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## City Council gives high-tech business tax break



By *Brian McVicar*

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When it comes to ideas, Kris Berglund is in full supply.

From a sodium-free salt substitute to biofuels, the MSU chemical engineering professor has been performing research for much of his academic career.

Now, with the help of the city of East Lansing, Berglund will get the chance to see some of his ideas materialize. On Wednesday night, East Lansing City Council passed an ordinance exempting Berglund's biotechnology business, Working Bugs LLC, from paying taxes on its equipment.

"It's really helpful and it's encouraging us to do it," Berglund said. "It adds up after a while."

Without the tax abatement, Berglund and his business' co-manager, Dianne Holman, said they would be unable to afford the equipment necessary to get the operations moving.

Berglund's lab equipment could cost up to \$36,000 per piece.

"It all really racks up," Holman said. "The personal property tax puts an unfair burden on biotech firms."

City officials see the abatement as a way to boost the region's economy.

With Michigan having one of the highest unemployment rates in the country, some economists see the best chance for economic recovery in the life sciences and technology industries.

Caroline Sallee, a consultant with the East Lansing-based Anderson Economic Group, said the two fields have seen growth in jobs and wages.

Between 1998 and 2003, high-tech jobs in southeastern Michigan grew by 5 percent, and wages grew by 4.2 percent, Sallee said.

"It just keeps going up," Sallee said. "You have all these firms that call for talented people."

With MSU next door, East Lansing is an ideal location for researchers and professors to start a business, said Tim Dempsey, East Lansing's community development administrator.

"It's really another step in the city's partnership with the university-related research or someone who has taken  
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research at the university and has grown out of the university and started companies,” Dempsey said.

“What may happen on the campus may eventually mean economic development for the city.”

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