

Downtown Development Authority

**Tuesday, January 11, 2022
MARQUETTE TOWNSHIP HALL/ZOOM**

- 1. Meeting Called to Order.**
- 2. Roll Call.**
- 3. Approval of the Agenda.**
- 4. Minutes of the Previous Meetings:** Regular Meeting of October 11, 2021; Special Meeting of November 10, 2021.
- 5. Public Comment.**
- 6. Business.**
 - a. Election of Officers
 - b. Discuss Marquette Charter Township DDA Plan Outline.
- 7. Financial Reports.**
 - a. Financial Report – no change to report.
 - b. Treasurer’s Report – no change to report.
 - c. Monthly Bills – none.
- 8. Correspondence – None.**
- 9. Reports – None.**
- 10. Public Comment.**
- 11. Announcements.**
- 12. Adjournment.**

Next Regular Meeting: Tuesday, April 12, 2022 @ 3:00 pm

**Minutes of the Downtown Development Authority
Regular Meeting
Tuesday, October 12, 2021
MARQUETTE TOWNSHIP HALL**

The meeting was called to order at 3:00 pm by Chair Noordyk.

DDA MEMBERS PRESENT: Chair Todd Noordyk, Vice-chair Rob Sved, Secretary Dan Shanahan, Michael Springer, Bill Tibor, Delynn Klein, Lyn Durant, Andrew Rickauer, Brian Jensen.

DDA MEMBERS ABSENT: None.

STAFF PRESENT: Jon Kangas, Township Manager; Jason McCarthy, Planning and Zoning Administrator; Erik Powers, Staff Planner.

APPROVAL OF THE AGENDA: **Motion** by Jensen, supported by Sved to approve the agenda as presented. **Motion carried 9-0.**

APPROVAL OF MINUTES OF PREVIOUS MEETINGS: **Motion** by Sved, supported by Rickauer to approve the minutes of the Regular Meeting of July 13, 2021 and Special Meetings of August 11 and September 14, 2021, as amended. **Motion carried 9-0.**

PUBLIC COMMENT: Frank Stabile of Superior Oasis indicated he hopes to be appointed to the DDA to represent the MTBA, as Brian Jensen's replacement. (Lyn Durant confirmed that the Township Board already confirmed the appointment at their September 21, 2021 meeting, effective November 1, 2021 and expiring December 31, 2022.)

Todd Noordyk mentioned that COVID-19 testing is now available at the Westwood Mall.

BUSINESS: After discussion of the DDA survey results: **Motion** by Sved, supported by Klein to schedule a Special Meeting for November 8, 2021 at 3:00 pm to further discuss the DDA Survey results.

Motion by Shanahan, supported by Rickauer to accept Kangas' recommendations for the regular meeting schedule of the DDA in 2022. **Motion carried 9-0.**

2022 Regular Meeting Schedule:

- January 11, 2022 @ 3:00 pm,
- April 12, 2022 @ 3:00 pm,
- July 12, 2022 @ 3:00 pm, and
- October 11, 2022 @ 3:00 pm.

PUBLIC COMMENT: Brian Jensen thanked everyone for the collaboration, as this was his last meeting prior to retirement.

ANNOUNCEMENTS: None.

ADJOURNMENT: **Motion** by Jensen, supported by Klein to adjourn the meeting at 4:15 pm.
Motion carried 9-0.

Next Regular Meeting: Tuesday, January 11, 2022 @ 3:00 pm

Dan Shanahan, Secretary

**Minutes of the Downtown Development Authority
Special Meeting
Tuesday, November 9, 2021
MARQUETTE TOWNSHIP HALL**

The meeting was called to order at 3:00 pm by Chair Noordyk.

DDA MEMBERS PRESENT: Chair Todd Noordyk, Vice-chair Rob Sved, Secretary Dan Shanahan, Delynn Klein, Michael Springer, Frank Stabile, Andrew Rickauer, Lyn Durant.

DDA MEMBERS ABSENT: Bill Tibor (Excused).

STAFF PRESENT: Jon Kangas, Township Manager; Jason McCarthy, Planning and Zoning Administrator; Erik Powers, Staff Planner.

