

An aerial photograph of a city skyline, likely New York City, with a blue color overlay. A large, semi-transparent 'DRAFT' watermark is oriented diagonally across the center of the image. Overlaid on this is the text 'DEVELOPMENT PLAN UPDATE' in a bold, white, sans-serif font.

# DEVELOPMENT PLAN UPDATE

# AGENDA

1. Timeline and Process Update
2. Understanding Key Decisions
  - Boundary
3. Projects and Programs
  - Prioritization Outcomes
  - Draft Potential Scenarios (2026-2035)
4. Next Steps

# DRAFT SCHEDULE

## BOARD WORK SESSIONS

### February 19th

Plan overview, identified capital needs, FY 26 & FY 27 TIF Budget capacity



### March 19th

Funding and boundary discussions - revenue and project/program scenarios



### April 2nd

Continue funding and boundary discussions.



### April 16th

Continue funding and boundary discussions. 1st Draft Plan.



### May 21st

Final Work Session discussion. 2nd Draft Plan.



### Board Meeting:

July 9th - Resolution to submit plan to Council. Final Plan.

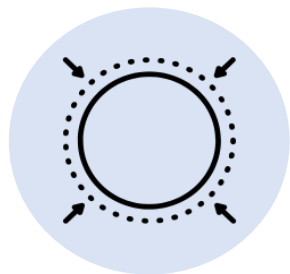




# Understanding Key Decisions

Breaking down three important factors and how they might influence our Development Plan

1



## BOUNDARY

The District boundary determines where the DDA can use TIF to fund capital improvements and programs.

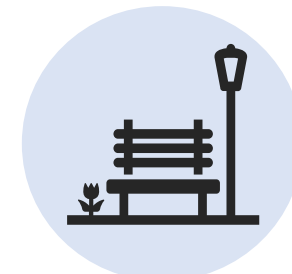
2



## FINANCE PLAN

The estimated future TIF revenue and how the DDA will use this revenue to fund projects and programs within the District.

3



## PROJECTS AND PROGRAMS

What the DDA will accomplish.

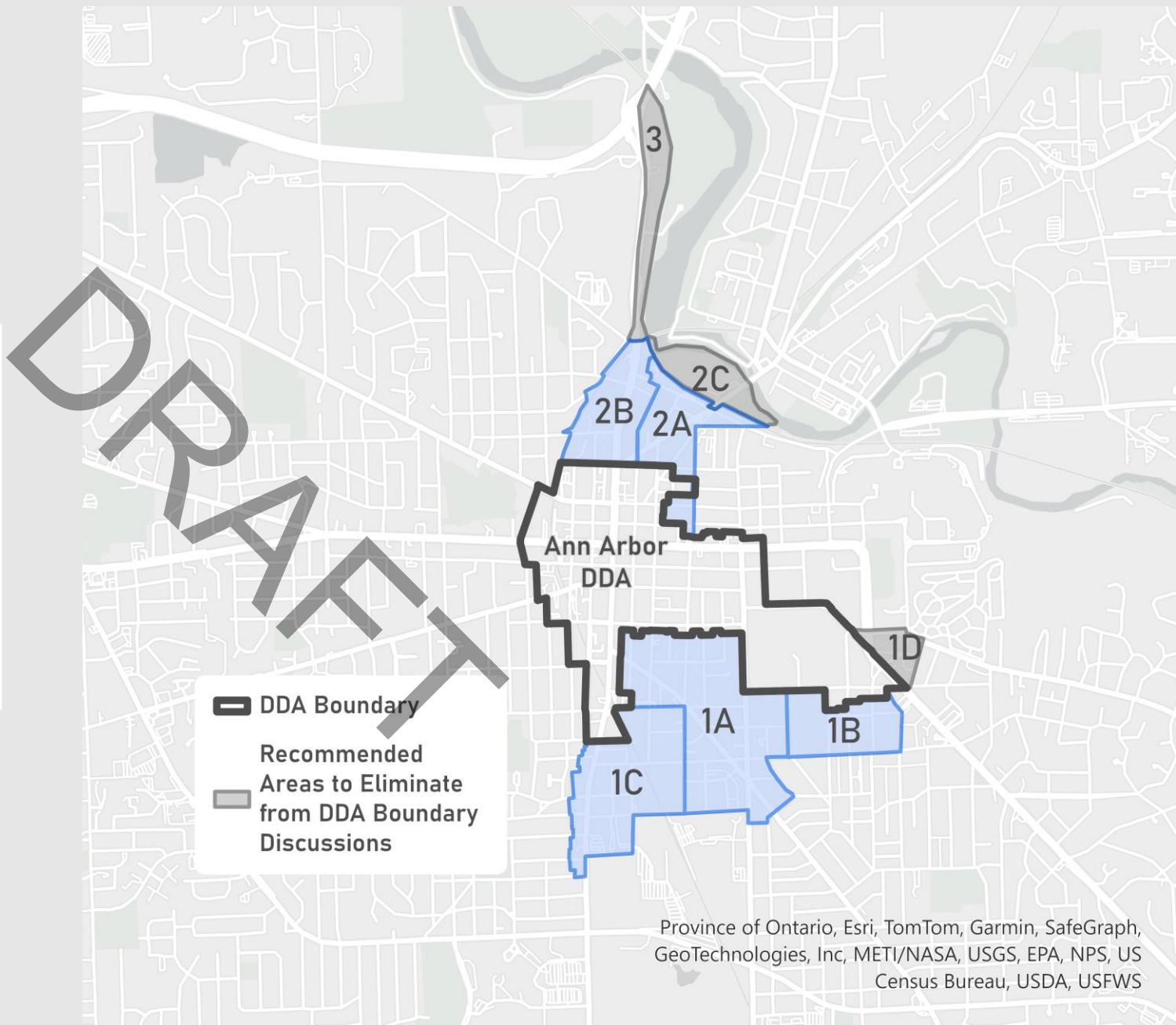
**BOUNDARY + BUDGET = CAPACITY**

A blue-tinted photograph of a city street at night. The scene is illuminated by warm white string lights strung across the street. In the foreground, several people are sitting on a curved wooden bench. A bicycle is parked on the left. In the background, more people are walking on the sidewalk, and a street sign for 'P. L. LANE' is visible. The overall atmosphere is lively and urban.

