The background features a stylized abacus with six horizontal rows of beads. The top five rows each contain five dark blue beads. The bottom row contains five dark blue beads, with a single red bead positioned to the right of the fourth bead. The text is overlaid on the middle rows.

Ann Arbor DDA

FY25

Proposed Budget



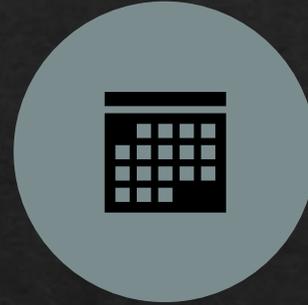
PROCESS

Informed by State statute,
Michigan Uniform Budget
Manual, City ordinance, and
the DDA development plan



ROLES

staff prepares
DDA Board puts forward
City Council approves
DDA Board adopts



FY25 BUDGET YEAR

July 1, 2024 – June 30, 2025



BUDGET CYCLE

2nd year of the
2-year budget cycle
“update year”

Budget Basics

DDA 2 Systems

TIF



- General/TIF Fund
- Housing Fund

Parking



- Parking Fund
- Parking CIP Fund

TIF System

- General/TIF Fund
- Housing Fund

TIF System Revenues

TIF Revenues

- Primary funding source Tax Incremental Financing (TIF)

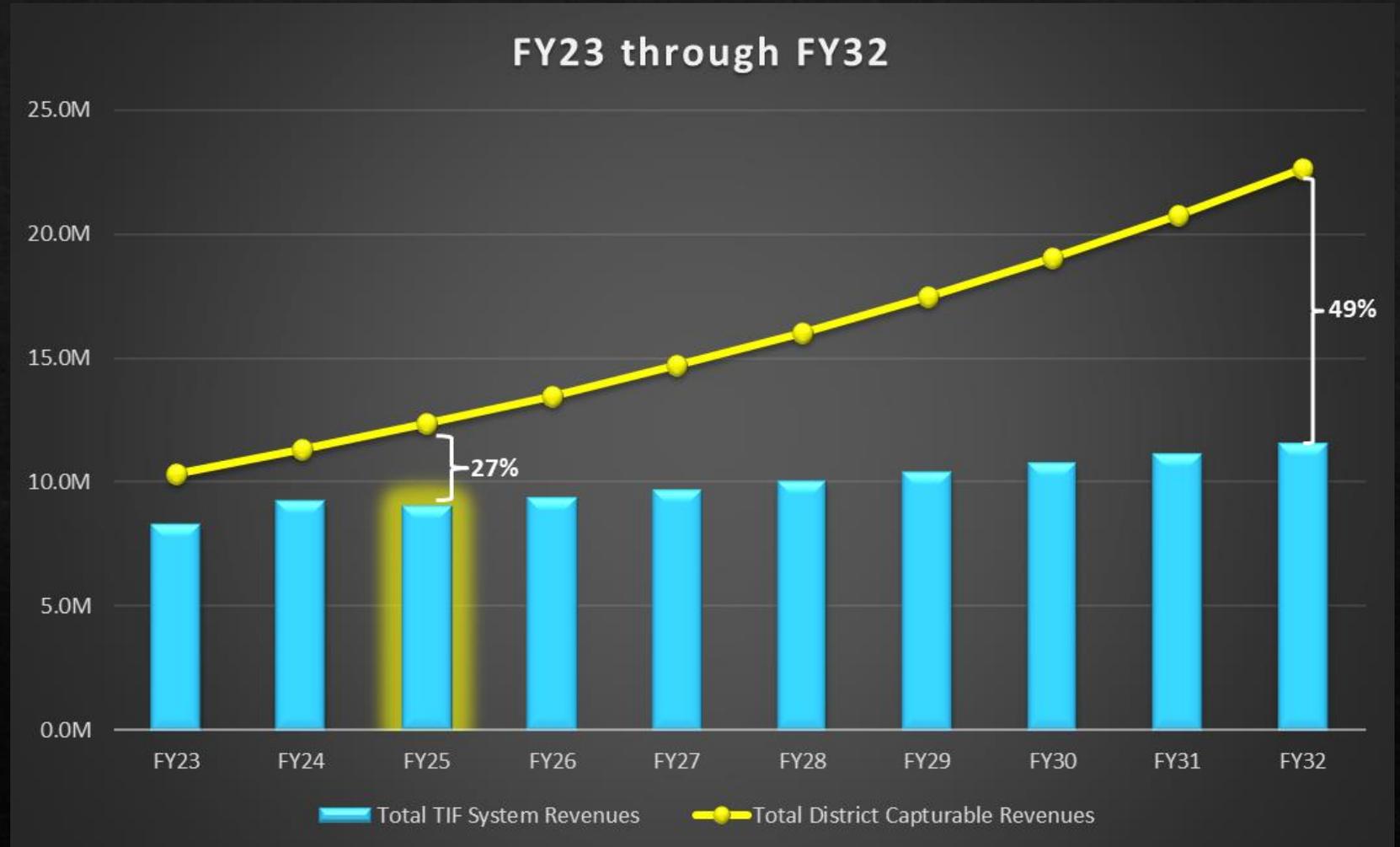
Housing Transfer

- Housing Fund funded by transfers from the Gen/TIF Fund
- City Ordinance stipulates the minimum level of funding



TIF System Revenue Trend

- 2017 TIF 3.5% Cap instituted
- 2014-2024 District Capturable TV increased an average of 9% per year
- 2025 over cap revenues will be \$3.3M (27% of total District Capturable Revenues)
- 2032 over cap revenues will be \$11.1M (49% of total District Capturable Revenues)



TIF System Expenditures



TIF System Debt Service

| Issue | Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY 2032 |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| DDA General (TIF) Fund | | | | | | | | | | |
| City PD/Court | 508,608 | 508,608 | 366,200 | | | | | | | |
| 1st & Washington | 293,258 | 295,895 | 295,360 | 299,357 | 300,238 | 300,025 | 299,275 | 298,275 | 299,219 | 302,325 |
| 5th & Division (R) | 324,157 | 325,889 | 327,659 | 326,040 | 328,794 | 331,259 | 332,579 | 335,015 | 337,681 | 340,025 |
| Prk. Structure Ped Imp. (R) | 491,367 | 493,992 | 497,660 | 494,220 | 498,396 | 502,132 | 505,132 | 508,831 | 512,881 | 516,442 |
| Library Ln Future Dev. (R) | 300,615 | 302,221 | 303,957 | 302,361 | 304,915 | 307,201 | 308,521 | 310,780 | 313,254 | 315,429 |
