

Michigan Strategic Fund/Michigan Economic Development Corporation

General Overview

The Michigan Strategic Fund (MSF) was created under P.A. 270 of 1984 as an autonomous entity to assist in promoting economic development in the State. The MSF's authority was expanded by Executive Order 1999-1, which transferred into the Fund all the State-funded economic development programs and created it as a State agency. Through the creation of this agency, the MSF was eligible to enter into interlocal agreements with various local entities as provided by the Urban Cooperation Act of 1967. These agreements provided for the formation of the Michigan Economic Development Corporation (MEDC), which is also an autonomous entity. The MSF transfers the majority of its appropriated State funds and employees to the MEDC, which has the authority to employ nonstate employees to administer programs. The MEDC also has independent, non-appropriated revenue pursuant to Indian casino gaming compacts. The MSF is overseen by an eleven-member Board* of which eight members are appointed by the Governor with the advice and consent of the Senate and three are ex officio members: the directors of the departments of Treasury and Licensing and Regulatory Affairs, and the Chief Executive Officer of the MEDC. The MEDC is overseen by an Executive Committee made up of 20 members appointed by the Governor according to the requirements of the inter-local agreement. The MEDC and its staff administer State economic development programs.

The MSF, while autonomous, is located within the Department of Treasury and its budget is within the Treasury budget.

Major Divisions and Programs

1. **Business Development.** The Agency has a number of programs that are designed to promote Michigan to in- and out-of-state companies. Business development managers visit and work with companies to determine eligibility for various incentives administered by the MEDC. These include the Michigan Business Development Program, the Community Revitalization Incentives, Film Incentives, access to capital and collateral support programs, Industrial Development Revenue Bonds, Renaissance Zones, Business Incubators, and Federal Community Development Block Grants for non-entitlement communities. The MEDC also conducts tourism and business marketing under the Pure Michigan brand. Other programs include a business ombudsman who provides advocacy services to companies as they navigate through State or local government; Pure Michigan Business Connect; Pure Michigan Talent Connect; export assistance; site development and infrastructure improvement; and site location assistance.
2. **Workforce Development Agency.** Most of the State's job training and workforce development programs were transferred to the MSF by Executive Order (EO) 2011-4. Many of these programs are supported primarily by Federal fund sources including the Workforce Investment Act (WIA), Trade Adjustment Assistance (TAA), and Temporary Assistance for Needy Families (TANF) which funds workforce preparation for recipients of cash assistance. The funding is largely transferred to the Michigan Works! Agencies which administer the programs locally. Also included in the Workforce Development Agency are the Office of Post-Secondary Education and Adult Education programs.
3. **Michigan Film Office.** The MSF houses the Michigan Film Office and the Michigan Film Office Advisory Council. The Film Office administers appropriated film incentives and promotes Michigan as a film-making location.
4. **Community Ventures.** This program was established in FY 2012-13 to provide job training and placement assistance to long-term, structurally unemployed persons in Detroit, Flint, Pontiac, and Saginaw, the cities of focus in the Public Safety Initiative.

*After December 31, 2015, the number of board members drops to nine pursuant to MCL 125.2005.

5. **Arts and Cultural Grants.** The Arts and Cultural Grant Program and the Michigan Council for Arts and Cultural Affairs were transferred to the MSF in FY 2009-10 from the former Department of History, Arts, and Libraries.
6. **Michigan State Housing Development Authority (MSHDA).** MSHDA is independent authority with its own board appointed pursuant to MCL 125.1421. It operates Federal housing programs for low and moderate income persons, foreclosure prevention programs, Federal low income housing tax credits, the Michigan Housing and Community Development Fund, and the State Historic Preservation Office. MSHDA also is involved in blight elimination, community development, and neighborhood stabilization.
7. **State Land Bank Fast Track Authority.** The Land Bank acquires and disposes of tax reverted property and surplus property from the State of Michigan which has been transferred by law to the Land Bank. EO 2013-8 transferred the Land Bank into MSHDA. The Land Bank board is appointed pursuant to MCL 124.766 and consists of four members appointed by the Governor, the State Treasurer, the Chief Executive Officer of the MEDC, and the Executive Director of MSHDA or their designees.