

An aerial photograph of a city, likely New York City, showing various buildings, streets, and a construction crane in the distance. The image is overlaid with a semi-transparent blue filter. A large, stylized, light blue 'DRAFT' watermark is oriented diagonally across the center of the image. Overlaid on this is the text 'DDA DEVELOPMENT AND TIF PLAN UPDATE' in a bold, white, sans-serif font.

DDA DEVELOPMENT AND TIF PLAN UPDATE

AGENDA

1. Overview

1. Plan Requirements
2. Timeline
3. Community Feedback

2. Potential Projects & Programs

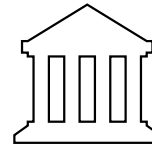
3. DDA Boundary

4. DDA Funding

5. Discussion

What is a Downtown Development Authority (DDA)?

A component-unit of the City (or Village or Township) in which it is established



AUTHORIZATION

Local governments may create a DDA in an area primarily zoned & used for business (only 1 per municipality)*

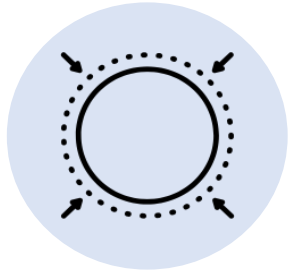


PURPOSE

To correct and prevent the deterioration of a downtown district

**Per MI PA57 of 2018 - the Recodified Tax Increment Financing Act*

1



BOUNDARY

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

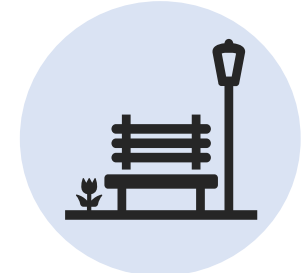
2



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 can accomplish.

BOUNDARY + REVENUE = CAPACITY



PLAN REQUIREMENTS

State Statute

DDA Development Plan Requirements

Michigan ACT 57 of 2018 requires all DDA's to create a Development Plan and TIF Plan. The Development Plan establishes the boundary, and identifies the activities and projects the DDA will participate in.

The Development Plan shall include:

1. Boundaries of the Downtown Development Area
2. Location, Character, Extent of Existing Streets, Public Facilities, and Land uses.
3. Location, Character, and Extent, and Estimated Cost of Proposed Improvements
4. Location, Character, and Extent of Existing Public and Private Land Uses
5. Planned Construction and Estimated Construction Timeline
6. Existing and Planned Open Space Areas
7. Description of Existing Zoning and Proposed Changes
8. Street Changes
9. Development Cost Estimates and Financing
10. Identification of Private Development Entities to Which Acquired Properties Have Been or Will Be Sold or Leased
11. Land Disposition Terms
12. Estimates of the Number of Persons Residing in the Development Area

Grand Rapids Development Plan Sample Pages

I. INTRODUCTION

A. Purpose of the Downtown Development Authority Act

Downtown Grand Rapids is of great importance to the City of Grand Rapids (the “City”) and to the West Michigan Region. The economic vitality and stability of the Region would be threatened if vacancy, blight, deterioration and obsolescence were allowed to persist within the urban core. The City and the City of Grand Rapids Downtown Development Authority (the “Authority” or “DDA”) have recognized the need for a vigorous, well-coordinated program to secure Downtown Grand Rapids (Downtown) as the business, educational, medical, governmental and cultural heart of our community. These Plans provide a comprehensive framework to support the necessary development and redevelopment those goals.

Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”), commonly referred to as the Downtown Development Authority Act, was created to: correct and prevent deterioration of the business districts; promote economic growth and revitalization; encourage historic preservation; authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the district; and authorize the levy and collection of taxes, the issuance of bonds, and the use of tax increment financing in the accomplishment of specific downtown development activities contained in locally adopted development plans for central business districts of Michigan cities.

Act 197 seeks to reverse historical trends that have led to loss of population, jobs, businesses, and the quality of life in our cities by attacking the problems of urban decline where they are most apparent, in the downtown districts of communities.

B. Creation of the City of Grand Rapids Downtown Development Authority and the City of Grand Rapids Downtown District

On October 16, 1979, the City Commission of the City adopted Ordinance No. 79-69, which created the Authority. The DDA was given all of the powers and duties prescribed for a downtown development authority, pursuant to Act 197, except that of taxation. On November 27, 1979, the City Commission approved the appointment of nine individuals to serve on the DDA’s Board of Directors (the “Board”).

The City Commission, in Ordinance No. 79-69, also designated the initial boundaries of the downtown district within which the DDA may carry out development plans. (These boundaries, as amended, are shown on Map 1, and a legal description can be found in Attachment 1.)

C. Creation of the Grand Rapids Development Area No. 1

In December, 1980, the City Commission approved the initial Tax Increment and Development Plan for the Grand Rapids Development Area No. 1. The Grand Rapids Development Area No. 1 is

Parks, Open Space and Cultural Improvements

The Downtown environment is greatly enhanced by providing public amenities to meet the needs for recreation, public assembly and pedestrian movement. Projects to be funded, in part, by the DDA include:

- a. Veteran’s Memorial Park
- b. Heartside Park
- c. Calder Plaza
- d. Lyon Square
- e. Fish Ladder Park
- f. Switchback Park
- g. Interchange Park
- h. Multi-Use River Trail
- i. Sheldon Linear Park
- j. Restoration of the Grand River
- k. Rosa Parks Circle Improvements

Estimated Costs for Parks, Open Space and Cultural Improvements					
FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Future
\$1,500,000	5,000,000	2,000,000	2,000,000	2,000,000	\$12,500,000
				Total	\$25,000,000

Street and Streetscape Improvements

The DDA provides substantial financial support to street and streetscape improvements that would likely not occur without assistance. Streetscape improvements provide a high level of pedestrian amenity and comfort while providing an attractive urban environment and support to private investment. Some of these projects will also receive financial assistance from the State, City, and other local sources. Current projects are:

- a. Newberry Street from Monroe Avenue to Division Avenue
- b. Ottawa Avenue from Michigan Street to Hastings Street
- c. Ottawa Avenue from Cherry Street to Fulton Street
- d. Ionia Avenue from Michigan Street to I-196 WB
- e. Ionia Avenue /I-196 WB On Ramp/Division Avenue
- f. Abandoned RR Tunnel under I-196 and Pathway to Grand River, Monroe Avenue, Bond Avenue and Ottawa Avenue
- g. Michigan Street from Bostwick Avenue to Lafayette Avenue
- h. Michigan Street from Monroe Avenue to Ionia Avenue

Tax Increment Finance Plan

The TIF Plan establishes procedures, requirements, and methods for the collection and use of tax increment revenues, in order to carry out the activities of the DDA.

The TIF Plan shall include:

1. A detailed explanation of the tax increment procedure
2. Identification of the maximum amount of bonded indebtedness to be incurred over the life of the Plan
3. Statement on the duration of the program
4. A statement on the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located.

Grand Rapids TIF Plan Sample Pages

III. TAX INCREMENT FINANCING PLAN FOR GRAND RAPIDS DOWNTOWN DEVELOPMENT AREA NO. 1, AS AMENDED

This Tax Increment Financing Plan sets forth the procedures, requirements, amounts, and methods by which costs associated with the initiation and completion of project activities and improvements described in the Development Plan for Development Area No. 1, as amended, shall be financed.

A. Tax Increment Financing Procedure

The tax increment financing procedure, as outlined in Act 197, requires the adoption by the City, by ordinance, of a Development Plan and a Tax Increment Financing Plan. Following the adoption of that ordinance, the City Treasurer transmits to the DDA that portion of the tax levy of taxing bodies paid each year on the "Captured Assessed Value" of real and personal property located in the Development Area No. 1 as provided for in this Tax Increment Financing Plan.

Presented in Tables B and C are schedules of the estimated captured, assessed value (taxable value) of real and personal property in Development Area No. 1, as amended. Also included are assessment values on properties for which an industrial facilities exemption certificate has been issued and were in effect pursuant to Act 198 of the Public Acts of 1974, as amended ("Act 198").

The Tax Increment Financing Plan for District A was approved in 1980. The most recent assessment of all taxable property in District A, at the time of the Plan approval in 1980, occurred on December 31, 1979, for tax year 1980. The Tax Increment Financing Plan for District B was approved in 1981. The most recent assessment of all taxable property in District B, at the time of the Plan approval in 1981, occurred on December 31, 1980, for tax year 1981. The Tax Increment Financing Plan for District C was approved in 1983. The most recent assessment of all taxable property in District C, at the time of Plan approval in 1983, occurred on December 31, 1982, for the tax year 1983. The Tax Increment Financing Plan for District D was approved in 1984. The most recent assessment of all taxable property in District D, at the time of Plan approval in 1984, occurred on December 31, 1983 for the tax year 1984. The Tax Increment Financing Plan for District E was approved in 1990. The most recent assessment of all taxable property in District E, at the time of Plan approval in 1990, occurred on December 31, 1989, for the tax year 1990. The most recent assessment of all taxable properties in District F occurred on December 31, 1996, for the tax year 1997. The Tax Increment Plan for Districts G and H were approved on May 7, 2002. The most recent assessment of all taxable properties in District G and District H, at the time this Plan takes effect in 2002, occurred on December 31, 2000 for the tax year 2001. The Tax Increment Plan for Districts I, J, and K were approved in 2007. The Tax Increment Plan for Districts L, M, N, O and P were approved in 2016. The most recent assessment of all taxable properties occurred on December 31, 2016 for the tax year 2017.

To provide for an accounting of assessed values on personal property in all sixteen districts of the Grand Rapids Development Area No. 1 (Development Area No. 1), the City has established a tax report filing system, requiring owners to file an annual report with the City Assessor. The report contains, among

Table 2
CITY OF GRAND RAPIDS, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
SUMMARY OF ESTIMATED 2017 CAPTURED ASSESSED VALUES AVAILABLE FOR CAPTURE
NOVEMBER 10, 2016

Values for existing districts include a 2% increase in 2016 MBOR assessed values

Values for existing districts include a 2% increase in 2016 MBOR assessed values							2017/FY2018 ESTIMATED CAPTURED		
DISTRICT	AD VALOREM					IFT NEW Post-1993		VALUE BY DISTRICT	
	REAL PRE/ HOMESTEAD	REAL NON-PRE/ NON-HOMESTEAD	PERSONAL PROPERTY			Real	Personal		
			Utility	Industrial	Commercial				
A	1	\$ 9,481,048	\$ 112,916,332	\$ (26,754)	\$ (47,922)	\$ 18,476,178	\$ -	\$ -	\$ 140,798,882
B	1	5,320,229	32,814,886	609,756	-	1,926,882	-	-	40,671,753
C	1	721,229	64,164,685	3,100,494	(437,276)	8,397,048	-	-	75,946,180
D	1	-	3,971,512	1,040,094	(35,280)	283,152	-	-	5,259,478
E	1	21,050,649	23,797,013	1,236,036	-	3,615,900	-	-	49,699,598
F	2	(23,165)	129,064	96,084	(49,000)	(155,526)	175,249	-	172,706
G	1	-	6,807,391	-	-	(1,750,966)	-	-	5,056,425
H	3	-	-	-	-	-	-	-	-
I	4	(124,793)	5,706,424	-	484,704	(183,260)	705,534	493,578	7,082,186
J	4	-	(1,401,027)	-	-	102,000	-	-	(1,299,027)
K	4,5	-	-	-	-	-	-	-	-
New District L	1	3,291	14,448	-	-	522	-	-	18,261
New District M	6	-	-	-	-	-	-	-	-
New District N	1	-	80	-	-	136	-	-	216
New District O	1	-	10,818	-	7,092	-	-	-	17,910
New District P	1	-	127,160	-	3,136	62,940	-	-	193,236
TOTAL		\$ 36,428,487	\$ 249,058,786	\$ 6,055,710	\$ (74,546)	\$ 30,775,006	\$ 880,783	\$ 493,578	\$ 323,617,804
<u>Totals by Capture Category</u>									
A - G		\$ 36,549,889	\$ 244,600,882	\$ 6,055,710	\$ (569,478)	\$ 30,792,668	\$ 175,249	\$ -	\$ 317,605,021
A - G minus F		36,573,155	244,471,819	5,959,626	(520,478)	30,948,194	-	-	317,432,316
District F only		(23,165)	129,064	96,084	(49,000)	(155,526)	175,249	-	172,706
Dists I and J only		(124,793)	4,305,397	-	484,704	(81,260)	705,534	493,578	5,783,160
L, N, O, and P		3,291	152,506	-	10,228	63,598	-	-	229,623

Note 1: Non-overlapping areas of this district may capture all school and local mills to the extent allowed by the DDA Act.

Note 2: Kent County opted out of this district so the DDA may only capture City of Grand Rapids, Interurban Transit Partnership, & Grand Rapids Community College mills.

Note 3: This district overlaps the SmartZone LDFA which captures all local mills and 50% of school mills. Since the DDA isn't capturing City and County mills here, it may also not capture any school mills.

Note 4: Kent County and GR Community College opted out of this district so the DDA may only capture City of Grand Rapids and Interurban Transit Partnership mills.

Note 5: Although District K may legally capture City of Grand Rapids and Interurban Transit Partnership mills for this District, the SmartZone LDFA existed prior to the DDA in this district, so the SmartZone captures those tax increment revenues rather than the DDA.

Note 6: This district overlaps the WestSide CID which captures all local mills. Since the DDA isn't capturing City and County mills here, it may also not capture school mills. capture any school mills.

ddaplannamend2016.xls jmw 10/02/016

Why create a new A2 DDA Plan?

Alignment & Stewardship

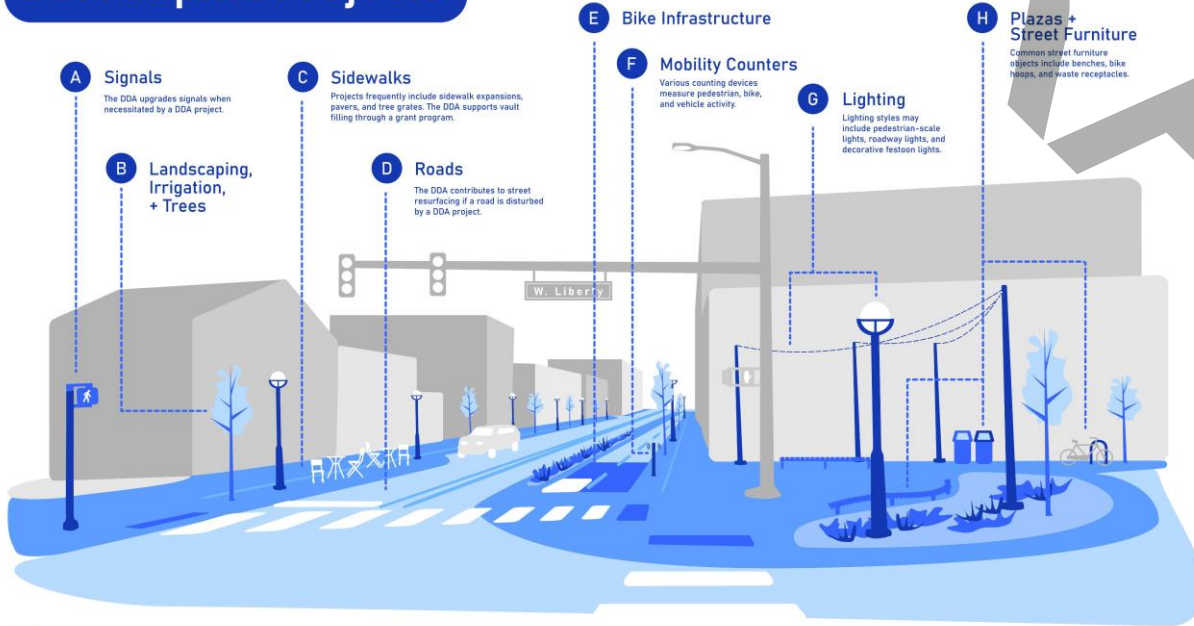
The current A2 DDA plan was created in 2003. A new plan will:

- Ensure the highest level of transparency & stewardship.
- Better align with updated State Statute.
- Align with updated City goals & Comprehensive Plan effort.
- Address new opportunities and needs.

TIF – Infrastructure Funding Tool

Regional contributions from the County, Library, AAATA, and WCC help fund capital projects and maintenance in a regional downtown. Without this tool in place, all future infrastructure project and maintenance costs would be the responsibility of the City alone.

DDA Capital Projects

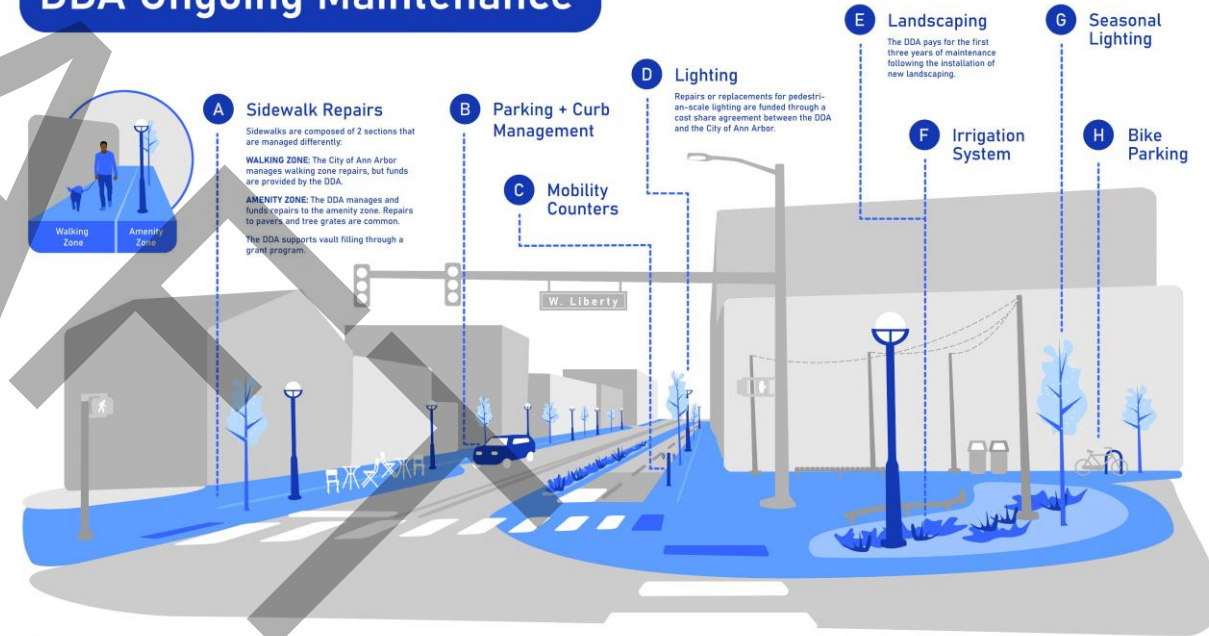


UNDERGROUND INVESTMENTS:

I Watermain Upsizing

J Stormwater Infrastructure

DDA Ongoing Maintenance



OTHER MAINTENANCE ACTIVITIES:

I Studies

J Post-Construction Monitoring

Value-Driven

Comprehensive Plan Values

AFFORDABLE

EQUITABLE

SUSTAINABLE

DYNAMIC

DDA Development Plan Goals



Safe, comfortable streets



Connected community with inviting & active public spaces



A robust, diverse population & livable downtown



Thriving & diverse local economy



Equitable, just access for all people



A resilient & sustainable downtown



TIMELINE

Key Steps and Decisions

DDA Development Plan + Coordination

Downtown Planning Efforts

PLANNING EFFORTS	2023				2024				2025				2026			
	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win	Spr	Sum	Fall	Win
Downtown Circulation Study																
Downtown Development Plan																
City Comp Plan																
City CIP																

AUG 18TH
City Adopts
DDA Plan



COMMUNITY FEEDBACK & DATA GATHERING

2024 Highlights

Public Engagement

7 Public Events

37 Stakeholder Meetings

450+ Participants

1000+ Comments



Spring 2024 Public Workshop at the Ann Arbor Downtown Public Library

Key Takeaways

1 DOWNTOWN'S ROLE

Downtown is evolving. The pandemic and remote work accelerated an economic shift downtown – reducing daytime and lunch hour crowds, with a shift toward more residents and evening visitors. Support for strengthening downtown as a place to gather, improving livability with expanded amenities, public space, & services.

