

An aerial photograph of a city skyline, featuring various buildings and a construction crane in the background. The image is overlaid with a semi-transparent blue filter. The text "DEVELOPMENT PLAN UPDATE" is centered in a bold, white, sans-serif font.

# DEVELOPMENT PLAN UPDATE

# AGENDA

1. Reminder of Development Plan Requirements
2. Timeline and Process overview
3. Understanding Key Decisions
  - Boundary
  - Funding
  - Projects and Programs
4. Project and programs
  - Identifying needs
  - Prioritization
  - Next step

A blue-tinted aerial photograph of a city street intersection. The image shows a wide street with a crosswalk, a pedestrian crossing, and a small roundabout. Several cars and a truck are visible on the road. Pedestrians are walking on the sidewalks. In the background, there are buildings, including one with a sign that says "ANN ARBOR". A street sign above the intersection reads "N. University".

# 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.

# Tax Increment Finance Plan Requirements

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.



# TIMELINE

Key Steps and Decisions



# Draft 2025 DDA Development Plan Project Schedule



Board Meetings



DDARCC Meetings



Board Work Sessions



City Council Meetings



Staff Project Scoring

## FEBRUARY

Mo	Tu	We	Th	Fr	Sa	Su
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10		12	13	14	15	16
17	18			<del>21</del>	<del>22</del>	<del>23</del>
<del>24</del>	<del>25</del>	<del>26</del>	<del>27</del>	<del>28</del>	1	2
3	4	5	6	7	8	9

## MARCH

Mo	Tu	We	Th	Fr	Sa	Su
24	25	26	27	28	<del>1</del>	<del>2</del>
<del>3</del>	<del>4</del>	<del>5</del>		7	8	9
10	11		13	14	15	16
17	18		20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

## APRIL

Mo	Tu	We	Th	Fr	Sa	Su
31	1	2	3	4	5	6
7	8		10	11	12	13
14	15		17	18	19	20
	22	23	24	25	26	27
28	29	30	1	2	3	4
5	6	7	8	9	10	11

## MAY

Mo	Tu	We	Th	Fr	Sa	Su
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13		15	16	17	18
19	20		22	23	24	25
26	27	28	29	30	31	1
2	3	4	5	6	7	8

## JUNE

Mo	Tu	We	Th	Fr	Sa	Su
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10		12	13	14	15
16	17		19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

## JULY

Mo	Tu	We	Th	Fr	Sa	Su
30	1	2	3	4	5	6
7	8		10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3
4	5	6	7	8	9	10

## AUGUST

Mo	Tu	We	Th	Fr	Sa	Su
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
	19	20	21	22	23	24
25	26	27	28	29	30	31
1	2	3	4	5	6	7

# 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 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.



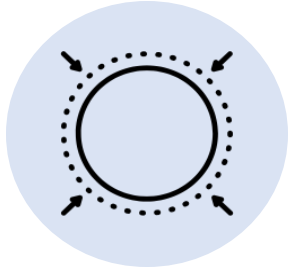


# Understanding Key Decisions

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.

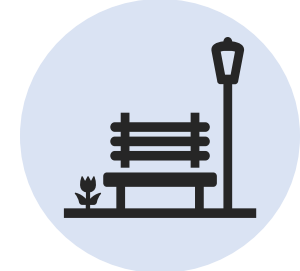
2



## 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, a crowd of people is walking across the street, and a car is visible on the right. Street signs and traffic lights are visible in the distance.

# BOUNDARY

How does the DDA Boundary affect our  
Development Plan?

