



October 31, 2019

**Testimony to the House Commerce and Tourism Committee
in support of Senate Bill 455**

MICHauto is a statewide economic development initiative of the Detroit Regional Chamber, dedicated to promoting, retaining and growing the automotive industry in Michigan. MICHauto embodies a public-private strategy, championing Michigan as the global epicenter of the automotive industry and providing a platform for collaboration on advocacy and talent attraction and development.

MICHauto and the Detroit Regional Chamber urge your support of SB 455. Introduced by Senator Jim Stamas, SB 455 would codify what was understood to be the original agreement between lawmakers and stakeholders in 2015 on certain tax exemptions for specified data center equipment, while also recognizing recent discussions and agreements with local stakeholders.

As a primary focus of MICHauto's 2019 legislative priorities, MICHauto is striving to promote a future for the industry that is connected, automated, shared, and electric. As the era of mobility quickly demands a more connected vehicle fleet and infrastructure, the necessity for access to technology, telecommunications, and data services will only become more essential.

In addition, Michigan must remain at the forefront for companies and research institutions with a business climate and entrepreneurial environment to lead in new technology development. The attraction and expansion of research and development is cultivated in part by access to the prerequisite technological infrastructure needs.

Switch, through their location in Gaines Township, has become an ongoing partner and major contributor to these efforts. Furthermore, they are now providing important services to companies all across Michigan such as CMS Energy, BDO, JCI, and even the state of Michigan.

Per their existing incentive agreement, Switch made a commitment to the state of Michigan in terms of jobs and capital investments. With over 800 new jobs created and \$150 million invested, Switch has met and then exceeded that commitment - with more to come - and has established themselves as an engaged and devoted community partner.

The state of Michigan should similarly honor the intent of their commitment to Switch. SB 455 does not represent an expansion of the existing credit, but a codification of what was originally understood to be the agreement made back in 2015. By doing so, Michigan will not only honor this agreement, but further confirm its reputation as a state that stands behind its negotiations and its promises and thus support further economic development and business attraction efforts.

Thank you for your consideration of SB 455. Please feel free to contact me with any questions or further discussion at 248.709.4866 or jpuscas@michauto.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Puscas".

Jason Puscas

Director, Government and Community Affairs
MICHauto