2 HOUSING

More housing options, affordability, and population diversity were common themes.

3 SUSTAINABILITY

Environmental protection, climate action, reduction of car dependency, and renewable energy were the most cited desires.

Key Takeaways

4 **SAFE, ACCESSIBLE STREETS**

Overall support for low-stress bike connections from downtown to neighborhoods, significant transit improvements, and improved safety and navigation. Support for flexible streets and improved ADA parking.

5 **PEDESTRIAN ENVIRONMENT**

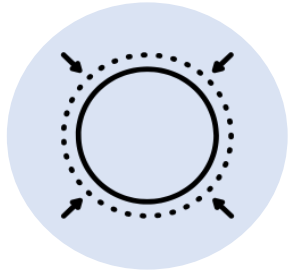
Desire for a strengthened public realm, including vibrant and beautiful pedestrian streets and amenities that attract a range of people/families. Support for improving downtown gateways, placemaking as wayfinding, and increased services.



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.

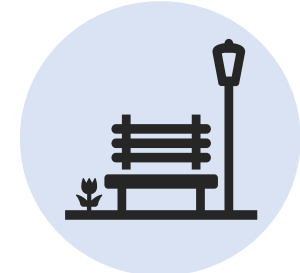
2



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 can accomplish.

BOUNDARY + REVENUE = CAPACITY

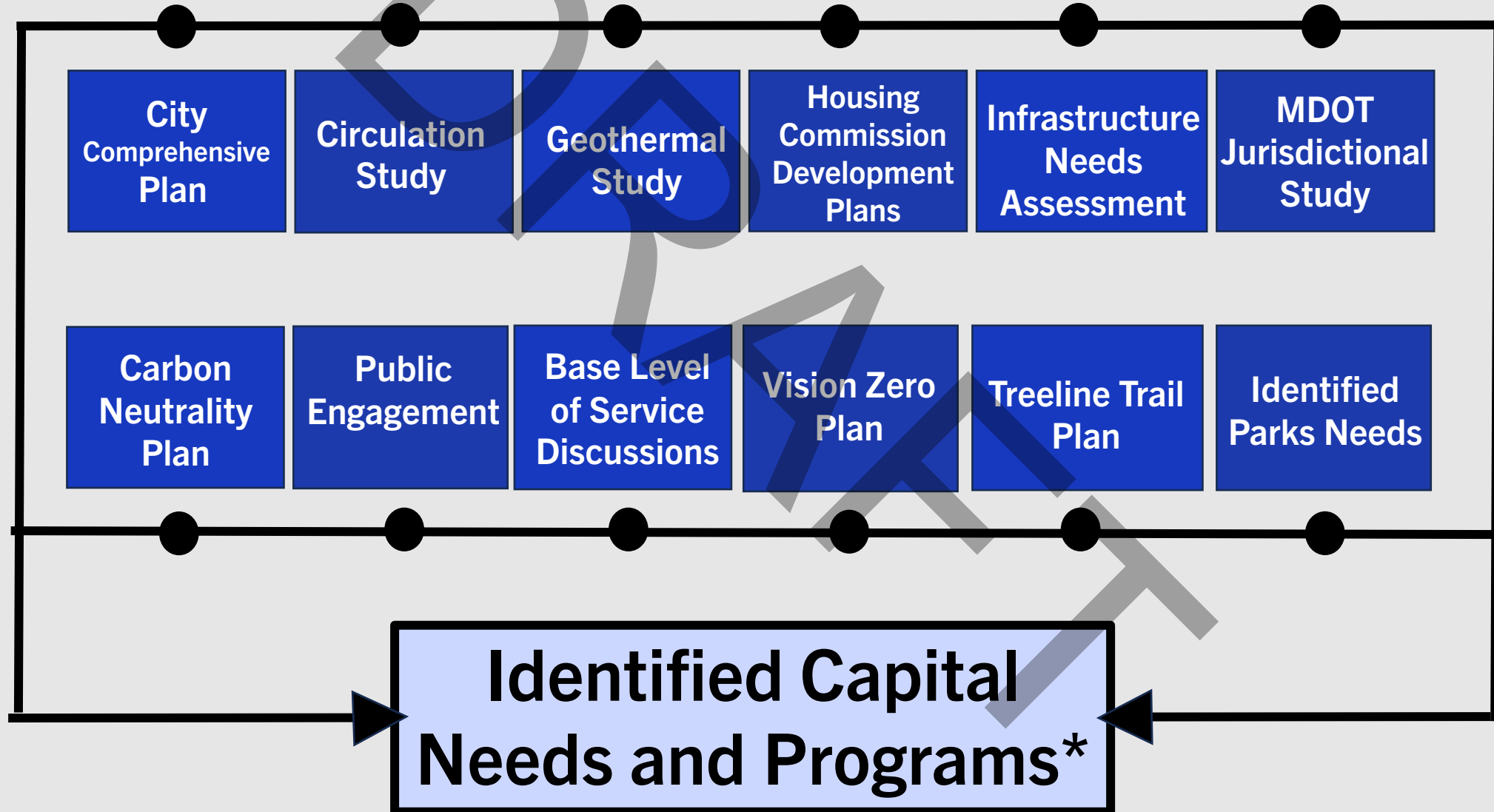


POTENTIAL PROJECTS AND PROGRAMS

Identifying Need

PROCESS

Identifying Potential Projects and Programs



Capital Project Types (part 1)



Streetscape + Reconstruction: Improving safety and comfort for all street users.



Placemaking: Fostering unique experiences and highlighting local culture.



Street Network Improvements: Improving connectivity for all modes.



Transit Enhancements: Improving and prioritizing the transit riding experience.



Parks & Plaza: Creating quality public spaces and preserving natural features.



Bikeways & Trails: Expanding non-motorized access, safety, and equity.

Capital Project Types (part 2)



Utilities: Increasing capacity and resiliency of critical public infrastructure.



Capital Maintenance: Enhancing longevity and reliability of infrastructure and quality of place.



Sustainability / Energy: Supporting a transition to a more sustainable, resilient energy system.



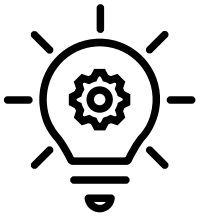
Affordable Housing Support: Installing utility infrastructure for affordable housing developments.

150 Potential Projects

\$1.5B

in identified need

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

Value-Driven

Comprehensive Plan Values

AFFORDABLE

EQUITABLE

SUSTAINABLE

DYNAMIC

DDA Development Plan Goals



Safe, comfortable streets



Connected community with inviting & active public spaces



A robust, diverse population & livable downtown



Thriving & diverse local economy



Equitable, just access for all people



A resilient & sustainable downtown

What We Learned through the Scoring Process

Maximize Benefit

Emphasize large, multi-faceted projects that cut across strategic values

- 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.



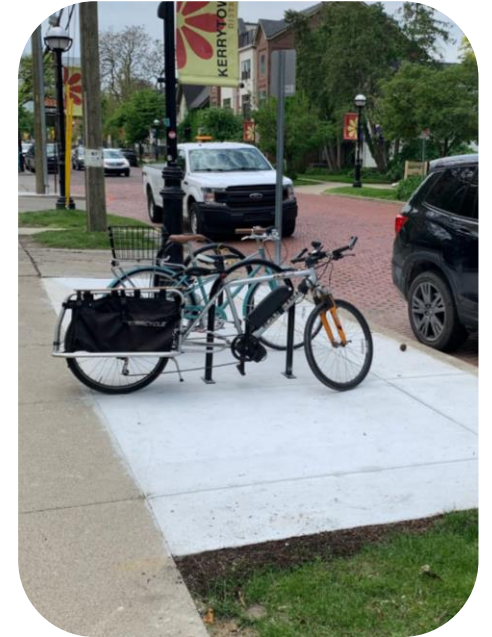
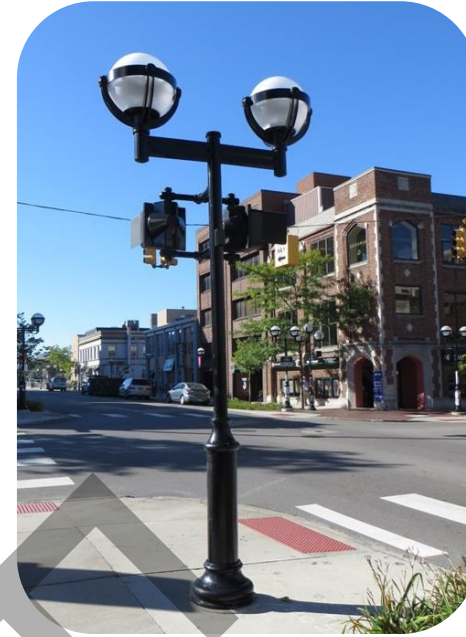
The Fifth & Detroit Streetscape Project (2019) addressed multiple needs such as transportation safety, streetscape, stormwater, and utilities.

What We Learned through the Scoring Process

Maintain a High Quality of Place

Small improvements through maintenance and tactical interventions are important.

- 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 through the Scoring Process

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 through the Scoring Process

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.



POTENTIAL CAPITAL PROJECTS

Prioritization

CAPITAL PROJECTS

STREET IMPROVEMENTS

PRIORITIZATION MODEL RANK	STREETSCAPE & RECONSTRUCTION
2	Fifth / Division/Beakes Reconstruction (includes Broadway Bridge interchange)*
3	Packard Street Reconstruction & Triangle Streetscape*
4	Washington Street Reconstruction and Streetscape*
5	Liberty Street Curbless Reconstruction and Streetscape*
12	North Main Streetscape*

PRIORITIZATION MODEL RANK	STREET NETWORK
1	Huron Street/Washtenaw Ave - MDOT Jurisdictional Support*
9	N. Main DDA - MDOT Jurisdictional Support*



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

PARKS AND PLACEMAKING

PRIORITIZATION MODEL RANK	PLACEMAKING ENHANCEMENTS
7	Event Bollard Installations
26	Elevate Program
29	Riverfront Nature Connections
40	New Streetlight Installation

PRIORITIZATION MODEL RANK	PARKS & PLAZAS
11	Farmers Market Reconstruction (A2 Park)*
10	721 N. Main Park and Trail*
21	Liberty Plaza Reconstruction (A2 Park)*
27	Wheeler Park* (A2 Park)



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

TRANSIT AND BIKEWAYS

PRIORITIZATION MODEL RANK	TRANSIT
1	Huron/Washtenaw Street Dedicated Transit Lanes & BRT*
1	State Street Transit Lane Extension*
8	Plymouth-Broadway-Beakes Queue Jump & Transit only lanes
15	Downtown Transit Center Capacity Support

PRIORITIZATION MODEL RANK	BIKEWAY/TRAIL
6	Division Street Bikeway Extension
6	Broadway/Plymouth Sidepath
14	721 N. Main Trail



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

CAPITAL PROJECTS

UTILITIES

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*



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

PRIORITIZATION MODEL RANK	CAPITAL MAINTENANCE
35	Annual DDA Repairs
39	Annual Streetlight Maintenance

PRIORITIZATION MODEL RANK	SUSTAINABLE ENERGY
41	Geothermal
44	District Solar & Wind Energy Assessment and Implementation



PROGRAMS

Prioritization

WATERMAIN WORK UNDERWAY FOR THE ANN ARBOR HOUSING COMMISSION'S FUTURE
PROJECT LOCATED AT 121 E. CATHERINE STREET ANTICIPATED TO BEGIN IN 2024/2025.



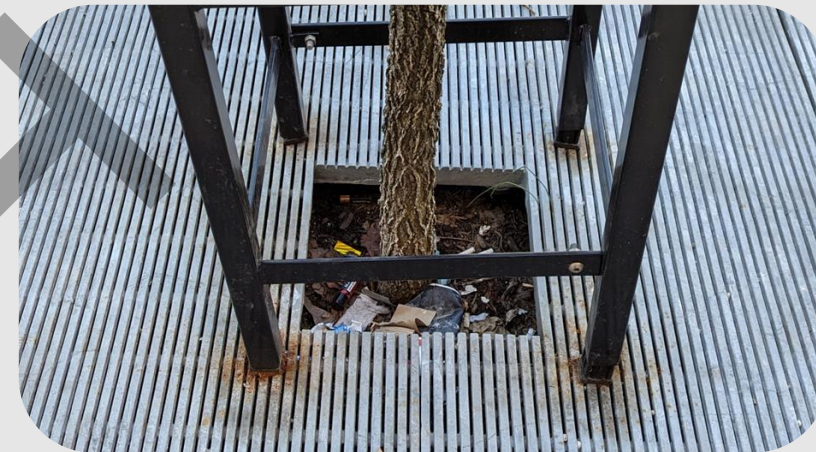
DRAFT RENDERING OF FUTURE DEVELOPMENT

THE ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY IS UNDERTAKING WORK IN
CONJUNCTION WITH THE INSTALLATION OF THE FINAL ANN ARBOR BIKEWAY CONNECTION. A
TWO-WAY SEPARATED BIKEWAY ON MILLER/CATHERINE FROM DIVISION TO FIRST.
THANK YOU FOR YOUR PATIENCE AS WE WORK TO MAKE THESE IMPROVEMENTS!



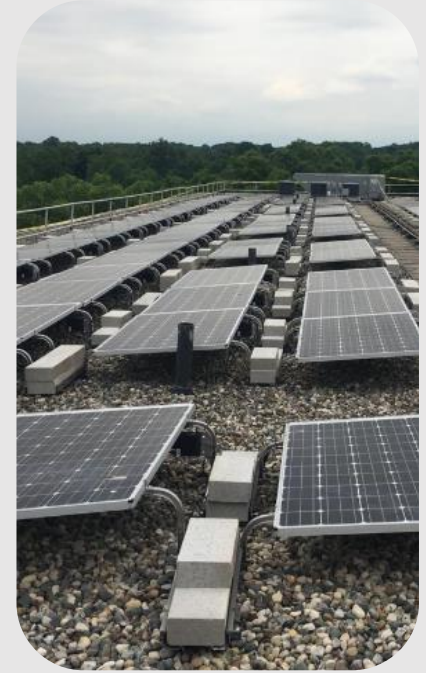
Downtown Service Team

- Sidewalk & curbside cleaning
- Landscape maintenance
- Alley power washing
- Snow removal and ice melt application at sidewalk ramps
- Brick, bench, and bike hoop repairs
- Bikeway delineator maintenance
- Supplemental pedestrian trash can service
- Seasonal light installation
- A consistent presence and service connection
- Barricade deployment



Affordable Housing Grants

Long-time DDA affordable housing fund is unique among Michigan DDAs

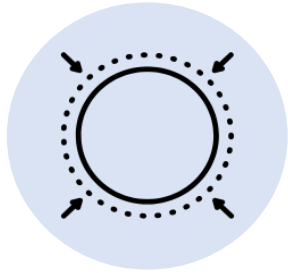




BOUNDARY

How does the DDA Boundary affect our Development Plan?

