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Business expansion, community revitalization project gain Michigan Strategic Fund approval

MSF supports investments into Aerotropolis region, Detroit neighborhood development

LANSING, Mich. – Projects expected to generate more than \$113 million in total investment and create 330 jobs in Southeast Michigan gained approval from the Michigan Strategic Fund, the Michigan Economic Development Corporation announced today.

“The Michigan Strategic Fund continues to help fuel new economic activity that strengthens and builds our communities while creating good jobs for our residents,” said Jeff Mason CEO of MEDC, the state’s chief marketing and business attraction arm that administers programs and performs due diligence on behalf of the MSF.

“Today’s investments are the result of a vital long-term relationship with an international automotive supplier, and a concerted effort to expand investment into Detroit’s neighborhoods beyond downtown,” he said.



Rendering of Brose’s New Boston facility (courtesy of Brose)

MSF today approved an increase to Brose New Boston, Inc.'s Michigan Business Development Program grant by \$2.7 million, for a total of \$6.95 million. Michigan was chosen for this business over competing sites in the U.S. as well as Mexico.

“Brose is proud to expand its operations in Michigan and to be part of the state’s overall economic growth,” said Brose New Boston General Manager Bill Hunter. “We will soon enter the recruiting phase and are looking forward to bringing 300 new jobs to the New Boston area.”

Brose New Boston, Inc. and its parent, Brose North America Group are leading manufacturers of mechatronic components for vehicle bodies and interiors. Brose North American Headquarters is located in Auburn Hills with plants in Warren and New Boston – Huron Charter Township.

In 2014, the company was awarded a \$4.25 million Michigan Business Development Program performance-based grant for its investment of \$97.6 million and creation of 475 jobs at its **New Boston** facility. To date, the company has created 229 jobs and is ahead of its required milestones. Over the next five years Brose New Boston will produce several new products and add new programs which will require additional investment of nearly \$105 million and the creation of an additional 300 jobs.

Huron Charter Township, via the Detroit Region Aerotropolis Development Corporation, is offering support to the project in the form of a 12-year property tax abatement valued at \$3.5 million. Individuals interested in positions with Brose should visit <https://www.brose.com/de-en/career/>.

“It's telling to see a global company like Brose continue to expand its investment in Wayne County and the region,” said Wayne County Executive Warren C. Evans. “We're seeing continued interest in Aerotropolis and near the airport and that's translating to jobs and development. But this project also reflects how companies invest throughout a region and how our collective assets spur development.”

Since Gov. Rick Snyder made his first investment mission to Germany in 2012 where he met with Brose executives, the company has committed to investing a total of \$262 million and creating 925 jobs in Michigan.

Meanwhile, in Detroit, Bagley Forest Properties, LLC plans to rehabilitate the former B. Siegel Department Store building in the city’s Livernois and Seven Mile Avenue of Fashion district into the **7.Liv project**. The project will include demolition of two additional adjacent structures and construction of a new structure that will complement the existing department store building. The completed project will consist of retail space, residential units and underground parking. The project is expected to generate a total capital investment of \$8 million and create 30 full-time equivalent jobs, resulting in a \$1.3 million Michigan Community Revitalization Program performance-based grant. The project aims to add density to the neighborhood, bring additional investment to the area, and attract residents to an improving neighborhood in Detroit.

The City of Detroit Brownfield Redevelopment Authority also received MSF approval of \$989,765 in local and school tax capture to perform brownfield remediation activities at the site.

MSF also approved a bond inducement resolution for \$5.5 million in private activity bond financing for the expansion of the Huron Valley PACE elderly care facility in Ypsilanti. The expansion will include the addition of 21,000 square feet to the facility and purchase of equipment and furniture.

In addition, Bedrock Management Services LLC and the City of Detroit Brownfield Redevelopment today presented a Transformational Brownfield Plan for the city of Detroit, the first to be brought to the MSF board. The purpose of the presentation was to familiarize the board with Bedrock's plan to develop four mixed-use projects in downtown Detroit that will include office, retail, residential and hotel space. The entire project is expected to generate a total capital investment of \$2.1 billion and support 7,261 new full-time jobs in the city of Detroit. Bedrock and the city of Detroit are expected to make a request in March 2018 for MSF approval of the Transformational Brownfield Plan incentive package that will authorize traditional property tax increment revenue capture, an exemption from sales and use tax on the construction materials used to build the developments, and other revenue sources. Initial construction activities are expected to begin in December 2017.

Signed into law by Gov. Rick Snyder in June, the Transformational Brownfield Plan program aims to revitalize communities by allowing large-scale, transformational projects to capture or receive an exemption from state sales and income taxes to redevelop challenging brownfield sites into new, vibrant developments that bring jobs and economic growth. Projects must be a mixed-use development that include some combination of office, retail, residential and hotel space. Projects requesting consideration for a TBP will be eligible if no other types of MSF program assistance is available to fill the financing gap. MSF can approve no more than five TBPs in a calendar year statewide.

About Michigan Economic Development Corporation (MEDC)

The Michigan Economic Development Corporation is the state's marketing arm and lead advocate for business development, job awareness and community and talent development with the focus on growing Michigan's economy. For more information on the MEDC and our initiatives, visit www.MichiganBusiness.org. For Pure Michigan® tourism information, your trip begins at www.michigan.org. Join the conversation on: [Facebook](#), [Instagram](#), [LinkedIn](#), and [Twitter](#).

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