| First & Ashley, William & Huron | 1,345,700 | 1,342,050 | 1,342,650 | 1,342,350 | 1,346,150 | 1,343,900 | 1,345,750 | 1,432,325 | 1,346,300 | 1,345,000 |
| Fees | 3,700 | 1,200 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Total Gen/TIF Fund Debt | 3,267,500 | 3,269,900 | 3,134,800 | 2,765,700 | 2,779,800 | 2,785,900 | 2,792,600 | 2,886,600 | 2,810,700 | 2,820,600 |
| Housing Fund | | | | | | | | | | |
| City Debt Share 350 S 5th (Y-Lot) | 190,690 | | | | | | | | | |
| Total Housing Fund | 190,700 | - | - | - | - | - | - | - | - | - |

- The DDA's bonded debt is issued by the City
- Annual amounts are established at issue
- 2024 – Projected Y-Lot purchased by Housing Commission in FY24
- 2025 – Budget City Police Department/Court Grant - \$8M total reached

TIF System Grants & Programs

| Grantee/Program | Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY2032 |
|---|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| DDA General/TIF (248) | | | | | | | | | | |
| The Guild/State St Dist Art Fair | 16,060 | | | | | | | | | |
| Bikeway Equipment | | 135,000 | | | | | | | | |
| AAHC - 121 E Catherine Sidewalk Restorn | | | 350,000 | | | | | | | |
| Public Art Program | | 175,000 | 175,000 | 175,000 | 175,000 | 180,000 | 180,000 | 180,000 | 180,000 | 180,000 |
| Vault Program | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| City Sidewalk Maintenance Agreement | 34,420 | 34,000 | 35,000 | 36,300 | 37,600 | 39,000 | 40,400 | 41,900 | 43,400 | 45,000 |
| Discretionary | | 20,000 | 20,800 | 21,600 | 22,400 | 23,200 | 24,100 | 25,000 | 25,900 | 26,900 |
| Undesignated | | 256,000 | 50,000 | 50,000 | 50,000 | 55,000 | 55,000 | 55,000 | 55,000 | 55,000 |
| Total General/TIF Grants | 50,500 | 720,000 | 730,800 | 382,900 | 385,000 | 397,200 | 399,500 | 401,900 | 404,300 | 406,900 |
| Housing (246) | | | | | | | | | | |
| AAHC - Baker Commons Imp | 295,807 | 295,900 | | | | | | | | |
| Avalon - 121 Catherine | | 300,000 | | | | | | | | |
| Avalon 426 S 1st | | 28,100 | | | | | | | | |
| Undesignated | 34,526 | 323,800 | 397,600 | 411,600 | 426,100 | 441,100 | 456,600 | 472,600 | 489,200 | 506,400 |
| Total Housing Grants | 330,400 | 947,800 | 397,600 | 411,600 | 426,100 | 441,100 | 456,600 | 472,600 | 489,200 | 506,400 |

