

# Principles and Recommendations for Urban Revitalization (Draft)

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Michigan cities large and small have been substantially affected by urban sprawl over the last four decades. Many older urban areas have lost and continue to lose population, employment opportunities, private investment, and tax base. In many areas, sprawl has concentrated those in poverty and resulted in racial segregation. For residents who remain in these areas, it has meant higher costs for public services, fewer accessible well-paying jobs, decreasing property values, deteriorating neighborhoods, low-quality schools, and a general impairment in the quality of life. Recent studies have shown that the lack of viable central city areas in Michigan places our state at a distinct competitive disadvantage in attracting and retaining the young, highly recruited workers needed to encourage private economic investment and sustain economic prosperity. VIBRANT CITIES COULD ALSO POSITION MICHIGAN AS A NATIONAL AND INTERNATIONAL TOURISM DESTINATION.

Past government policies have contributed to the decline of Michigan's cities, but changing only the public policies that have subsidized sprawl will not be sufficient to reverse the private disinvestment that continues to occur—there must also be a commitment of state resources. Reestablishing the viability of Michigan's cities will require innovative public policies and programs that encourage private reinvestment in older urban areas. Michigan has recently adopted effective incentives and assistance to encourage redevelopment of brownfields and designated urban core areas. These tools must be maintained and expanded, and government decisions related to redevelopment streamlined. Making state redevelopment assistance and incentives available is crucial to managing growth and making our cities more attractive places to live and work.

## GUIDING PRINCIPLES

In formulating its recommendations for revitalizing Michigan's cities, the council established the following guiding principles that address policies and practices of government, and the need for redevelopment tools and a supporting legal framework. The council believes that it is important that state, regional, and local governments have **policies and practices** that recognize:

- The importance of reducing concentrations of poverty in inner cities and making good schools, safe neighborhoods, quality health services, recreation, and other quality-of-life amenities (e.g., nearby retail service, employment, and cultural institutions) more equitably available to all residents
- The desirability and benefits of WALKABLE AND ROLLABLE, compact, mixed-use, mixed-income, racially diverse, livable urban cores and neighborhoods that are characteristic of “cool cities”
- The need to make land use decisions in a way that ensures the fair treatment of people of all races, cultures, and incomes

- The entitlement of all residents to a safe and healthful environment ~~in places~~ where they live, work, and recreate
- The essential contribution of vibrant small, medium, and large downtowns, including stable residential populations, to the economic health of regions
- The value of encouraging retail businesses and service providers to stay or locate within the urban communities where their customers live
- The critical role of accessible local and regional transportation alternatives in economic development, in reducing traffic congestion, and in minimizing urban land devoted to surface parking
- The need to unlock the value of vacant, abandoned, and/or underutilized property in older cities
- The unique character of a community's historical, cultural, artistic, architectural, and natural resource assets and need to preserve them

The council also believes that state agencies and local governments must have access to effective **redevelopment tools** and **supporting laws and regulations** that:

- Promote new private investment and reinvestment in already developed areas
- Address existing government barriers to downtown revitalization
- Discourage state decisions and policies that subsidize and support sprawl
- Target investments to maintain public infrastructure already in place (*Fix-It-First*)
- Allow timely assembly of lands AND PROPERTY needed for urban redevelopment
- Expedite government decisions on the appropriate reuse of environmentally impaired property while protecting human health and the environment
- Provide for "green" infrastructure as a catalyst to make urban areas more livable AND TO COMPLEMENT EFFORTS TO PROTECT WATER QUALITY
- Encourage a wide array of options to provide for affordable housing with reasonable proximity and access to employment opportunities
- PROMOTE THE ADAPTIVE REUSE OF HISTORIC BUILDINGS IN URBAN CORES
- Support government collaboration with local neighborhood organizations in the development and evaluation of revitalization efforts

## RECOMMENDATIONS

The recommendations in other chapters of this report (i.e., Infrastructure, Land Resource-Based Industries, and Planning and Zoning) address interrelated issues that are equally important to the revitalization of urban areas. The future economic, environmental, and social well-being and sustainability of urban, suburban, and rural communities of our state are interdependent, and the issues need to be addressed collectively. The following specific urban revitalization recommendations relate to three areas: (1) siting of public buildings and facilities, (2) state and local assistance in attracting private investments, and (3) public and private efforts to support more livable urban areas.

