

Downtown Development Authority

**Mechanics &
Management**



PURPOSE

PROTECT

DDAs are regulated by state statute, so they can provide protection to cities who work through their DDAs.

Example: cities are not liable for their DDA's debts or contracts.

POWERS

DDAs have certain powers granted by the state that cities don't have.

Example: to acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and personal property.

PROJECTS

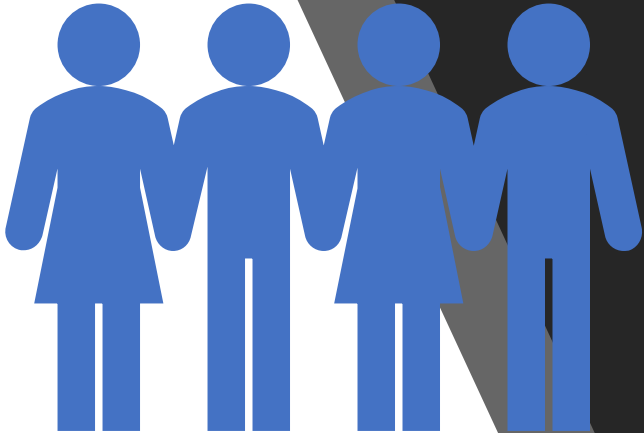
DDAs are charged with redevelopment of their service area and completing projects.

Example: the acquisition and renovation of downtown properties for target business recruitment and expansion.

POTENTIAL

DDAs are concerned only with their mission and projects, not the burdens of a local government, so board members have the potential to solve problems and engage in sustainable redevelopment.

Example: through training, board members may become redevelopment specialists.



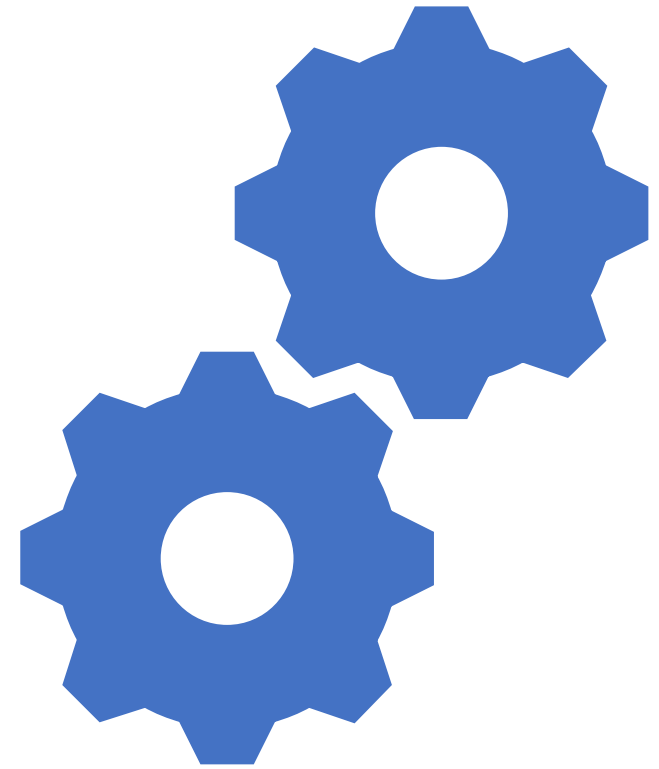
MECHANICS

Creation

Organization

Powers

Requirements



CREATION

GEORGIA LAW

Downtown Development Authorities (DDA) and their appointed boards serve as a mechanism to revitalize and redevelop the central business districts of cities in Georgia. DDAs were created by the Georgia General Assembly in every city in the state of Georgia. However, DDAs cannot transact any business or exercise any powers until activated by adopting and filing an ordinance or resolution. The city defines the geographical area within the municipality that constitutes the central business district or DDA service area.



