

Ann Arbor DDA

FY26 and FY27 Budget Work Session –

TIF Funds

- Budget Basics
- Budget Highlights
- Budget Summaries
- Next Steps



Budget Basics

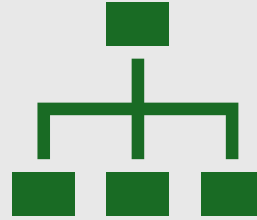
Budget Basics

Overview



Basis & Authority

Our budget process is informed by statute, City ordinance, the development plan, etc.



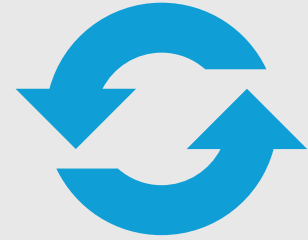
Organizational Structure

Our financial statements are presented by system, but our budgets are approved by fund –

General/TIF Fund

Housing Fund

Public Art Fund

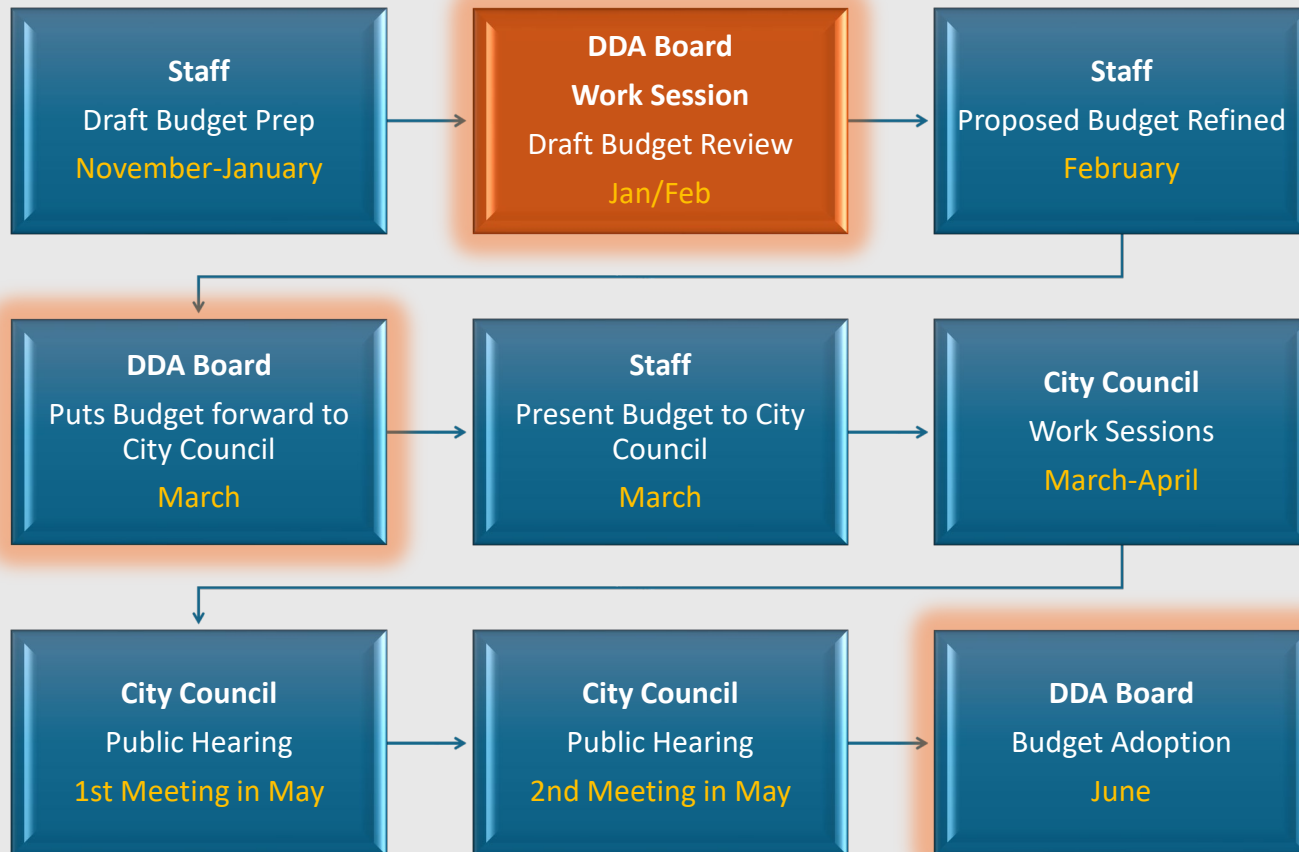


Bi-Annual Process

FY26 is the first year of the two-year cycle when we budget for year one and plan for year two.