### ***Siting of Public Facilities***

1. **The state should support the location of public offices and facilities in existing urbanized areas consistent with local development plans and compatible with existing land uses to stimulate economic activity, encourage private reinvestment in urbanized areas, make optimum use of existing infrastructure, decrease sprawl, and increase accessibility of government services by:**
  - a. Adopting a policy that directs state agencies to locate or relocate state offices within existing cities or well-established suburban areas, TO FIRST CONSIDER THE ADAPTIVE REUSE OF HISTORIC BUILDINGS OVER NEW CONSTRUCTION FOR STATE OFFICES AND FACILITIES, and to discourage the construction of new state-owned or state-leased facilities on open space in rural areas, except where the constituency or programs served could only be adequately provided from such a location
  - b. Supporting other public investments in urbanized areas, such as expanded student resident housing planned by Wayne State University, the proposed Michigan Welcome Center in southwest Detroit, AND THE SITING OF COMPATIBLE FEDERAL FACILITIES AND SERVICE BUILDINGS
  - c. Adopting legislation that requires school districts to comply with master plans and capital outlay plans adopted by local government
  - d. DEVELOPING STATE INCENTIVES FOR CONSTRUCTING NEW SCHOOLS AND RENOVATING EXISTING SCHOOLS THAT ARE LOCATED IN TOWN CENTERS AND ENCOURAGING SHARED USE OF ATHLETIC FACILITIES.

### ***State and Local Assistance in Attracting Private Investment***

2. **The state should promote new private investment and reinvestment in existing urban areas in concert with local government to make optimum use of existing infrastructure, encourage the location of retail businesses to serve urban residents, and create new employment opportunities by:**
  - a. Establishing a technical assistance capacity in one entity in state government, and encouraging local governments to create the same capacity, to provide a central point of contact for private sector investors, local government, and community organizations to access and use available state and federal urban revitalization programs such as:
    - (1) Empowerment, Enterprise, and Renaissance Zones
    - (2) Tax increment financing
    - (3) Historic district tax credits
    - (4) Neighborhood enterprise zones
    - (5) Downtown development authorities
    - (6) Obsolete Property Rehabilitation Act
    - (7) Business improvement districts
    - (8) Blight elimination programs
    - (9) Incentives for residential development

- (10) MICHIGAN MAINSTREET PROGRAM
- b. ENCOURAGING THE PRIVATE SECTOR TO HELP IDENTIFY REDEVELOPMENT READINESS STANDARDS THAT CAN BE VOLUNTARILY APPLIED BY LOCAL GOVERNMENT TO MEASURE THEIR OWN ABILITY TO COMPETE FOR PRIVATE INVESTMENTS AND IDENTIFY WHERE THE STATE SHOULD FOCUS REDEVELOPMENT TECHNICAL ASSISTANCE, TRAINING, AND EDUCATION EFFORTS TO HELP LOCAL COMMUNITIES ACHIEVE THE STANDARDS
  - c. Supporting environmental brownfield reuse activities by:
    - (1) SEEKING A STABLE, LONG-TERM SOURCE OF FUNDING FOR STATE ACTIONS TO ADDRESS PRIORITY AREAS
    - (2) Targeting remaining brownfield CMI funds to support redevelopment
    - (3) CONTINUING TO MAKE AVAILABLE STATE-FUNDED GRANT AND LOAN PROGRAMS THAT ASSIST LOCAL UNITS OF GOVERNMENT IN MEETING THEIR REDEVELOPMENT NEEDS
    - (4) CREATING A PRIVATE-SECTOR FINANCING POOL TO ATTRACT BANK AND CORPORATE CAPITAL AS WELL AS LEVERAGE GOVERNMENT FUNDS FOR THE PURPOSE OF REDEVELOPING BROWNFIELDS
    - (5) Examining current environmental clean-up procedures to identify areas where decisions can be expedited and the process simplified
    - (6) ENCOURAGING THE INCLUSION OF A HISTORIC REVIEW OF BROWNFIELD PROPERTIES AT THE TIME THE ENVIRONMENTAL REVIEW IS UNDERTAKEN AND PROVIDING EXTRA INCENTIVES FOR THE REHABILITATION OF BUILDINGS ON BROWNFIELD SITES THAT ARE DETERMINED TO BE ELIGIBLE FOR THE NATIONAL REGISTER OF HISTORIC PLACES
  - d. Adopting Redevelopment Fast Track Authority (RFTA) legislation to assist in the assembly of land needed for redevelopment that incorporates the following characteristics:
    - (1) Consolidates all state-owned tax reverted property in one ~~autonomous~~ INDEPENDENT entity
    - (2) Quiets titles to provide marketable properties
    - (3) Provides that foreclosing local governments may enter into agreements with the state to create similar RFTA authority at the local level
  - e. Encouraging renovation and reuse of existing buildings through:
    - (1) Development and delivery of an education program on the use of Michigan's Rehabilitation Code for Existing Buildings (adopted October 31, 2002) in collaboration with Michigan Association of Home Builders, the Michigan Housing Council, and the Community Economic Development Association of Michigan
    - (2) Development and implementation of a training program, through the Bureau of Construction Codes, for local building officials on the appropriate application of the Rehabilitation Code for Existing Buildings

