

CHAPTER 7
(DOWNTOWN DEVELOPMENT AUTHORITY)

AN ORDINANCE TO AMEND SECTIONS 1:152, 1:154, 1:156, 1:158, 1:159, AND 1:160 OF CHAPTER 7 (DOWNTOWN DEVELOPMENT AUTHORITY) OF TITLE I OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor ordains:

Section 1. That Section 1:152 of Chapter 7 of Chapter I of the Code of the City of Ann Arbor is amended as follows:

1:152. Definitions.

The terms used herein shall have the same meaning as given to them in Act 19757 of the Public Acts of Michigan of 2018, or as hereinafter in this section provided, unless the context clearly indicates to the contrary and shall be in addition to the terms provided in Act 19757.

- (1) "Authority" means the Ann Arbor Downtown Development Authority.
- (2) "Act 197" means Act No. 197 of the Public Acts of Michigan of 1975, as now previously in effect ~~or hereafter amended~~.
- (3) "Act 57" means Act No. 57 of the Public Acts of Michigan of 2018, as now in effect or hereafter amended.
- (4) "City" means the City of Ann Arbor.
- (45) "Council" means the Ann Arbor City Council.
- (56) "Downtown district" means the downtown district designated herein.

~~(Ord. No. 14-82, 5-1-82)~~

Section 2. That Section 1:154 of Chapter 7 of Chapter I of the Code of the City of Ann Arbor is amended as follows:

1:154. Description of downtownDowntown district.

The boundaries of the downtownDowntown district, as established on May 1, 1982, and amended on April 20, 2026, in which the authorityAuthority shall exercise its powers as provided by Act 19757 are hereby establisheddesignated as shown on the downtown districtsDowntown district map which accompanies this chapter and which, with all notations, references, and other information shown thereon, shall be as much a part of this chapter as if fully described herein.

~~(Ord. No. 14-82, 5-1-82)~~

Section 3. That Section 1:156 of Chapter 7 of Chapter I of the Code of the City of Ann Arbor is amended as follows:

1:156. Powers of the authorityAuthority.

As provided in Act 197, the authorityAuthority shall prepare a development plan and financing plan for the downtownDowntown district or a development area within the district. The authorityAuthority must obtain City Council approval of all development and financing plans. The authorityAuthority shall possess all of the powers necessary to carry out the purposes of its incorporation and shall have all powers provided by Act 197 with the following exceptions:

- (1) *Ad valorem taxes:* The authorityAuthority shall not have the power to levy ad valorem taxes on the real and tangible personal property as finally equalized in the downtownDowntown district.
- (2) *Tax increment financing:* If the authorityAuthority proposes a tax increment financing plan, it shall only plan the use of that portion of the captured taxable value that is due to new construction and improvements to existing buildings after December 31, 1981, to implement the downtown plan and any amendments thereto.

Beginning with the 20162026 tax year, the maximum captured taxable assessed value shall will be \$224,000,000.00. Each tax year thereafter, calculated as outlined in the maximum captured taxable value shall be increased by 3.5% per annum. Ann Arbor DDA Amended Development and TIF Plan 2026-2055.

Only after notice to and the opportunity to comment by the governmental units may these restrictions be removed.

- (3) *Planning considerations:* In developing a plan within the downtown area, the authorityAuthority shall consider the following:
 - (a) Tax increment financing shall only be 1 of the financing methods considered and should be coordinated with private and other public investment funds.
 - (b) If possible projects should also benefit properties of other governmental units within the downtown area.
 - (c) If tax increment financing is proposed, all governmental units levying a property tax shall be fully informed of this plan and any future amendments thereto. Such consultations are to be prior to any action by the City Council on the proposal. In event of additional projects, the restrictions on recapture in Item 2 would also apply.
 - (d) The plan for the downtown area should show that the property taxes realized for each governmental taxing unit, over the long term, should be greater than if the downtown development district did not exist.
 - (e) Tax increment financing seed funds for the Housing Fund shall be budgeted effective tax year 2016 at an amount no less than \$300,000.00.

Every year thereafter the minimum amount budgeted shall be adjusted at the same rate of increase as the increase in the total TIF capture. The funds deposited in the DDA housing fund are to be spent on planning, development and improvement of housing in the near downtown area affordable to residents with incomes at or below 60% of the Area Median Income (AMI), as published by HUD and consistent with the Washtenaw County Office of Community and Economic Development (OCED) affordable housing needs assessment, as updated from time to time. Nothing in this section shall be interpreted to limit the DDA ability to invest more than \$300,000.00 toward housing for low-income residents. Nor does it limit DDA ability to invest in development of additional housing affordable to residents at a diverse range of income levels.

