

SMITHGROUP

February 14, 2024

Ms. Amber Miller

DDA Capital Projects & Planning Manager
Ann Arbor Downtown Development Authority
150 South Fifth Avenue
Suite 301
Ann Arbor, Michigan 48104

**Re: Proposal for Amendment to Interface Studio's Agreement with the City of Ann Arbor
Comprehensive Plan to update the Ann Arbor DDA Development Plan**

Dear Ms. Miller,

Thanks for the opportunity to provide this proposal to revise the **Ann Arbor DDA Development Plan and TIF Plan** (the "DDA Plan") as part of our team's contract with the City for the Comprehensive Plan. Based on our history of collaborating on projects, SmithGroup is excited to work with the DDA and their partners through an engagement process to update the DDA Plan.

Our team will work in parallel with the Comprehensive Plan and Downtown Area Circulation Study process, alongside our colleagues at Interface Studio and Wade Trim to align the DDA's goals and values with potential projects, program opportunities, and financial strategies covered by this planning effort.

Our team's understanding and scope of work is presented below.

Thank you kindly,



Kathleen Duffy, AICP
Principal | Planner

SCOPE OF SERVICES

STATEMENT OF UNDERSTANDING

We understand that the DDA desires to update their Development Plan and TIF Plan to guide the DDA's program and capital project initiatives into the future, especially with the current plan expiring in 2033. We recognize the desire to build into this plan the established values of the DDA and align its strategies and recommendations with the ongoing citywide Ann Arbor Comprehensive Plan, A2Zero Carbon Neutrality Plan, Vision Zero (from Moving Together Transportation Plan), and Downtown Area Circulation study efforts.

Key outcomes and deliverables for this scope include:

- Align with Act 57 of 2018, MCL 125.4217
- Align a new DDA Plan with the active Comprehensive Plan process, goals, and priorities. The Comprehensive Plan is expected to establish the overall vision and place for Downtown within the city as a whole, grounded in an understanding of post-pandemic economic conditions.
- Prepare an overview of the benefits and role of a DDA, expanding on DDA staff research regarding other Michigan and national DDAs.
- Identify a comprehensive list of potential DDA projects and programs based on alignment with the following on-going and recent planning efforts:
 - City Comprehensive Plan
 - Downtown Circulation Study
 - MDOT Jurisdictional Transfer Study
 - Downtown Energy Utility Study
 - Public restroom Pilot Project
 - Street and infrastructure maintenance and service coordination with City Public Services, the Main Street Business Improvement Zone (BIZ), and the Downtown Business Associations.
 - Existing DDA programs and policies (i.e. housing grants, public art program, vault grant program, City Capital Improvement Plan).
- Refine and prioritize the potential project list and establish an implementation schedule based on projected TIF revenue cap scenarios, community engagement and plan priorities, corresponding city initiatives, and DDA roles and values.
 - Prepare a final list of DDA projects and programs with cost estimates for inclusion in the new DDA Development and TIF Plan.
- Provide guidance on the statutory elements of the DDA Development and TIF Plan Process, including guidance on local ordinance amendments, inclusion of a Citizens Advisory Council, public hearings and notices, appropriate use of TIF, and boundary adjustments.
- Prepare an executive summary DDA Plan overview document.

SCOPE OF WORK

The scope of work described below is anticipated to last approximately 15 months and will coincide with the ongoing work for the City's Comprehensive Plan work to the extent feasible. The final DDA plan is anticipated to be prepared and ready for adoption by the end of Q2 2025.

PROJECT MANAGEMENT & COORDINATION

- **Project Team:** The consultant team (SmithGroup & Interface Studio) alongside DDA Staff will constitute the project team. In addition, Mission North will be engaged to support the financial planning, TIF, and DDA peer city aspects of plan.
- **Project Team Meetings:** The project team is anticipated to meet once a month initially and twice a month nearer to plan adoption (18x meetings), through 90-minute working meetings. These will incorporate coordination when necessary with staff from other efforts, including a core team of representatives from the DDA, Transportation, Public Services, Sustainability, Ann Arbor Housing Commission, and Planning.
- The consultant team will emphasize engagement with team members working on the Comprehensive Plan and Downtown Area Circulation Study to identify synergies for community engagement between these efforts and minimize the need for additional community-wide engagement.