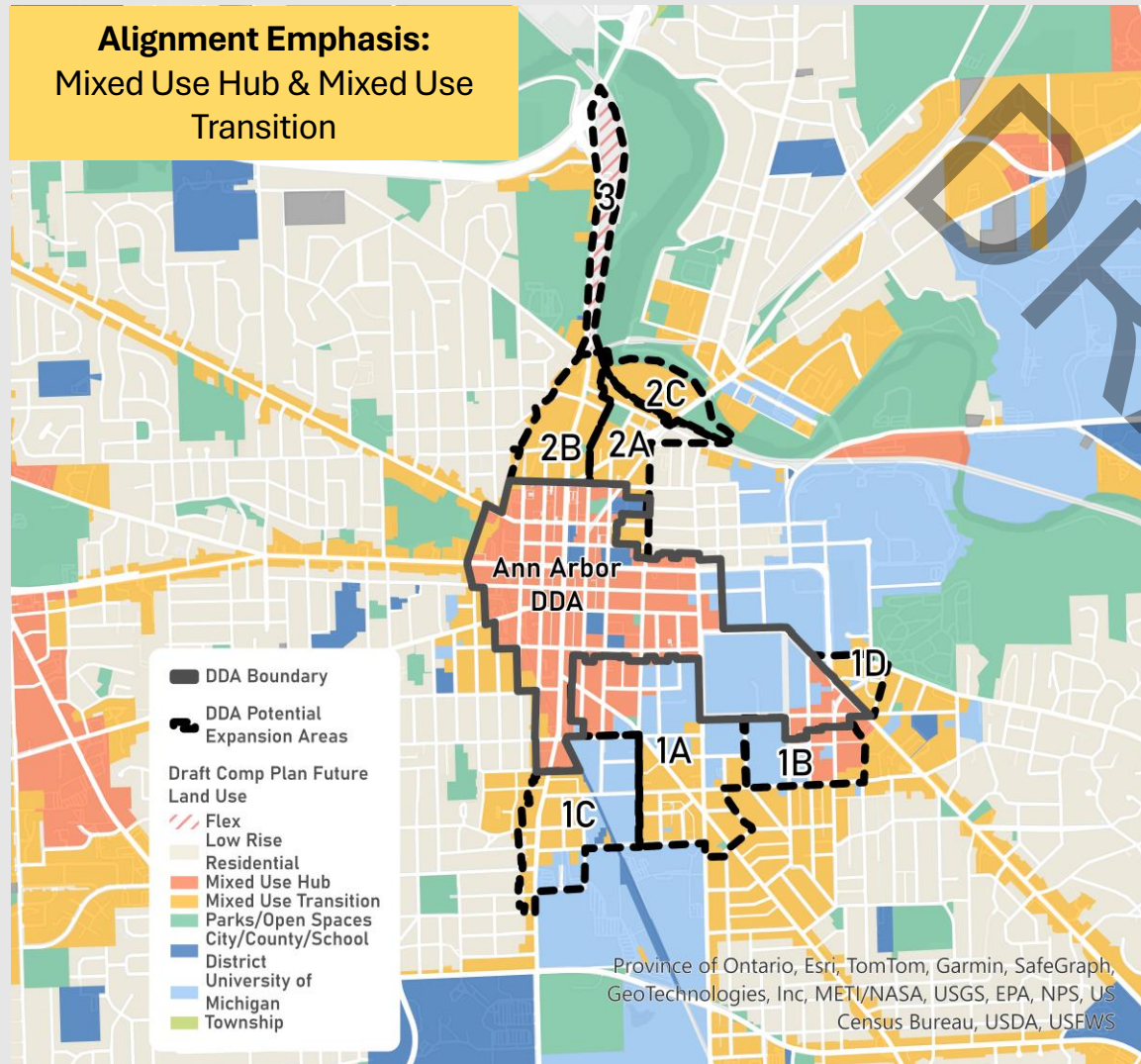
# BOUNDARY

DDA Boundary Recommendation

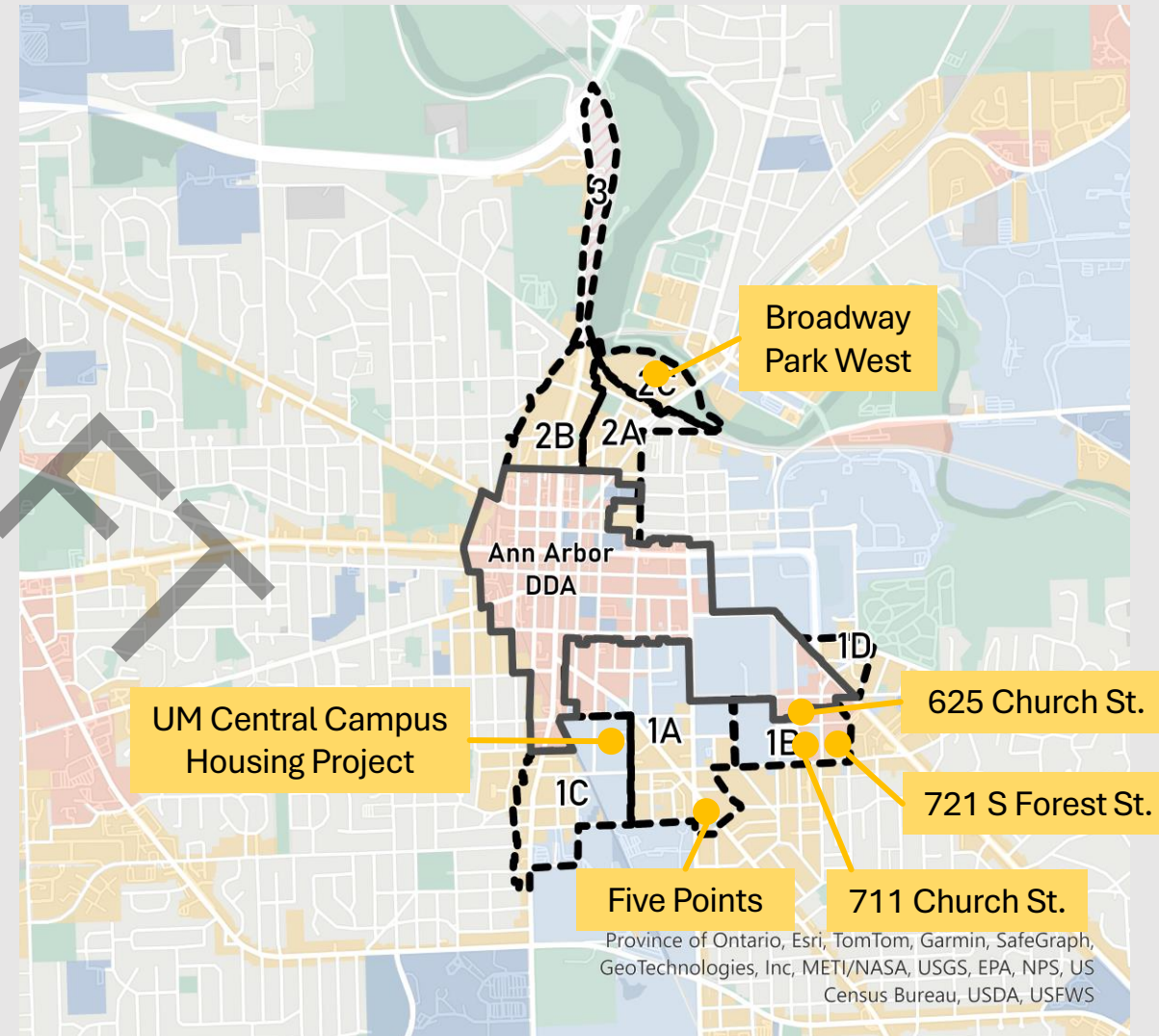
**Staff Recommendation:**  
Eliminate areas 1D, 2C, and 3  
from DDA boundary  
discussion.



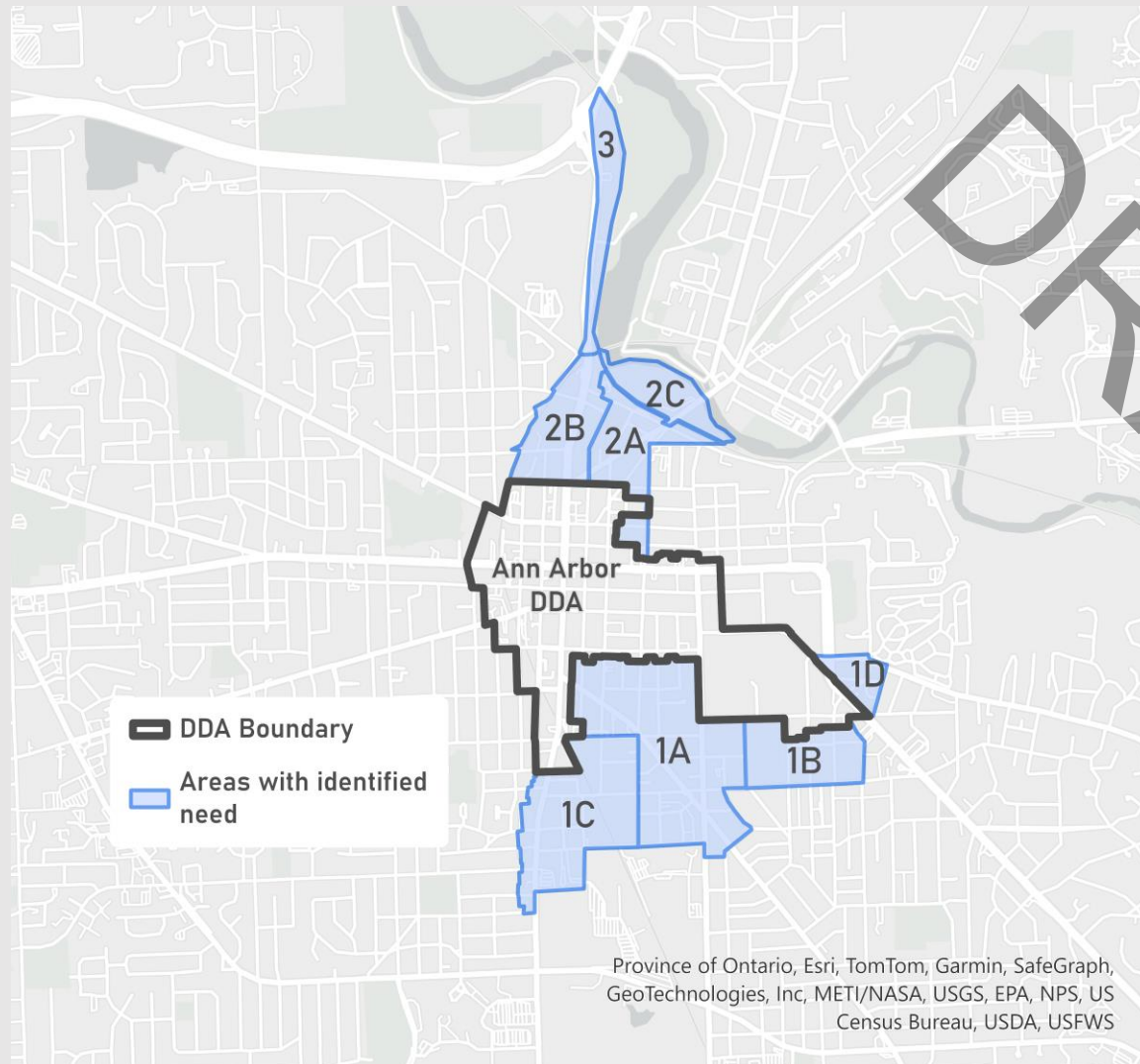
## Alignment with the Comprehensive Plan



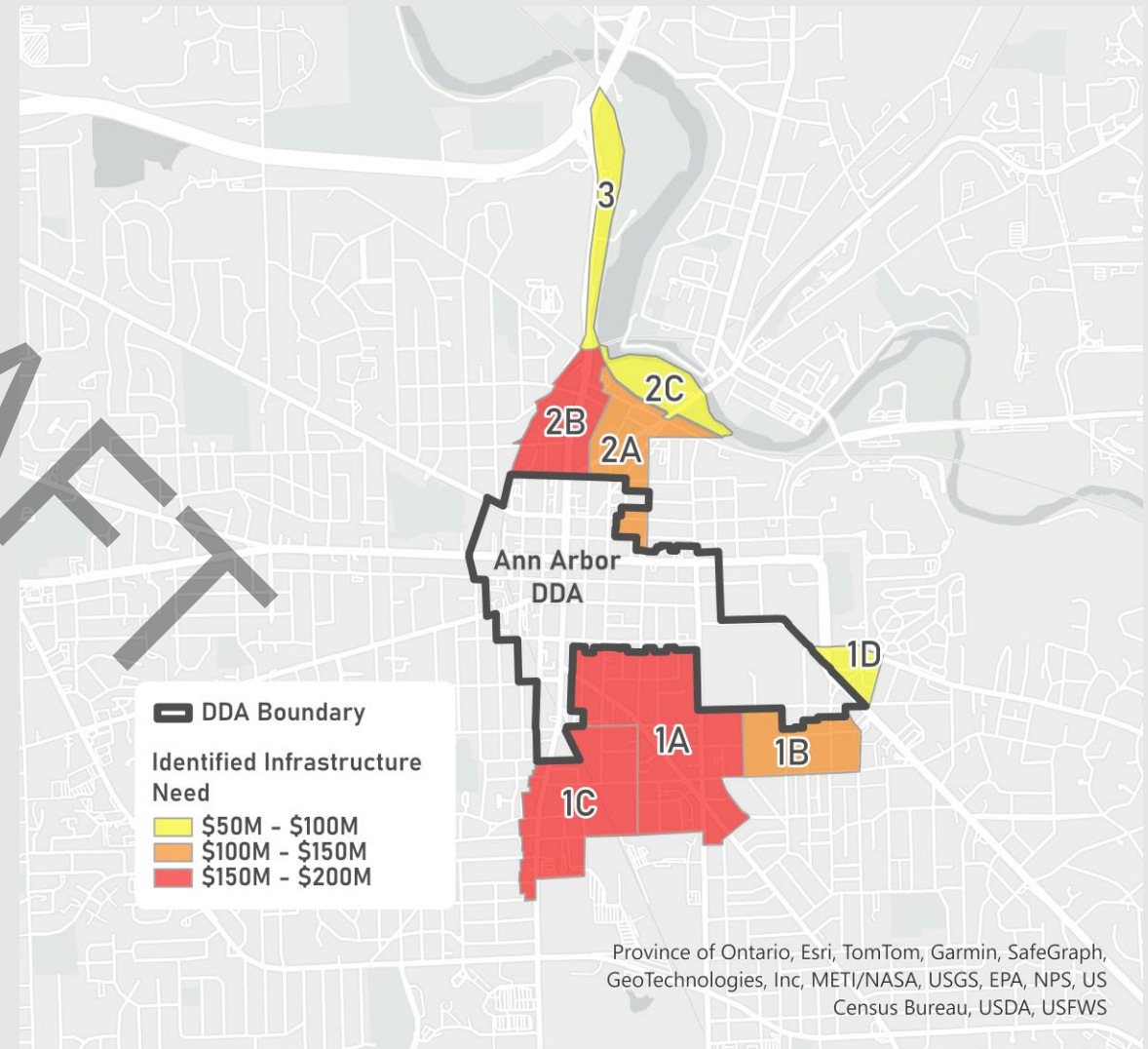
## Recent Development in Potential Expansion Areas



