

The background features a stylized abacus with five horizontal rows of beads. Each row contains five blue beads, except for the third row from the top, which contains four blue beads followed by a single red bead. The text is overlaid on the middle rows.

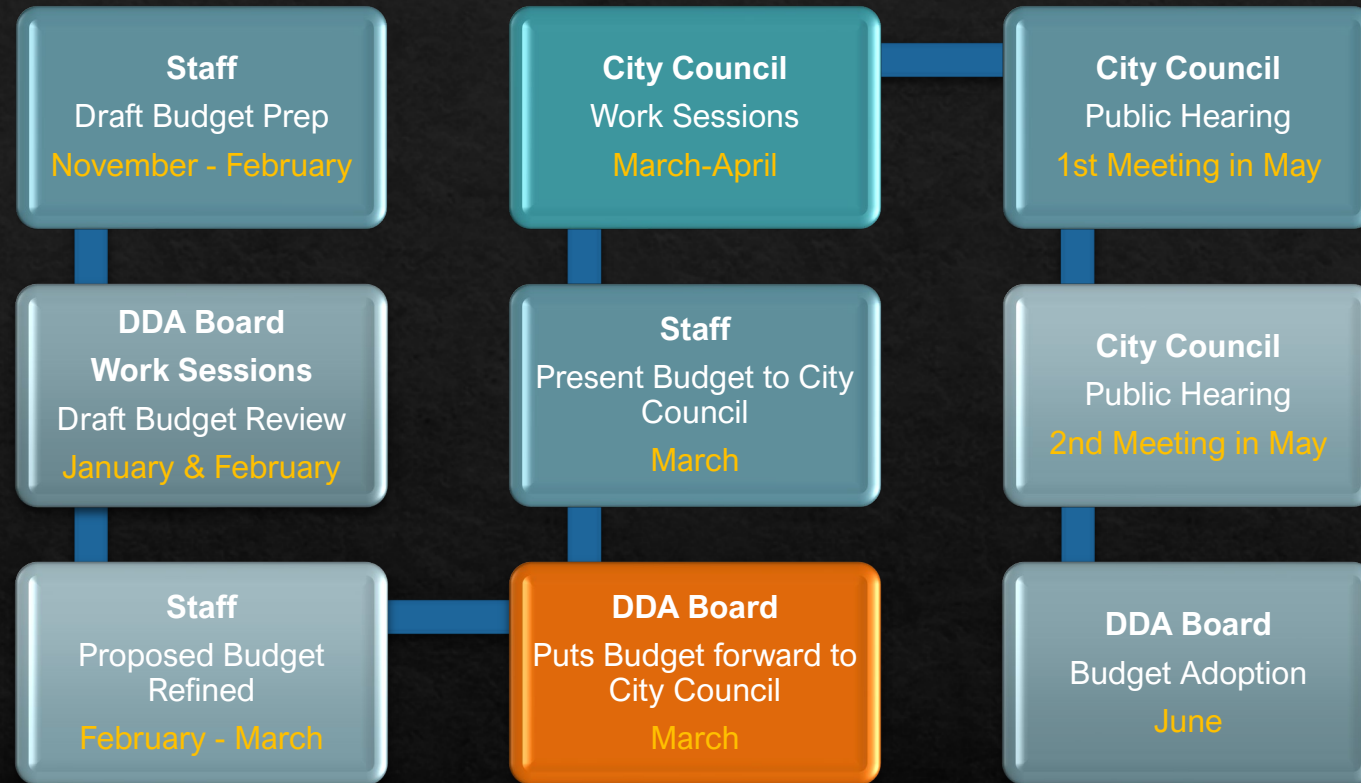
Ann Arbor DDA

FY26 & FY27

Proposed Budget

Budget Process





Budget Timeline



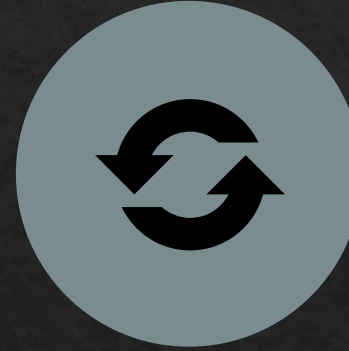
PROCESS

Informed by State statute,
Michigan Uniform Budget Manual,
City ordinance, and the DDA
development plan



