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SUMMARY OF COMMERCIAL BUSINESS INCENTIVES AND PROGRAMS

The City of Wyandotte has a long history of aggressively utilizing incentive programs and working closely with businesses to promote new investment and redevelopment. Incentives, programs, and resources available to assist in developing commercial property or opening a business are listed below.

INCENTIVE PROGRAMS AVAILABLE THROUGH THE CITY OF WYANDOTTE

- Obsolete Property Rehabilitation Exemption (OPRE) Certificate. Provides an incentive to encourage the significant rehabilitation of older commercial buildings. The certificate freezes a portion of a property's taxable value for up to 12 years at the pre-rehabilitation value. For additional information, please contact the undersigned or visit the City's website at: <http://www.wyandotte.net/community-development/index.htm>
- Brownfield Redevelopment Financing Act (Act 381 of 1996). If a property is a "facility," i.e. contains contaminated soil, or has buildings that are "obsolete" or "blighted," a developer may be eligible for partial or full reimbursement of demolition and/or environmental remediation expenses incurred in redeveloping the property. A Brownfield Plan must be prepared in accordance with Act 381 and the City's requirements. For additional information, please contact the undersigned or visit the City's website at: <http://www.wyandotte.net/community-development/index.htm>
- Single Business Tax (SBT) Credit. By preparing a Brownfield Redevelopment Plan, 10% of all eligible investment expenses on a project may be utilized as a credit against an owner's SBT liability. Eligible expenses include construction and site improvements. This credit will expire at the end of 2007. For additional information, please contact the undersigned.
- Property Acquisition. The City, through its Downtown Development Authority and Tax Increment Finance Authority, can assist with the acquisition and assembly of land to facilitate business expansion and/or new development projects. Assistance can include the demolition of existing buildings, infrastructure improvements, and environmental testing and remediation expenses. For additional information, please contact: Mark Kowalewski, City Engineer, at 734-324-4554 or mkowalewski@wyan.org
- MAJOR PROFESSIONAL OFFICE USES AND INDUSTRIAL USES ONLY - Personal Property Tax Exemption (Act 328 of 1998). A 100% tax exemption for all new personal property purchased over the next 1-12 years. The length of the exemption will depend on the number of jobs created, dollars invested, and other related criteria. The exemption will only be granted in very specific instances, i.e., to vacant buildings exceeding 25,000 square feet or for particular uses, as noted in the City's Act 328 Policy (available upon request). For additional information, please contact the undersigned.

RESOURCES FOR OTHER TYPES OF ASSISTANCE

- Wyandotte Downtown Development Authority (DDA). The DDA provides programs, activities and services that improve and promote the downtown business district. The DDA was established in 1988 in accordance with Act No. 197 of the Public Acts of 1975. The DDA consists of a 9-member board and two full-time staff members and meets monthly. For additional information, please contact: Lisa Hooper, Executive Director, at 734-324-4506 or lhooper@wyan.org or visit the City's website at: <http://www.wyandotte.net/mayor/commissions/dda/index.htm>
- Wyandotte Business Association (WBA). The WBA is an association of more than 120 local businesses that meet every Friday morning in City Hall to plan events promoting the City, coordinate advertising, and discuss issues concerning small businesses. Their office is located on the lower level of City Hall. For additional information contact Michelle Cox, Executive Director, at (734) 282-6233 or wba3131@sbcglobal.net or visit their website at: www.wyandottebiz.org
- Downriver Community Conference (DCC). The DCC, located in Southgate, has several programs to assist small businesses, including professional assistance with preparing a business plan. For additional information, please contact Paula Boase, Program Manager, at 734-362-3477 or paulab@dccwf.org or visit their website at: <http://www.dccwf.org>
- Wayne County One-Stop Business Resource Center ("One-Stop"). One-Stop, located in downtown Detroit, is Wayne County's economic development agency and has a variety of resources and services available. Please see Exhibit 1 for more information or visit their website at: <http://www.waynecounty.com/onestop> An additional contact is Joan Brophy, Deputy Director of Business Development for Wayne County, at (313) 224-0820 or jbrophy@co.wayne.mi.us
- Michigan Economic Development Corporation (MEDC). The MEDC is the State of Michigan's economic development agency and has a variety of resources available. Please see Exhibit 2 for information regarding loan programs and other financial incentives, or visit their website at: <http://www.michigan.org/medc/services>

It should be noted that all of the incentive programs available from the City have application fees and require approval from the City Council and other local boards or commissions, and final approval from the State of Michigan. For the City to determine the incentives available and offered, each project will be evaluated on a number of criteria, including the nature of the business, estimated employment and wages, and investment in buildings, land improvements and equipment.