- Grants are approved in the budget without respect to fiscal year – the unused portion may be rolled forward to the next year
- Housing grant amounts set to create capacity

TIF System Capital Improvements (CIP)

| | Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY 2032 |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| DDA General (TIF) Fund (248) | | | | | | | | | | |
| 5th & Detroit | | | | | | | | | | |
| Sidewalk Repairs & Tree Maintenance | 305,900 | 494,000 | 450,000 | 450,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Street Light Repairs and Maintenance | | 300,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| State Street Streetscape & Sidewalk | 3,454,200 | 1,128,000 | | | | | | | | |
| Division & William | 483,500 | 6,000 | | | | | | | | |
| First & Ashley | 700 | 18,000 | | | | | | | | |
| Miller Catherine | 1,674,800 | 110,000 | | | | | | | | |
| People Friendly Sts 2 Design | 61,100 | 58,000 | | | | | | | | |
| Miller Catherine Bikeway Ext | | | 1,200,000 | | | | | | | |
| Bike/Ped Counters | 66,300 | 83,000 | | | | | | | | |
| Downtown Circulation Study | | 320,000 | 80,000 | | | | | | | |
| Public Restrooms | | | | 380,000 | | | | | | |
| 4th Avenue@ 350 S 5th | 104,000 | 305,000 | 350,000 | 3,140,000 | | | | | | |
| Energy Utility Study | | 150,000 | | | | | | | | |
| Ann St Bump Out | | | | | 250,000 | | | | | |
| Main St Irrigation | | 150,000 | | | | | | | | |
| N Main St (Huron to Kingsley) | | | | 200,000 | 2,000,000 | | | | | |
| Downtown Alley | | | 700,000 | | | | | | | |
| 5th & Division | | | | 1,000,000 | 1,500,000 | | | | | |
| Geothermal & Solar Installation | | | | | | 2,000,000 | 2,000,000 | | | |
| Undesignated | | | | | | | | 3,500,000 | 3,500,000 | 3,500,000 |
| Total DDA General CIP | 6,150,500 | 3,122,000 | 2,930,000 | 5,320,000 | 4,400,000 | 2,650,000 | 2,650,000 | 4,150,000 | 4,150,000 | 4,150,000 |

- The DDA participates City's CIP process
- CIP items are approved in the budget without respect to fiscal year - the unused portion may be rolled forward to the next year
- FY24 – Projected \$2M under budget due to intentional project timing shifts and reductions



TIF System
Fund Balance

FY13 - FY32



TIF System 20-Year Fund Balance Trend

Parking System

- Parking Fund
- Parking CIP Fund

Public
Parking
LIBRARY LANE

Fifth



Parking System Revenues

Revenues

- Primary funding source Parking Fees



Transfer to CIP Fund

- Transfers from Parking Fund to Parking CIP Fund are budgeted to maintain an adequate fund balance in the Parking Fund