- (3) ENACTING LEGISLATION TO REFORM LAWS THAT ALLOW OWNERS TO AVOID RESPONSIBILITY FOR ABANDONMENT OF BUILDINGS
- (4) DEVELOPMENT OF POLICIES AND INCENTIVES THAT PROMOTE AND ENCOURAGE THE ADAPTIVE REUSE OF HISTORIC BUILDINGS

***Public/Private Support for Livable Communities***

**3. The state should support public and private efforts to create and maintain “livable” urban areas where people want to work, shop, and recreate and where there is a range of equitable housing options for all income levels by:**

- a. Complementing local government’s efforts to create “green infrastructure” including such things as:
  - (1) Inner-city trails/pathways/open space/parks
  - (2) Public access to and enjoyment of urban waterfront assets
  - (3) Use of tax reverted lands to create open space that encourages development
  - (4) Public and private partnerships (e.g., Detroit Riverfront Conservancy and the Southeast Michigan Greenways)
- b. Establishing a permanent and secure state funding source for capital and operational assistance to help support cultural, artistic, and historical assets and institutions such as the creation of a Michigan Cultural Resources Trust Fund.
- c. Encouraging efforts to control urban blight through:
  - (1) Determining the applicability of neighborhood early warning information systems used in other states to address blight in Michigan urban areas AND FUNDING DEMONSTRATION PROJECTS THAT APPLY THE PRINCIPLES OF PROGRAMS IDENTIFIED AS SUCCESSFUL
  - (2) Adopting legislation that would encourage local governments to decriminalize municipal code violations and allow the establishment of an expedited process to adjudicate disputes
  - (3) EXPANDING MICHIGAN’S SPOT BLIGHT CONDEMNATION STATUTE TO INCLUDE COMMERCIAL AND INDUSTRIAL PROPERTY
  - (4) STRENGTHENING LAW ENFORCEMENT AUTHORITIES TO ADDRESS ILLEGAL WASTE DUMPING
- d. Creating affordable housing options in urban areas through:
  - (1) Establishment of a Michigan Housing and Community Development Trust Fund to make grants to for-profit and nonprofit developers that agree to develop mixed-income rental and homeownership projects
  - (2) Others?
- e. Developing and enhancing ways for municipalities and private developers to fund, finance, construct, operate, and maintain parking structures that support compact, walkable urban centers and minimize the negative impacts of surface parking lots
- f. SUPPORTING LOCAL “SAFE ROUTES TO SCHOOL” PROGRAMS, WHICH ENCOURAGE WALKING AND BIKING TO SCHOOL AND ADDRESS

SAFETY CONCERNS (INCREASED ENFORCEMENT OF TRAFFIC LAWS, DESIGN OF SAFER STREETS, PUBLIC EDUCATION ON SAFETY)

***The Creative Class and Michigan Cities***

**4. THE STATE SHOULD DEVELOP POLICIES THAT ATTRACT *CREATIVE CLASS* WORKERS TO MICHIGAN CITIES BY:**

- a. MARKETING MICHIGAN CITIES TO SPECIFIC IMMIGRANT COMMUNITIES TO ENCOURAGE FURTHER IMMIGRATION THROUGH:
  - (1) ADOPTION OF CONSUMER PROTECTION LAWS TO PREVENT FRAUD BY THOSE ASSISTING IMMIGRANTS FOR PROFIT
  - (2) ASSURING THAT GOVERNMENT SERVICES, ESPECIALLY THE SECRETARY OF STATE'S OFFICE, IS ACCESSIBLE AND USER-FRIENDLY TO IMMIGRANT COMMUNITIES
  - (3) CREATING FINANCIAL INCENTIVES FOR CITIES AND DEVELOPERS THAT WANT TO TARGET RESIDENTIAL AND COMMERCIAL DEVELOPMENTS TO KEY MEMBERS OF THE "CREATIVE CLASS," INCLUDING TAX CREDITS FOR ARTS DISTRICTS
- b. SUPPORT OF THE GOVERNOR'S COOL CITIES INITIATIVE IN IDENTIFYING OTHER POLICIES, PRACTICES, AND TOOLS THAT CAN BE USED TO ATTRACT THE *CREATIVE CLASS* TO CITIES

