

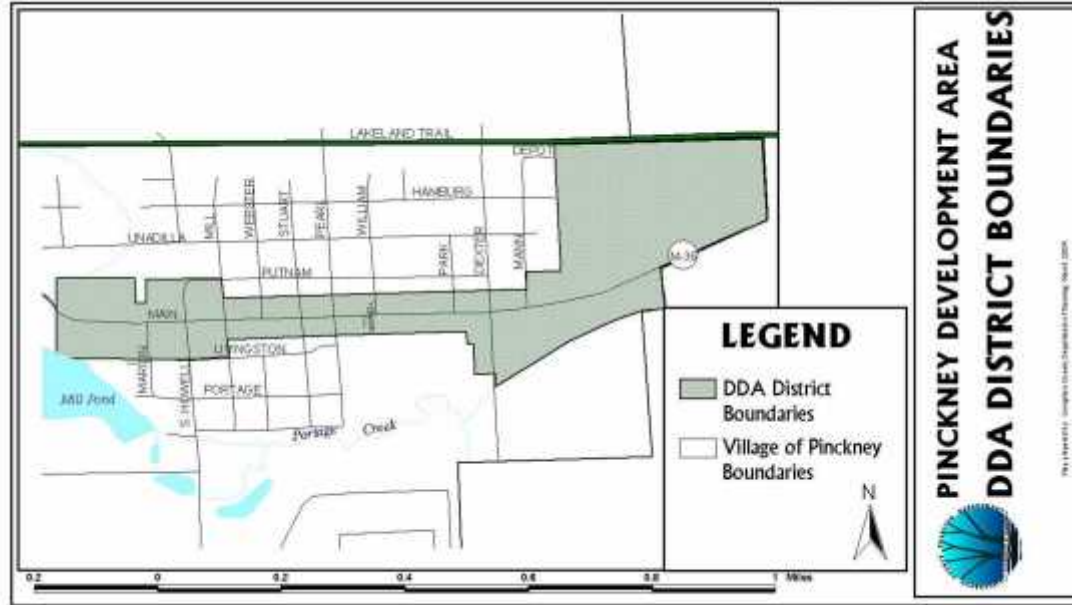
DDA

In a nutshell

Purpose of the DDA

- Halt property deterioration
- Promote Economic Growth and Revitalization
- Encourage Historic preservation
- Increase the property tax evaluation where possible
- Authorize the issuance of bonds

Boundaries



How does a TIF Work?

- Tax Increment Financing (TIF) is defined as the ability to capture and use most of the increased local property tax revenues from new development within a defined geographic area for a defined period of time without approval of the other taxing jurisdictions. It is a tool that cities, counties, economic development authorities (EDAs), port authorities, and housing and redevelopment agencies (HRAs) can use to spur private development.

There are four main reasons for using TIF:

- Redevelopment of substandard or obsolete buildings, such as revitalizing a downtown area or former industrial site
- Provide affordable housing, including rental or owner occupied housing for low to moderate income persons
- Create jobs and new tax base, such as develop an industrial park or other manufacturing facilities
- Clean-up environmental issues, such as remediating contamination in brownfield areas

Here's an example of how TIF works. After a TIF district is established, the Authority collects a portion of the new taxes generated by the development and uses them to pay for specific development costs. The taxes being paid at the time of the establishment of the district continue to be distributed to the city, county, and school district, as done prior to the establishment of the TIF district.

Only a portion of the increase in taxes will be captured as increment and used for the project. Tax increment does not capture the base (existing) taxes, State commercial/industrial property taxes, or market value based property taxes.

It is important to note that the development will pay the same amount of taxes it would if it were not in a TIF district; TIF is not a reduction in taxes. The increase in taxes is being redirected to pay for eligible development expenses.

The maximum amount of time the increased taxes are redirected to the project varies from 9 years to 26 years, depending upon the type of district and depending upon the community's TIF policies.

Village of Pinckney DDA

- DDA was established on April 22, 1991
- DDA Development plan was approved on March 2, 2004
- Most recent plan accepted December 2007
- Bond pay off = October 1, 2019
- Set to collect TIF through Summer 2020

Plan Goals & Objectives

AESTHETIC

- Enhance the aesthetic aspects of the development area to produce a positive image of the Village and create a sense of place.
 - Promote Town Square as a focal point of the community
 - Create presentable building facades
 - Encourage streetscape improvements
 - Minimize unsightly characteristics within the area
 - Encourage rehabilitation, renovation and infill construction projects

CIRCULATION & PARKING

- Improve the ease of pedestrian and vehicular circulation and parking throughout the area promoting safety.
 - Enhance the current sidewalk system.
 - Encourage improved maintenance
 - Strive to improve pedestrian circulation within the district
 - Enhance quality of existing parking with surface and lighting improvements
 - Expand the availability of parking downtown
 - Encourage traffic calming methods to slow traffic and improve pedestrian circulation and safety.