APPROVAL OF THE AGENDA: **Motion** by Sved, supported by Klein to approve the agenda as presented. **Motion carried 8-0.**

PUBLIC COMMENT: Chair Noordyk reminded everyone that the annual Christmas Tree Lighting at the Westwood Mall will be on the Tuesday before Thanksgiving (November 23rd). He also provided a summary of event's activities. Finally, Noordyk informed the membership that Towners from Gwinn will soon be taking over the coffee shop in the mall.

BUSINESS: Springer presented his revised analysis of the survey results which matches the analysis previously provided by staff, but in the form of pie charts. Regardless, the survey results have been determined by the DDA as a whole to be statistically insignificant. Discussion ensued regarding next steps. Staff proposed to prepare an outline of the proposed plan for the next meeting. Public information meetings will be scheduled upon acceptance of the plan outline.

Motion by Klein, supported by Springer to name the proposed plan the "Marquette Charter Township Downtown Development Authority (DDA) Plan". **Motion carried 8-0.**

Motion by Durant, supported by Rickauer to schedule a Special Meeting for December 14, 2021 to discuss the proposed outline of the DDA Plan. **Motion carried 8-0.**

PUBLIC COMMENT: None.

ANNOUNCEMENTS: Stabile indicated the MTBA is conducting its annual membership drive and encouraged any business owners present to consider renewing or joining for the first time.

ADJOURNMENT: **Motion** by Sved, supported by Rickauer to adjourn the meeting at 4:08 pm. **Motion carried 8-0.**

Next Special Meeting: Tuesday, December 14, 2021 @ 3:00 pm.

Next Regular Meeting: Tuesday, January 11, 2022 @ 3:00 pm.

Dan Shanahan, Secretary

DRAFT

Marquette Charter Township DDA Plan Content Requirements

As required by Section 217 of the recently revised *Tax Increment Financing Act, PA 57 of 2018*, the following items are required as part of the development of a DDA Development Plan:

- a. The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.
- b. The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and shall include a legal description of the development area.
- c. A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.
- d. The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.
- e. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.
- f. A description of any parts of the development area to be left as open space and the use contemplated for the space.
- g. A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
- h. A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.
- i. An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.
- j. Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.
- k. The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

- l. Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.
- m. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.
- n. Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 42 USC 4601.
- o. A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.
- p. Other material that the authority, local public agency, or governing body considers pertinent.

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

The Downtown Development Authority (DDA), [Public Act 57 of 2018](#), is designed to be a catalyst in the development of a community's downtown district. The DDA provides for a variety of funding options including a tax increment financing mechanism, which can be used to fund public improvements in the downtown district and the ability to levy a limited millage to address administrative expenses.

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, that has an area in the downtown zoned and used principally for business, is eligible to create an authority.

HOW DOES IT WORK?

Once established, the DDA is required to prepare a development plan and may create a tax increment financing plan to submit for approval to the local municipality. A development plan describes the costs, location and resources for the implementation of the public improvements that are projected to take place in the DDA district. A tax increment financing plan includes the development plan and details the tax increment procedure, the amount of bonded indebtedness to be incurred, and the duration of the program.

Financing options for DDA activities:

- Tax Increment Financing (an annual report must be submitted to the municipality and to the State Tax Commission)
- Millage (up to two mills for municipalities with population of less than one million; up to one mill for municipalities with population over one million)
- Special assessments
- Revenue bonds
- Revenues from property owned or leased by the DDA
- Donations and grants to the authority
- Contributions from the local unit of government

WHAT IS THE PROCESS?

1. The governing body finds that it is necessary for the best interests of the public to do the following related to the defined business district:
 - To halt property value deterioration
 - Increase property tax valuation
 - Eliminate the causes of deterioration
 - Promote economic growth
 - Create and provide for the operation of the DDA
2. The governing body sets a public hearing, based upon its resolution of intent, to create a DDA.

3. Notice is given of a public hearing by 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.
4. The governing body takes comments at the public hearing.
5. Within 60 days, the governing body of another taxing jurisdiction may, by resolution, exempt its taxes from capture and file the resolution with the clerk of the municipality.
6. Not less than 60 days following the hearing, the governing body may adopt proposed ordinance creating the DDA and designating the boundaries of the DDA district.
7. The ordinance must be published at least once in a local newspaper and filed with the Secretary of State.
8. The governing board of the DDA shall be appointed or may, for municipalities of less than 5,000, be the same as the planning commission. Otherwise the authority will be supervised by a board that includes the municipality's chief executive officer and 8–12 members appointed by the governing body. A majority of the board must be individuals with an ownership or business interest in property in the district and one member must reside in the district if there are more than 100 residents in the district.

