

An aerial photograph of a city skyline, heavily filtered with a blue color. The image shows a dense urban area with various buildings, including a prominent tall skyscraper on the right side. A construction crane is visible in the upper right quadrant. The sky is overcast. The text 'DEVELOPMENT PLAN UPDATE' is overlaid in the center 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

An aerial, high-angle photograph of a city street intersection, overlaid with a semi-transparent blue filter. The street is lined with buildings, including one with a sign for 'ANN ARBOR'. A street sign for 'N. University' is visible. Several cars and pedestrians are scattered throughout the scene. The text 'PLAN REQUIREMENTS' is prominently displayed in the center-left of the image.

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






2025 DDA Development Plan Project Schedule

-  Board Meetings
-  DDARCC Meetings
-  City Council Meetings
-  Board Work Sessions
-  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			21	22	23
24	25	26	27	28	1	2
3	4	5	6	7	8	9



MARCH

Mo	Tu	We	Th	Fr	Sa	Su
24	25	26	27	28	1	2
3	4	5		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.

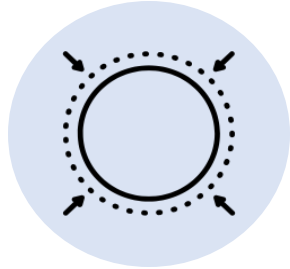




Understanding Key Decisions

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.

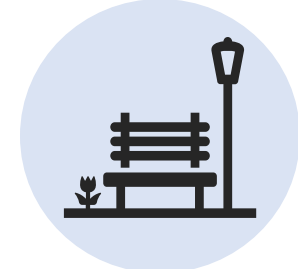
2



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.

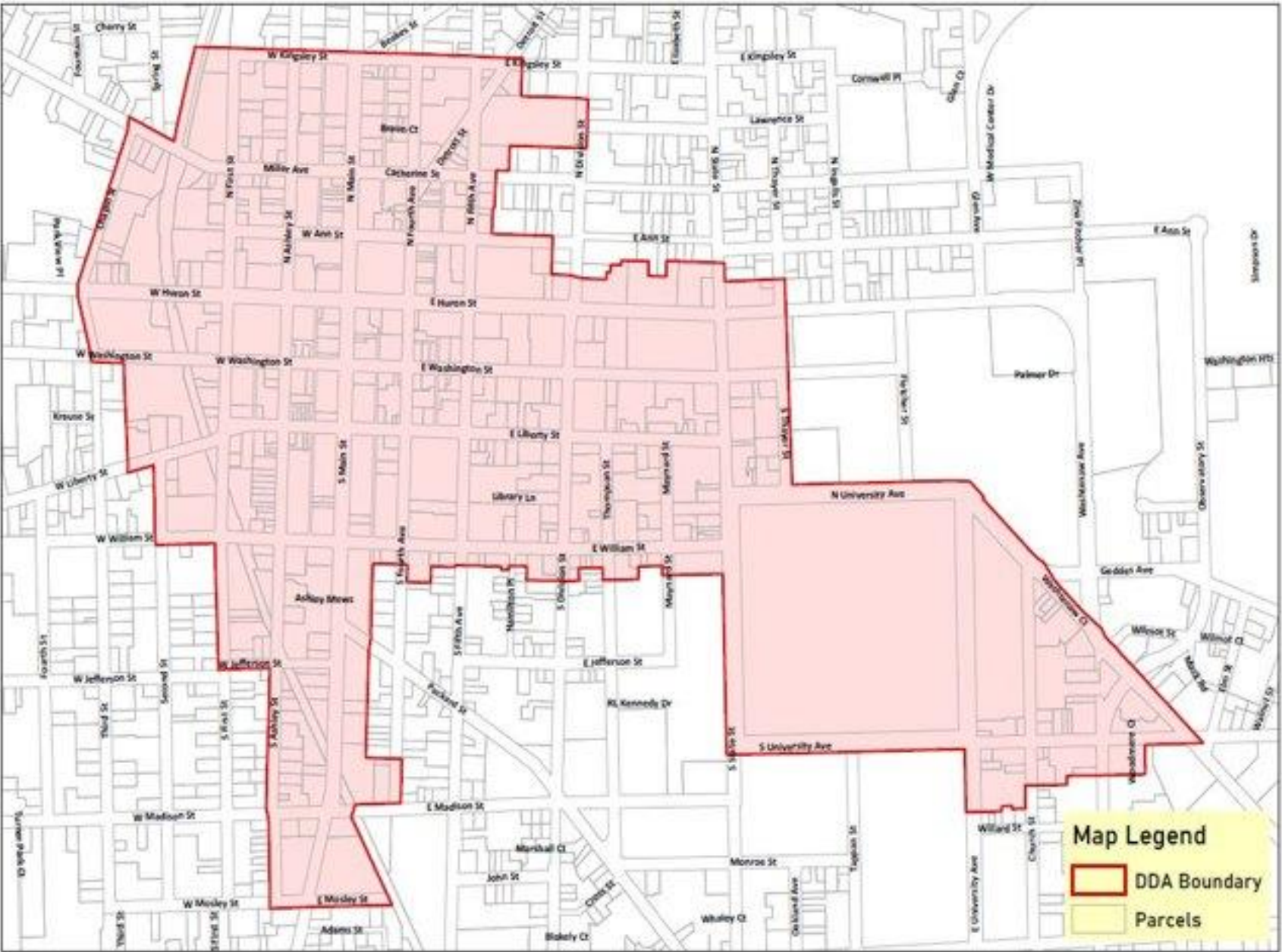
BOUNDARY + BUDGET = CAPACITY

A blue-tinted photograph of a busy city street at night. The scene is illuminated by numerous strings of warm white lights hanging across the street. Pedestrians are walking on the sidewalks, and some are sitting on modern, curved wooden benches. In the background, there are streetlights, traffic signs, and buildings. The overall atmosphere is vibrant and urban.