Rates

- Parking Rate Study FY23-FY24

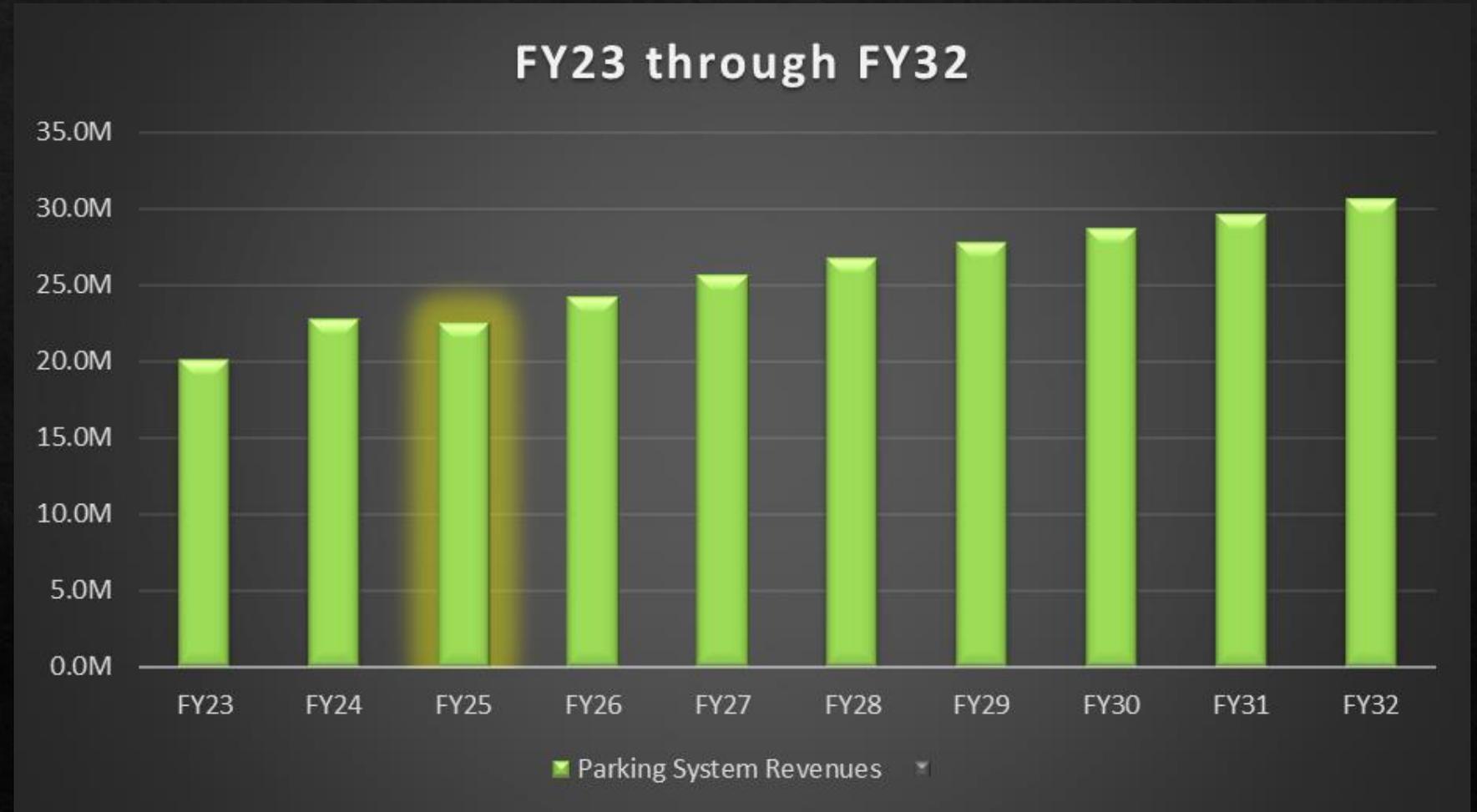
Parking System Fees

| Year | Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY 2032 |
|---------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| PARKING RATES | | | | | | | | | | |
| Structure | | | | | | | | | | |
| Hourly | 1.20 | 1.20 | 1.50 | 1.65 | 1.80 | 1.95 | 2.05 | 2.11 | 2.17 | 2.24 |
| Permit | | | | | | | | | | |
| Regular Permits | 200.00 | 200.00 | 225.00 | 245.00 | 265.00 | 275.00 | 290.00 | 298.70 | 307.66 | 316.89 |
| Open Lot | | | | | | | | | | |
| Hourly | 1.80 | 1.80 | 2.40 | 2.50 | 2.60 | 2.69 | 2.79 | 2.88 | 2.98 | 3.09 |
| Premium Permit | 280.00 | 280.00 | 310.00 | 340.00 | 365.00 | 377.78 | 391.00 | 404.68 | 418.85 | 433.51 |
| Art Fair | 18.00 | 18.00 | 20.00 | 20.00 | 20.00 | 20.70 | 21.42 | 22.17 | 22.95 | 23.75 |
| Meter Bag | 25.00 | 25.00 | 30.00 | 30.00 | 30.00 | 31.05 | 31.98 | 31.98 | 32.94 | 32.94 |
| Meter | 2.20 | 2.20 | 2.40 | 2.50 | 2.60 | 2.69 | 2.79 | 2.88 | 2.98 | 3.09 |
| OFF STREET TOTALS | | | | | | | | | | |
| Transient | 7,545,300 | 8,393,600 | 8,693,200 | 9,494,100 | 10,236,600 | 10,804,600 | 11,307,400 | 11,830,600 | 12,232,900 | 12,648,900 |
| Permit | 6,399,600 | 7,257,800 | 7,516,700 | 8,209,200 | 8,851,200 | 9,342,300 | 9,776,900 | 10,229,100 | 10,576,800 | 10,936,300 |
| Total Off-Street Revenue | 13,944,900 | 15,651,400 | 16,209,900 | 17,703,300 | 19,087,800 | 20,146,900 | 21,084,300 | 22,059,700 | 22,809,700 | 23,585,200 |
| ON STREET TOTALS | | | | | | | | | | |
| Total On-Street Revenue | 5,742,000 | 6,222,500 | 6,122,100 | 6,350,300 | 6,400,100 | 6,421,500 | 6,467,200 | 6,392,000 | 6,609,300 | 6,834,000 |
| TOTALS ALL | | | | | | | | | | |
| | 19,686,900 | 21,873,900 | 22,332,000 | 24,053,600 | 25,487,900 | 26,568,400 | 27,551,500 | 28,451,700 | 29,419,000 | 30,419,200 |
| % Chg from Previous Yr | 10.8% | 11.1% | 2.1% | 7.7% | 6.0% | 4.2% | 3.7% | 3.4% | 3.5% | 3.5% |