1



BOUNDARY

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

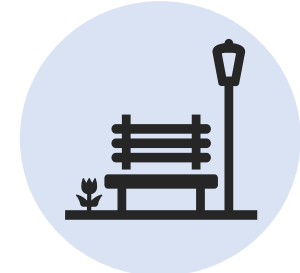
2



FINANCE PLAN

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

3

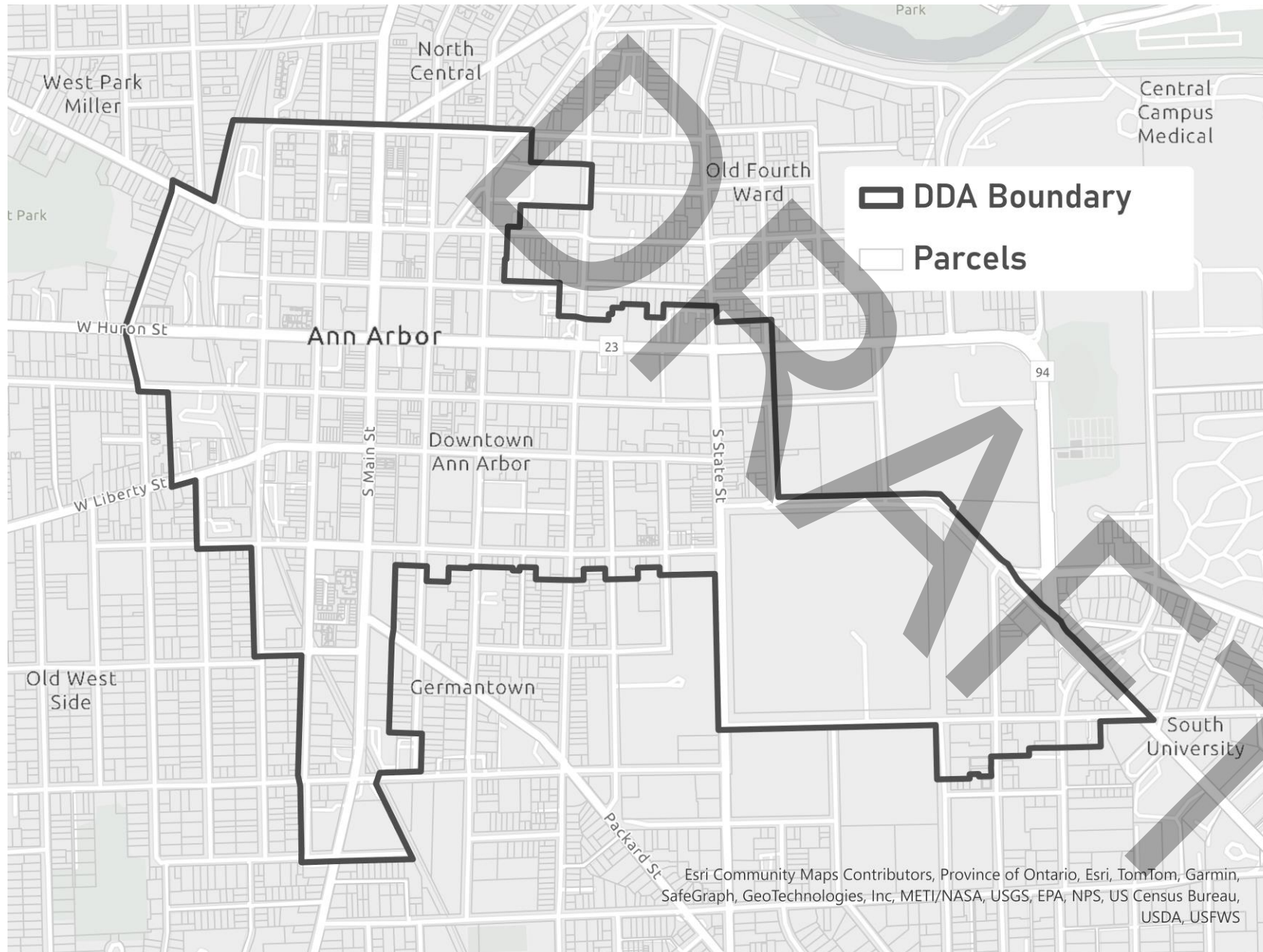


PROJECTS AND PROGRAMS

What the DDA can accomplish.

BOUNDARY + REVENUE = CAPACITY

Current Boundary Status



1 TIF District

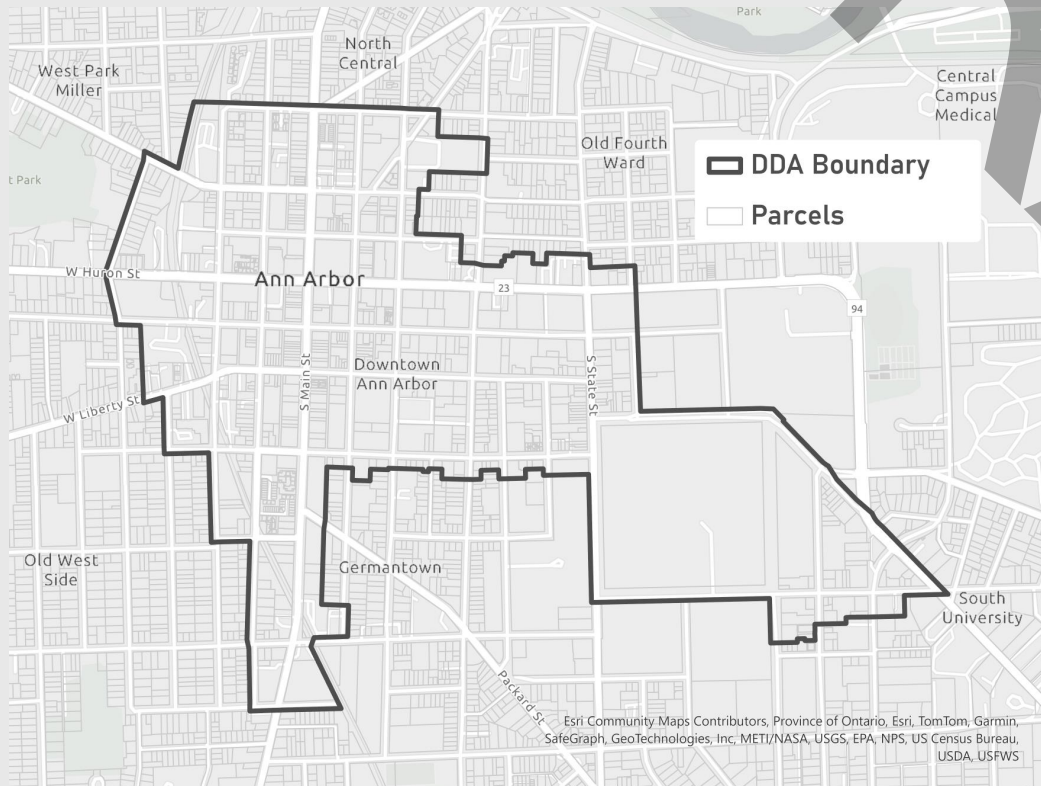
67 city blocks; 271 acres

- We capture TIF dollars only within this boundary.
- We can use our TIF dollars only within this boundary.
- We can implement projects and programs only within this boundary.

BOUNDARIES - Comparison Between Other DDAs

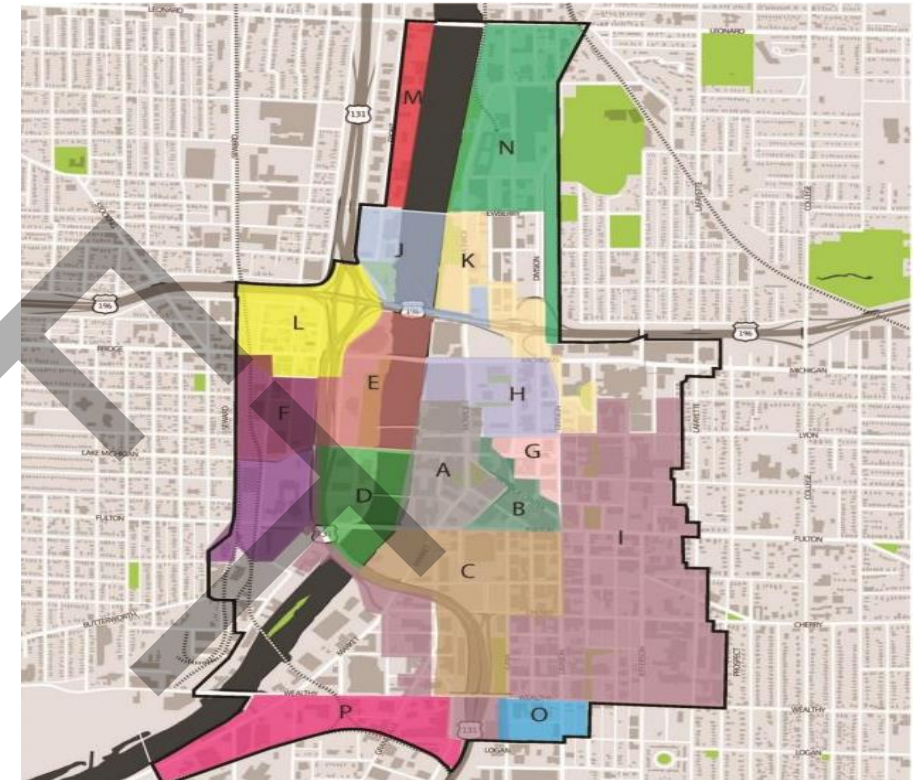
Ann Arbor DDA

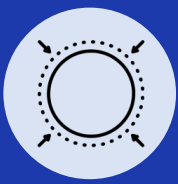
1 TIF District; 271 acres



Downtown Grand Rapids Inc.

16 TIF Districts; 873 acres





Boundary Expansion - Potential Outcomes

A larger DDA boundary would allow us to expand value-driven projects and programs to a greater area.

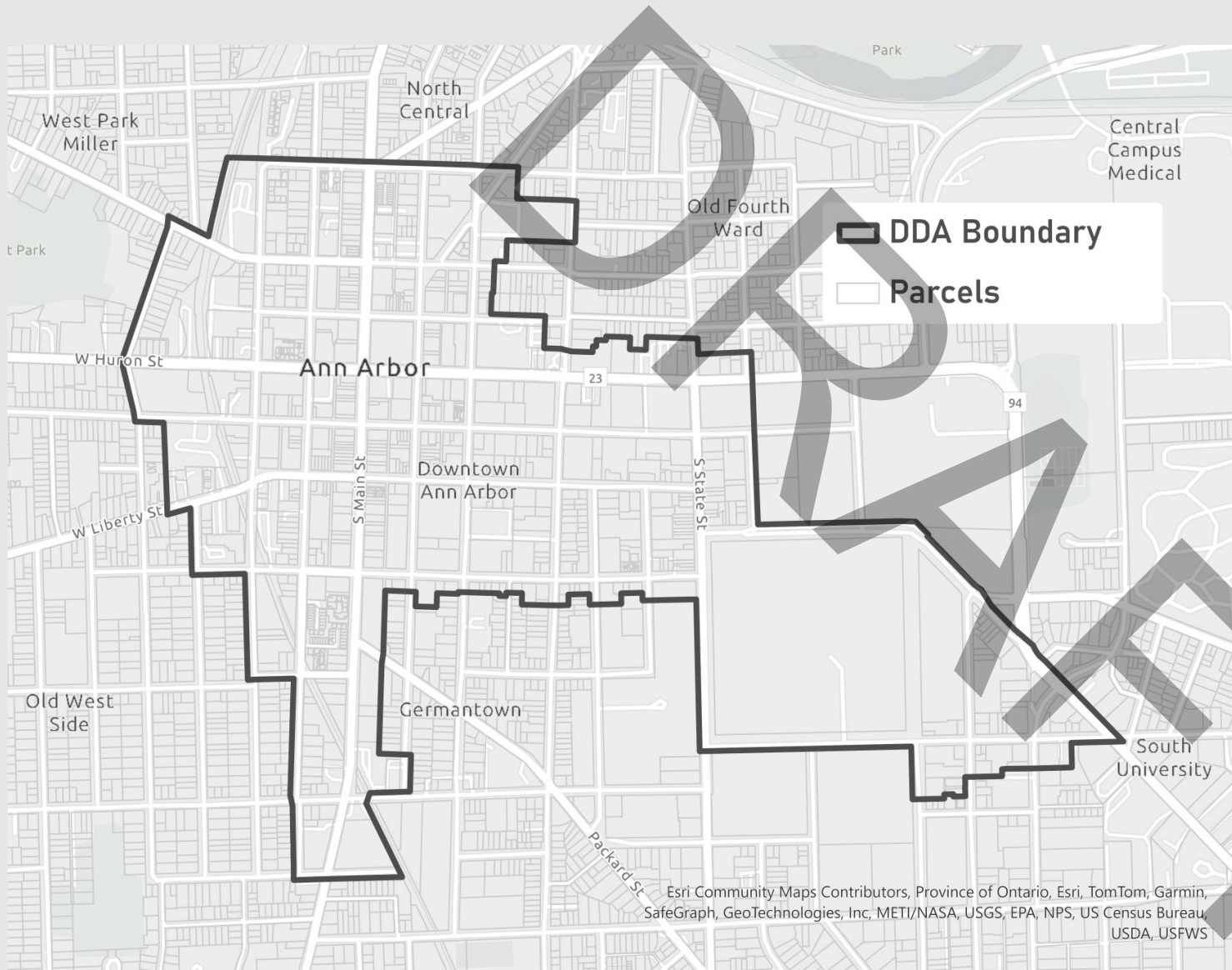
- **Invest in more projects and programs.**
 - Expands where we can spend our affordable housing dollars and make street, utility, and park space investments to support growth that is already happening (and planned to continue).
- **Support/maintain more areas.**
 - Downtown amenities such as streetlights, pavers, and public seating can expand.



BOUNDARY

Responding to evolving needs

Boundary Exploration



As downtowns evolve,
DDA boundaries are a
tool to:

- Support land use and quality of life goals
- Advance complex projects

Aligning DDA Boundary with Needs

Boundary Exploration

The DDA can respond to development pressures and support quality of life goals by investing in:

- Public spaces
- The street environment
- Connections to neighborhoods and community assets
- Utilities
- Affordable housing
- Maintenance of amenities

These are complex projects that the DDA can help advance.

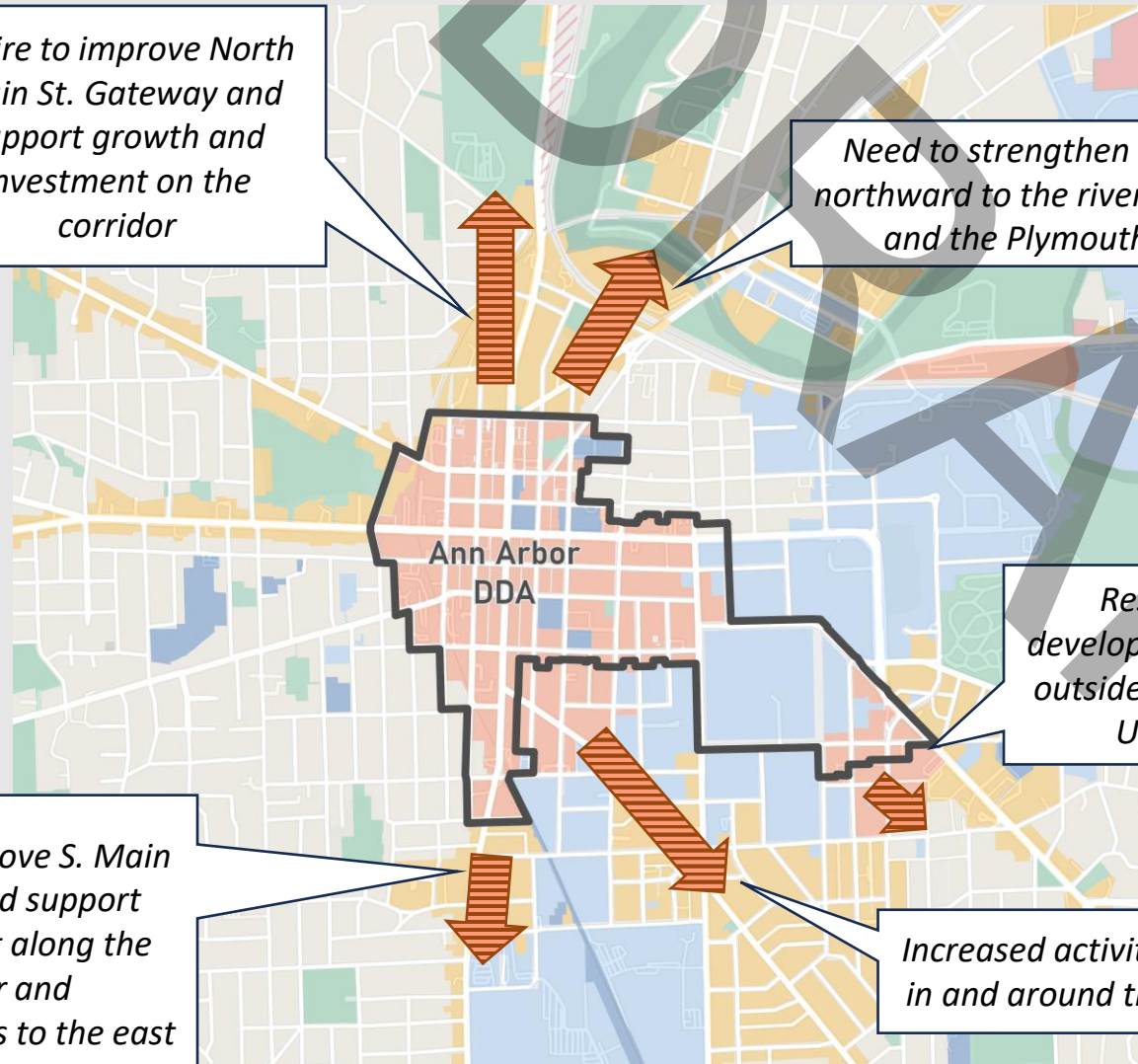
Desire to improve North Main St. Gateway and support growth and investment on the corridor

Need to strengthen connections northward to the river, Lower Town, and the Plymouth corridor