With the creative use of incentives and programs available through the City of Wyandotte, a developer or business owner can most-likely redevelop an existing building or develop vacant property in Wyandotte at a cost lower than any other site in the Downriver area. Further, through various organizations that the City partners with, existing or prospective business owners are able to access a variety of programs and services focusing on the needs of small businesses. Please contact the undersigned at (734) 324-4541 or jvoszatka@wyan.org if you have any questions or need any additional assistance.

Very truly yours,

Joseph M. Voszatka

Joseph M. Voszatka, A.I.C.P.
Community Development Director

Enclosures

Revised 2/1/2007

EXHIBIT 1

WAYNE COUNTY "ONE-STOP" BUSINESS RESOURCE CENTER



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Introduction

A program under the Greater Wayne Economic Development Corporation (GWEDC), the Wayne County **One-Stop Business Resource Center** is a "single point of contact – at one location" where Wayne County businesses can:

- 1) Receive personal assistance with Wayne County business programs and services
- 2) Receive assistance in business development and growth

1) **One-Stop Business Resource Center** will assist Wayne County businesses (from start-ups to mature) with County business programs like the SBA 504 loans, the Urban Loan Fund, certification, and employee healthcare, as well as services such as County licenses, permits, regulations, GIS mapping, bid opportunities, contract management, site development, and real estate availability

2) The **One-Stop Business Resource Center** will also analyze business trends and issues and conduct seminars and conferences useful for proactively addressing anticipated changes in the business environment. In addition, as a MI Small Business Development & Technology Center (MI-SBTD), the One-Stop will perform an in-depth business assessment and, based on the assessment, assist in securing capital, counseling and/or training. This will all be accomplished by the One-Stop Center and through a Consortium Partnership (a collaboration of business service providers), agreeing to collectively focus their resources to assist on Wayne County businesses in their development and growth, thus maximizing results and positively impacting Wayne County and Michigan economic stability

Be sure to register your business on the **One-Stop Business Resource Center website at www.waynecounty.com/onestop allowing you to:**

- Be serviced by the professional **One-Stop** staff
- Scan a "Business Events Calendar" updated by the **One-Stop** Consortium Partners
- Be electronically notified of:
 - Business Events
 - Training Opportunities
 - Conferences
 - Seminars
 - Other Business Activities Throughout the Year

The One-Stop staff will be glad to refer any non Wayne County resident not seeking to relocate or do business in Wayne County to a Service Provider in their area.

Wayne County **One-Stop** Business Resource Center
Metropolitan Center for High Technology (MCHT) Bldg
2727 Second Avenue, Suite 120
Detroit, MI 48201-2654
866-56-1-STOP
(By Appointment Only)

Robert A. Ficano
Wayne County Executive

Need assistance? Please call 1-866-56-1-STOP (1-866-561-7867) or email onestop@co.wayne.mi.us.

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Program Description**Wayne County
One-Stop Business Resource Center*****A Program of the Greater Wayne County
Economic Development Corporation***

Wayne County One-Stop Business Resource Center
Metropolitan Center for High Technology (MCHT) Building
2727 Second Avenue
Suite 120
Detroit, MI 48201
866-56-1-STOP

www.waynecounty.com/onestop

[Click Here](#) to view the One-Stop Presentation

*Robert A. Ficano
Wayne County Executive*

MISSION STATEMENT

As a program of the Greater Wayne County Economic Development Corporation (GWEDC), staffed with three business-development professionals and offices located in the Metropolitan Center for High Technology (MCHT) building, the **One-Stop Business Resource Center** has a two-fold mission or core-functions. The first core-function provides a single point of contact for Wayne County businesses to receive personal assistance with County programs and services.