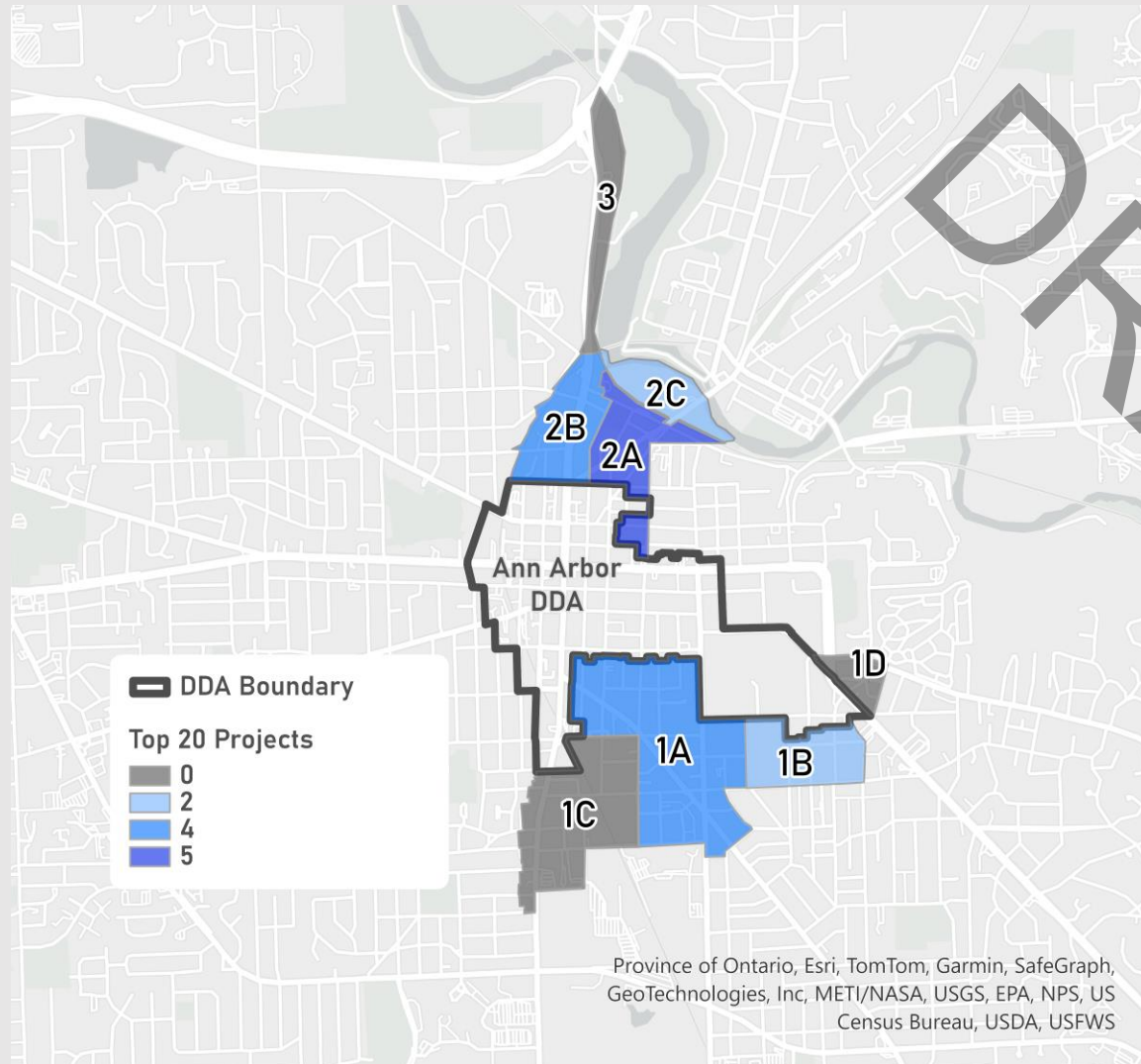
## Areas Where Infrastructure Needs Were Explored