There are two types of DDAs in the State of Georgia; statutory and constitutional authorities. The latter is not common. Constitutional DDA's have some unique features that statutory DDA's do not, but for the most part they are very similar and serve the same purpose. Most DDAs are statutory and all DDAs have bylaws that they adopt and are subject to.

DDA Service Area

"Downtown development area" means the geographical area within a municipal corporation designated as such by the resolution of the governing body. This is initially determined when the DDA is created.

The governing body of the municipality may change the downtown development area by resolution as long as the change, "at the time constitutes the central business district."

DDA HEIRARCHY

1. GEORGIA CONSITUTION
2. ACTIVATING RESOLUTION
3. DDA BYLAWS
4. DDA BOARD OF DIRECTORS
5. DDA OFFICERS
6. DDA STAFF
7. DDA ATTORNEY

ORGANIZATION

BOARD OF DIRECTORS

Statutory DDA:

Composed of 7 members appointed by Mayor and Council.

Qualifications:

1. Must be a taxpayer who lives in the city
2. Resident of the City or County who owns or operated a business in the downtown development area.
3. Qualified under both 1 and 2.
4. One elected official may serve on the board. The appointed city official's term ends when no he or she is longer in office.
5. Resident of Georgia who owns a business in the downtown development area. Only one director can hold this position.
6. At least 4 of the Directors in the above categories must have an economic interest in the redevelopment and revitalization of the downtown development area.

Directors serve for 4 years.

A quorum of the Directors must be present to hold a meeting.

A majority of quorum is needed to pass a resolution except when issuing debt, that requires a unanimous vote from the board.

It is required by law that all Directors, with the exception of the elected official, must completed 8 hours of DDA training within the first year of appointment to the board.

Constitutional DDA:

Members, terms, and voting are all set by their individual constitutions

ORGANIZATION

OFFICERS

Statutory DDA:

The Directors elect a Chair, Vice-Chair from the members.

The Director elect a Secretary and Treasurer or a Secretary-Treasurer, membership optional.

Constitutional DDA:

Officer appointments or elections are set by their individual constitutions.

ORGANIZATION

DDA STAFF

Admin, Manager, or Director

- Provides administration and other support to the DDA.
- Can be hired and compensated by the DDA.
- Can be assigned by the city to the DDA.

Attorney

- The DDA can engage its own attorney.
- The city attorney is not automatically the attorney for DDA.
- If the city attorney is also engaged by DDA, conflicts of interest can arise.
- Advises board, officers, and staff.
- Represents interests of DDA.
- Drafts and executes all agreements and contracts.
- Acts as its “Issuer’s Counsel” when revenue bonds are issued.

ORGANIZATION

BYLAWS

Both Statutory and Constitutional DDAs adopt their own bylaws.

Best practice include matters not dictated by governing law such as:

- Officer terms
- Officer responsibilities
- Attendance policy
- Meeting schedules
- Special called meetings
- Accounting practices
- Audit practices
- Conflict of interest guidelines
- Code of conduct
- Robert's Rules of Order

Directors must comply with procedures in bylaws such as notice required before amending bylaws.

POWERS

- To bring and defend actions.
- To adopt and amend a corporate seal.
- To make and execute contracts, agreements, and other instruments necessary or convenient to exercise the powers of the authority or to further the public purpose for which the authority is created.
- To acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and personal property of every kind and character, or any interest therein, in furtherance of the public purpose of the authority.
- To finance (by loan, grant, lease, or otherwise), refinance, construct, erect, assemble, purchase, acquire, own, repair, remodel, renovate, rehabilitate, modify, maintain, extend, improve, install, sell, equip, expand, add to, operate, or manage projects and to pay the cost of any project from the proceeds of revenue bonds, notes, or other obligations of the authority or any other funds of the authority, or from any contributions or loans by persons, corporations, partnerships (whether limited or general), or other entities, all of which the authority is authorized to receive, accept, and use.
- To borrow money to further or carry out its public purpose and to execute revenue bonds, notes, other obligations, leases, trust indentures, trust agreements, agreements for the sale of its revenue bonds, notes, or other obligations, loan agreements, mortgages, deeds to secure debt, trust deeds, security agreements, assignments, and such other agreements or instruments as may be necessary or desirable.

