



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Performance Audit*

Report Number:  
271-0425-11

*Renaissance Zone Program*

*Michigan Economic Development Corporation*

Released:  
January 2013

*The Michigan Renaissance Zone Act, Act 376, P.A. 1996, as amended, established the Renaissance Zone Program to foster economic opportunities in the State; facilitate economic development; stimulate industrial, commercial, and residential improvements; prevent physical and infrastructure deterioration of defined areas; and provide for the reuse of unproductive or abandoned industrial properties.*

***Audit Objective:***

To assess the effectiveness of the Michigan Economic Development Corporation's (MEDC's) efforts to evaluate the Renaissance Zone Program's impact on creating new jobs, retaining jobs, and stimulating capital investment within the State.

***Audit Conclusion:***

We concluded that MEDC's efforts to evaluate the Renaissance Zone Program's impact on creating new jobs, retaining jobs, and stimulating capital investment within the State were not effective. We noted one material condition (Finding 1) and one reportable condition (Finding 2).

***Material Condition:***

MEDC had not established a comprehensive process to evaluate the effectiveness of the Renaissance Zone Program (Finding 1).

***Reportable Condition:***

MEDC did not ensure that all information required by statute in relation to the

Renaissance Zone Program was completely and accurately reported to the Michigan Legislature (Finding 2).

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***Audit Objective:***

To assess the effectiveness of MEDC's efforts to monitor Renaissance Zones for compliance with development agreement requirements.

***Audit Conclusion:***

We concluded that MEDC's efforts to monitor Renaissance Zones for compliance with development agreement requirements were moderately effective. We noted one material condition (Finding 3) and one reportable condition (Finding 4).

***Material Condition:***

MEDC did not adequately monitor Renaissance Zones' compliance with the requirements of their development agreements (Finding 3).

**Reportable Condition:**

MEDC had not established a structured process to ensure that instances of Renaissance Zones' noncompliance with development agreement requirements were appropriately addressed (Finding 4).

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**Agency Response:**

Our audit report contains 4 findings and 4 corresponding recommendations. MEDC's preliminary response indicates that MEDC agrees with all of the recommendations and either has taken steps to comply or will comply with them.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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