~~(Ord. No. 14-82, § 5-1-82; Ord. No. 13-28, § 2, 11-18-13; Ord. No. 20-17, § 1, 5-4-20)~~

Section 4. That Section 1:158 of Chapter 7 of Chapter I of the Code of the City of Ann Arbor is amended follows:

1:158. Preliminary findings.

- (a) That ~~a public hearing was held on the proposed March 5, 2003 the initial Development Plan and Tax Increment Financing Plan for the Downtown District, amending the was duly adopted on~~ October 26, 1982 ~~and duly amended on March 5, 2003, each in accordance with Act 197.~~
- (b) That a public hearing was held on February 2, 2026, to present the proposed Ann Arbor DDA Amended Development and TIF Plan 2026-2055, amending the March 3, 2003 Development Plan and Tax Increment Financing Plan, following the giving of notice thereof, all in accordance with Act 19757 of the Public Acts of 19752018, as amended.
- (bc) That findings and recommendations of a development area citizens council have considered and have provided a source of plan input as applicable.
- (ed) That the proposed Ann Arbor DDA Amended Development and TIF Plan 2026-2055, amending the March 5, 2003 Development Plan and Tax Increment Financing Plan ~~amending the October 26, 1982 Development Plan and Tax Increment Financing Plan~~, meets the requirements set forth in Act 19757 of the Public Acts of 1975, as amended.
- (de) That the proposed method of financing the proposed developments identified ~~March 5, 2003 in the Ann Arbor DDA Amended Development Plan and Tax Increment Financing TIF Plan 2026-2055~~ are feasible and the ~~Downtown Development Authority of the City of Ann Arbor~~ has the ability to arrange the financing.
- (ef) That the proposed developments identified in the ~~March 5, 2003 Ann Arbor DDA Amended Development Plan and Tax Increment Financing TIF Plan 2026-2055~~ are reasonable and necessary to carry out the purposes of Act 19757 of the Public Acts of 19752018, as amended.

(fg) That any land included within the proposed development district which is deemed necessary to be acquired is reasonably necessary to carry out the purposes of the plan and of Act 19757 of Public Acts of 19752018, as amended, in an efficient and economically satisfactory manner.

(gh) That the proposed March 5, 2003 Ann Arbor DDA Amended Development and TIF Plan amending the October 26, 1982 Development Plan has been reviewed by the City Planning Commission and 2026-2055 is found to be in reasonable accord with the adopted plans Comprehensive Plan of the City of Ann Arbor.

(hi) That public services, such as fire and police protection and utilities, are or will be adequate to service the proposed Downtown district.

(ij) That change in zoning, streets, street levels, intersections and utilities are reasonably necessary for the proposed project and for the City of Ann Arbor.

(Ord. No. 26-03, § 9-15-03)

~~Editor's note(s) It should be noted that § 3:159 of Ord. No. 26-03, provides, "Effective Date: This ordinance approving March 5, 2003 Development Plan and Tax Increment Financing Plan amending Chapter 7 of Chapter I of the October 26, 1982 Development Plan and Tax Increment Financing Plan for Code of the Downtown Development District City of Ann Arbor is hereby determined to be immediately necessary for the preservation of health, welfare and safety and shall become effective immediately upon publication."~~

Section 5. That Section 1:159 is amended as follows:

1:159. Findings and determination.

(a) That based on the foregoing findings, it is hereby held and determined that the March 5, 2003 Development Plan and Tax Increment Financing Plan amending the October 26, 1982 Development Plan and Tax Increment Financing Plan for the Downtown District Ann Arbor DDA Amended Development and TIF Plan 2026-2055 constitutes a continuing public purpose.

(b) That the March 5, 2003 Ann Arbor DDA Amended Development and TIF Plan and Tax Increment Financing Plan amending the October 26, 1982 Development Plan and Tax Increment Financing Plan 2026-2055 for the Downtown Development District is hereby approved.