Budget Basics

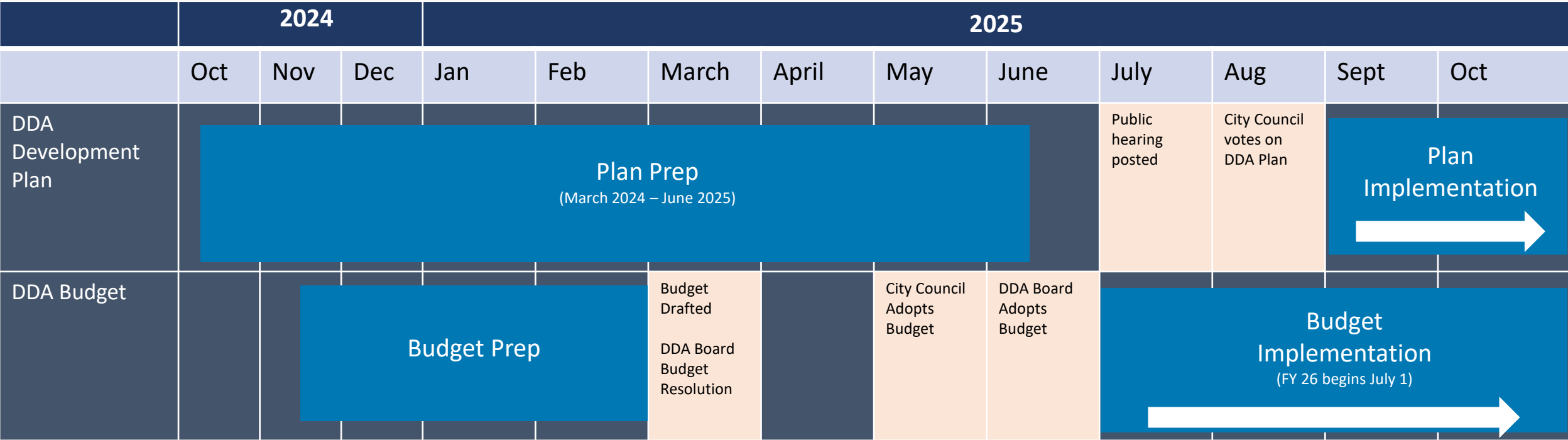
Timeline



- **Budget year** - July 1 thru June 30 (FY26)
- DDA Budget must be adopted before July 1.
- City Budget includes DDA Budget as **component unit**
- DDA Budget goes thru City public hearing process
- DDA Budget is adopted by DDA Board after approval by City per statute

Budget Basics

Development Plan Schedule and Budget Coordination



- Budget Consideration: Include capacity to implement a new Development and TIF Plan.
- A budget provides capacity to spend but does not require it.

Budget Basics

TIF Funds Budget Overview

Priorities

- Limited by FY17 Cap
- FY25 over cap amount \$3M (25% of capturable revenues)
- FY33 over cap amount \$12.8M (50% of capturable revenues)

- CIP informed by City values and City CIP scoring (strategic value scoring)
- Maintenance commitments
- Housing funding minimum set by City ordinance
- Public Art (Elevate program)

- Spending is constrained by funding.
- Fund Balance Policy ensures the maintenance of adequate reserves to mitigate risk of unforeseen events.

