

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

**BOARD OF COMMISSIONERS—AMEND POLICY ON DOWNTOWN DEVELOPMENT
AUTHORITIES**

WHEREAS, on August 26, 2021, the Board authorized the County Administrator to incorporate the following into the Budget Policy with regard to DDA captures, which reflected the elimination of tax sharing agreements from policy as the County now provides numerous supports to economic development in other ways:

"the County will not permit the capture of county property tax revenues in any new or amended development districts or plans thereof".

THEREFORE BE IT RESOLVED, to the extent permitted by law, the County will not permit the capture of county property tax revenues in any new development district or any new or amended DDA plan"; and

BE IT FURTHER RESOLVED, with regard to what may be referred to as "renewals", to the extent that all projects have been rendered complete, and all debts paid under a current DDA plan, renewals are considered new plans (with or without changes) and the County will not permit the capture of county property tax revenues; and

BE IT FURTHER RESOLVED, to the extent a DDA plan is renewed solely for extension of time, without other change, and still has projects under a current plan for which county taxes have been captured, the renewed capture of county property tax revenues will be permitted until such time as those specific projects (unchanged) are completed; and

BE IT FINALLY RESOLVED, the County Administrator is authorized to release the memorandum to Allegan County local units as reviewed by the Board clarifying the County's policy on DDA captures consistent with this resolution.



MEMORANDUM

December 9, 2021

TO: Allegan County Local Official
RE: 2021 Allegan County Policy Statement/Downtown Development Authorities

On August 26, 2021, the Board took action to update its policy on the capture of county taxes through Downtown Development Authorities (DDAs). Moving forward, “to the extent permitted by law, the County will not permit the capture of county property tax revenues in any new development district or any new or amended DDA plan.” In addition, consideration of tax captures through a tax sharing agreement has been removed from the policy.

With regard to what may be referred to as “renewals”, to the extent that all projects have been rendered complete, and all debts paid under a current DDA plan, renewals are considered new plans (with or without changes) and the County will not permit the capture of county property tax revenues. To the extent a DDA plan is renewed solely for extension of time, without other change, and still has projects under a current plan for which county taxes have been captured, the renewed capture of county property tax revenues will be permitted until such time as those specific projects (unchanged) are completed.

Enclosed for your records is a copy of the County Board Resolution.

Sincerely,

Robert J. Sarro

cc: Allegan County Board of Commissioners

Enclosure

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

POLICY ON DOWNTOWN DEVELOPMENT AUTHORITIES

WHEREAS, on June 28, 2007, the Board of Commissioners (Board) adopted a resolution establishing a policy on tax sharing agreements; and

WHEREAS, the resolution established in 2007 that "the County will not permit the capture of county property tax revenues in any new or amended development districts unless the Allegan County Board of Commissioners has approved a tax sharing agreement with the affected Downtown Development Authority and/or Local Development Finance Authority and the affected municipality"; and

WHEREAS, since the time of said resolution the County has progressed as a resource and facilitator for economic development of the County through numerous initiatives including but not limited to, conducting a county-wide study on economic development needs, creating an Economic Development Commission, providing centralized data as a county-wide support, establish County personnel as liaisons for development discussions, and maintaining a contract for economic development services (currently \$55,000 per year paid by the County); and

WHEREAS, the County's general operating funds through its operating millage and special revenue funds supported by dedicated millage serve to provide mandated and necessary county-wide services to the benefit of all citizens without limitation to a specific location within the County; and

WHEREAS, the County generally supports localized projects by providing local units the option of utilizing the County's full faith and credit and beneficial bond rating when advantageous.

THEREFORE BE IT RESOLVED the Board authorizes the County Administrator to incorporate the following into the Budget Policy with regard to DDA captures, which reflects the elimination of tax sharing agreements from policy as the County now provides numerous supports to economic development in other ways:

"the County will not permit the capture of county property tax revenues in any new or amended development districts or plans thereof"

BE IT FINALLY RESOLVED that this Board action shall supersede any previous resolution.

Moved by Commissioner Thiele, seconded by Commissioner Cain to approve the draft resolution as amended during discussions for immediate action. Motion carried by roll call vote. Yeas: Kapenga, Storey, Thiele, DeYoung, Jessup and Cain. Nays: Dugan.

ATTEST, A TRUE COPY



_____, Clerk-Register

APPROVED: August 26, 2021

cc: Admin. - Finance - Human Resources