The Detroit News

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NOV 30, 2015, 12:41 PM POLITICS

## Michigan must avoid "by invitation only" economic development

BY CHARLES OWENS

The current debate over the development of the Steelcase pyramid facility in western Michigan should serve as a cautious reminder to Michigan lawmakers to avoid the temptation to emulate the current "by invitation only" economic development policy of New York state.

Under Democratic Governor Cuomo's leadership, New York is seeking to raise the state's minimum wage to $15 an hour (he has already done so for state workers by executive order) and implement other job killing policies. At the same time, New York's economic development gurus are creating "tax free zones" to lure out of state companies into New York.

In other words, businesses in New York that have been paying taxes and creating or keeping jobs in the state for years under one of the worst tax climates in the nation now get to subsidize out of state enterprises looking for a taxpayer handout.

Sound familiar? It should, that is the same failed model followed by the previous Granholm administration right here in Michigan. Thankfully, Governor Snyder and lawmakers (primarily Republican) dismantled that model and refocused on improving the overall business climate for all job creators in the state. The results have been nothing less than spectacular relative to where we were and where we would be if we had not changed course quickly.

Yet, the lure of the ribbon cutting press opportunity of targeted tax breaks and special deals is difficult to resist. The rising tide of a favorable economic climate that lifts all boats is primarily reflected in boring economic metrics that do not give the immediate gratification of a splashy headline in the local and state news. Both Republicans and Democrats are susceptible to the siren call.

Once could argue that, as long as the overall focus and priority remains on the overall state business climate, policy makers should be allowed some latitude to make high level deals to lure big players into the state. The problem is that targeted economic development is like the old ad campaign for potato chips: it's hard to eat just one.