The second core-function of the **One-Stop Business Resource Center** provides a single point of contact to assist County businesses with development, growth and expansion by conducting a needs-assessment and collaborating with a Consortium of business-assisting agencies and institutions. This Consortium Partnership will combine its resources to service pre-screened Wayne County businesses in their need for start-up, growth, expansion and/or attraction to Wayne County. This effort maximizes the Consortium's impact and positively influences the County and Michigan's economic stability.

With many business-development agencies experiencing diminishing resources, only through this kind of collaboration will Wayne County genuinely revamp its economic development delivery system that will: 1) continue to grow its small business community; 2) strengthen and expand its existing corporate population; 3) establish new and emerging industries and; 4) attract investment and new business development.

FIRST CORE-FUNCTION:
Assist Wayne County Businesses With
County Business Services And Programs

The first core-function requires the One-Stop Center staff to have significant knowledge of all Wayne County business programs and services and familiar with the departments responsible for them. The business client will either be assisted directly by the One-Stop Center and/or referred to the appropriate department, depending on the complexity of the assistance required. County services include:

- SBA 504 Loan Program
- Urban Loan Fund Program
- Employee Healthcare Programs
- Real Estate Availability
- Site Preparation & Development
- County Licenses, Permits and Regulations
- Geographical Information Systems (GIS)
- Wayne County Web Site Navigation
- Business Vendor Certifications
- County Procurement Process
- Other Business Service and Development Program Information

SECOND CORE-FUNCTION:
Assist County Businesses with Development, Growth And Expansion Through a
Collaboration of Consortium Partners

The One-Stop Business Resource Center will utilize analytical and problem-solving tools to perform in-depth business assessments and, in collaboration with a Consortium of business-assisting agencies and organizations (Consortium Partners), service those businesses in counseling, financing and/or training.

The One-Stop Business Resource Center IS NOT designed to compete with its Consortium Partners but to complement them by operating as a Market-Gatherer, Screener-Referral Agent and Gap-Filler.

a. Market-Gatherer

Notifying businesses in need of County assistance and/or development for growth and expansion can be difficult and illusive. In fact, businesses often do not know where to find such assistance and become frustrated trying. The One-Stop Center will be a "gatherer" of the businesses seeking assistance by marketing the "single point of contact" concept through promotion and outreach and conveying the ease of contacting the Center at [866-56-1-STOP](tel:866-56-1-STOP) and/or www.waynecounty.com/onestop.

b. Screener-Referral Agent

With businesses now knowing specifically how to seek assistance, the One-Stop Center will register, screen and evaluate the client to determine what assistance is required. The Center will then either directly service the client and/or offer it's participating

Consortium partner the opportunity to assist in servicing or fully service the client themselves.

If the Consortium partner accepts the offer, the One-Stop Center will track the client's progress and final results of the services received by the client. If there is a required service that the Consortium member may not be able to provide, the One-Stop Center will assist, when applicable, by filling in the "gap".

c. Gap-Filler

Examples of filling the "gap" with a service that a participating Consortium partner may not be able to provide could be financing, land/building acquisition, GIS, training, presentation facility needs, etc. The gap-filling approach of the One-Stop Center, in tandem with the Consortium, maximizes the synergistic approach to County business development through agency collaboration.

<p style="text-align: center;">CONSORTIUM PARTNERSHIP (Partial List)</p>
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U.S. Export Assistance Center
 U.S. Small Business Administration (SBA)
 U.S. SBA Service Core of Retired Executives (SCORE)
 U.S. Dept. of Commerce – Michigan District Export Council (US-DOT)
 MI Small Business Technology & Development Center (MI-SBTDC)
 MI Statewide Minority Business Development Center (MI-SMBDC)
 MI State AFL-CIO Human Resources Development (MI-HRDI)
 MI Minority Business Development Council (MMBDC)
 MI Economic Development Corporation (MEDC)
 MI Manufactures Technology Center (MMTC)
 MI Department of Transportation (MDOT)
 MI Interfaith Trust Fund
 MichBio

Detroit Office of Targeted Business Development
 Detroit Economic Growth Corporation (DEGC)
 Detroit Entrepreneurship Institute (DEI)
 Detroit Chinese Business Association
 Detroit Black Chamber of Commerce
 Detroit Community Loan Fund
 Detroit Regional Chamber
 Detroit Commerce Bank
 Detroit Renaissance

