

# 10 Reasons to Locate in



1. **Convenient highway accessibility & Proximity to major markets.**
2. **Close proximity to many 2-year and 4-year educational institutions.**
3. **A workforce that can not be beat.**
4. **A workforce screening, training, and recruitment program that will help you access the workforce you need at no cost.**
5. **A community that won't let you down.**
6. **A proven track record in recruiting companies to our community.**
7. **Outstanding community and state incentives to make your location here an easy decision.**
8. **A community that focuses on research driven companies and small fast growing businesses.**
9. **A healthy business community supports national and international industry leaders that are involved in the intricate elements of the global business market.**
10. **And last but not least, a spectacular quality of life that includes lake coastline scenery, fantastic boating, fishing, hiking trails, antique shops, festivals and many special events.**

Newcomers to our business community can look forward to being **greeted with open arms.**

Cooperative governmental bodies work with local businesses to facilitate expansion and relocation to our area.



## COMMUNITY AND STATE BENEFITS

### BENEFITS OF MICHIGAN'S GREAT SOUTHWEST

- Downtown and waterfront sites.
- Infrastructure in place to support growth.
- High-tech capabilities.
- Utility rates below national average.
- Michigan's lowest electric utility rates.
- Lakeshore living.
- Nationally recognized schools.
- Comprehensive health system.
- Strong existing business base.
- Berrien County consistently maintains a business environment where costs are reasonable and profitability is high.
- **Port Development.** The approval of river barge traffic has prompted a focus on the further development of our port.



### BENEFITS OF THE STATE OF MICHIGAN

- **Geography.** Michigan has 38,500 square miles of Great Lakes within its boundaries—20% of the world's fresh water.
- Michigan is the nation's 5th largest exporting state, with 95% of exports going to markets served by the state's regional trade offices in Toronto, Brussels, Tokyo and Hong Kong and representatives in Mexico City and Harare, Zimbabwe.
- **Industrial Diversity.** Although Michigan is traditionally known for its affiliation with the auto industry, we have seen a definite trend toward diversification. Services (including engineering, research, personnel services and management consultants) have expanded by 23.2%; wholesale trade by 9.5% and finance, insurance and real estate by 5.8% since 1991. Overall business services grew 53% during this period.
- **Worker's Compensation Structure and Rates.** Michigan is one of 21 states that allows some degree of "open competition" among insurance carriers in establishing their workers' compensation rates, unlike the majority of states which use cartel-determined rates. This makes workers' compensation a very manageable cost of doing business. Another available option is either to "self-insure" individually or as part of a group of similar employers.



*Outstanding community and state incentives to make your location here an easy decision.*

### TRAINING INCENTIVES

- **Local.** The local community may provide funds to assist with training needs.
- **State.** The state of Michigan also has funds available to assist businesses with job training.

### JOB TRAINING

Michigan offers a coordinated job training system using federal, state and local resources to provide a highly productive and trained workforce. Grants to training institutions can provide funding for activities that increase worker productivity and company profitability, provide transferable skills to employees which enhances the ability of education institutions to meet the needs of industry. Free recruitment, screening and testing services are available for new employers expanding in Michigan through Michigan Works!

### INFRASTRUCTURE DEVELOPMENT ASSISTANCE

The state of Michigan, through various state and federal programs can provide public infrastructure assistance to communities for activities that range from road construction to wastewater treatment to rail access to industrial sites. These programs are administered by the Michigan Economic Development Corporation (MEDC) and the Department of Transportation. Grants generally cover 50%-90% of public infrastructure development costs and up to 50% of eligible rail costs.

