

October 9, 2013 Public Hearing

State Street Corridor Improvement Authority Development and Tax Increment Financing Plan

To:

Pittsfield Charter Township Board of Trustees
Washtenaw Community College Trustees
Washtenaw County Board of Commissioners
Washtenaw County Park Commissioners
Washtenaw County EECS

Huron-Clinton Metro Authority Board of Commissioners
Saline District Library Board of Trustees
Ann Arbor District Library Board of Trustees

Comments from Christina L. Lirones
Former Clerk, Pittsfield Charter Township (2000 – 2004)
Former Treasurer, Pittsfield Charter Township (2004 – 2008)

Residents and existing taxpayers oppose the CIA TIF and road expansion proposal on State Road

As a resident, property owner, and taxpayer of Pittsfield Charter Township, I am opposed to the State Street Corridor Improvement Authority (CIA) Development and Tax Increment Financing (TIF) Plan. The TIF will siphon off property taxes intended to pay for Township operation and services, and use these funds to develop a road that is not owned by the Township, and to benefit speculators who don't want to pay for their own infrastructure costs when they develop land they own or may acquire on State Road. Existing businesses and residents of the Township will have to pay higher taxes to replace the diverted funds. Few residents or businesses will derive any direct benefit from the road expansion, and some existing homeowners will suffer because of it.

Other taxing authorities will lose tax base unless they opt out of the TIF. Voters did not approve millages for these authorities in order to spend funds on State Road.

My household pays taxes on our family farm in Pittsfield Charter Township, to pay for our local and county government (including police and fire protection). We also pay taxes intended to operate our library, parks, and Community College.

The properties on the State Road corridor also contribute taxes to these entities. If part of the State Road taxes are diverted to a TIF, each affected taxing authority (listed at the top of my letter) will have to replace the diverted funds for the next 20 years. Those of us in the remaining tax base will replace the diverted funds, and thus, in essence, will pay for the expansion of State Road in Pittsfield.

There is no direct benefit for any of the taxing authorities shown at the top of my letter. None have facilities on State Road, or even close to State Road. Bike paths have some relation to Parks, but these could easily be built by developers or with public dollars, for much less cost than the proposed plan.

The public voted for millages for their libraries or parks, but will not be allowed to vote on this diversion of public tax dollars. A non-elected CIA will oversee the use of our public dollars.

As a taxpayer of Pittsfield Township, the Saline Library District, Washtenaw County, and the Community College, I do not want to pay to enlarge State Road.

I urge each taxing authority to opt out of the proposed TIF, to keep the taxes collected to be used as intended by the taxpayers, residents, and voters, and to maintain full authority over the taxes collected. Do not allow taxes collected for libraries and parks to fund road expansion to benefit speculators and developers, and to fuel rapid, unsustainable development which will create more traffic and congestion. This is a short sighted plan, and I urge each commissioner and each trustee to opt out of the district.

The current Township Board will have difficulty managing a \$35 million, 20 year project

Our current Township Board should not handle the funds in the proposed TIF. In our Township, taxes were set at 5.195 mills for many years, until this administration set its first budget. Taxes have increased now to the 2013 millage approved by this Board: 6.59 mills. Our Township has had trouble managing expenses over the past five years, for a simple \$12 million annual budget. It should not add a project of this magnitude to its plate, for a road that we do not own or control.

We cannot afford to divert any township tax dollars from our budget. The State Road corridor property tax dollars are needed to operate the Township and provide essential services. We have been told frequently that the Township is in dire financial straits, and taxes must be raised. We recently had to double our public safety millage in order to stop the Supervisor and Board from laying off police and firefighters.

Now, we are being asked to divert funds to an elaborate, non-essential expansion of State Road for the benefit of speculators who may wish to develop and who will then receive tax abatements. My family and I say to this: No, thank you. Let the speculators and possible future developers fund it themselves, when needed.