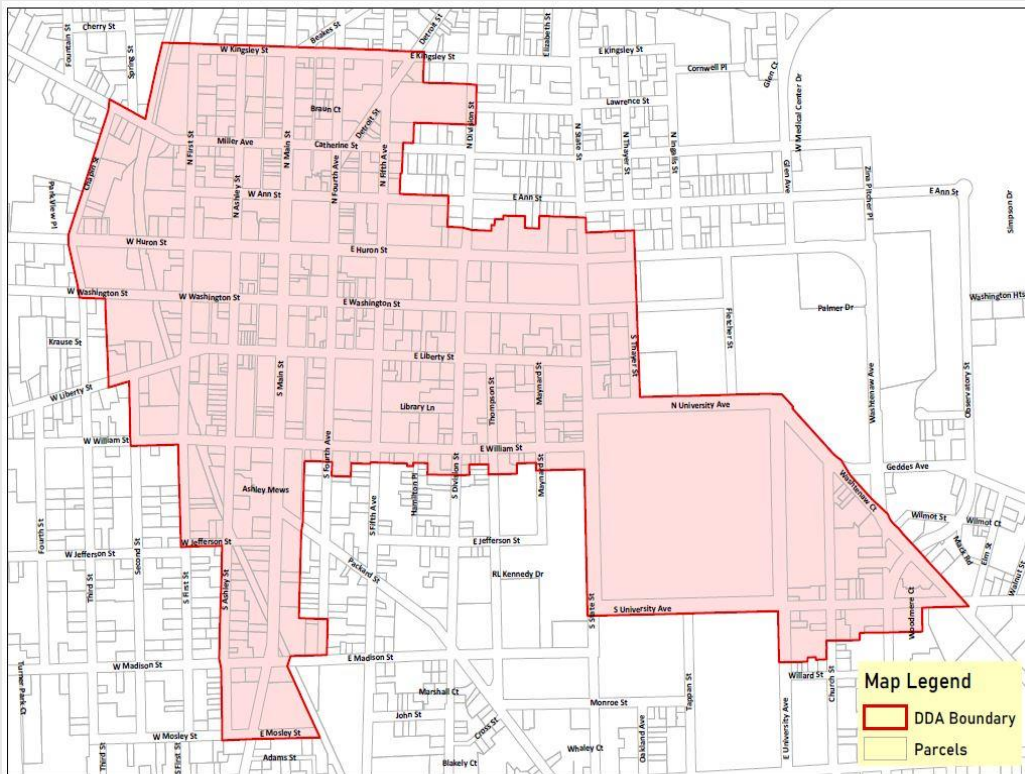




# BOUNDARIES - Comparison Between Other DDAs

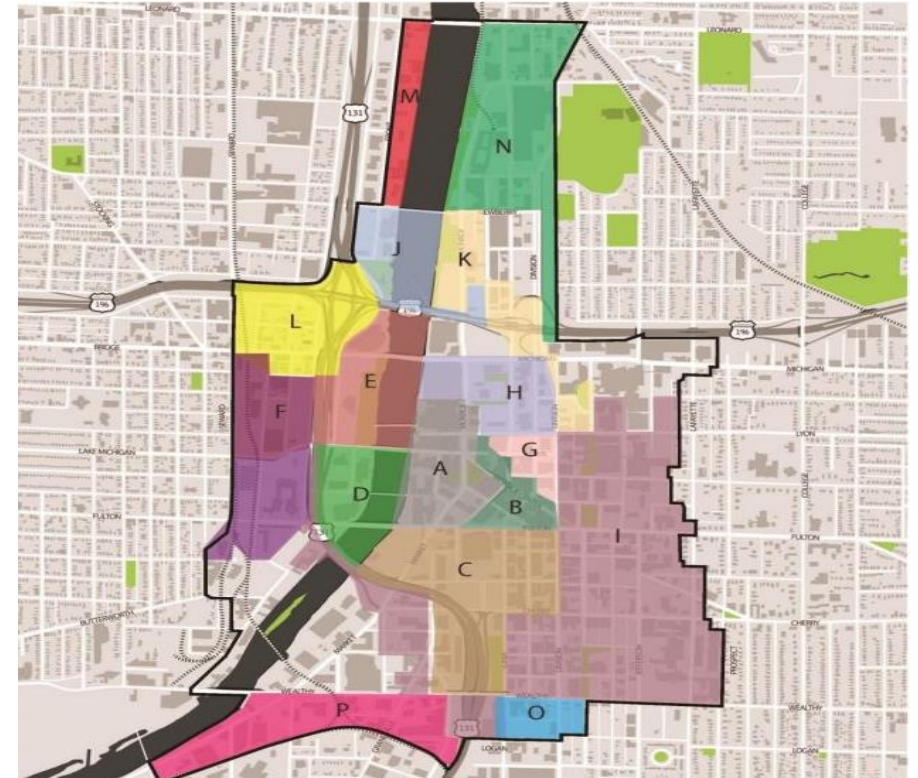
## Ann Arbor DDA

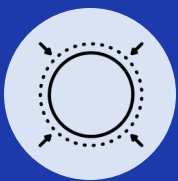
*1 TIF District; 271 acres*



## Downtown Grand Rapids Inc.

*16 TIF Districts; 873 acres*





