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## JOB CREATION AND ECONOMIC STIMULUS

### *Governor Granholm's Continuing Effort to Diversify Our Economy*

Michigan has felt the impact of the world's changing economy more than any other state. That's why Governor Granholm is focused relentlessly on four critical priorities for our state – a job for every worker, an education and training for every child and worker, health care for every family, and safe places to live, work, and play for ALL of us. Focusing on these key issues will make Michigan the best place to live, learn, and earn.

To ensure a job for every worker, the governor has made a commitment to go anywhere and do anything to bring jobs to Michigan. Since taking office, her five trips overseas have attracted 35 businesses and more than 7,000 new jobs. To make the state's business climate more business-friendly, she enacted the most sweeping reform of business taxes in 30 years and has reduced permitting time for some permits from more than six months to less than 90 days. And the No Worker Left Behind program she introduced last year is ensuring that displaced workers have the training they need for jobs that are open today and that will be open tomorrow.

#### IMMEDIATE ECONOMIC STIMULUS

- **Road Project Stimulus Package** – The governor will propose \$150 million in building projects for necessary roads and buildings. The package also will create 2,100 additional construction jobs over the next two building seasons – with better roads as the result of our investment. The package is made possible by refinancing existing debt and bonding to take advantage of lower interest rates.
- **Investment in Michigan Infrastructure** – Between proposals for Fiscal Years 08 and 09, the Governor proposes investing more than \$800 million in bricks and mortar construction projects for Michigan's higher education institutions, state parks, airports, military armories, and transportation facilities, and includes requirements for "green" construction.
- **One-year Moratorium on Department of Environmental Quality Fee Increases** – The governor is proposing an increase in the Department of Environmental Quality general fund budget that would prevent any proposed fee increases for businesses during this economically challenging year. The moratorium is made possible through a one-time refinancing of some state bonds.

#### NEW TOOLS FOR ATTRACTING NEW JOBS

- **Invest Michigan!** – An innovative new investment fund that will make capital available to businesses that agree to grow new jobs in Michigan. The governor is pledging \$300 million over the next three years to open the fund and is seeking commitments from other institutional investors to increase it. Invest Michigan! will invest less than one percent of the state's pension fund through a professional investment manager making prudent investments that provide a competitive return. A business advisory board will offer mentoring to businesses that benefit from the fund.
- **The Michigan Job Creation Incentive** – A substantial Michigan Business Tax cut for any high-growth-sector business that chooses to create new jobs in Michigan. New businesses in the top 50 growing sectors will pay no taxes in the first year of the tax cut; existing top 50 growth-sector businesses will get a triple tax credit on their Michigan Business Tax. The state will take advantage of lower interest rates to refinance some state bonds to fund the tax cut.
- **Expand Business Marketing and Tourism Promotion** – Michigan will invest \$50 million in promoting Michigan to job-growing business leaders and economy-boosting tourists from across the country and around the globe. The investment is the largest promotion in Michigan's history, allowing outreach to more than 600,000 CEOs and making Michigan one of the ten most aggressive states in tourism promotion.

- **Make MEGA Credits More Flexible** – The governor will ask the legislature to make changes to the existing Michigan Economic Growth Authority law that will make the state’s MEGA job creation credits more flexible and competitive. In addition, the governor will add tourism as an eligible business to attract capital investment to the state.
- **Film Incentives** –The governor will work with the legislature to soon offer the most aggressive incentives for film companies in the nation. The state will offer a 40 percent tax rebate to film companies that bring their productions – and the associated jobs – to Michigan. In addition, the state will significantly enhance the Michigan Film Office and authorize state and local governments to provide free use of facilities for film and digital media production.

#### **A MORE BUSINESS-FRIENDLY ENVIRONMENT**

- **Fiscally Responsible Budget** – The budget Governor Granholm will present to the legislature next month for Fiscal Year 2009 will contain no new programs without a way to pay for them and no new taxes or fees, along with \$200 million in additional cuts and reforms.
- **Bolstering Michigan’s Savings Account** – The governor also will announce a \$100 million deposit into the state’s Rainy Day Fund – further ensuring Michigan’s fiscal stability in the short term.
- **One-Stop Shop** – This year, Michigan will create a one-stop, web-based portal for Michigan businesses to make working with government as easy as possible – creating less red tape for permitting, tax information, and support services. By the end of the year, any business will be able to visit one web site and make one call to one office to obtain all the information needed – and begin all the paperwork necessary – to open or grow a business. The Governor has enlisted the private sector to work with her on continuing to streamline and shorten permitting times.

#### **NEW TOOLS FOR GROWING THE ALTERNATIVE ENERGY INDUSTRY**

- **An Aggressive Renewable Portfolio Standard** – Governor Granholm’s goal is that 25 percent of all Michigan’s electrical energy will be generated from renewable sources by the year 2025. The new standard will push Michigan to the forefront of wind energy production. The Legislature has shown great leadership on this issue, and the governor asked them to move quickly to pass an interim goal of 10 percent by 2015.
- **Centers of Excellence** – Duplicating international successes, four alternative energy companies in Michigan will partner with universities to co-locate to conduct research and create new jobs. The centers will link a job-creating alternative energy company with a university. The company gets an incentive from the state, the university gets a partner to bring its alternative energy research to market, and the state gets jobs. Funding for these centers will be set aside in the 21<sup>st</sup> Century Jobs Fund.
- **Anchor Zones & MEGA** – The governor will ask the legislature for the ability to create new “Anchor Zones.” This incentive makes “anchor companies” Michigan’s partners in business attraction by giving these companies tax credits based on their ability to attract or expand their own supplier base in Michigan. In an Anchor MEGA, the anchor company would receive a refundable tax credit based on the value of the personal income taxes captured from new jobs created within the anchor company’s supply chain or customer base.
- **Tax Credits For Wind Power Generators** – Michigan will create incentives for wind developers to locate wind farms in the state by reducing the property tax on wind towers by 50 percent.