(Ord. No. 26-03, § 2, 9-15-03)

~~Note(s) See editor's note at § 1:158.~~

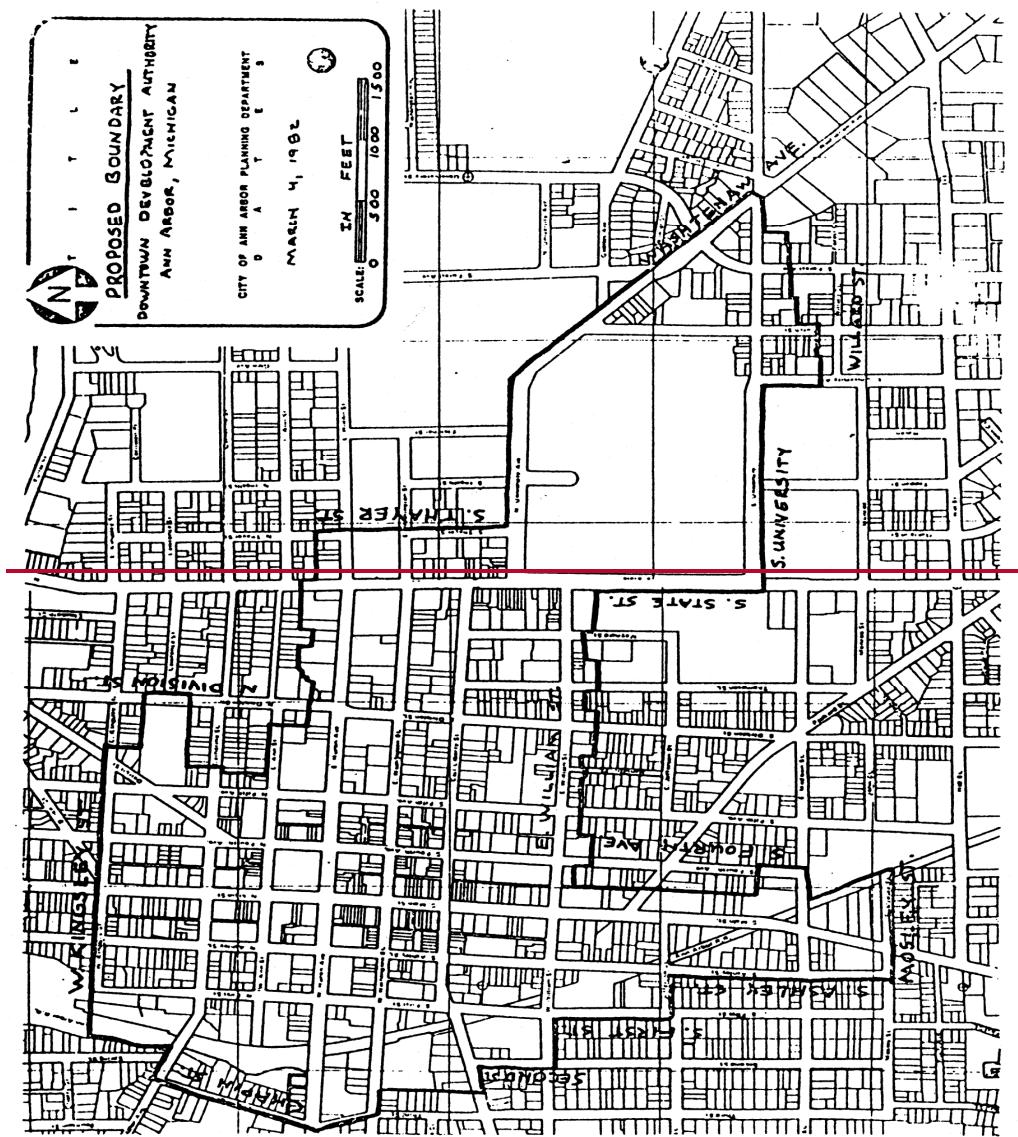
Section 6. That Section 1:160 of Chapter 7 of Chapter I of the Code of the City of Ann Arbor is amended as follows:

1:160. Annual report.

The ~~authority~~Authority shall prepare, file with the State Tax Commission and the ~~city~~City, and publish in a newspaper of general circulation in the ~~city~~City a tax increment financing (TIF) account Annual Report consistent with the requirements of and in the form specified by the State of Michigan within 30 days of receipt of audited financial results.