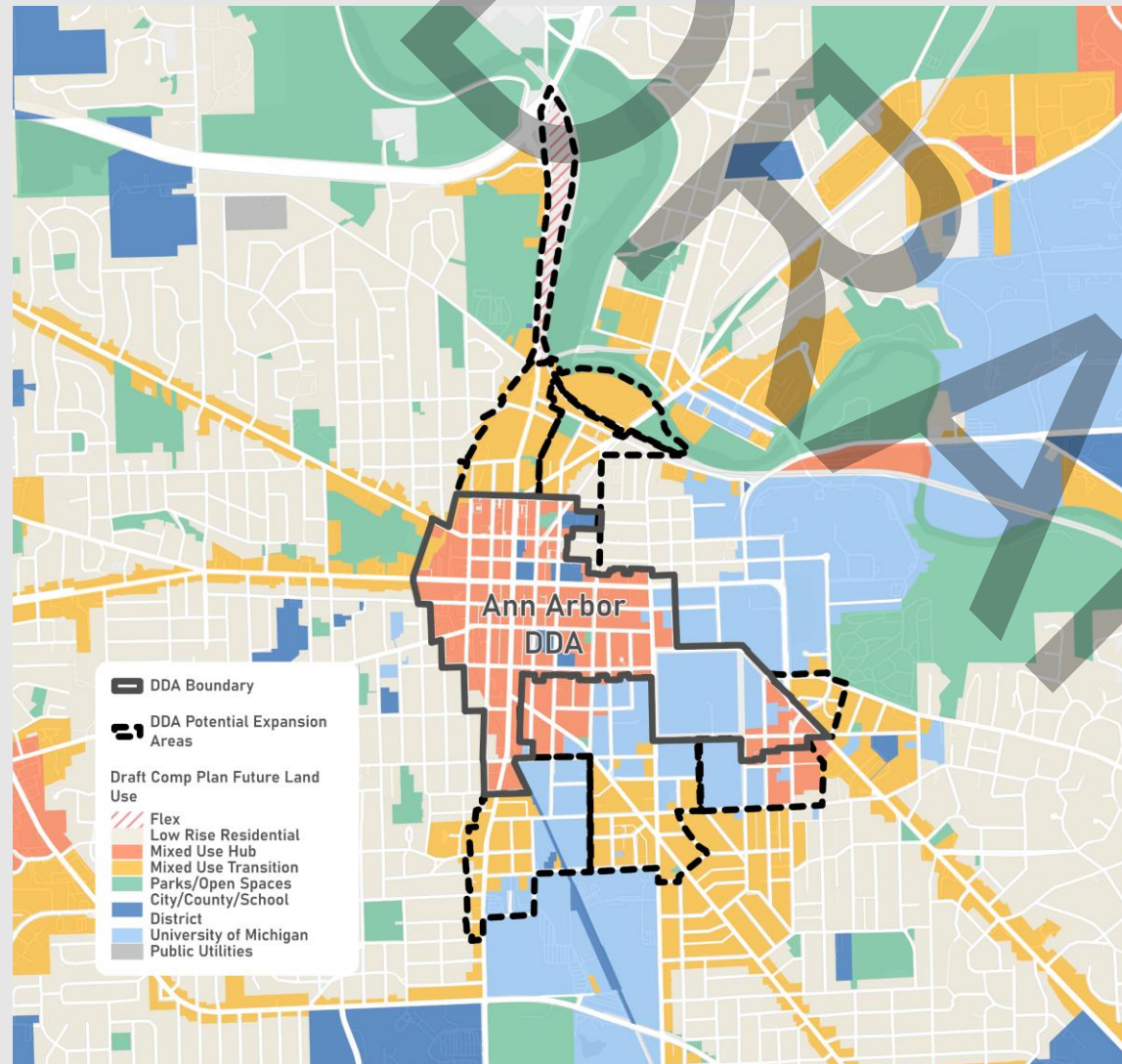
Respond to development activity outside of the South U district

Desire to improve S. Main Gateway and support development along the corridor and neighborhoods to the east

Increased activity and development in and around the Packard Triangle



Land Use Goals - Comprehensive Plan Alignment

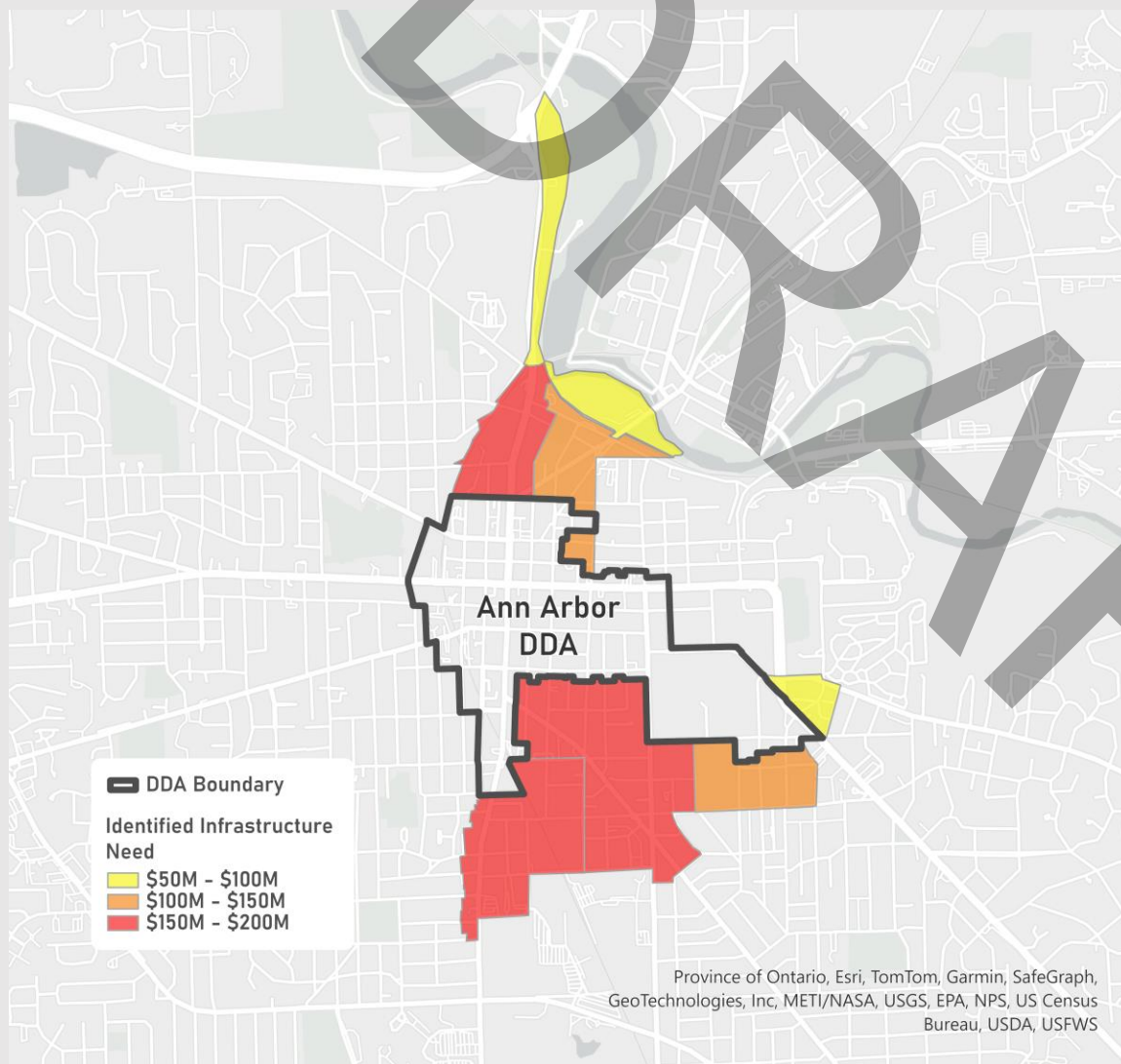


Boundary Exploration

Boundary exploration areas align with the Comprehensive Plan recommendations.

The DDA can be a tool to support mixed-use areas.

Infrastructure Needs

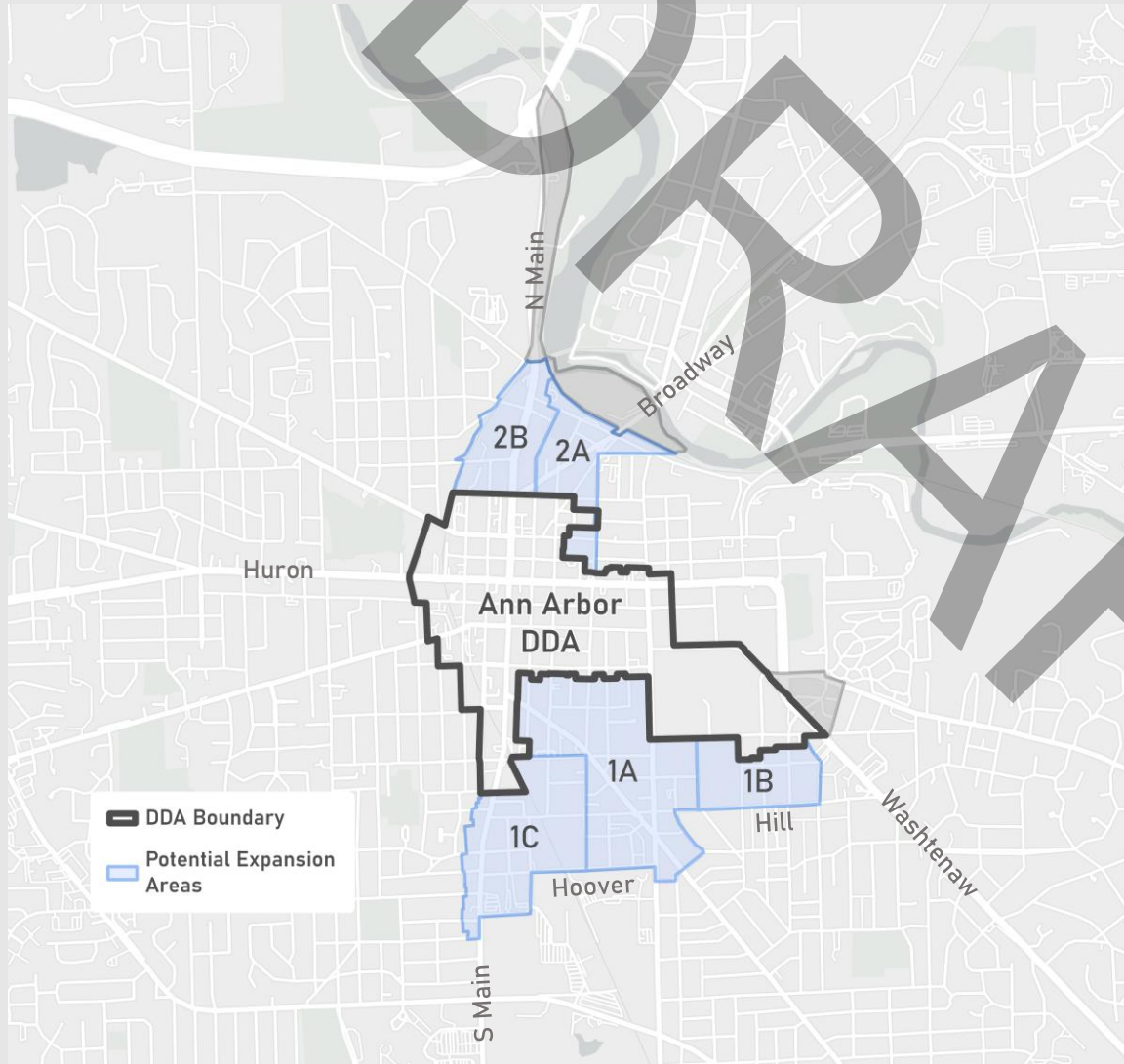


Boundary Exploration

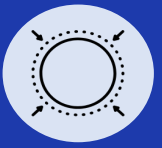
Areas directly north and south of downtown have the greatest identified needs and opportunity:

- Improve District gateways
- Connect Downtown to Broadway West, the river, and the north side
- Connect commercial neighborhoods
- Expand investment in housing, utilities, and parks

Recommended DDA Boundary



**Potential DDA
Boundary that has
the greatest benefit
to support City land
use and quality of life
goals and advance
complex projects.**



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.

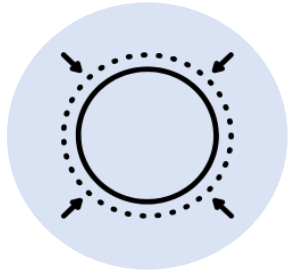
We are unable to expand our services to new areas, but we maintain our current boundary.



FINANCE PLAN

How does the TIF Cap affect 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

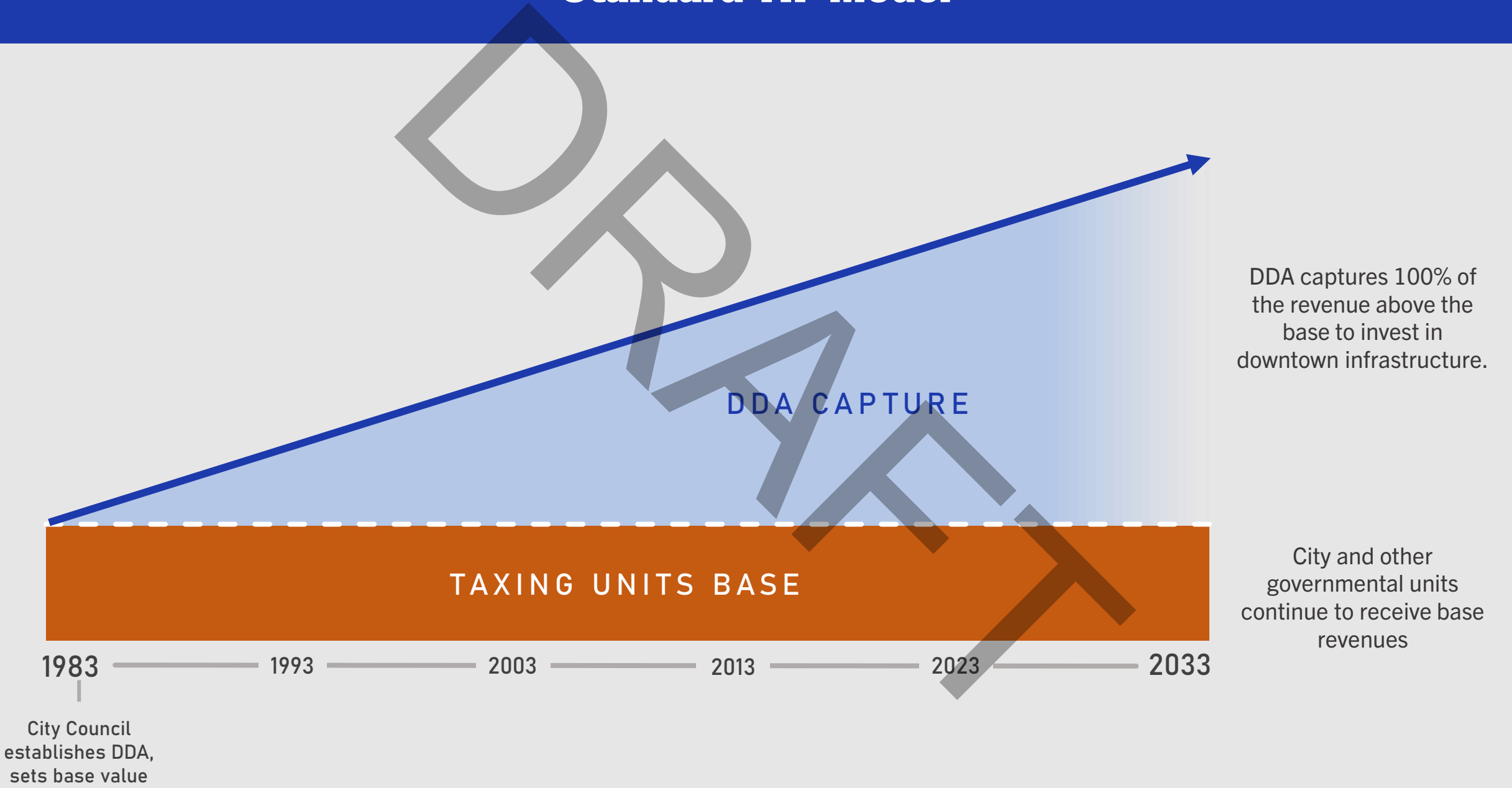


PROJECTS AND PROGRAMS

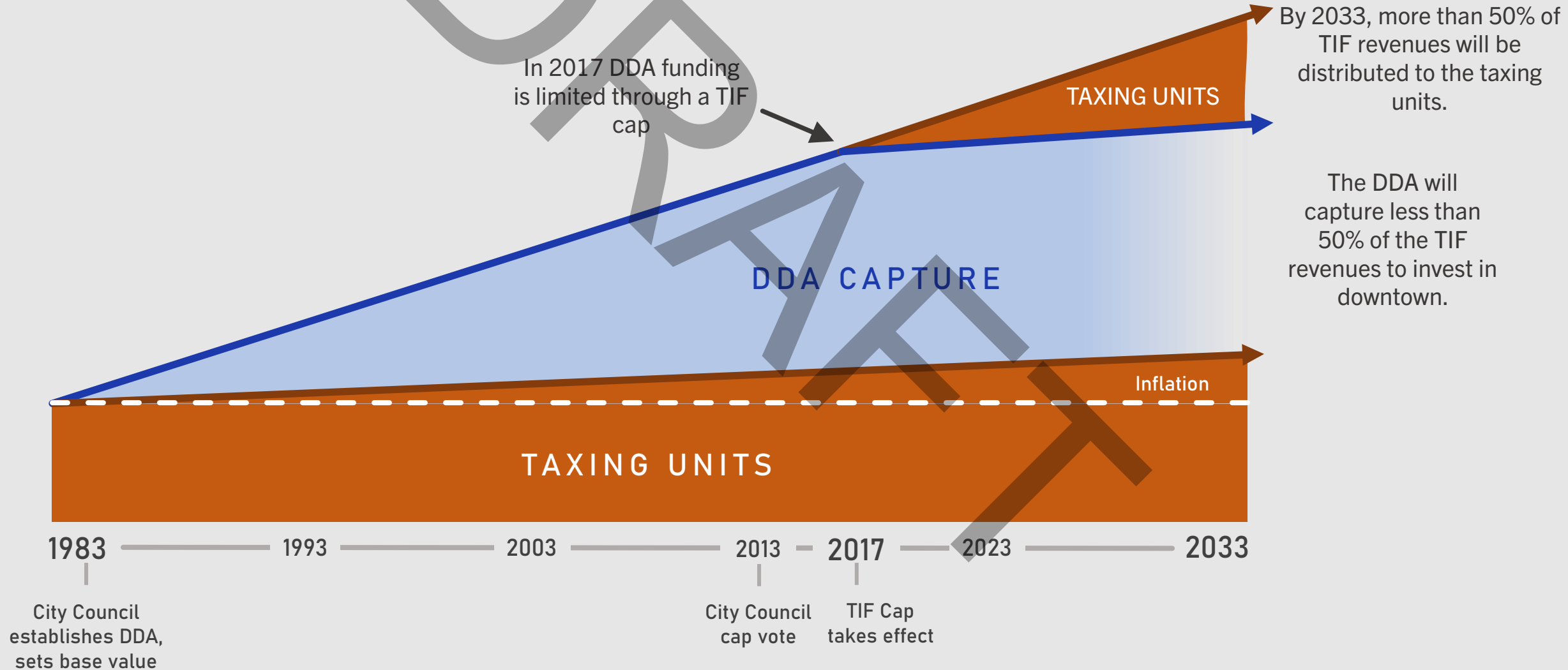
What the DDA can accomplish.

