

Special deals for special corporations

The real story in the headlines

"Are we just an ATM?" – Governor Rick Snyder, Governing Magazine, July 2012

Governor Snyder is supporting another new subsidy bill despite the fact that many past efforts have represented promises made but broken completely or unfulfilled.

At one time the governor reined in Michigan's incentive game, calling subsidies for business "the heroin drip of state government." Evidence — anecdotal and empirical, new and old — suggests that he was right. Yet, after countless examples of deal and program failures he apparently wants Michigan to jump back into playing favorites. He should not. Consider the state's track record for picking "winners."

The Hype	The Flop
400 RV jobs coming to St. Joseph County	RV maker yet to deliver on promise With incentives, Michigan chosen over competing states Expansion is not as advertised, with jobs transferred from another village in Michigan amounting to 20 percent of those promised.
MPI Research will create 3,300 new jobs	Was MPI's 3,300-job expansion oversold by MEDC, politicians? Company cut employment (200 jobs) and still wants its tax credits.
New Plastech Facilities Bringing 900 New Jobs to Monroe with incentive deal. Governor Granholm says, "My administration wants to make Michigan a magnet for economic growth — Plastech's expansion is evidence that we're making it happen."	Plastech filed for Chapter 11 bankruptcy in 2008 , having never collected on a single job-related tax credit under the Michigan Economic Growth Authority.
MEDC helps attract Kmart's New High Tech Center to Troy	Kmart files Chapter 11 just 17 months after MEDC declares the company a "winner" and offers it a MEGA deal.
In 2001 MEDC consultant "Gartner Group" claims "Link Michigan" program to create 500,000 jobs in the Great Lake State by 2010.	State legislature kills broadband subsidy program after wasting "only" \$14.5 million . Then Senate Majority Leader Ken Sikkema called it "one of the biggest flops in state government."

The Present

FoxConn Talks Spur 'Good Jobs' Hearing Like the "Switch" deal, lawmakers may open up incentives to many companies in the name of landing a big one.	Pennsylvania's experience with Foxconn says be wary Foxconn has history of not delivering.
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