



**TO:** Mayor and Members of Troy City Council  
**FROM:** John Szerlag, City Manager  
John Lamerato, Assistant City Manager/Finance and Administration  
Doug Smith, Director of Real Estate and Development  
Nino Licari, City Assessor  
Lori Grigg Bluhm, City Attorney  
**DATE:** September 8, 2005  
**SUBJECT:** Statutory Requirements for Amending a DDA District

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Councilmember Howrylak has requested a resolution setting a public hearing for amendment to the DDA District for the September 12, 2005 City Council meeting. City Administration has not had an opportunity to fully research the potential impacts of amending the DDA district, which will require the hiring of financial and legal experts. However, the following statutory time frames may be helpful to City Council.

According to MCL 125.1653 (5), "The governing body may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority." The statutory procedure for creating an authority is found in MCL 125.1653. It initially requires the governing body to make a determination that an amendment to the district is in the best interest of the public. In order to acquire the objective information required for this complex determination, input is required from both legal and financial experts. This is especially true, since the impact of any change to the DDA boundaries may impact the outstanding DDA bonds. Input from the DDA may also be advisable prior to the public interest determination. The public hearing cannot be set prior to the City Council determination of public interest.

If and when the City Council determines that an amendment of the DDA boundaries is in the best interest of the community, then this resolution can be accompanied by a resolution setting the public hearing date for a proposed amendment to the boundaries of the DDA. This public hearing would be at least 20 days after publication in the newspapers and mailing to all property owners in the district. Even if Council were able to make the initial resolution at the September 12, 2005 meeting, the earliest possible date for the public hearing would be October 24, 2005. Council would then need to wait at least 60 days after the public hearing to pass an ordinance amendment that amends the boundaries of the DDA district. Assuming that October 24, 2005 is a viable public hearing date, then any action taken towards amending the DDA district would not occur until early 2006.

We are available to answer any questions concerning this matter.

CC: Downtown Development Authority

## Mary F Redden

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**From:** mfhowryl@umich.edu  
**Sent:** Wednesday, September 07, 2005 11:47 PM  
**To:** John Szerlag; Lori G Bluhm  
**Subject:** an item for Monday's agenda

Good evening!

Please add the following item to Monday's agenda:

"Modifications to Downtown Development Authority area".

This relates to the Monarch development. Please include a draft resolution necessary to set the requisite public hearing date, as well as pertinent background information. Please include sections of the State statute related to modification of DDA area, as well as information regarding how this would be accomplished in this instance.

Please feel free to call me if you have any comments or questions. Thank you.

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