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Donigan's Plan Will Stimulate Economy, Increase Public Transit

Using innovative financing will lead to jobs, development and better public transportation

LANSING – State Representative **Marie Donigan** (D-Royal Oak) today unveiled a plan to establish transit revitalization tax increment finance authorities (TIFA's), which will stimulate Michigan's economy and create jobs for our workers.

"Tax increment financing is a widely used tool to stimulate redevelopment and finance public improvements," Donigan said. "Studies of successful transit agencies from across the nation have shown a direct link between transit stops and increased property values. This plan will be an important tool for our communities to utilize transit, both existing and in planning for the future, to create good-paying jobs for our workers, promote smart growth and greater transportation options."

TIFA's are designed to channel funding toward improvements in distressed or underdeveloped areas where growth may otherwise be unaffordable. They use future property tax gains to finance the improvements that will create the gains.

Donigan's program will work to clean-up areas around transit stops, increasing the property value and property taxes of the surrounding areas. The net increase in the property tax will be captured and set aside to cover the cost of cleaning up the area and possibly even cover the cost of the transit system.

The Michigan Municipal League (MML) supports Donigan's plan, naming TIFA legislation as one of its top priorities.

"Statistics show that young people want to be able to live, work and play without always having to get into their car and drive," said David Worthams, legislative associate for the MML. "Thanks to Representative Donigan's efforts we will be able to use this TIFA legislation to revitalize our downtown areas and hopefully attract new graduates to our state. We look forward to being able to provide economic incentives to create solid transit systems and bring more people to Michigan."

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Communities across the country are using TIFA's to take advantage of development around new and existing transit stations to improve neighborhoods, and help cover the capital and operational costs of transit agencies.

Within five years after the construction of Portland's light rail line, more than 7 million-square-feet of new development valued at more than \$900 million was built near the system. Since 1999, Dallas has witnessed over \$3.3 billion in new property development and redevelopment near its rapid transit light rail stations.

"My TIFA legislation is a viable plan that will revitalize our communities and stimulate business," Donigan said. "Increasing public transit in Michigan could create thousands of good-paying jobs for our residents. It is an economic development tool that is underutilized in Michigan – a fact that, if not reversed, threatens to leave us behind forever."

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