

## Downtown Revitalization Package

### Urban Recreation Trails (4340)

Amend the Natural Resources Trust Fund Act to require the Trust Fund Board to give additional consideration to trails that intersect downtowns when determining funding priorities. Development of urban trails will bring people and activity to downtowns. (Midland)

### Encouraging Downtowns as Destinations (4206)<sup>1</sup>

Amend the neighborhood enterprise zone act to allow it to be used to renovate or build hotels to bring visitors to downtown areas. (Midland)

### Encouraging Downtown Living (4343) (2559)<sup>2</sup>

Amend the general property tax act so the tax rate for downtown condos and apartments remains at pre-development levels until the units are sold or rented. Removes a barrier to the development of residential property in downtowns. Currently, the pop-up happens after a property has additions or improvements. This will move the pop-up to after the property is sold or rented. The intention is to allow the developer to make the improvements but not have to pay more on the property, but will still retain the pop-up for locals. (Grand Rapids)

Amend the neighborhood enterprise zone act to allow its use in downtowns for apartments and other residential structures. Under current law, a NEZ must contain 10 parcels of land which doesn't work in a downtown setting. Property with a NEZ certificate either pays half the property tax based on the statewide average or pays 100 percent on the pre-development value for up to 12 years. This will allow for an NEZ by parcel. (Detroit)

### Increase Property Utilization (3605)<sup>3</sup> (5375)

Allow for DDA loans by amending the downtown development authority act to allow a DDA to create and operate a loan fund to help building owners make improvements to existing buildings including facades. This creates an option for building owners who may not have the capital to upgrade buildings to attract tenants. It is also an option to address eyesores in downtowns. (Detroit)

*Amend the MBT historic tax credit to allow its use for condominium development and make it fully transferable like the brownfield tax credit. (Grand Rapids)*

### Remove Barriers to Business Start-up (4342) (3104)<sup>4</sup> (4843)

Amend the liquor control act to allow a business to pay an increased fee to get expedited processing of their liquor permit by the liquor control commission. The cost would be \$500 for 10 day processing and \$1000 for 5 day processing. We are exploring providing some of the revenue to MSP to expedite finger print processing. However, we cannot promise expedited processing by locals. (Midland)

Amend the downtown development act to allow DDAs to operate retail business incubators. DDA's will be able to own storefront property and businesses will be allowed to occupy that property on a temporary basis (1-2 years) in order to get up and running. The incubator will be a cheap lease, and will require the business to have some sort of collaborative marketing or education (similar to the tool and die renaissance zones). Requires preference for tenants who will provide goods and services that aren't available or that are underserved in the downtown. (Grand Rapids)

*Amend the smartzone statute to accelerate Michigan's ability to increase the capability and capacity to create new ideas, processes and products. Create parcel specific satellite districts in smartzone communities with TIF capture capability. Use funds to commercialize knowledge-based products or processes, development and patenting or proprietary products, and purchase & integration of proprietary knowledge into products or processes.*<sup>5</sup> (Grand Rapids)

## **Encourage Downtown Redevelopment (1478) (4344) (4345)**

Create a retail renaissance zone category to stimulate development of rundown portions of downtowns. These must be designated by October 1, 2008 and are limited to cities and villages. The zones are designated at the request of the city or village and the approved by the Michigan Strategic Fund.

Reactivate the Commercial Redevelopment Act in cities and village so that there is a tool to provide tax abatements for knowledge-based businesses. While PA 198 exists for industrial property and the technology park development act targets technology-based businesses, there is currently no tool to encourage the development of knowledge-based business. The bill also removes abatement of the school tax since commercial property is already given a 50-percent abatement in the MBT.

Expand local government's ability to exempt personal property to distressed parcels to encourage redevelopment of rundown parcels in downtowns. A distressed parcel is one located in a downtown that is either vacant or functionally obsolete and is zoned for mixed use. (Midland)

## **Increase Viability of Downtown Retail (4021)6**

*Amend the downtown development act to grant DDAs express permission to assist with leaseholder's improvements for retail, authorize DDAs to fund activities that are also brownfield eligible activities to eliminate the need to remove property from a DDA and define acquisition of equipment and materials to support cultural institutions as investments in a public facility. Because overlapping TIF districts are not permissible, this will create flexibility in how the captured taxes are used* (Grand Rapids)

*Allow locals to waive a DDA millage on residential property, if they chose to. This is needed because of the already high cost of housing, and the fact that residents typically don't benefit from DDA activities.*

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<sup>1</sup> DDA Section 2

<sup>2</sup> NEZ Section 3

<sup>3</sup> DDA Section 7

<sup>4</sup> DDA Sections 1 & 7

<sup>5</sup> Do we want to also offer a MBT credit to offset investment made by companies in these zones?

<sup>6</sup> DDA Sections ??

All bills have drafts available, except for the bills in *italics*.