The Township does not own or control the roads in Pittsfield. Developers should pay for improvements as they are needed.

The Township does not own or control any of the roads in Pittsfield Township. We are not a city. We should not divert a significant portion of local dollars into a road project that is not a necessity. State Road may be congested at peak hours, but is one of our safest major roads. Improvements, when needed, have occurred steadily over the past decades, at a reasonable rate, and have been paid for by the developers who needed the improvements. A TIF has not been needed to pay for them.

Act 280 of 2005 allows for CIAs and TIFs to improve deteriorating or blighted corridors. State Road is neither. State Road is an attractive corridor, and has developed slowly and sustainably. The CIA TIF on State Road is proposed in order to fuel development, to help speculators build rapidly, inexpensively, and unsustainably. This will lead to more congestion over the next 20 years, while we continue to pay for the TIF. We may need even more expansion, before we are even done paying for the TIF. As is often noted by community planners, we can't build our way out of congestion.

The CIA does not represent the residents of the State Road corridor

The CIA Board was hastily appointed, and the members have often failed to attend their own meetings. All seats on the CIA Board are held by individuals with a business interest in the corridor. The Act requires that a majority of the seats be held by business interests. One seat, according to Act 280 of 2005, must be held by a resident of the corridor, or someone living within ½ mile of the corridor, in case the area has no residents living in the district.

On State Road, we have a number of homeowners and residents. Despite this, no resident homeowner living on State Road was allowed to sit on the Authority. Instead, the new owner of the NSK property, William Reminder, was seated as the "Resident" member of the CIA, even though he does not live on State Road, and even though he is a speculator/developer with much to gain from a taxpayer funded road expansion. The TIF project will allow him to develop without paying for his own required road improvements. Instead of Mr. Reminder paying to expand the road and build bike paths when he develops the NSK site, existing taxpayers will shoulder the cost.

Mr. Reminder's home is not subject to the TIF or to the decisions of the CIA, yet he was seated on the CIA for State Road, instead of one of a number of longtime residents of the corridor, who have attended meetings and attempted to make their voices heard, to no avail. The existing residents have no need for this costly road expansion.

Residents did not know there was a Public Hearing tonight

State Road homeowners have been ignored. Their homes will be subject to the TIF for a road expansion to which they have objected (See page 71 of the WCRC Environmental Assessment for this project, on the WCRC website). Yet they have no seat on the CIA Board.

When I spoke to State Road homeowners, they were not aware of the Public Hearing tonight. They stated they had not received notices by mail.

Other residents of the Township were also unaware. The signs on the corridor were designed to be impossible to read from a car. The Township has placed huge signs advertising its Farmers Market and Harvest Festival all over the Township, and posted them prominently in the Banner and homepage of the Township website, so they know how to advertise an event. Yet the notices for this crucial public hearing were hard to find and impossible to read. It is not shown at all on the Township homepage.

I have told as many people as I could, but I am only one person. The CIA Act requires notices to be displayed prominently in the corridor, and required that notices be mailed to property owners in the district. This was not done. Please look at the signs yourself when you leave this meeting.

Developers have paid for their own infrastructure improvements in the past

In the past, developers in Pittsfield have paid for their own road improvements. For example, Wal-Mart and the State Street Crossings shopping center, Federal Express, and others have paid more than \$5 million to widen and add traffic signals to State Road between Michigan Ave and Textile Road. In exchange, they were allowed to build their profitable businesses in Pittsfield. This is just one example of the many changes paid for by developers over the years on State Road.

We should not begin to pay for infrastructure required for development now. We have many major corridors with more commercial/industrial activity than State Road, where developers have funded their own improvements. In the case of Oak Valley Drive, developers paid to build the road completely. If we form a TIF on State to shift the burden to existing taxpayers, where will we see one next? On Washtenaw (where a TIF was proposed in 2011, but has not yet been implemented)? On Carpenter Road? On Michigan Ave, Packard, Ann Arbor-Saline Road, or Oak Valley? How many dollars will be diverted from our Township coffers to pay for the costs of development, on roads that we don't own?