***Commerce Centers***

**5. THE STATE SHOULD RECOGNIZE CERTAIN COMMUNITIES AS "COMMERCE CENTERS" (CC) BECAUSE OF THEIR FUNDAMENTALLY URBAN/SUBURBAN AND COMMERCIAL CHARACTER AND ENCOURAGE THEIR CONTINUED GROWTH AND DEVELOPMENT. TOGETHER THESE CC'S REPRESENT APPROXIMATELY 70 PERCENT (6,836,769) OF THE STATE'S POPULATION, YET ONLY 8 PERCENT OF ITS LAND MASS (4,710.07 SQUARE MILES).**

- a. COMMERCE CENTERS (CC) WILL INCLUDE THE FOLLOWING AREAS:
  - (1) ALL INCORPORATED COMMUNITIES AND ANY TOWNSHIP WITH A POPULATION IN EXCESS OF 20,000 WITHIN THE FIVE LARGEST COUNTIES IN THE STATE (WAYNE, OAKLAND, MACOMB, KENT, AND GENESEE). TOWNSHIPS WITH POPULATIONS OF FEWER THAN 20,000 COULD BE RECOGNIZED AS A CC OR EXERCISE SOME CC POWERS UPON PETITION TO AND WITH THE APPROVAL OF THE COUNTY AS PART OF A REGIONAL GROWTH PLAN
  - (2) ALL INCORPORATED COMMUNITIES OUTSIDE OF THE FIVE-COUNTY REGION
  - (3) ANY TOWNSHIP OUTSIDE OF THE FIVE-COUNTY AREA THAT ABUTS A CITY OR VILLAGE THAT BECOMES A CC OR EXERCISES CERTAIN CC POWERS THROUGH A WRITTEN AGREEMENT WITH ITS NEIGHBORING CITY OR VILLAGE IN AN

EFFORT TO ENCOURAGE REGIONAL PLANNING AND SERVICE DELIVERY

- b. COMMERCE CENTERS SHOULD BE ELIGIBLE FOR INCREASED STATE FUNDING AND SHOULD BE GRANTED EXCLUSIVE AUTHORITY TO USE STRATEGIC DEVELOPMENT AND REDEVELOPMENT TOOLS INCLUDING:
- (1) FUNDS FOR MICHIGAN COMMUNITIES (REVENUE SHARING), TARGETED STATE AND FEDERAL HIGHWAY DOLLARS, CRITICAL BRIDGE FUNDS, ENVIRONMENTAL COMPLIANCE DOLLARS (INCLUDING STORMWATER), TARGETED REGIONAL ECONOMIC DEVELOPMENT/INFRASTRUCTURE FUNDS (TAXES OR BONDS), REGIONAL COOPERATION GRANTS
  - (2) ABILITY TO ESTABLISH A DOWNTOWN DEVELOPMENT AUTHORITY, LDFA, PSD/BID, "FAST TRACK" LEGISLATION; EXPAND CORE COMMUNITY LIST TO ALLOW ALL CC'S TO USE OBSOLETE PROPERTY BROWNFIELD TOOLS, DIRECTED CDBG FUNDING, AFFORDABLE HOUSING FUNDS AND PROGRAMS, AN EXPEDITED "REDEVELOPMENT FRIENDLY" STORMWATER AND WASTEWATER PERMITTING PROCESS; AND ABILITY TO DESIGNATE ENTERTAINMENT DISTRICTS (LONGER TAVERN HOURS, ETC.)
- c. CC'S WOULD ALSO BE ELIGIBLE FOR STATE GRANTS TO SPUR REGIONAL COOPERATION IN AREAS OF LAND USE PLANNING AND SHARED SERVICES
- d. AS A TRADE-OFF FOR ACQUIRING AND MAINTAINING THESE FUNDS AND TOOLS, THE CC'S WOULD BE SUBJECT TO CERTAIN "PRO-EFFICIENCY" PROGRAMS, WHICH WOULD BE DESIGNED IN AN EFFORT TO REDUCE COSTS AND IMPROVE THE BUSINESS CLIMATE. TARGET AREAS FOR THESE PROGRAMS WOULD INCLUDE:
- (1) DECREASING THE TIME NEEDED TO OBTAIN BUILDING PERMITS
  - (2) ESTABLISHING INTERNAL "ONE-STOP" OPERATIONS FOR BUSINESSES AND DEVELOPERS
  - (3) ESTABLISHING A MORE COHESIVE RELATIONSHIP BETWEEN STATE AGENCIES AND LOCAL GOVERNMENTS IN AREAS SUCH AS DEQ PERMIT APPROVAL AND NONFEDERALLY MANDATED STORMWATER AND WASTEWATER REGULATIONS