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Committee on **Detroit's Recovery and Michigan's Future**

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RE: Opposition to HB 5573 – Deposit of \$17.5/yr for 21 years of Tobacco Settlement Revenue into the 'Rainy Day Fund'

Committee Chair Walsh:

I am opposed to HB 5573 which authorizes the deposit of \$17.5 million/per year for 21 years of Tobacco Settlement Revenue into the 'Rainy Day Fund' for the purpose of restoring the \$194.8 million payment to the Detroit Pension Funds. Here is why:

**"I'm just begging for money."** - Kevin Orr, Detroit Emergency Financial Manager

Mr. Orr certainly picked the right day to come to Lansing to 'beg for money' by raiding the 'Rainy Day Fund'. Had he tried his '**panhandling**' outside of **1 Woodward Ave** in Detroit, not only would he have gotten 'wet', but he most likely would have been reported by Dan Gilbert's goon squad and escorted out of Downtown Detroit by the Detroit Police.

The title of this Committee is **Detroit's Recovery and Michigan's Future**. Chairman Walsh's astute opening comment that this is a 'once-in a-lifetime opportunity', and the many references we heard from numerous speakers that Detroit's 'recovery' is inextricably linked to 'Michigan's Future', stresses the importance of 'getting this right'.

Instead of 'come begging', Mr. Orr should have come with - a '**VISION**'. He should have come with a **Grand Vision**, one that would convince the world that not only will Detroit 'rise from the ashes' but that it's people, it's many needy people, not just the rich ones, will be helped, and **Michigan's Future** improved.

What would such a **Grand Vision** look like? Mr. Orr should have come here and said: *"Detroit and Southeast Michigan need a Regional Transit System to thrive - to retain and attract the young - and care for those here who rely on public transportation because they can't afford cars. While I am here, I am going to ask the Governor to re-think the transfer of the **163 acre Michigan State Fairgrounds** to private interest and instead, ask him to retain this land in the public domain and create a truly iconic, multi-modal REGIONAL transportation hub, at the site of a Historic State Fairgrounds & year-round Exposition Center that will show the world, that when it comes to transportation and innovation – Detroit and Michigan are the best. I know he will ask 'how are you going to pay for it' and the answer is simple – **raise alcohol taxes.**"*

This is how the \$194.8 should be repaid into the 'Rainy Day Fund' – not with Tobacco Settlement Revenue. Detroit, and Michigan, needs a new source of revenue for a variety of transportation issues. Why not tap this '**under-utilized resource**'?

Yesterday, Tim Sowton, with Business Leaders of Michigan, stated that polls have shown that Michigan's citizens approved helping out Detroit to prosper Michigan and attract and retain youth. Well, polls also consistently show that 70% of people in Michigan favor higher alcohol taxes. So, why not give it to them?

I attended the recent Regional Policy Conference put on by Sandy Baruah and the Detroit Chamber of Commerce. He said we have to think REGIONALLY. He's right.

Whether it is a state-wide tax, or a 'regional tax', can all be worked out. Put \$17.5 million of Detroit's contribution back into the 'rainy day fund' and use the balance to fund public transportation.

***A 20 cent per drink increase will generate \$500 million per year for the State of Michigan.*** That's serious money folks.

Mr. Orr mentioned that Detroit had four revenue streams; Income taxes, property taxes (which half the people don't pay because they are drinking and gambling), State Revenue Sharing (which is consistently decreasing) and Casino Revenue (which use to go to pay the banks).

Why not get a little of that Casino Revenue *before* it goes through the 'slot'?

Think REGIONAL folks – ***Join or Die.***

Pressing on, with unwavering faith,

Jim Casha