STAKEHOLDER ENGAGEMENT

Engaging local leadership and stakeholders will be important for the development of the plan. The following meetings are anticipated:

1. **DDA Board meetings** – Up to eight (8) meetings to discuss the process, review findings and recommendations, prioritize projects, and approval documents.
2. **Focus group meetings/stakeholder interviews** – Up to eight (8) meetings with business area associations (State, Main, South U, Kerrytown), the Main Street BIZ, and/or other downtown area stakeholder groups over the course of the process.
3. **City Council and/or Planning Commission presentations** – Support DDA staff at up to four (4) meetings to discuss draft plan and policy changes and set the stage for plan approval/adoption.
4. **DDA Downtown Citizens Area Advisory Council** – Up to four (4) sessions to gather input and review priorities, leading to clarification of their role in state statute vs. city charter. Engagement with the Downtown Citizens Advisory Council will be conducted in a manner that conforms to statutory requirements.

5. **Public Engagement Coordinated with Concurrent Planning Efforts** – Coordinate engagement materials and activities with up to three (3) public workshops led by either the Comprehensive Plan or Downtown Area Circulation Study.

DELIVERABLES: Engagement materials, presentations, and meeting summaries

CORE AREAS OF WORK & DELIVERABLES:

A. Peer City DDA Plan Research. (partnership between SmithGroup and Mission North)

1. To help guide decision making around the DDA's role, our team will build on DDA staff's research at outlining comparable cities' approaches to downtown governance, capital improvements, operations, and maintenance among DDAs, cities, and other business organizations.
 - Evaluating options and showcasing best practices that are applicable to Ann Arbor.
 - Establish clarity around the unique roles and functions of the DDA within its district.

DELIVERABLES: Document (i.e. PDF PowerPoint) with graphics and tables summarizing DDA Plan research.

B. DDA Development Plan (led by SmithGroup with support from Interface Studios)

1. **Establish Plan Goals and objectives.** Review the current plan and value documents, refine values (if needed), translate into tangible goals and objectives to guide the plan, ensuring alignment with DDA adopted values, citywide goals, and the Comprehensive Plan.
2. **Existing conditions assessment.** Information from the comprehensive plan and gathered during this scope of work will be used to summarize key demographic and economic data, including the post-pandemic downtown landscape. Drawing from the Comprehensive Plan, this may include:
 - a. Demographic patterns, particularly related to housing and socioeconomic factors
 - b. Commercial/retail/office space leasing and use patterns in the downtown
 - c. Assessment of events, activities, and other factors that draw people downtownSmithGroup will prepare required maps to meet state requirements (boundary, existing and future land use, zoning).
3. **Development Plan & Recommendations.** SmithGroup will draft a new DDA Development plan to comply with recently updated DDA legislation. This plan will:
 - a. Identify and prioritize capital projects that align with the goals and objectives. Prioritization is expected to be values-driven and coordinated with city-wide CIP processes. Provide high level cost estimates for proposed projects.

- b. Delineate DDA roles and responsibilities with respect to infrastructure maintenance and non-DDA city responsibilities.
- c. Identify other program areas for current and potential DDA roles (i.e. infrastructure, street, landscape maintenance).
- d. Provide general cost estimates for projects/programs prepared in cooperation with DDA and city staff.

DELIVERABLES: Draft DDA Development Plan document structured to align with Act 57 of 2018, MCL 125.4217 requirements.

C. TIF Plan Update (task led by Mission North with support from SmithGroup)

1. Review current plan and update to comply with recently updated DDA legislation.
2. Evaluate range of TIF cap scenarios for discussion with DDA Board and City Council
3. Work with DDA staff, City assessor and/or treasurer to update property valuation data, millage rates, and anticipated capture data.
4. Explore and project revenue estimates for multiple TIF cap scenarios based on captured value for 30-year timespan based on historic SEV growth patterns, census/SEMCOG projections, or assumed 3% growth rate. Project impact of estimated captured revenue by taxing jurisdiction.
5. Revise plan text and tables.

DELIVERABLES: Draft DDA TIF Plan document to align with Act 57 of 2018, MCL 125.4217 requirements.

D. Summary Document & Approvals (led by SmithGroup with support from Interface Studio)

1. **Executive Summary:** Prepare an executive summary DDA overview document that highlights downtown vision, purpose of DDA, relationship to other plans, recent accomplishments, and incorporates findings from ongoing and recent planning projects.
2. **Statute Review:** Our team will support the DDA in ensuring that the plan follows state statute, especially regarding the CAC and adjustments to local adoption.
3. **Notification and Filing:** Assuming adoption will be led by DDA staff, our team will review notifications and adoption resolutions and support preparation of a presentation for public hearings. Approval process will follow and align with statutory requirements, including any required engagement with Citizens Advisory Council.