- FY23 – Actual 10.8% from previous year
- FY24 – Projected 50% of budget at mid-point of year
- FY25 – Budget based on proposed rate increases
- Outlying years – rate study projections

Parking System Revenue Trend

- FY23 Actual
- FY24 Projected
- FY25 Budget
- FY26-FY32 Estimated based on rate study and 3.5% assumption



Parking System Expenditures



Parking System City 20%

| | Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY 2032 |
|---------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Parking Fund (231) | | | | | | | | | | |
| Gross Parking Revenues | 19,686,900 | 21,873,900 | 22,332,000 | 24,053,600 | 25,487,900 | 26,568,400 | 27,551,500 | 28,451,700 | 29,419,000 | 30,419,200 |
| Parking Lot Rent | 83,900 | 133,000 | 135,700 | 146,100 | 154,800 | 161,300 | 167,200 | 172,600 | 178,400 | 184,400 |
| City Percentage | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Subtotal | 3,931,600 | 4,348,100 | 4,439,200 | 4,781,500 | 5,066,600 | 5,281,400 | 5,476,800 | 5,655,800 | 5,848,100 | 6,046,900 |
| Contingency 12% | | 304,300 | 665,800 | | | | | | | |
| City Payment | 3,931,600 | 4,652,400 | 5,105,000 | 4,781,500 | 5,066,600 | 5,281,400 | 5,476,800 | 5,655,800 | 5,848,100 | 6,046,900 |
| Percentage of Change | 11.2% | 18.3% | 9.7% | -6.3% | 6.0% | 4.2% | 3.7% | 3.3% | 3.4% | 3.4% |

- 20% of parking fees are remitted to the City per the City/DDA Parking Agreement
- FY24 - Projected at 50% at the mid-point of the year. A budget amendment will be recommended to provide budget capacity should the 3rd and 4th quarter revenues do better than anticipated
- FY25 - Budget includes a 12% contingency for this line item to reduce the need for budget amendments in future

Parking System Debt Service

| Issue | Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY 2032 |
|----------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Parking Fund | | | | | | | | | | |
| 4th & William Addition | | | | | | | | | | |
| 4th & William Addition (R) | 309,200 | 308,600 | 307,900 | 312,100 | 311,100 | | | | | |
| 1st & Washington | 293,258 | 295,895 | 295,360 | 299,357 | 300,238 | 300,025 | 299,275 | 298,275 | 299,219 | 302,325 |
| Library Ln Underground (R) | 1,902,085 | 1,912,247 | 1,924,473 | 1,913,130 | 1,929,294 | 1,943,757 | 1,953,368 | 1,967,673 | 1,983,334 | 1,997,104 |
| Fees | 3,800 | 1,200 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Total Parking Fund | 2,508,400 | 2,518,000 | 2,529,100 | 2,525,900 | 2,542,000 | 2,245,100 | 2,254,000 | 2,267,300 | 2,283,900 | 2,300,800 |
| Total All Funds | 5,966,600 | 5,787,900 | 5,663,900 | 5,291,600 | 5,321,800 | 5,031,000 | 5,046,600 | 5,153,900 | 5,094,600 | 5,121,400 |

- The DDA's bonded debt is issued by the City
- Annual amounts are established at issue.
- 4th and William part 2 will be paid off in FY27.