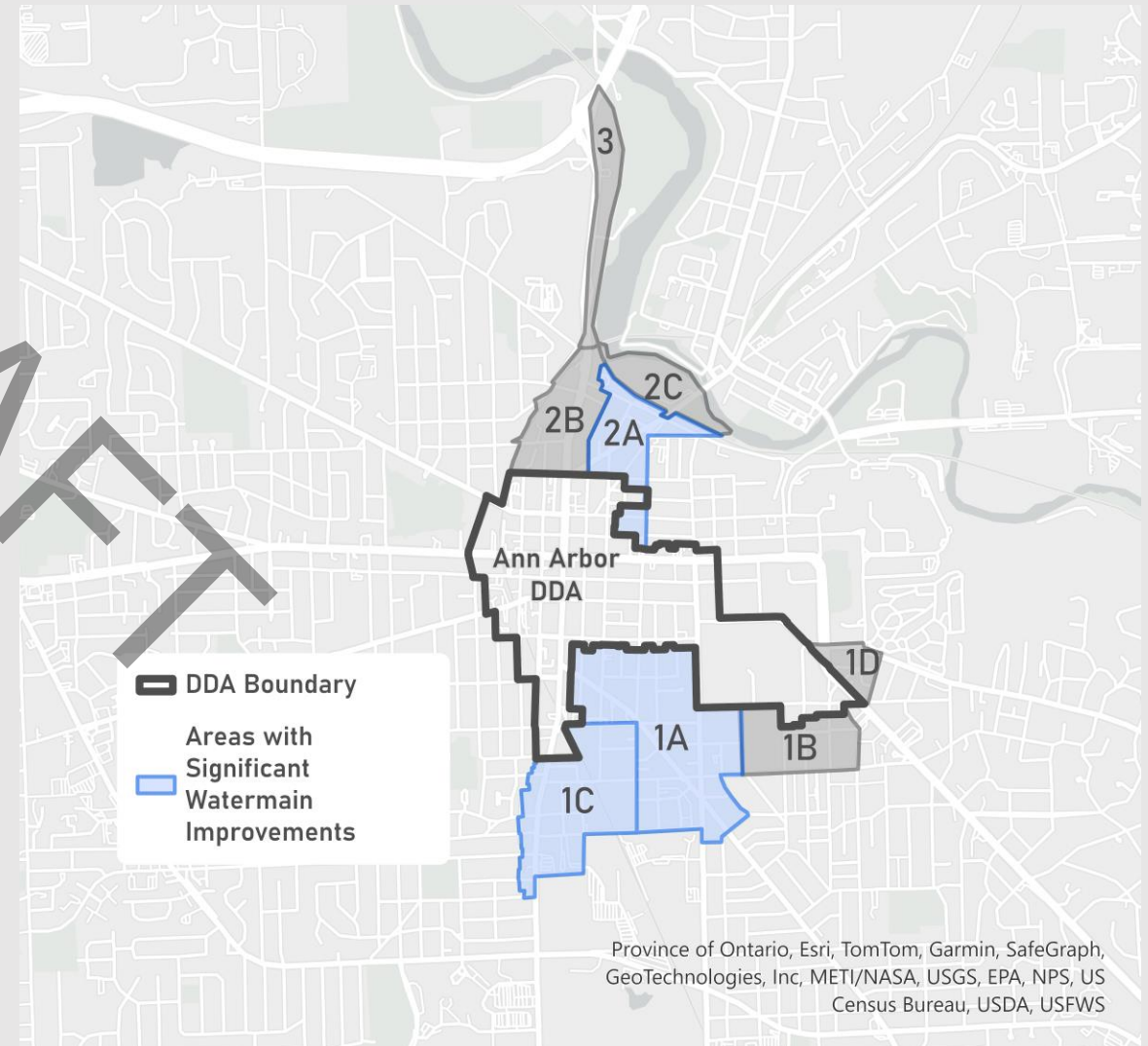
## Areas with High Identified Need



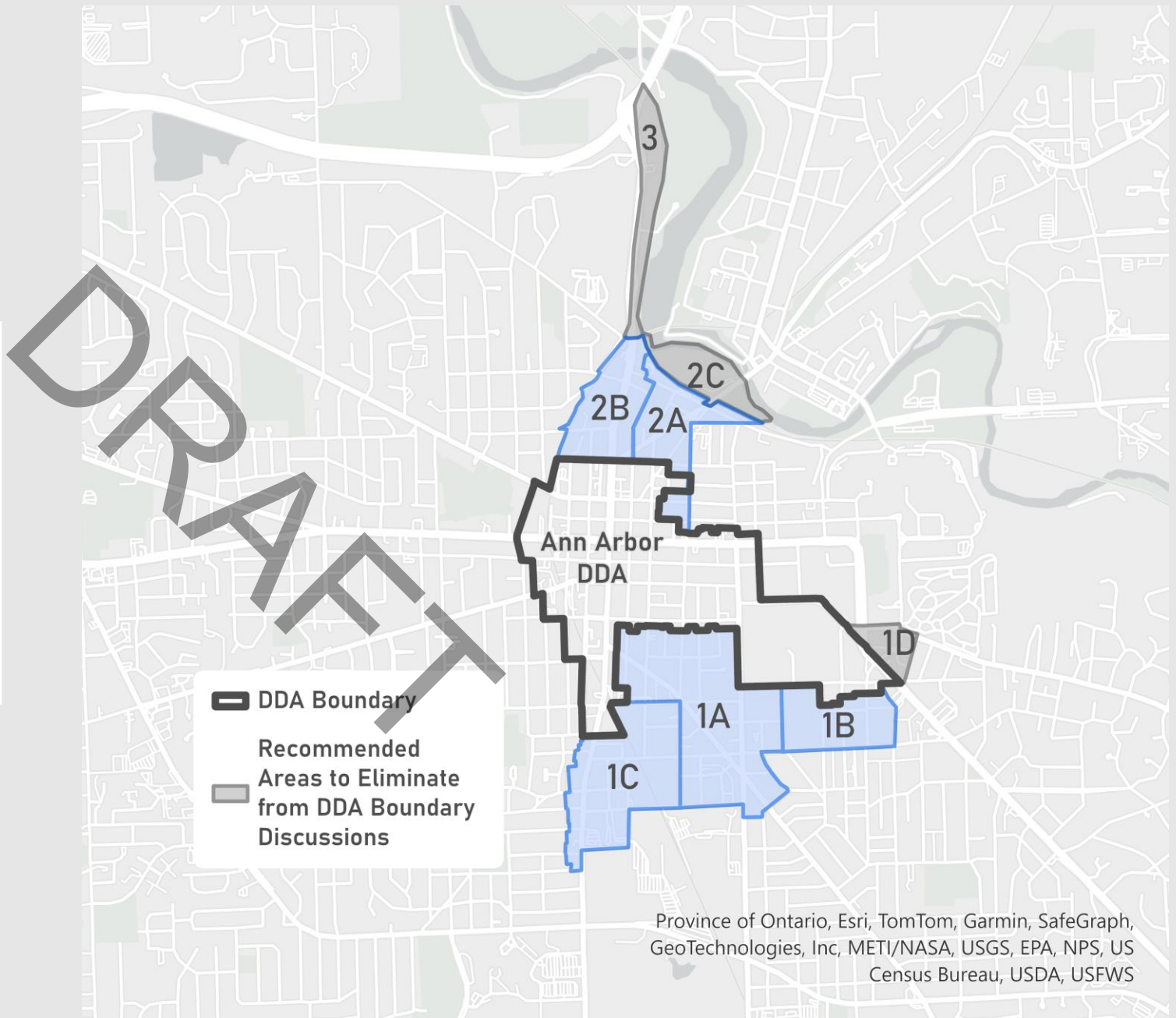
## Areas with High-Ranking Projects

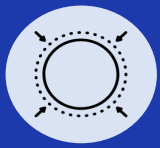


## Areas with Highest Ranking Watermain Improvements



**Staff Recommendation:**  
Eliminate areas 1D, 2C, and 3  
from DDA boundary  
discussion.





# Boundary Expansion – Approval Process

## EXPANSION APPROVED

Ann Arbor City Council approves the DDA boundary.

For the **expansion areas only**, participating governmental units can opt-out of TIF contribution.

Opt-out reduces the money available for downtown capital projects and programs but does not impact where the DDA can spend TIF to fund capital projects and programs.

## EXPANSION NOT APPROVED

Ann Arbor City Council approves the current DDA boundary.

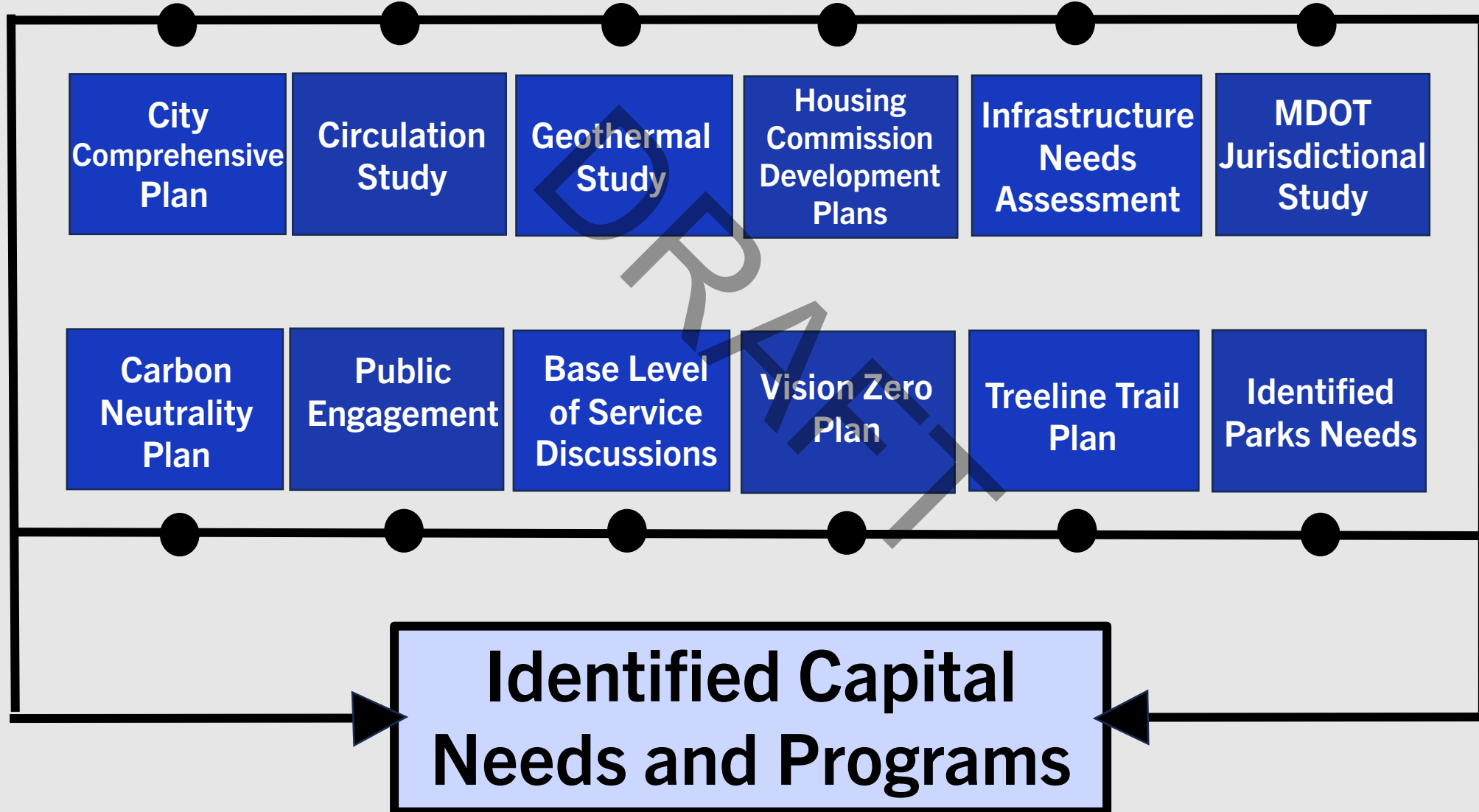
We maintain our current boundary and we are unable to expand our services to new areas.



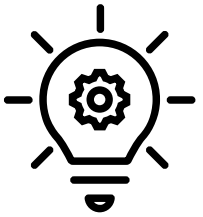
# IDENTIFYING AND PRIORITIZING CAPITAL NEEDS

What we learned

# Identifying Projects and Programs



# Capital Planning Process



Identify project needs and scopes.



Prioritize needs based on strategic values.



Program projects based on:

- Priority rank
- Budget & staff capacity
- Urgency
- Project coordination



Staff develop a proposed Capital Improvements Plan (CIP).



Planning Commission is the decision maker for CIP approval:

- Does the CIP align with the priorities identified in existing comprehensive plans?



Develop a Capital Budget based on the CIP

- Requires City Council approval
- Allocates real dollars for project implementation



# Project Types Reviewed



**Streets and Placemaking:** projects to improve transit operations and passenger comfort by way of street design.



**Transit Enhancements:** projects that will aim to improve the transit riding experience with better reliability and efficiency.



**Bikeway / Trail:** projects that expand non-motorized access, safety, and equity.



**Parks & Plaza:** projects that are designed to create welcoming and usable urban and naturalized settings.



**Utilities:** projects include water main upsizing, stormwater infrastructure upgrading, and sanitary capacity expansion.



**Sustainability / Energy:** projects that will create a sustainable energy utility to render the City's energy infrastructure resilient and sustainable.



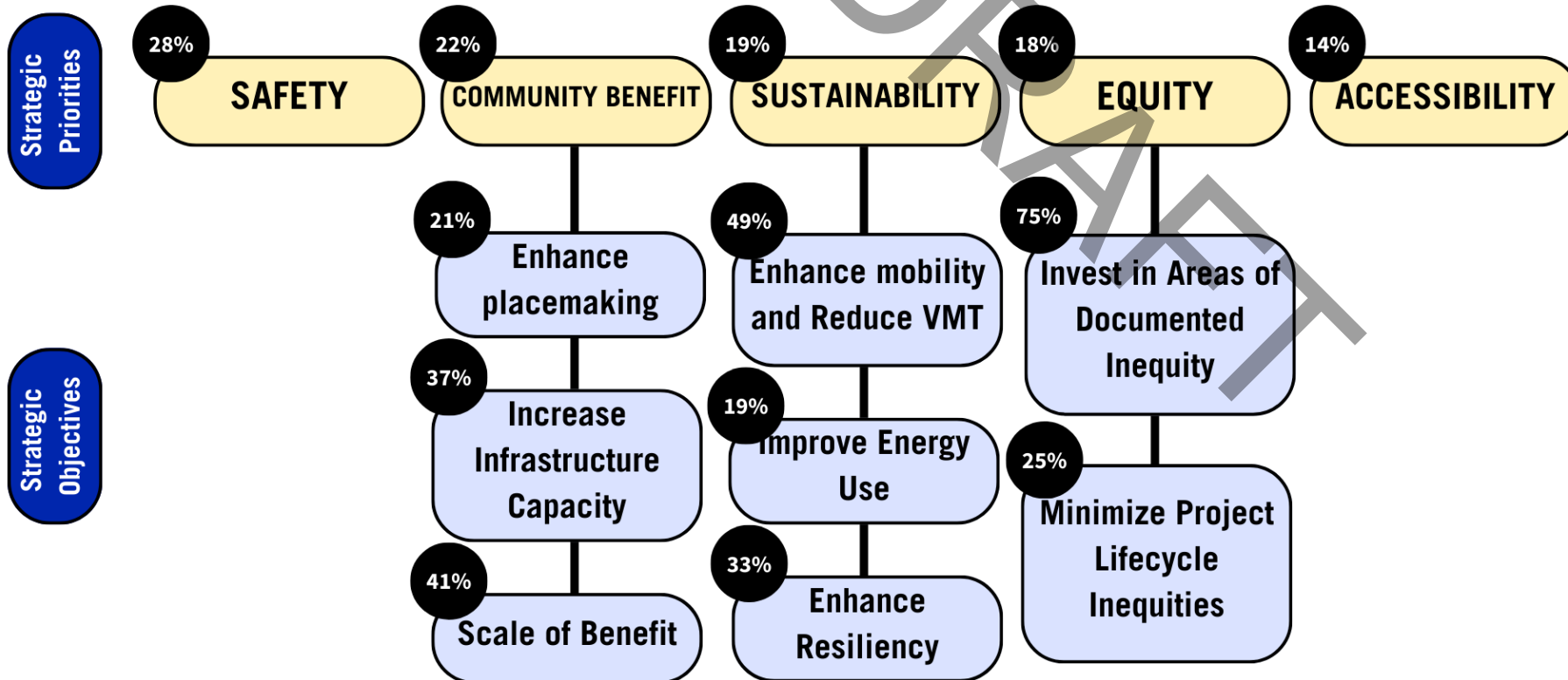
**Capital Maintenance:** projects to ensure the longevity and reliability of infrastructure through regular upkeep and necessary repairs.