POWERS

- To issue revenue bonds, notes, or other obligations of the authority and use the proceeds thereof for the purpose of paying, or loaning the proceeds thereof to pay, all or any part of the cost of any project and otherwise to further or carry out the public purpose of the authority and to pay all costs of the authority incidental to, or necessary and appropriate to, furthering or carrying out such purpose.
- To make application directly or indirectly to any federal, state, county, or municipal government or agency or to any other source, whether public or private, for loans, grants, guarantees, or other financial assistance in furtherance of the authority's public purpose and to accept and use the same upon such terms and conditions as are prescribed by such federal, state, county, or municipal government or agency or other source.
- To enter into agreements with the federal government or any agency thereof to use the facilities or services of the federal government or any agency thereof in order to further or carry out the public purposes of the authority.
- To contract for any period, not exceeding 50 years, with the State of Georgia, state institutions, or any municipal corporation or county of this state for the use by the authority of any facilities or services of the state or any such state institution, municipal corporation, or county, or for the use by any state institution or any municipal corporation or county of any facilities or services of the authority, provided that such contracts shall deal with such activities and transactions as the authority and any such political subdivision with which the authority contracts are authorized by law to undertake.
- To extend credit or make loans to any person, corporation, partnership (whether limited or general), or other entity for the costs of any project or any part of the costs of any project, which credit or loans may be evidenced or secured by loan agreements, notes, mortgages, deeds to secure debt, trust deeds, security agreements, assignments, or such other instruments, or by rentals, revenues, fees, or charges, upon such terms and conditions as the authority shall determine to be reasonable in connection with such extension of credit or loans, including provision for the establishment and maintenance of reserve funds

POWERS

- As security for repayment of any revenue bonds, notes, or other obligations of the authority, to pledge, mortgage, convey, assign, hypothecate, or otherwise encumber any property of the authority (including, but not limited to, real property, fixtures, personal property, and revenues or other funds) and to execute any lease, trust indenture, trust agreement, agreement for the sale of the authority's revenue bonds, notes, or other obligations, loan agreement, mortgage, deed to secure debt, trust deed, security agreement, assignment, or other agreement or instrument as may be necessary or desirable, in the judgment of the authority, to secure any such revenue bonds, notes, or other obligations, which instruments or agreements may provide for foreclosure or forced sale of any property of the authority upon default in any obligation of the authority, either in payment of principal, premium, if any, or interest or in the performance of any term or condition contained in any such agreement or instrument.
- To receive and use the proceeds of any tax levied by a municipal corporation to pay the costs of any project or for any other purpose for which the authority may use its own funds.
- To receive and administer gifts, grants, and devises of money and property of any kind and to administer trusts.
- To use any real property, personal property, or fixtures or any interest therein or to rent or lease such property to or from others or make contracts with respect to the use thereof, or to sell, lease, exchange, transfer, assign, pledge, or otherwise dispose of or grant options for any such property in any manner as it deems to the best advantage of the authority and the public purpose thereof.

