

**HOUSE COMMITTEE ON NEW ECONOMY AND QUALITY OF LIFE
TESTIMONY REGARDING ECONOMIC DEVELOPMENT IN MICHIGAN
APRIL 28, 2010
REPRESENTATIVE ED CLEMENTE (D-LINCOLN PARK)**

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The current economic condition: things that we cannot change at the State or local level – loss of manufacturing, driver of community wealth. U.P. has traditionally had a more difficult time economically. How do we all go forward within that context?

1. No gap in transition for statewide economic development with new administration: MEDC is a good structure, a creation of government but with some separation from politics and bureaucracy. We cannot have a gap with a new administration.

2. Need to keep incentives and tools simple: Business wants the best deal, especially doesn't want to think that something was left on the table. The number and complexity of State programs is sometimes overwhelming, and there is constant jiggering and amendments. It is very difficult to know if all appropriate tools have been used. Consider putting incentives on table up front: e. g. local communities often will promise PA 198 as a starting point.

3. Speed is essential: Business moves at the speed of light. We take too long with our decision-making processes, and requirements that prevent a business from taking an action lest they preclude an incentive. Programs with local decision-making work well: Act 450, TIFA, Brownfield (without school taxes), PA 198, etc.

4. Need Canadian Expertise at the state level: Immigration issues are often a key hurdle in dealing with a Canadian (or other non-American) company. We used to have MEDC expertise in this area, providing help with L-1, H-1, EB-5 immigrant Investor and other options. This is no longer available, and this expertise needs to be brought back into MEDC.

5. Need Flexibility and Creatively: Local developers, if they have local tools, are in a position to deal with speed and flexibility. We need to look at how these can be expanded, and how to minimize bureaucracy and rigid legislation/regulations. We also need to practice what we preach about the new economy – re: entrepreneurship, risk taking, innovation. We need to be careful we don't play things too safe with our programs. We need to accept that sometimes things go wrong, and mistakes are made, and go on without adding another layer of regulations and red tape.

6. Regulations need to be brought under control: It is not so much the regulation as the excessive time involved in acquiring a permit – wetlands is a good example in our region.