# Boundary Expansion - Potential Outcomes

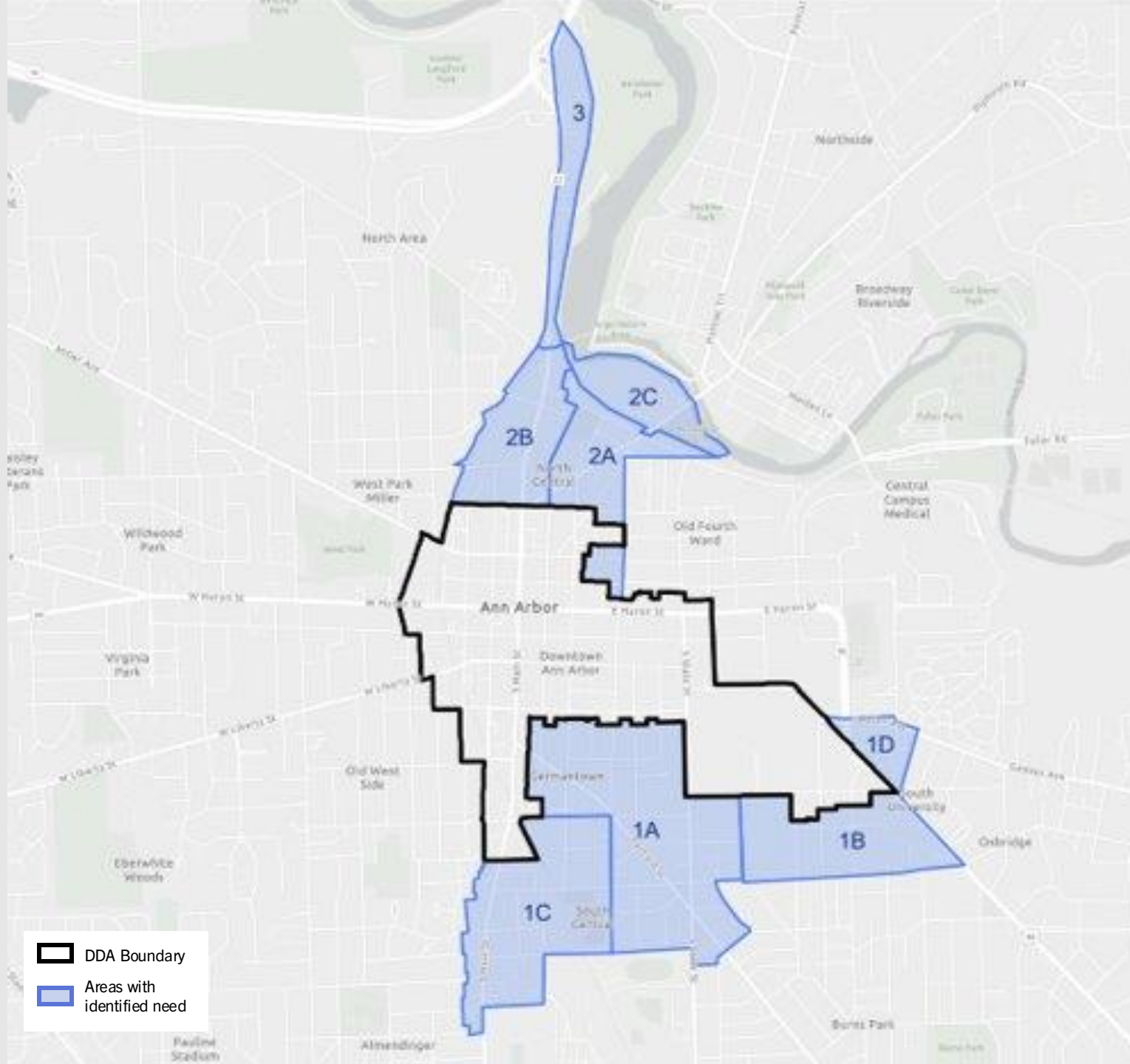
**What are the potential outcomes of a DDA Boundary expansion?**

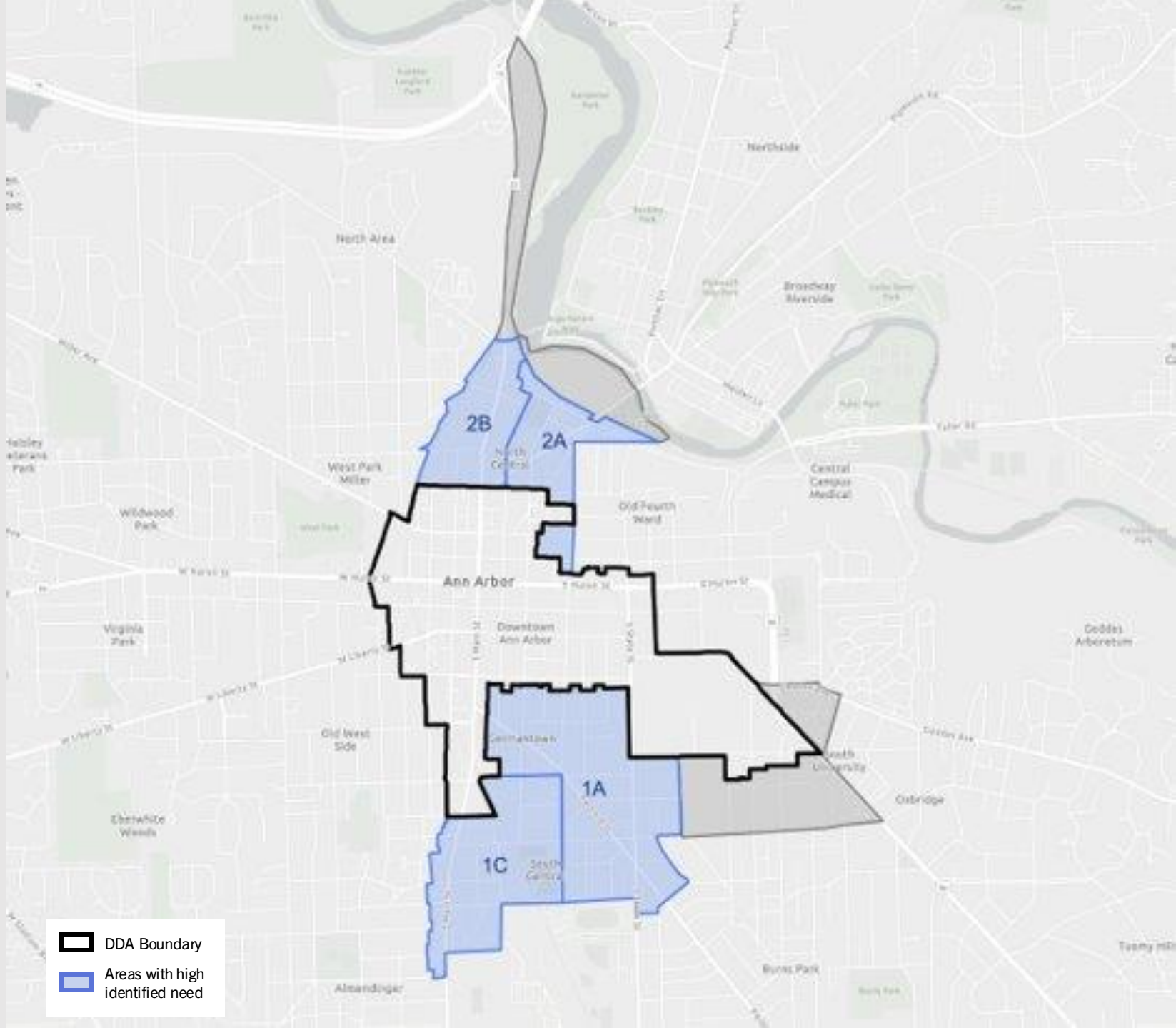
**A larger DDA boundary would allow us to expand the area we can do work in.**

