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The Detroit News

## **Prop A, Headlee drain funds from suburbs**

The Aug. 1 article, "Tax funds diverted in suburbs," suggests that special tax districts like downtown development authorities are responsible for the dire financial situation facing our local communities.

This is simply untrue; in most cases the improvements provided by tax incremental financing have been a ray of hope for older downtowns being drained of business and residents. They provide assistance in reclaiming vacant buildings and shuttered offices, and create new opportunities for small businesses and entrepreneurs. The loss of firefighters, police officers and recreational programs is a serious issue, for communities across the state, but the culprit is not DDAs. It is financing and revenue-sharing formulas, including Proposal A and the Headlee Amendment. DDAs can put new life in struggling downtowns. To do this, the DDA law certainly should be tightened to target downtowns, as it was intended.

There are, indeed, many cases of these programs turning semi-rural areas into new mega-malls, but the proliferation of these "cornfield DDAs" could be halted with some minor tweaking of existing law.

The bigger question, and one that must be addressed, is the question of municipal finance. The current structure is pushing Michigan deeper into a pattern of land use and economic investment that destroys farmland, empties downtowns and degrades the natural environment.

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