

URBAN LAND ASSEMBLY PROGRAM

The Michigan Economic Development CorporationSM (MEDC) administers the Urban Land Assembly Program. The program provides financial assistance in the form of loans to eligible municipalities for the acquisition of certain real property for economic development purposes, including industrial and commercial projects. The program is directed toward revitalizing the economic base of cities experiencing economic distress and decline.

Preference is given to proposals that identify one or more immediate user(s), leverage non-state financial contributions, maximize the creation of permanent full-time employment per dollar investment, increase the local tax base and constitute a major element in a citywide strategy for economic development.

ELIGIBLE APPLICANTS

Applications will be accepted if the municipality has experienced at least one of the following:

- a. A local unemployment rate that is more than 70% of the annual average state unemployment rate as most recently issued by the Michigan Employment Security Agency
- b. A growth in local population that is less than 75% of the state's population growth rate based on the most recent figures published by the U.S. Census Bureau
- c. A change in local state equalized value that is less than 50% of the state's five-year average as reported by the State Tax Commission.

ELIGIBLE PROJECTS

The Urban Land Assembly Fund provides loans that can be used for direct costs of acquisition of land, demolition, relocation and site improvements required to make the land marketable. Pre-application costs including appraisals and feasibility or planning studies; administrative costs are not eligible project costs. Projects must meet size and economic impact guidelines.

REPAYMENT PROVISION

Repayment of a loan will be made by the municipality upon the sale or lease of the land from development as follows:

- a. Upon sale or lease of the project, a portion of the loan or the proceeds from the sale or lease of land and improvements shall be repaid in the same proportion to the total proceeds received from such sale or lease as the loan is to the total cost of the project
- b. The remainder of the loan, if any, shall be repaid not later than ten (10) years after the sale or lease of the real property, or as specified by the repayment terms of the loan agreement.
- c. The real property may be sold below the cost of the acquisition. However, it must be demonstrated to MEDC that there is a need to lower the cost of the real property to make the land economically competitive with similar parcels of real property. In any event, the full amount of the loan must be repaid within ten (10) years after the sale or lease of the real property in accordance with the provisions of the executed loan document.

APPLICATION PROCESS

- a. Transmittal letter
- b. Legal authority
- c. Demonstration of need and eligibility
- d. Project description
- e. Real estate appraisals
- f. Loan repayment plan
- g. Environmental consideration
- h. Assurances

For more information, contact the MEDC Customer Assistance Center at 517.373.9808.