- Potential to make investments in more projects.
  - Expands where we can spend our affordable housing dollars and make street, utility, and park space investments.
- Potential to support/maintain more areas throughout Downtown.
  - Downtown amenities such as streetlights, pavers, and public seating can expand.
- Apply beneficial projects/programs to a greater area.

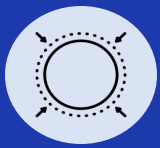


Areas where  
infrastructure  
needs were  
explored





Areas with high  
identified need



# 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.



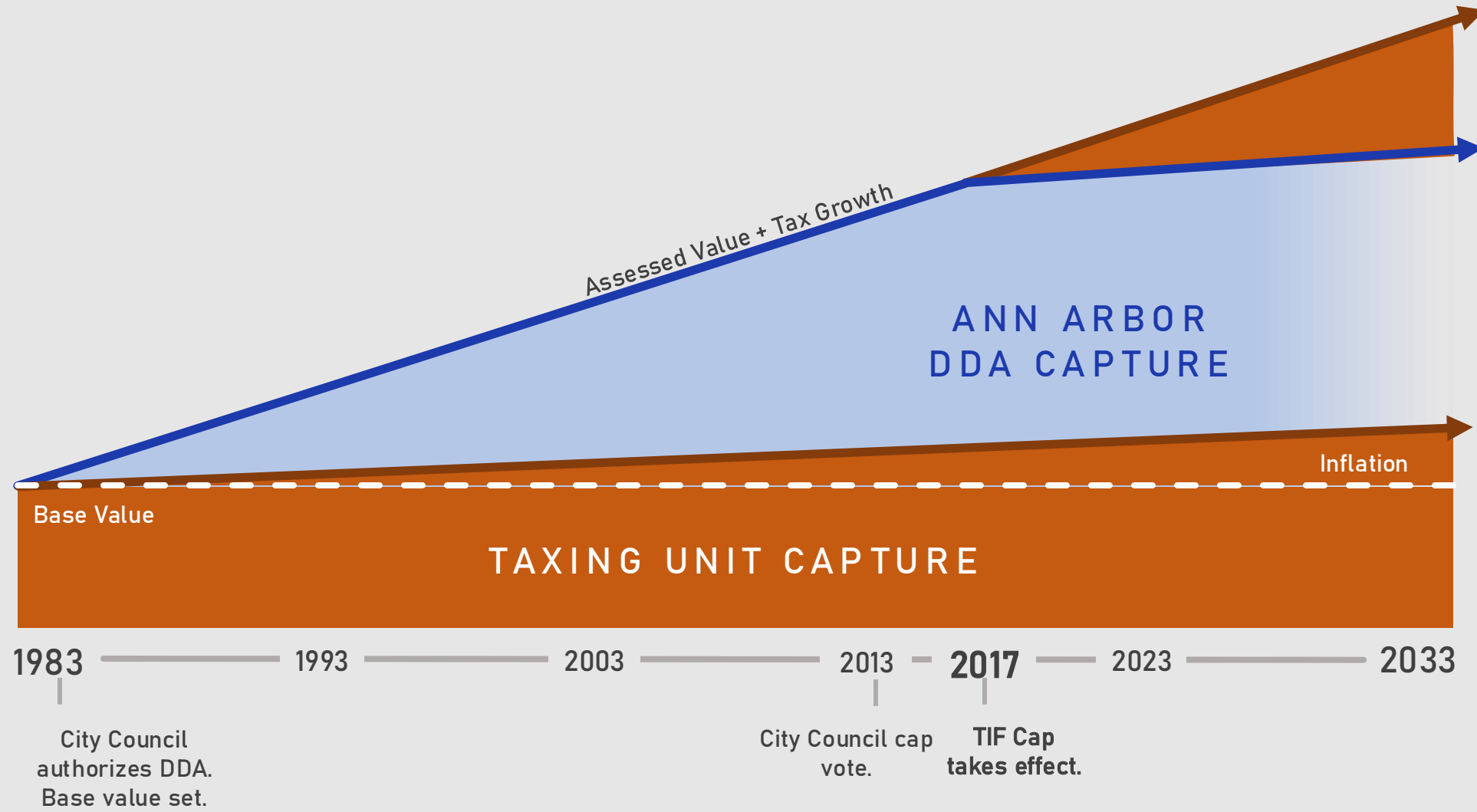
# TIF CAP ADJUSTMENT

How does the TIF Cap affect our Development Plan?

