

TO: Mayor and City Council

DATE: April 15, 2026

FROM: Maura Thomson, Executive Director, Ann Arbor DDA

CC: Milton Dohoney, City Administrator  
DDA Board

SUBJECT: DDA Development and TIF Plan

This memo provides an overview of the agenda item that City Council will consider at its April 20, 2026 meeting regarding the Downtown Development Authority (DDA) Development and Tax Increment Finance (TIF) Plan.

### **What is City Council being asked to approve on April 20<sup>th</sup>?**

On April 20<sup>th</sup>, the Ann Arbor City Council is being asked to consider an amendment to Sections 1:152, 1:154, 1:156, 1:158, 1:159, and 1:160 of Chapter 7 (DOWNTOWN DEVELOPMENT AUTHORITY) of Title 1 of the Code of the City of Ann Arbor. Approval of this amendment would adopt the 2026-2055 Amended DDA Development and TIF Plan, which includes three primary components:

- Boundary: Expansion of the DDA district boundaries
- Finance Plan: Transition to a revenue share model for TIF distribution
- Projects and Programs: Identification of 150 identified projects and programs

The Plan is the DDA's road map; it is our commitment to you and the community of what we intend to accomplish over the next 30 years. Nearly every project and program identified needs additional study and approvals before implementation. Specific to the Downtown Service Team, adoption of the Plan enables the DDA to fund a service team program; it does not prescribe how the program is implemented.

### **What are the timing considerations for City Council adoption?**

The Plan must be adopted before May 1<sup>st</sup> when new State equalized values will be established, causing a shift in the Plan's beginning values and necessitating the calculation of updated estimates for the TIF Plan.

### **What is the impact of taxing jurisdiction opt-outs?**

Taxing jurisdictions subject to DDA tax capture may opt out of the tax capture when a municipality proposes a boundary amendment to the DDA District. Washtenaw County and Washtenaw Community College have exercised the right to opt out of the expanded area. State statute provides libraries with the unique option to opt out of both the original

district and expanded area if the Plan is amended or extended. The Ann Arbor District Library has exercised this right.

The implication of these opt-outs is limited to the TIF Plan, which has been revised to reflect reduced projected TIF capture. While this change limits future revenue, it does not impact the expanded boundary, or which projects the DDA can participate in. As a result, the Development Plan project and program list remain the same. In addition, an update was made to the estimated millage rates to align with the City Treasurer's corrected figures.

### **How will a Downtown Service Team be implemented?**

While the April 20<sup>th</sup> vote on the DDA Plan does not decide the Service Team Program details, we recognize there is high interest in the program. The initial direction of this program was to pilot a program with a union-friendly contractor specializing in downtown management services, with the long-term goal of transitioning to an in-house program. DDA and HR began working collaboratively with AFSCME representatives to evaluate internal staffing viability.

Based on Council input received at the Feb 2nd public hearing, we understand there is strong interest in establishing an in-house program and that contracting for these services is not the preferred approach. With that in mind we are working closely with HR and Public Services to determine the feasibility, cost, and timeline for launching an in-house downtown service team program.

At Council's April 27<sup>th</sup> Work Session, the DDA will present two pilot approaches to inform a permanent program:

- Block by Block – Contract with Block by Block to provide a dedicated staff team
- Public Works – Contract with City Public Works to provide a dedicated staff team

For each pilot option, the DDA will provide a proposed implementation timeline, cost estimate, and scope of services based on what is feasible within the DDA's budget for this program. With both options, the goal is to transition to a permanent AFSCME and Teamster staffed program after a 12-18 month pilot period. The DDA remains committed to implementing Council's direction.