

SUMMARY OF BASIC STEPS
FOR A CORRIDOR IMPROVEMENT AUTHORITY
(Public Act 280 of 2005)

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Below is the basic step-by-step process that the City must follow under the Act to first establish a Corridor Improvement Authority and its boundaries (Part I, below), and second to implement and use tax increment financing in the designated area (Part II, below). Please note that there are other funding mechanisms and financing tools under the Act, which are not addressed below and would require other/additional procedural steps. Also, please keep in mind that this is a very basic summary of the steps, and the Act itself must be consulted for specific details concerning each step.

PART I: ESTABLISHING THE AUTHORITY

1. **DECLARATION OF INTENT:** City Council adopts a resolution declaring its intent to establish the CIA, describing the proposed CIA development area boundaries, making findings that the proposed development area meets the statutory criteria, and setting a public hearing.
2. **PUBLISH, POST, AND MAIL NOTICES OF PUBLIC HEARING:** This must be completed in accordance with the statute, which requires publishing twice in a newspaper of general circulation not less than 20 days and not more than 40 days before the date set for the public hearing. Notice must also be posted and mailed to all property taxpayers of record in the development area.
3. **PUBLIC HEARING:** City Council holds a public hearing regarding the establishment of the authority and the boundaries of the proposed development area.
4. **RESOLUTION TO ESTABLISH AUTHORITY:** Not less than 60 days after the public hearing, the City Council adopts a resolution establishing the authority and designating the boundaries of the proposed development area.
5. **FILING AND PUBLICATION OF RESOLUTION:** Promptly after adoption, the resolution must be filed with the Secretary of State and published in a newspaper of general circulation.
6. **APPOINT MEMBERS TO THE AUTHORITY:** Chief Executive Officer (Mayor) appoints the Authority Board members (5-9) for staggered terms of four years (after the initial staggering), subject to City Council approval. Mayor or designee serves on the Board.
7. **OPTION TO HIRE A DIRECTOR:** Authority may employ a Director (not a member of Board).

****THE CIA IS NOW ESTABLISHED AND CAN MEET AND CONDUCT BUSINESS****
(See attachment for description of CIA Board powers)

PART II: ESTABLISHING A TIF AND DEVELOPMENT PLAN

1. **DETERMINATION OF NECESSITY AND PREPARE TIF PLAN:** The Authority Board makes a determination that a Tax Increment Financing (TIF) plan is necessary for the achievement of the purposes of the Act, and prepares and submits a plan for the development area in accordance with the Act to the City Council. Among other things required by the Act, the TIF Plan *must* include the Development Plan described in Step 2, below.
2. **PREPARE A DEVELOPMENT PLAN:** If the Authority desires to finance a project in the development area using the TIF funds (or revenue bonds), the Authority must create a Development Plan, including, among other things: a description of existing geographic features, development area improvements and objectives, disposition of municipal property, description of zoning and infrastructure changes, cost estimates, the ability of the authority to finance, and effects on existing residents.
3. **PUBLISH, POST, AND MAIL NOTICES OF PUBLIC HEARING:** Notice of a City Council public hearing regarding the TIF Plan and Development Plan must be published twice in accordance with the statute, the first of which shall be not less than 20 days before the date set for the public hearing. Posting in conspicuous places is also required.
4. **MEETING WITH TAXING JURISDICTIONS:** *Before the public hearing* described in Step 3, above, the taxing jurisdictions levying taxes subject to capture under the proposed TIF Plan must be provided a "reasonable opportunity" to meet with the City Council.
5. **PUBLIC HEARING:** City Council holds a public hearing regarding the TIF Plan and Development Plan in accordance with the Act.
6. **OPT-OUT PERIOD:** Not more than 60 days after the public hearing, the governing body of any of the taxing jurisdictions subject to capture under the proposed TIF Plan may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the City Clerk. Any such resolution remains effective until a resolution rescinding it is filed with the Clerk. **Note:** Oakland County has a rigorous review process for its "opt out" decision. Several meetings with County administration have been required for other communities, along with an agreement with the County. Additional information will be provided on the County's process as the Council's review proceeds.
7. **ADOPTION OF PLAN BY RESOLUTION:** The City Council determines whether the Development Plan and TIF Plan constitute a public purpose, and if so, adopts a resolution approving, rejecting, or approving with modification the Plans, based on considerations set forth in the Act. Note that there is not requirement under the Act to wait the 60-day period in Step 6 above, before proceeding with adopting the ordinance, but it may be advisable to do so.

GENERAL POWERS OF A CIA
(MCL 125.2881)

- (1) The board may do any of the following:
 - (a) Prepare an analysis of economic changes taking place in the development area.
 - (b) Study and analyze the impact of metropolitan growth upon the development area.
 - (c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the development area.
 - (d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.
 - (e) 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 to promote the economic growth of the development area, and take steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.
 - (f) Implement any plan of development in the development area necessary to achieve the purposes of this act in accordance with the powers of the authority granted by this act.
 - (g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
 - (h) On terms and conditions and in a manner and for consideration the authority considers proper or for no consideration, 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, or rights or interests in the property, that the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options.
 - (i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to those buildings, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
 - (j) 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.

- (k) Lease, in whole or in part, any facility, building, or property under its control.
 - (l) Accept grants and donations of property, labor, or other things of value from a public or private source.
 - (m) Acquire and construct public facilities.
 - (n) Conduct market research and public relations campaigns, develop, coordinate, and conduct retail and institutional promotions, and sponsor special events and related activities.
 - (o) Contract for broadband service and wireless technology service in a development area.
- (2) Notwithstanding any other provision of this act, in a qualified development area the board may, in addition to the powers enumerated in subsection (1), do 1 or more of the following:
- (a) Perform any necessary or desirable site improvements to the land, including, but not limited to, installation of temporary or permanent utilities, temporary or permanent roads and driveways, silt fences, perimeter construction fences, curbs and gutters, sidewalks, pavement markings, water systems, gas distribution lines, concrete, including, but not limited to, building pads, storm drainage systems, sanitary sewer systems, parking lot paving and light fixtures, electrical service, communications systems, including broadband and high-speed internet, site signage, and excavation, backfill, grading of site, landscaping and irrigation, within the development area for the use, in whole or in part, of any public or private person or business entity, or a combination of these.
 - (b) Incur expenses and expend funds to pay or reimburse a public or private person for costs associated with any of the improvements described in subdivision (a).
 - (c) Make and enter into financing arrangements with a public or private person for the purposes of implementing the board's powers described in this section, including, but not limited to, lease purchase agreements, land contracts, installment sales agreements, sale leaseback agreements, and loan agreements.