

Downtown Development Authority

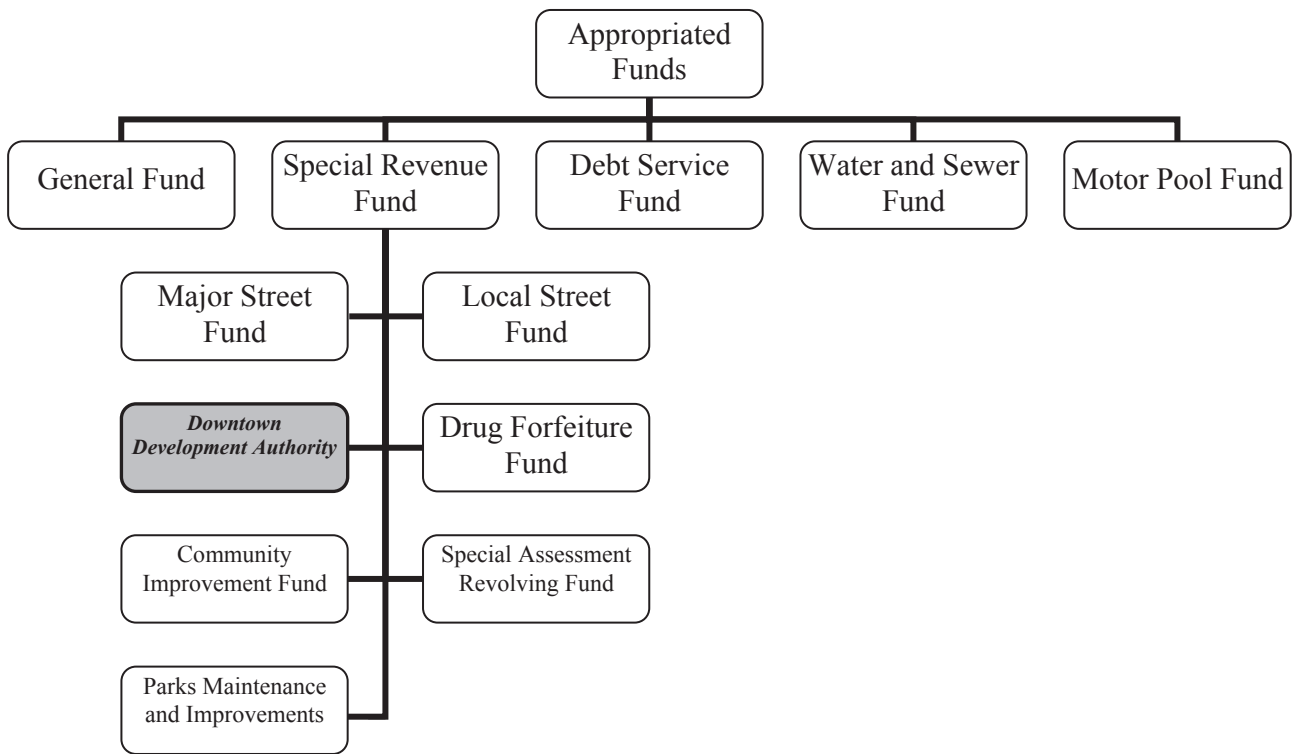
Statement of Services

The Downtown Development Authority (DDA) is supported by the Community Development Department and was established to correct and prevent stagnation and deterioration within the south end commercial business district.

The boundaries of the District include properties abutting John R Road from Gardenia to Ten Mile Road and Eleven Mile Road from I-75 to Lorenz. These properties are primarily zoned and used for commercial and industrial purposes.

This Fund is financed from the capture of incremental property taxes on properties within the District.

Organizational Fund Structure



Accomplishments

Resource Management:

- Business retention, ombudsmen and new business welcome programs included more than 515 visits to local businesses.
- Two DDA business events held in 2014 - Art Challenge and Around the Globe Taste Fest.

Objectives

Resource Management:

- Consolidate the highly successful Art Challenge and Around the Globe Taste Fest.
- Subject to funding, continue the Right-of-Way (ROW) maintenance program (lawn care and trash pickup).

Financial Summary

| | Actual 2013-14 | Estimate 2014-15 | Budget 2015-16 | Increase (Decrease) FY 2014-15 to FY 2015-16 | Percent Change |
|----------------------------|-------------------|---------------------|-------------------|---|-------------------|
| Requirements: | | | | | |
| Other Services and Charges | \$13,011 | \$20,625 | \$11,714 | \$(8,911) | (43.2) |
| Construction | 0 | 0 | 0 | 0 | 0.0 |
| Transfers | 36,300 | 34,303 | 36,800 | 2,497 | 7.3 |
| Total | \$49,311 | \$54,928 | \$48,514 | \$(6,414) | (11.7) |
| Resources: | | | | | |
| Property Taxes | \$70,094 | \$42,485 | \$38,605 | \$(3,880) | (9.1) |
| Interest/Miscellaneous | 0 | 0 | 0 | 0 | 0.0 |
| Fund Balance | 0 | 12,443 | 9,909 | (2,534) | 100.0 |
| Total | \$70,094 | \$54,928 | \$48,514 | \$(6,414) | (11.7) |
| Fund Balance | \$69,743 | \$57,300 | \$47,391 | \$(9,909) | (17.3) |

Key Issues

- Given the decline in property values and that DDA funding is derived exclusively from incremental growth in real and personal property tax above the 1997 base year, tax revenues have declined 84% over the last five years from \$243,100 in FY 2009-10 to \$38,605 for FY 2015-16.
- The FY 2015-16 Budget includes the following major expenditures:
 - \$ 36,800 - DDA funding match of 25% for the Economic Development Program and code enforcement support
 - \$ 5,000 - Right-of-way mowing
 - \$ 3,302 - Public right-of-way trash receptacle program
 - \$ 3,312 - Clock tower and trash receptacle maintenance
- The impact on DDA revenues of the 2012 State legislative repeal of the personal property tax remains unclear, although the recent 2014 legislation to fully replace lost personal property tax revenue does include a component to reimburse Tax Increment Financing (TIF) Districts for lost value and losses due to the exemptions.