

# Corridor Improvement Authority

Presentation to the Charter Township of Oscoda Board of  
Trustees

January 23, 2023

# Agenda

- The purpose of Corridor Improvement Authorities (CIAs)
- The powers of CIAs
- The benefits of CIAs
- CIA responsibilities
- Where CIAs can operate
- The process for creating a CIA
- The makeup of a CIA Board of Trustees
- Next steps



RECODIFIED TAX INCREMENT FINANCING ACT (EXCERPT)

Act 57 of 2018

PART 6

CORRIDOR IMPROVEMENT AUTHORITIES

125.4602 Definitions; A to M.

Sec. 602. As used in this part:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a corridor improvement authority created under section 604(1) or a joint authority created under section 604(2).

(d) "Board" means the governing body of an authority.

(e) "Business district" means an area of a municipality zoned and used principally for business.

(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in section 603(e), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Chief executive officer" means the mayor of a city, the president of a village, or the supervisor of a township.

(h) "Development area" means that area described in section 605 to which a development plan is applicable.

(i) "Development plan" means that information and those requirements for a development area set forth in section 621.

(j) "Development program" means the implementation of the development plan.

(k) "Fiscal year" means the fiscal year of the authority.

(l) "Governing body" or "governing body of a municipality" means the elected body of a municipality having legislative powers or, for a joint authority created under section 604(2), the elected body of each municipality having legislative powers that is a member of the joint authority.

(m) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing or amending the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. The initial assessed value may be modified once during the term of the tax increment financing plan through an amendment as provided in section 618(4) after the tax increment financing plan fails to generate captured assessed value for 3 consecutive years due to declines in assessed value. Property exempt from taxation at the time of the determination of the initial or amended assessed value shall be included as zero. For the purpose of determining initial or amended assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in section 603(e).

(n) "Land use plan" means a plan prepared under former 1921 PA 207, former 1943 PA 184, or a site plan under the Michigan zoning enabling act, 2006 PA 110, MCL 125.3101 to 125.3702.

(o) "Municipality" means 1 of the following:

(i) A city.

(ii) A village.

(iii) A township.

(iv) A combination of 2 or more cities, villages, or townships acting jointly under a joint authority created under section 604(2).

History: 2018, Act 57, Iff. Jan. 1, 2019.

125.4603 Definitions.

Sec. 603. As used in this part:

(a) "Director" means the director of the Michigan Department of Treasury, including salaries and expenses of employees, office supplies,

# Purpose

- Authorized by Michigan Public Act 57 of 2018
- The act states that CIAs can be created by a municipality to:
  - Redevelop commercial corridors, and
  - Promote economic growth

CIA Review

# Powers

## A Summary

- Prepare an analysis of economic changes taking place in the development area.
- Preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit necessary or appropriate to the execution of a plan which aids in the economic growth of the development area.
- Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier-free design requirements
- Develop long-range plans, in cooperation with the agency that is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the development area and promote the economic growth of the development area, and take steps as may be necessary to persuade property owners to implement the plans.
- Implement any development plan necessary to achieve the economic goals of the authority.
- Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
- Acquire by purchase or otherwise, or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal,
- Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
- Fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control or any part of the facility, building, or property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
- Lease, in whole or in part, any facility, building, or property under its control.
- Accept grants and donations of property, labor, or other things of value from a public or private source.
- Acquire and construct public facilities.
- Conduct market research and public relations campaigns, develop, coordinate, and conduct retail and institutional promotions, and sponsor special events and related activities.
- Contract for broadband service and wireless technology service in a development area.



# Benefits

- Broad powers to assist the corridor
- Ability to raise and borrow funds
- Development district liquor licenses
- Manage and lead district efforts

