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To: <edclemente@house.mi.gov>
Date: 5/23/2007 1:28:44 PM
Subject: New Economy and Quality of Life Committee

New Economy and Quality of Life Committee
Rep. Ed Clemente Chair

RE: HB 4710; HB 4712; HB 4713

I would like to thank the Chairman and Members of the Committee for the opportunity to respond to you via email. Having recently learned of your meeting schedule and with short notice on my part, I was unable to make the trip to Lansing to speak before you in person.

I am writing to oppose any reauthorization to the Brownfield funding and any extension to the "sunset" clause on school tax capture. These funds are being misappropriated by our local Grand Traverse County Brownfield Redevelopment Authority (BRA), passing over our Traverse City city commission, who have voted to not progress with funding of a controversial redevelopment project using Brownfield funds after 71% of the voting public overwhelmingly defeated the proposal in August.

Considering the state of the Michigan economy and the decline in the realestate market, I find it hard to understand why the state is offering developers incentives to revitalize so called "blighted areas" with no guarantee for the sale of private high-end retail and residential condominiums and so called job creation in such a depressed economy. These funds/tax captures do nothing for our city's general fund and the needed upgrades in our residential areas. Inflated commercial land values and back room politicking are driving the need to capture Brownfield funds while little clean up is actually needed, which are covered by DEQ grants in the first place.

We have seen similar misappropriations of these funds in Petoskey Michigan as well where faulty environmental assessments were used to justify the Brownfield funding. When this was discovered, the state did nothing but say, "sometimes we make mistakes." In the mean time the developer walks away with millions in state funds and the tax-payer is left with holding the bag.

As I am writing you, our local school board is discussing cutting funds and closing 4-6 schools in our district. The so called tax capture is doing nothing but giving an already thriving downtown subsidies that are not needed, only taking away finding from our schools with out a guarantee of the tax capture being realized by the school district. While at the same time infrastructure in our residential neighborhoods is being ignored because of all the tax capture in the Traverse City business district, placing extreme burdens on our city general fund.

In Traverse City we have a strong development lobby through our Chamber of Commerce, Economic Development Corporation and Downtown Development Authority who have spent years using tax capture to revitalize our downtown area leaving our residential areas in desperate need of funds to provide

basic upgrades and maintenance to our roads and city infrastructure. In my opinion these captured tax funds are an abuse and are taking away from our residential areas that truly need the support. Our local BRA, which is made up of non-elected individuals who mostly do not reside in the City of Traverse City city limits are abusing there authority and making deals with developers against the will of the tax paying public of our fine city.

With the possible closure looming of our Michigan government, is it wise to be allocating these funds to developers with no guarantees or future projections of any up word move in our economy?

I respectfully request that you consider reevaluating the need for this method of tax capture in our area as it is not needed and truly a waste of tax payer funds. There are far to many contaminated sites in this area and statewide to allocate so much Brownfield funding to one or two developers for their high-end and expensive private developments with little to no public infrastructure in these difficult economic times. There are no guarantees these projects will get built and sold out to actually realize the projected tax capture intended by this program. The Petoskey development is sitting dead in the water with little to no movement. Many do not want to see the same think happen in Traverse City.

Please review the situation in the Traverse City area before you move these revisions to the Bill on to the Senate.

Respectfully,
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Submitted May 23, 2007

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CC: <bkandler@house.mi.gov>