8 has a strong local agricultural presence, with fruit, vegetable and cattle farming nearby. This PDA is also close to several multimodal uses (rail, road, air) and one mile from the Ohio border. These site conditions cater toward development centered around value-added agriculture and food processing activity. A strong local food movement across the border in Toledo could help support this industry.

In addition, the PDA is located close to Monroe County's only public access to the Lake Erie waterfront (aside from the State Park). This access creates opportunities to build on tourism activity in the region, suggesting that the PDA could also be used for agri-tourism initiatives and day destination activities.

## SITE CONTEXT



## TARGET INDUSTRIES

- Value-added Agriculture Activities
- Grocer and Food Service Distributors
- Agri-tourism Activities
- Farmer's Markets, Boutique Retailers, Restaurants

## CHARACTER IMAGES





## TRENDS EFFECTING M-125 + STERNS ROAD DEVELOPMENT

### Trends in Local Food Systems

- The Food Safety Modernization Act (FSMA), signed into law in 2011, continues to shape the agriculture and food processing industries. The FSMA regulates the uniformity of standards across suppliers of fresh produce. There is a need for more controlled processing and food processing hubs across the country, including Southeastern Michigan, in order to comply with these regulations.
- The value of local food sales, both at farmers' markets, and to local institutions and regional distributors, continues to grow.

### Trends in Value-Added Agriculture

- The Michigan Department of Agriculture and Rural Development (MDARD) has placed a focus on value-added agriculture. Value-added agriculture processes raw agricultural inputs in order to develop newer products. MDARD has solicited proposals for grant funding in the past, and this continues to be an area of focus going forward.



