



FOR IMMEDIATE RELEASE
November 17, 2008

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Senate Urged to Take up HB 6114 for Transit-Related Jobs and Economic Development

Senate Should Strengthen Bill to Maximize Transit Jobs and Development in Michigan

LANSING, Mich. — Transit legislation (House Bill 6114) passed by the state House is a great start but needs to be amended by the Senate to maximize the jobs and economic development benefits for future rapid transit projects in Detroit, Grand Rapids, Ann Arbor and other regions, Get Michigan Moving (GM2) said today.

“We appreciate the House getting this important bill moving, but the bill was weakened and the job and economic development benefits of future transit projects were more limited than they could have been,” said Dan Gilmartin, executive director and CEO of the Michigan Municipal League, a founding member of GM2, a coalition working to increase awareness of the economic benefits of rapid transit.

HB 6114 would create geographic “transit revitalization investment zones” around rapid transit stations. As commercial and residential development occurs in the zones, the resulting growth in property tax revenues would be used to fund the operation, maintenance or infrastructure of the transit stations and related facilities. An amendment to the bill on the House floor last week would allow counties to “opt out” of participating in the investment zones. GM2 is asking the Senate to strike the “opt out” provision from the bill.

“Under this amendment, counties would benefit from the development and jobs created around transit systems, but would not help fund the operations of the systems,” Gilmartin said. “We need everyone working together to help fund public transit. We all talk about the need for transit in Michigan, and we all need to move forward together for jobs and economic development in our communities.”

Transit zones need all the possible tax increment dollars to maximize new business development and the creation of new jobs. In transit zones, cities have the most dollars to contribute due to millage rates, and counties have the second-most dollars to contribute.



Allowing opt-outs reduces support for the transit stations and systems that spark new development and jobs.

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Dallas, Minneapolis, St. Louis and Charlotte, N.C., are among the major U.S. cities that, in recent years, have created thousands of jobs and attracted billions of dollars in new developments and re-developments by building and expanding light rail systems. The transit systems are credited with sparking the construction of new apartments and condominium units, restaurants, office buildings, retail stores, cafes, movie theaters, centers for the arts, and much more. Development around transit stations and systems is called “transit-oriented development.” GM2 believes Michigan can also gain thousands of good jobs and billions in new commercial and residential development by building and expanding public transit systems — buses, light rail and commuter rail lines — in regions across the state.

The Senate is expected to take up HB 6114 and other transit legislation — House Bills 6542 to 6547 — following the Legislature’s Thanksgiving recess. GM2 noted that HBs 6542 to 6547 also create investment zones similar to those created in HB 6114 without containing opt-outs for counties.

“We applaud the Legislature for making all of these transit bills priorities because they will help restore prosperity to Michigan,” Gilmartin said. “But the language needs to be consistent. The House passed HBs 6542 to 6547 without opt outs, but passed HB 6114 with opt outs. That is inconsistent public policy and makes no sense. We are asking the Senate to keep the opt-outs out of all of the bills.”

Other members of GM2 are the Detroit Regional Chamber, Transportation Riders United, and the Michigan Environment Council. For more information about GM2, please visit www.GetMichiganMoving.org.

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