BOUNDARY + REVENUE = CAPACITY

Standard TIF Model

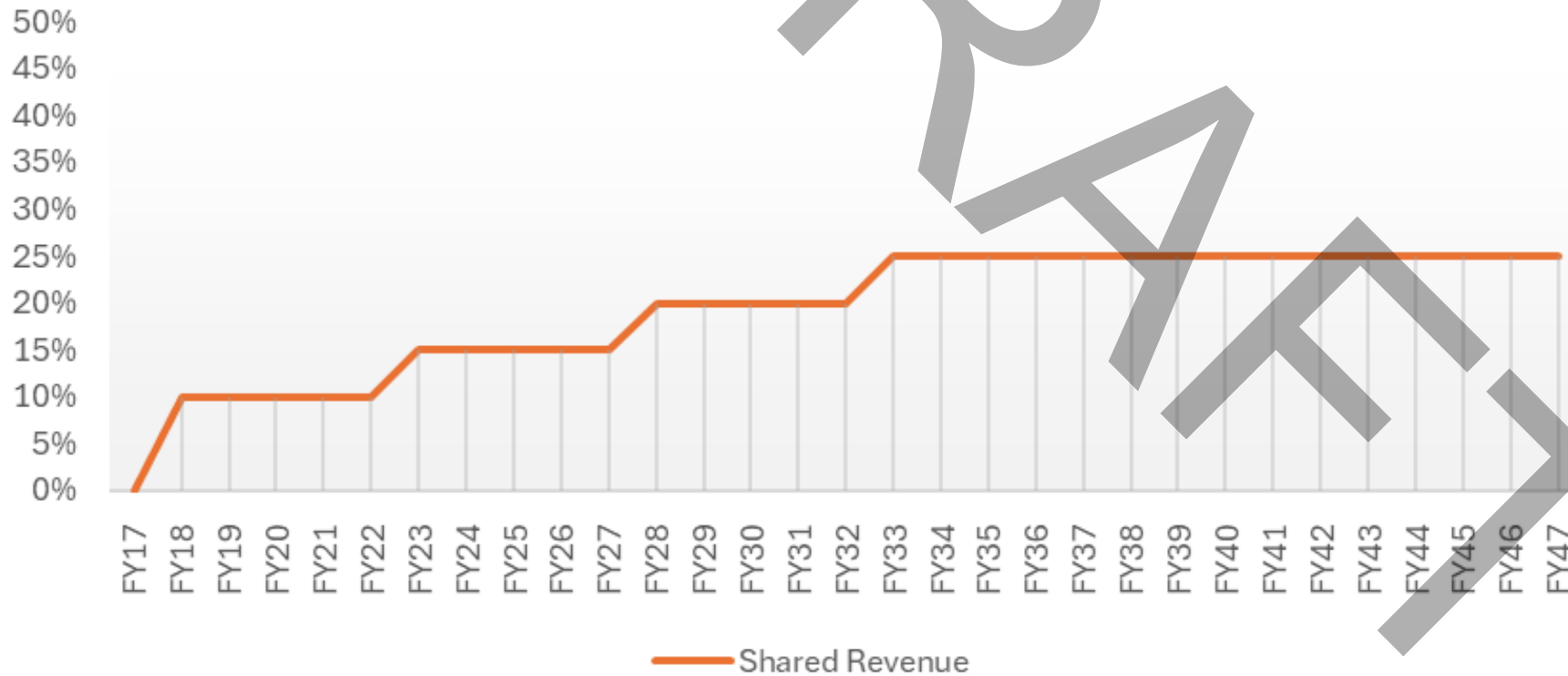


Current TIF Cap Model – Unique to Ann Arbor



Grand Rapids Gainshare Model

Gainshare Steps in Grand Rapids Model

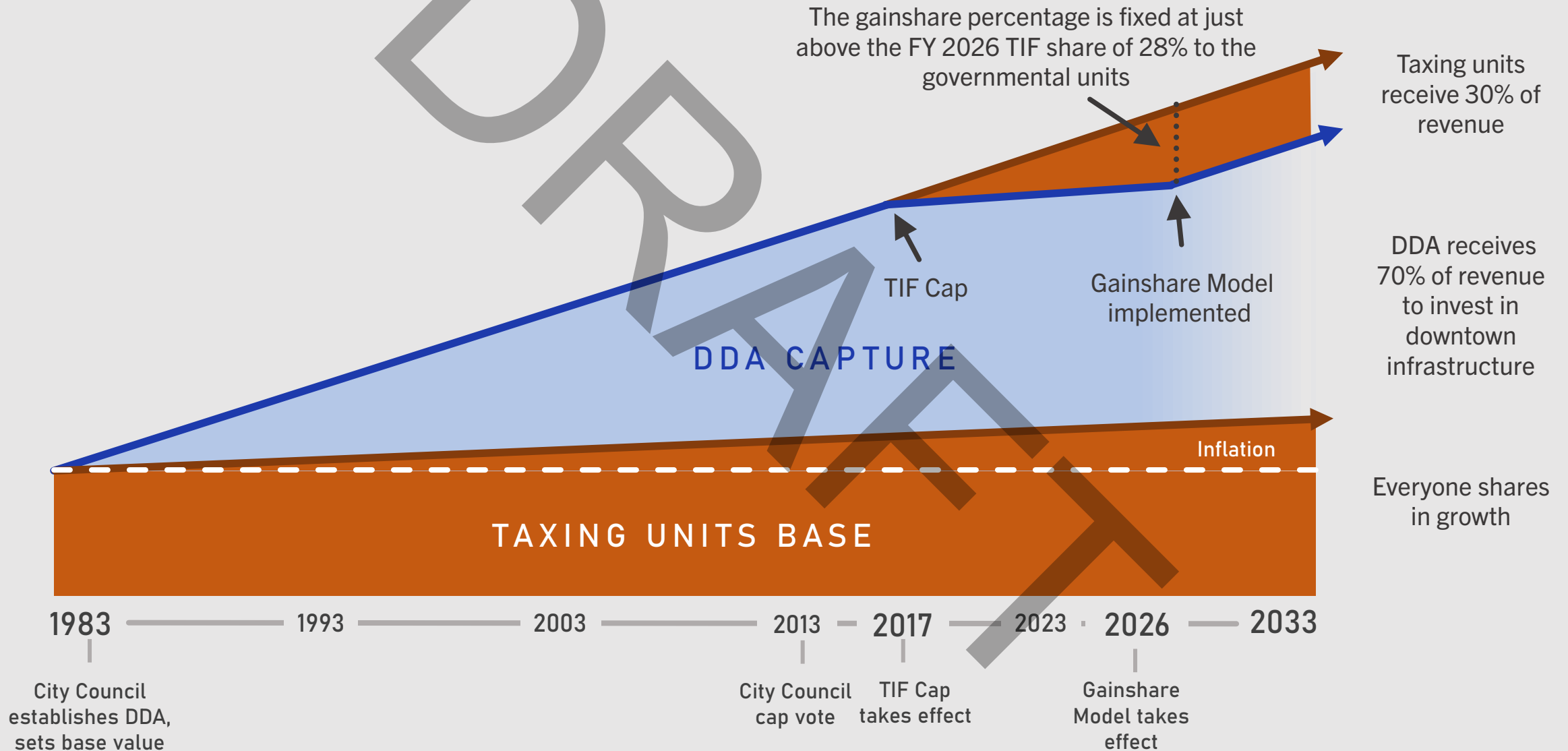


Grand Rapids collaborated on a Gainshare Model in FY18

The model uses a stepped approach to sharing TIF Revenues with the taxing units:

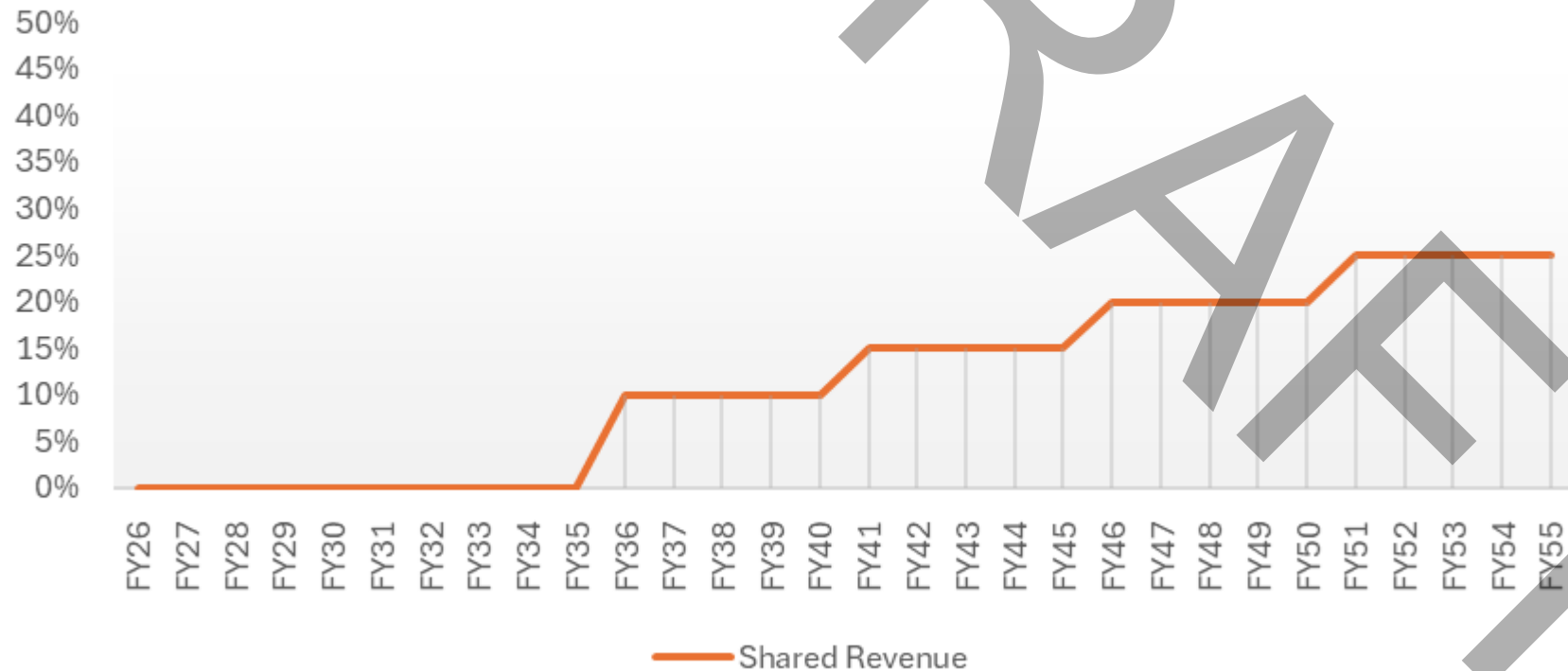
10% years	1-5
15% years	6-10
20% years	11-15
25% years	16 and beyond

Original District - Proposed Gainshare Model



Expanded Areas – Proposed Gainshare Model

Gainshare Steps in Expanded Districts



The proposed Gainshare Model for the expanded areas follows the Grand Rapids Model and maps the percentage of TIF that would be shared with the taxing units over the course of the plan

For the expanded areas, the steps begin in year 11, allowing establishment of revenues before gainsharing is implemented:

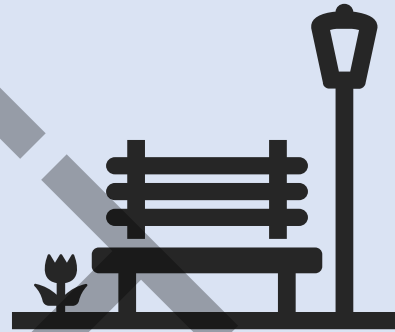
0%	years 1-10
10%	years 11-15
15%	years 16-20
20%	years 21-25
25%	years 26-30



TIF Cap Adjustment - Potential Outcomes

An adjustment to the TIF Cap would allow us to expand benefit.

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





TIF Cap Adjustment - Approval Process

ADJUSTMENT APPROVED

The TIF Cap was implemented through a change to City code.

City Council votes to amend City Code to reflect the new cap adjustment. For example, code could require a gainshare model rather than a revenue cap.

ADJUSTMENT NOT APPROVED

No change to City code is needed if the DDA TIF Cap remains unchanged.

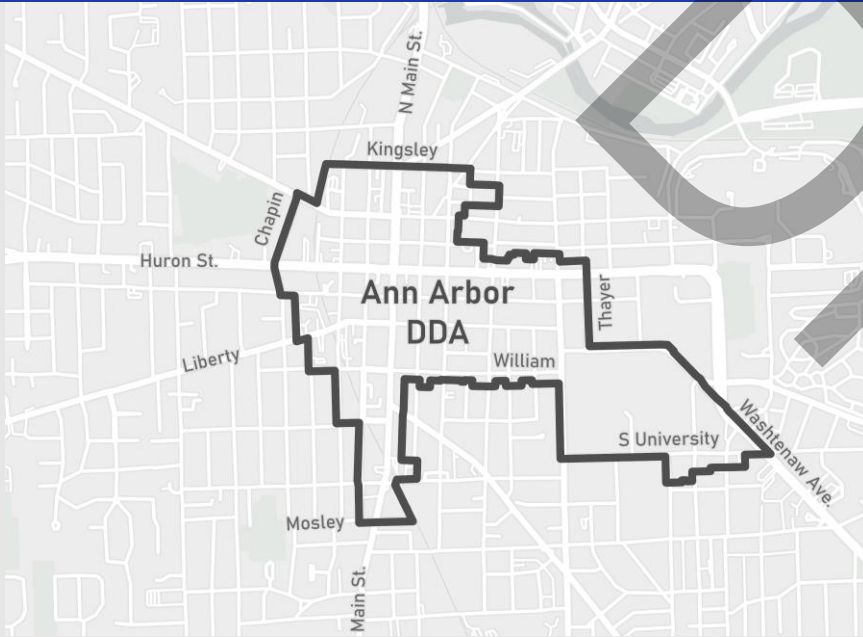
If TIF Cap remains unchanged it will limit the amount of work the DDA can do.



REVENUE PROJECTIONS

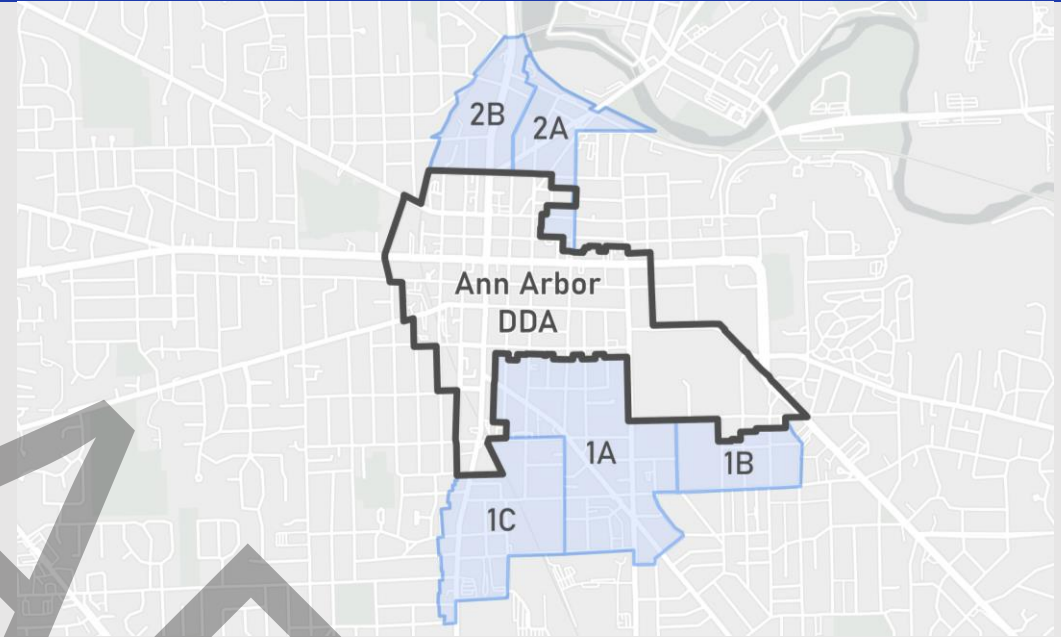
Ten-year timeframe (2026-2035)

