



INGHAM COUNTY

MICHIGAN STATE UNIVERSITY EXTENSION

COMMUNITY ECONOMIC DEVELOPMENT REPORT



June 2007

Ingham Economic Development, 121 E. Maple, Mason, MI 48854, (517) 676-7285 www.ingham.org spigg@ingham.org

Special Interest Articles

- Economic Development Incentives
- Biofuels Future in Ingham

Individual Highlights

- RED Team Merged 2
- Michigan Wins Silver 2
- Michigan in Numbers 2
- Legislation News & Notes 3
- Events & Opportunities 3
- Getting Connected by Broadband 4
- Ingham EDC news 4

Economic Development Incentives

Wow! Talk about incentives...Google, the giant internet search engine company may get up to \$260 million in incentives for building a new "server farm" in Lenoir, North Carolina.

American municipalities have been offering economic development incentives since the beginning of our country. Over the past twenty years, the practice has grown exponentially and has become much more complex with tax increment financing, tax credits, and complicated loan-grant arrangements. And, it is not always clear to the public what taxpayers are getting in return. According to news reports, Lenoir's Google "server farm", a building full of computers, will be staffed with some of Lenoir's

residents, many who have lost jobs in the shrinking furniture industry. In addition, the company is expected to pay a large amount in franchise fees, sales taxes, and payroll taxes. But, critics are upset that Lenoir and Caldwell County did not include benchmarks and penalties that would take effect if Google doesn't follow through with their intended investments.

Good Jobs First, a non-profit group, advocates for accountability in economic development incentives, recently released a report, "The Ideal Deal: How Local Governments Can Get More for their Economic Development Dollar." The report, a sort of handbook for incentive contracts, focuses on how to write a good contract, and identifies best practices

that can be used as models. Co-author David Santacroce, from the University of Michigan Law School, offers some clear Michigan examples of how communities can structure incentives and avoid being held hostage by businesses who doesn't return on their agreement.

According to Good Jobs First, giving away tax revenues with few strings attached is not an effective way to meet policy objectives and manage public finances. So, if communities continue to offer incentives, they should do so in a smarter manner. The Ideal Deal offers a handbook of best practices and example contracts to help communities get a better deal.

Biofuels Future in Ingham

Webberville's Business Park is set to become the home of an innovative new development, a Bio-refining Training Facility. Ingham County businesses applied to become the new host for an innovative Bio-refining Training Facility. After months of reviews and negotiations, an application by Working Bugs, LLC and Michigan Brewing Company was selected by the Michigan State University (MSU) group Primas Civitas to host the novel new facility.

According to Kris

Berglund, Ph.D. managing partner of Working Bugs LLC this facility positions Ingham County as a state leader in the development of new bio-economy based businesses. In addition to training, an equally important activity of the facility is in applied research and development and light manufacturing. According to Berglund, this makes Webberville's Business Park an ideal location for this new initiative. New grants and contracts for bio-based business opportunities are

being negotiated now. They have attracted interest from the Michigan Economic Development Corporation (MEDC), NextEnergy and Michigan Department of Agriculture. MSU representatives including Prof. Steven Pueppke of MSU's Office of Bio-based Technologies Department visited the Park. They will work closely with the Corn Market Program, the MI Agri-Business Association, The Andersons, and others. They also plan to maintain strong relationships with MSU researchers who want to move their technology into



"Free land on the waterfront, free rail spur, written agreements by farmers to supply raw product... the company was Heinz Inc. and the year was 1896 - economic development incentives have been in use in western Michigan for at least 110 years.

...Lansing can dramatically improve the perception of our state held by business leaders...Let's make sure we also have the tools necessary to close the opportunities we get, just as we did with Heinz over 100 years ago."

Randy Thelen,
President of LakeShore Advantage

in **Business Review Western Michigan,**
March 8-14, 2007

RED Team Merged with LEAP

The Regional Economic Development (RED) Team, a Lansing tri-county regional coalition of economic development professionals since the mid-1980's, announced in May that they have dissolved their non-profit corporation status and merged to become a committee of the new Lansing Area Economic Partnership (LEAP). LEAP President Matthew Dugener met with the Team for open discussion and responded to questions about the proposed merger on May 23rd. Dugener emphasized the importance of recognizing and maintaining the strong inter-governmental cooperation that has been a keynote of the RED Team.

