GRAND RAPIDS AREA CHAMBER OF COMMERCE

MEMORANDUM

TO: Members of the House Tax Committee

FROM: Rick Baker, President & CEO

DATE: December 1, 2015

RE: Support House Bills 5074-5076

On behalf of the Grand Rapids Area Chamber of Commerce and our 2,300 members, we ask you to support House Bills 5074 – 5076.

Advancements in technology have fundamentally changed the way we do business. As the business climate continues to transform and rely more on technology, we must create a model that supports innovation and keeps Michigan competitive for the digital era.

In the past, Michigan has adopted policies to create an attractive business climate for major industry sectors, including certain tax exemptions for industrial processing and agriculture. Moving into the digital era, numerous other states have updated their tax policy to support the growth of high-tech businesses in their states. A diverse, growing economy creates stability and we must review our tax policy to ensure Michigan is a competitive place for future industries.

Michigan has a growing technology industry, and large projects such as Switch can help put us on the map in this industry. Opportunities of this magnitude do not come along very often, and we must seriously consider the positive impact it can have on our state.

Switch's proposed data center would serve the eastern U.S and become the largest data center this side of the Mississippi River. Projects of this size serve as an anchor in a growing industry, providing immense benefits for talent attraction and retention, and community growth.

On the jobs front, Switch projects hundreds of people will be employed to work in the data center campus. This will be done through the creation of jobs in Michigan, as well as, business tourism as individuals will travel to the site for work. Additionally, this large-scale project will create a pipeline of talent for the high-tech workforce in Michigan. Small and large businesses will also benefit from having more options and access for their digital storage.

This legislation will have a far reaching, positive impact on Michigan's economy. We ask that you support making Michigan more competitive in the growing data and high speed technology industry by voting YES on this package of legislation.