

Commerce Centers for Michigan Revitalization: Legislative Solutions

The Michigan Municipal League recommends the Governor and Legislature make enacting Commerce Center legislation a priority in the current session to assist local communities in revitalization. Commerce Centers should receive priority access for economic development tools (grants/loans/tax abatements or credits/assistance), state/federal financial assistance programs and incentives from state departments or quasi-public agencies (MEDC, MSHDA, etc.).

Commerce Center Definition

The Michigan Municipal League recommends enactment of legislation to create and define Commerce Centers. Commerce Centers should be defined as all cities, villages and urban townships, reflecting the relative population density and availability of public infrastructure required to support development in these communities. Urban townships would be defined as:

- Townships with 20,000 residents or more in one of the top five counties in population in Michigan.
- Townships with less than 20,000 residents in one of the top five counties in population in Michigan that have received the approval from the County Board of Commissioners to be a Commerce Center.
- Townships in the other 78 counties must petition an adjoining already-designated commerce center in order to be included as part of that commerce center

Economic Development Grants and Tools for Commerce Centers

Legislation should then be enacted to assign economic development tools and priorities towards

Commerce Centers, and create priority preference for Commerce Centers in issuance of MSHDA, MEDC and other state or quasi-state agency grants and abatements.

Core Community tools should be expanded to all Commerce Centers throughout the state. Core Communities have access to brownfield redevelopment abatements, property tax abatements and exemptions, obsolete property and rehabilitation credits, single business tax credits, and neighborhood enterprise zones. The CORE Communities list has outgrown its original membership of distressed communities, but the original intent is still certain – allow built-out communities to draw jobs by utilizing redevelopment tools that will put them on an even playing field with the rural areas surrounding them. Commerce Center communities are developed, and need these Core Community tools for future redevelopment and attracting jobs to their communities.

Follow-Up Legislation

After enabling the state grants and Core Communities as priorities for Commerce Centers, debate should occur and decisions should be made regarding other tools that should be added to Commerce Centers. Some suggested possibilities, as identified by the report “Commerce Centers in Michigan: Data and Analysis to Support Policy Decisions” by Dr. Soji Adelaja of the MSU Land Policy Institute, include:

Financial Assistance

- Enhanced state financial assistance
- State and federal transportation and other infrastructure dollars
- Regional cooperation grants/tools

Development/Redevelopment Tools

- Downtown development authority (DDA)
- Local Development finance authority (LDFA)

- Principal shopping district/business improvement district (PSD)
- Land Bank Fast Track Authority legislation to clear property titles
- Affordable urban housing funds and programs
- - Designated “entertainment districts”

Incentives and Funding

- Core Community incentives
- Personal property tax abatements
- Neighborhood Enterprise Zone
- Obsolete Property and Rehabilitation Act
- Brownfield credits
- Michigan Smart Zones
- New Market Tax Credits
- Job Creation Tax Credits
- Historic District Tax Credits
- Renaissance Zones
- SBT exemptions
- Priority Road funding and grants
- DDA funding
- Agriculture preservation grants
- Automatic increased % of higher education funding
- Community Development Block Grant (CDBG) funding
- Liquor license priority
- Increased revenue sharing

Loan Priority

- Core Community Fund priority
- Revitalization Revolving Loan fund priority
- State Infrastructure Bank Loan Program

- State Revolving Fund
- Urban Land Assembly Program

Grant Priority

- Brownfield Redevelopment Grants
- Coastal Zone Management Grants
- Cool Cities Grants
- Michigan Main Street
- Transportation Economic Fund
- Waterfront Redevelopment Grants

Companies/Organizations locating in a Commerce Center receive priority for:

- Economic Development Job Training Grants
- EPA Justice Grants
- Capital Access Program subsidies
- Life Science Corridor subsidies
- High Tech MEGA Tax Credits