Center for Empowerment & Economic Development (CEED)
 Metropolitan Growth & Development Corporation (MGDC)
 Southeast Michigan Council of Governments (SEMCOG)
 Mexican Town Community Development Corporation
 Asian Pacific American Chamber of Commerce
 Community Development Advocates of Detroit
 Booker T. Washington Business Association
 Local Initiatives Service Corporation (LISC)
 Wayne County Community College District
 American Arab Chamber of Commerce

Jefferson East Business Association
Arab American Chaldean Council
Hispanic Chamber of Commerce
Henry Ford Community College
Hispanic Business Alliance
Wayne State University
WSU - Tech Town
Automation Alley

Need assistance? Please call 1-866-56-1-STOP (1-866-561-7867) or email onestop@co.wayne.mi.us.

EXHIBIT 2

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION (MEDC)

Financing / Incentives

Michigan's menu of incentives includes assistance for companies that are relocating to the state, as well as those that choose to grow and expand here. These incentives seek to attract and retain high-quality jobs for a highly-skilled work force, as well as maintain a vibrant economic environment for the business community. The Michigan Economic Development Corporation is the single point of contact for businesses inquiring about the availability of incentives and location services.

To learn more about Michigan's financing and business incentives programs select a topic from the links below.

21st Century Jobs Fund

The 21st Century Jobs Fund will provide over \$2 billion over the next ten years to spark new investment, creating high-tech companies and jobs which will further diversify Michigan's economy.

Brownfields

Michigan's award winning brownfield redevelopment program can provide major benefits to businesses that reuse contaminated, functionally obsolete or blighted properties.

Capital Access Program

This innovative program uses small amounts of public resources to generate private bank financing, providing small, Michigan businesses access to bank financing that might not otherwise be available.

Charter One Job Creation Loan Program

This new lending program is a partnership between the State of Michigan and Charter One Bank to help grow Michigan's economy by helping businesses access affordable financing. Up to \$200 million is available for Michigan businesses to invest in equipment, machinery, building acquisition or remodeling. The Charter One Job Creation Loan Program can help you put your business plans into action.

Community Development Block Grants

The State of Michigan is prepared to assist in the development of the infrastructure needed to support new business locations and expansions.

Employee Stock Ownership Program (ESOPs)

ESOPs are valuable tools that are commonly used to buy the stock of a retiring owner in a closely held company or as an employee benefit or incentive plan. ESOPs have also been used to finance expansion, make an acquisition, spin off a division, take a company private, etc.

Industrial Development Revenue Bond (IDRB) Program

IDRBs are an attractive source of financial assistance to economic development projects in Michigan. They provide profitable firms with capital cost savings stemming from the difference between taxable and tax-exempt interest rates.

Infrastructure Programs for Economic & Community Development

To be competitive in today's economic development environment, businesses need to be in the right location with great infrastructure.

Job Training

Michigan is an active participant in maintaining a highly-trained, skilled work force. In recent years Michigan has developed trend-setting programs to deliver job training assistance to employers. The Economic Development Job Training (EDJT) program is a major feature of the state's economic development efforts.

Michigan Economic Growth Authority (MEGA)

MEGA was created to promote high quality economic growth and job creation. Tax credits available under the program can provide valuable incentives to projects that would otherwise not occur in the state.

Michigan NextEnergy Authority (MNEA)

The Michigan NextEnergy Authority (MNEA) was created to promote the development of alternative energy technologies and to provide tax incentives for business activities and property related to the research, development and manufacturing of those technologies. MNEA is responsible for certifying taxpayers and property as eligible for tax credits against the Michigan Single Business Tax (SBT) or exemptions from the general property tax.

Property Tax Abatements

Tax abatements are available for new real and personal property. The abatements can provide considerable savings for businesses undertaking investment projects to expand or locate in the state.

Renaissance Zones

The Renaissance Zone program is a valuable and effective tool, **created by PA 376 of 1996**, used to encourage the development of selected areas across the state. These zones are virtually free of state and local taxes for businesses located within their boundaries. The zones include urban, rural and agricultural areas as well as former military bases. Currently, there are 152 geographic locations that are virtually-tax free.