**Affordable Housing Support:** Projects to enhance utility infrastructure for affordable housing developments.

# Prioritize Needs Based on Strategic Value

## Example: Strategic Value Scorecard for Other Infrastructure



## How we Score Each Project

How well does the project achieve community goals and staff recommendations?

How does expected value of one project compare to another?

Urgency scoring:

- Does the project address an urgent need?
- Will the project happen without DDA participation?

# What We Learned

## High Strategic Value Projects

- Large, multi-faceted projects scored the highest
  - (e.g., street or transit projects that improve safety and placemaking while upsizing utilities or park projects that include sustainable energy and stormwater enhancements).

## Lower Strategic Value Projects

- Narrow focus projects score lower; utilities and repairs alone didn't score as high but enhance scores when combined with other projects.
  - (e.g., sidewalk and streetlight maintenance, bike hoop and bench additions, sanitary sewer lining, Elevate Public Art Program, and enhanced transit shelters).

# What We Learned

## Maximize Benefit

- **Emphasize projects that cut across strategic values with large projects that combine or address multiple needs (e.g., transportation, streetscape, and utilities).**
  - Stand-alone utility and repair projects did not score as high but enhanced scores when combined with other projects – nearly all the highest scoring projects include water, sanitary, and/or storm infrastructure. This approach maximizes benefit and reduces disruption.
- **Maintain a high quality of place and support incremental change through on-going maintenance, small improvements, and tactical interventions.**
  - Smaller, focused improvements are critical to maintain a high quality of place and preserve the initial project benefits. Regular maintenance reduces the likelihood of costly and urgent repairs. All together, these smaller activities address a wide range of strategic values.

# What We Learned

## Fund across project categories

**Successful downtowns invest in streets, utilities, transit, parks, placemaking, non-motorized transportation, housing, and sustainability.**

- **Prioritize projects in each project category**, emphasizing the highest ranking.
- **Invest in all identified Bus Rapid Transit (BRT) projects** (both the E/W and N/S BRT) - transit projects consistently scored high.
- **Prioritize Housing Commission utility support** - opportunities to invest in equitable, affordable housing are limited.
- **Include storm, water, and sanitary improvements in street and parks projects** - utility investments are critical for a resilient downtown that can accommodate more residents and visitors over time.

# What We Learned

## Geothermal Projects

- *Geothermal projects are at a scoring disadvantage due to the lack of specific locations for integration with other projects (still in study phase).*
- After the study and feasibility phase, pair geothermal with other infrastructure projects to increase benefits and minimize disruption. This may include parks, projects in the public right of way, and affordable housing projects.

# What We Learned

## Consider DDA funding capacity and highest infrastructure need

**If DDA funds increase, provide added support for projects threatened by federal funding cuts, including affordable housing infrastructure, transit, sustainable energy, and non-motorized projects.**

**If DDA funds remain restricted, prepare to contract or reduce activities.** Reduce funding levels, number of projects, and/or emphasize those projects that won't happen without DDA support.

# Projects Requiring DDA Support

Projects that **will not happen without DDA support** include those addressing strategic values but lacking independent funding or resources. For example:

- Event barriers
- Streetscape and placemaking (e.g., Elevate, platform dining support, wayfinding, new pedestrian streetlights)
- Non-Parks owned public spaces (e.g., 721 North Main Park and trail, new plazas in the public ROW)
- Geothermal
- DDA annual repairs
- Two-way restoration
- Alley creation and enhancements



# PRIORITIZING CAPITAL NEEDS

Near Term

Consider High Ranking Projects from Each Category

# A Range of Infrastructure Investments

PRIORITIZATION MODEL RANK	STREETSCAPE & RECONSTRUCTION
<b>2</b>	Fifth / Division/Beakes Reconstruction (includes Broadway Bridge interchange)*
<b>3</b>	Packard Street Reconstruction & Triangle Streetscape*
<b>4</b>	Washington Street Reconstruction and Streetscape*
<b>5</b>	Liberty Street Curbless Reconstruction and Streetscape*
<b>12</b>	North Main Streetscape*
PRIORITIZATION MODEL RANK	STREET NETWORK
<b>1</b>	Huron Street/Washtenaw Ave - MDOT Jurisdictional Support*
<b>9</b>	N. Main DDA - MDOT Jurisdictional Support*

PRIORITIZATION MODEL RANK	PLACEMAKING ENHANCEMENTS
<b>7</b>	Event Bollard Installations
<b>26</b>	Elevate Program
<b>29</b>	Riverfront Nature Connections
<b>40</b>	New Streetlight Installation
PRIORITIZATION MODEL RANK	TRANSIT
<b>1</b>	Huron/Washtenaw Street Dedicated Transit Lanes & BRT*
<b>1</b>	State Street Transit Lane Extension*
<b>8</b>	Plymouth-Broadway-Beakes Queue Jump & Transit only lanes
<b>15</b>	Downtown Transit Center Capacity Support

*\*Projects that include storm, sanitary, and/or water utilities*

Consider High Ranking Projects from Each Category

# A Range of Infrastructure Investments

PRIORITIZATION MODEL RANK	CAPITAL MAINTENANCE
35	Annual DDA Repairs
39	Annual Streetlight Maintenance
PRIORITIZATION MODEL RANK	BIKEWAY/TRAIL
6	Division Street Bikeway Extension
6	Broadway/Plymouth Sidepath
14	721 N. Main Trail
PRIORITIZATION MODEL RANK	PARKS & PLAZAS
11	Farmer's Market Reconstruction (Park)*
10	721 N. Main Park and Trail*
21	Liberty Plaza Reconstruction (Park)*
27	Wheeler Park*

PRIORITIZATION MODEL RANK	UTILITIES
19	Housing Commission - Utility & Streetscape Support*
33	Water main Replacement (bucket project) DDA*
33	Water main Replacement (bucket project) Area 1A*
41	Water main Replacement (bucket project) Area 1B*
33	Water main Replacement (bucket project) Area 1C*
33	Water main Replacement (bucket project) Area 2A*
42	New Downtown Library Utility & Streetscape Support*
47	Sanitary Sewer Lining DDA*
PRIORITIZATION MODEL RANK	SUSTAINABLE ENERGY
41	Geothermal
44	District Solar & Wind Energy Assessment and Implementation

\*Projects that include storm, sanitary, and/or water utilities

# Projects with Timing Considerations



*Timing considerations may include **urgent projects**, addressing immediate **safety concerns or critical infrastructure needs**, or **time-sensitive opportunities** for strategic value enhancement and coordination.*

## Urgency


- Event Bollards
- Farmer's Market demolition

## Coordination

- Public Site Development Support
  - Housing Commission
  - Library
  - City-owned
- TheRide's Bus Rapid Transit timeline
- Planned CIP Projects - coordinate w/other planned work (*e.g., Packard Street, N. Main, Washington Street, & Farmer's Market*)

# Possible Near-Term Project Focus

## Large Scale Capital Projects

PRIORITIZATION MODEL RANK	 POSSIBLE NEAR TERM PROJECTS	CATEGORY	COST
1	E/W Huron/Washtenaw BRT Support*	Transit	\$21,700,000
2 & 8	Fifth/Div/Beakes & N/S BRT Support*	Transit & Reconstruction	\$44,390,000
3	Packard Reconstruction*	Streetscape & Reconstruction	\$13,540,000
4 & 5	Washington or Liberty Curbless Street*	Streetscape & Reconstruction	\$24,640,000 (Washington) \$31,470,000 (Liberty)
6	Division Bikeway	Bikeway/Trail	\$1,220,000
7	Event Bollards	Placemaking Enhancements	\$6,000,000
10	721 N. Main Park & Trail*	Parks & Plazas	\$17,540,000
11	Farmer's Market Support*	Parks & Plazas	\$21,000,000
12	N. Main Streetscape*	Streetscape & Reconstruction	\$6,700,000
19	Housing Commission Utility & Streetscape Support*	Utilities & Streetscape	\$400,000
41	Geothermal Support	Sustainable Energy	\$105,000,000 (DDA)
42	New Downtown Library Utility & Streetscape Support*	Utilities & Streetscape	\$580,000

\*Projects that include storm, sanitary, and/or water utilities

# Maintenance & Small-Scale Capital Projects

Prioritization Model Rank	Repairs and Small Projects
<b>26</b>	Elevate
<b>35</b>	Annual DDA Repairs (e.g., pavers, tree grates, bike parking, benches, amenity zone)
<b>39</b>	Annual City Streetlight Maintenance Contribution
<b>25 &amp; 32</b>	Transit Stop Improvements
	Sidewalk Millage Contribution



# POTENTIAL SCENARIOS

Boundaries, TIF Revenue, and Projects/Programs

# Draft Revenue Projections

- Non-capped growth based on historic rate of growth in original district (9%), but future growth is uncertain
- FY25 millage rates used for all revenue projections
- Gainshare model projects a flat 30/70 split across the plan period

Original District	3.5% Cap	30% Gainshare	No Cap/Gainshare
10 Year Projections	\$117M	\$147M	\$210M
Annual Growth Rate	3.5%	9%	9%

Expanded Districts	1A	1B	1C	2A	2B	Total
10 Year Projections	\$12M	\$4M	\$8M	\$3M	\$3M	\$30M
Annual Growth Rate	9%	9%	9%	3%	3%	

- Expanded districts project no income for FY27
- Rate of growth varies in districts - historic 9% rate is used south of downtown and a more moderate 3% is used north
- The Gainshare model in the new expanded areas call for no share the first 10 years of the plan, and graduated steps phased in over the next 20 years of the plan, as per on the Grand Rapids model

# Ten Year Project Scenario

Possible Projects (2026-2035)	Estimated Cost
Event Bollards	\$6,000,000
Farmer's Market Support*	\$21,000,000
E/W Huron BRT Support*	\$21,700,000
Housing Commission Utility Support*	\$400,000
New Downtown Library Utility Support*	\$580,000
<b>Washington Street Reconstruction*</b>	<b>\$24,640,000</b>
<b>Packard Streetlighting</b>	<b>\$4,000,000</b>
N. Main Streetscape*	\$3,270,000
Division Bikeway	\$1,220,000
721 N. Main Park & Trail*	\$17,540,000
<b>Geothermal Support</b>	<b>\$20,000,000</b>
N/S BRT Support & Fifth/Div/Beakes *	\$25,524,250
<b>Total possible need</b>	<b>\$149,144,250</b>

*\*Projects include storm, sanitary, and/or water utilities  
DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios*



# Projects and Programs – Potential Scenarios

Our capacity to do more and larger-scale projects and programs will be impacted by the DDA Boundary and TIF Cap.