ROLES

staff prepares
DDA Board puts forward
City Council approves
DDA Board adopts



2-YR BUDGET CYCLE

FY26 Budget
FY27 Plan
July 1 Fiscal Year Begins

Budget Basics

DDA

2 Systems

5 Funds

TIF

- General/TIF Fund
- Housing Fund
- Art Fund

Parking



- Parking Fund
- Parking CIP Fund

TIF System

- General/TIF Fund
- Housing Fund
- Art Fund

TIF System Revenues

TIF Revenues

- Primary funding source Tax Incremental Financing (TIF)

Housing Transfer

- Funded by transfers from the Gen/TIF Fund
- City Ordinance stipulates the minimum level of funding

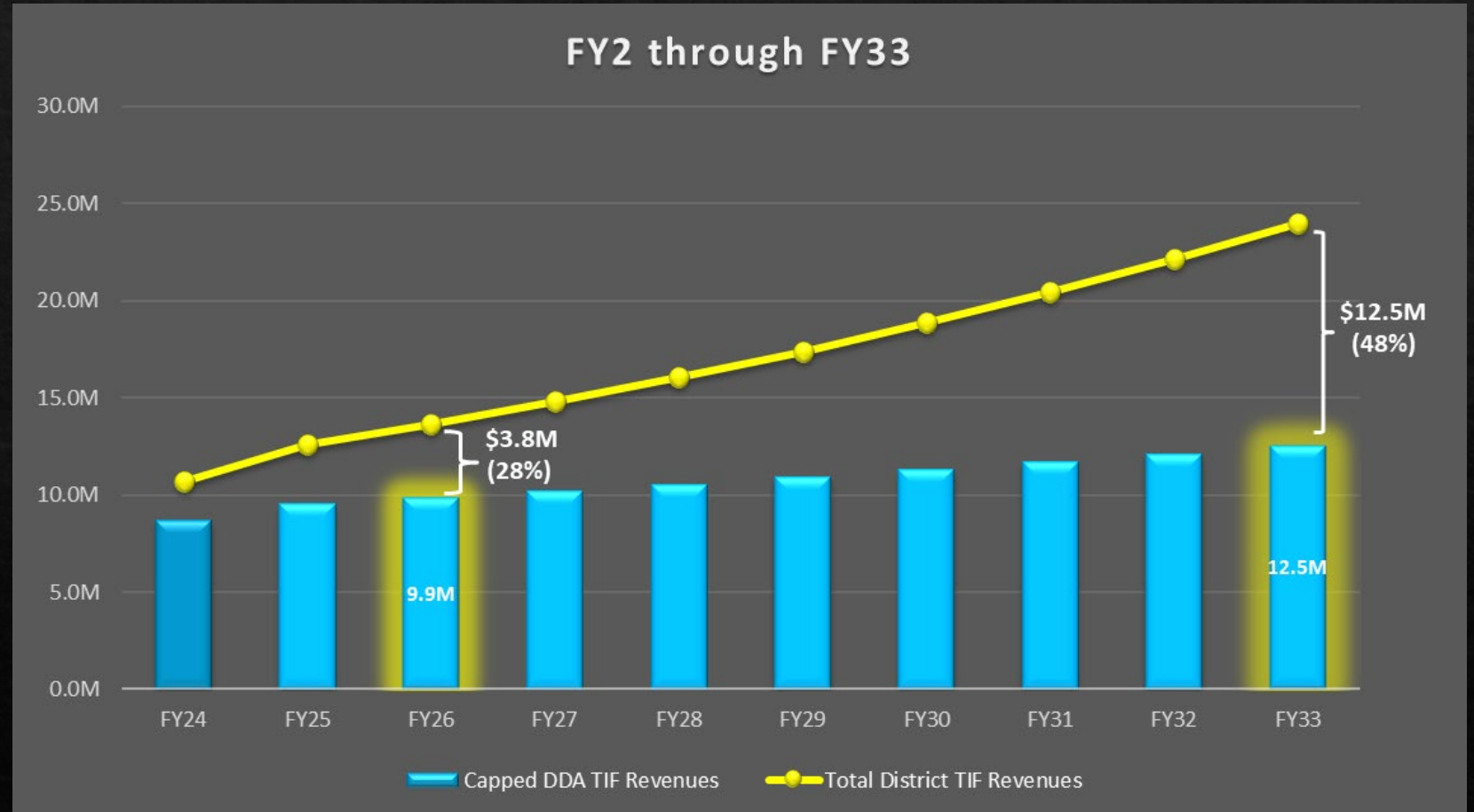
Art Transfer

- Funded by transfers from the Gen/TIF Fund and the Parking Fund
- The Elevate Program establishes the annual funding levels



TIF System TIF Revenue Trend

- 2017 TIF 3.5% Cap instituted
- FY15-FY25 District Capturable TV increased an average of 8.4% per year
- FY26 over cap revenues will be \$3.8M (28% of total TIF)
- 2033 over cap revenues will be \$12.5M (48% of total District TIF Revenues)



TIF System Grant Funding

Funding Source	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 FY2032	Estimated FY2033
DDA General/TIF (248)										
SEMCOG City (Sub) Circulation Study Transit		24,700								
MEDC AAHDC (Sub) FAST			401,900	401,900						
MDOT - FAST				200,000						
Total General/TIF Grants	-	24,700	401,900	601,900	-	-	-	-	-	-

- FY25 SEMCOG Grant City sub-recipient Circulation Study Transit \$24,700
- FY26-FY27 MEDC RAP Grant AAHDC sub-recipient \$803,800
- FY27 MDOT Grant \$200,000

TIF System Expenditures

Debt
Grants
CIP
Contingency



TIF System Debt Service

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