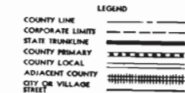
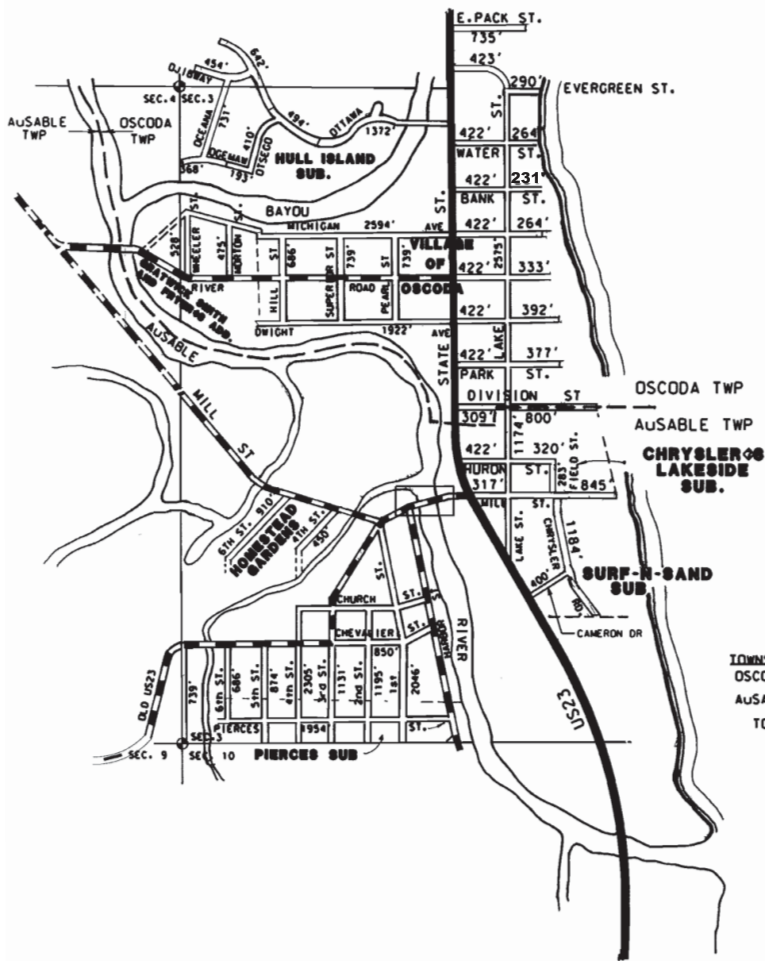
# CIA Responsibilities

- Board members must take a constitutional oath of office
- Meetings are subject to the Open Meetings Act
- Reporting requirements:
  - Must maintain a website with agenda, minutes, budgets, audits, plans, staff, and other information
  - Must hold two informational meetings, annually
  - Provide detailed report to the Michigan Department of Treasury, if using TIF

# Where CIAs Can Operate

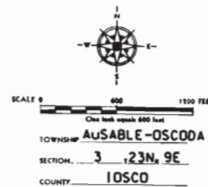
## District Requirements:

- Within 500 feet of an arterial or collector street
- Contain at least 10 contiguous parcels or 5 contiguous acres
- More than 1/2 of the existing ground floor square footage is classified as commercial real property under section 34c of the general property tax act
- Residential use, commercial use, or industrial use has been allowed and conducted under the zoning ordinance or conducted in the entire development area, for the immediately preceding 30 years
- Served by water and sewer
- Zoned to allow for mixed-use that includes high-density residential use (C-MU, C-T zones)



I HEREBY CERTIFY THAT THE ROADS SHOWN HEREON BY SYMBOL OR IN GREEN AS LOCAL ROADS ARE IN USE AND ARE UNDER THE JURISDICTION OF THE COUNTY ROAD COMMISSION