BOUNDARY

How does the DDA Boundary affect our
Development Plan?

Current Boundary Status



1 TIF District

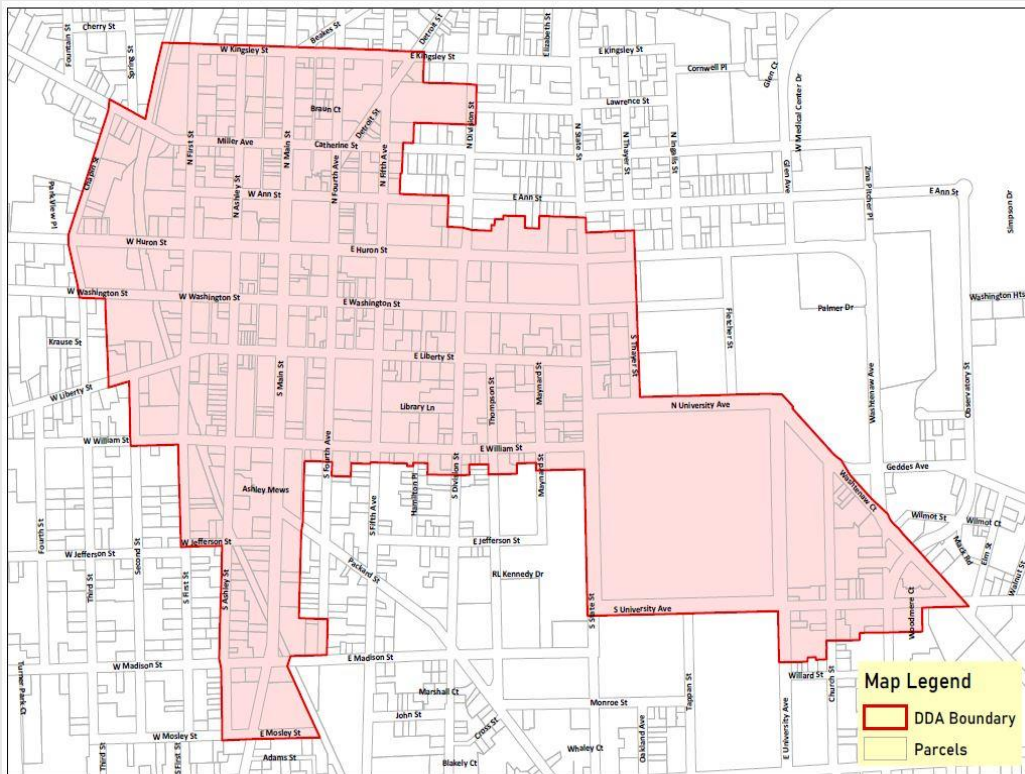
67 city blocks; 271 acres

- 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

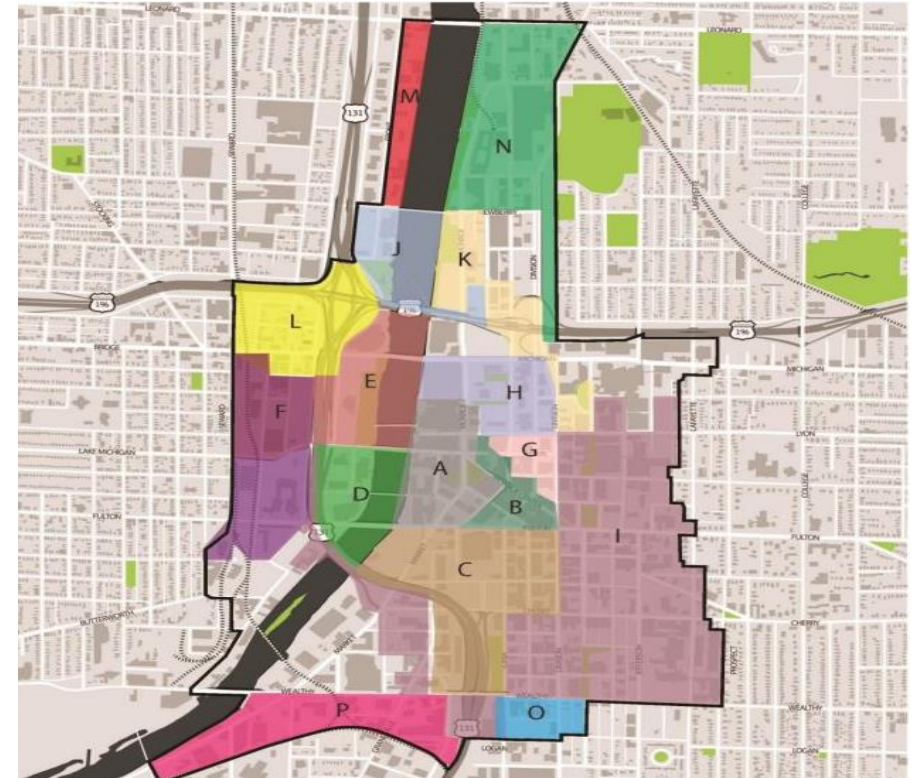
Ann Arbor DDA

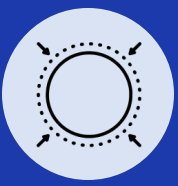
1 TIF District; 271 acres



Downtown Grand Rapids Inc.