POWERS

- To acquire, accept, or retain equitable interests, security interests, or other interests in any real property, personal property, or fixtures by loan agreement, note, mortgage, deed to secure debt, trust deed, security agreement, assignment, pledge, conveyance, contract, lien, loan agreement, or other consensual transfer in order to secure the repayment of any moneys loaned or credit extended by the authority.
- To appoint, select, and employ engineers, surveyors, architects, urban or city planners, fiscal agents, attorneys, and others and to fix their compensation and pay their expenses.
- To encourage and promote the improvement and revitalization of the downtown development area and to make, contract for, or otherwise cause to be made long-range plans or proposals for the downtown development area in cooperation with the municipal corporation within which the downtown development area is located.
- To adopt bylaws governing the conduct of business by the authority, the election and duties of officers of the authority, and other matters which the authority determines to deal with in its bylaws.
- To exercise any power granted by the laws of this state to public or private corporations which is not in conflict with the public purpose of the authority.
- To do all things necessary or convenient to carry out the powers conferred by this chapter.
- To serve as an urban redevelopment agency pursuant to Chapter 61 of O.C.G.A 36.
- To contract with a municipal corporation to carry out supplemental services in a city business improvement district established pursuant to Chapter 43 of O.C.G.A 36.
- To serve as a redevelopment agency pursuant to Chapter 44 of O.C.G.A 36.



STATE REQUIREMENTS

- Downtown Development Authorities are required to register annually with the Department of Community Affairs.
- They must also complete an annual financial report to be submitted to the Department of Community Affairs.

For information regarding registration and financial reporting please visit the Department of Community Affairs Local Government Authorities website page at:

www.dca.ga.gov/local-government-assistance/research-surveys/local-government-authorities



LAWS APPLICABLE TO DDAs

Open Meetings Act, O.C.G.A. Sec. 50-14-1 et seq.,

Open Records Act, O.C.G.A. Sec. 50-18-70, et seq.

State Code of Ethics, O.C.G.A. Sec. 45-10-3.

Reporting of “public “benefits” it provides (applies to certain incentives). See O.C.G.A. Sec. 50-36-1

Georgia Local Government Public Works Construction Law. O.C.G.A. Sec. 36-91-1 et seq.

Federal and State environmental laws

Local Government Authorities Registration Act O.C.G.A. 36-80-16

Annual Reporting of Development Authority Revenues O.C.G.A 36-81-8

MANAGEMENT

Strategic Planning
Projects
Financing Powers



STRATEGIC PLANNING

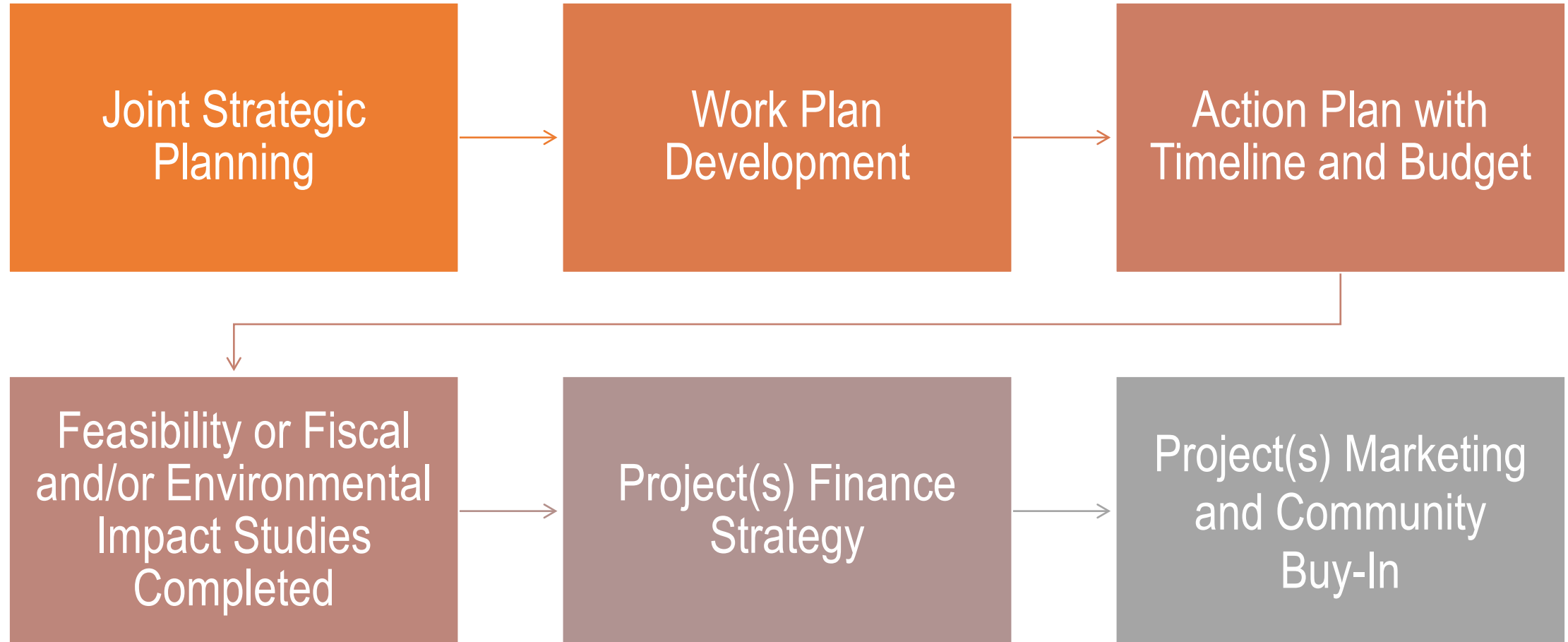
A Best Practice for DDAs is to undergo annual strategic planning with the governing municipal body to develop a work plan from which projects can be planned and funded.

