February 18, 2026

Michigan House Economic Competitiveness Committee
Anderson House Office Building
124 North Capitol Avenue
Lansing, MI 48933

Dear Members of the Michigan House Economic Competitiveness Committee,

On behalf of the Lansing Economic Area Partnership (LEAP), I am writing to express strong support for House Bill 5031 and the renewal of SmartZone tax increment financing. This legislation represents a practical and proven policy tool that strengthens Michigan's knowledge-based economy and ensures our state remains competitive in attracting and growing high-technology businesses.

SmartZones are the platform that formally connects research universities and local communities through a public governance structure aligned to commercialize technology and grow new companies in Michigan. Over the past 25 years, many SmartZones have proven very effective in creating a self-funding mechanism that supports the development of tech startups in our state. They provide a tangible and effective way to accelerate innovation driven entrepreneurship, grow high value industries, and commercialize ideas that begin right here in Michigan.

Extending SmartZone tax increment capture will help Michigan continue to grow tomorrow's businesses here at home. This policy supports high growth startups and helps retain and attract a younger, highly skilled population. I see this program as fundamental to securing a younger, brighter, knowledge-based economy filled with a growing population of young entrepreneurs and creators in Michigan. If we are serious about addressing population decline and building Michigan's future workforce, supporting technology startup growth must remain a priority for both urban and rural communities across the state.

SmartZones also create a strong framework of accountability and collaboration. They ensure research universities are actively connected to local communities and engaged in commercializing new technologies and supporting startup growth in Michigan. For more than two decades, SmartZones have demonstrated a measurable and transparent record of success, generating jobs, private investment, and innovation driven economic activity throughout the state.

In the Lansing and East Lansing Regional SmartZone, the impact is clear. In 2025 alone, SmartZone supported more than 300 technology companies through direct services and programming. These companies went on to receive over 18 million dollars in capital investment. Incubator space in downtown East Lansing has reached between 90 and 100 percent occupancy, demonstrating strong demand for innovation focused space and services that help founders launch and grow in Michigan.

The extension of SmartZone tax increment financing has broad, statewide support from partners across Michigan, including our Regional SmartZone, LEAP, Lansing EDC, the MSU Innovation Center, the MSU Burgess Institute, the MSU Research Foundation, Spartan Innovations, Michigan Rise, the City of Lansing, the City of Grand Rapids and Grand Rapids SmartZone, Smart Garden, Lakeshore Advantage and the Holland SmartZone, the Sterling Heights SmartZone, University of Michigan, Eastern Michigan University College of Business, Washtenaw Community College, the Cities of Ann Arbor and Ypsilanti, Ann Arbor SPARK and their SmartZone, the Marquette SmartZone, and Economic Development Leaders for Michigan and more. This wide coalition reflects a shared understanding that SmartZones are a proven, accountable, and locally driven mechanism for supporting technology commercialization and entrepreneurial growth statewide.

Renewing SmartZone tax increment financing through House Bill 5031 will allow communities across Michigan to continue building on this momentum. It is a cost-effective policy that reinvests resources into entrepreneurship, commercialization, and job creation while ensuring Michigan remains a place where new ideas can grow into successful companies and long-term economic opportunity.

Thank you for your consideration and for your support of policies that strengthen Michigan's innovation economy. LEAP strongly encourages passage of House Bill 5031.

Sincerely,

Robert L. Trezise, Jr.
President and Chief Executive Officer
Lansing Economic Area Partnership (LEAP)

1000 S Washington Avenue, Suite #201 | Lansing, Michigan, 48910-1682
P: (517) 702-3387 | F: (517) 702-3390 | purelansing.com