

INCLUDE URBAN TOWNSHIPS IN SHOPPING DISTRICT ACT

House Bill 4263 as enrolled
Public Act 209 of 2003
Second Analysis (12-29-03)

Sponsor: Rep. Shelley Taub
House Committee: Commerce
Senate Committee: Economic
Development, Small Business and
Regulatory Reform

THE APPARENT PROBLEM:

Six communities in south central Oakland County, in conjunction with the county government, want to establish business improvement districts under the Principal Shopping District Act in order to collaborate on improvements along a corridor that runs from I-696 to Telegraph Road. The six communities are the city of Farmington Hills, the charter township of West Bloomfield, the city of Orchard Lake Village; the city of Keego Harbor, the city of Sylvan Lake, and the charter township of Bloomfield Township. These communities and the county form the Orchard Lake Road Corridor Study Group, which first began discussions in the summer of 1999. The group, with the help of a planning consultant, has developed a plan for the corridor that embodies the study group's vision statement. That vision statement is as follows:

Orchard Lake Road is a north and south corridor with unique history linking six communities that reflect different eras of development. As a transportation corridor, managed by the county road commission, the emphasis has been the movement of motorized traffic that evolves daily from commuter trips to local trips along a variety of road frontage land uses ranging from industrial to single family. Significant natural settings with wetlands and lake frontage are part of this corridor. Presently, the opportunity exists for the coordinated enhancement of Orchard Lake Road by each community for the development and implementation of common visual linkages, landscaping, calming of traffic, pedestrian friendly ways, lighting, signage and other elements such as zoning standards and architectural design standards. While each community should maintain their individual characteristics, a coordinated design would complement these characteristics and provide balance throughout this corridor.

If all of the communities involved were cities, they could combine to form one or more business improvement districts along the corridor under the Principal Shopping District Act. This would allow them to engage in the activities anticipated by the plan as one governmental unit rather than having each act independently. However, that act only applies to cities and does not allow for joint business districts sponsored by cities and townships together. Legislation has been introduced that would expand the Principal Shopping District Act so that some townships could use the powers authorized by the act.

THE CONTENT OF THE BILL:

The bill would amend Chapter 1 of the Principal Shopping District Act so that the chapter would apply to villages and certain urban townships in the same way that currently it applies to cities. The act spells out the powers of a city in establishing a principal shopping district and the powers of one or more cities in establishing business improvement districts. The bill would replace the term "city" with "local governmental unit", which would be defined to mean a city, village, or urban township.

The bill provides a definition of "urban township" that differs from that found in Section 2 of the Local Development Financing Act. (See Background Information for the definition of township under the LDFA.) Under House Bill 4263, the term "urban township" would apply to a township that was both 1) an urban township under the LDFA and 2) located in a county with a population of more than 750,000 (Macomb, Oakland or Wayne).

MCL 125.981 et al.

BACKGROUND INFORMATION:

Principal Shopping District Act. Under the Principal Shopping District Act, the cost of principal shopping district or business improvement district projects can be financed by grants and gifts; local governmental funds; general obligation bonds; revenue bonds; and the levying of special assessments. The act allows cities (and with this bill, villages and townships) that form a principal shopping district or a business improvement district to do the following:

- Open, widen, extend, realign, pave, maintain, or otherwise improve highways and construct, reconstruct, maintain, or relocate pedestrian walkways.
- Prohibit or regulate vehicular traffic where necessary to carry out the purposes of the development or redevelopment project.
- Regulate or prohibit vehicular parking on highways.
- Acquire, own, maintain, demolish, develop, improve, or operate properties, off-street parking lots, or structures.
- Contract for the operation or maintenance by others of government-owned off-street parking lots or structures or appoint agents for the operation or maintenance.
- Construct, maintain, and operate malls with bus stops, information centers, and other buildings that will serve the public interest.
- Acquire by purchase, gift, or condemnation and own, maintain, or operate real or personal property as necessary to implement the district.
- Promote economic activity in the district by such undertakings as market research and public relations campaigns, retain and instructional promotions, and special events.
- Provide for or contract with other public or private entities for the administration, maintenance, security, operation, and provision of services determined beneficial to the district by the district board.

Definition of Urban Townships in the Local Development Financing Act. Under the Local Development Finance Act, an “urban township” is one of the following:

- a township with a population of 20,000 or more or else with a population of 10,000 or more in a county with a population of 400,000 or more, where the township adopted a master plan before February 1, 1987 and provides sewer, water, and other public services to all or part of the township.
- a township with a population of under 20,000 located in a county with a population of 250,000 or more but less than 400,000 and with the county located in a metropolitan statistical area, where the township has within its boundaries a parcel of property under common ownership that is 800 acres or larger and is capable of being served by a railroad and located within three miles of a limited access highway, and where the township had established a local development finance authority before December 31, 1998.
- a charter township with a population of under 20,000 that has a state equalized value for all real and personal property of more than \$200 million and that adopted a master zoning plan before February 1, 1987, where the township has within its boundaries a combination of parcels under common ownership that is 800 acres or larger that is immediately adjacent to a limited access highway, that is capable of being served by a railroad, and that is immediately adjacent to an existing sewer line, and where the township had established an authority before March 1, 1999.
- A township with a population of 13,000 or more located in a county with a population of 150,000 or more, where the township had adopted a master zoning plan before February 1, 1987.

The definition of urban township was recently amended by Public Act 20 of 2003 (House Bill 4197) to add the final category cited above. According to the analysis of House Bill 4197 by the House Legislative Analysis Section (dated 3-19-03), there were 61 urban townships in Michigan prior to the enactment of Public Ac 20, which added perhaps 15 more.

FISCAL IMPLICATIONS:

The Senate Fiscal Agency estimated that the bill would not affect state revenues but would minimally increase local unit revenues and expenditures. (SFA floor analysis of the Senate substitute to House Bill 4263, which was the version enacted.)

ARGUMENTS:***For:***

The bill would put villages and some urban townships on an equal footing with cities for purposes of the Principal Shopping District Act. It makes sense that contiguous built-up communities be able to cooperate on certain kinds of infrastructural improvements, whether those communities are classified as cities or not. In the case presented to the Commerce Committee, six communities, including four cities and two charter townships, want to collaborate along a heavily traveled corridor in south central Oakland County. This bill would overcome a barrier to their plans by allowing contiguous units to form one or more business districts that would allow for coordinated activities that would preserve and enhance the individual identities of the participating units. Of course, the bill would apply in other cases as well. In any case, it encourages cooperation between neighboring communities of a kind that could serve to promote economic development and/or to contain so-called urban sprawl, depending on the aims of the local units that make use of the act. The bill would make no significant changes to the underlying act: it would simply expand the act to allow villages and some urban townships to participate in the same way the cities can already.

Against:

The bill excludes many local units that could benefit from being able to participate. The bill is restricted to so-called urban townships in the state's three largest counties. It might make more sense to allow other townships across the state to participate as well. It should be noted that the bill uses a modified version of a somewhat convoluted definition from another economic development act. A clearer definition might be preferable.

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.