He pointed out that the bridge between local governments and private firms in this area is critically important to moving forward with successful economic development projects. He sees the area's governments participating with LEAP through membership in the RED Team, which will now have a seat on their public-private committee. He described an evolving vision of the role of the LEAP public-private committee but did not specify any activities or particular topics they would address at this time. He noted that LEAP is in the process of affirming relationships with other area stakeholders in economic development. LEAP recently specified their contractual relationship with Prima Civitas, an MSU based organization run by

former Lansing mayor David Hollister. Prima Civitas will work to facilitate commercialization of bio-technology based developments and promote entrepreneurship. For now, the RED Team will continue to meet most months on the first Thursday at 8 am at the Lansing Community College West Campus for informative meetings and regional sharing about economic development issues. The RED Team board is evaluating the membership dues structure. They hope to add members over the next year and will participate strategic planning for LEAP's future.

Michigan Wins a Silver Shovel!

Area Development Magazine, a national publication on business and economic development, just awarded Michigan its second "Silver Shovel." The Silver Shovel recognized Michigan as one of the most successful states securing major corporate investments in the face of increasing global competition. According to the Michigan Economic Development Corp CEO Jim Epolito, "This award highlights Michigan's growing

importance as a center for alternative energy development and production as well as its continuing success in attracting investment from the world's most innovative manufacturers." Each state was rated on five factors, direct creation of jobs, new jobs per capita, the firm's investment, the number of new facilities, and the number of projects creating high value added jobs. Michigan was among the top states with

populations over 10 million. Major corporate locations that contributed to the state's success included the Toyota Technical Center USA in Ann Arbor, Hemlock Semiconductor in Hemlock, United Solar Ovonic, in Greenville, and S2 Yachts in Holland, and ethanol production plants in Albion and Lake Odessa.

Michigan in the Numbers Again!

A variety of numeric accomplishments to consider... Michigan is the 4th state in the nation for innovation in nano and micro technology, up from 5th place in 2006, according to *Small Times* magazine. The rankings are based on criteria used by economists who specialize in emerging technology hubs. ... The 2007 State New Economic Index by the Information Technology and Innovation Foundation assessed the readiness of states for the 21st century's knowledge-based economy, and ranked Michigan 4th for industry investment in research and development, 1st in making government functions available on line, and 10th in foreign direct investment. The Michigan Economic Development Corporation received three Corporate Investment and Impact (CiCi) awards from *Trade & Industry Development* magazine.

Legislation News & Notes

The State's dire budget woes can have a direct impact on economic development efforts to attract and retain employers. On Wednesday, May 16, 2007 the Michigan Senate voted to renege on the 21st Century Jobs Fund allocation in the amount of \$294.5 million. If the vote prevails, the new Jobs Fund would be dramatically reduced, the Pure Michigan travel promotion campaign would be eliminated as would the Upper Hand business attraction campaign that promotes Michigan to national and international business leaders. And, for those firms already accepted into the program, Michigan will likely fail to honor the commitments made after their firm's applications to develop and commercialize new technologies was reviewed and approved for funding.

Here is an update on some of the other legislation that may affect economic development activities in Ingham County. For additional information about any bill, please visit www.Michiganlegislature.org or contact your legislators.

Strategic Response Center (MI House Bill 4629, sponsor McDowell) Provides for definition of a strategic response center for plan rehabilitation.

Right to Work Zones (MI House 4757, sponsor Acciavatti)

Creates right-to-work zones.

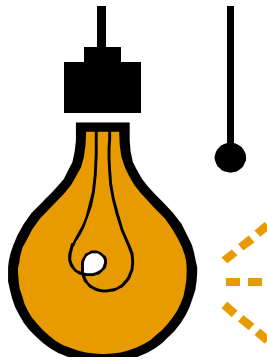
Research and Development Tax Credit (MI House 4765, sponsor Mayes) Provides for bio-based research and development income tax credit.

Billboard Zoning Ordinances (MI Senate bill 351, sponsor Gilbert) Allows counties to establish billboard zoning ordinances under certain circumstances.

Redevelopment Liquor License (MI Senate bill 471) This bill would require businesses seeking a redevelopment liquor license to search throughout a county instead of just a local municipality, for an escrow license before they could apply for a redevelopment license.

