

Several Questions & Answers about the Auburn Downtown Development Authority (DDA)

1. What is a Downtown Development Authority (DDA)?

A Downtown Development Authority is a local body created by local governmental ordinance for the purposes of halting, preventing, and correcting deterioration in downtown business districts, to create and implement development plans for the district, and to utilize tax increment financing (TIF) for the completion of authorized projects that are part of a comprehensive DDA development plan. The vision of a DDA is to establish a downtown that is healthy, viable, and economically sound for the future.

At this time, there are approximately 350 DDAs in communities throughout Michigan, including Auburn.

The organization and operation of a DDA is governed under the authority of Michigan Public Act 197 of 1975, as amended.

2. What is a Tax Increment Financing (TIF) Plan?

A Tax Increment Financing (TIF) Plan serves as a financing tool for the DDA. A TIF allows the DDA to capture a specific group of taxes (City Operating, County Operating, Delta College, and Bay Metro in the Auburn DDA) only on the increase in taxable value of the defined geographic that makes up the Auburn DDA district. These captured taxes in Auburn currently represent 21.8703 mils.

In short, if the goals of the DDA (planning and delivering projects to preserve and enhance the value of the business district and downtown environment in Auburn) are not met, the taxable value of properties within the district does not increase, and no funds are captured through the TIF Plan.

The operation of a TIF plan is governed under the authority of Michigan Public Act 197 of 1975, as amended.

3. Does the creation of a DDA or use of a TIF impact the amount of taxes paid by any property owner in the District?

Absolutely not! The DDA only captures increase in value (the “tax increment”) of properties within the DDA boundaries.

The DDA, and the TIF plan, essentially allow the 21.8703 mils of taxes listed above to remain in the local community and be focused on specific local projects for the improvement of our local downtown and business district.

4. How is the Auburn DDA Organized?

The Auburn City Commission established the Auburn DDA in 1991, during which time the geographic boundaries of the district were established, and an authority board was appointed.

The board is comprised of 8 members appointed by the Auburn City Commission to staggered 4 year terms, plus the Auburn Mayor. The DDA meets in an open public meeting at 10 am on the 4th Tuesday of each month at Auburn City Hall. Special meetings are called, as needed, following proper public notice.

The original TIF was authorized by ordinance for 20 years. The proposed amendments to the Auburn DDA Development Plan and TIF will extend the plan for an additional 20 year period.

All DDA board members volunteer their time, talent, and expertise for the benefit of the City of Auburn and its Downtown District.

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5. What types of Projects Has the Auburn DDA Completed?

By state law, the Auburn DDA must focus on projects that are designed to halt current and prevent future deterioration of the geographic area designated as the DDA District. Throughout its 20 year history, the DDA has completed numerous projects aimed at supporting this mission throughout the district, including creation of additional public parking, rehabilitation of dilapidated structures and returning them to the tax rolls, community appearance improvements through the Streetscape projects on Midland and Garfield Roads, grants to support improvements to commercial facades in the district, and support for utility infrastructure improvements within several areas of the DDA district. During this same time, the taxable value of the DDA district has increased from approximately \$6.2 Million in 1991 to more than \$14.7 Million in 2011.

The proposed updates to the Auburn DDA Development Plan include the following program goals:

1. Improve the overall attractiveness of the city and create an Identity Image.
2. To continue and complete streetscape improvements.
3. To continue the Facade Improvements Program.
4. To improve signage and identify the US-10 Business Loop.
5. To make infrastructure and equipment improvements.
6. To purchase and rehabilitate deteriorating properties for resale or lease.
7. Research and construct a community recreation center if justified.
8. To take any other actions deemed appropriate by the DDA and approved in its budget by the City Commission.

A comprehensive list of the projects completed by the DDA is contained in a separate handout.

6. I have heard about a proposed Auburn Community Center being proposed by the Auburn DDA. Can you please provide me more details about this project?

One of the gaps identified in the development of the DDA improvement plan is the creation of a community activity and recreation center. The DDA has worked with various stakeholders in a very open and transparent way, to begin exploration of the type and features of such a facility that could be partially funded by the DDA. We continue to work to help identify the scope and features of such a proposed facility. We are in the preliminary stages of developing a project scope.

Discussions with the Auburn Improvement Management (AIM) group have identified that a portion of the land used to hold the annual Auburn Cornfest (and located within the Auburn DDA) may be made available to house this facility. Our goal is to design a facility that can provide recreation opportunities, to provide offices and meeting areas for local non-profit organizations, and to provide an open space that can serve as both indoor athletic courts as well as a small trade show or display venue.

A survey of community residents was sent out in early 2011 to gauge interest and support for this idea. Initial feedback was generally positive and indicated there would be financial support for operating the facility.

Work is underway to identify grant funding opportunities and to further refine the scope of the project. A final design proposal is targeted for end of 2011. We welcome interested residents to stop by any DDA meeting for further discussions, and to volunteer for future committee work on this project.