Tool and Die Recovery Zones

Tool and Die Recovery Zones are Industry-based (company specific) zones that are designed to retain existing jobs and strengthen tool and die business operations in the state. Among other requirements, tool and die businesses must be in a collaborative agreement with other businesses to be eligible for a Recovery Zone designation by the Michigan Strategic Fund.

SBA 504 Loans

SBA 504 program provides small- and medium-sized businesses with long-term fixed rate financing for the acquisition or construction of fixed assets. Projects are financed through a public/private partnership that involves private lenders financing 50% of project costs, a certified development corporation (CDC) acting on behalf of the SBA, financing 40% of the costs and the small business investing a minimum of 10%.

Small Business Administration Loan Programs

The SBA 504 program is probably one of the most popular and familiar loans programs offered by the U.S. Small Business Administration. However, there are many other programs that may be suited for your small business needs:

- The 7(A) Loan Guaranty Program that can be used to expand or renovate facilities, purchase machinery and finance receivables.
- CAPLines is a revolving line of credit designed to help small business owners meet their short-term and cyclical working capital financing needs.
- Export Working Capital is a program used to provide financing for pre- or post-shipment working capital. However, the loan may not be used for refinancing fixed assets, marketing or setting up operations abroad.
- SBA Express program is the program used to finance smaller SBA loans up to \$350,000.

To learn more about the SBA programs, contact the Detroit District office at (313) 226-6075 or www.sba.gov.

The Venture Michigan Fund and the 21st Century Investment Fund

The Venture Michigan Fund and the 21st Century Investment Fund are Michigan's two fund-of-funds poised to make over \$200 million in investments in Michigan-based equity firms. Investment firms with a focus on Michigan companies are encouraged to apply. Credit Suisse serves as fund manager for both fund-of-funds providing easy access for equity firms. The Venture Michigan Fund will focus its investments on early stage venture capital funds while the 21st Century Investment Fund will augment the spectrum of capital from private equity and mezzanine to venture capital. Additionally the 21st Century Investment Fund may make co-investments in individual companies alongside qualified funds.

MEDC staff will work with companies to determine the incentives appropriate for the project. Not all projects qualify for the incentives listed and awards are customized based on needs and eligibility of applicants. Contact us today at (888) 522-0103.

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Financing A Business

When starting a business or expanding an existing business, the owner needs money to pay rent and utilities; acquire inventory, equipment, and fixtures; pay employees' salaries; make payments for vehicles; market/advertise products and service; pay taxes and needed insurance; and most importantly to pay his or her own salary.

There are several options available for obtaining money to start a new business or expand an existing one. Most businesses begin with the owner's own capital or loans from friends and family. Some are successful in obtaining bank financing or using a government sponsored loan program. Regardless of the path you choose, it is wise to take time out to put together a credible business plan.

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Financing A Business > Short-term Debt Financing

Short-term financing/credit sources are usually grouped into two basic categories: unsecured and secured.

Unsecured credit is obtained without the borrower's pledge of specific assets to serve as collateral. Examples include:

- Personal credit cards, savings, stocks and bonds, and/or cash value of life insurance policies. Funds borrowed from family members and/or friends.
- A short-term, unsecured transaction loan is a direct, single payment financing arrangement with a bank. The maturity on this type of loan is usually between one and six months, but may extend up to a year.
- A company's line of credit is a commitment from a bank to its regular credit worthy business customers to provide a stated maximum amount of short-term financing for a specified time period. The credit line is often granted with a compensating balance requirement, and the floating or variable rate method of interest payment is used.
- Trade credit is credit extended by one firm to another in conjunction with the sale of goods or services that are used in the normal course of business. For the purchasing firm, using trade credit is the equivalent of a consumer charge account at a department store – goods are purchased but payment can be delayed to the extent of the specified credit terms.
- Accruals are services that are provided for a business on a continuing basis but are not paid for at the time the services are rendered. For example, employees provide services to the business each day they work; however, they are not paid until some specified future payroll date.

Secured short-term credit for new/existing businesses, businesses with a marginal credit rating, or businesses that have exhausted unsecured collateral may offer a financing opportunity that would otherwise not exist.