E. [CONTINGENT IF NEEDED] Boundary Expansion Assessments (led by Mission North and SmithGroup)

1. Prepare comparison PowerPoint outlining potential expansion alternatives based on assessing geographic areas. Coordinate these scenarios with the broader land use planning effort of the Comprehensive Plan in the Downtown area.
2. Support DDA staff with up to four (4) additional meetings with taxing jurisdictions to coordinate boundary expansion effort.
3. Preparation of revised boundary maps in GIS and incorporate boundary expansion into DDA Development Plan and TIF Plan scenarios (Task B and Task C above).

DDA STAFF RESPONSIBILITY

- Continue to nurture relationships with taxing jurisdictions.
- Run new TIF capture tables.
 - If DDA finance staff does not have capacity/ability, we recommend utilizing Mission North (Rob Bacigalupi, former Traverse City DDA director, now a consultant) to assist in preparing updated TIF tables and advising through the potential boundary expansion. Rob will also be assisting us with DDA peer city review. His resume is included below.
- DDA staff to lead all adoption meetings with the DDA board and City Council.

SCHEDULE

Commence plan Q1 2024. Plan for project completion to align, if feasible, with completion of Comprehensive Plan, anticipated in Q2 2025.

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FEE PROPOSAL

The fee proposal below covers all tasks described above. Expenses are for printing/reproduction and to cover travel expenses for Mission North and Interface to participate in key meetings/presentations during the process. This fee proposal is for a lump-sum, not to exceed amount of **\$150,495**, as detailed below.

		Fee by Consultant		
		SmithGroup	Interface	Mission North
	Total Fee			
PM & Engagement	\$57,725	\$47,725	\$4,000	\$6,000
[A] Peer City DDA Plan Research	\$10,040	\$8,040	\$0	\$2,000
[B] DDA Development Plan	\$33,040	\$25,840	\$3,200	\$4,000
[C] TIF Plan Update	\$31,350	\$4,350	\$0	\$27,000
[D] Summary Document & Approvals	\$14,340	\$9,540	\$2,800	\$2,000
TOTAL LABOR	\$146,495	\$95,495	\$10,000	\$41,000
Expenses	\$4,000	\$1,000	\$1,500	\$1,500
TOTAL FEE FOR ABOVE TASKS	\$150,495*	\$96,495	\$11,500	\$42,500

[E] CONTINGENT - Boundary Expansion Assessments Additional Fee	\$29,080*	\$14,680	\$2,400	\$12,000
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*Total lump-sum fee not to exceed

Rob Bacigalupi, AICP

Principal

Rob helped build one of the premier downtowns in the Midwest through placemaking, economic development, and marketing. As Executive Director of the Traverse City Downtown Development Authority, Rob helped build one of the strongest small downtown brands in the country. At Mission North, Rob assists downtowns and municipalities in Michigan and beyond with economic development plans, strategic planning, zoning, and transportation.



Mission North

- Led team managing mobility and parking for downtown Kalamazoo, MI - 2022-present
- Identified Properties for Housing, Traverse City, MI, 2023
- Columbus, IN Downtown Parking Study update, 2022
- Engagement and demand analysis for Bay Area Transportation Authority (MI) Transit Master Plan, 2022
- Market studies for seven communities as part of an effort to promote downtown properties, 2020 - 2022
- Grosse Pointe Park, MI Parking Study, 2021 - assisted lead consultant MKSK with management strategies
- Tax Abatement Policy, Oscoda Township, MI, 2021
- Downtown Plan, Marquette, MI, 2020 - assisted Smith Group with economic development strategies
- Kalamazoo Downtown Parking & Mobility Study, 2019 - developed management strategies
- Downtown Property Marketing Packages, Alpena, Battle Creek, & Petoskey, 2019 - Michigan EDC Redevelopment Ready Communities (RRC) Pre-Development Services
- Filer Township, MI DDA Development Plan Update, 2019

Traverse City Downtown Development Authority

- Oversaw Traverse City Transportation Demand Management study, 2017
- Managed business retention and attraction efforts for Downtown Traverse City, 2000-2017
- Authored a new development and TIF plan for the Old Town district, Traverse City, 2016
- Developed downtown housing strategy for Traverse City, 2016
- Oversaw downtown market study update, Traverse City, 2016

Certifications and Training

- Member, American Institute of Certified Planners
- Urban Retail: Essential Planning, Design and Management Practices, Harvard University, 2018

Education

- MS Real Estate and Construction Management, University of Denver
- BS Urban Planning, Michigan State University

Community Service

- Commongrounds mission-driven real estate cooperative Board, 2022 to present
- Bay Area Transportation Authority, 2000-2017 (served a term as Chair)
- Governor's Complete Streets Advisory Council (Michigan), 2014-2016
- Michigan Downtown Association, 2000-2005 (served a term as Chair)