TOTAL FEET 39,957 EQUALS 7.57 MILES



TOWNSHIP	FEET	MILES
OSCODA	21072	3.99
AUSABLE	18885	3.58
TOTAL	39,957	7.57

63

63



OSCODA TOWNSHIP

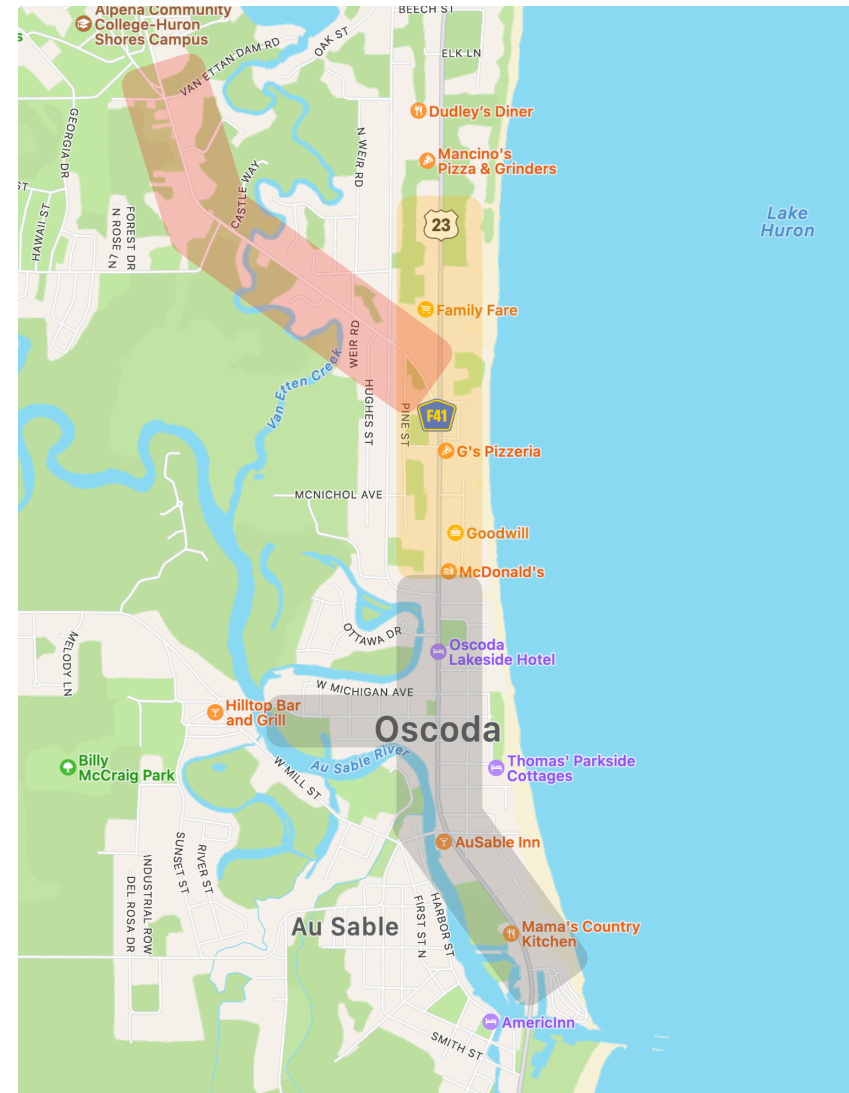
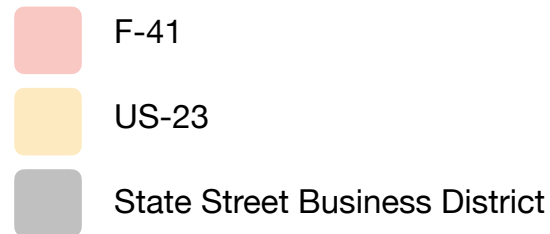
## Street Frontage Regulating Plan

Data Source: State of Michigan Geographic Data Library

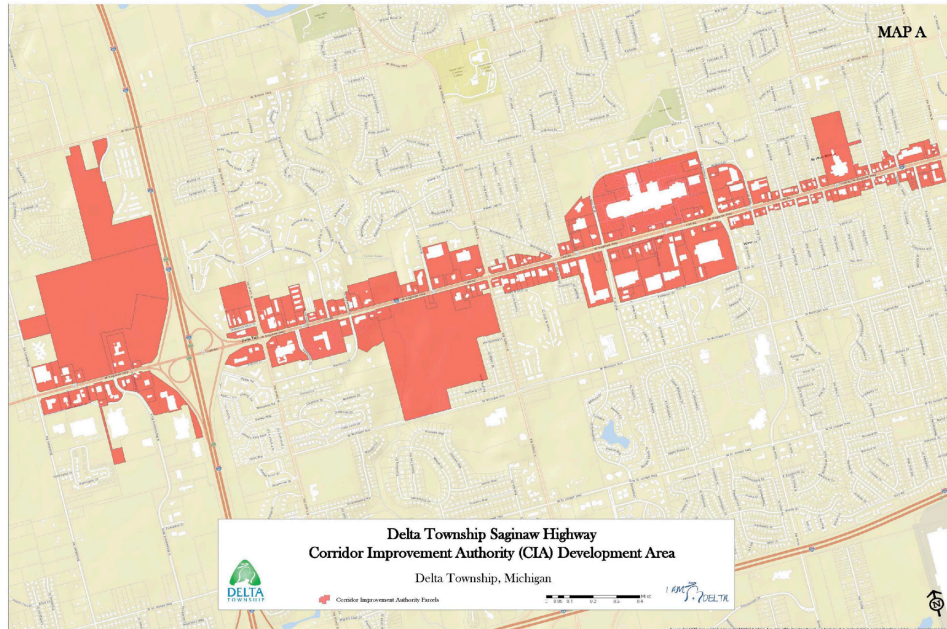
- C-T: Commercial-Traditional
- C-MU: Commercial-Mixed Use
- C-L: Commercial Lodging
- SF-SL: Single Family-Small Lot