16 TIF Districts; 873 acres





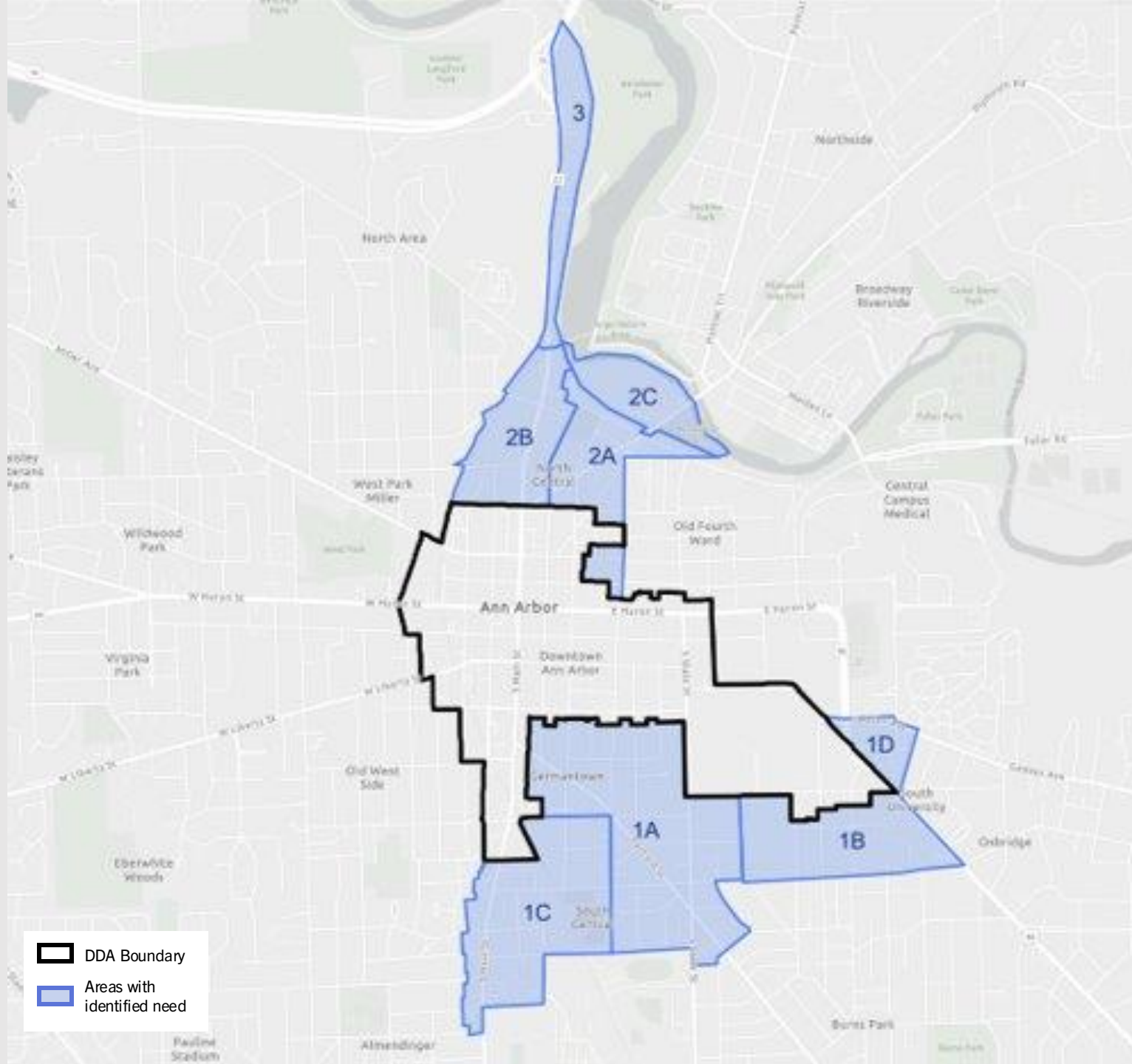
Boundary Expansion - Potential Outcomes

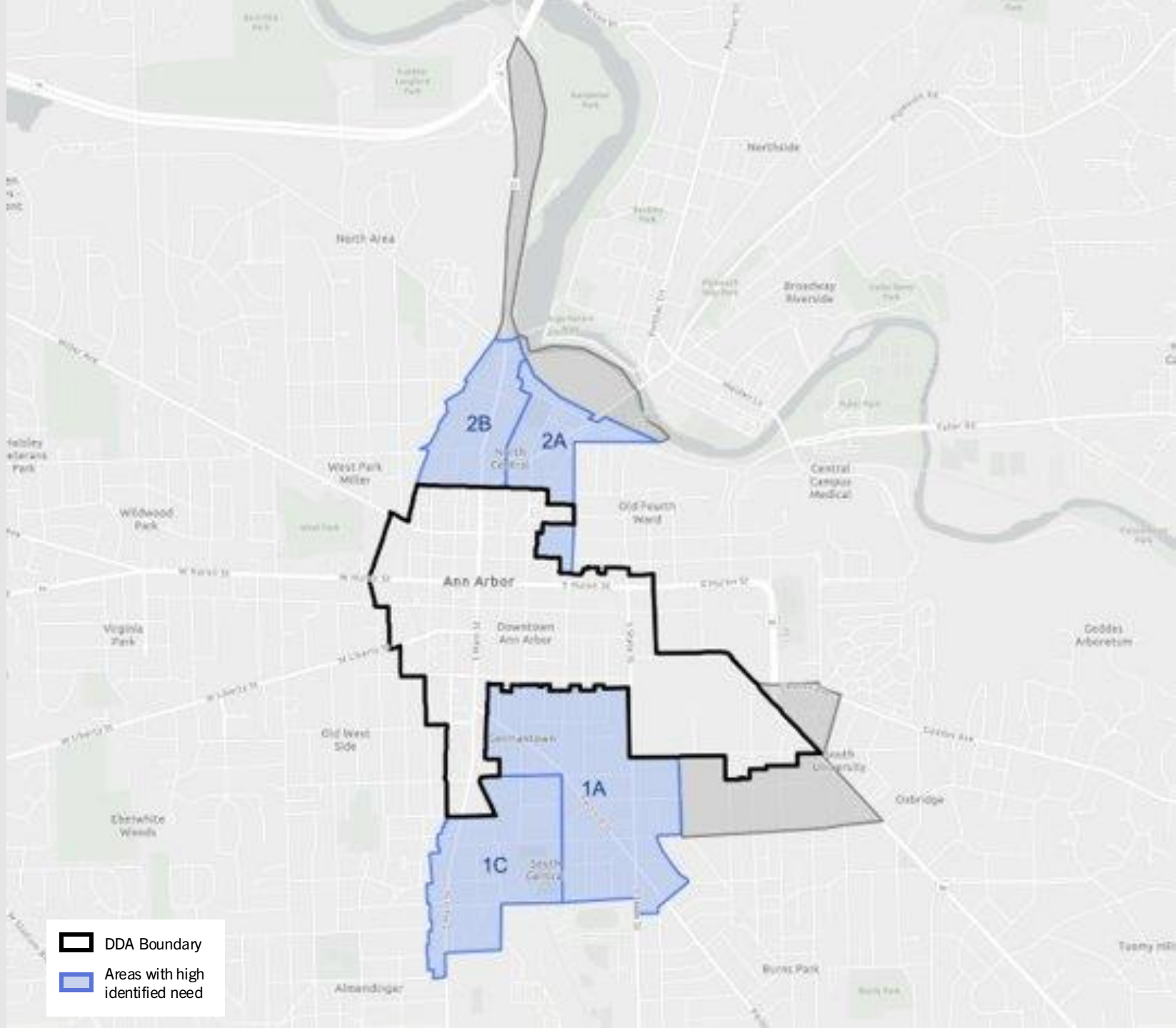
What are the potential outcomes of a DDA Boundary expansion?

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

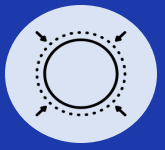
- Potential to make investments in more projects.
 - Expands where we can spend our affordable housing dollars and make street, utility, and parking space investments.
- Potential to support/maintain more areas throughout Downtown.
 - Downtown amenities such as streetlights, pavers, and public seating 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 are unable to expand our services to new areas, but we maintain our current boundary.