# Current TIF Capture Status

## 1 TIF District

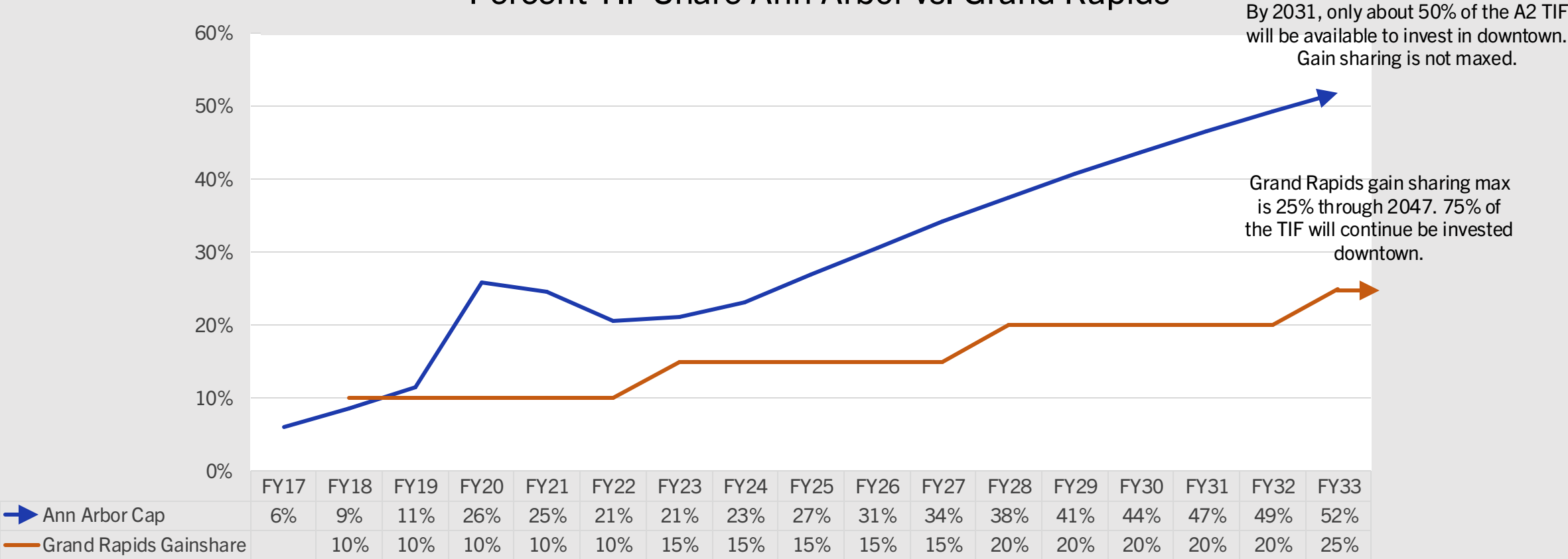
- In 2013 City Council voted to limit DDA funding through a TIF cap, effective 2017.
- Limited funding in turn limits DDA's projects and programs.
- Growth above the cap goes to the other governmental units.





# TIF Revenue Sharing - Comparison Between Other DDAs

Percent TIF Share Ann Arbor vs. Grand Rapids





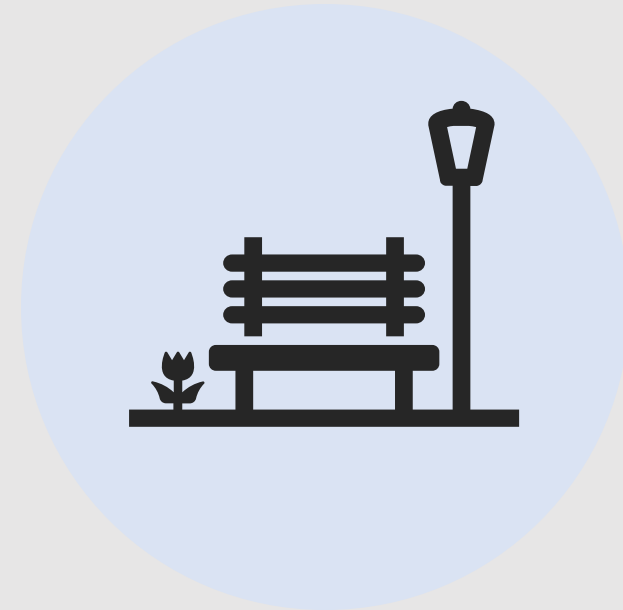
# TIF Cap Adjustment - Potential Outcomes

**What are the potential outcomes if the TIF Cap is adjusted?**

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

We potentially could:

- 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

### Two Approval Options

#### 1. Ann Arbor Model:

City Council votes to amend City Code to adjust the cap or restructure as a gain share.

#### 2. Grand Rapids Model:

City Council votes to remove the TIF cap from City Code and each governmental unit enters a gain sharing contract with the DDA.

- This option aligns more closely with State Statute.

## ADJUSTMENT NOT APPROVED

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

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 we can do.