FACILITIES & SERVICES

- Further the vitality of the development area by utilizing appropriate public facilities for promotion endeavors and by implementing public education efforts and creative program solutions.
 - Utilize Town Square as an outdoor facility to promote the downtown
 - Educate downtown businesses on financial incentives available for building improvements
 - Educate homeowners on financial incentives available for home improvement
 - Explore state and federal assistance and resources
 - Explore the possibility of purchasing, leasing or otherwise acquiring property in the downtown for use by the DDA

INFRASTRUCTURE

- Maintaining and investing in infrastructure are essential to the DDA district's ongoing stability and vitality
 - Implement and continue DDA commitment to on-going repairs and maintenance of sidewalks, crosswalks, and streetscape improvements.
 - Install pedestrian improvements along sidewalks and keep in repair
 - Install and maintain physical improvements like lighting and street furniture
 - Encourage alley improvements to facilitate deliveries, solid waste collection and attractiveness.
 - Work with the village to plan projects around infrastructure improvements

BUSINESS ENCOURAGEMENT

- Promote the Downtown Development area district
 - Implement and continue DDA commitment to on-going repairs and maintenance of sidewalks, crosswalks, and streetscape improvements.
 - Install pedestrian improvements along sidewalks and keep in repair
 - Install and maintain physical improvements like lighting and street furniture
 - Encourage alley improvements to facilitate deliveries, solid waste collection and attractiveness.
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DEVELOPMENT PARTNERSHIPS

- Leverage private and public funds to create greater beneficial impact.
 - Partner with developers to arrange and finance ancillary improvements such as parking and street improvements.
 - Encourage the development of public land to meet community goals.

SUSTAINABILITY

- Ensure the district's survival as a vital and viable economic, residential and environmental eco-system throughout the 21st century.
 - Attentive maintenance to existing infrastructure, along with timely investment to ensure long-term performance.
 - Discourage sprawl, encourage reinvestment
 - Coordinate DDA activities with other resources including county, village, township and Chamber of Commerce.
 - Encourage stakeholder participation in decision making

Other items to be considered

- Correct Zoning
- Design Standards
- Historic District
- Increase residential opportunities

Where does the money go?

- Over the life of the TIF, it has collected over \$356, 000 LESS than was planned. This decline in projected income negatively impacted the ability of the DDA Board to implement additional changes. In only two years, out of the fifteen that they have been collecting, has the district earned more than planned. All other years had negative growth.
- DDA board members, for several year, seemed to have a blind-eye to the reduced revenue. Almost like the “magic money” could be spent because there would be a windfall.
- Over the last 4 years, dramatic cuts have been made to ensure solvency.
- In the 2013-14 fiscal year, events became 100% self funded

- Spring of 2012 the DDA purchased land for development. This was a huge hit to the reserve funds
- In 2015-16 the municipal parking lot was completed under budget; the front parcel, zoning CBD, is still for sale. It is the goal to re-invest the proceeds from the future sale back into long term maintenance of the district – specifically the parking lot
- Also, in 2015-16 to help with the anticipated shortfall, street lights were covered by the general highway budget. This is not a change that can be maintained as road funding, statewide, has declined. For 2016-17, street lights in the district are once again paid out of the DDA funds.
- For the 2016-17 budget year, approximately 25% of the revenue is restricted to covering the cost of the bond payment (for the streetscape project), another 25% goes to the street lights in the district, 12% to repay a loan from the Village General Fund to cover the cost of construction for the municipal parking lot, 11% to Capital Replacement leaving approximately 27% to cover the labor costs associated with maintaining infrastructure, facilities and services.

What is next for the DDA?

- Short Term:

- The Planning Commission is now acting as the DDA.
- All events are managed by committee and overseen by the Zoning Administrator. Reports and requests for resources are sent to the DDA for review.
- Budgets are flat as we try to rebuild any fund balance and reduce debt.
- Any research about extending the life of the TIF will need to be completed by 2019 along with an updated DDA Project plan