Assumptions – 10-Year Projections



Original District

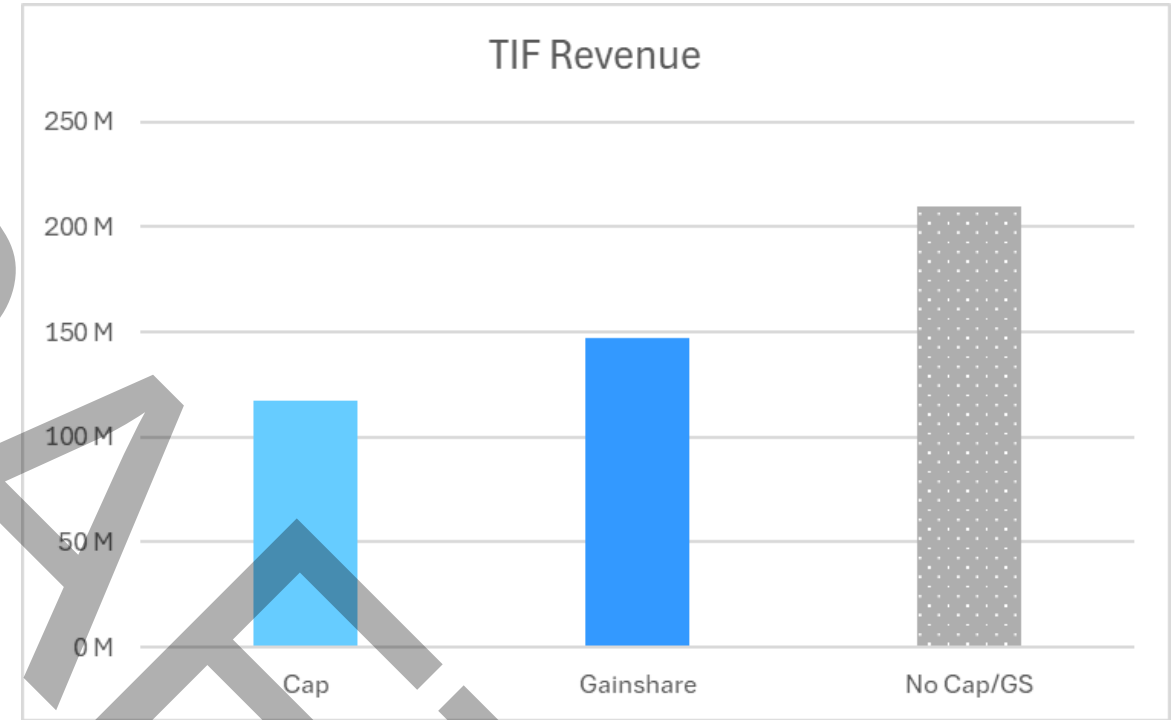
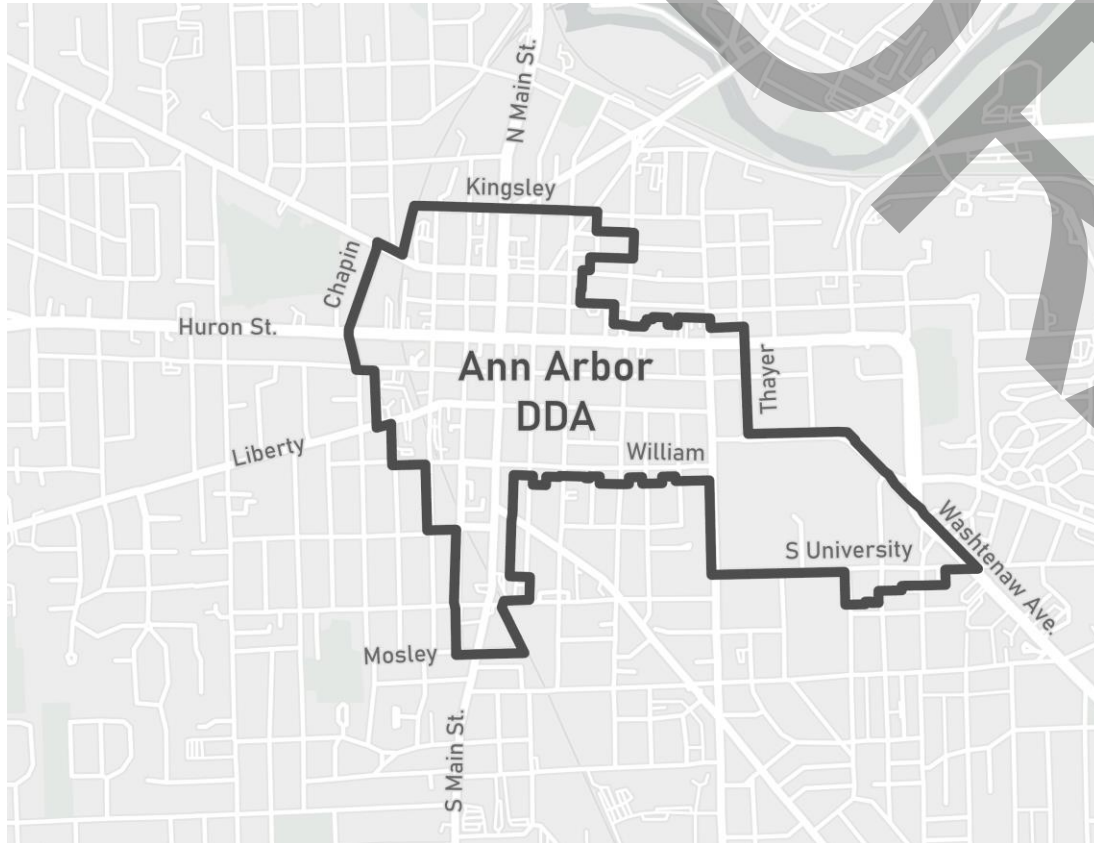
- **Growth** - Non-capped growth based on historic rate in (9%) - *future growth uncertain*
- **Share** - Gainshare model projects a flat 30/70 split across the plan period
- **Millage Rates** - FY25 rates
- **Project Costs** - FY25 dollars



Expanded Areas

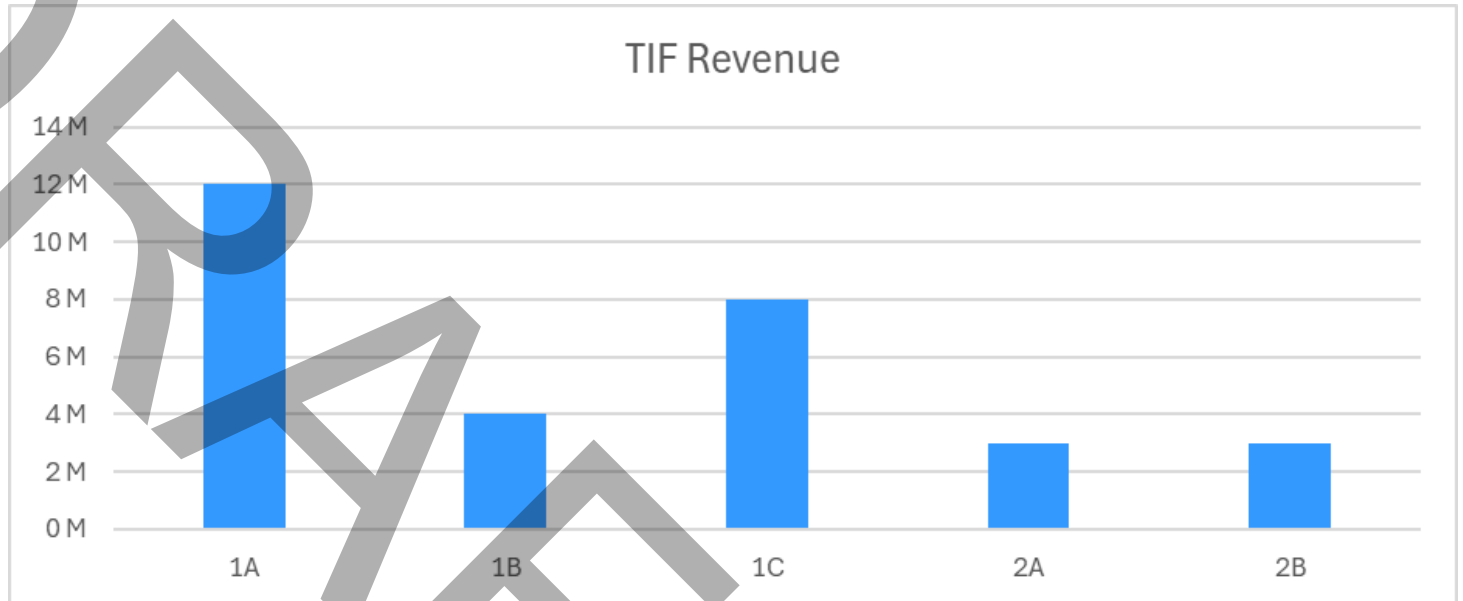
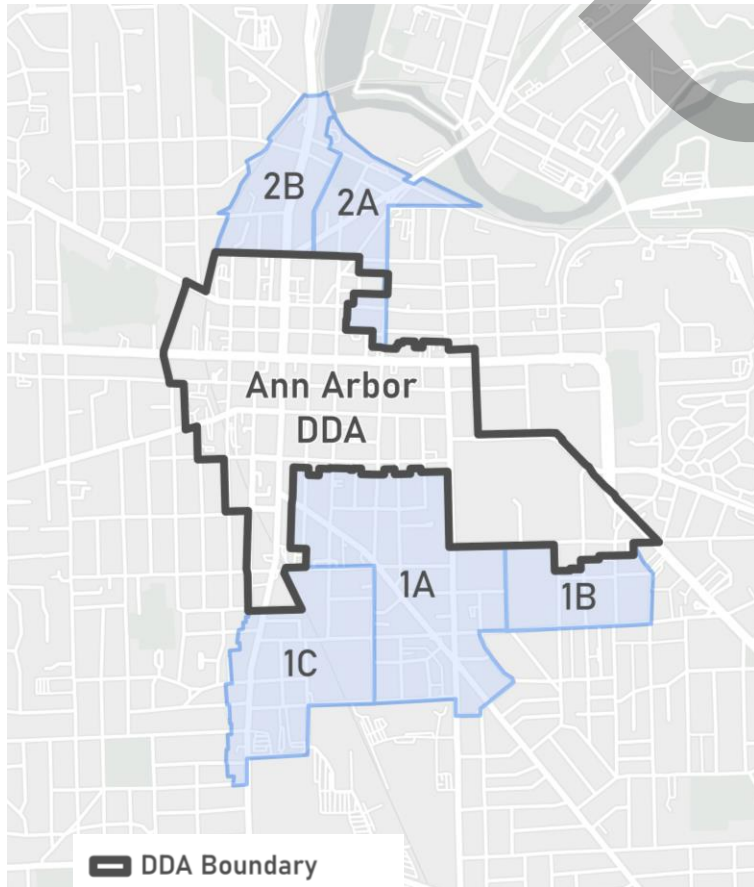
- **Slow Beginning** - No TIF revenue for FY26
- **Growth** - Historic 9% south of downtown, more moderate 3% north
- **Gainshare Steps** - No share the first 10 years of the plan, stepped over the next 20 years, reaching 25% by the end of plan
- **Cap Model** – No cap anticipated during the plan period
- **Opt In** - Expansion area projections assume all taxing units opt-in
- **Millage Rates** – FY25 rates
- **Project Costs** - FY25 dollars

Original District – 10-Year Revenue Projections



Original District	3.5% Cap	30% Gainshare	No Cap/ Gainshare
10-Year Projections	\$117M	\$147M	\$210M

Expansion Areas – 10-Year Revenue Projections



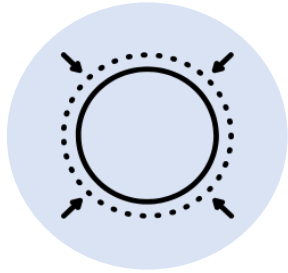
Expanded Districts	1A (Packard)	1B (S. Univ)	1C (S. Main)	2A (Broadway /Beakes)	2B (N. Main)	Total
10-Year Projections	\$12M	\$4M	\$8M	\$3M	\$3M	\$30M



POTENTIAL SCENARIOS

Boundaries, TIF Revenue, and Projects/Programs (2026-2035)

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 can accomplish.

BOUNDARY + REVENUE = CAPACITY



Key Decision Scenarios for Development Plan

Decisions related to our **boundary** (1) and **financing** (2) will impact our **capacity to implement projects/programs** (3) in our Development Plan.

1. GAINSHARE MODEL

Will either be adopted or remain capped

2. DDA BOUNDARY EXPANSION

Will either expand or remain the same

Scenario A



Boundary
Expansion



Gainshare
Model

Scenario B



Boundary
Expansion



Gainshare
Model

Scenario C



Boundary
Expansion



Gainshare
Model

Scenario D

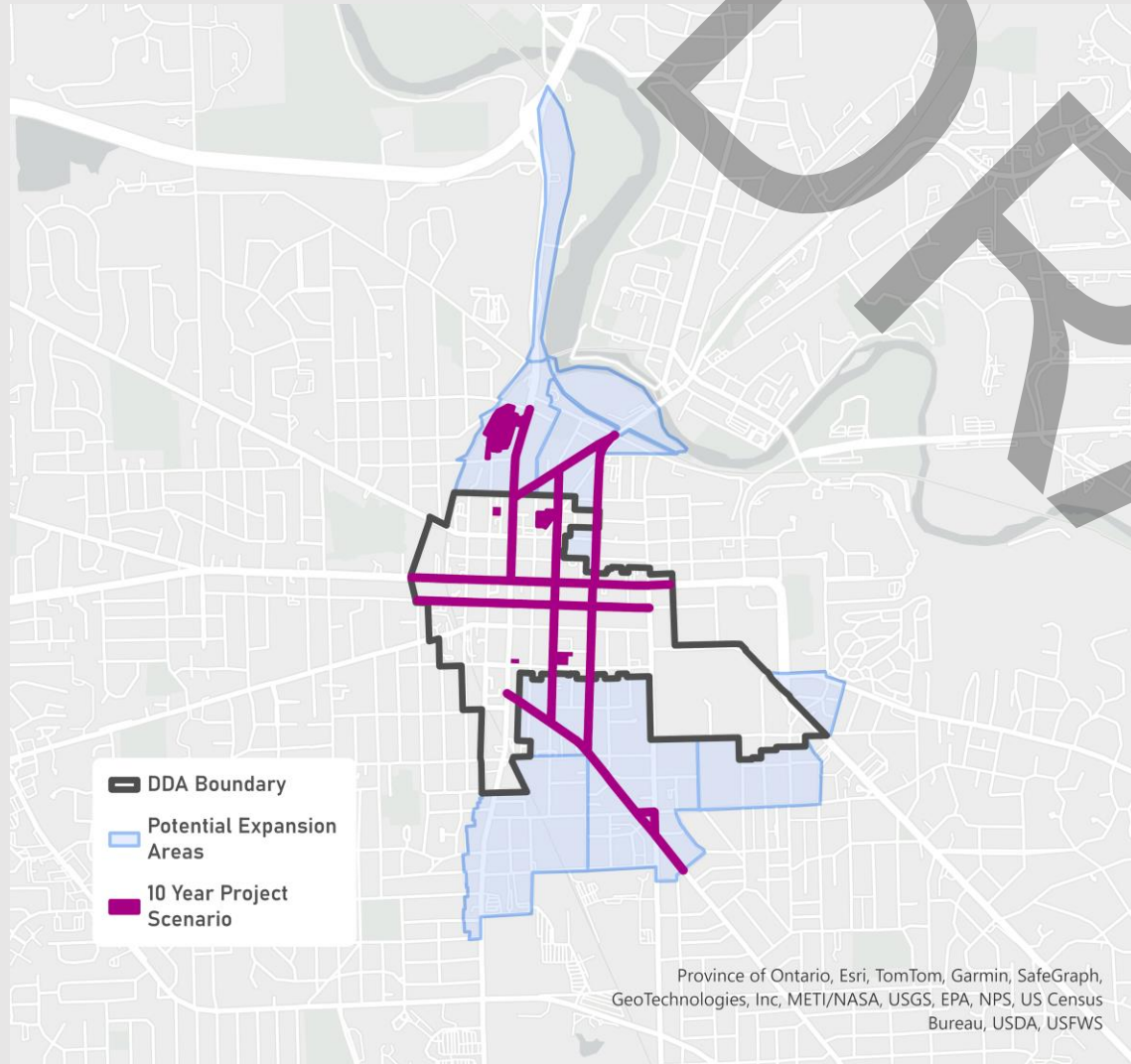


Boundary
Expansion



Gainshare
Model

Ten-Year Project Scenario



Potential Projects (2026-2035)

Potential Projects (2026-2035)	Estimated Cost
Event Bollards	\$6,000,000
Farmer's Market*	\$21,000,000
E/W Huron BRT*	\$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
Total potential need	\$149,144,250

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

DDA Annual Maintenance, Streetlight Maintenance, and Elevate Art Projects assumed in all scenarios

NO Boundary Expansion

Scenario A



Boundary Expansion



Gainshare Model

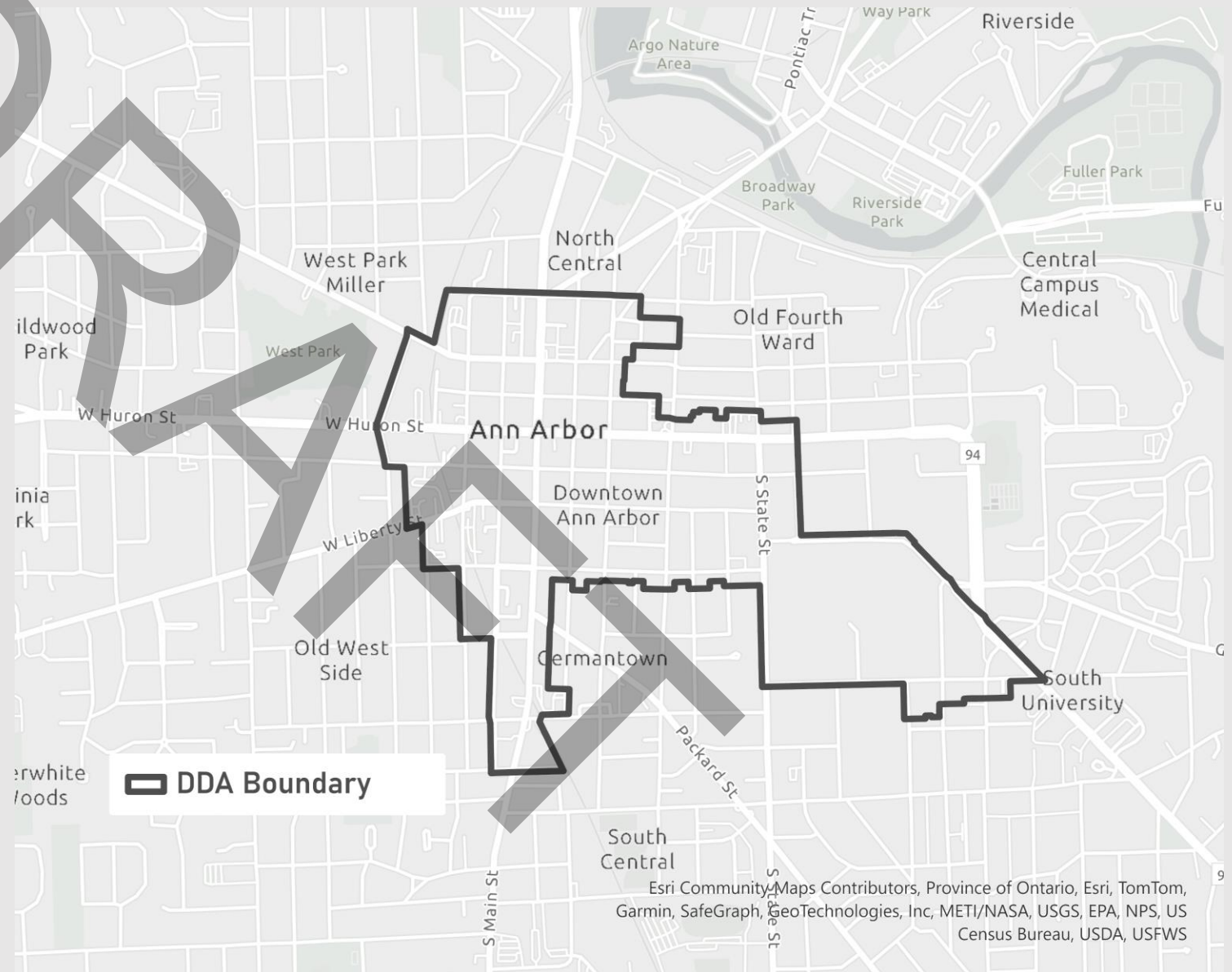
Scenario B



Boundary Expansion



Gainshare Model



NO Boundary Expansion + NO Gainshare Model

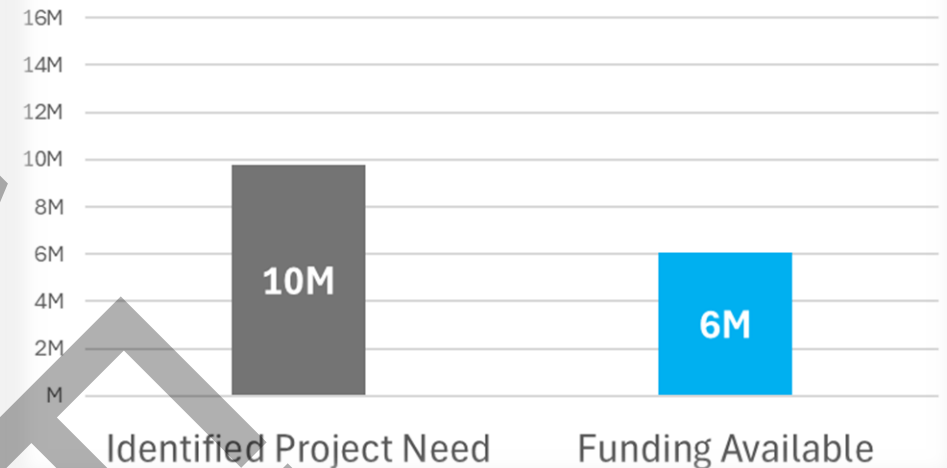
Potential Projects (2026-2035)