Parking System Grants

| Grantee/Program | Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY2032 |
|--------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Parking (231) | | | | | | | | | | |
| Alternative Transportation | 330,036 | 600,000 | 700,000 | 724,500 | 749,900 | 776,200 | 803,400 | 831,600 | 860,800 | 891,000 |
| Total Parking Grants | 330,100 | 600,000 | 700,000 | 724,500 | 749,900 | 776,200 | 803,400 | 831,600 | 860,800 | 891,000 |
| Total Grants, All Funds | 711,000 | 2,267,800 | 1,828,400 | 1,519,000 | 1,561,000 | 1,614,500 | 1,659,500 | 1,706,100 | 1,754,300 | 1,804,300 |

- Parking grants support AAATA alternative transportation programs
- These are based on a reimbursement model
- Pre-pandemic the annual grant amount was approximately \$800K
- Amounts based on anticipated ongoing recovery

Parking System Capital Improvements (CIP)

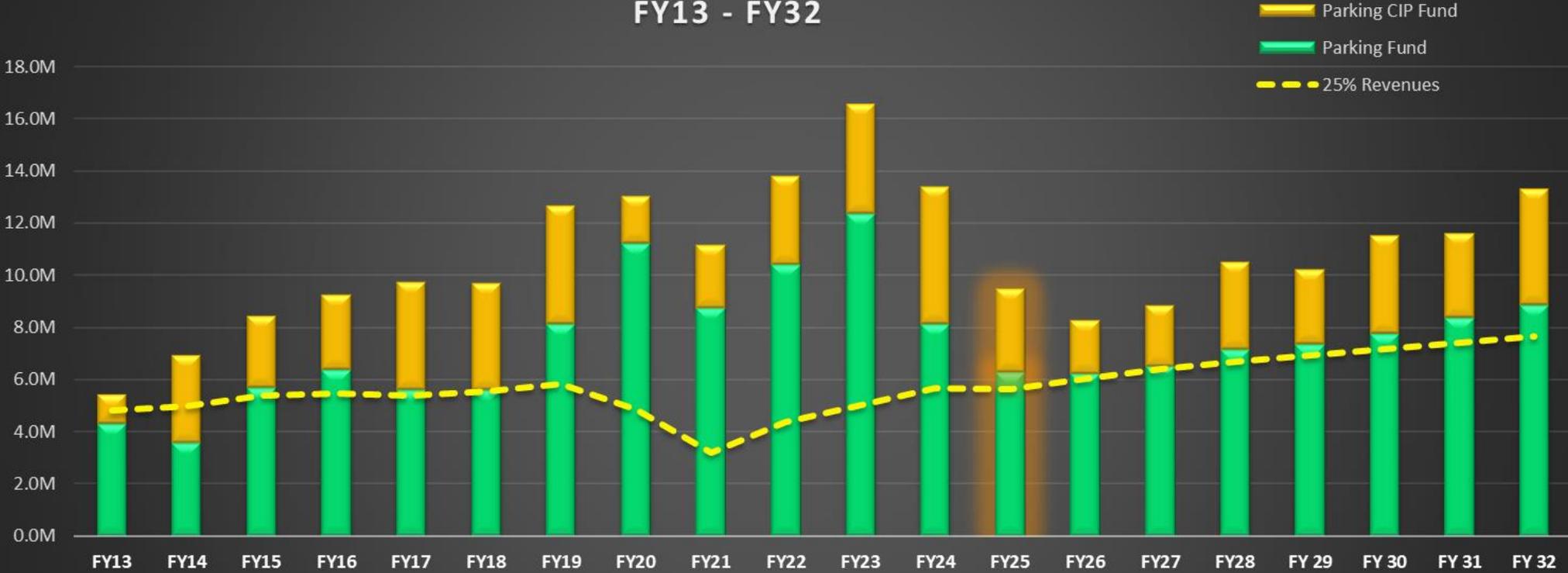
| Actual FY 2023 | Projected FY 2024 | Budget FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY 2028 | Estimated FY 2029 | Estimated FY 2030 | Estimated FY 2031 | Estimated FY 2032 |
|-------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 112,300 | 70,000 | | | | | | | | |
| 140,700 | 775,000 | 700,000 | 700,000 | 220,000 | 220,000 | 220,000 | 220,000 | 220,000 | 220,000 |
| | 569,000 | 400,000 | 115,000 | 343,000 | 343,000 | 343,000 | 343,000 | 343,000 | 343,000 |
| 1,455,000 | 3,776,000 | 2,800,000 | 3,202,000 | 2,295,000 | 1,582,000 | 3,097,400 | 3,221,000 | 3,221,000 | 3,221,000 |
| 2,900 | 300,000 | 200,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 |
| 1,710,900 | 5,490,000 | 4,100,000 | 4,342,000 | 3,183,000 | 2,470,000 | 3,985,400 | 4,109,000 | 4,109,000 | 4,109,000 |