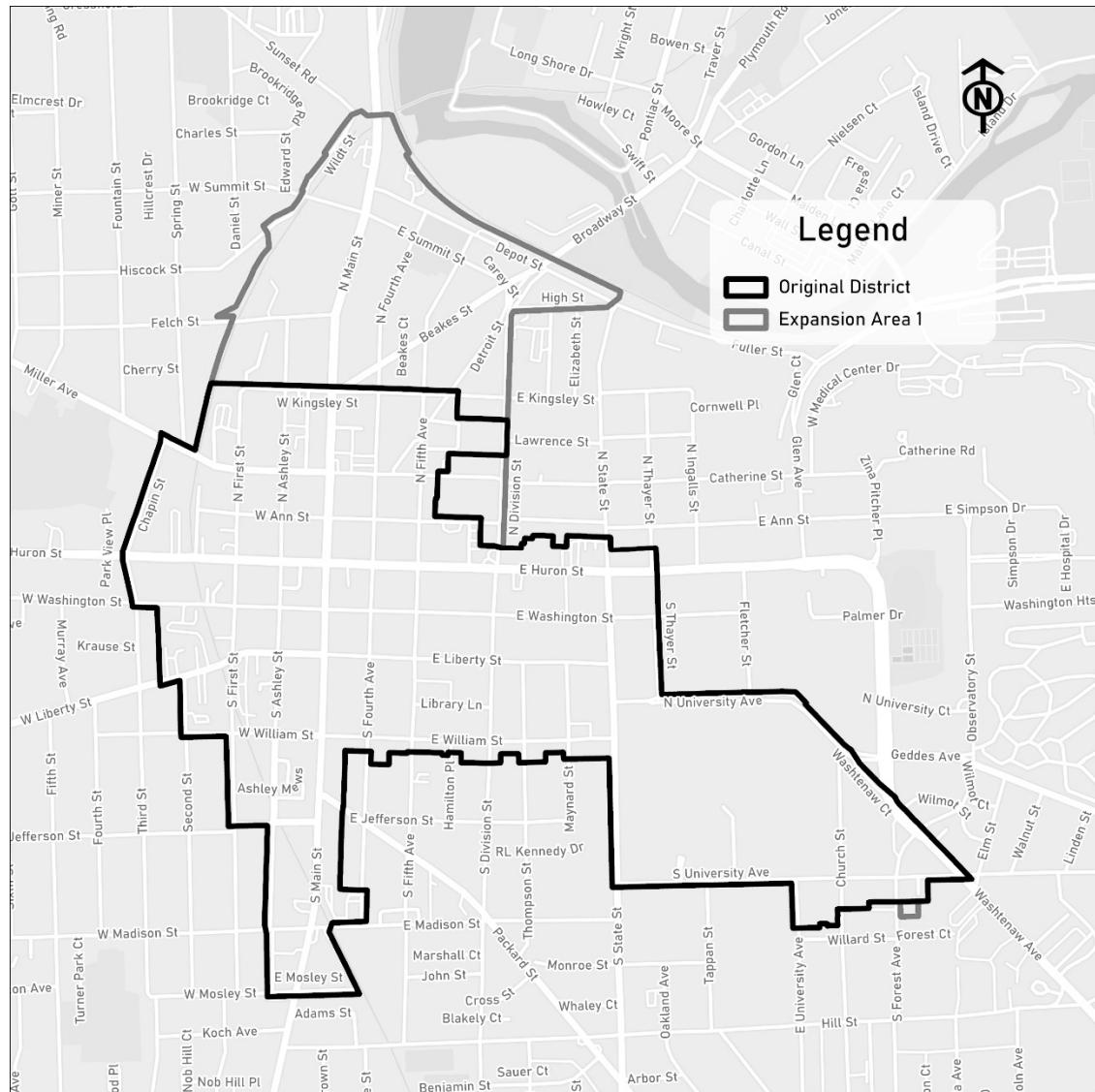
The ~~authority~~Authority shall submit their capital budgets to incorporate them into the ~~city's~~City's capital improvement plan (CIP). The ~~authority~~Authority shall at the time they submit their budget for Council approval identify that portion of the budget which is operating and that which is capital projects.

~~(Ord. No. 13-28, § 3, 11-18-13)~~



Downtown Development Authority

(Ord. No. 14-82, 5-1-82)



Section 7. In the event any court of competent jurisdiction shall hold any provision of this Ordinance invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 8. This Ordinance shall take effect immediately upon adoption.