

THE JACOBS CAPITOL REPORT

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FOURTEENTH DISTRICT

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REPUBLICANS REJECT GRANHOLM BUDGET

Governor: Where is the GOP's Plan?

The budget debate entered its latest round this week, with Senate Republicans rejecting Governor Granholm's plan to offset this year's \$900 million deficit through a mix of spending reductions and tax increases. The Granholm plan called for decreases in funding to day care, foster care and other programs; a new 2 percent tax on services such as haircuts and movie tickets starting June 1; delayed funding; and changed accounting practices.

The GOP majority in the Senate Appropriations Committee voted along party lines to reject the executive order. Republican lawmakers said that they objected to the tax increase and want more spending cuts instead, acknowledging the possibility of a \$220/pupil reduction in school funding.

The governor questioned this approach, pointing out that Republicans had not yet advanced their own budget plan.

"I can't negotiate with vapor, when they've put out no plan on the other side," she said. "I call on Republican lawmakers to have the backbone and the courage to put their plan on the table."

She also criticized their apparent willingness to make reductions in education funding, adding, "I'd like to see how many votes they have to cut schools in the middle of the school year. School districts will be thrown into bankruptcy."

Republicans have not specified what further cuts should be made, but they do plan to prepare an alternative proposal in the "near future."

"It's on us right now," said Senate Majority Leader Mike Bishop (R-Rochester). "If the Republican caucus has said that we can do it in the form of cuts, then we've got to put our money where our mouth is and get it done. We're going to do everything we can to make that happen."

COMPANY EXPANSION ANNOUNCEMENT INCLUDES SOUTHFIELD

Governor: Redevelopment Creates 1,044 New Jobs

Governor Jennifer Granholm announced that four companies are expanding in Michigan with assistance from the Michigan Economic Development Corporation (MEDC) and a downtown redevelopment project in Detroit is

being backed by the MEDC with support from the Michigan State Housing Development Authority (MSHDA).

In all, the projects are expected to create 1,044 Michigan jobs and involve more than \$99 million in new capital investment.

“These are the types of high-tech companies and community development projects that will strengthen Michigan as a place to live, learn and earn,” Granholm said. “These investments will create good-paying jobs and vibrant cities that our economic plan is working to grow across the state.”

The five projects are as follows:

- Landon IP Inc. is investing \$3.9 million to open offices in Southfield. The Alexandria, VA-based company's new operations will create 299 new jobs. A state tax credit valued at \$2.1 million over five years helped convince the company to choose Michigan over a competing site in California. The city of Southfield has proposed a seven-year tax abatement valued at \$68,000 to support the project.

- FEV Engine Technology Inc. will invest \$4.3 million to expand its operations in Auburn Hills and create 180 new jobs. A state tax credit valued at \$1.1 million over seven years helped convince the company to grow in Michigan over a competing site in South Carolina. To support the expansion, the city of Auburn Hills has proposed a 12-year tax abatement valued at \$288,000.

- TechSmith Corp will invest more than \$18 million to build a new world headquarters in the Michigan State University Corporate Research Park located within the Lansing Regional SmartZoneSM. The project is expected to create at least 105 new jobs, including 75 or more directly by the company. A state tax credit valued at \$1.2 million over 10 years helped convince the company to locate its new headquarters in Michigan over a competing site in Indiana. In addition to making space available within its SmartZoneSM, the city of Lansing has proposed a 12-year tax abatement valued at \$693,000 to support the project.

- Visteon will invest \$35 million to build a state-of-the-art manufacturing plant in Highland Park. The plant is expected to create 353 new jobs, including 175 directly by the company. A state tax credit valued at \$1.73 million over seven years helped convince the company to invest in Michigan over a competing site in Ohio. The city of Highland Park has proposed a 10-year tax abatement valued at \$4.3 million to support the project.

-The City of Detroit, teaming with Focus: HOPE, will utilize state and local tax capture valued at \$4.9 million for a phased development along Oakman Boulevard just east of the Focus: HOPE campus in Detroit. The project will include a conference and education center, retail stores, development of local park space, replacement of run-down infrastructure

and eventual adaptive re-use of the old Michigan Bell buildings. The project is expected to create up to 120 full- and part-time jobs and include \$38 million in capital investment.

"We are stepping up our efforts to win new high-tech investment and jobs," said MEDC President and CEO James C. Epolito. "Michigan has the right talent and climate to help companies compete and thrive in today's global economy."

In her 2007 State of the State address, Granholm emphasized the importance of making Michigan a global economic powerhouse in the 21st century. Since January 2005, the governor and the MEDC have announced the creation or retention of more than 167,000 jobs as a result of targeted assistance provided by the MEDC.

MICHIGAN ENERGY ASSISTANCE DIRECTORY NOW ONLINE **MPSC Provides Info on Low-Income Energy Programs**

The Michigan Energy Assistance Directory, published by the Coalition to Keep Michigan Warm, was developed to help people get information on various low-income energy assistance programs. It is now available on-line at: www.michigan.gov/bewinterwise.

"The Energy Assistance Directory has proven to be a valuable tool," said MPSC Commissioner Monica Martinez. "It provides information on private and public programs that provide energy assistance for Michigan residents who qualify; contact information for electric and gas utilities in Michigan; and a county-by-county listing of utilities, programs and resources available."

The MPSC is an agency within the Department of Labor & Economic Growth.

WIT, WISDOM, ETC . . . **Quotables**

"We need to internalize this idea of excellence. Not many folks spend a lot of time trying to be excellent."
-Barack Obama

"The trust of the innocent is the liar's most useful tool."
-Stephen King

Quote of the Week: Jack Nicholson
"I'll tell you one thing: Don't ever give anybody your best advice, because they're not going to follow it."

All Michigan legislation can be tracked at

<http://www.legislature.michigan.gov/> .

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State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Campaign & Election Oversight Committee. She also serves on the Finance, Economic Development & Regulatory Reform, and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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