If the DDA board anticipates the need for capturing tax increments or using revenue bonds to support a project, a development plan and a tax increment financing plan must also be adopted by the DDA board and the municipality.

WHY WOULD A COMMUNITY WANT TO ESTABLISH A DDA?

The DDA tax increment financing mechanism allows for the capture of the incremental growth of local property taxes over a period of time to fund public infrastructure improvements. A community can capture property taxes which would have otherwise been paid to entities such as the library, community college and county, and instead use them for public improvements in targeted areas. By borrowing against the future tax increments, the DDA is able to fund large-scale projects, which can lead to new development opportunities within the downtown. In addition to the financing mechanism, the DDA structure results in the creation of a public board dedicated solely to the improvement of the downtown.

SUPPORTING STATUTE

[Public Act 57 of 2018: Recodified Tax Increment Financing Act](#)

CONTACT INFORMATION

For more information on Downtown Development Authorities, contact the [Community Assistance Team \(CAT\) Specialist](#) assigned to your territory or visit www.miplace.org.



DDA 101



Downtown Development Authority

What is a Traditional Downtown?

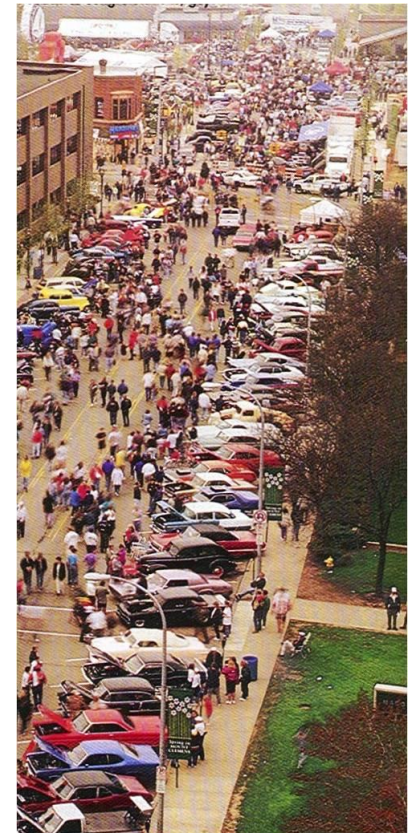
- Zero Lot Line Development (Efficient Land Use)
- Pedestrian Friendly Infrastructure
- History of Commercial Activity (50+ years)
- Good Mixture of Retail Businesses & Services
- Historic Multi-Story Buildings
- Unique Architecture
- Compact Street Grid
- On-street parking



Downtown Development Authority

What does a Traditional Downtown bring to a Community?

- Historical Center of the Community
- Sense of Place
- Heart of the Community
- Offers Upper Floor Living Space
- Puts Life on the Streets
- Retail Center
- Entertainment/Cultural Center
- Business Center
- Projects Your Community Image



Downtown Development Authority

- *DDA Establishment*

Enacted by PA 197 of 1975
as amended

There are DDA's in the State of
Michigan as of 12/31/2009

- *Eligibility*

Any city, village or township, which has: “an area that is
zoned and used principally for business”.



Downtown Development Authority

Once a DDA is Established What's Next?

1. The DDA prepares a *Development Plan*. This plan identifies the projects and the process for implementing various public projects and activities in the DDA district per Section 17 of PA 197 of 1975.
2. The DDA may also prepare a *Tax Increment Financing Plan*. (This plan outlines the means by which the development plan will be financed.)
3. The plan or plans once approved by the DDA Board, is submitted for approval to the local unit of government. (Local unit of government is the Town Council or Board of Commissioners)

Downtown Development Authority

Once Established What's Next? (Cont.)

4. A annual budget is prepared and approved by the DDA Board.
5. The annual budget is then submitted to the local unit of government for approval.
6. Once approved by the City/Town Council or Board the DDA Board works within this budget and does not need to return to them for approvals to conduct business.

