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TO: COUNCIL MEMBERS
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: June 24, 2021
RE: Report on Authorities in the City of Detroit

Council President Brenda Jones requested that the Legislative Policy Division report on the number of authorities in the City of Detroit, to provide a brief description of each and to determine the number of City employees with each. This report is our response to this inquiry. We have identified fifteen authorities with varying degrees of activity and impact on the City’s budget.

The City of Detroit **Tax Increment Finance Authority** was established for preparing development and tax increment financing plans in the City. The Authority has sold tax increment bonds and assisted in the financing of a portion of the Central Industrial Park Project, which includes a 3 million square foot General Motors plant in operation since 1985. Because of a sunset provision in the legislation creating this entity, this Authority does not have the ability to issue additional debt.¹ The debt has been repaid under this Authority and the City no longer capture taxes for this purpose.

¹ 125.1801-125.1830 Repealed. 2018, Act 57, Eff. Jan. 1, 2019.

The Local Development Finance Authority was established for assisting in the financing of development projects in the City. The Authority is authorized to sell tax increment bonds and sold bonds to finance part of the cost of the City’s Jefferson/Conner Redevelopment Project.

The Authorities of the Detroit Economic Growth Corporation²

Under the umbrella of the Detroit Economic Growth Corporation, there are seven authorities alone. The seven are as follows:

Downtown Development Authority (DDA)

The Downtown Development Authority³ was established in 1976 for the purpose of promoting and developing economic growth in the downtown business district of the City. The Authority is authorized to sell tax increment bonds and sold bonds to finance part of the cost of a Catalyst Development Project, which includes the Little Caesars Arena. The DDA is governed by its Board of Directors who are appointed by the Mayor subject to the consent of Detroit City Council.

Detroit Brownfield Redevelopment Authority (DBRA)

The City of **Detroit Brownfield Redevelopment Authority** (the “DBRA”) was established pursuant to Michigan Public Act 381 of 1996 (“Act 381”), as amended, to promote the revitalization of environmentally distressed and blighted areas within the boundaries of the City of Detroit. Under Act 381, substantial redevelopment throughout Detroit has been supported by Brownfield incentives. DBRA is governed by its Board of Directors, who receive input from the DBRA Community Advisory Committee (the “DBRA-CAC”). DBRA Board members are appointed by the mayor subject to the consent of City Council.

Detroit Next Michigan Development Corporation (D-NMDC)

Detroit Next Michigan Development Corporation (the “D-NMDC”), was established pursuant to Michigan Public Act 275 of 2010, as the seventh and final Next Michigan Development Corporation, seeks to attract eligible multi-modal businesses to key employment districts within the city. The D-NMDC is governed by its Board of Directors who are, with certain exceptions, appointed by the mayor subject to the consent of City Council.

Economic Development Corporation (EDC)

The Economic Development Corporation of the City of Detroit (EDC) was established pursuant to Michigan Public Act 338 of 1974, as amended, and assists local industrial and commercial enterprises through programs such as loans and public infrastructure improvements. The EDC also manages a number of sites available for redevelopment. Funding for EDC programs comes from a number of sources such as grants, contracts and interest on loans. The EDC is governed by its Board of Directors, who are appointed by the Mayor subject to the consent of City Council.

² <https://www.degc.org/public-authorities/>

³ The DDA was established pursuant to Michigan Public Act 197 of 1975, as amended, which has been recodified into Michigan Public Act 57 of 2018.

Eight Mile Woodward Corridor Improvement Authority (EMWCIA)

The Eight Mile Woodward Corridor Improvement Authority (EMWCIA) was established pursuant to Michigan Public Act 280 of 2005, as amended, which has been recodified into Michigan Public Act 57 of 2018, and undertook the redevelopment of the approximately 35 acres of the southeast corner of the Woodward/8 Mile site into the Gateway Marketplace. (Link to development and TIF plan). Funding for the EMWCIA Development and Tax Increment Financing Plan comes from an increase in property taxes as a result from the new investment at the site. The EMWCIA is governed by its Board of Directors, whose members are appointed by the mayor subject to the consent of City Council.

Local Development Finance Authority (LDFA)

The LDFA was established pursuant to Michigan Public Act 281 of 1986, as amended, which has been recodified into Michigan Public Act 57 of 2018, to prevent conditions of unemployment and promotes growth in Detroit. The LDFA has the ability to support projects such as industrial facility revitalizations, technology park development, streetscape improvements and more. Funding comes from grants and taxes collected because of new growth within the new development areas. The LDFA is governed by its Board of Directors, whose members are, with certain exceptions, appointed by the mayor subject to the consent of City Council.

Neighborhood Development Corporation (NDC)

The EDC established a subsidiary corporation, known as the Neighborhood Development Corporation (the “NDC”), to implement housing and neighborhood programs within qualified blighted or redevelopment areas. The NDC can implement a program to acquire property, construct improvements, and rehabilitate or construct houses for immediate sale pursuant to a project plan approved by Detroit City Council. For example, the NDC implemented a residential project on the southeast side of Detroit commonly known as Jefferson Village. The NDC is governed by the same Board of Directors comprising of the EDC Board of Directors. EDC board members are appointed by the mayor subject to the consent of City Council.