## ECONOMIC INCENTIVES

Agriculture Processing Renaissance Zones

Industrial Property Tax Abatement

Energy Efficiency & Renewable Energy (EERE) Loans

Michigan Community Development Block Grant (MCDBG) Revolving Loan Program

Michigan Business Development Program

# PDA # 8



Figure 5-34 Land Use

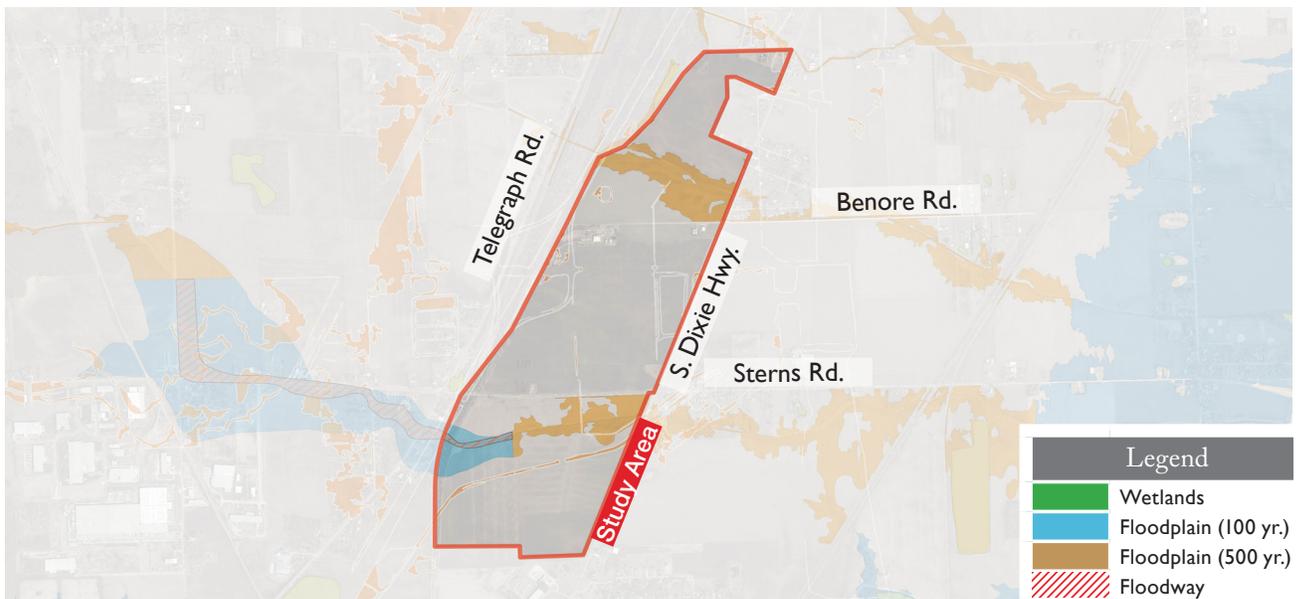


Figure 5-35 Natural Features



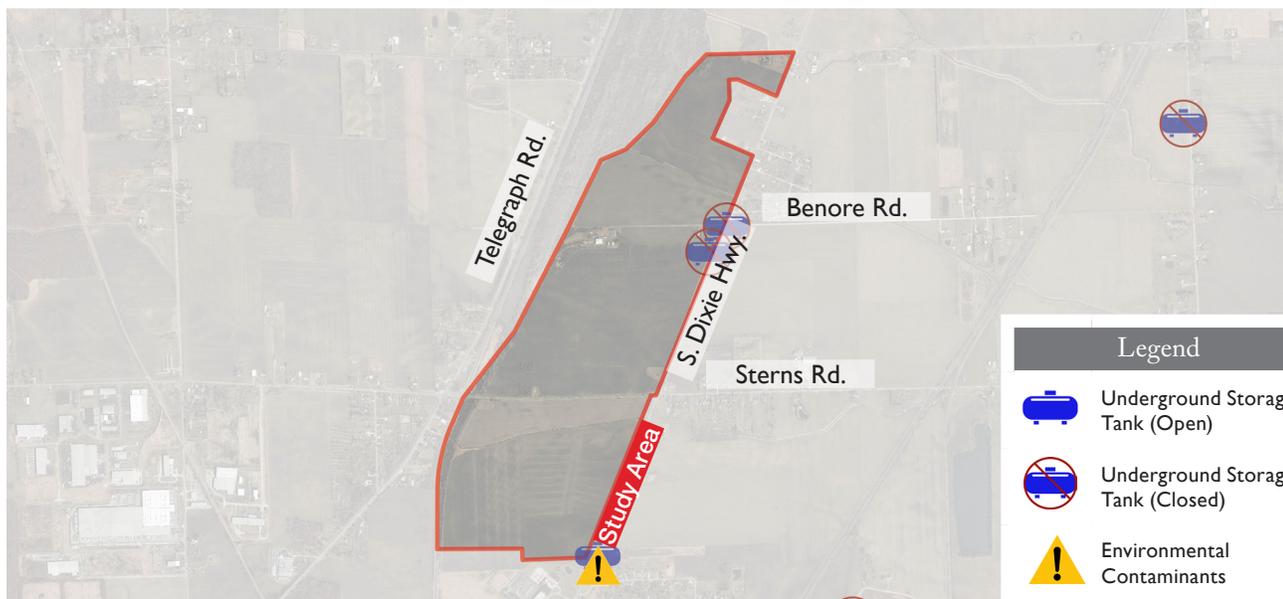


Figure 5-36 Environmental Conditions

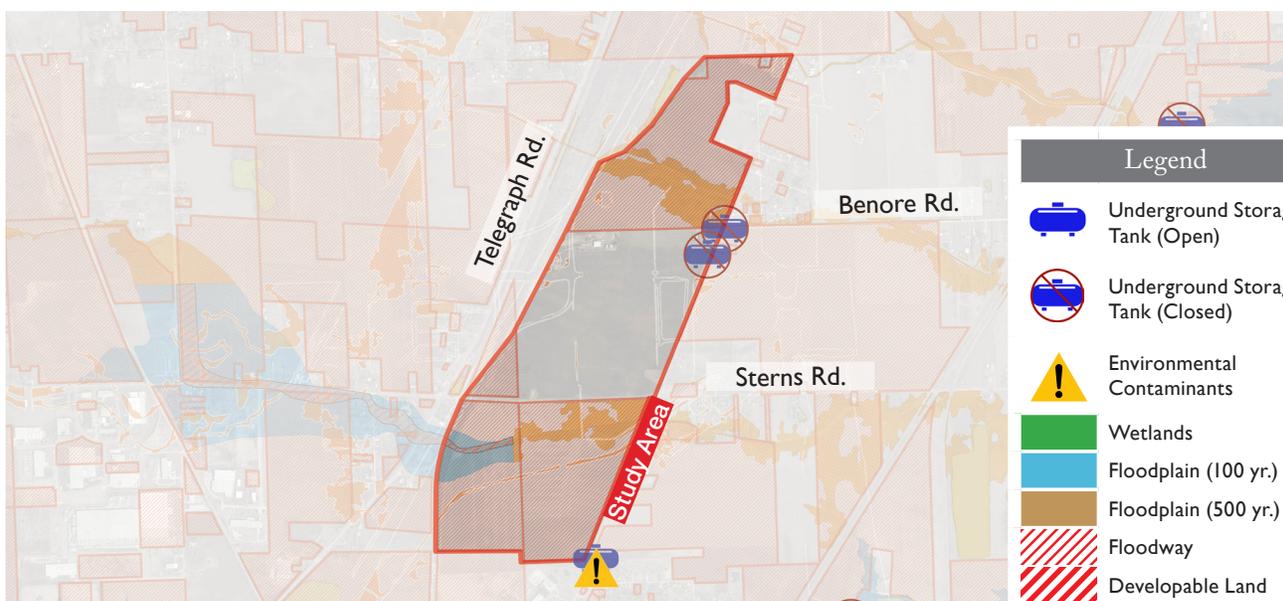


Figure 5-37 Developable Area



# INCENTIVE PROGRAMS

## INCENTIVE PROGRAM OVERVIEW

The following economic development tools can advance the development objectives in each of the 8 Priority Development Areas highlighted throughout Chapter 5.

### AGRICULTURE PROCESSING RENAISSANCE ZONES

Agricultural Processing Renaissance Zones (APRZ) promote agricultural processing operations in Michigan. APRZ's are required to contain an Agricultural Processing Facility, which package and sort livestock products, plant products, and other agricultural commodities.

|                                                                                                       |                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | Agricultural Processing Facilities located in a Renaissance Zone do not pay state education tax, personal or real property taxes, or local income taxes.       |
| <br><b>KEY FACTS</b> | Key Considerations: Alternative tax abatements, zones, and exemptions exist for general industrial use, such as the industrial tax abatement, described below. |
| <br><b>CONTACT</b> | First Step: Contact the Michigan Department of Agriculture at 517.241.2178                                                                                     |

### EDA POWER GRANT

In the spring of 2015, four federal agencies announced coordinated funding solicitations for grant awards on two parallel tracks to partnerships anchored in communities impacted by the downturn in the coal economy.

The POWER Implementation Grants Federal Funding Opportunity (FFO) includes available funding from EDA, the Department of Labor's Employment and Training Administration (ETA), the Small Business Administration (SBA) and the Appalachian Regional Commission (ARC). The FFO made funding available to partnerships in impacted communities to help them: (1) diversify their economies; (2) create jobs in new or existing industries; (3) attract new sources of job-creating investment; and (4) provide a range of workforce services and skills training for high-quality, in-demand jobs.

