



April 10, 2013

ESTABLISHING A CORRIDOR IMPROVEMENT AUTHORITY
STATE STREET IN PITTSFIELD TOWNSHIP

Purpose of the Corridor Improvement Act

In December of 2005, Public Act 280 of 2005 was signed into law. The Corridor Improvement Authority Act provides a powerful new community development tool designed specifically for the commercial corridors of Michigan. The Act allows communities to create "Corridor Improvement Authorities" (CIA) with special powers, conditions, and criteria unique to commercial corridors.

The Act is intended to combat the deterioration of existing business districts and promote economic development efforts within these districts. Unlike DDAs, communities are permitted to create as many CIA districts as they wish, provided no single parcel is located within more than one (1) CIA district. It stands to reason, therefore, that separate and distinct CIA bodies should be permitted to refine the appearance of and initiate improvements to these areas.

State Street in Pittsfield Township is being proposed for improvement by the Washtenaw County Road Commission (WCRC). Currently, State Street is predominantly two (2) lanes between Ellsworth and just north of Michigan Avenue.

The preferred alternative for the State Street Improvement Project would consist of a four-lane roadway with a narrow median and roundabouts at Morgan, Textile, and Old State Street. The project would accomplish "Complete Street" objectives by providing on-street bike lanes and multi-use paths on both sides of the road. Future transit facilities would also be accommodated.

The challenge for the Township as the State Street project proceeds will be raising local matching funds. However, establishing a CIA with Tax Increment Financing (TIF) capabilities will address the means to provide local matching.

The following describes the steps required to establish both a CIA and TIF District.

- c. Designates the preliminary boundaries of development area

B. Notice of Public Hearing

1. Notice of public hearing shall be published twice in a newspaper of general circulation in the Township, not less than twenty (20) days or more than forty (40) days prior to the date of the hearing. Notice shall state the following:
 - a. Date, time and place of hearing
 - b. Proposed boundaries of development area
2. Not less than twenty (20) days prior to the hearing, the Township shall also mail notice of the hearing to the following:
 - a. Governing body of each taxing jurisdiction that could be subject to capture of taxes
 - b. State tax commission
 - c. Property taxpayers of record in proposed development area
3. The notice of hearing shall be posted in at least twenty (20) "conspicuous and public places" in the proposed development area, not less than twenty (20) days prior to the hearing.

C. Public Hearing

1. Township Board shall conduct the public hearing. Citizens, taxpayers or property owners within the Township or an official from an affected taxing jurisdiction have the right to be heard at the hearing. The Township may delete, but may not add, property from the district.

D. Adopt Ordinance

1. Not less than sixty (60) days after the hearing, the Township Board shall adopt an ordinance establishing an authority and its boundaries. Following the adoption, the ordinance shall be:
 - a. Filed with the Secretary of State
 - b. Published in a newspaper of general circulation

- Accept grants and donations of property, labor or other things of value and fix, charge, and collect fees, rents and charges for the use of any facility, building or property under its control;
- Conduct market research and public relations campaigns, develop, coordinate and conduct retail and institutional promotions, and sponsor special events and related activities.

Tax Increment Financing, Structure, and Procedure

The most powerful tool at the disposal of a CIA is tax increment financing (TIF). Using TIF, a body has the ability to capture any new tax revenues attributable to increases in the value of eligible real and personal property that result from implementing the CIA development plan beyond an established date. These funds are set aside for reinvestment projects within the boundary of the CIA. In short, after the establishment of a CIA, new tax revenue generated within that area greater than what was collected at the time of the CIA District's creation is set aside for the improvement of the CIA.

Of course, the success of a CIA relies heavily on the increase of taxable revenue within the CIA District. If no increase occurs, the CIA does not benefit. Often, it takes a combination of private and public development or redevelopment projects to create inertia within such a district. Infrastructure or streetscape improvements, for instance, may contribute to the visibility and attraction of a district, which in turn could result in new businesses. The taxes those new businesses now generate is captured by the CIA.

On the other hand, a large private development that is created within a CIA could raise the captured tax revenue sufficiently for a CIA to begin a needed public improvement project. Public improvement projects can then contribute to economic development, and so on. Once started, the momentum within a TIF area generates more and more revenue for the body in charge, which then reinvests that revenue specifically into the development area. There are many TIF success stories in Michigan and around the country that have begun in this fashion.

Typically, the growth in tax revenues which are a result of inflation are not included in the capture a TIF generates. Further, a body using TIF does not always spend every dollar of its capture, only that portion necessary to accomplish the stated objectives of a development plan. A development plan is a document described by the TIF Act which establishes specific measurable objectives and associates those objectives with anticipated costs. TIF revenues beyond the needs of the development plan are then disbursed in accordance with procedures established in the plan. To get a new CIA up and running, general development bonds may be authorized, issued or sold, subject to voter approval, to fund the development plan.

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C. Meet with Taxing Jurisdictions

1. Before public hearing, tax jurisdictions that are subject to TIF shall have opportunity to meet with the Township Board.
2. CIA must fully inform taxing jurisdictions of implications of TIF.
3. Taxing jurisdictions may present their recommendations at public hearing.
4. CIA may enter into agreements with taxing jurisdictions to share portions of tax increment revenues.

