



MICHIGAN HISTORIC
PRESERVATION NETWORK

Rep. Phil Pettalia
Anderson House office Building
S-1485 House Office Building
Lansing, MI 48933

May 22, 2015

Rep. Lee Chatfield
Anderson House office Building
S-1486 House Office Building
Lansing, MI 48933

RE: House Bills 4607 & 4608

Gentlemen:

I write to you today to express our dire concerns over the distinct negative fallout that will result in the preservation and economic development communities from the passage of the aforementioned House Bills coming up for Committee review this Tuesday (26th). Our concerns are specific. The bills propose paying for roads through a combination of major cuts to programs like the Earned Income Tax Credit as well as very aggressive assumptions on future growth in state tax revenues. But, most relevant to Michigan development is that the bills decimate the MEDC, defunding its operational budget and removing nearly half of its programmatic dollars. It removes \$185 million in total from the MEDC's budget! If these bills were to become law, the MEDC's work with universities, accelerators, the venture capital community, the foundation community, local economic development agencies and others would simply cease. The bills even threaten *Pure Michigan*, the most successful marketing program in the history of the state.

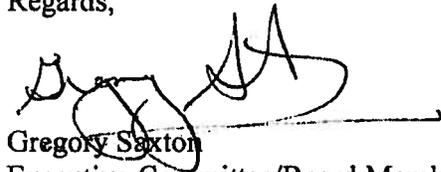
Included in those programs that would face defunding is the Michigan Community Revitalization Program (MCRP). The MCRP was established as an incentive program available from the Michigan Strategic Fund (MSF), in cooperation with the Michigan Economic Development Corporation (MEDC). The program is designed to promote community revitalization through the provision of grants, loans or other economic assistance for eligible investment projects. The program leverages historic preservation projects as a priority for MCRP funding, a smart economical choice across the states' vast architectural treasures, and has directly aligned with the state's leadership on place-making initiatives to invigorate local economies around the entire state.

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With the passage of these bills, the MEDC's incentive programs, as we know them, would cease to exist. So would work on the pipeline of new opportunities that Michigan is competing for, against other states.

In closing, I believe there are alternatives to address our deteriorating roads and bridges. The legislature must evaluate new, more creative means such as Public Private Partnerships (PPP). They can be designed to raise capital to fund a permanent and protected "capital fund" used solely for road and bridge repairs throughout the state. Currently, Twenty-four states have enacted legislation authorizing PPP's. Michigan has not. We should look to Indiana that raised 3.8 billion dollars with a PPP that covers 156.9 miles. Today, Michigan's road funding will not be resolved until we all work to break our old habits and strive for creative, out of the box thinking and financial leadership. This problem will not be resolved by simply raising and / or shifting tax revenue. The economic loss will be devastating.

Regards,



Gregory Sexton
Executive Committee/Board Member
Public Policy Co-Chair
Michigan Historic Preservation Network (MHPN)

Director of Development
J.E. Johnson, Inc.
Midland, MI

Cc: Nancy Finegood, Executive Director, MHPN