Revenues

Expenditures

Budget Highlights

Issue	Actual FY 2024	Projected FY 2025	Budget FY 2026	Budget FY 2027	Estimated FY 2028	Estimated FY 2029	Estimated FY 2030	Estimated FY 2031	Estimated FY 2032	Estimated FY 2033
5th & Division (R)	325,889	327,659	325,432	328,182	330,642	332,277	334,711	337,374	339,717	342,054
Prk. Structure Ped Imp. (R)	493,992	497,660								
Library Ln Future Dev. (R)	302,221	303,957								
First & Ashley, William & Huron	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	1,305,200
Fees	7,185	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total Gen/TIF Fund Debt	3,275,840	3,134,800	1,669,100	1,675,700	1,675,900	1,679,400	1,768,400	1,685,000	1,686,100	1,648,600
Parking Fund										
4th & William Addition										
4th & William Addition (R)	308,600	307,900	312,100	311,100						
1st & Washington	295,895	295,360	598,713	600,475	600,050	598,550	596,550	598,438	604,650	
Prk. Structure Ped Imp. (R)			493,917	498,090	501,824	504,305	507,998	512,041	515,596	519,143
Library Ln Future Dev. (R)			303,271	305,834	308,127	309,650	311,918	314,400	316,583	318,761
Library Ln Underground (R)	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	2,010,842
Fees	1,315	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total Parking Fund	2,518,057	2,529,100	3,622,500	3,646,100	3,355,100	3,367,200	3,385,500	3,409,600	3,435,300	2,850,100
Total All Funds	5,793,897	5,663,900	5,291,600	5,321,800	5,031,000	5,046,600	5,153,900	5,094,600	5,121,400	4,498,700

Budget Highlights

Debt Allocation

General/TIF Fund

- A debt reallocation is proposed beginning in FY26.
- It will shift \$1.1M of annual debt payments from the TIF system to the Parking system.
- The new distribution better aligns with our current model for debt allocation.

Project Name	2026	2027	2028	2029	2030	2031
Annual DDA General Capital Improvements and Maintenance	450,000	500,000	500,000	550,000	550,000	550,000
Fourth Ave (Liberty to William) Transit Enhancements (TIF)	400,000	2,200,000	0	0	0	0
Fourth Ave (Liberty to William) Transit Enhancements (MEDC RAP Grant)	400,000	400,000				
Fourth Ave (Liberty to William) Transit Enhancements (MDOT SSS Grant)		200,000				
Miller (Chapin to Newport) Rehabilitation and (First to Maple) Bikeway	75,000	0	0	0	0	0
Downtown Public Restroom Implementation	380,000	0	0	0	0	0
Ann (First St to Fifth) Resurfacing	186,000	743,000	0	0	0	0
Streetlight Capital Maintenance	150,000	150,000	150,000	150,000	150,000	150,000
DDA Elevate Program	125,000	125,000	125,000	125,000	125,000	125,000
District Geothermal Feasibility Study	37,000	0	0	0	0	0
Geothermal Installation	0	0	0	0	2,000,000	2,000,000
Main St (Huron to M-14) Active Transportation Needs Analysis and Conceptual Design	160,000	40,000	0	0	0	0
Main St (Huron to M-14) Active Transportation Improvements	0	0	0	0	1,000,000	1,000,000
Total TIF	1,963,000	3,758,000	775,000	825,000	3,825,000	3,825,000
Total Grant	400,000	600,000				

Budget Highlights

Capital Improvement Plan

General/TIF Fund &
Public Art Fund

- The DDA participates in the City's Capital Improvement Plan (CIP) process as required by City Ordinance.
- CIP values are approved without regard to year and can 'rollover' from year to year.

		FY25 Projected	FY26 Requested	FY27 Requested
Contingency	Admin/Operations	250,000	500,000	
	Operations - Service Team		1,000,000	1,030,000
	CIP - Bollards		6,000,000	
Total Contingency		250,000	7,500,000	1,030,000

Budget Highlights

Contingency

General/TIF Fund

- Contingency – new budget category
- Development Plan – create capacity in FY26 & FY27 dependent on TIF cap adjustment

Budget Highlights

Contingency - Service Team Responsibilities

General/TIF Fund

- **Sidewalk & curbside cleaning**, weeding, trash & debris removal
- Landscape maintenance
- Alley power washing



Budget Highlights

Contingency - Service Team Responsibilities

General/TIF Fund

- **Snow removal and ice melt application** at sidewalk ramps, bus stops, ADA parking spaces, and benches
- **Bikeway delineator** maintenance / replacement
- Brick, bench, and bike hoop **repairs**
- **Supplemental pedestrian trash can service** when visitor volume is high



Budget Highlights

Contingency - Service Team Responsibilities

General/TIF Fund

- **Barricade deployment**
- **Seasonal light installation**
- **Provide a consistent presence and service connection to**
 - Educate and remind business owners of code requirements
 - Connect directly with A2 fix it to report streetlight outages and infrastructure concerns
 - Connect those in need with services



Budget Highlights

Contingency – Barricades & Downtown Events

General/TIF Fund

EXISTING CONDITIONS & CHALLENGES

Barricade ownership & management – solution needed

- No one City department staffs or manages barricades.
- Without City involvement, all barricades must be flexible and light weight so event managers can place and manage them.