The primary sources of secured short-term financing for business borrowers are:

- Commercial banks
- Commercial finance companies
- Factoring accounts receivables*
- U.S. Small Business Administration (SBA) "guaranteed" loan obtained through a private lending institution. (The SBA does not make direct loans.)

*Factoring is a financial institution that purchases "at a discount" the accounts receivables of a business, assumes the title and risk of those receivables and in return provides that business with funds.

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Financing A Business > State Loan Programs

There are a variety of financing programs available to aid Michigan businesses with growth and expansion. These programs are generally used to provide the private sector with tools for financing and to encourage the formation of new types of private institutions to address unmet financing needs. This "private institutions" approach makes it possible to use limited public resources to leverage large amounts of private capital.

Bank financing is usually the least expensive source of funds therefore you should begin your search for financial assistance with your local bankers. However, you should not approach your banker or any other financing organization for assistance until you have developed a business plan. For information about putting together a business plan – **refer to "A Business Plan"** section. There are also MI-SBTDCs located throughout the state that may be of assistance in preparing a business plan.

INDUSTRIAL DEVELOPMENT REVENUE BOND PROGRAM (IDRB)

IDRB's are tax-exempt bonds issued on behalf of the borrower by the Michigan Strategic Fund (MSF) and purchased by private investors. These loans can be made for manufacturing and not-for-profit corporation projects and solid waste facilities.* Bond proceeds can only be used to acquire land, building and equipment. Working capital and inventory are not eligible for this type of financing. These bonds are generally used when financing of **\$1 million and higher** is required. The company for which the bond is issued must be credit worthy enough to attract a buyer for the bonds, because the state does not guarantee the bonds. For more information call the Michigan Economic Development Corporation at 517.373.9808.

*Please note: Per MSF Board Resolution 2005-258, no volume cap shall be allotted for solid waste disposal facilities which serve the general populous. Also, MSF Board Resolution 2005-300 defines standards for financing Concentrated Animal Feeding Operations (CAFOs).

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Financing A Business > U.S. Small Business Administration (SBA) Commonly Used Programs

The SBA's loan guarantee programs provide a key source of financing for viable small businesses that have real potential, but cannot qualify for loans from traditional sources. SBA guarantees, provided through private lenders and nonprofit lending institutions, give small business owners access to the same kind of reasonably priced long-term financing available to large businesses by virtue of their size and economic clout. SBA loans are made by private lenders and are guaranteed up to 85%. There are three principal players in an SBA guaranteed loan – the small business borrower, the private lender, and the SBA. The SBA **does not provide direct loans or grants**. For more information about SBA programs, contact a commercial lender, or call the SBA at 313.226.6075 or and also online at <http://www.sba.gov/>.

SBA 7(a) GUARANTY PROGRAM

The 7(a) Loan Guaranty Program is SBA's primary lending program. The SBA reduces risk to lenders by guaranteeing major portions of loans made to small businesses. This enables lenders to provide financing to small businesses when funding is otherwise unavailable on reasonable terms. The eligibility requirements and credit criteria of the program are very broad in order to accommodate a wide variety of financing needs. When a small business applies to a lending institution for a loan, the lender reviews the application and decides if it merits a loan on its own or if it requires additional support in the form of a SBA guaranty. SBA backing on the loan is then requested by the lender. **The agency has no funds for direct lending or grants.** Most lenders are familiar with SBA loan programs. Interested applicants should contact their local lender for further information and assistance in the SBA loan application process.

CAPLines

CAPLines is a revolving line of credit designed to help small business owners meet their short-term and cyclical working capital financing needs. There are five loan programs under the CAPLines umbrella which may be used to finance seasonal working capital needs; finance direct costs for construction, service and supply contracts; finance purchase order by obtaining advances against existing inventory and accounts receivable; and consolidate short-term debt.

SBA EXPRESS

SBAExpress is available for loans up to \$250,000. The SBA guarantees up to 50% of the loan, and loans under \$25,000 do not require collateral. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate and equipment. Revolving lines of credit are allowed for a maximum of five years.