Detroit Building Authority Budget Funds

Department # - Department Name	FY2021	FY2022	FY2023	FY2024	FY2025
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
27360 - Subsidies to Partner Development Organizations	-	2,114,489	2,114,489	2,114,489	2,114,489
360134 - Economic Development Corporation	-	275,000	275,000	275,000	275,000
360135 - Economic Growth Corporation	-	1,839,489	1,839,489	1,839,489	1,839,489

The **Public Lighting Authority**⁴ was incorporated in 2013 under state legislation that authorized the Authority to issue bonds for the purpose of purchasing and installing streetlights through the City.

Greater Detroit Resource Recovery is a public body corporate created under Michigan Public Act 179 (1947). The GDRRA Board of Directors was established in 1984 to provide efficient, environmentally responsible waste disposal service to the residential, commercial, industrial sectors of Detroit as part of a total post-collection system including transportation, recycling and disposal.

Greater Detroit Resource Recovery Budget Funds

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
190410 - Solid Waste Management	-	37,529,504	37,371,246	37,690,400	37,894,130
26192 - Solid Waste Disposal Costs	-	12,425,951	12,433,317	12,440,831	12,448,495
190422 - Greater Detroit Resource Recovery Authority (GDRRA)	-	12,425,951	12,433,317	12,440,831	12,448,495
Grand Total	145,803,254	149,222,047	151,106,080	153,650,791	156,094,076

Greater Detroit Resource Recovery Budget Employees

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name Job Code - Job Title	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
26192 - Solid Waste Disposal Costs	0	4	4	4	4
190422 - Greater Detroit Resource Recovery Authority (GDRRA)	0	4	4	4	4
931601 - Director - GDRRA	0	1	1	1	1
931603 - Head Accountant and Office Manager - GDRRA	0	1	1	1	1
931615 - Administrative Assistant - Grade I - GDRRA	0	1	1	1	1
931617 - Administrative Assistant - Grade III - GDRRA	0	1	1	1	1

Detroit Building Authority (DBA) administers capital projects, as determined by City Departments. Critical functions: encumbering funds through Contracts of Lease; managing the bid, RFP/RFQ process; issuing contract awards; advising contractors of City requirements; execution of contract documents; monitor design development and construction for each project; oversight of payments. The DBA maintains a database of all City-owned commercial property, manages the properties within the database, manages sale of property and City leases.

Detroit Building Authority Budget Funds

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
350310 - Detroit Building Authority	-	1,000,000	1,000,000	1,000,000	1,000,000

⁴ 2012, Act 392, Imd. Eff. Dec. 19, 2012

Detroit Building Authority Budget Employees

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name Job Code - Job Title	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
00277 - Non Dept Detroit Building Authority	9	0	0	0	0
350310 - Detroit Building Authority	9	0	0	0	0
013376 - Executive Administrative Assistant II	1	0	0	0	0
111003 - Project Manager & Analytics Specialist III	1	0	0	0	0
931324 - Special Area Maintenance Project Superintendent -	3	0	0	0	0
931626 - Administrative Assistant - Grade II - Detroit Building	2	0	0	0	0
932015 - Executive Management Team - DBA	2	0	0	0	0

Detroit Wayne Port Authority & Detroit Land Bank Authority

General Fund contributions are made to enterprise agencies, cultural agencies and the **Detroit Wayne Port Authority** and **Detroit Land Bank Authority** are two of them.

The Detroit Wayne County Port Authority (DWCPA) is a government agency advancing southeast Michigan’s maritime and related industries with the purpose of delivering prosperity and economic benefit to our citizens and businesses.⁵

The Detroit Land Bank Authority's mission is to return the city's blighted and vacant properties to productive use.⁶

Detroit Wayne Port Authority & Detroit Land Bank Authority Budget Funds

GENERAL FUND CONTRIBUTIONS	FY22 Recommend
Detroit Wayne Port Authority	250,000
Detroit Land Bank Authority	11,000,000

The **Great Lakes Water Authority (GLWA)** was created in the fall of 2014 under a United States bankruptcy court order, the Great Lakes Water Authority was issued as part of the City of Detroit bankruptcy proceedings. Under the agreement, Detroit will retain ownership of the area’s water and sewage system, but the suburbs agreed to a 40-year, \$50 million annual lease.

Under the terms of the agreement, the Detroit Water and Sewerage Department will provide maintenance and service in the city and the GLWA will handle responsibilities for about 3 million suburban customers in Macomb, Oakland and Wayne counties.⁷

⁵ <http://www.portdetroit.com/dwcpa/>

⁶ <https://buildingdetroit.org/overview/>

⁷ **Regional water authority members sworn in, organize** The Detroit News, by Christine Ferretti
<https://www.detroitnews.com/story/news/local/wayne-county/2014/12/12/great-lakes-water-authority-board-members/20334533/>