



MEMORANDUM

TO: Honorable Members of the Michigan House of Representatives Committee on Economic Development and Small Business

FROM: Leah Robinson, Michigan Chamber of Commerce

SUBJECT: MI Chamber Shares Concerns Over Changes to the Strategic Outreach and Attraction Reserve (SOAR) Fund

DATE: October 24, 2023

This memo is to voice the **Michigan Chamber's concerns with House Bill 5104 as written** because it dilutes Michigan's economic development tools and would weaken the state's ability to compete for new investments and jobs.

The Michigan Chamber supported the creation of the Strategic Outreach and Attraction Reserve Fund ("SOAR Fund") in 2021 because it was shaped to create new and different economic development tools for the state, balancing the need for Michigan to compete for new investments and jobs (large and small) with the desire to create additional transparency, legislative oversight and efficiency.

House Bill 5104 steps away from the 2021 law by reprioritizing the types of projects that will be funded by the SOAR Fund, now known as Make It in Michigan Fund ("MMF"), by adding subjective and ambiguous criteria for businesses interested in applying. Our concerns with the bill as written are as follows:

- **Sets new and subjective criteria for businesses applying for incentives that fall within the MMF.**
 - Rationale: The legislation specifies applying businesses must "support or enable progress" towards the federal Justice40 program and document they will "honor a decision by its workers to form a union and will commit not to interfere in unionization efforts." This language lacks clarity and definition and inappropriately seeks to make subjective value judgments about the types of businesses worthy of consideration, which could close the door to projects from the start.
- **Deprioritizes the Critical Industry Program (CIP) and the Strategic Site Readiness Program (SSRP).**
 - Rationale: Expanding the MMF to include the "Michigan 360 Program," a program focused on local community economic development projects and placemaking, would weaken the original intent of the SOAR Fund and ultimately hinder Michigan's ability to compete with other states for new jobs and investments. CIP and SSRP projects should remain the highest priority to ensure Michigan can compete for transformational projects.
- **Diverts dollars from the outset, lessening Michigan's ability to compete** by requiring economic assistance of no less than 20% of the total project investment for CIP and SSRP projects allocated to the Michigan 360 program.
 - Rationale: While local investments are certainly important, we are concerned that diverting dollars to new programs will further dilute Michigan's attraction efforts. The 20% threshold should be lowered, made optional or come from another pot to ensure the original intent of the fund remains as powerful of an incentive as possible.

We look forward to working with legislators as the bill progresses. If you have any questions, please do not hesitate to contact me at (865) 235-9616 or lrobinson@michamber.com.