

News & Views: Economic Development

An Informational Resource

Utah's China Connection

Utah may have the best economy in the nation according to investment companies and Utah's Economic Development Corporation, but Utah's Gov. Gary Herbert thinks it can do better. He endorses an initiative that focuses on building bonds with Chinese business professionals to exchange business ideas, which he put into practice when he went to China last year on a

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States Use Clean Energy Funds to Grow Economies

A growing number of states have established clean energy funds (CEFs) to create thousands of jobs while cleaning up state energy systems. In the past decade, 22 states have begun CEFs, which have generated some \$2.7 billion from a small surcharge on monthly utility bills.



While some use the funds to install renewable energy sources like solar panels, wind turbines and biomass facilities,

others are using them to create permanent jobs at research facilities, clean technology businesses, and green job training programs. CEFs, which raise about \$500 million annually, will continue to grow as more states create them.

A new Brookings Institution/Rockefeller Foundation report provides strategies to use these funds to finance the next generation of CEF spending, focusing on economic development. The idea is to create industries and jobs that help reduce carbon emissions.

Since the federal government is cutting funding for green projects as part of its belt tightening, CEFs are well positioned to help pick up the slack since states are all scrambling to finance their

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Maryland: Economic Growth a Priority

As Maryland lawmakers consider ways to deal with a projected \$1 billion deficit, the Greater Baltimore Committee (GBC) says improving the state's business climate must be a priority; and the focus should be on nurturing private-sector growth and job creation.

To do this, the GBC has indentified several initiatives as the foundations of this government initiative: institute streamlined, stable and predictable

regulatory policies; foster government/business partnerships; nurture a highly-educated workforce; provide a fair and competitive tax structure; make doing business in the state more competitive; provide a superior, well-funded transportation infrastructure; invest in business growth; fund and develop a strong business marketing strategy.

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Michigan Rethinks Economic Development

Utah/China

Michigan has moved into a new era of incentives to attract business expansion, according to the President of Michigan Economic Development Corp., Michael Finney.



While Michigan will offer some grants and tax credits for businesses to compete with other

states, these funding sources have been reduced significantly since Governor Rick Snyder became that state's political leader.

Michigan's new approach to business development was evident in the state's loan of \$2.5 million to Superior Township. It was used to build an electrical substation which led Hyundai America to build a \$15-million environmental testing chamber in Ysilanti that created 50

jobs. The township will repay Michigan the loan, over 15 years, from the taxes Hyundai pays the township.

Snyder said old business development programs gave tax credits to companies, creating winners and losers instead of facilitating partnerships between businesses and local governments. The new programs let the state invest in needs such as infrastructure and then get repaid for its investments, so it then has money to spend on other business development projects.

Former Gov. Jennifer Granholm relied on tax credits to attract businesses and help existing companies expand. But this approach didn't work well because needed tax revenue wasn't replaced since the companies receiving the credits often failed to create all the jobs they had promised.

over the course of four years as companies pass required milestones: completing a business plan, attracting private investments, etc.

As the word spreads about CEFs, more states will surely establish them to promote business and job growth as other finance opportunities disappear.

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economic development initiatives.

For example, New York's Clean Energy Business Incubator program has awarded \$1.5 million from its CEF to each of six business incubators for organizing, staffing and funding new businesses. The money is distributed

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trade mission.



The governor told a group of educators and students at the dedication of the Business Resource Center (BRC) of Utah Valley University (UVU) that, "Our competitors are India and China ... we've got to run to keep up and not just keep up but to compete."

The BRC is a one-stop shop for resources, expertise and assistance that accelerate business growth and is a vital cog in the economic development engine that creates jobs and supports growth in Utah. The UVU recently hired Chinese professors to teach UVU students about marketing, languages, philosophy and culture.

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These initiatives will require an increase in funding for Maryland's Department of Business and Economic Development who's mission is to develop businesses, facilitate financing, provide business expansion resources, nurture minority-owned businesses, and promote Maryland as a great place to do business.



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