



**House
Legislative
Analysis
Section**

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INCREASE TECHNOLOGY PARK DISTRICT SIZE

RECEIVED

House Bill 5677 as introduced AUG 01 1988
First Analysis (6-15-88)

Sponsor: Rep. Thomas L. Hickner Mich. State Law Library
Committee: Economic Development and Energy

THE APPARENT PROBLEM:

The Technology Park Development Act is one of a number of different acts created since the early eighties to help diversify and revitalize Michigan's economy. Under the act, a local government may establish a technology park district located near a public four-year educational institution to offer tax abatements to technology facilities. Businesses that fall within the district can work together with the public educational institution for an interchange of ideas and services: schools can gain opportunities to finance the research and development of new ideas and open the way for more internships for their students, businesses gain tax breaks and access to the schools' research capabilities, and both can work toward building the economic base of a community. The act specifies that a district is limited to an area within proximity to a four-year educational institution — specifically, within a five-mile radius from a school's administration building. Apparently, the five-mile limit was intended to encompass only those business districts and local governments within closest proximity to a state educational institution participating in a project. Monitor Township in Day County lies just outside the five-mile limit from Saginaw Valley State University; a business firm in the township currently provides data-processing services for a savings and loan association, but would like to be included in the college area's technology park district. Because some feel the five-mile limit for the district was chosen arbitrarily, they feel the act should be amended to increase the radius limit so that more businesses could be included in these special districts.

standards and ensure their students get experience from internships provided by participating businesses. Businesses, on the other hand, are granted property tax abatements and can tap the research capabilities of the local school. Both working together can increase business activity for an area and, ultimately, strengthen the economic base of a community.

Against:

The bill seems to be directed at correcting a situation in one area. If the original limit was an arbitrary figure, why have a limit at all? The act was intended to apply to a limited business area near four-year public educational institutions. If the limit is raised from that originally specified, it could cause businesses well outside the technology park districts to request that they be allowed to participate in a program.

Response: There are currently only two areas in the state where technology park districts are located, one in Mount Pleasant (Central Michigan University) and one near Saginaw (Saginaw Valley State). The bill is intended to increase the district area for Saginaw Valley's technology park district to include a business in that area wishing to participate in the economic development program.

POSITIONS:

There are no positions on the bill.

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THE CONTENT OF THE BILL:

The Technology Park Development Act specifies that all land within a district must be within a five mile radius of the administration building on the main campus of a four-year public or independent university or institute of technology, or as otherwise specified in the act. The bill would increase the radius of the district to within a 6.7 mile radius of the administration building.

MCL 207.705

FISCAL IMPLICATIONS:

According to the Department of Commerce, the bill would have an undetermined fiscal impact on state and local government. (6-14-88)

ARGUMENTS:

For:

The bill would permit more businesses to become involved in special technology park districts. Interaction between schools, businesses and local governments increases the possible benefits to an area. Schools can assure their students are being instructed according to industry