

September 24, 2014

The Honorable Frank Foster  
Chair, House Commerce Committee  
124 N. Capitol Avenue, P.O. Box 30014  
Lansing, MI 48909-7514

RE: HB 5856, Amendments to the DDA Law (PA 197 of 1975, as previously amended)

Dear Representative Foster & Commerce Committee Members,

On behalf of the Michigan Downtown Association (MDA), I write this letter to provide information in support of House Bill 5856, proposed amendments to the Downtown Development Authority (DDA) Law (PA 197 of 1975, as previously amended). While we support this House Bill, with regard to the following items: the definition of "public service" (pgs. 10 & 11), addition of the words "and to enhance local economic development" and "programs and other efforts" (pg. 18), a new, first time definition of "downtown" (items I & J on pg. 19), clarification of contracted services (item 6, pg. 21), transparency and accountability items (originally provided by MDA, and noted in pgs. 25 – 29), MDA was also prepared to support additional reforms not included in the subject House Bill, but which were noted during recent work sessions.

MDA is a membership organization serving as the voice of all parties in the State of Michigan interested in strengthening downtowns. MDA believes that the amendments noted above in HB 5856 are necessary and will help to strengthen and clarify the role of DDAs which will result in stronger downtowns for the future. MDA is pleased with the efforts of MDA's Members, Legislative Committee, Board, Staff and our Partners. Our partners in this effort included: the Michigan Municipal League, Oakland County, Main Street Oakland County and the Michigan Townships Association.

The first "D" in DDA is "downtown." MDA is a "downtown" focused organization, not just a DDA organization. We see a DDA as only one of many tools necessary to comprehensively manage a downtown. Downtown management is never done. It is an ongoing process like painting the Mackinaw Bridge, a continuous cycle. Our goal is to strengthen and maximize the economic potential of the more than 1,200 true downtowns in the State of Michigan. The MDA is in full support of all necessary reform for DDA Tax Increment Financing (TIF) and other aspects of DDAs that will enhance their efforts to focus upon real downtowns and the many tasks that lay ahead.

Downtowns are economic development engines. They are far more complex and have far greater positive economic impact than do most industrial parks. Vibrant downtowns stabilize and increase property values and tax base downtown and throughout the entire community. They attract businesses, young entrepreneurs, and create jobs. They build stronger and more desirable communities and places for families and diverse people of all ages. The MDA believes that our unique downtowns across the State of Michigan are key elements in the State's place making efforts. Downtowns serve as the front door to our communities. Well managed downtowns continue to provide a quality place for the residents, visitors and to the businesses currently investing downtown and to those contemplating a location downtown.

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Michigan Downtown Association  
Support for HB 5856

Everyone wins, the community, the County, all tax jurisdictions and the entire State, when our downtowns are successful. Since 2001, in Oakland County alone, Main Street communities practicing comprehensive, community involved downtown management, with strong DDAs doing their job, have generated more than \$650 Million dollars of new private and public investment in just 14 downtowns to date. That program is now expanding to reach out to all 32 downtowns in Oakland County. Oakland County demands accountability.

Tomorrow in Downtown Howell, MSHDA will hold a press conference announcing the overwhelmingly positive economic impact of Michigan's Main Street Program for downtown revitalization.. Research to be highlighted at that event was performed by Donovan Rypkema, Principal, Place Economics, Washington, DC (an international real estate and economic development research organization). Michigan Main Street communities, the majority of which utilize DDAs, have produced more than \$200 Million dollars of private investment since 2004. Other recent research and studies by the National Main Street Center in Chicago, The National Trust for Historic Preservation in Washington, DC, Iowa Department of Economic Development and Rutgers University in New York have verified the need for focused, ongoing comprehensive downtown management and the positive economic benefits and results of doing so.

We urge you to support and pass House Bill 5856 which will provide for much needed accountability, transparency, continued administration for comprehensive downtown management, infrastructure improvements, maintenance and other clarifications for the future. While no law is perfect, we are pleased with the prospect of moving forward and to getting back to the business of making our downtowns successful and the best places possible. Thank you for your time and consideration.

Sincerely,



Robert E. Donohue, Jr., Chair  
Michigan Downtown Association

Cc: House Commerce Committee  
Representative Eileen Kowall  
Michigan Downtown Association (MDA) Board & Staff  
MDA Legislative Committee  
Michigan Municipal League  
Main Street Oakland County  
Oakland County Executive Office  
Bill Bullard, SCS  
John Kerr, SCS