Existing Barricades– replacement solution needed

- Event staff can move and place them, which allows for flexibility
- That same flexibility results in the barricades being moved out of place and breaking over time
- Trip hazard even when placed appropriately
- Unattractive & confusing

DDA Service Team – a potential solution

- DDA overseeing management & operations creates the opportunity to have attractive, safe barricades



Budget Highlights

Contingency – Barricade Placement

General/TIF Fund

Access Point

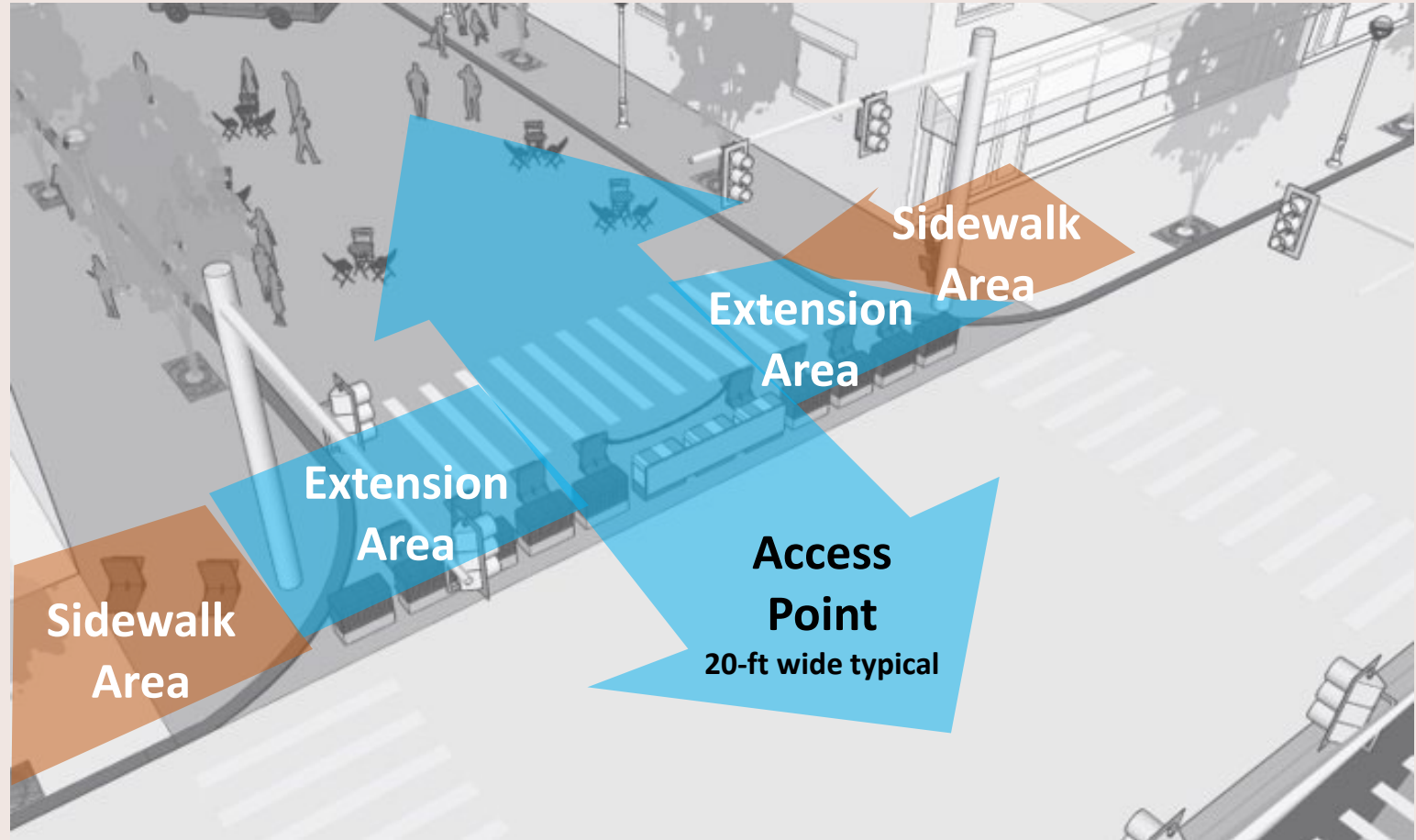
- Where treatments need flexibility to open for emergency vehicle access, services, maintenance, etc.