# PROJECTS AND PROGRAMS

Potential Effects from our Boundary and Financing



# 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 01*



**Boundary Expansion**



**TIF Cap Adjustment**

*Scenario 02*



**Boundary Expansion**



**TIF Cap Adjustment**

*Scenario 03*



**Boundary Expansion**



**TIF Cap Adjustment**

*Scenario 04*



**Boundary Expansion**



**TIF Cap Adjustment**

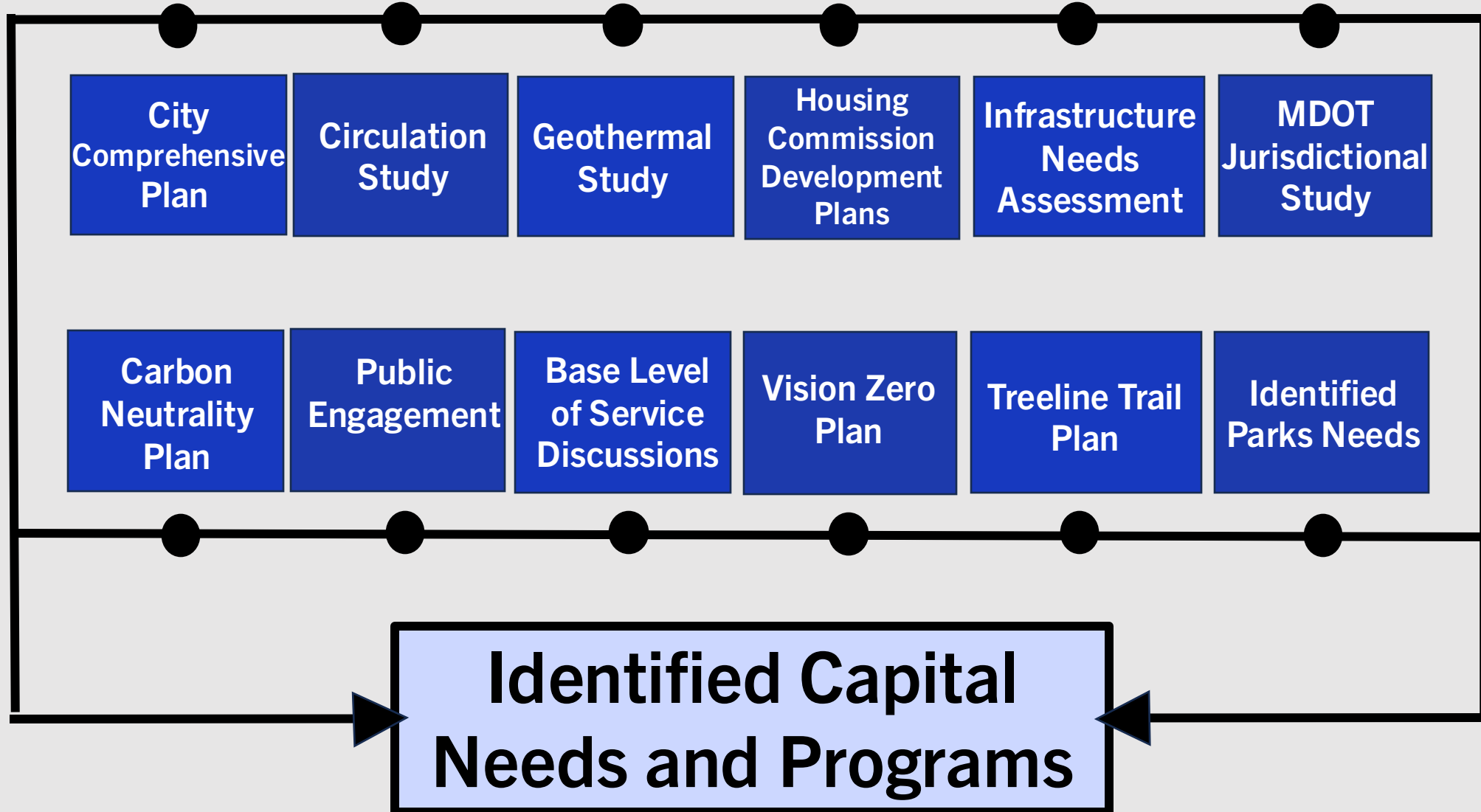


A blue-tinted photograph of a city street at night. String lights are strung across the street, and a crowd of people is walking. In the foreground, a person is sitting on a bench, and a bicycle is parked nearby. The background shows a street intersection with traffic lights and signs.