## TIF Cap Adjustment Potential Benefits:

- Fund more projects
- Fund larger-scale projects
- Add services
- Maintain areas within our boundary to a higher degree

## Boundary Expansion Potential Benefits:

- Expand the area we can do work in
- Invest in more projects.
- Support/maintenance of more areas
- Apply beneficial projects/programs to a greater area

*Scenario A*



Boundary Expansion



TIF Cap Adjustment

*Scenario B*



Boundary Expansion



TIF Cap Adjustment

*Scenario C*



Boundary Expansion



TIF Cap Adjustment

*Scenario D*



Boundary Expansion



TIF Cap Adjustment



# Boundary Expansion



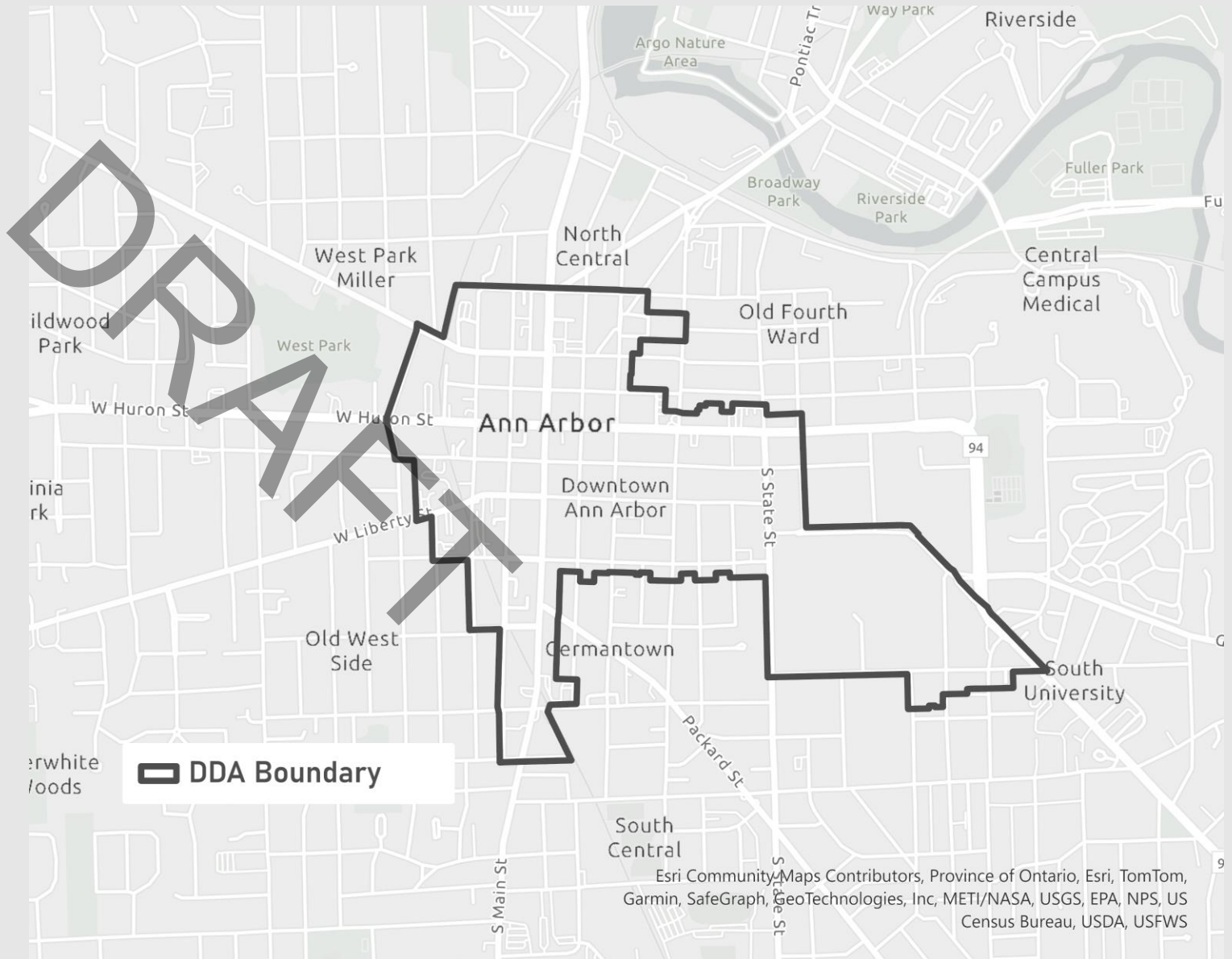
# TIF Cap Adjustment



# Boundary Expansion



# TIF Cap Adjustment

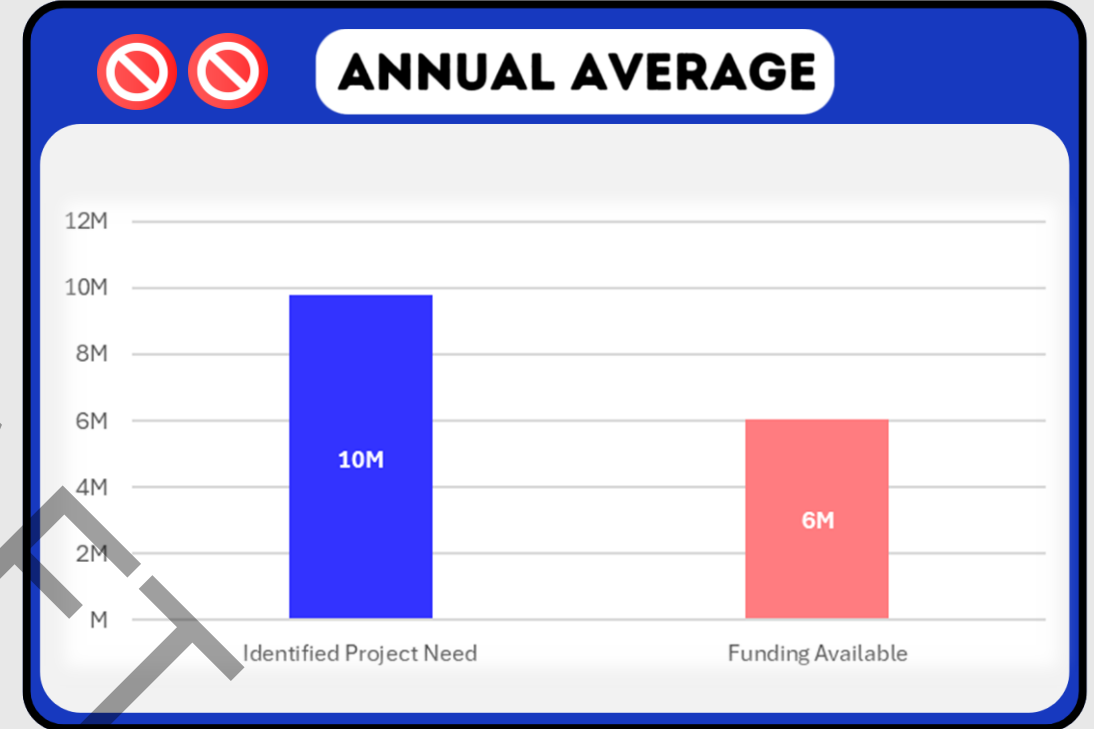


# SCENARIO A

## ⊘ NO Boundary Expansion + ⊘ NO TIF Cap Adjustment

### Possible Projects (2026-2035)

	Estimated Cost
Event Bollards	\$6,000,000
Farmer's Market Support*	\$21,000,000
E/W Huron BRT Support*	\$21,700,000
Housing Commission Utility Support*	\$400,000
New Downtown Library Utility Support*	\$580,000
Washington Street Reconstruction*	\$24,640,000
Packard Streetlighting	\$4,000,000
N. Main Streetscape*	\$3,270,000
Division Bikeway	\$1,220,000
721 N. Main Park & Trail*	\$17,540,000
Geothermal Support	\$20,000,000
N/S BRT Support & Fifth/Div/Beakes *	\$25,524,250
<b>Total possible need</b>	<b>\$97,590,000</b>



10-Year Average	
<b>Service Team</b>	\$0
<b>Affordable Housing Fund</b>	\$5M

\*Projects include storm, sanitary, and/or water utilities

DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

# SCENARIO B

## 🚫 NO Boundary Expansion + ✅ TIF Cap Adjustment

### Possible Projects (2026-2035)

	Estimated Cost
Event Bollards	\$6,000,000
Farmer's Market Support*	\$21,000,000
E/W Huron BRT Support*	\$21,700,000
Housing Commission Utility Support*	\$400,000
New Downtown Library Utility Support*	\$580,000
Washington Street Reconstruction*	\$24,640,000
Packard Streetlighting	\$4,000,000
N. Main Streetscape*	\$3,270,000
Division Bikeway	\$1,220,000
721 N. Main Park & Trail*	\$17,540,000
Geothermal Support	\$20,000,000
N/S BRT Support & Fifth/Div/Beakes *	\$25,524,250
<b>Total possible need</b>	<b>\$97,590,000</b>