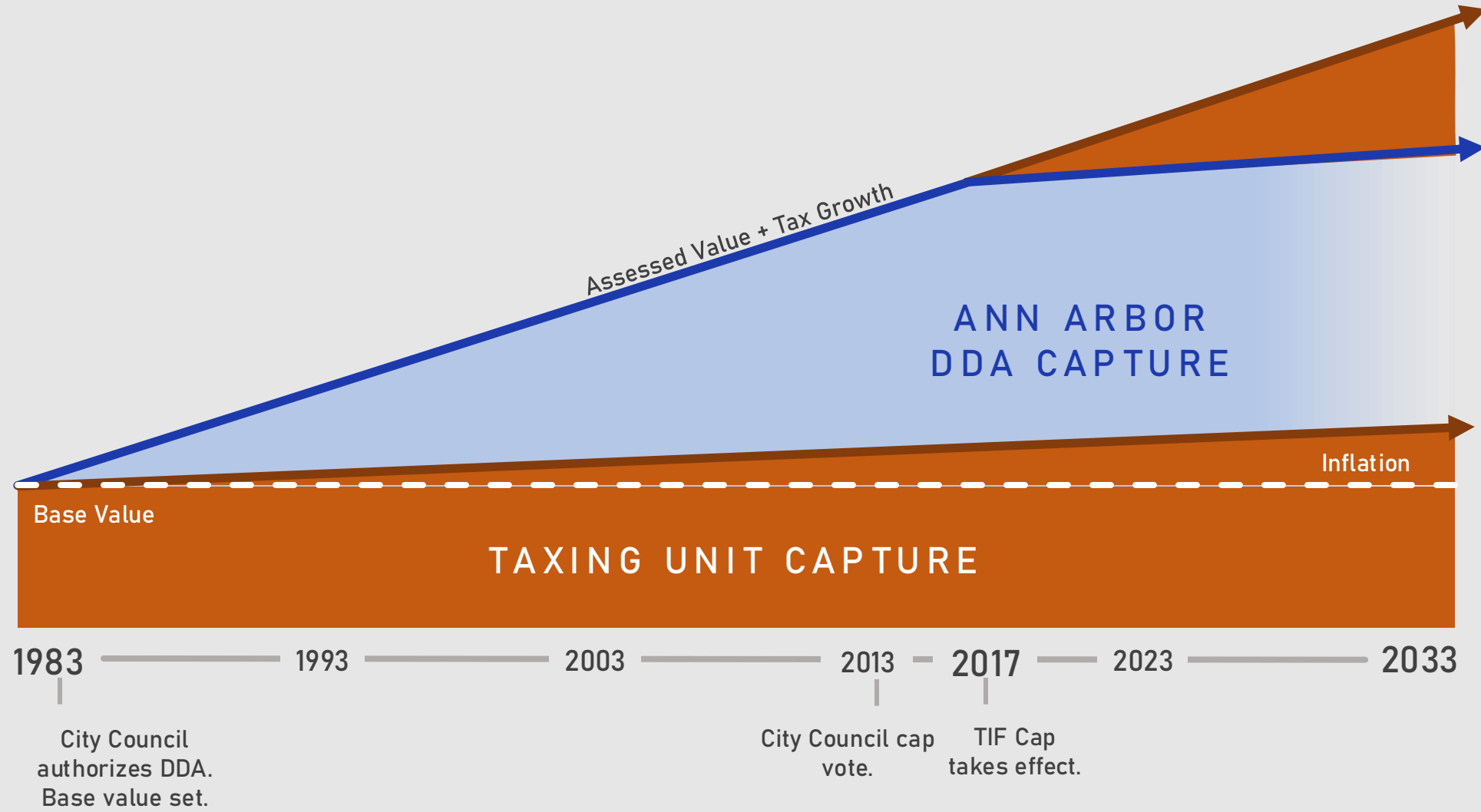
TIF CAP ADJUSTMENT

How does the TIF Cap affect our Development Plan?

Current TIF Capture Status

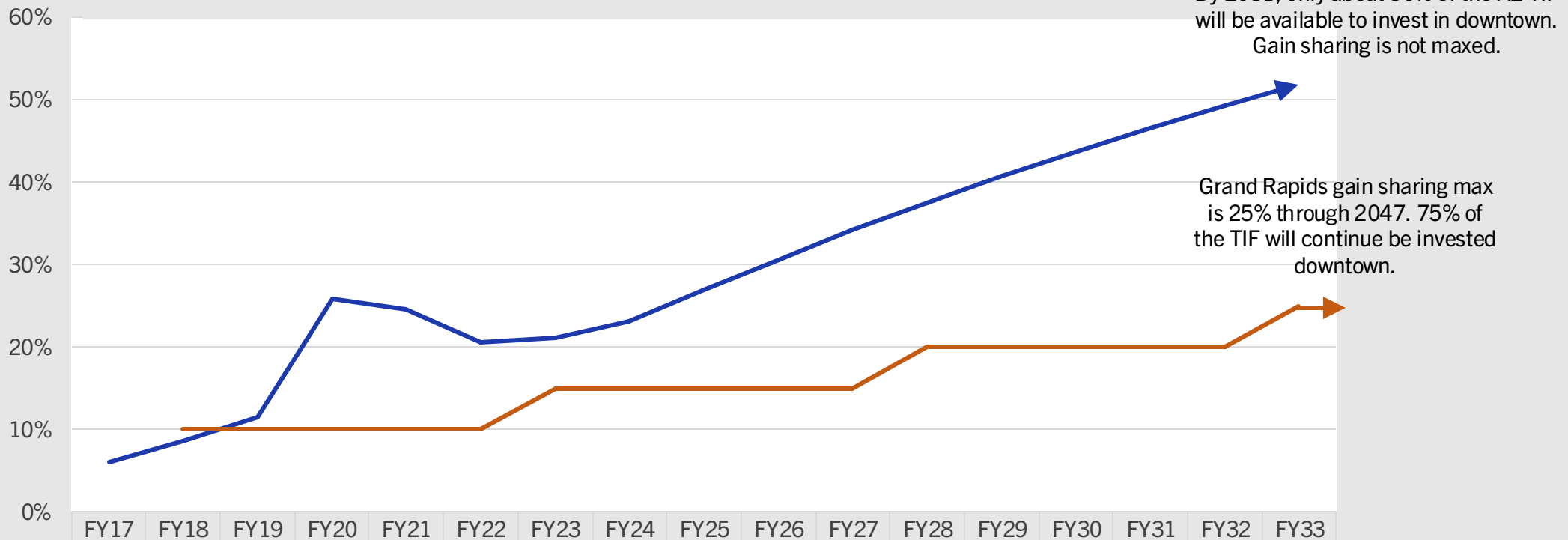
1 TIF District

- In 2013 City Council voted to limit DDA funding through a TIF cap, effective 2017.
- The cap limits DDA revenue, which 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



By 2031, only about 50% of the A2 TIF will be available to invest in downtown. Gain sharing is not maxed.

Grand Rapids gain sharing max is 25% through 2047. 75% of the TIF will continue be invested downtown.