|                                                                                                         |                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | Grants can range as small as \$35,000 (smaller implementation initiative) to \$2 million (larger projects). For instance, Elizabethtown, Kentucky was awarded for a Local Food Supply Chain Development Project that could be comparable to Monroe's initiative. |
| <br><b>KEY FACTS</b> | Currently Michigan does not have POWER prime priority in EDAs eligibility map. However, these maps are not exclusive to the opportunity and Michigan has been hit harder in the coal/power industry over the last few years                                      |
| <br><b>CONTACT</b>   | Contact Lee Shirey the region's Economic Development Representative for EDA at 312-789-9751 to discuss the project concept.                                                                                                                                      |



## ENERGY EFFICIENCY AND RENEWABLE ENERGY (EERE) LOANS

EERE loans are available for farm irrigation, hoop houses, and dairy and greenhouse projects involving energy efficiency and renewable energy equipment.

|                                                                                                |                                                                                                                                                      |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>AWARDS    | Loan amounts vary but typically don't exceed 75% of eligible project costs. Terms and repayment schedules are flexible.                              |
| <br>KEY FACTS | Projects financed by EERE loans must comply with federal regulations specific to jobs, prevailing wages, environmental reviews and relocation rules. |
| <br>CONTACT   | Contact Robert Jackson of the Michigan Energy Office at 517.284.8333.                                                                                |