# CIA Geography

- Each district can have its own CIA or all can be within one authority
- Areas that are zoned C-T, C-MU, C-L, US-23 & F-41 are eligible to be included in the CIA



## Delta Township



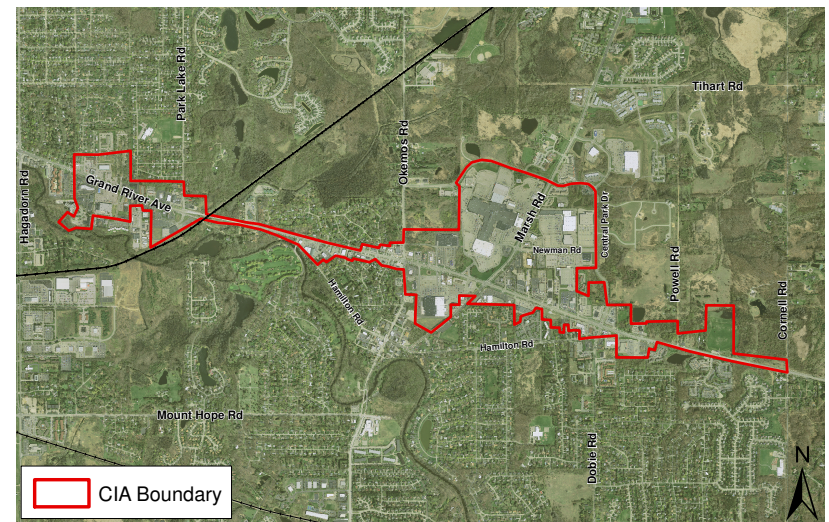
## Crockery Township



CROCKERY TOWNSHIP  
CORRIDOR IMPROVEMENT AUTHORITY

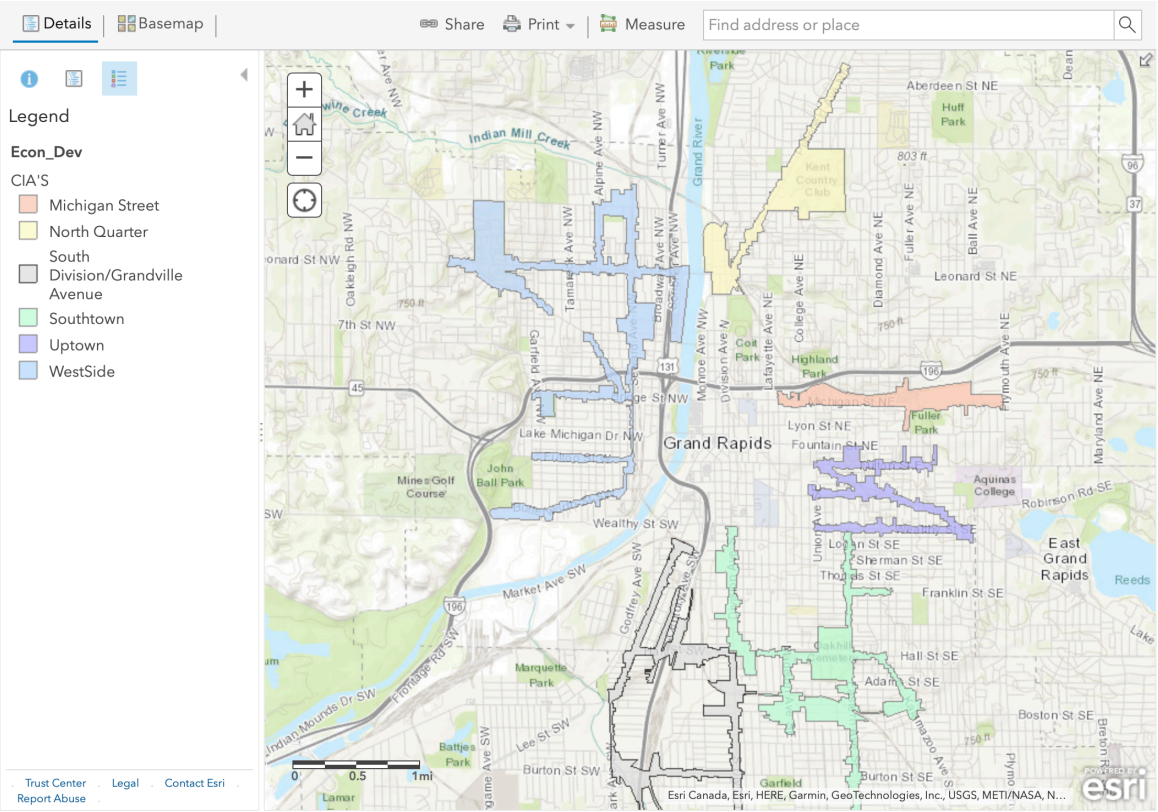
Tax Increment Finance and Development Plan