- The DDA is required to participate in the City's CIP process
- CIP items are approved without respect to fiscal year - the unused portion may be rolled forward to the next year
- FY24 – Projected at budget, roll forward likely
- Outlying years - informed by updated 20-year maintenance plan

Parking System
Fund Balance



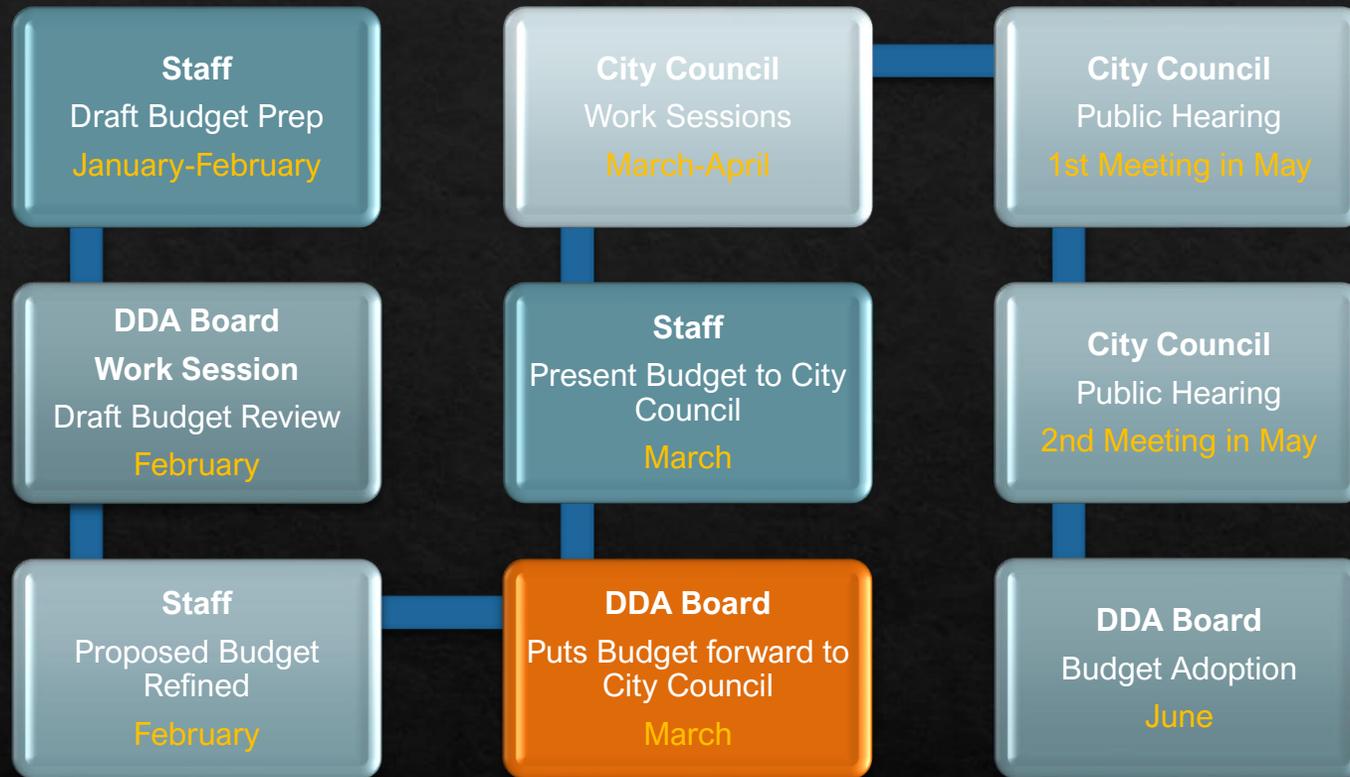
FY13 - FY32



Parking System 20-Year Fund Balance Trend

Budget Process





Budget Timeline

| REVENUES BY CATEGORY | Actual FY 2022 | Actual FY 2023 | Budget FY2024 | Forecasted FY2024 | Request FY25 |
|--------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| GRANT PROCEEDS | 367,200 | | | | |
| CHARGES FOR SERVICES | 17,769,400 | 19,686,900 | 20,832,200 | 21,873,900 | 22,332,000 |
| INVESTMENT INCOME | -768,900 | 411,000 | 42,000 | 1,208,900 | 47,000 |
| MISCELLANEOUS REVENUE | 128,500 | 136,700 | 124,000 | 124,000 | 124,000 |
| OPERATING TRANSFERS IN | 4,356,100 | 2,975,700 | 6,726,400 | 6,726,400 | 2,471,100 |
| PRIOR YEAR SURPLUS | - | - | 10,849,700 | - | 4,759,500 |
| SALE OF BONDS (PROCEEDS) | 4,131,100 | | | | |
| TAX REVENUES | 7,928,800 | 8,152,700 | 8,438,200 | 8,727,100 | 9,028,200 |
| TOTAL REVENUES | 33,912,200 | 31,363,000 | 47,012,500 | 38,660,300 | 38,761,800 |
| | | | | | |
| EXPENSES BY CATEGORY | Actual FY 2022 | Actual FY 2023 | Budget FY2024 | Forecasted FY2024 | Request FY25 |
| PERSONNEL SERVICES | 521,800 | 816,000 | 1,355,600 | 1,355,600 | 1,465,000 |
| PAYROLL FRINGES | 291,000 | 334,000 | 417,600 | 417,600 | 480,900 |
| EMPLOYEE ALLOWANCES | 4,200 | 6,000 | 5,500 | 5,500 | 7,200 |
| MATERIALS & SUPPLIES | 126,200 | 236,500 | 1,158,300 | 616,300 | 636,700 |
| OTHER SERVICES | 11,064,300 | 12,316,400 | 16,736,200 | 16,417,600 | 17,391,900 |
