



## **CORRIDOR IMPROVEMENT AUTHORITY**

The Corridor Improvement Authority (CIA) act, Public Act 57 of 2018, Part 6, is designed to assist communities with funding improvements in commercial corridors. The act provides for capture and use of state and local education taxes for projects within defined “qualified development areas” (QDA) upon approval from the Michigan Strategic Fund (MSF).

*Note: This document is offered as a general guide only and the legislation should be reviewed by local officials.*

### **WHO IS ELIGIBLE?**

Any city, village or township may establish an authority.

### **HOW DOES IT WORK?**

The authority would be created and operated in a similar manner to a Downtown Development Authority (DDA). Once created, a Corridor Improvement Authority may hire a director, establish a tax increment financing plan, levy special assessments and issue revenue bonds and notes. A corridor, as defined as a development area, must comply with the following criteria:

1. The corridor must have at least 51 percent of existing first-floor space classified as commercial.
2. The corridor must have been in existence for the past 30 years.
3. The corridor must be adjacent or is within 500 feet of a road classified as an arterial or collector according to the Federal Highway Administration.
4. The corridor must contain at least 10 contiguous parcels or at least five contiguous acres.
5. The corridor must be zoned to allow for mixed-use and high density residential.
6. The corridor must presently be served by municipal water or sewer.
7. The municipality must also agree to expedite the local permitting and inspection process in the development area and to modify its master plan to provide for walkable nonmotorized connections, including sidewalks and streetscapes throughout the area.

### **WHAT IS A QDA?**

A qualified development area (QDA) is defined by specific criteria in the Act. It can be summarized to be a development area within the Corridor Improvement Authority that contains transit-oriented development or a transit-oriented facility. Within 60 days of local approval of the QDA development plan, the authority may request Michigan Strategic Fund authorization to capture taxes levied under the State Education Tax act and taxes levied

by local or intermediate school districts under the revised school code. The Michigan Strategic Fund may only allow the capture of these state taxes if it determines that the revenues are necessary to reduce unemployment, promote economic growth and increase capital investment in the QDA.

### **WHAT IS THE PROCESS?**

1. Municipalities may have multiple authorities and an authority may contain multiple municipalities.
2. The governing body determines that it is necessary in the best interests of the public to redevelop its commercial corridors and to promote economic growth.
3. The governing body sets a public hearing, based upon its resolution of intent, to create a CIA.
4. Notice must be given of a public hearing by public posting, publication and mail to taxpayers within a proposed district and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture of tax increment revenues.
5. Public hearing is held.
6. Not less than 60 days following the public hearing, the governing body may adopt by resolution the creation of the CIA and designate the boundaries of the development area. If a QDA has been designated, the authority may also request Michigan Strategic fund support in writing.
7. The resolution must be published at least once in the local newspaper and filed with the Secretary of State.
8. The governing body of the municipality that has created an authority may enter into an agreement with an adjoining municipality that also has created an authority to jointly operate and administer those authorities under an interlocal agreement.

### **OTHER IMPORTANT NOTES**

While this program is similar in nature to a Downtown Development Authority, differences between a DDA and Corridor Improvement Authority include:

- More than one authority is permitted within a municipality.
- A Corridor Improvement Authority cannot levy an ad valorem tax.

### **SUPPORTING STATUTE**

*Public Act 57 of 2018: Recodified Tax Increment Financing Act*

### **CONTACT INFORMATION**

For more information on Corridor Improvement Authorities, contact the Community Assistance Team (CAT) specialist assigned to your territory or visit [www.miplace.org](http://www.miplace.org).