Extension Area

- Where treatments can be more permanent or semi-permanent for duration of the event or seasonal street.

Sidewalk Area

- Where treatments can be more permanent or semi-permanent for duration of the event or seasonal street.



Budget Highlights

Contingency – Retractable Bollards

General/TIF Fund

Northville case study

- Ameristar SP100 Lift-Assist Bollard
 - Northville's Ameristar option is lift-assist and highly recommended. Requires staff/operator to deploy/un-deploy
- 7,000 lbs vehicle at 30-mph
- Approximately 55" install depth
- 4-foot spacing
- Access key allows for single person to deploy – less than 5 minutes per street section to deploy.
- Cover hatches oriented in snow-plow direction



*Bollards on Main St. in Northville, MI
in deployed and undeployed
condition*



Budget Highlights

Contingency – Retractable Bollards

General/TIF Fund

SPECIFIC TREATMENTS

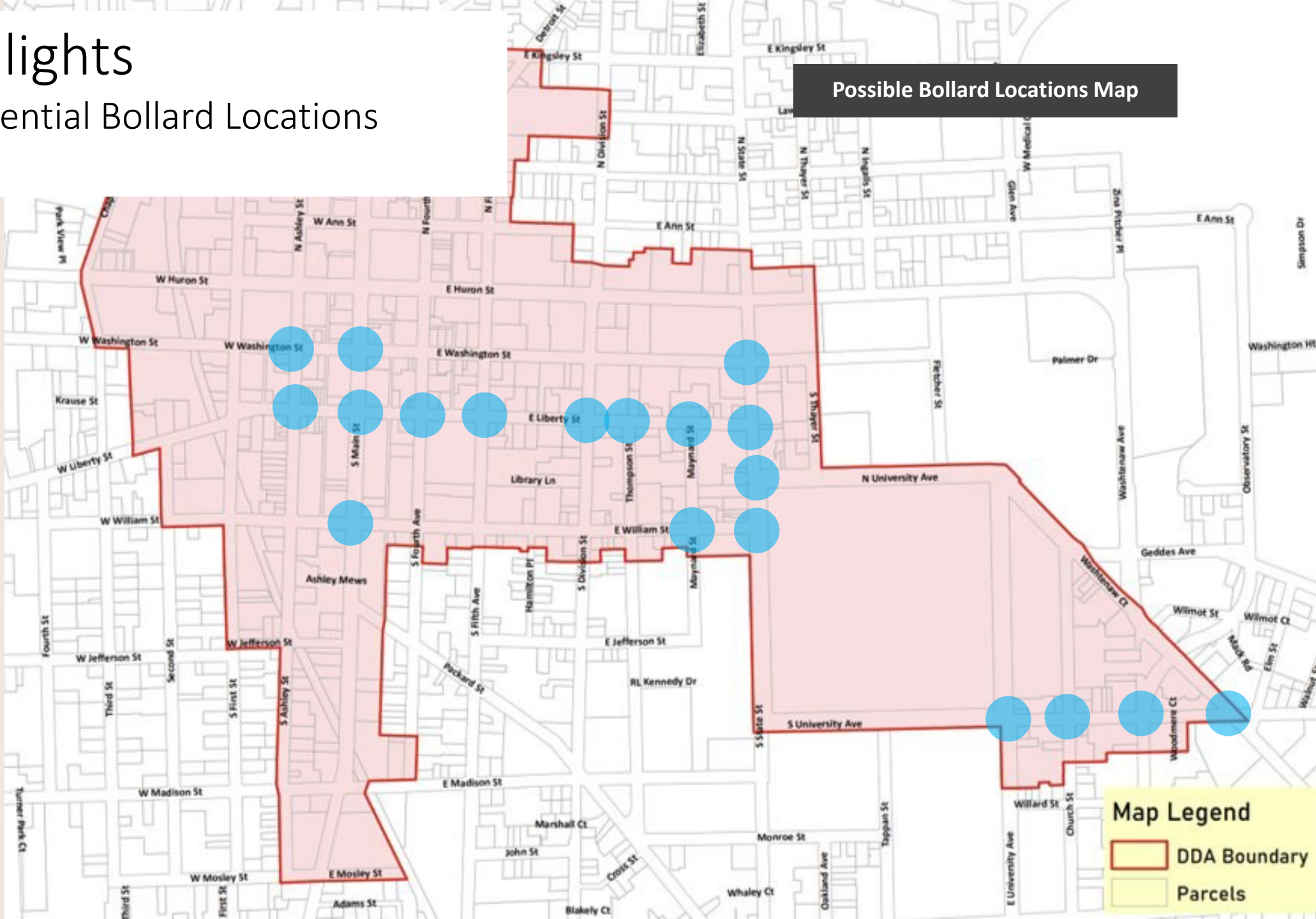


Budget Highlights

Contingency – Potential Bollard Locations

General/TIF Fund

- Retractable event bollards
- Located at intersections that coincide with event streets



Budget Highlights

Contingency – Meridian PVBS

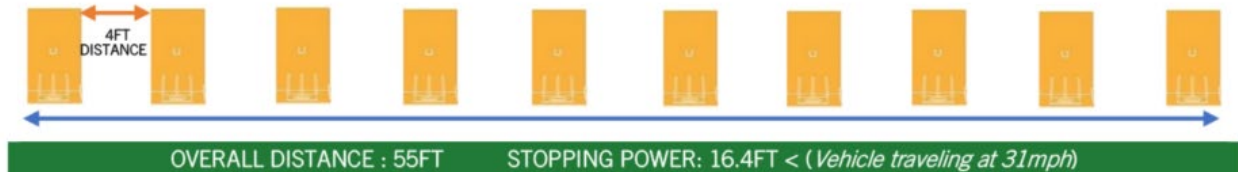
General/TIF Fund

SPECIFIC TREATMENTS

- Strong & durable, but easy to move with the proper tools.
- Hand-moveable with carry pole – but requires organizer training/resources (prevents passersby from moving).
- Requires delivery to site.
- If used as part of a closure, pair with other aesthetic treatments.