## Meridian Township





Grand Rapids



Lansing, Lansing Twp., East Lansing



michigan  
avenue  
corridor

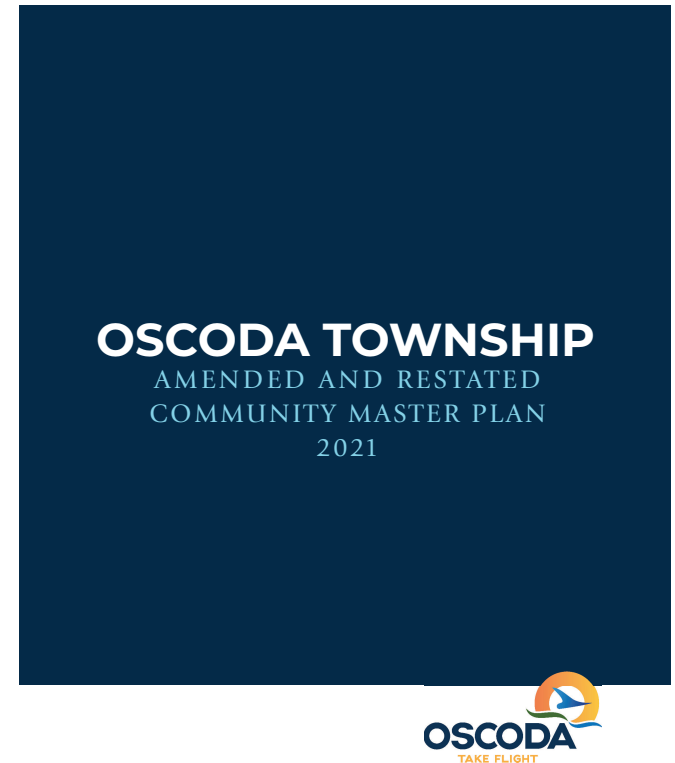
city of lansing  
city of east lansing  
lansing township

# conceptual development plan

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# Other CIA Requirements

- Expedite the local permitting and inspection process in the development area
- Modify its master plan to provide for walkable non-motorized interconnections, including sidewalks and streetscapes throughout the development area



