

Snyder's cuts to redevelopment tax credit reflect generational hypocrisy on government spending

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By **Jeff T. Wattrick** | **MLive.com**

As politicians and pundits continue to unpack and react to **Governor Rick Snyder's budget proposal**, there is one inescapable reality that everyone will now try to escape: We get the governments we deserve.

Plans to cut brownfield and historic preservation tax credits caused the biggest stir in Detroit, where those programs are integral to downtown redevelopment efforts.

Feb. 17, Crain's Detroit: Without state-level tax incentives, developers must use other programs, like the federal New Market Tax Credit and other federal tax credits, and obtain more private loans, he said.



Michigan Governor Rick Snyder

"But projects will have to be completely re-evaluated," [Beal Construction's J.C.] Beal said.

For example, he said he has been considering a redevelopment of the Leland House, at 400 Bagley. But without brownfield and historic tax credits, he'll have to reconsider the project.

Critics argue redevelopment tax credits are race-to-the-bottom givebacks to wealthy developers at a time when we can't refuse to pay for basic government functions like salting the roads and maintaining an affordable public university system.

The critics are right, of course. Unfortunately, they're also selective in their criticism.

Tax credit-fueled redevelopment may be all the things critics claim but it's also a race-to-the-bottom giveback that makes Detroit more competitive for the young, educated talent so vital to the region's economy.

Government support of urban reinvestment (after government programs like the GI Bill and Interstate Highways

fueled two generations of urban disinvestment) is a small accommodation to Gen X and Y (and those that follow) for the billions we're kicking in so Baby Boomers can gorge on **Medicare Part D** like so much middle-class government cheese.

The political reality is government spending that benefits future and emerging generations is considered wasteful socialism while public spending benefiting seniors is treated as American as apple pie or Joe DiMaggio.

I know the comments section will be filled with howls of protest about how we need smaller government across the board and we should be cutting senior entitlements along with urban revitalization tax credits.

That sounds nice but it's intellectually dishonest.

Except for maybe a half-dozen wonks at the Cato Institute, people only want smaller government at the expense of the other guy's chunk of the welfare state that we like to pretend doesn't exist. Need we be reminded of the Tea Party's famous "**Don't steal from Medicare to pay for socialized medicine**" slogan? The irony...it burns!

That's why cutting these tax credits are politically palatable.

People who think a crazy night is dinner at the Old Country Buffet and watching the late (9:00 PM) rerun of Matlock don't really care if metro Detroit has a city capable of attracting young people. They just want their taxes low and the Social Security checks to arrive on time.

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