➔ Ann Arbor Cap
➔ Grand Rapids Gainshare



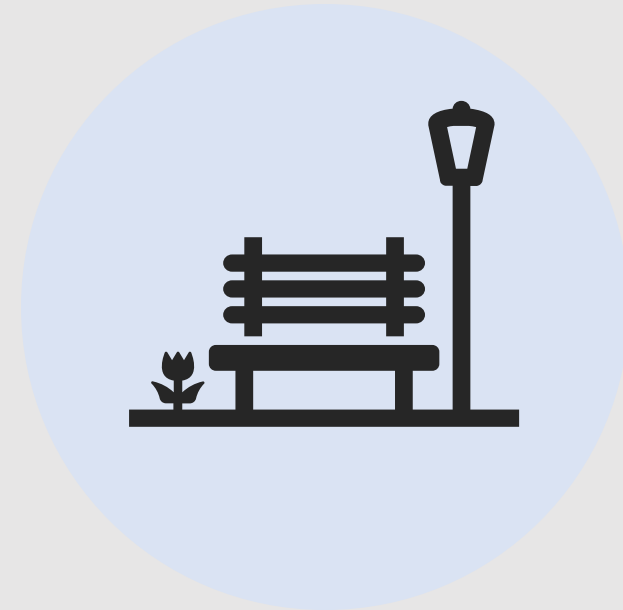
TIF Cap Adjustment - Potential Outcomes

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 reflect the new cap adjustment.

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.

A blue-tinted photograph of a busy city street at night. The scene is illuminated by strings of warm white lights hanging across the street. In the foreground, a bicycle is parked on the left. Several people are walking and sitting on modern, curved benches. In the background, there are traffic lights, street signs, and buildings. The overall atmosphere is vibrant and urban.

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



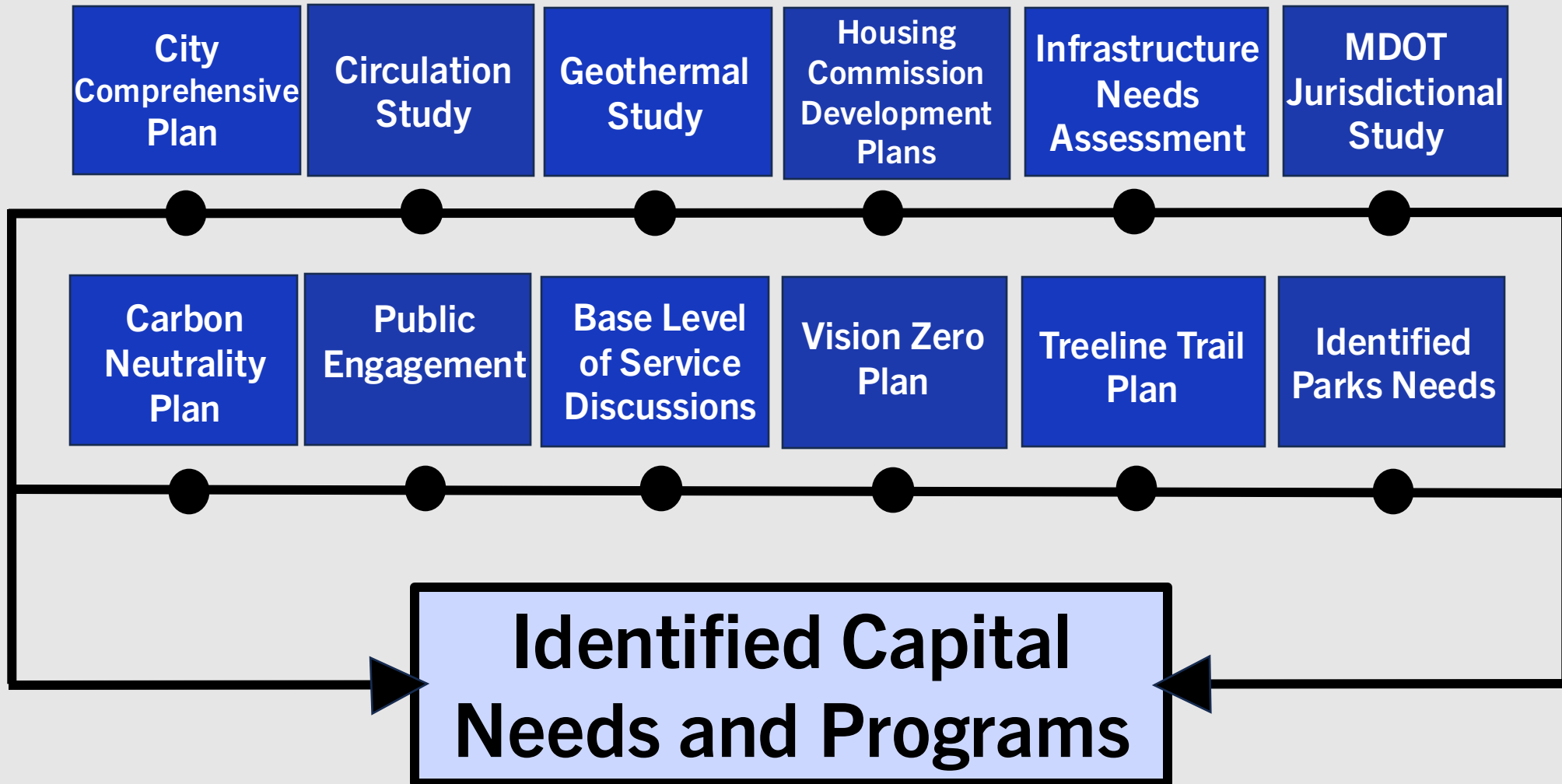
TIF Cap Adjustment

A blue-tinted photograph of a busy city street at night. The scene is illuminated by strings of warm white lights hanging across the street. Pedestrians are walking on the sidewalks, and some are sitting on modern, curved benches. A bicycle is parked in the foreground on the left. In the background, there are street signs, including one that says "P. LANTIER", and a building with a sign that says "WELCOME TO THE CITY OF...". The overall atmosphere is vibrant and urban.