Beginning Farmer and Rancher Opportunity Act (Federal Senate and House of Representatives, sponsors Senators Harkin, Grassley, Brown, Baucus & Representatives Hereseth Sandlin, McCollum, and Walz) Improves credit programs and creates new initiatives that give beginners tools to enter farming/ranching, to be good land stewards, and to be innovative and entrepreneurial.

Events and Opportunities



MI Economic Developers Association (**MEDA**) is hosting the nationally recognized course on Economic Development **September 10-14, 2007**. Endorsed by the International Economic Development Council (IEDC), this one week class is a must for economic development professionals. It is invaluable for those who need a **comprehensive education focused on the critical areas of Economic Development**. This course is the first requirement in the process toward national certification as a CECD through the IEDC. The class will be held at the **Waterfront Conference Center in Traverse City, MI** and costs \$625 for MEDA members and \$850 for non-members. For more information or to register, visit www.medaweb.org or call 517-241-0011 for a brochure and registration form.

Mark Your Calendar for Fresh Vegetables!

Meridian Township Farmers Market is now operating on

Saturdays from 8AM to 2pm at the pavilion area behind the Township Hall, Marsh Rd.

Mason Farm Market will be held on Maple Street Saturdays from 8:00 am to 12 noon. They start July 14th and end September 29th!

The Ingham County Brownfield Redevelopment Authority, in partnership with the Land Bank Authority, has prepared a Brownfield Plan to finance the clean-up and rehabilitation of a variety of Land Bank properties, mostly tax reverted parcels. The Plan includes information about the program and lists properties that are included in the plan. The Plan is available **for review and comment starting June 8, 2007** after the Ingham County Brownfield Development Authority meeting. The Commissioners anticipate taking final action at their July 24th meeting. Please contact the Ingham Economic Development Office to view a copy.

The Ingham County Health Department will provide

resources to employers and individuals that seek to promote a **Smoke-Free Ingham**. Call 887-4315 to receive a quit kit and cessation guidance. Callers with health insurance or Ingham Health Plan can also get counseling and help to receive low cost nicotine replacement, patches, and Zyban.

Smoke-Free Ingham is hosting **free Quit Tobacco Workshops in 2007**. They will be held at 5303 S. Cedar St. Lansing on July 19, August 16, October 18, as well as other dates and locations this year. Call 887-4315 for information.

USEPA is hosting a teleconference/workshop on Brownfield proposal guidelines. The event will be July 17, 2007 from 9-11 am CDT via the US EPA's CLU-IN Internet Seminar. For information call Deborah Orr at 312-886-7576 or email her at Orr.Deborah@epamail.epa.gov.

Ingham County Economic Development



**Assisting Ingham County
Communities and
Businesses to prosper and
grow**

121 E. Maple Street
P.O. Box 319
Mason, Michigan, 48854

Phone
(517) 676-7285

Fax
(517) 676--7358

E-mail
spigg@ingham.org

**Susan M. C. Pigg,
Economic Development
Educator**



We're on the Web!
See us at:
[www.ingham.org/DV/developm.
htm](http://www.ingham.org/DV/developm.htm)

Getting Connected by Broadband

AT&T Michigan President Gail Torreano announced that the company has completed its effort to bring broadband to some of the state's most rural areas. AT&T officials are planning to include a visit Ingham County's Dansville this summer during their statewide tour to tout broadband accessibility.

AT&T and WildBlue, which provides Broadband via

satellite, are expanding access to fast Internet connections statewide. This is an important alternative for those who currently only have dial-up services. Ingham residents can get information and confirm availability in their area by calling 1-800-ATT-2020.

Also, AT&T is introducing U-verse in Michigan. U-verse uses AT&T's fiber rich

network to offer cutting edge television and high speed Internet. This new service offers a combination of next generation digital television and access to more than 25 High Definition channels with high speed internet access. It is currently available in the Detroit area, Ann Arbor and Ypsilanti areas. More information about U-verse is available at uverse.att.com

Ingham EDC News...

The Ingham County Economic Development Corporation is pleased to welcome two newly appointed members to the board of directors.

Michael Frederick of Lansing Township is an attorney and legislation specialist with Strategic Public Affairs. He was appointed to complete the term of Barb Byrum, who resigned in January due to conflicts with her new legislative role. That term expires in 2009.

Katherine Czarnecki of East Lansing is an economic development manager for the Lansing Regional Chamber of Commerce. She was appointed to complete the term of Jerry Ambrose, who resigned in April due to time constraints. That term will expire in 2011.