



February 12, 2026

Representative Mike Hoadley
Chair, Committee on Economic Competitiveness
Michigan House of Representatives
Lansing, MI 48933

Subject: Support for House Bill 5031 – Renewal of SmartZone TIF Authority

Dear Chair Hoadley and Members of the Committee,

On behalf of MichBio, Michigan's statewide life sciences industry association, I am writing to express our strong support for House Bill 5031, which would authorize the renewal and continuation of Technology Improvement Financing (TIF) through Michigan's SmartZone program. I also offer my strong personal support as a 20-year member - and current Chair - of the Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority.

For more than two decades, Michigan's SmartZones have served as foundational pillars of the state's innovation economy. Through the strategic deployment of TIF revenues, SmartZones provide critical resources that directly enable startup formation, early-stage company growth, talent attraction, commercialization support, and the development of innovation-focused infrastructure. These investments have produced measurable returns: new company formation, increased private capital investment, high-wage job creation, and stronger regional economies.

Importantly, Michigan's SmartZone model is nationally recognized as one of the most innovative and effective place-based economic development tools in the country. State commerce and economic development officials from across the nation routinely look to Michigan's SmartZone framework as a best-practice model for aligning local tax capture with entrepreneurship, university research commercialization, and high-growth industry development. It is truly a gem of an initiative - one that provides Michigan with a distinct competitive edge and a reputation for leadership in innovation-driven economic development. It is a model we should be proud of and careful not to weaken at a time when other states are working aggressively to replicate its success.

The Ann Arbor-Ypsilanti SmartZone is a clear example of this impact. In partnership with universities, research institutions, local governments, and private industry, the SmartZone has helped launch and grow hundreds of technology-driven companies in Washtenaw County. These companies have created thousands of high-skilled jobs and attracted significant follow-on investment, strengthening the region's entrepreneurial ecosystem and reinforcing Michigan's national competitiveness in high-growth sectors, including life sciences, mobility, advanced manufacturing, and information technology.

From my perspective at MichBio, I have seen firsthand how SmartZones across the state serve as connective tissue within Michigan's broader innovation ecosystem. They align local and regional efforts with statewide economic development strategies, support commercialization of university research, and provide the early-stage infrastructure that emerging companies depend on to succeed. For the life sciences sector in particular - where

commercialization timelines are long and capital needs are significant - SmartZone-backed resources can make the difference between a company growing in Michigan or relocating elsewhere.

Renewal of SmartZone TIF authority through HB 5031 is essential to maintaining this momentum. Without continued authority, communities like Ann Arbor and Ypsilanti would lose a proven and highly leveraged economic development tool at a time when competition for innovation-driven investment is intensifying nationwide. Passage of HB 5031 will ensure that Michigan remains competitive, resilient, and well-positioned to support emerging technologies and the entrepreneurs who power them.

I respectfully urge your support for House Bill 5031. MichBio stands ready to continue partnering with SmartZones statewide and with legislative leaders to maximize the impact of SmartZone investments for residents, businesses, and Michigan's economy.

Thank you for your leadership and your commitment to fostering innovation and economic growth in our communities. Please do not hesitate to contact me if I can provide additional information or assistance.

Sincerely,

A handwritten signature in black ink that reads "Stephen Rapundalo". The signature is written in a cursive, flowing style.

Stephen Rapundalo, PhD
President and CEO