# Process to Create a CIA

## Summary

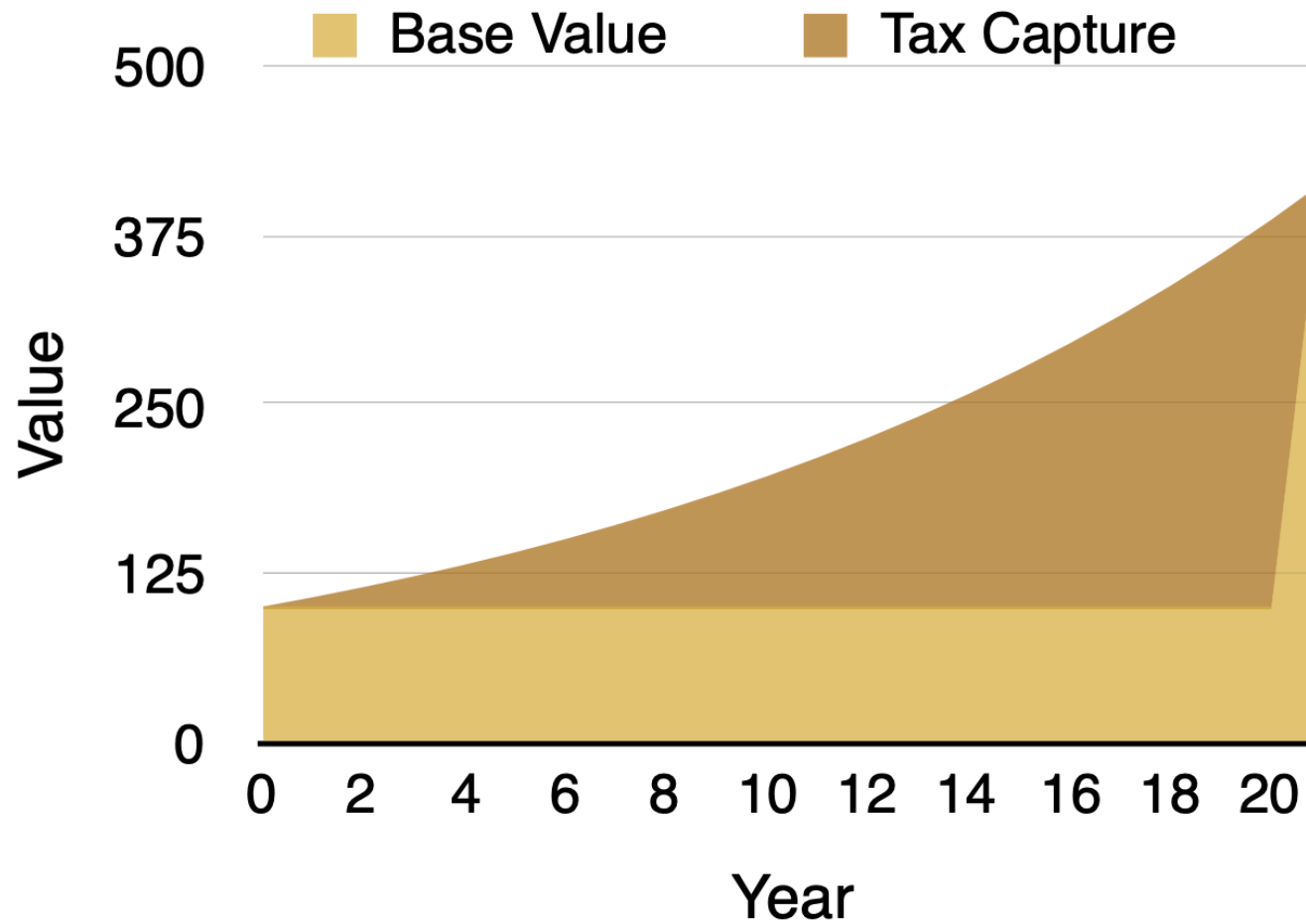
- Resolution of intent designating boundaries and setting a public hearing
- Notice of hearing to property owners, in newspaper, around the district, and notification to taxing authorities
- Not less than 60 days after the hearing, the Township Board adopts a resolution creating the authority
- If you'd like to use revenue bonds or use TIF, adopt a **Development Plan**
- If you choose to use tax increment financing, adopt a **TIF plan**