### TAX INCENTIVES

- Michigan communities can **abate up to 50% of local property taxes for up to 12 years**. The state can provide up to a 6 mill reduction in property taxes for up to 12 years depending on the impact on local tax base and job creation. State law also exempts inventory, pollution control equipment and certain tools, dies, jigs and fixtures from local property taxes. The state sales tax is exempted from the purchase of machinery used in manufacturing and energy used in manufacturing.
- The **Michigan Business Tax (SBT)** provides a capital acquisition deduction for real and personal property used in the production process which may be carried forward for up to ten years. For capital intensive and high tech companies, this can mean that the company could have no SBT liability for the first years of operation. Recent changes in the law have also decreased the SBT rate and expected legislation will reduce the base on which this value added tax is calculated by exempting some employee costs.
- **MEGA is a “job creation tax credit” against Michigan’s Single Business Tax (SBT)** for the incremental SBT liability attributed to an expansion or new location project and/or the amount of personal income tax attributed to new jobs being created. Each credit may be awarded for up to 20 years and 100% of the amount attributable to the project.



## RENAISSANCE ZONE AREAS

Specific areas in Benton Harbor, St. Joseph, and Benton Charter Township have been designated as a Renaissance Zone. Businesses and residents locating in **these areas will be exempt from state and local taxes** for up to 10 years. These taxes will be phased back in during the last three years in 25% increments.



**State taxes which will be waived for businesses and residents in the zone include the single business tax, personal income tax, and the 6-mill state education tax. Local taxes which will be waived include real and personal property taxes on operating mills, local income tax, and the utility users tax. The state will reimburse each of the school districts in the Renaissance Zone for all tax revenue lost as the result of the exemption of property under this legislation.**

**Financing Assistance.** Taxable Industrial Development Bonds can be used for financing large business projects in excess of \$10 million. The interest rate savings are approximately 50% under conventional long term rates because only state and local income taxes are exempted. Advantages are found in longer terms (20 years or more), alternative source of capital compared to commercial banking, and better interest rates.

**Utility Incentives.** The MEDC works with all utility companies in Michigan to make sure that manufacturers receive the rates that are appropriate for their processes and usage level. Individual utility companies may provide incentives for manufacturers locating in their service area.

**Other Incentives.** The MEDC provides Permit Coordination through a “one stop shopping” process that allows a company to learn what permits will be required, how to apply for them and what their expectations can be for timelines for granting of these permits. Through the Michigan Business Ombudsman Office, companies can access experts in the areas of workers compensation cost control, unemployment insurance law interpretations and other state regulatory programs.

**Federal Incentives.** The Federal Work Opportunity Tax Credit program provides a per worker tax credit of \$2,100 to employers who hire employees from one of seven targeted groups, including:

- Aid to Families with Dependent Children recipients.
- Veterans who are members of AFDC or food stamp families.
- Low income ex-offenders hired less than a year after serving time for a felony.
- Youths age 18 to 24 who live in an empowerment zone of the community.
- Summer employees (age 16 or 17) who live in a zone.
- Handicapped persons.



- Youths age 18 to 24 on aid.

This assistance is available to help offset the cost of additional training which might be necessary for eligible employees.

**MEGA Overview.** MEGA (Michigan Economic Growth Alliance) was proposed as a means of encouraging the creation of net new job growth in Michigan that otherwise would not have occurred without the incentives offered. The program provides the ability to award a Michigan Business Tax (MBT) credit to eligible companies for up to 20 years for up to 100% of the personal income tax withholding for the net new jobs being created and the incremental MBT liability attributable to an expansion/new location project. Minimum eligibility criteria includes:

1. An in-state business that is expanding must create at least 75 new jobs on a company payroll; an out-of-state business locating in Michigan must create at least 150 new jobs on the company payroll. Contract employees do not count towards new employee requirements.
2. The new jobs must exceed that maintained by the company during the year preceding the opening of the facility.
3. The business must certify that the expansion/location would not have occurred without the incentives.
4. A local organization must make a financial or economic commitment to the project.
5. The business has not begun construction or announced the location for the facility.
6. The average wage of the new jobs must equal or exceed 150% of the federal minimum wage.
7. The project is fiscally beneficial to the state.
8. The project will increase employment opportunities for citizens of the state.



### COST OF LIVING

**Berrien County  
Median House-  
hold Income—  
\$41,875**

**State Sales Tax—  
6%**

**Use Tax—4%**

**Local Property  
Tax—50%  
Market Value**