| OTHER CHARGES | 1,153,900 | 1,148,500 | 1,746,800 | 1,752,900 | 2,063,500 |
| GRANT/LOAN RECIPIENTS | 934,700 | 710,800 | 2,512,800 | 2,267,800 | 1,828,400 |
| CAPITAL OUTLAY | 5,226,100 | 7,338,200 | 10,565,900 | 7,604,000 | 6,750,000 |
| PASS THROUGHs | 9,841,600 | 8,942,100 | 12,513,800 | 12,514,300 | 8,135,000 |
| TOTAL EXPENSES | 29,163,800 | 31,848,500 | 47,012,500 | 42,951,600 | 38,758,600 |

Budget City Format by Category

| REVENUES BY FUND | Actual FY 2022 | Actual FY 2023 | Budget FY2024 | Forecasted FY2024 | Request FY25 |
|-----------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| DDA HOUSING FUND | 341,500 | 385,500 | 950,600 | 420,900 | 403,600 |
| DDA GENERAL (TIF) FUND | 8,977,600 | 8,311,000 | 12,592,800 | 9,205,800 | 9,936,900 |
| DDA PARKING CIP FUND | 2,528,200 | 2,672,800 | 6,603,000 | 6,516,200 | 4,116,000 |
| DDA PARKING FUND | 17,945,800 | 19,993,700 | 26,866,100 | 22,517,400 | 24,305,300 |
| DDA (TIF) CONSTRUCTION FUND | 4,119,100 | | | | |
| TOTAL REVENUES | 33,912,200 | 31,363,000 | 47,012,500 | 38,660,300 | 38,761,800 |
| | | | | | |
| EXPENSES BY FUND | Actual FY 2022 | Actual FY 2023 | Budget FY2024 | Forecasted FY2024 | Request FY25 |
| DDA HOUSING FUND | 45,300 | 523,000 | 950,600 | 950,600 | 400,400 |
| DDA GENERAL (TIF) FUND | 6,640,600 | 11,434,300 | 12,592,800 | 9,781,500 | 9,936,900 |
| DDA PARKING CIP FUND | 1,556,500 | 1,837,200 | 6,603,000 | 5,503,000 | 4,116,000 |
| DDA PARKING FUND | 16,290,400 | 18,054,000 | 26,866,100 | 26,716,500 | 24,305,300 |
| DDA (TIF) CONSTRUCTION FUND | 4,631,000 | | | | |
| TOTAL EXPENSES | 29,163,800 | 31,848,500 | 47,012,500 | 42,951,600 | 38,758,600 |

Budget City Format by Fund

Budget Questions

