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Shelby approves DDA plan for increased tax capture

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SHELBY TOWNSHIP — On May 17, the Board of Trustees unanimously adopted a resolution to amend the Downtown Development Authority's boundaries to increase property tax valuation and halt property value deterioration.

The new plan will expand the DDA district to include Van Dyke Avenue from 25 Mile to 26 Mile roads, where a slew of development is expected. The updated plan also will reset the base property tax value. The DDA captures tax revenue to fund its programs as the taxes on properties within the authority increase over time above

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the base property tax value. The base value still goes to the township and other taxing jurisdictions.

The funds raised will be used to finance projects in the DDA district, such as addressing blight and offering more opportunities for new businesses. The new plan includes a revised potential project list meant to better reflect the needs of the township and potential developers.

The original DDA district extended along Van Dyke Avenue, from the Utica city limits in the south to 25 Mile Road in the north. Adopted in 2006, the plan did not anticipate the subsequent economic recession, which resulted in declining assessed property values in the district. The decline in property values effectively halted the DDA's revenue stream.

"This isn't something that just happened to Shelby Township," said Carmine Avantini, a planning consultant with CIB Planning, at a March 15 public hearing. "This happened to DDAs across the state. Everybody lost value."

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 had to be extremely frugal.

With the approval of the extended boundaries and the reset of the base tax value, Gagnon said there will be no increase in taxes for Shelby Township residents, businesses or developers.

Assuming a 3 percent growth each year, the adjusted plan estimates that, beginning in fiscal year 2017, the DDA could accrue

\$16,315,794 by fiscal year 2046.

Shelby Township Planning and Zoning Department Director Glenn Wynn said the DDA, along with consultants from LSL Planning, completed the preparation of the new plan at the end of last year.

Wynn said that the adoption process included a public hearing, which was held March 15, and that the state statute mandates a 60-day waiting period before the adoption of a plan by the Board of Trustees.

"There were minimal comments at the public hearing and no comments submitted since," he said.

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

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