

## MDOT: COMMUNITY BENEFITS ASSISTANCE

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**House Bill 6128 (Substitute H-2)**

**Sponsor: Rep. Rashida Tlaib**

**Committee: Transportation**

**Complete to 5-13-10**

## A SUMMARY OF HOUSE BILL 6128 AS REPORTED FROM COMMITTEE

The bill would require the Michigan Department of Transportation to provide, wherever possible, technical support, advice, and resources to assist community representatives in communities that are affected by an international bridge project to enter into community benefits agreements with contractors and developers implementing the project. This would apply in cases where construction has not yet begun or where it has begun and is continuing as of the effective date of the bill. The bill is an amendment to Public Act 286 of 1964, the act under which the State Transportation Commission and the Department of Transportation are organized.

### **Community Benefits Agreement**

The term "community benefits agreement" refers to a private contract between an owner, contractor, developer, or concessionaire and representatives of communities, including community organizations, neighborhood associations or other residential groups, and labor, environmental, and faith-based organizations that implements benefits to the community to mitigate the negative impacts of the proposed development. Such benefits could include preservation, restoration, or replacement of community resources affected by the project; jobs, employment training, and related facilities; modifications or remedies for structures or equipment affected by the development; economic development; housing and sustainable investment in home repair programs; improving air quality programs; and green development initiatives.

### **In Case of Default**

If an owner, contractor, developer, or concessionaire defaults on a community benefits agreement, the Department of Transportation would have to perform the duties required under the agreement.

### **Minimum Expenditures under Agreement**

The bill specifies the minimum amount of money that must be spent to fund a community benefits agreement. That amount cannot be less than an amount equal to the total cost of the international bridge project multiplied by the average percent of cost for such agreements for similar projects in the United States, including environmental remediation.

### **Requests for Proposals**

Whenever MDOT issues a request for proposals for any aspect of an international bridge project, the request must include the requirements of, and criteria for, a community benefits agreement.

During the RFP selection process, MDOT must consult with the host community through the creation of an advisory board. That board must include at least one organization made up of members of the host community. The department would have to provide information to the advisory board about the proposals received. After receiving information from MDOT, but before selection of the winning proposal, the advisory board would provide its recommendations to the department.

Specifically, the bill requires the state transportation department to provide, wherever possible, technical support, advice, and resources to assist community representatives. This would apply in cases where construction has not yet begun or where it has begun and is continuing as of the effective date of the bill.

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### **FISCAL IMPACT:**

The bill would establish a new mandate for the Michigan Department of Transportation to provide technical support, advice, and resources to assist certain communities with regard to the community benefits agreements with contractors and developers. However the mandate is qualified, "wherever possible," and is limited to communities affected by an international bridge project where construction has not begun or is in process at the time of the bill's enactment.

The H-2 committee substitute includes two provisions that could affect the fiscal impact. The bill indicates that if an owner, contractor, developer, or concessionaire defaults on a community benefits agreement, the Department of Transportation would have to perform the duties required under the agreement. In addition, the bill provides for a minimum amount of money that must be expended to fund a community benefits agreement. That amount cannot be less than an amount equal to the total cost of the international bridge project multiplied by the average percent of cost for such agreements for similar projects in the United States, including environmental remediation.

The fiscal impact on the state is indeterminate. There is no apparent fiscal impact on local units of government.

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