

Economic tools for Michigan's Developed Communities

Issue

The CORE Communities list currently has 103 communities on it (96 cities, 6 townships, and 1 village). This list was originally created through legislation as a list of distressed communities that were entitled to certain economic development tools to help them bring jobs into these communities through redevelopment—brownfield redevelopment abatements, property tax abatements and exemptions, obsolete property and rehabilitation credits, single business tax credits, and neighborhood enterprise zones.

Legislative Proposal

The House Republicans have proposed eliminating this list and allowing all communities all across the state to access these economic development tools—brownfield redevelopment abatements, property tax abatements and exemptions, obsolete property and rehabilitation credits, single business tax credits, and neighborhood enterprise zones. The belief is that opening up these tools to every community will bring more jobs to all communities and that all communities should have an equal playing field.

MML Opposition to HB 5988-5992

This proposal creates clear winners and losers. The winners would be the rural townships with sprawling greenfields and cornfields that can use these economic development tools to lure businesses and residents to their areas with virtually no economic impact to the municipality. Cities and villages and urban townships cannot create new development because they are built-out, and cannot compete with the rural sprawling areas as redevelopment is always going to cost more than new development. If this legislation is enacted, they will lose the new development and the new residents to these rural townships and sprawling areas.

Brownfield redevelopment abatements, property tax abatements and exemptions, obsolete property and rehabilitation credits, single business tax credits, and neighborhood enterprise zones in built-out areas put cities, villages, and urban townships on an even playing field with green space. This legislation will shift the balance to undeveloped land. It will result in the slow death of our urban areas through higher crime and fewer jobs and crumbling infrastructure. Companies and citizens in our cities will move out of the cities and relocate to other states or other countries, and we will not be able to lure new ones because of the tremendous advantage of the ease of development in sprawling open area as opposed to investing in developed areas. The environment will also be negatively affected as this is an incentive to develop the precious available green space that is so important to Michigan.

This proposal is anti-Smart Growth, will result in job loss, and will kill cities and urban areas in Michigan and flies in the face of the recommendations of the Land Use Leadership Council.

MML Counter-Proposal

MML recognizes that 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.

MML proposes amending the bills to eliminate the CORE Communities list and instead allow all cities, villages, and urban townships—those communities that are developed and have the best ability to sustain development—to utilize these economic development tools. This goes hand-in-hand with the Commerce Centers idea.

All cities, villages, and urban townships would benefit from utilizing these tools when dealing with development and luring jobs to their communities. And, rural areas would be protected from additional pressures of development of farmland and open space.