

Frequently Asked Questions about the Center City Authority

1. What is the Center City Authority?

In 2005, Public Act 280, the Corridor Improvement Authority Act was established. The Corridor Improvement Authority Act is legislation designed to correct and prevent deterioration in business districts, promote economic growth, and authorize the use of Tax Increment Financing (TIF). The intent of Act 280 is to provide a means for municipalities to address deteriorating commercial corridors that are located outside of traditional downtown areas.

2. What area is covered by the Center City Authority?

The area is bounded roughly by Saginaw Road, starting north of Ashman Circle at Manor Drive and continuing south through the Circle district to Patrick Road. The area also includes Washington Avenue from Cambridge south to Patrick. Major developments in the development area are the Circle business district and the Kmart shopping center. The area encompasses 200 parcels, 142.8 acres, and over 225 businesses.

3. Why do we need an Authority?

The establishment of an Authority provides a means to funnel tax dollars generated in an area directly back to that area for specific improvements. These improvements are unlikely to be funded through a City's general fund dollars, meaning that improvements would not take place otherwise.

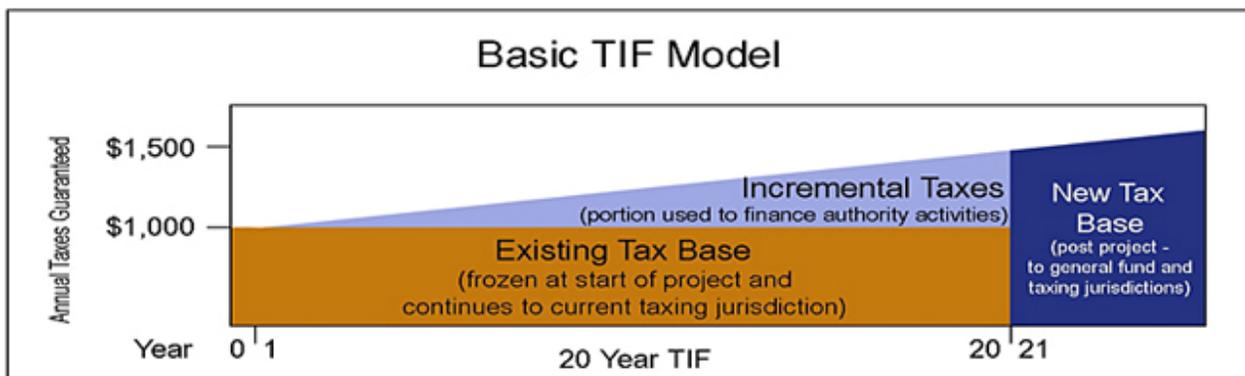


Downtown Midland area improvements are funded with a similar mechanism as one of the funding sources through a Downtown Development Authority, resulting in beautification, public safety, amenities, and business growth. It is hoped that, over time, these same improvements will occur in the Saginaw Road Corridor.

4. How will improvements be funded?

Improvements could be funded through Tax Increment Financing (TIF). Tax increment financing is a funding technique that utilizes an increase in taxes on real and personal property within a specific development area. The increased funds help pay:

- the cost of public improvements or bonds issued by the City or Corridor Improvement Authority;
- the costs of an approved development plan, which is what the Authority is working on with this process;
- the Authority's costs of operation; and
- portions of an approved development plan that do not involve the issuance of bonds.



5. Does it cost taxpayers more money?

No. Taxes paid through a Tax Increment Financing Plan (TIF) are paid in the same way and at the same amount as they would without a TIF district. The only difference is in the way the taxes are distributed. The taxes collected (shown in light blue in the model above) in the development area are directed to the Authority's projects and not to the general fund of the City.

6. How many tax dollars could be captured?

The amount of taxes captured depends on the increase in the value of the property in the corridor. Using a base year of 2012 with capture beginning in 2013 and continuing over a 20-year time frame, roughly \$ 3 Million are expected to be collected. In the first year, the capture is likely to be roughly \$ 6,000, and is expected to increase over time.

7. Why is the Circle proposed to be reconfigured?

The Circle area has been studied several times in the last 20 years. In 2004 the City Council approved this conceptual plan to redesign the Circle in an effort to improve traffic flow, revitalize businesses, and create a unique focal point for Midland. The project did not go forward due to lack of funding. With the Center City Authority and tax increment financing in place, this project could now have a funding source and be completed at some time in the future.



8. Will businesses be required to follow the plan?

No. The improvements proposed in the Development Plan are located in the public right-of-way or publically-owned land. The Development Plan may include incentives - such as cost sharing - for businesses to make improvements, or the Center City Authority may elect to propose new zoning regulations in the area to promote specific improvements.

9. When are the Development and Tax Increment Financing Plan going to be adopted?

The Development Plan was adopted by City Council in 2010. The Tax Increment Financing Plan was finalized following public input in June 2012. The City Council reviewed and acted on the Tax Increment Financing Plan later in 2012.

10. How can I stay involved with this project?

There are several ways to stay involved. The Center City Authority Board meets on the third Wednesday of each month at 3 p.m. in the City Council Chambers and is open to the public. Meetings are available as [on-demand videos](#) on the City's website.

If you have questions about the Authority, call or e-mail Selina Tisdale, stisdale@midland-mi.org (989)837-3304 or Lacey Todd ltodd@midland-mi.org (989)837-3313.