EXPORT WORKING CAPITAL PROGRAM (EWCP)

The EWCP provides pre- or post- shipment working capital financing for export activities. It is transaction based and can be a revolving line of credit or structured for each purchase order, shipment, or contract. The loan may not be used for refinancing, fixed assets, marketing, or setting up operations abroad. Contact the SBA Detroit District for more information at 313.226.6075 or www.sba.gov/.

INTERNATIONAL TRADE LOAN

This program provides short- and long-term financing to small businesses involved in exporting, as well as businesses adversely affected by import competition. The SBA can guarantee up to \$1.25 million for financing of facility and equipment upgrades or working capital for business development and foreign market expansion.

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SBA 504 PROGRAM

The 504 is the SBA's economic development instrument that support Michigan small business growth and helps communities through business expansion and job creation. This program provides long-term, fixed-rate, subordinated mortgage financing for acquisition and/or renovation of capital assets including land, buildings, and equipment. Virtually all types of for-profit small businesses are eligible for this program.

The SBA 504 Program is a "take out" financing program. The SBA offers an up-front commitment to finance a project. The participating private lender provides interim financing, advancing the full amount of project funds during the construction/acquisition period. After the project is completed, the SBA reimburses or "takes out" the participating lender by the amount of the original loan commitment. The loans are actually funded by the sale of 100% federally guaranteed debentures on the open market.

Generally the maximum dollar amount the SBA may contribute to any single project or borrower is \$1,500,000 for job creation; however, this may be increased to \$2,000,000 for projects achieving a Public Policy Goal and \$4,000,000 for manufacturers.

For more information, contact the Certified Development Corporations listed below:

Economic Development Foundation – Certified -Grand Rapids, 616.459.4825

Growth Finance Corporation - Howard City, 231.937.7429

Metropolitan Growth and Development Corporation – Detroit, 313.224.0820

Michigan Certified Development Corporation - Lansing, 517.886.6612

Oakland County Business Finance Corporation - Pontiac, 248.858.0879

SEM Resource Capital - Livonia, 734.464.4418

Lakeshore 504 - Holland, 269.392.2389

MICROLOAN PROGRAM

The MicroLoan Program was developed to increase the availability of very small loans to prospective small business borrowers. Under this program, the SBA makes funds available to nonprofit intermediaries, who in turn make loans to eligible borrowers in amounts that range from under \$500 to a maximum of \$35,000. The average loan size is \$10,000. Loans may be used to finance the purchase of machinery and equipment, furniture and fixtures, inventory, supplies and working capital, but not to pay existing debts. Start-up, newly established, and growing small businesses are eligible.

For more information about the program, contact one of the following approved state-wide lenders:

Center for Empowerment & Economic Development (Ann Arbor)	734.677.1400
Community Capital Development Corporation (Flint)	810.239.5847
Kent Area Microbusiness Loan Services (Grand Rapids)	616.771.6880
Lenawee County Micro Loan Fund (Adrian)	517.263.7861
Northern Economic Initiative Corporation (Marquette)	906.228.5571
	800.254.2156
Rural Michigan Intermediary Relending Program, Inc. (Traverse City)	231.941.5858
Saginaw Economic Development Corporation (Saginaw)	989.759.1395

PREQUALIFICATION LOAN PROGRAM

The PreQualification Loan Program uses intermediary organizations to assist prospective borrowers in developing viable loan application packages and security loans. This program targets low income borrowers, disabled business owners, new and emerging businesses, veterans, exporters, rural and specialized industries.

The job of the intermediary is to work with the applicant to make sure the business plan is complete and that the application is both eligible and has credit merit. If the intermediary is satisfied that the application has a chance for approval, it will send it to the SBA for processing. To find out whether there is a prequalification intermediary operating in your area, contact your local SBA office. Note: MI-SBTDCs serving as intermediaries do not charge a fee for loan packaging. For-profit organizations charge a fee.

Policies specific to the Prequalification Program - the maximum loan amount for this pilot program is \$250,000. Interest rates, maturities, collateral policy, and guaranty percentages all follow the standard 7(a) loan program.