### ANNUAL AVERAGE



### 10-Year Average

<b>Service Team</b>	<b>\$12M</b>
<b>Affordable Housing Fund</b>	<b>\$6M</b>

\*Projects include storm, sanitary, and/or water utilities

DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

# Boundary Expansion

## Scenario C



Boundary Expansion



TIF Cap Adjustment

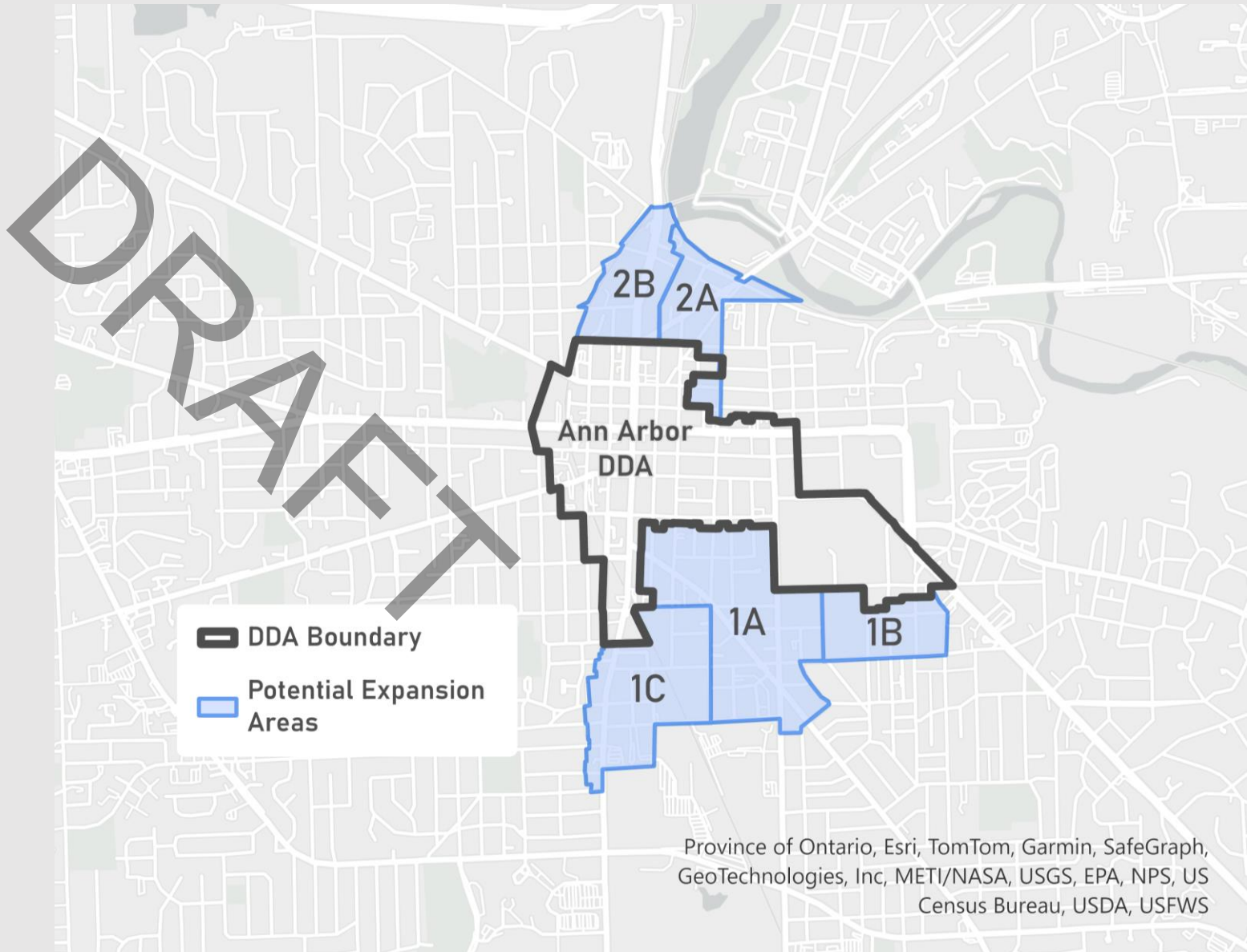
## Scenario D



Boundary Expansion



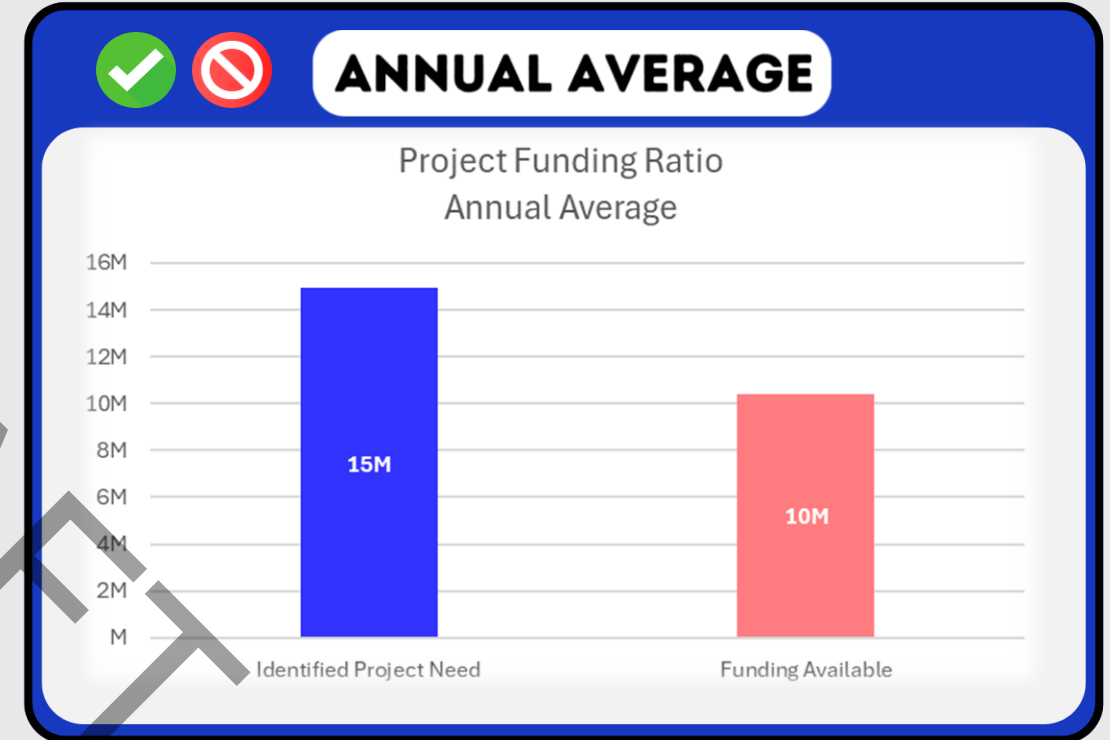
TIF Cap Adjustment



# **Boundary Expansion** + **NO TIF Cap Adjustment**

## Possible Projects (2026-2035)

	Estimated Cost
Event Bollards	\$6,000,000
Farmer's Market Support*	\$21,000,000
E/W Huron BRT Support*	\$21,700,000
Housing Commission Utility Support*	\$400,000
New Downtown Library Utility Support*	\$580,000
Washington Street Reconstruction*	\$24,640,000
Packard Streetlighting	\$4,000,000
N. Main Streetscape*	\$6,540,000
Division Bikeway	\$1,220,000
721 N. Main Park & Trail*	\$17,540,000
Geothermal Support	\$20,000,000
N/S BRT Support & Fifth/Div/Beakes *	\$25,524,250
<b>Total possible need</b>	<b>\$149,144,250</b>



10-Year Average	
<b>Service Team</b>	\$0
<b>Affordable Housing Fund</b>	\$6M

\*Projects include storm, sanitary, and/or water utilities

DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

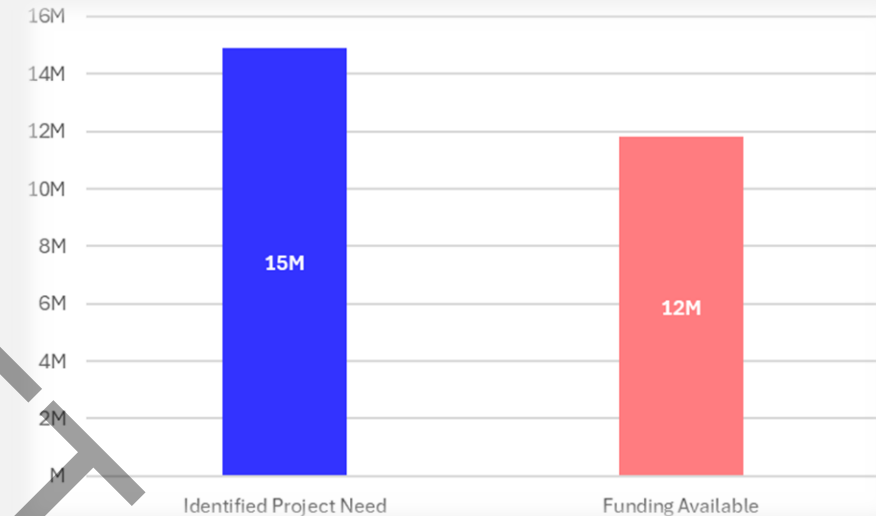
# Boundary Expansion + TIF Cap Adjustment

## Possible Projects (2026-2035)

	Estimated Cost
Event Bollards	\$6,000,000
Farmer's Market Support*	\$21,000,000
E/W Huron BRT Support*	\$21,700,000
Housing Commission Utility Support*	\$400,000
New Downtown Library Utility Support*	\$580,000
Washington Street Reconstruction*	\$24,640,000
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721 N. Main Park & Trail*	\$17,540,000
Geothermal Support	\$20,000,000
N/S BRT Support & Fifth/Div/Beakes *	\$25,524,250
<b>Total possible need</b>	<b>\$149,144,250</b>



## ANNUAL AVERAGE



## 10-Year Average

<b>Service Team</b>	<b>\$14M</b>
<b>Affordable Housing Fund</b>	<b>\$7M</b>

\*Projects include storm, sanitary, and/or water utilities

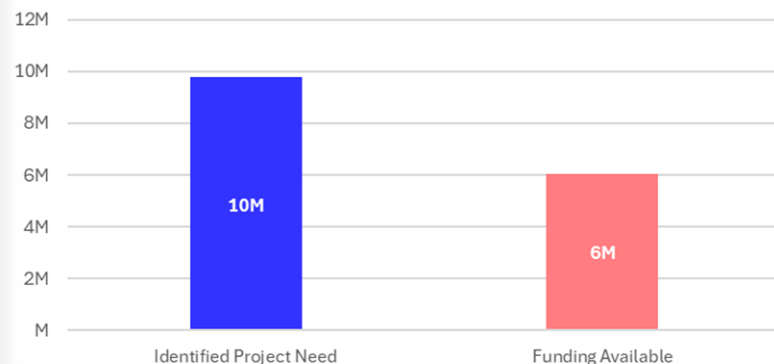
DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