	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
Total potential need	\$97,590,000



ANNUAL AVERAGE

No Expansion + No 30% Gainshare



10-Year Average

Service Team

\$0

Affordable Housing Fund

\$5M

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

DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

NO Boundary Expansion + **Gainshare Model**

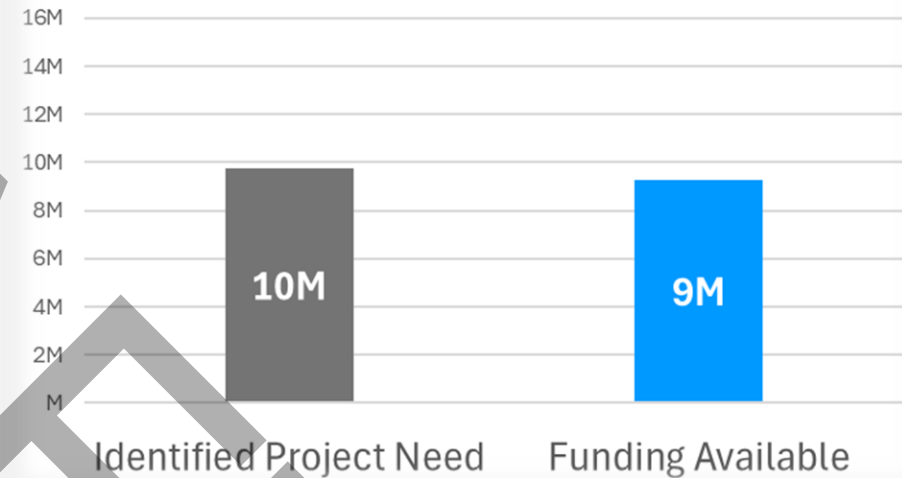
Potential Projects (2026-2035)

	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
Total potential need	\$97,590,000



ANNUAL AVERAGE

No Expansion + 30% Gainshare



10-Year Average

Service Team	\$12M
Affordable Housing Fund	\$6M

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

DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

Boundary Expansion

Scenario C



Boundary
Expansion



Gainshare
Model

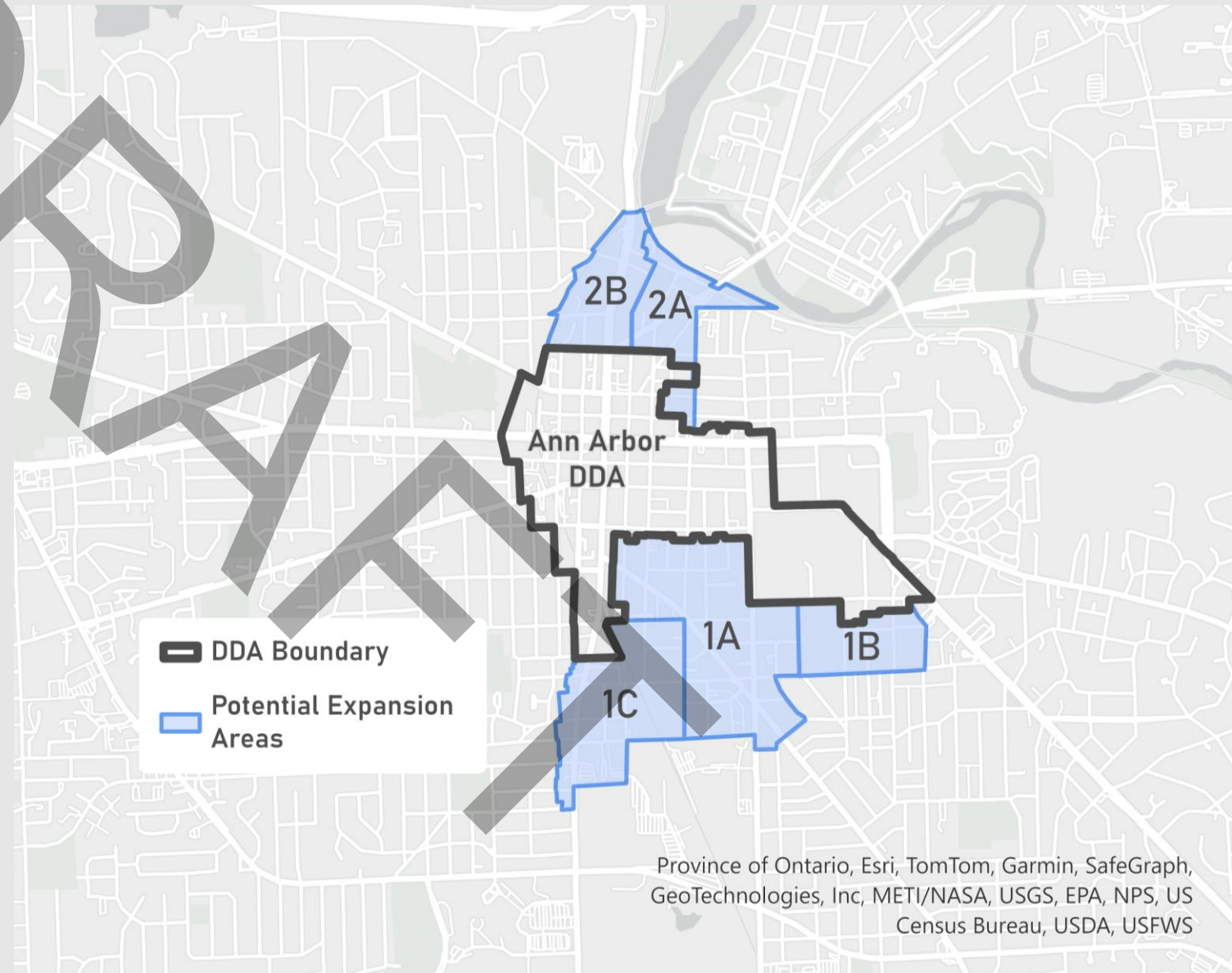
Scenario D



Boundary
Expansion



Gainshare
Model



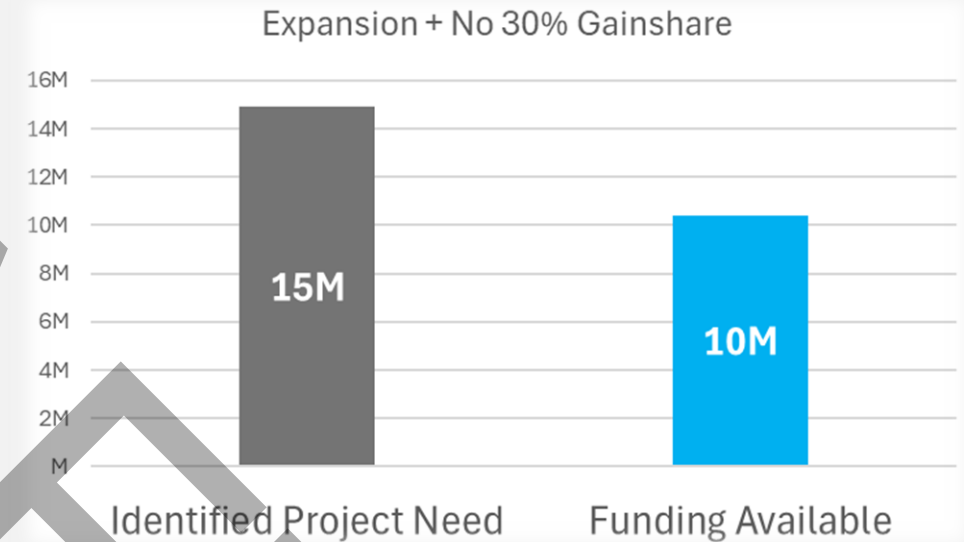
Boundary Expansion + **NO Gainshare Model**

Potential 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
Total potential need	\$149,144,250



ANNUAL AVERAGE



10-Year Average

Service Team	\$0
Affordable Housing Fund	\$6M

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

DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

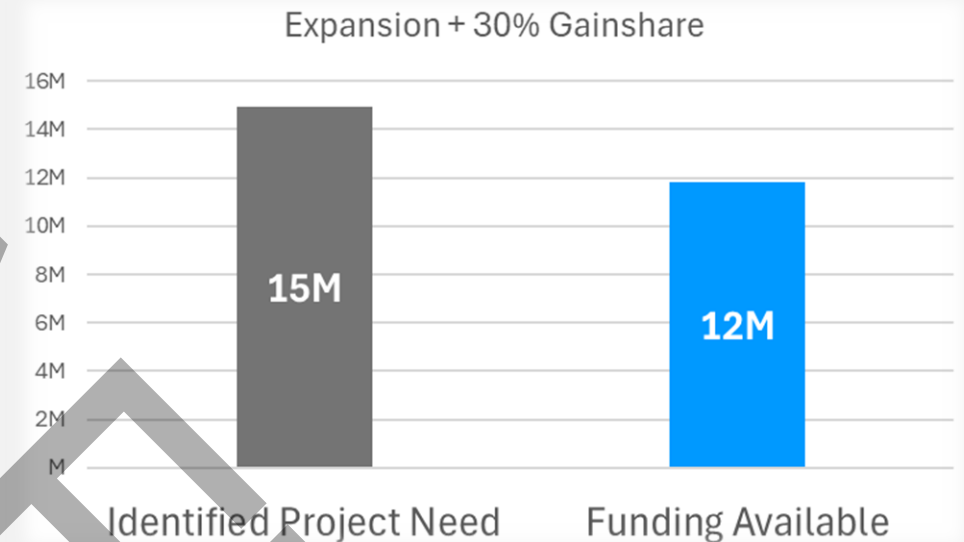
✓ Boundary Expansion + ✓ Gainshare Model

Potential 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
Total potential need	\$149,144,250



ANNUAL AVERAGE



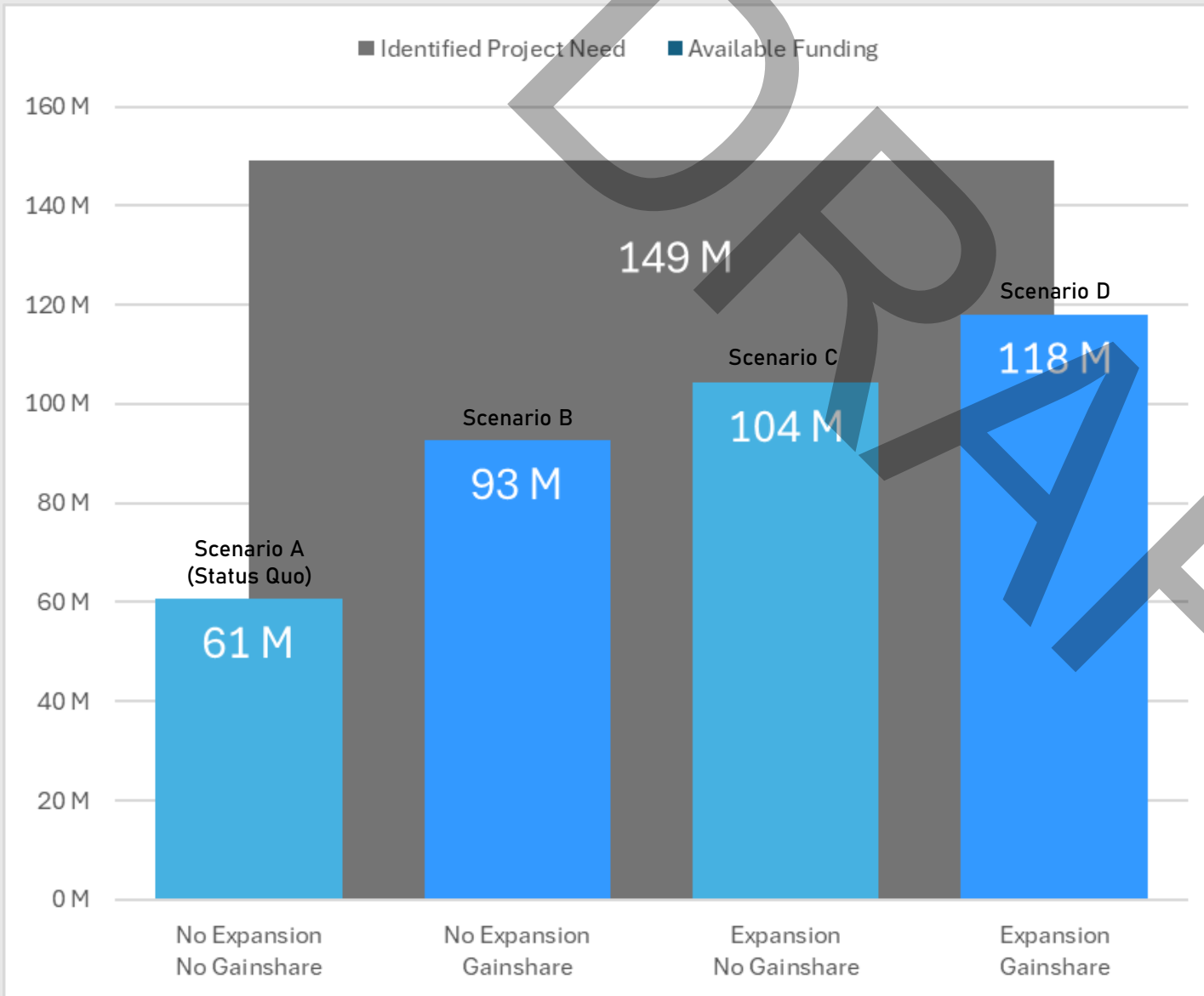
10-Year Average

Service Team	\$14M
Affordable Housing Fund	\$7M

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

DDA Annual Maintenance & Streetlight Maintenance assumed in all scenarios

10-Year Project Funding by Scenario



Project Funding 10-Year Impacts

- **Scenario D** provides the most funding available for capital projects and the largest area for investment.
- All scenarios require partnership with other City and governmental units or reduced project scopes.

10-Year Housing & Service Team by Scenario

Affordable Housing & Service Team 10-Year Impacts

- **Scenario D** provides the most affordable housing funding and the greatest boundary area for investment
- **Both Scenarios B and D** provide funding for a downtown service team

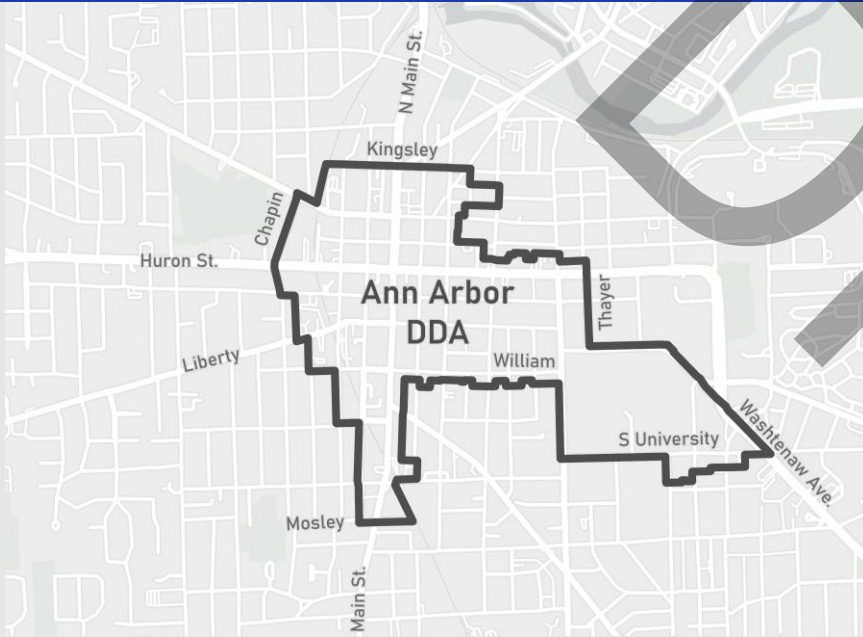




REVENUE PROJECTIONS

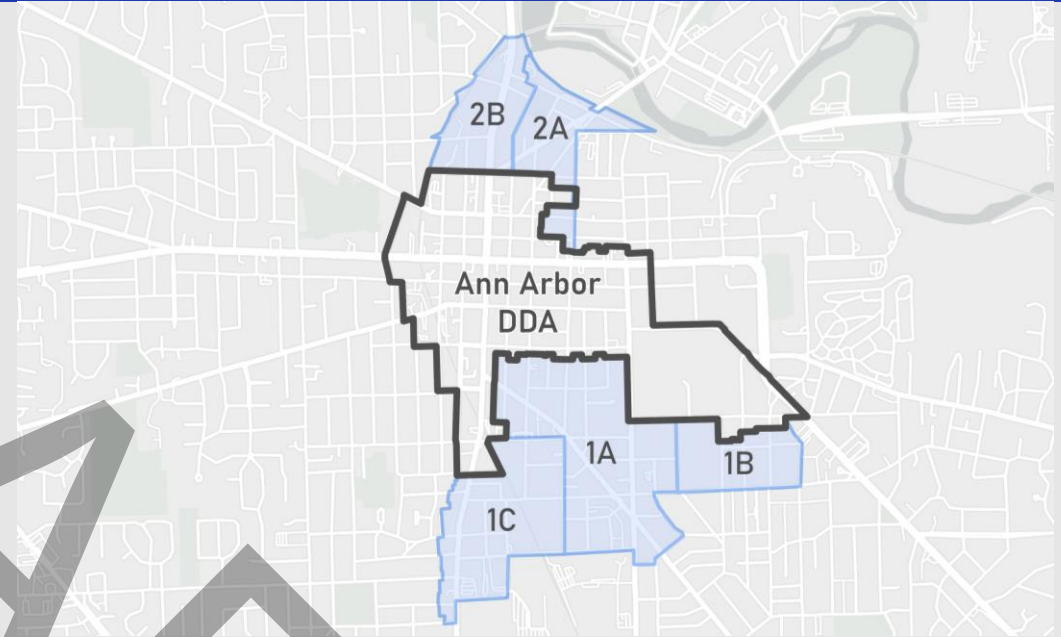
30-year timeframe (2026-2055)