WOMEN PRE-QUALIFICATION LOAN INTERMEDIARIES:

Center for Empowerment & Economic Development (Statewide)	734.677.1400
Community Capital and Development Corporation (Flint area)	810.239.5847
Cornerstone Alliance (Benton Harbor area)	269.925.6100
Project Invest (Traverse City area)	231.922.3700

MINORITY PRE-QUALIFICATION LOAN INTERMEDIARIES:

Center for Empowerment & Economic Development (Statewide)	734.677.1400
Community Capital and Development Corporation (Flint area)	810.239.5847
Cornerstone Alliance (Benton Harbor area)	269.925.6100

DISABILITY PRE-QUALIFICATION LOAN INTERMEDIARY:

Project Invest (Statewide)	231.929.5000
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Capital Access Program

Michigan Economic Development Corporation reintroduces Capital Access Program!

Michigan's economy faces significant challenges in the 21st century and yet we have faced them before and succeeded. Over 100 years ago, when we moved from an agricultural economy to the era of manufacturing, Michigan prospered immensely.

It did so because bright "entrepreneurs" who had imagination and ideas were willing to take a risk. From those ideas sprung the auto industry and advancements in pharmaceuticals, chemicals, furniture and office designs, and more.

To assist small businesses with capital needs, the Michigan legislature has asked the Michigan Economic Development Corporation (MEDC) to reestablish the Capital Access Program (CAP). This innovative program uses small amounts of public resources to generate private financing, providing small, Michigan businesses access to financing that might not otherwise be available. While active the CAP provided funding to more than 9,700 businesses, generating approximately \$550 million in private lending.

The program is more expensive than traditional institutional lending because of higher fees and, in many cases, interest rates. However, the program can be used to finance most types of business (with the exceptions of construction, renovation, purchase of residential or rental housing, or rental property) and there are no restrictions on loan size or terms.

Participating financial institutions throughout Michigan offer the CAP directly to companies that need credit enhancement. Similar to a loan loss reserve fund, the financial institution, the company, and the MEDC pay a small premium into a reserve that makes it possible for the company to receive fixed asset and working capital financing.

DIRECT BUSINESS TRANSACTION

Loans under CAP are private transactions between the financial institution and borrower. MEDC plays no role in the decision to make the loan or in setting its terms. The financial institution assumes the risk of the loan.

FLEXIBLE, NON-BUREAUCRATIC

CAP loans can be long or short term, term loan or line of credit. The financial institution has the flexibility to recast, extend or refinance the loan to address the needs of the business owner.

ELIGIBLE BORROWERS

CAP loans are available to most businesses located in Michigan that satisfy the institutions's criteria.

PARTICIPATING FINANCIAL INSTITUTIONS

To date, 50 financial institutions in Michigan have signed on to participate. More are being added as the MEDC continues to market the program statewide. Participants include:

Ann Arbor Commerce Bank

Bank of Auburn Hills

Bank of Lenawee

Bank of Michigan

Byron Bank

Capitol National Bank

Central Macomb Community Credit Union

Century Bank and Trust

Chelsea State Bank

Related Links

Business Operating Cost Estimating Service

Capital Access Program

Charter One Job Creation Loan Program

Employee Stock Ownership Programs

Industrial Development Revenue Bond (IDRB) Program

Job Creation Tax Credits

SBA 504 Loans

Venture Capital

Chemical Bank
ChoiceOne Bank
Christian Financial Credit Union
Citizens National Bank
Citizens State Bank
Comerica Bank
Commercial Bank
County National Bank
Detroit Edison Credit Union
Fifth Third Bank
First National Bank in Howell
Grand Haven Bank
The Huntington National Bank
Huron Community Bank
Independent Bank
Ionia County National Bank
Irwin Union Bank & Trust
Isabella Bank & Trust
Kent Commerce Bank
Keystone Community Bank
Lake-Osceola State Bank
Lapeer County Bank and Trust
LaSalle Bank Midwest
Macomb Community Bank
Macatawa Bank
Mercantile Bank of Michigan
MidWest Financial Credit Union
Muskegon Commerce Bank
National City Bank
NuUnion Credit Union
Option 1 Credit Union
Paragon Bank & Trust
Portage Commerce Bank
Southern Michigan Bank & Trust

Sturgis Bank & Trust Company
United Bank & Trust
United Bank & Trust-Washtenaw
Upper Peninsula State Bank
West Michigan Community Bank
West Shore Bank

If you would like to review the 4 Page, PDF, Capital Access Program brochure, [click here](#).

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