D. Public Hearing

1. Township Board shall conduct the public hearing. Citizens, taxpayers or property owners within the Township or an official from an affected taxing jurisdiction have the right to be heard at the hearing. The Township may delete, but may not add, property from the district.



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4/8/13

IMPACT OF STATE STREET CORRIDOR IMPROVEMENT AUTHORITY
ON WASHTENAW COUNTY PARKS

1. The 2013 base year taxable value is \$126,604,345.
 2. The duration of the Corridor Improvement Authority Tax Increment Finance District will be 20 years.
 3. Washtenaw County Parks will continue to receive all tax revenues it currently receives from the base year taxable value, which is approximately \$90,256 per year.
 4. Washtenaw County Parks will retain 50% of the incremental value over the 20-year period for a total of \$603,389.
 5. The Corridor Improvement Authority will capture 50% of the incremental value over the 20-year period for a total of \$603,389.
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**PITTSFIELD CHARTER TOWNSHIP
WASHTENAW COUNTY, MICHIGAN
RES #13-15**

**A RESOLUTION OF INTENT TO ESTABLISH CORRIDOR IMPROVEMENT
AUTHORITY AND SETTING OF PUBLIC HEARING**

At a Regular Meeting of the Township Board of Pittsfield Charter Township, Washtenaw County, Michigan, held at the Pittsfield Township Administration Building, located at 6201 W. Michigan Avenue, in said Township on Wednesday the 24th of April, 2013, at 6:30 PM.

Present:

Absent:

WHEREAS, the Corridor Improvement Authority Act, 2005 PA 280, MCL 125.2871 et seq. (the "Act"), as amended, authorizes the Charter Township of Pittsfield (Township) to establish a corridor improvement authority ("Authority"), subject to the provisions of the Act; and

WHEREAS, the Township has partnered with the Washtenaw County Road Commission to undertake and complete the State Street Environmental Assessment, which outlines a preferred alternative for the potential reconstruction of State St. between, approximately, Airport Dr. and Campus Parkway within the proposed development area; and

WHEREAS, the Township wishes to resolve its intention to establish an Authority; make certain findings as provided by the Act; and schedule a public hearing concerning the establishment of the Authority.

NOW, THEREFORE BE IT RESOLVED, the Township Board of the Charter Township of Pittsfield, Washtenaw County, Michigan, resolves as follows:

1. The Township finds that it is necessary and in the best interest of the public to redevelop and improve the State Street business corridor and to promote economic growth.
2. To that end, the Township hereby declares its intention to create and provide for the operation of an Authority within the Township.
3. The proposed development area shall consist of the property described in **Exhibit A** to this Resolution and shall have the boundaries described therein ("Proposed Development Area").
4. The Township finds that the Proposed Development Area meets the criteria set forth in Section 5 of the Act, as follows:
 - a. The Proposed Development Area is adjacent to or is within 500 feet of a road classified as an arterial or collector according to the federal highway administration manual "Highway Functional Classification – Concepts, Criteria and Procedures";

RESOLUTION DECLARED ADOPTED

Alan Israel, Clerk
Pittsfield Charter Township

Mandy Grewal, Supervisor
Pittsfield Charter Township

DATED: April 24, 2013

NOTICE OF PUBLIC HEARING

The Board of the Charter Township of Pittsfield, Washtenaw County, Michigan, will hold a Public Hearing on:

Wednesday, May 22, 2013, at 6:30 PM

At the Pittsfield Township Administrative Building, 6201 W. Michigan Ave., Ann Arbor, MI 48108-9721, to consider the establishment of a Corridor Improvement Authority in accordance with Public Act 280 of 2005, as amended. The proposed boundaries of the Corridor Improvement Authority Development area are depicted below:

The Board will hear comments from citizens, taxpayers or property owners and officials from any affected taxing jurisdiction. No action will be taken. Any further information regarding the above Public Hearing may be obtained at the Township Clerk's Office during regular office hours 8:00 AM to 5:00 PM Monday through Friday, or by phone at (734) 822-3132.

Alan Israel, CLERK

Pittsfield Township CIA
Estimated Capture for All Taxing Jurisdictions minus libraries
 Assuming \$3,500,000 New Development each year

