

*PUBLIC FORUM –
DOWNTOWN DEVELOPMENT AUTHORITIES*

Hahira FUMC Gymnasium

November 12, 2015

6:30 PM

FREQUENTLY ASKED QUESTIONS

Is it true that my taxes will automatically go up, if my home or business falls inside the DDA district? What is a BID? Isn't a DDA just an additional tax to my home or business?

No. There are two kinds of districts which may be created under separate provisions of Georgia law. A **CBID**, or **City Business Improvement District**, may be created to promote commercial activity in business districts that are in need of restoration. It is completely different from a DDA. The creation of a CBID actually originates with the taxpayers of the proposed district. A CBID may be created by the governing authority of a municipality upon receipt of a petition signed by 51 percent of the taxpayers in the proposed district. The petition must include a proposed district plan, with a budget and a plan for paying for the proposed projects. This may include assessment of a tax, a special assessment, or other methods of generating funds. The city council would evaluate the feasibility of the plan with input from the appropriate city departments and public hearings. Any funds collected pursuant to the CBID plan can only be used for the purposes specified in the plan. By law, a CBID must terminate on a specific date, no less than 5 years or more than 10 years from the date of creation.

DDAs have several methods available for financing business development activity, including participating in government loan programs and issuing bonds. Under the DDA law, the city council may, but does not have to, create a special district for the levying of taxes, fees or assessments to pay the cost of projects undertaken by the DDA. Any special district created within the area of operation of the DDA can be defined as the city council sees fit, but do not have to lie along the same lines. No special districts are being considered by Mayor and Council at this time. Taxes or fees assessed in the special district can only be used for the supplemental services and projects provided by the DDA in the district. The DDA itself has no power to levy any tax. That power rests with the city council.

Why have a DDA in Hahira, what can it do for our city that we aren't already doing?

Authorities are common subsets of government that can perform a variety of specialized functions. Some run airports. Some run conference centers and tourism for a community. Some handle industrial development. A Downtown Development Authority is specifically designed to concentrate improvement efforts on a designated area, or zone. Within this area, it's possible to leverage state and federal grants and low-interest loans to buy and sell property, improve infrastructure, and spur

small business development for projects that may not get off of the ground solely with traditional bank financing. Rehabilitation of dilapidated structures is also a popular use of financing run through DDAs.

Can a DDA “steal” city property?

No. By law, DDAs are prohibited from having the power of eminent domain. DDA’s can acquire property through purchase or land exchanges like any other property owner. The only way property can be transferred to a DDA from the City is through a vote of the Mayor and Council.

Would a DDA have the authority to tell me how to run my business? Would they dictate what color I could or could not paint my home?

No. A DDA has nothing to do with regulating business in a community. Architectural and design elements of buildings are regulated by other entities, such as a Historic Preservation Commission, which we don’t currently have.

Isn’t the DDA just another arm of local government? Would the Council have any jurisdiction over the DDA?

Yes, DDAs, like the numerous other authorities authorized by state law, are considered quasi-governmental organizations. Such authorities include industrial authorities, solid waste management authorities, airport authorities, etc. They are subject to open meetings laws like any other governmental entity. The powers of DDAs and other authorities are clearly spelled out by law. The members of the governing board are appointed by the Mayor and Council of the City of Hahira. Any debts or liabilities incurred by a DDA are not considered debts of the municipality. As discussed above, DDAs have no power to levy taxes. That power is held by the city council.

What specifically could the DDA do for business owners?

The proposed uses of the DDA would be to improve downtown buildings and spur private investment. Through the leverage of state and federal grants and loans, vacant downtown buildings can be rehabilitated for commercial use. With more businesses in downtown, opportunities increase for existing businesses. These same low-interest loans could be available to new or existing businesses to partner with other private financing to make a start-up or expansion plan for a business viable. As these buildings are stabilized, it also increases the appeal and character of downtown, culminating in an overall improvement in quality of life for the City. Simply put, a DDA creates opportunity.

Is the City of Hahira is trying to bring in the DDA without the citizens’ knowledge?

Discussions for a revived DDA have been ongoing for many years, and have been discussed by the Mayor and Council in open monthly meetings, as well as annual retreats. This latest effort has been discussed at the Council’s regular meetings for the last several months. Also, invitations were sent to all of the businesses in Hahira last December for a facilitated session by the University of Georgia’s Carl Vinson Institute of Government on DDAs, an event that was well-attended.

Is the Hahira Merchants Association linked to the DDA?

No. The City has been working with the merchants in an informal capacity for many years to put on events for all citizens to enjoy. We're thrilled that the merchants have chosen to formalize their relationships with each other in the form of an Association, and now have a mandate to work together in this new partnership. However, these efforts are not connected to the DDA in any way. The purpose of the DDA is to leverage opportunities in the forms of grants and low-interest loans to spur private investment and rehabilitate buildings. It will not have anything to do with events.