Downtown Development Authority

Can a DDA or TIF Plan Spend Revenue Outside of its Development Area/TIF District?

Answer: According to state law, the plan may spend revenue only for projects described in the development plan and/or tax increment financing plan, and the projects must be allowable under the law. The revenue must be spent for the benefit of the development area. Revenue of one plan may not be used to pay an obligation or expense of another plan.

The State Tax Commission's policy is that revenue must also be spent on improvements or properties located in the plan's development area. The State Tax Commission will enforce this policy on a prospective basis as of April 14, 1998, but not retroactively. After April 14, 1998, a plan may not start any new projects outside of that plan's development area.

Downtown Development Authority

How does Tax Increment Financing (TIF) Work?

Answer:

This is not a tax increase or a new tax!

- Tax Increment Financing is the revenue that results from a change in the taxable value
- Change in Taxable Value
 - Sale of Property/Change of Ownership or Major Renovations/Improvements
- Example:
 - 2009 Taxable Value: \$50,000 (FMV-\$100,000)
 - 2010 Taxable Value: \$60,000 (FMV-\$120,000)
 - Taxable Value Increment: \$10,000

Proposal A of 1994

- DDAs can not collect State Education Tax
- May collect other LOCAL taxing governmental units (county, library, transportation, college, etc.)

Downtown Development Authority

Eligible Expense Activities (examples)

- Road Improvements (resurfacing, curbs, gutters, etc)
- Water & Sewer Projects
- Marketing
- Streetscape (Lighting, Street Furniture, etc.)
- Business Incubators
- Wi-Fi
- Public Parks
- Parking Facilities
- Recreation Facilities
- Public Marinas
- Property Acquisition
- Property Improvements



Downtown Development Authority

Powers of the DDA Board

- Enter into contracts, purchase, acquire, sell and dispose of real and personal property
- Charge and collect fees and or rents for the use of buildings and or property under the ownership or control of the DDA
- Create, operate & fund a loan program for the improvement of buildings located in the downtown district to make them marketable for sale or lease
- Create, operate & fund retail business incubators in the downtown district
- Improve Properties-construct, reconstruct, rehab, preserve, equip, maintain, operate or demolish any building under its control...etc

(cont.)

Downtown Development Authority

Board Powers (Cont.)

- Borrow money against future tax increments to finance projects. These projects are generally done to provide necessary infrastructure and/or aesthetics which can generate new development and private investment within the district.
- Can hire staff and other personnel, including professional services legal, financial, technical, etc. deemed necessary to operate the perform the functions of the DDA.

Downtown Development Authority

Typical Revenue Sources for a DDA

- Proceeds from the levy of a millage (Up to 2 Mills)
- Revenues from buildings owned by the DDA
- Special assessments
- Tax increments
- Revenue bonds
- Grants
- Special event sponsorships
- Donations to the authority

Downtown Development Authority

When can a taxing authority “Opt Out”?

Answer:

The "opt out" provision **does** apply to new authorities or to amending the authority district boundaries.

- The "opt out" provision includes ad valorem taxes and specific taxes (e.g. Industrial Facilities Tax).
- When DDA authority district boundaries are being expanded, the opt-out provision only applies to the area being added to the district.
- The "opt out" provision **does not** apply to:
 - Amending plan projects without expanding authority district boundaries.
 - Amending the duration of the plan without expanding authority district boundaries.
 - Amending the boundaries of a DDA plan's development area, within the existing DDA district boundaries.
 - A new DDA plan within the existing DDA district boundaries

Downtown Development Authority

Why would a community want a DDA?

- Allows for the capture of taxes that otherwise would have left the community and gone to other taxing entities not benefiting the local community.
- It creates various tools that can be used to finance eligible downtown projects and activities.
- The generated revenues can be used within the district for public infrastructure improvements, marketing, maintenance, promotion and other improvements in the downtown district

Downtown Development Authority

The Major Benefit of having a DDA

The Municipality creates an Organization dedicated solely to oversee the Management and Operation of a Community's Downtown Business District.

Information Resources

MEDC CTeam Community Guide

www.michiganadvantage.org/CAT

Michigan Downtown Association

www.michigandowntowns.com