

DDAs with TIF

Downtown Development Authorities (DDAs), were established by Michigan P.A. 197 of 1975, as amended. A DDA is a public corporate body which often contributes to the revitalization of the downtown area through the financing of infrastructure, public facility improvements, and management of the DDA District through management programs such as marketing, promotions, economic restructuring and design functions. The DDA law is a management tool utilized by municipalities to establish an authority whose sole focus is revitalization of the downtown area. The original intent of the law was to address the needs of **traditional downtown** commercial areas. However, the looseness of the language in the law allowed communities to establish DDAs where no previous commercial development or traditional downtown ever existed, and to declare open land as a DDA for development of new industrial and office parks. Michigan law allows DDAs to do the following:

- Operate as a separate “authority” with only 1) annual budget approval and 2) appointment of board members by the municipality
- Can be established as an advisory board only, without any funding
- Can levy an ad valorem tax (maximum of 2 mills) on real and personal property in the DDA District
- Can establish a Tax Increment Financing Plan to utilize TIF revenues, in addition to or instead of the millage funding mechanism
- Can issue tax increment bonds
- Can serve as the TIF Board (1980-87 separate TIFAs were possible, P.A. 450 of 1980)
- Can use the municipality to issue tax-exempt general obligation bonds
- Can borrow money & receive grants and donations from public & private sources
- Can serve as a Brownfield Redevelopment Authority (BRA) Board
- Can serve as the Principal shopping District (PSD) Board
- Can serve as the Main Street (NMSC/MSOC) Board
- Prepares & implements any plan of development and redevelopment in the DDA
- Can conduct marketing and economic development studies
- Can improve land by new construction or reconstruction
- Can hire a full-time or part time director to manage DDA operations
- Can hire legal counsel and other consultants
- Can contract with the City, Village or Township for services (accounting, employee benefits, secretarial, DPW, other municipal departments, etc.)

The successful utilization of DDAs with TIF in most of Oakland County’s **traditional downtowns** has often produced phenomenal economic development results (job creation, new businesses, business retention, new & rehabed buildings) and has significantly increased tax values throughout the entire community, not just the DDA. They are catalysts for strong communities and are a strong economic development component of the County.