# Scenario Project Funding Ratios



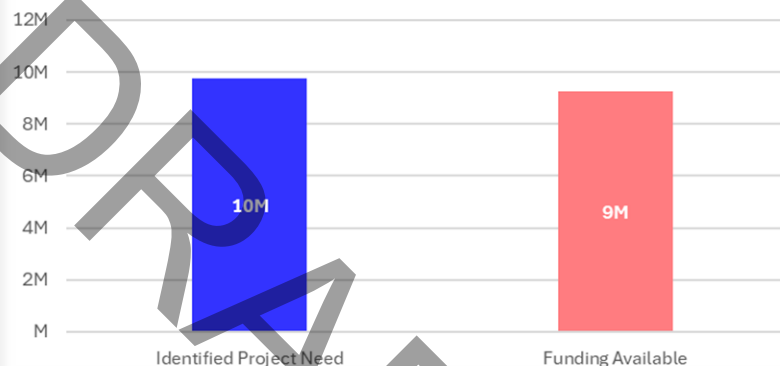
## SCENARIO A

Project Funding Ratio  
Annual Average



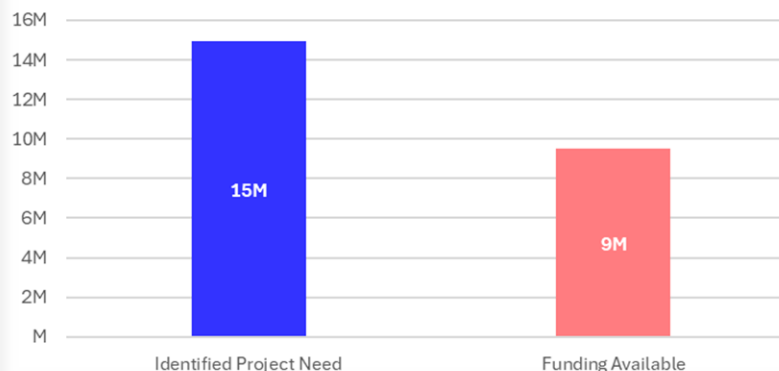
## SCENARIO B

Project Funding Ratio  
Annual Average



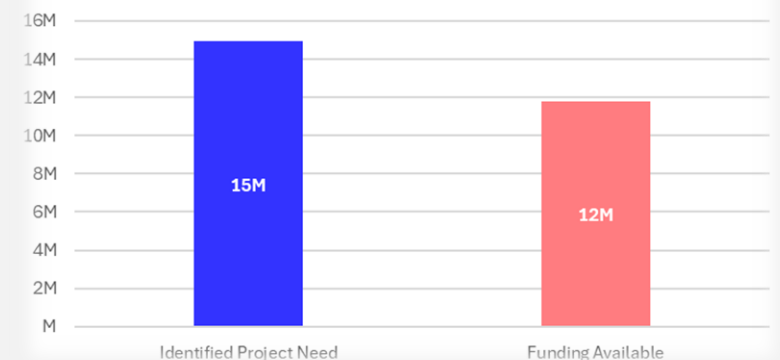
## SCENARIO C

Project Funding Ratio  
Annual Average



## SCENARIO D

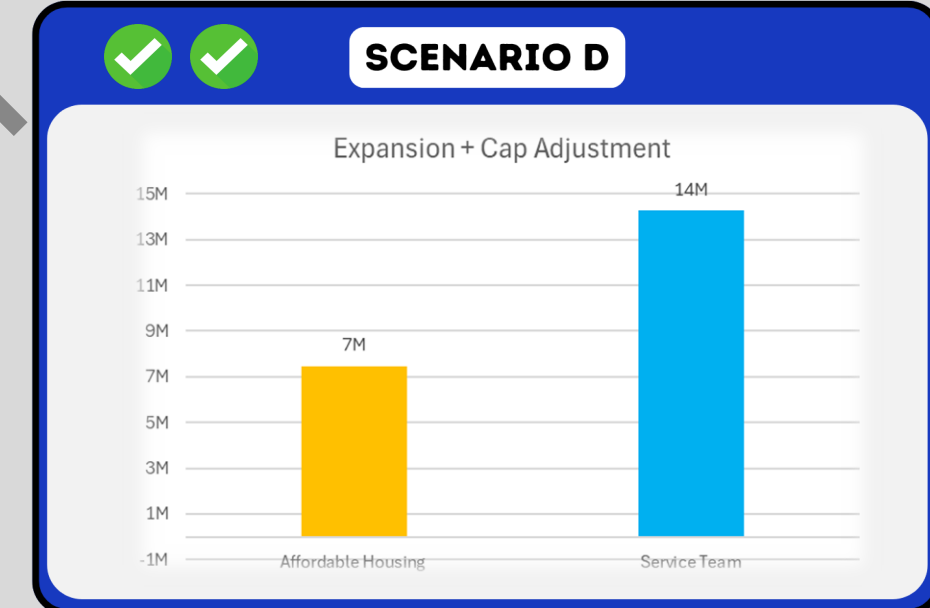
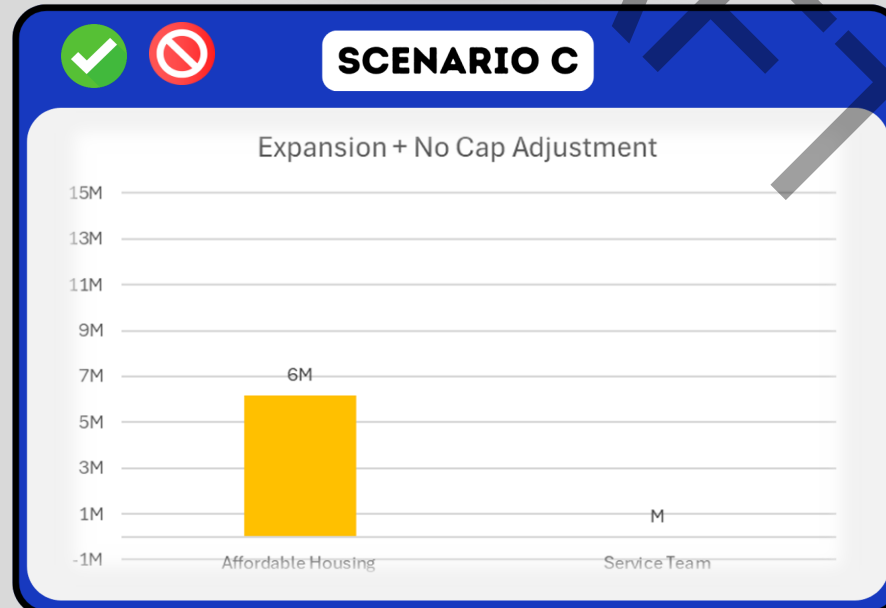
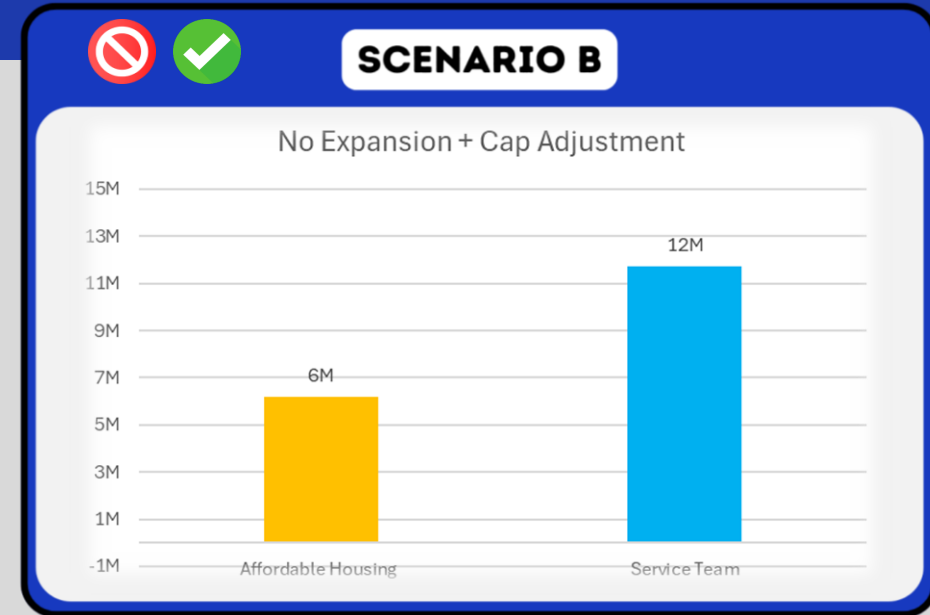
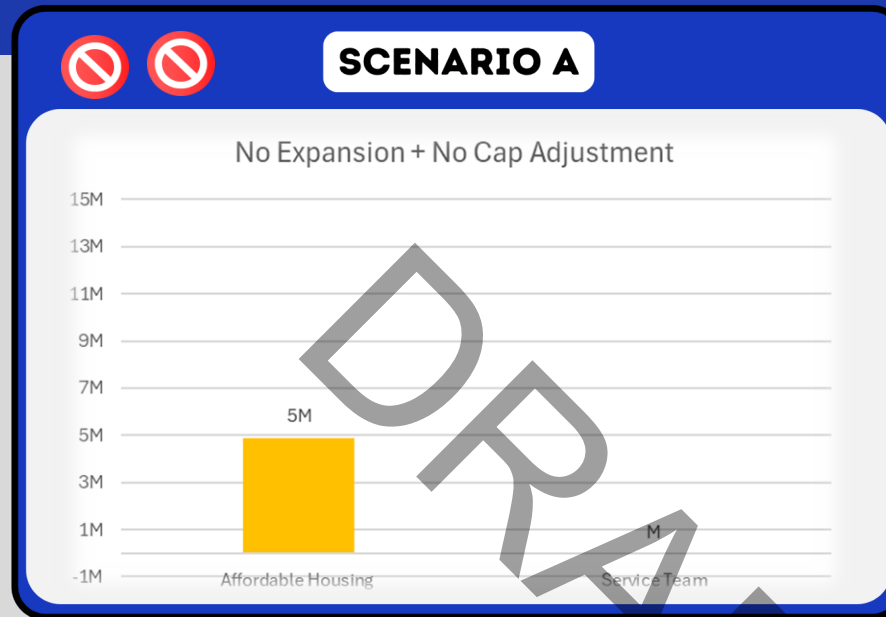
Project Funding Ratio  
Annual Average



Annual averages over first  
10 years of plan

- Cap Adjustment provides an additional \$3M per year of project funding
- Area Expansion provides an additional \$3M per year in funding as well

# Scenario Highlights – 10 Year Projections



# NEXT STEPS

1. Develop 30-year revenue projections
2. Refine 10-year project scenario with City and AAATA Staff
3. Prepare for City Council Work Session on April 17th