## FEDERAL NEW MARKETS TAX CREDIT

The Federal New Markets Tax Credit is a program that provides roughly 39% of a project's investment in qualified census tracts back to the investor in the form of a tax credit. The federal government allocates the credits to Certified Development Entities (CDEs), who then use the credits to finance qualified projects. There are roughly 12 CDEs, both within and outside of Michigan, that have the ability to award credits to projects in Monroe County.

|                                                                                                  |                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>AWARDS    | The flow of New Markets Tax Credits can be complex, but after fees and selling of credits, the project owner can expect roughly 20-25% of the project investment back.                                                  |
| <br>KEY FACTS | Residential rental projects are eligible only if they are part of a mixed-use project in which less than 20% of the project consists of the residential portion.                                                        |
| <br>CONTACT   | After an initial meeting with the prospective company; it is recommended to utilize an extended list of CDE contacts. The first point of contact should be Albert Bogdan with the Michigan Magnet Fund at 313.445.1843. |

# INCENTIVE PROGRAMS

## INDUSTRIAL PROPERTY TAX ABATEMENT

Tax abatements for incremental new investments can incentivize Michigan manufacturers to build new plants, expand existing plants, renovate aging plants, or purchase new machinery and equipment. If a manufacturing company has a related facility for office, engineering, R&D warehousing, or parts distribution, it also qualifies for the abatement. In border counties in Michigan, including Monroe County, warehousing, distribution and logistics facilities also qualify for the tax abatement when specific requirements are met.

|                                                                                                       |                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | <p>New facilities can expect roughly a 50% reduction in real and personal property taxes. A renovated facility can expect a 100% abatement on incremental improvements. Tax abatement terms are typically 12 years.</p>            |
| <br><b>KEY FACTS</b> | <p>Tax benefits are granted by the host jurisdiction's legislative body. A public hearing to authorize an Industrial Development District or a Plant Rehabilitation District is established by a local legislative resolution.</p> |
| <br><b>CONTACT</b>  | <p>First Step: Contact the local government's Development Director or the Michigan Economic Development Corporation's Customer Contact Center at 517.373.9808.</p>                                                                 |

## MICHIGAN BUSINESS DEVELOPMENT PROGRAM

The Business Development Program provides grants and loans for companies who create jobs or make new investments in Michigan. Funding is provided as job milestones are hit, with the opportunity for flexible payment arrangements

|                                                                                                         |                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | <p>Award amounts vary by a number of factors, including number of jobs created, reuse of existing facilities and planned ties to other Michigan suppliers. Typical award amounts range from \$5,000 - \$10,000 per job created over a 4-5 year period. No project may receive more than \$10 million.</p> |
| <br><b>KEY FACTS</b> | <p>For full realization of this funding opportunity, potential tenants and employers should be informed early in the process. There is also the opportunity for direct marketing to ideal companies that could utilize this program and fill a gap in the local market.</p>                               |
| <br><b>CONTACT</b>   | <p>After an initial meeting with a prospective company, contact the Michigan Economic Development Corporation's Customer Contact Center at 517.373.9808.</p>                                                                                                                                              |



## MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (MCDBG) REVOLVING LOAN PROGRAM

This program exists to offer loans to companies who would not be able to obtain financing in regular credit markets, but meet specific objectives of the national CDBG program.

|                                                                                                |                                                                                                                                                       |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>AWARDS    | Loan amounts vary but typically don't exceed 75% of eligible project costs. Terms and repayment schedules are flexible.                               |
| <br>KEY FACTS | CDBG loans can be structured as a direct loan or in participation with a bank lender. In some cases, the loan can be subordinated to the bank's loan. |
| <br>CONTACT   | Contact Peter Anastor of the Michigan Department of Agriculture & Rural Development (MDARD) at 517.284.5777.                                          |

## MICHIGAN SKILLS ENHANCEMENT FUND

This fund provides grant funding for workforce development. In Monroe County, the Michigan Skills Enhancement Fund can be used for a company to develop a training plan with a local community college, as long as the training plan has a measurable economic impact and provide transferable skills to trainees.

|                                                                                                  |                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>AWARDS    | Award amounts vary by remaining State budgets, but can be expected to fund anywhere between \$500-\$1,500 per job, or 50% of the eligible training costs.                                               |
| <br>KEY FACTS | An important component of this program is to develop milestones in a training agreement with the Michigan Economic Development Corporation. This should be considered early on for compliance purposes. |
| <br>CONTACT   | James Turner, State Director for the USDA Michigan Office at 517.324.5190.                                                                                                                              |