Sources for project planning can include:

- Comprehensive or Master Plans
- Community Input/Visioning Sessions or Charettes
- Target Business Analysis or Business Needs Assessments
- Asset Inventory or Placemaking Assessments



STRATEGIC PLANNING FLOW CHART



PROJECTS


DDA Projects must serve the purpose of their creation as defined by the state statute:

- The revitalization and redevelopment of the central business districts of the municipal corporations of this state.
- Develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities.
- Promote the general welfare of this state by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the municipal corporations of this state.
- A project may be for any industrial, commercial, business, office, parking, public, or other use, provided that a majority of the members of the authority determine, by a duly adopted resolution, that the project and such use thereof would further the public purpose of the statute.





PERMITTED DDA PROJECTS

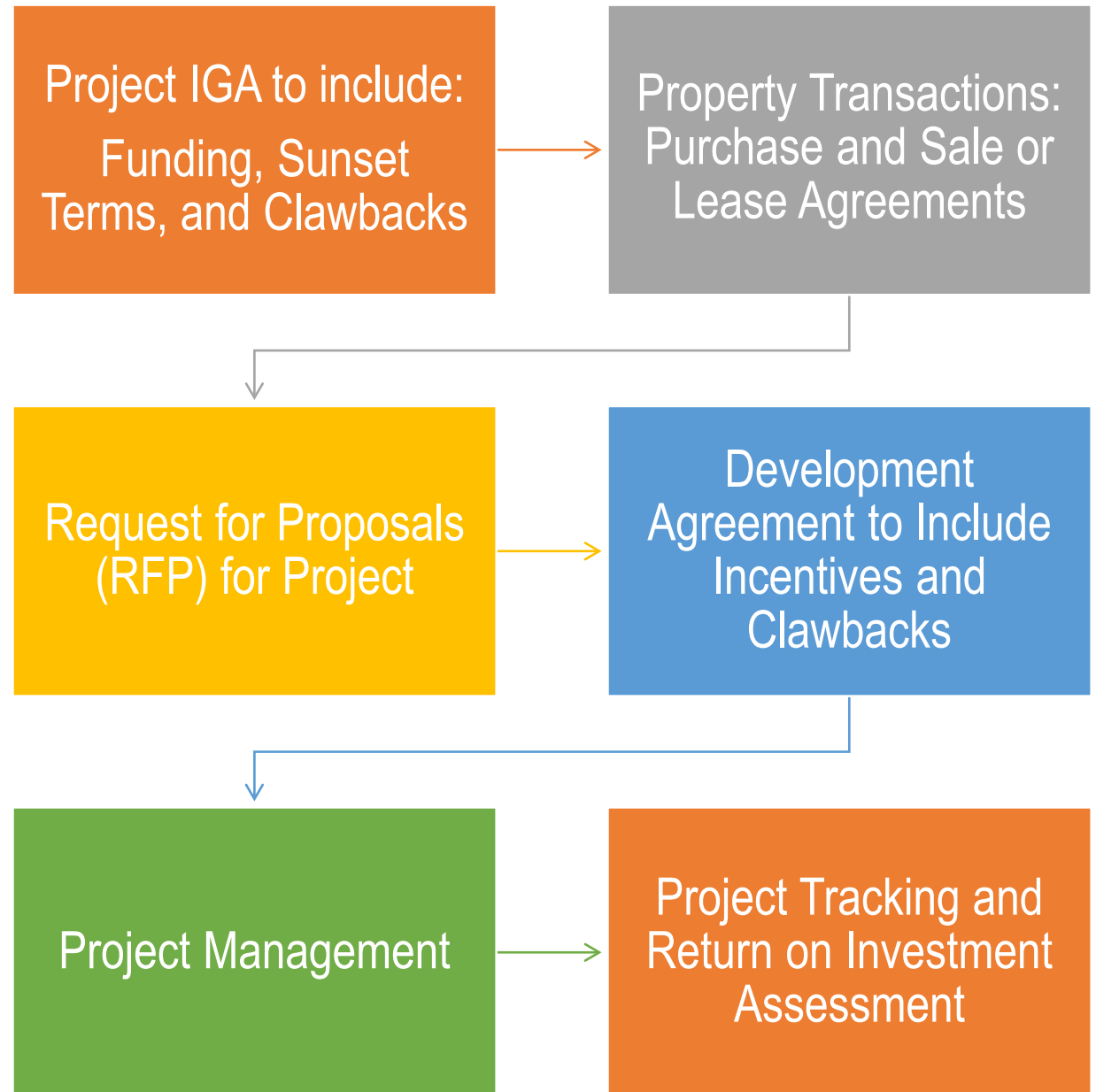
- The acquisition, construction, installation, modification, renovation, or rehabilitation of land, interests in land, buildings, structures, facilities, or other improvements located or to be located within the downtown development area.
 - The acquisition, installation, modification, renovation, rehabilitation, or furnishing of fixtures, machinery, equipment, furniture, or other property of any nature whatsoever used on, in, or in connection with any such land, interest in land, building, structure, facility, or other improvement.
