



DDA proposes new plan for higher tax capture

BY SARAH WOJCIK

swojcik@candgnews.com

SHELBY TOWNSHIP — At a March 15 public hearing, a planning consultant presented a new plan that, if approved by the Board of Trustees, would allow the Downtown Development Authority to expand its

district and reset the base taxable value to capture more tax money.

Through tax increment financing, when taxable values rise in a downtown development authority district, the DDA captures the increase in taxes above the base taxable value to use for DDA purposes. The financial collapse of 2008-09 crippled

the current plan, adopted in 2006, because property values dropped and the established base garners no additional funds.

“This isn’t something that just happened to Shelby Township,” said Carmine Avantini, a planning consultant with CIB Planning. “This happened to DDAs across the state. Everybody lost value.”

The DDA district currently extends along Van Dyke Avenue, from the Utica city limits in the south to 25 Mile Road in the north.

“The primary goal is to establish a (new) base now and, after that, any new taxes that come in on those properties get rolled into

See LDA on page 16A

DDA

from page 1A

the DDA," Avantini said. "That money can be used towards projects that are identified in the current plan."

Avantini said the new plan also proposes expanding the DDA district along Van Dyke from 25 Mile to 26 Mile.

"This is where all the new growth is going to occur in the next several years," he said. "Many of the properties in the current district are older properties that need to be redeveloped or need to be retrofitted or redeveloped in their entirety."

He said the adjusted plan also includes a new list of projects with a broader scope than those in the current plan because, the way the state act is written, the township can only do projects that fall under certain categories.

"We want them to be as general as possible but still identify what the things are we're looking to do," he said.

DDA Chairman Greg Gagnon said the DDA has approximately \$250,000 in its coffers. With no new funds coming in, he said the group has to be extremely frugal.

"(The new plan, if approved), wouldn't raise taxes," Gagnon said.

He said the plan would redistribute existing taxes from new and existing development and designate more to the DDA.

"(The DDA's) focus is really (on Van Dyke) all the way down to 21 Mile Road," Gagnon said. "There are some areas that I wouldn't call blighted that need help."

Assuming a 3 percent growth each year, the adjusted plan estimates that, beginning in fiscal year 2017, Shelby Township could accrue \$16,315,794 by fiscal year 2046.

Planner Glenn Wynn said the state act mandates a 60-day waiting period after the public hearing before the issue can be brought back for the board's approval. He said the DDA must also provide notices to all property owners and publish two notices in the newspaper.

For more information, call the Shelby Township Planning and Zoning Department at (586) 726-7243 or email planning@shelbytwp.org.