PROJECTS AND PROGRAMS

Identifying Need

Identifying Projects and Programs

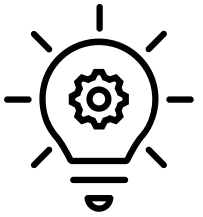




PROJECTS AND PROGRAMS

Prioritizing need — Strategic Score Cards

Capital Planning Process



Identify project needs and scopes.



Prioritize needs based on strategic value.



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?



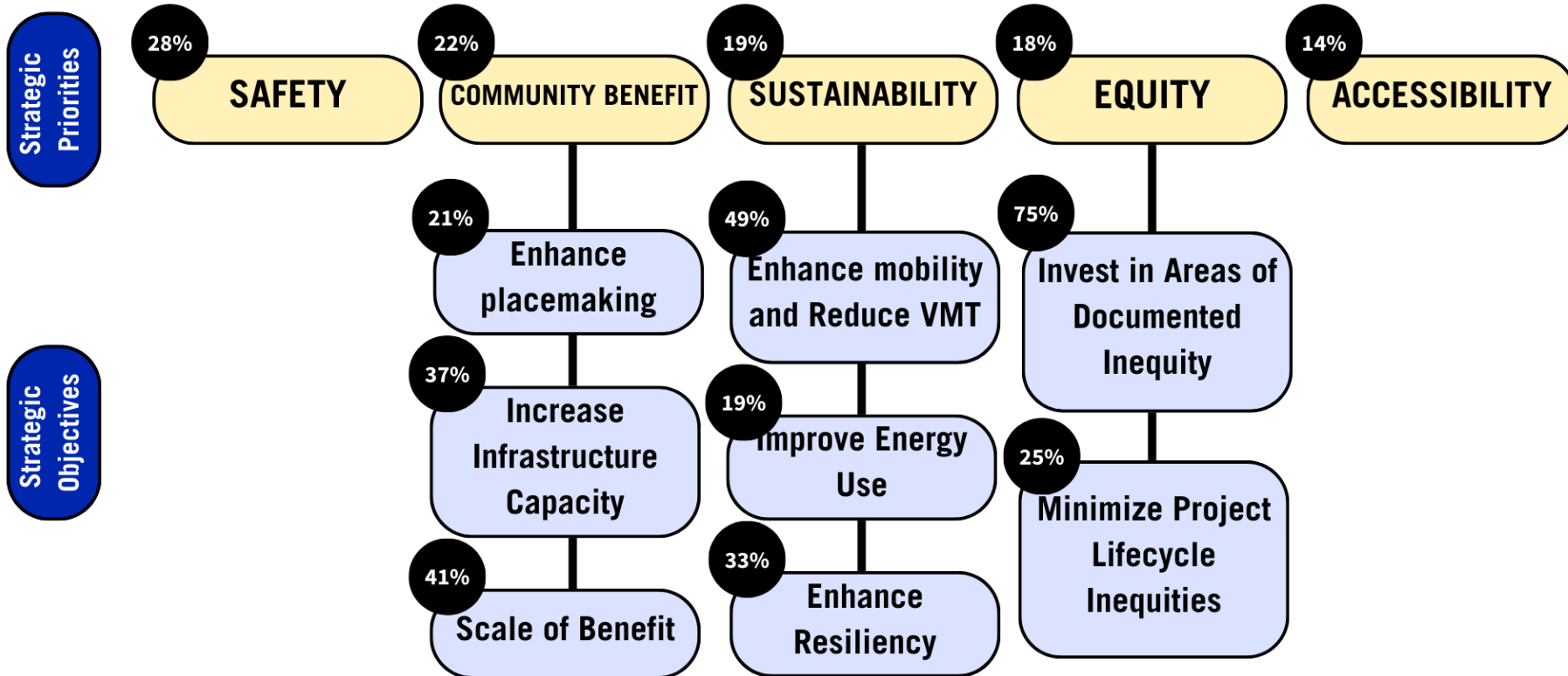
Develop a Capital Budget based on the CIP

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



Prioritize Needs Based on Strategic Value

Example: Strategic Value Scorecard for Other Infrastructure



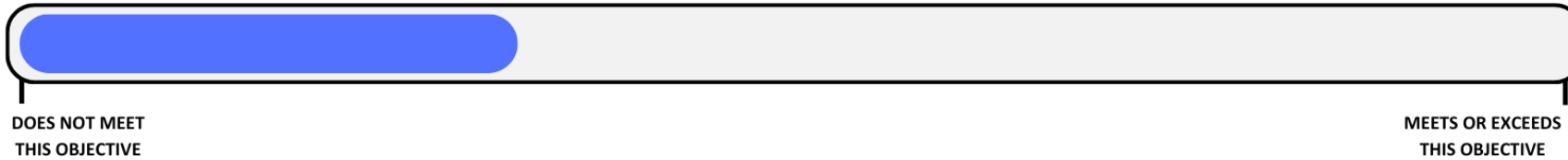
How we Score Each Project

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

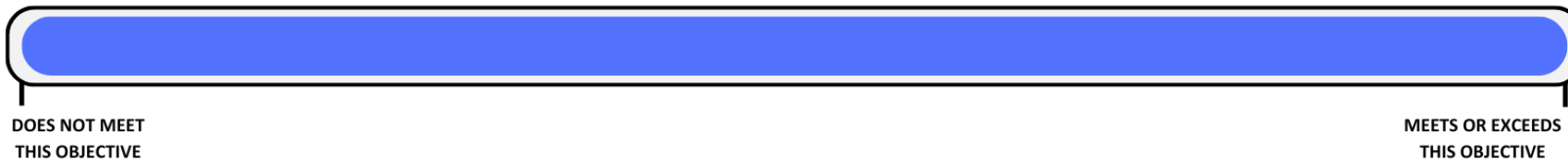
How does expected value of one project compare to another?