 - To provide financing to property owners for the purpose of installing or modifying improvements to their property in order to reduce the energy or water consumption on such property or to install an improvement to such property that produces energy from renewable resources.
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CITY & DDA PARTNERSHIP PROJECT EXAMPLES

- Downtown Business Mix and Target Business/Industry Recruitment Studies and Initiatives
 - Downtown Property Acquisition, Rehabilitation, Infill, and Aesthetics
 - Downtown Master Plan or Comprehensive Plan Implementation
 - Downtown Tourism, Recreation Development, and Marketing
 - Downtown Placemaking
 - Downtown Housing Projects
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DDA PROJECT FLOW CHART



FINANCING POWERS

1. DDA's can issue revenue bonds and promissory notes for projects.
 - The City is not liable for DDA Revenue bonds or notes
 - DDA bonds and notes can be supported by an Intergovernmental agreement (IGA) with the city.
 - Georgia's constitution authorizes state, local governments, and local authorities to enter into contract among themselves for up to 50 years.
 - The DDA can pledge the IGA's revenues to repay DDA bonds or notes.
2. The DDA can issue project loans and grants.
3. City Support:
 - The City can commit up to 3mills to financially assist the DDA with projects.
 - The City can provide the DDA with seed funds via an IGA.

FOR MORE INFORMATION



For more information about
Downtown Development Authorities
please contact:

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