Year	Base Taxable Value	Taxable Value projected without CIA (w/3% Inflation)	Developmental Incremental Value Change ¹	Total Incremental Per Year	Total Incremental Value Increase Since Base Year	(50% capture of Township taxes, or 3.15565 mills)	(50% capture of Wash. Community College taxes, or 1.7288 mills)	(50% capture of County Operating taxes, or 2.27465 mills)	(50% capture of County Parks taxes, or 0.35645 mills)	(50% capture of County EECS taxes, or 0.1 mills)	(50% capture of Huron Clinton Metro Authority taxes, or 0.1073 mills)	50% capture or .775 mills of AA Library ²	50% capture or .5915 mills of Saline Library ²	Total Capture
2013	\$126,604,345													
2014		\$133,902,475	\$3,500,000	\$7,298,130	\$7,298,130	N/A ^{2,3}	N/A ^{2,3}	N/A ^{2,3}	N/A ^{2,3}	N/A ^{2,3}				
2015		\$141,524,550	\$3,500,000	\$7,622,074	\$14,920,205	\$23,030	\$12,617	\$16,601	\$2,601	\$730	\$783	\$516	\$3,923	\$60,801
2016		\$149,375,286	\$3,500,000	\$7,850,736	\$22,770,941	\$47,083	\$25,794	\$33,938	\$5,318	\$1,492	\$1,601	\$1,058	\$8,018	\$9,076
2017		\$157,461,545	\$3,500,000	\$8,086,259	\$30,857,200	\$71,857	\$39,366	\$51,796	\$8,117	\$2,277	\$2,443	\$1,617	\$12,235	\$13,852
2018		\$165,790,391	\$3,500,000	\$8,328,846	\$39,186,046	\$97,375	\$53,346	\$70,189	\$10,999	\$3,086	\$3,311	\$2,193	\$16,578	\$18,771
2019		\$174,369,103	\$3,500,000	\$8,578,712	\$47,764,758	\$123,657	\$67,745	\$89,135	\$13,968	\$3,919	\$4,205	\$2,786	\$21,052	\$23,838
2020		\$183,205,176	\$3,500,000	\$8,836,073	\$56,600,831	\$150,729	\$82,576	\$108,648	\$17,026	\$4,776	\$5,125	\$3,396	\$25,661	\$29,057
2021		\$192,306,331	\$3,500,000	\$9,101,155	\$65,701,986	\$178,612	\$97,852	\$128,747	\$20,175	\$5,660	\$6,073	\$4,026	\$30,407	\$34,433
2022		\$201,680,521	\$3,500,000	\$9,374,190	\$75,076,176	\$207,332	\$113,586	\$149,449	\$23,419	\$6,570	\$7,050	\$4,673	\$35,296	\$39,969
2023		\$211,335,937	\$3,500,000	\$9,655,416	\$84,731,592	\$236,914	\$129,792	\$170,772	\$26,761	\$7,508	\$8,056	\$5,341	\$40,331	\$45,672
2024		\$221,281,015	\$3,500,000	\$9,945,078	\$94,676,670	\$267,383	\$146,484	\$192,735	\$30,203	\$8,473	\$9,092	\$6,028	\$45,518	\$51,546
2025		\$231,524,445	\$3,500,000	\$10,243,430	\$104,920,100	\$298,766	\$163,677	\$215,356	\$33,747	\$9,468	\$10,159	\$6,736	\$50,860	\$57,598
2026		\$242,075,179	\$3,500,000	\$10,550,733	\$115,470,834	\$331,091	\$181,386	\$238,657	\$37,399	\$10,492	\$11,258	\$7,465	\$56,362	\$63,828
2027		\$252,942,434	\$3,500,000	\$10,867,255	\$126,338,089	\$364,386	\$199,626	\$262,656	\$41,160	\$11,547	\$12,390	\$8,217	\$62,030	\$70,246
2028		\$264,135,707	\$3,500,000	\$11,193,273	\$137,531,362	\$398,679	\$218,413	\$287,375	\$45,033	\$12,634	\$13,556	\$8,990	\$67,867	\$76,858
2029		\$275,684,778	\$3,500,000	\$11,529,071	\$149,060,433	\$434,001	\$237,764	\$312,836	\$49,023	\$13,753	\$14,757	\$9,787	\$73,880	\$83,667
2030		\$287,539,722	\$3,500,000	\$11,874,943	\$160,935,377	\$470,383	\$257,696	\$339,060	\$53,133	\$14,906	\$15,994	\$10,608	\$80,073	\$90,681
2031		\$299,770,913	\$3,500,000	\$12,231,192	\$173,166,568	\$507,856	\$278,225	\$366,072	\$57,365	\$16,094	\$17,268	\$11,453	\$86,452	\$97,905
2032		\$312,369,041	\$3,500,000	\$12,598,127	\$185,764,696	\$546,453	\$299,370	\$393,893	\$61,725	\$17,317	\$18,581	\$12,324	\$93,022	\$105,346
2033						\$586,208	\$321,150	\$422,550	\$66,216	\$18,576	\$19,933	\$13,221	\$99,789	\$113,010
						\$5,341,796	\$2,926,464	\$3,850,464	\$603,389	\$169,277	\$181,634	\$120,436	\$909,355	\$1,102,815

1. Estimated value of anticipated development. Includes vacant parcel development and redevelopment
 2. Winter taxes payable between December 1st and February 14th (Includes County Parks and Recreation, Huron Clinton Metroparks, and Township taxes)
 3. Only summer collection available in first year
 4. While TIF Expires in 2033, Winter taxes payable between December 1, 2033 and February 14, 2034 are collected for the second half of 2033, while TIF is still active
 5. Assumes \$3,000,000 incremental development in Saline Library District. \$500,000 incremental development in Ann Arbor Library District