DEPLOYMENT CONFIGURATION 2: PEDESTRIAN FLOW ONLY



Budget Summaries

Budget Summary

FY25 Budget vs Projected

General/TIF Fund

- TIF Revenue - millage rates increased
- Contingency – reallocated from Admin to separate category
- CIP - timing/planning reductions

		FY24 Activity	FY25 Budget	FY25 Activity	FY25 Projected	FY25 Variance	FY25 % Var
Revenues	TIF Revenues	8,722,900	9,028,200	8,292,200	9,522,200	494,000	5%
	Interest	658,600	16,000	409,600	16,000	-	0%
	Grant Revenue			24,700	246,700	246,700	
	Other	7,800	4,000	8,200	4,000	-	0%
	Total Revenues	9,389,300	9,048,200	8,734,700	9,788,900	740,700	8%
Expenditures	Administration	773,000	1,307,000	428,400	977,800	(329,200)	-25%
	Grants	267,300	655,800	177,000	610,800	(45,000)	-7%
	Operating	671,900	1,431,700	435,900	1,427,800	(3,900)	0%
	Debt	3,275,900	3,134,800	741,600	3,134,800	-	0%
	CIP	1,169,800	5,966,700	439,200	3,214,200	(2,752,500)	-46%
	Transfer Out	388,900	402,600	402,600	402,600	-	0%
	Contingency				250,000	250,000	
	Total Expenditures	6,546,800	12,898,600	2,624,700	10,018,000	(2,880,600)	-22%
Fund Balance	Beginning	8,033,400	10,875,900	10,875,900	10,875,900		
	Net Rev/Exp	2,842,500	(3,850,400)	6,110,000	(229,100)		
	Ending Fund Balance	10,875,900	7,025,500	16,985,900	10,646,800		
Target Minimum 16%		125%	78%		112%		

Budget Summary

FY26 and FY27 Requested Budget

General/TIF Fund

- TIF Revenues - 3.5% capped growth
- Grants - reflects shift towards programs
- Debt – TIF/Parking reallocation
- Contingency – Renewal/Budget timing