# PROJECTS AND PROGRAMS

Identifying Need

# Identifying Projects and Programs

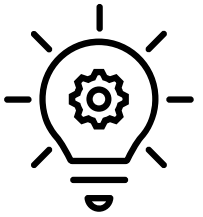




# PROJECTS AND PROGRAMS

Prioritizing need — Strategic Score Cards

# 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?



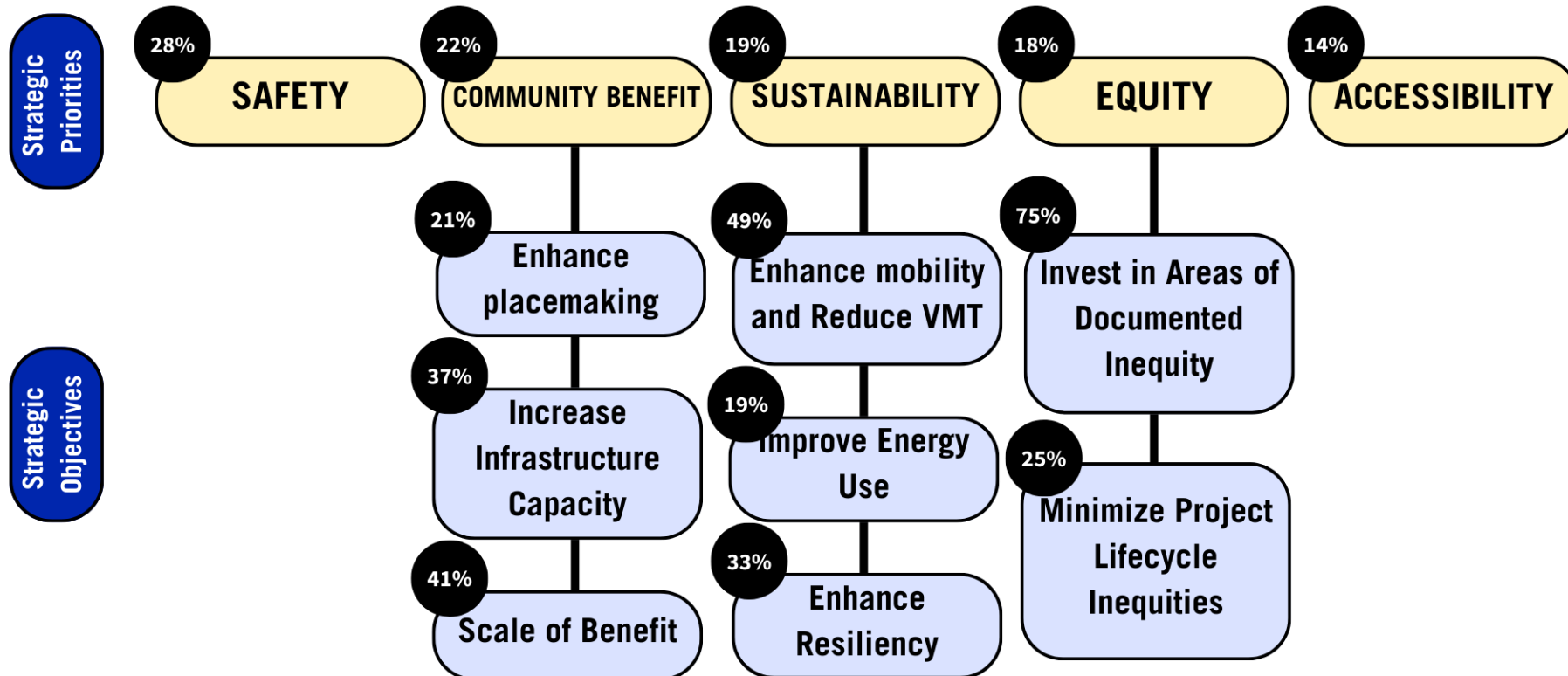
Develop a Capital Budget based on the CIP

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



# Prioritize Needs Based on Strategic Value

## Example: Strategic Value Scorecard for Other Infrastructure



## How we Score Each Project

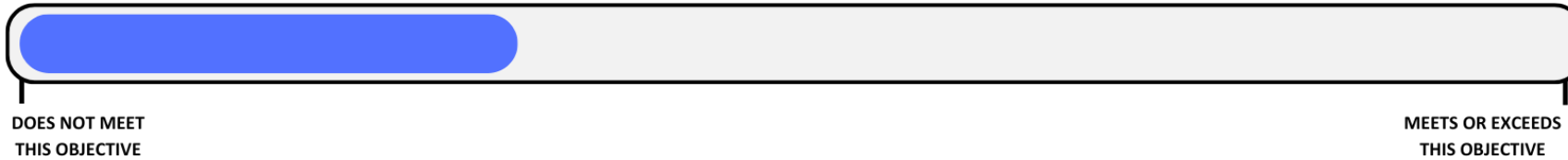
How well does the project achieve community goals and staff recommendations?

How does expected value of one project compare to another?

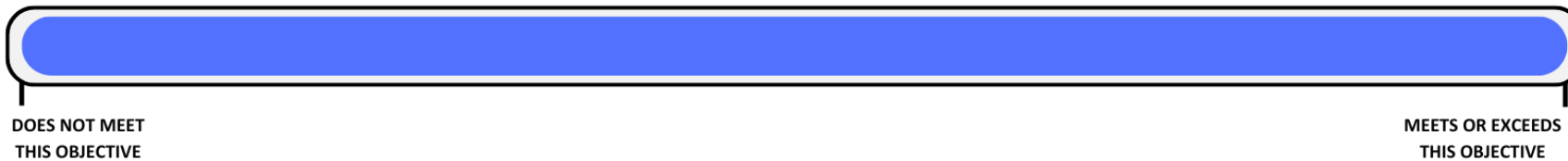


# Proposed Projects Scored with Sliding Scale

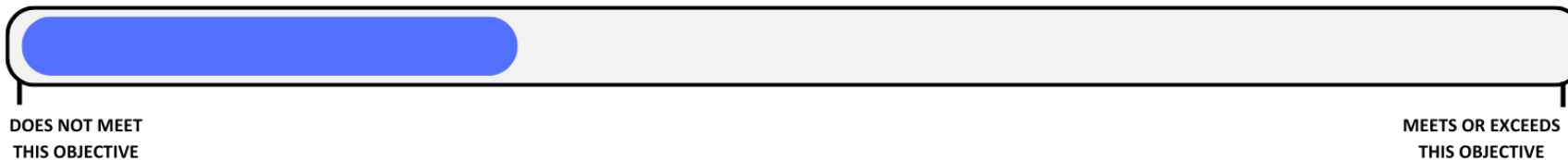
## Improve Safety



## Enhance Mobility and Reduce Vehicle Miles Traveled (VMT)



## Expand Connectivity



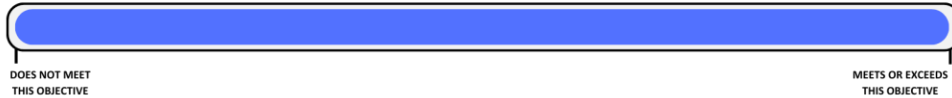
## Result:

