

Statement from the Michigan Economic Development Corporation regarding the Park District Project in East Lansing.

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The Michigan Economic Development Corporation has been a champion for the development of a long-blighted site adjacent to MSU campus that is of great interest to East Lansing residents, and many MSU alumni.

First, a clarification of the current situation:

The MEDC has been working hand in hand with the Attorney General's office on the legal status of the transfer options of the Michigan Business Tax (MBT) credit program. Jointly, it was determined that per that statute, the original developer controls access to the potential benefits of the MBT tax credit as the legal entity that the tax credits were originally awarded to. (MBT tax credit was a legacy program which ended as of 2012 and no new credits can be awarded.) For those credits to be transferred, the original developer must sign over the original credit award document. This has been the challenge at the center of the project's delay.

The former development company, which originally received the MBT tax credits, does not have a current development project underway, which is required for those credits to be applied. These tax credits were structured as an incentive to attract private developers to play a vital role in a community's growth.

As it has been widely reported, a new developer is engaged in developing the site. But, in order for that work to begin, the new developer needs access to those critically important tax credits. Therefore, the MEDC has explored the viability of transferring those credits (from the former developer to the current developer). Contrary to the narrative coming from the East Lansing Mayor's office, at no point whatsoever has the MEDC taken sides or created a roadblock for the development. On the contrary, MEDC has and will continue to pursue every possibility to create and/or utilize economic incentives to attract private developers to develop a site that meets the high standards of the East Lansing community.

Second, MEDC and the Michigan Strategic Fund have a long commitment to the successful development of the site.

MEDC involvement began when the East Lansing Brownfield Redevelopment Authority requested the MSF to approve a new brownfield work plan for the project formerly known as City Center II in downtown East Lansing. (MEDC administers programs and performs due diligence on behalf of the MSF.) By East Lansing approving the new work plan, the original work plan that was adopted in 2008 was terminated in East Lansing's same action. Had the MSF adopted the new work plan, the MBT credit would have also been terminated. The original plan is the basis for the authorization of MBT credits.

Third, we remain hopeful, but vigilant.

The MEDC has been working in cooperation with City of East Lansing to address the statutory rights and obligations involving the city and state incentives for the redevelopment of the Park District project. The intent is to make sure the committed state and local incentives are preserved for development of the project. Currently, the MEDC staff has been facilitating discussions with representatives of the former

and current developers along with city of East Lansing officials. The MEDC is committed to the success of the Park District project and will work with the new developer and the city of East Lansing with the tools available to ensure that the project becomes a reality for the East Lansing community and the state of Michigan.