Roads should not be expanded on the promise of future jobs, at the expense of existing employers

The largest employers in the Township are not on State Road. We should not set a precedent of funding road improvement with the goal of fueling rapid growth and claims of possible future jobs. State Road developers often receive tax abatements, and this should be enough. In fact, there are two more abatements on the agenda this evening, and I expect these will be approved.

The CIA TIF plan proposes to demolish and rebuild recently added improvements on State Road

I am opposed to the capture of any portion of the State Road corridor's property taxes to pay for the demolition and rebuilding of our existing State Road in Pittsfield Charter Township. Many improvements have already been added to State Road, and these will be removed. For example, a traffic signal was added at Morgan and State Roads, to assist exiting traffic from Avis Farms. The CIA plan would replace it with a traffic circle.

In another example, the intersection at State and Textile was significantly improved in recent years, with turn lanes and a major traffic signal installed. The businesses on four corners are still paying the special assessment for this beneficial improvement. Yet now, we seek to demolish that improvement, which is not even fully paid for yet, and replace it with a traffic circle? Why??

The TIF will divert funds from areas that are already developed, where developers already paid for their own road improvements, in order to develop other parts of State Road for speculators.

It makes no sense to capture taxes on the district as it is drawn. The CIA TIF district shown on the Public Hearing Notice shows that incremental tax increase will be captured on areas that are already fully developed, and on areas that have already paid for their own required road improvements.

As noted above, Wal-Mart, State Street Crossings, and Federal Express paid over \$5 million for their own road improvements to State Rd. Yet these properties are included to have taxes skimmed off for the TIF. Why would we now capture incremental tax increases on these developed properties to pay for road expansion in other parts of the corridor?

TIFs were purposely avoided by past administrations in Pittsfield

Pittsfield's past administrations stringently avoided the creation of TIF plans which divert funds into special projects for decades, not only from the Township, but from unrelated taxing authorities. The current Township Supervisor often states that the TIF promoted this evening is being done for the first time ever in Pittsfield. Please think about why this is true: TIFs are a poor plan for our community's overall financial health.

No Municipal Bonds should be sold for this project

No municipal bonds should be sold based on anticipated revenue that may, or may not, materialize. The TIF/CIA anticipates that bonds will be sold to fund this massive project (see page 24 of the development and TIF plan dated August 2013). Bonds are typically backed by the full faith and credit of the taxpayers of Pittsfield, who will be obligated to pay, whether or not the projected incremental increase in taxable value occurs, and whether or not other funds from State and Federal sources materialize.

The Board should not move forward with the TIF

I urge Pittsfield's Board to end the plan for a TIF, and to return to our past, good policies which required each developer to pay for his or her own development costs. If existing businesses on State Road feel the need to fund improvements on State Road, they may join together, as they have in the past, to fund road improvements through special assessment on their commercial/industrial properties, or seek other partners and methods of funding. The Township can assist by providing reasonable amounts of funding from its typical budget, as it has always done in the past.

In this way, incremental improvements can be made as needed, with the flexibility to amend designs over the years if we find that changes are needed or new traffic solutions emerge.

Speculators will speculate that the TIF fund will fuel development on State and will increase tax revenue on State. However, speculators should note that this Board freely grants tax abatements to all who ask. And, speculators can never tell us with assurance that healthy growth would not have occurred on this corridor anyway. Rapid growth needs services, and in the end, the most developed municipalities have the highest taxes. So, the dream that unsustainable growth begets positive tax revenue is often just that: a dream.

Please stop pursuing this overly ambitious plan that will cost taxpayers millions of dollars from multiple tax sources, which may not be the design that is desired once development is complete on the corridor, and for which we will still be paying, 20 years in the future.