



MICHIGAN MAGNET FUND

Michigan Magnet Fund Invests in Benton Harbor

The purpose of the \$25 million Qualified Equity Investment is to induce Whirlpool Corporation, a Fortune 500 firm to build the first phase of a 250,000 square foot office complex in downtown Benton Harbor on approximately 13 acres to support the staff of its North American Regional business operations; this is in addition to an approximate \$20 million investment in current facilities in the nearby suburbs. The project while maintaining 868 jobs in the region, will shift the jobs and tax base from a surrounding location to strengthen a New Market Tax Credit qualified Low Income Community. The Leveraged Investment will be provided by the Whirlpool. The first phase of this project will move approximately 400 downtown jobs

into Benton Harbor to help establish a foundation for a new urban economy

Site Description

The site is approximately 13 acres, previously contained obsolete buildings and is located in Census Tract 26021000400

QEI Commitment

This Fortune 500 firm sought an initial NMTC Qualified Equity Investment of \$25 million in addition to state incentives as a condition of its new location.. The Michigan Magnet Fund is providing \$15 million in Qualified Equity Investment while Brownfield Revitalization is providing \$10 million in QEI. JP Morgan Chase is providing the equity financing to the CDEs

The Project

The project includes the demolition of the existing buildings and the construction of a new office building campus to be occupied by Whirlpool. It is anticipated that some employees will be relocated from the existing administrative center to this complex. which will allow further expansion of the company and retention of existing jobs in Michigan. Although no new permanent full-time jobs are expected to be added as a result of the Downtown Campus project, this project, along with improvements to existing facilities at other locations in Benton Harbor and St. Joseph, will result in the retention of approximately 868 full time jobs whose estimated average weekly wage is approximately \$2,454. As Whirlpool has a current occupancy rate of 97% at their three major campuses in the area, this project and the related Whirlpool projects at other facilities in the area will facilitate job growth for the company.

City of Benton Harbor

The site is located in Census Tract 26021000400, which has a 55.6% poverty level and median family income of 18.5% of the benchmarked family income. Benton Harbor, located in southwest Michigan, is the most distressed and poorest city in the State of Michigan. The City is under the management of an Emergency Financial Manager who has taken full control of its management. The City has had race riots in the recent past.

The City was designated by the state as a "Core Community" and a City of Promise. It has been designated as HUB Zone by the federal government. According to the United States Census Bureau, the city has a total area of 4.5 square miles

At the 2000 US Census, there were 11,182 people, 3,767 households and 2,557 families residing in the city. The racial makeup of the city was 92.40% African American, 5.48% White, 2.12% from other races., The demographics of Benton Harbor contrast sharply with those across the river in St. Joseph.



	White	Black	Household Income
Benton Harbor	5.49%	92.40%	\$17,471
St. Joseph	90.31%	5.11%	\$37,032

The census tract meets three of the additional distress community criteria; it has a poverty level of 55.6%, 18.5% of the area median family income and 1.6 times the unemployment rate.

Community Benefits

Development of Whirlpool Corporation's new office campus will serve as a catalyst to downtown revitalization along the western end of the Main Street corridor in the City and will serve as a beacon of commerce when entering the City along BL-94. By bringing 400 employees to Main Street this project will continue to spur economic opportunity in Benton Harbor for support services for many years.

The project is supported by Benton Harbor's master plan and has created new enthusiasm from surrounding development; Benton Harbor has become an example of rebirth. For example, The Boys & Girls Club with strong financial support from Whirlpool Corporation has made a commitment to build a state-of-the-art facility to benefit youth in the community. The \$500 million Harbor Shores development is less than 1/2 mile north of this proposed site along the western boundary of the City. That MMF financed 530-acre development is located north of the Main Street corridor and follows eastward along Main Street into the central downtown known as the Arts District. Harbor Shores is an example of the benefits provided by investment as this area has seen improvements in buildings and the return of businesses.