Assumptions – 30-Year Projections



Original District

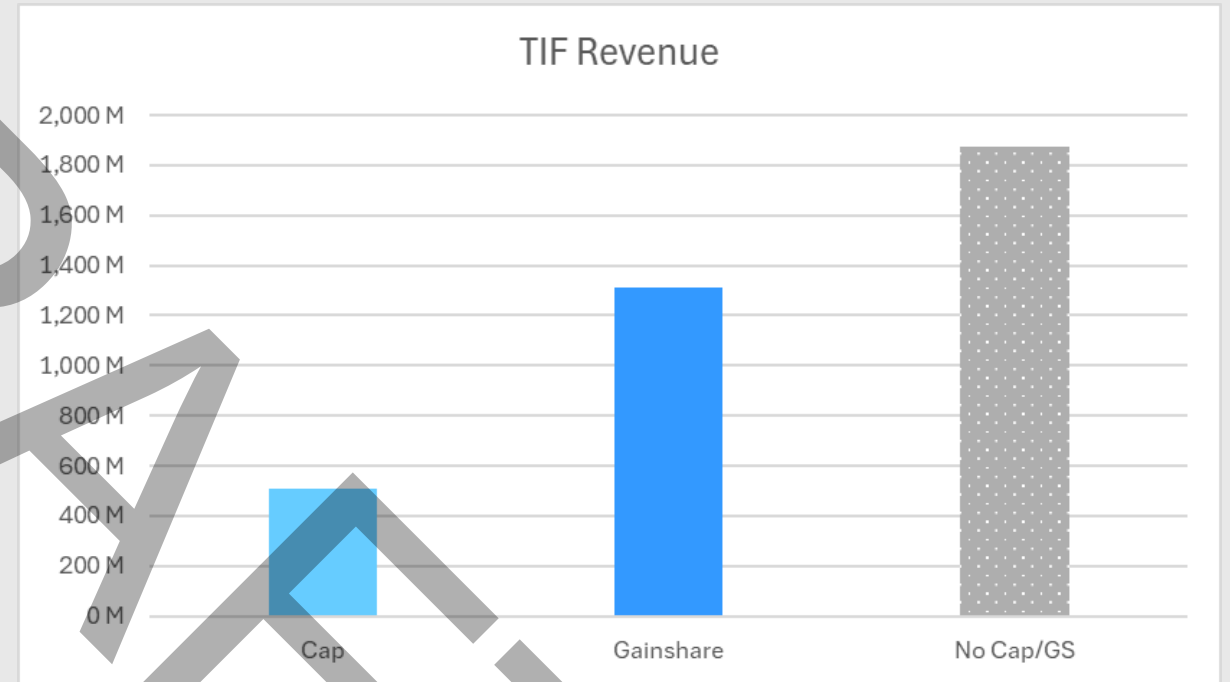
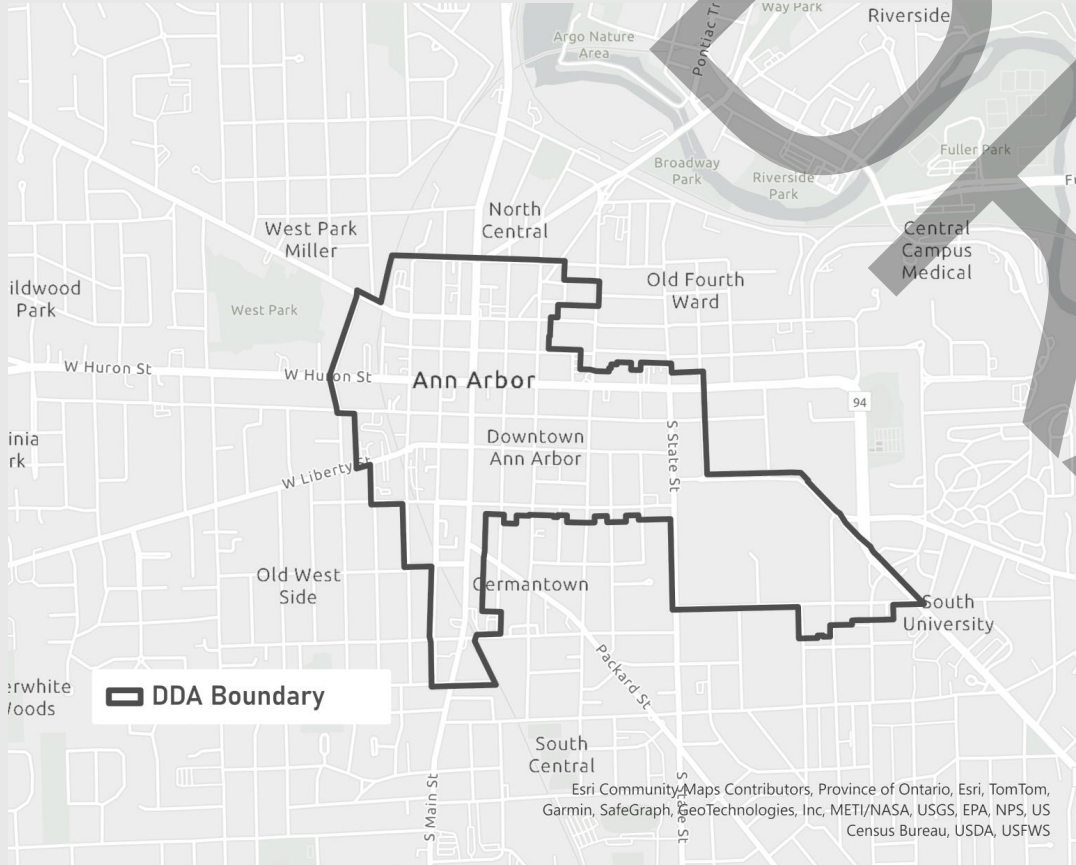
- **Growth** - Non-capped growth based on historic rate in (9%) - *future growth uncertain.*
- **Share** - Gainshare model projects a flat 30/70 split across the plan period
- **Millage Rates** - FY25 rates
- **Project Costs** – at Future Value



Expanded Areas

- **Slow Beginning** - No TIF revenue for FY26 & FY27
- **Growth** - Historic 9% south of downtown, more moderate 3% north
- **Gainshare Steps** - No share the first 10 years of the plan, stepped over the next 20 years, reaching 25% by the end of the plan
- **Cap Model** – No cap anticipated during the plan period
- **Opt In** - Expansion area projections assume all taxing units opt in
- **Millage Rates** – FY25 rates
- **Project Costs** – at Future Value

Original District – 30-Year Revenue Projections



Original District

3.5% Cap

**30%
Gainshare**

**No Cap/
Gainshare**

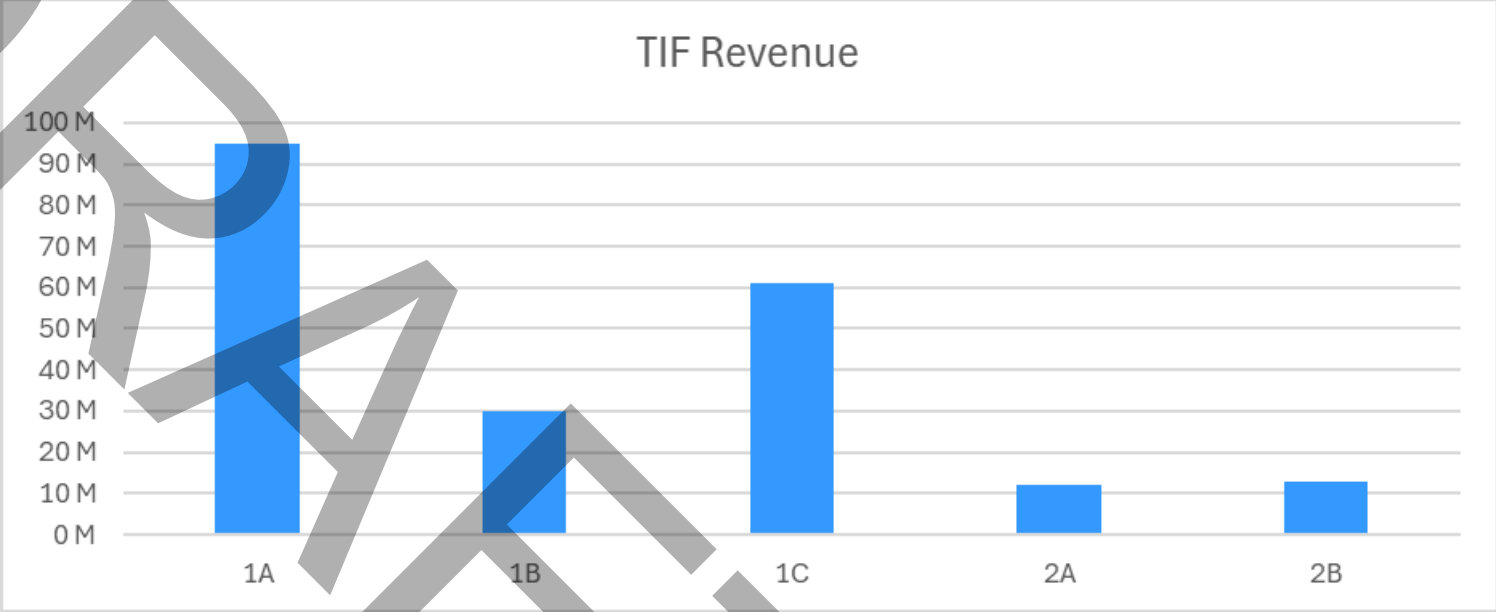
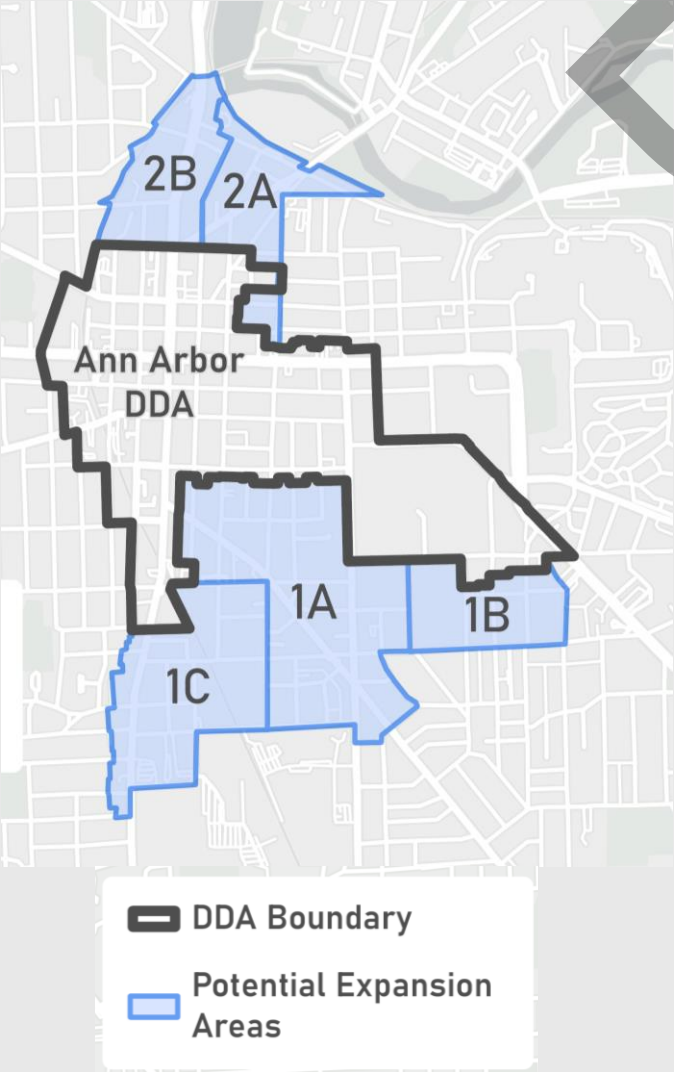
30-Year
Projections

\$510M

\$1,305M

\$2,086M

Expanded Areas – 30-Year Revenue Projections



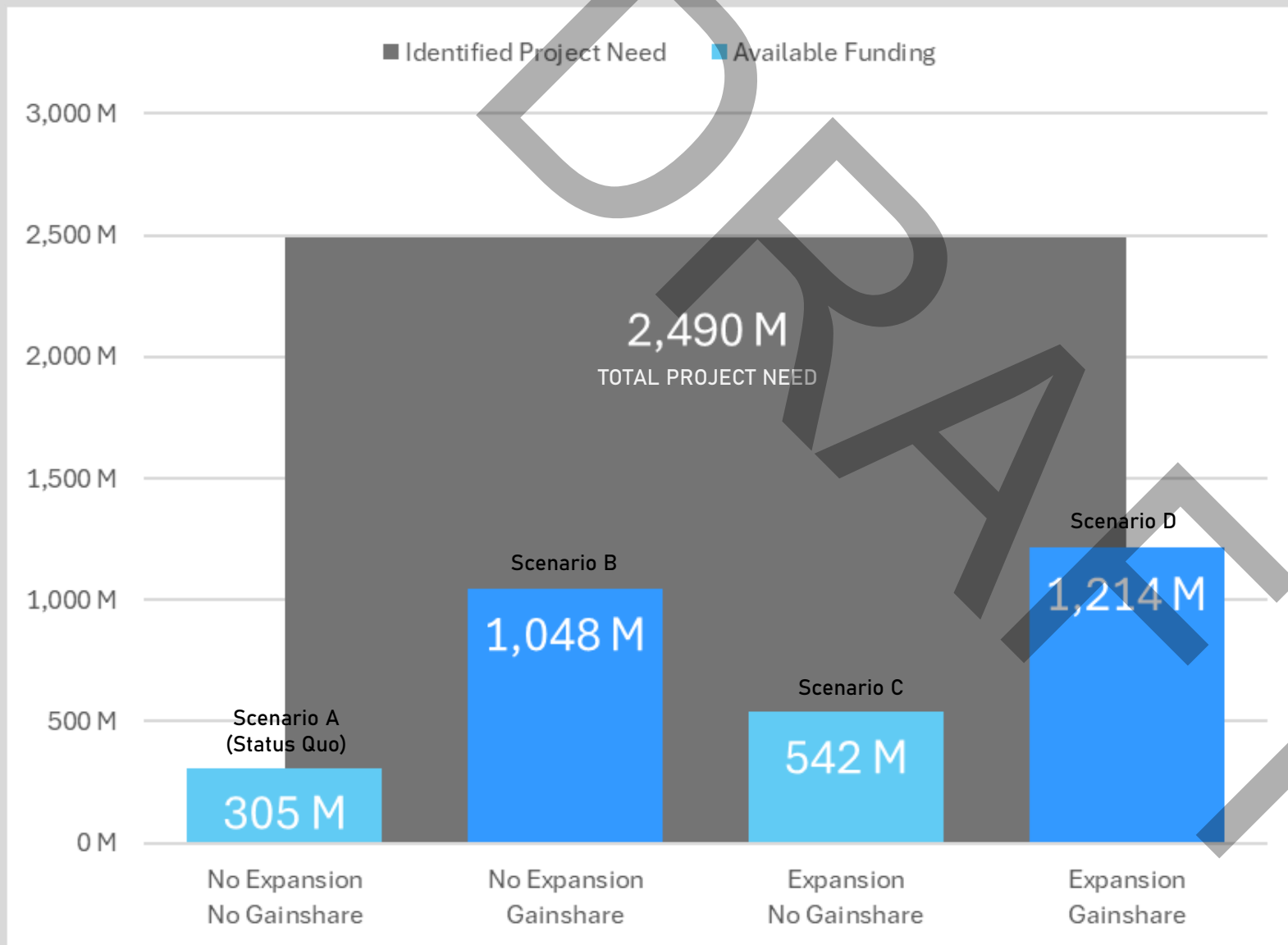
Expanded Districts	1A (Packard)	1B (S. Univ)	1C (S. Main)	2A (Broadway /Beakes)	2B (N. Main)	Total
30-Year Projections	\$95M	\$30M	\$61M	\$12M	\$13M	\$211M



POTENTIAL SCENARIOS

Boundaries, TIF Revenue, and Projects/Programs (2026-2055)

30-Year Project Funding by Scenario



Project Funding 30-Year Impacts

- **Scenario D** provides the most funding available for capital projects and the largest area for investment.
- All scenarios require partnership with other City and governmental units or reduced project scopes.

30-Year Housing & Service Team by Scenario

Affordable Housing & Service Team 30-Year Impacts

- **Scenario D** provides the most affordable housing funding and the greatest boundary area for investment.
- **Both Scenarios B and D** provide funding for a downtown service team. Scenario D provides eventual funding for service in expanded areas.





Key Decision Scenarios for Development Plan

Decisions related to our **boundary** (1) and **financing** (2) will impact our **capacity to implement projects/programs** (3) in our Development Plan.

1. DDA BOUNDARY EXPANSION

Will either expand or remain the same

2. GAINSHARE MODEL

Will either be adopted or remain capped

Scenario A – Status Quo



Boundary
Expansion



Gainshare
Model

Scenario B



Boundary
Expansion



Gainshare
Model

Scenario C



Boundary
Expansion



Gainshare
Model

Scenario D



Boundary
Expansion



Gainshare
Model

Discussion

WE RECOMMEND SCENARIO D



Moderate Boundary
Expansion



Gainshare Model

Scenario D maximizes dollars leveraged and benefit.

Today, we need your input and direction.

Discussion?