# Process to Approve a Development and TIF Plan

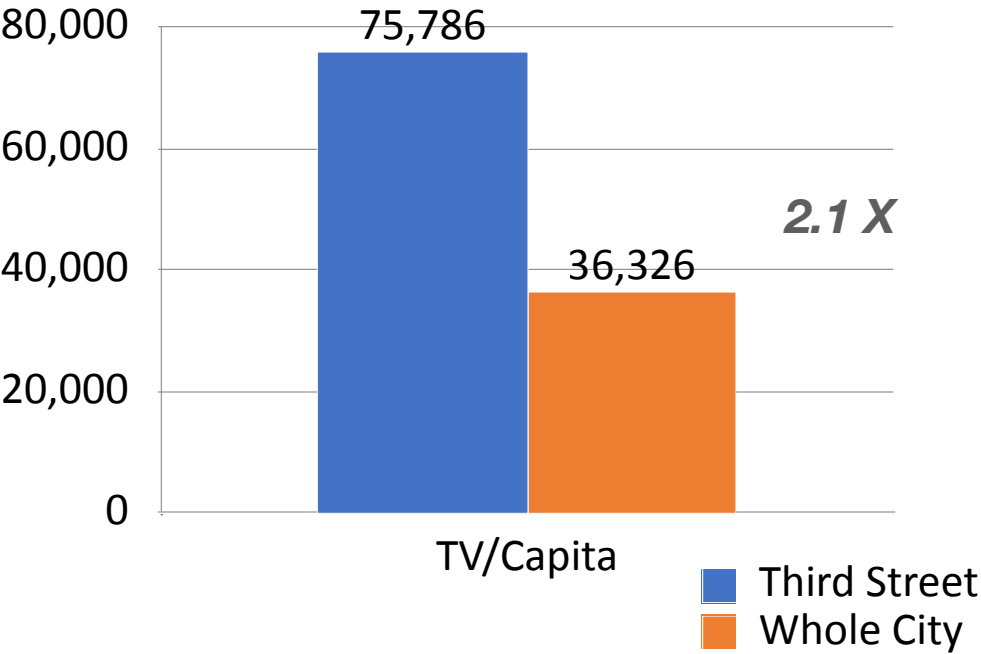
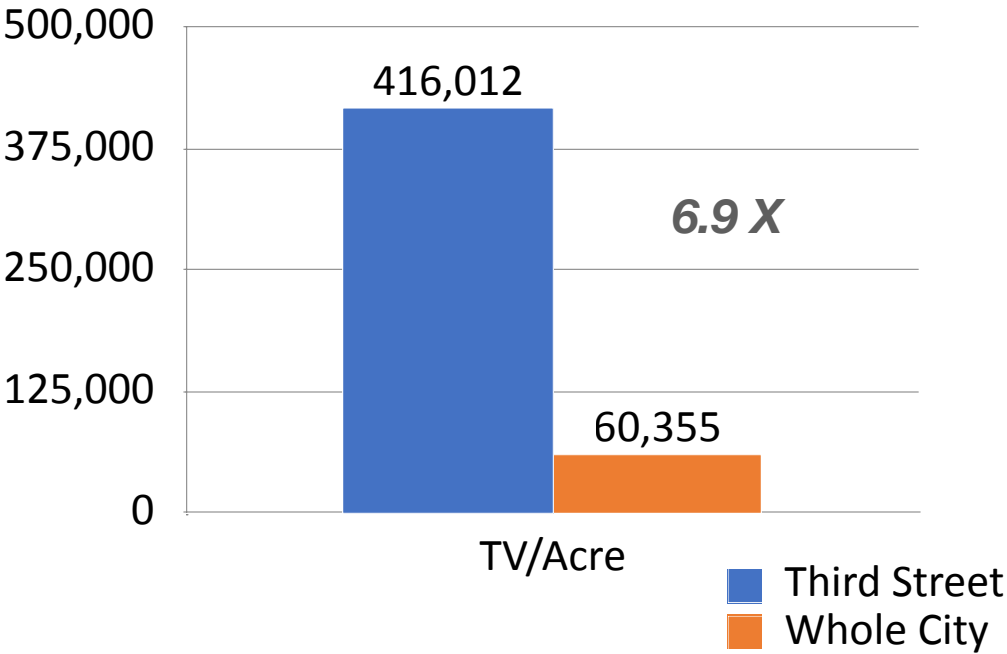
## 6 to 9 Months

- Identify and prioritize needs of the district, including engaging businesses, property owners, and affected taxing authorities
- Run scenarios of TIF capture and financing of planned improvements and programs
- Draft development and TIF Plan
- Notify property owners, taxing authorities, and others of a public hearing
- Hold public hearing
- Wait 60 days for taxing authority decisions on participation
- Approve plan

# Tax Increment Financing (TIF)



# Example: Marquette





# CIA Board of Trustees Makeup

- Includes Township Chief Executive Officer, plus not less than five nor more than nine members
- Appointed by the Chief Executive Officer of the municipality, subject to affirmation by the full Board
- At least half of the members must have a property interest in the district
- At least one member must live within half a mile of the district

# CIA Funding Sources

- Donations
- Revenue bonds approved by the Township Board
- Revenues from property owned, leased, licensed, or operated by the CIA
- Tax increment financing
- Special assessments
- Other funds authorized by law

# Next Steps

- Decide why you are creating the CIA; do you want to borrow and/or use TIF?  
Is the CIA the best tool for your needs?
- Create CIA
- Depending on your needs, create a development plan and, possibly, a tax increment financing plan for your CIA

# Questions?

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CIA Review