		FY25 Projected	FY26 Requested	FY27 Requested	2 Year Variance	2 Year % Var
Revenues	TIF Revenues	9,522,200	9,855,400	10,200,400	678,200	7%
	Interest	16,000	16,000	16,000	-	0%
	Grant Revenue	246,700	401,900	601,900	355,200	88%
	Other	4,000	4,200	4,400	400	10%
	Total Revenues	9,788,900	10,277,500	10,822,700	1,033,800	10%
Expenditures	Administration	977,800	1,074,900	1,092,600	114,800	11%
	Grants	610,800	163,000	165,300	(445,500)	-273%
	Operating	1,427,800	1,286,900	1,466,500	38,700	3%
	Debt	3,134,800	1,669,100	1,675,700	(1,459,100)	-87%
	CIP	3,214,200	2,238,000	4,233,000	1,018,800	46%
	Transfer Out	402,600	795,600	556,300	153,700	19%
	Contingency	250,000	7,500,000	1,030,000	780,000	10%
	Total Expenditures	10,018,000	14,727,500	10,219,400	201,400	1%
Fund Balance	Beginning	10,875,900	10,646,800	6,196,800		
	Net Rev/Exp	(229,100)	(4,450,000)	603,300		
	Ending Fund Balance	10,646,800	6,196,800	6,800,100		
Target Minimum 16%		112%	63%	67%		


Budget Summary

FY25 Budget vs Projected

Housing Fund

		FY24 Activity	FY25 Budget	FY25 Activity	FY25 Projected	FY25 Variance	FY25 % Var
Revenues	Transfers In	388,900	402,600	402,600	402,600	-	0%
	Interest	40,400	1,000	12,800	1,000	-	0%
	Total Revenues	429,300	403,600	415,400	403,600	-	0%
Expenditures	Administration	1,700	2,800	600	2,800	-	0%
	Grants	547,300	797,900	-	797,900	-	0%
	Total Expenditures	549,000	800,700	600	800,700	-	0%
Fund Balance	Beginning	630,100	510,400	510,400	510,400		
	Net Rev/Exp	(119,700)	(397,100)	414,800	(397,100)		
	Ending Fund Balance	510,400	113,300	925,200	113,300		
Target Minimum 10%		131%	28%		28%		

- Grants – includes \$650K Fire Suppression for Baker Commons



Budget Summary

FY26 and FY27 Requested Budget

Housing Fund

		FY25 Projected	FY26 Requested	FY27 Requested	2 Year Variance	2 Year % Var
Revenues	Transfers In	402,600	416,700	431,300	14,600	4%
	Interest	1,000	800	800	-	0%
	Total Revenues	403,600	417,500	432,100	14,600	3%
Expenditures	Administration	2,800	3,000	3,200	200	7%
	Grants	797,900	486,100	427,400	(58,700)	-12%
	Total Expenditures	800,700	489,100	430,600	(58,500)	-12%
Fund Balance	Beginning	510,400	113,300	41,700		
	Net Rev/Exp	(397,100)	(71,600)	1,500		
	Ending Fund Balance	113,300	41,700	43,200		
Target Minimum 10%		28%	10%	10%		

- Grants – budget for capacity

Budget Summary

FY26 and FY27 Requested Budget Public Art Fund

- New Fund for FY26
- Transfer in remaining FY25 Elevate Program balance

		FY25 Projected	FY26 Requested	FY27 Requested	2 Year Variance	2 Year % Var
Revenues	Transfer In	-	428,900	175,000	(253,900)	-59%
	Interest	-	400	400	-	0%
	Total Revenues	-	429,300	175,400	(253,900)	-59%
Expenditures	Administration	-	700	700	-	0%
	Operating	-	17,000	17,100	100	1%
	CIP	-	394,100	140,100	(254,000)	-64%
	Total Expenditures	-	411,800	157,900	(253,900)	-62%
Fund Balance	Beginning	-	-	-		
	Net Rev/Exp	-	17,500	17,500		
	Ending Fund Balance	-	17,500	17,500		
Target Minimum 10%			10%	10%		



Next Steps



TIF Fund Budgets

Next Steps

- **March 5 DDA Board Meeting** – FY26 & FY27 Budget Presentation in context of 10-Year Plan will be reviewed. A resolution to put the budget forward to City Council will be considered.
- **June 4 DDA Board Meeting** – Formal adoption of the budget will be considered.