Proposed Projects Scored with Sliding Scale

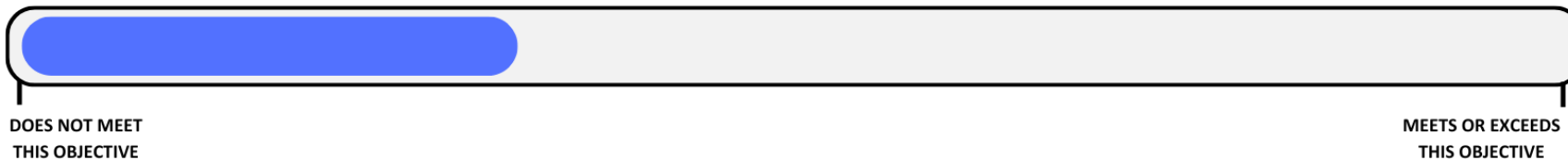
Improve Safety



Enhance Mobility and Reduce Vehicle Miles Traveled (VMT)



Expand Connectivity



Result:

A rank order of projects based on overall benefit

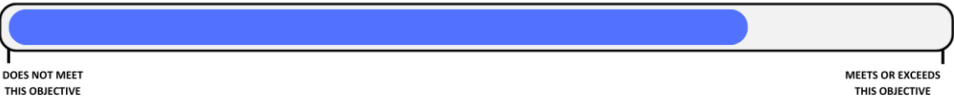
Example Project – Fourth Avenue

Strategy Priority: Equity

Invest in Areas of Documented Inequity

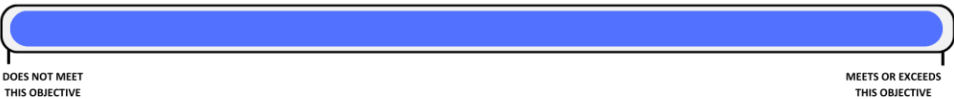


Minimize Project Lifecycle Inequities

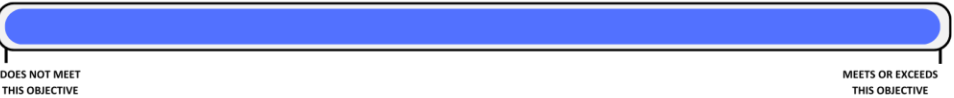


Strategy Priority: Community Benefit

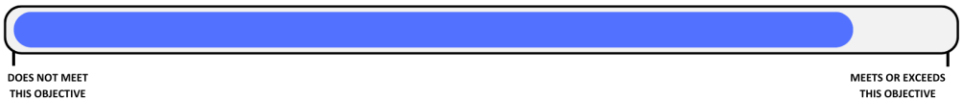
Scale of Benefit:



Increase Infrastructure Capacity



Enhance Placemaking

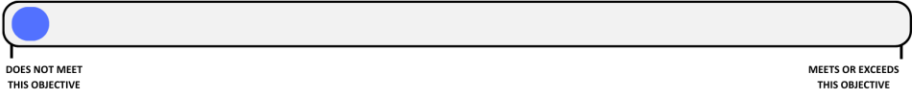


Strategy Priority: Sustainability

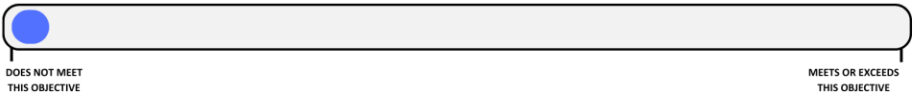
Enhance Mobility and Reduce Vehicle Miles Traveled (VMT)



Improve Energy Use

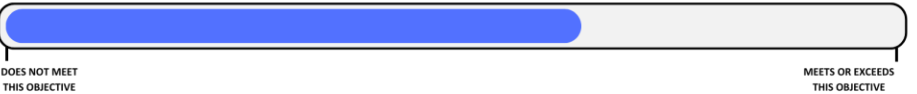


Enhance Resiliency



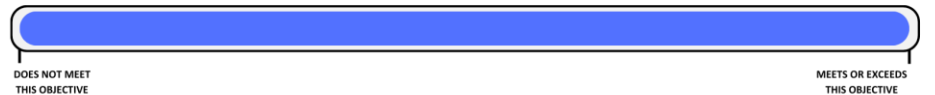
Strategy Priority: Improve Safety

Enhance Mobility and Reduce Vehicle Miles Traveled (VMT)

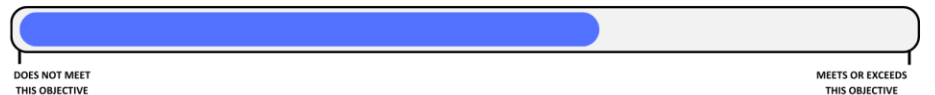


Complexity/Urgency

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.