# INCENTIVE PROGRAMS

## NEIGHBORHOOD IMPROVEMENT AUTHORITY

A Neighborhood Improvement Authority is designed to leverage funds, including tax increment financing and bonds, to promote economic development in residential neighborhoods. A variety of public projects, from streetscape amenities and improvements, to parks, bridges and utility lines, can be funded through a Neighborhood Improvement Authority.

|                                                                                                       |                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | <p>An NIA is a district-based entity that depends heavily on the development plan to determine the use of TIF or any type of bond issue.</p>                   |
| <br><b>KEY FACTS</b> | <p>The process of establishing this organization and the percentage of residential for the project should be considered in using this tool.</p>                |
| <br><b>CONTACT</b>  | <p>After an initial meeting with the prospective company; contact the Michigan Economic Development Corporation's customer contact center at 517.373.9808.</p> |

## PRIVATE ACTIVITY BONDS

Private activity bonds are similar to traditional, tax-exempt, municipal bonds that finance revenue generating public facilities. Private activity bonds can help finance projects by private firms that demonstrate a public purpose. This includes the financing of manufacturing projects.

|                                                                                                         |                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | <p>Financial awards of up to \$1 million are free of capital expenditure restrictions. Awards up to \$10 million are possible with the stipulation that the company's total capital expenditures in the locality during the period of three years before and three years after the date of issuance do not exceed \$20 million.</p> |
| <br><b>KEY FACTS</b> | <p>Warehouse space and other 'non-core' items are ineligible for this funding unless they are directly related to the manufacturing process, and then are limited to 25% of the project.</p>                                                                                                                                        |
| <br><b>CONTACT</b>   | <p>After an initial meeting with a prospective company, contact the Michigan Economic Development Corporation's Customer Contact Center at 517.373.9808.</p>                                                                                                                                                                        |



## SMALL BUSINESS ADMINISTRATION CERTIFIED 504 LOANS

The U.S. Small Business Administration’s (SBA) 504 Loan Program provides small and medium-sized businesses with long-term fixed rate financing for the acquisition or construction of fixed assets, including land and buildings.

|                                                                                                       |                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | <p>SBA loans are typically structured in the following manner:</p> <ul style="list-style-type: none"> <li>• Traditional loan for 50% of the value of the development;</li> <li>• An SBA Certified 504 loan for 40% of the value of the development; and</li> <li>• A 10% (at minimum) equity contribution from the borrower.</li> </ul> |
| <br><b>KEY FACTS</b> | <p>Specific 504 requirements may vary depending community lender policies.</p>                                                                                                                                                                                                                                                          |
| <br><b>CONTACT</b>  | <p>Contact a Michigan-based community lender, such as the Michigan Certified Development Corporation at 517.886.6612.</p>                                                                                                                                                                                                               |

## USDA BUSINESS AND INDUSTRY GUARANTEED LOANS

The purpose of the USDA Business & Industry (B&I) Guaranteed Loan Program is to assist business development in rural areas.

Financing can be used for the following:

- Business conversion, enlargement, repair, modernization, or development;
- Purchase and development of land, easements, rights-of-way, buildings, or facilities;
- Purchase of equipment, leasehold improvements, machinery, supplies, or inventory;
- Debt refinancing when new jobs will be created and other conditions are met; and
- Business and industrial acquisitions when the loan will keep the business from closing and/or save or create jobs.

|                                                                                                         |                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>AWARDS</b>    | <p>Generally, loans do not exceed \$10 million. The guaranteed portion of the B &amp; I loans may not exceed 80% for loans of \$5 million or less; 70% for loans between \$5 and \$10 million; 60% for loans exceeding \$10 million, up to the \$25 million maximum.</p> |
| <br><b>KEY FACTS</b> | <p>Warehouse space and other ‘non-core’ items are ineligible unless they are directly related to the manufacturing process, and then are limited to 25% of the project.</p>                                                                                              |
| <br><b>CONTACT</b>   | <p>James Turner, State Director for the USDA Michigan Office at 517.324.5190.</p>                                                                                                                                                                                        |