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MEMORANDUM

TO: ELEVENTH ANNUAL REAL ESTATE SYMPOSIUM ATTENDEES

FROM:

RE: MICHIGAN BROADBAND DEVELOPMENT AUTHORITY
2003 PUBLIC ACT NO. 265

DATE: MAY 4, 2004

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On January 5, 2004, Governor Granholm signed legislation that amends the Michigan Broadband Development Authority Act (MCL § 484.3207 et seq.) to permit the Michigan Broadband Development Authority (an independent state agency authorized to issue taxable and tax-exempt bonds and to use the proceeds from such bond issuances to provide financing assistance) to make loans to individuals and entities developing broadband infrastructure and broadband services in certain tool and die renaissance recovery zones, if approved by the Michigan Department of Treasury and the Michigan Economic Development Corporation.

Under another recently enacted law (Public Act 20 of 2003), the Michigan Strategic Fund is authorized to designate tool and die renaissance recovery zones. A zone, which has a duration of up to 15 years, may consist of one or more parcels of land owned by one or more tool and die businesses (defined to include businesses with fewer than 50 employees that have the proper North American Industry Classification (NAIC)) that will be used primarily for tool and die operations. There are approximately 1,600 tool and die businesses in Michigan consisting of: (1) industrial mold manufacturers; (2) machine tool metal cutting type manufacturers; (3) machine tool metal forming type manufacturers; (4) special die and tool, die set, jig and fixture manufactures; and (5) cutting tool and machine tool accessory manufacturers.

At present, the Michigan Broadband Authority and Michigan Strategic Fund are in the process of setting up this program and few specific details are available. Nonetheless, if you or a client are interested in developing broadband infrastructure or providing broadband services to a tool and die renaissance recovery zone and would like more information about this program, the Michigan Broadband Authority or Michigan Strategic Fund or other information, please contact me at (248) 208-0718 or dbk@maddinhauser.com.