A rank order  
of projects  
based on  
overall benefit

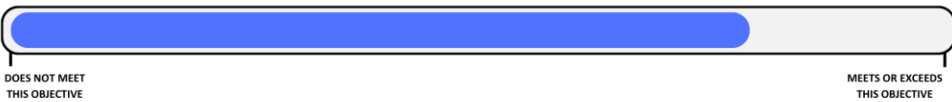
# Example Project – Fourth Avenue

## Strategy Priority: Equity

### Invest in Areas of Documented Inequity

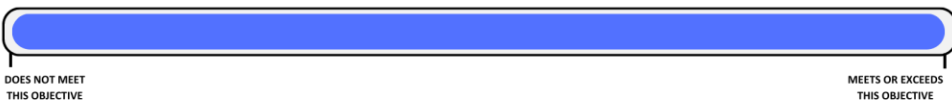


### Minimize Project Lifecycle Inequities

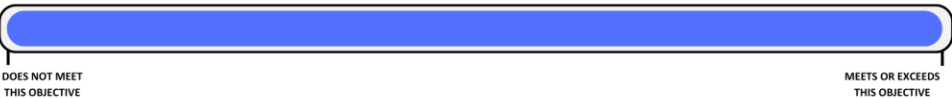


## Strategy Priority: Community Benefit

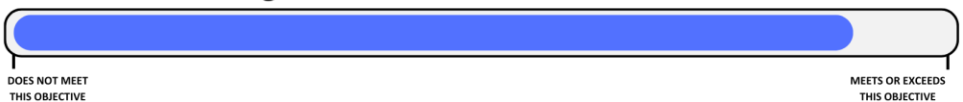
### Scale of Benefit:



### Increase Infrastructure Capacity

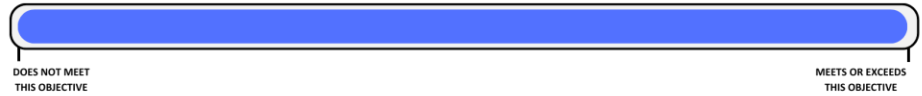


### Enhance Placemaking

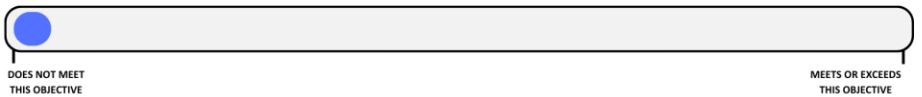


## Strategy Priority: Sustainability

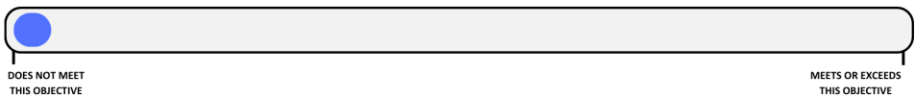
### Enhance Mobility and Reduce Vehicle Miles Traveled (VMT)



### Improve Energy Use

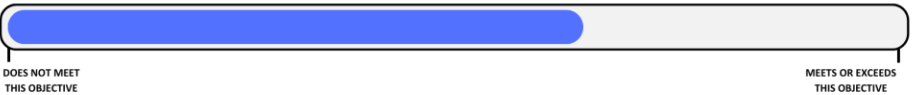


### Enhance Resiliency



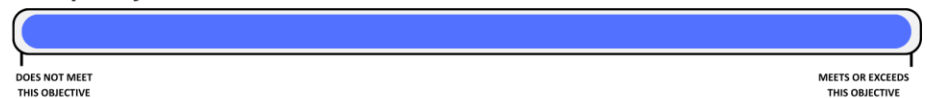
## Strategy Priority: Improve Safety

### Enhance Mobility and Reduce Vehicle Miles Traveled (VMT)

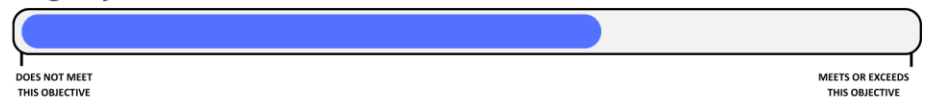


## Complexity/Urgency

### Complexity



### Urgency



# Next Steps

1. **Score projects:** City, DDA, & AAATA staff group scores projects using the strategic value scorecard.
2. **Develop scenarios:** Staff and consultants develop boundary and revenue scenarios to implement projects.
3. **Determine scenario that maximizes public benefit:** Discuss scenarios at DDA Board and City Council Work Sessions and with the DDARCC. Determine where and how this revenue tool can provide the most benefit.
4. **Review and adopt plan:** Following a public hearing, DDARCC will share their findings with City Council and City Council will be asked to vote on the recommended plan.