DDA General (TIF) Fund										
City PD/Court	508,608	366,200								
1st & Washington	295,895	295,360								
Prk. Structure Ped Imp. (R)	493,992	497,660								
Library Ln Future Dev. (R)	302,221	303,957								
5th & Division (R)	325,890	327,659	325,432	328,182	330,642	332,277	334,711	337,374	339,717	342,054
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	3,275,841	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

- The DDA's bonded debt is issued by the City
- FY25 – Budget City Police Department/Court Grant - \$8M total reached
- FY26 – Reallocated \$1.1M from TIF to Parking

TIF System Grants & Programs

Grantee/Program	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 FY2032	Estimated FY2033
DDA General/TIF (248)										
Bikeway Equipment	129,223									
AAHC - 121 E Catherine Sidewalk Restortn		350,000								
Public Art Program										
Vault Program	5,904	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
City Sidewalk Maintenance Agreement	35,624	40,000	41,400	42,900	44,500	46,100	47,800	49,500	51,300	53,100
Discretionary	20,000	20,800	21,600	22,400	23,200	24,100	25,000	25,900	26,900	27,900
Undesignated	76,572	150,000	50,000	50,000	55,000	55,000	55,000	55,000	55,000	55,000
Total General/TIF Grants	267,323	610,800	163,000	165,300	172,700	175,200	177,800	180,400	183,200	186,000
Housing (246)										
AAHC - Baker Commons Imp	295,807	650,000								
Avalon - 121 Catherine	300,000									
Avalon 426 S 1st	28,100									
Undesignated	(76,572)	147,900	486,100	427,400	442,300	457,700	475,000	488,900	507,400	525,100
Total Housing Grants	547,335	797,900	486,100	427,400	442,300	457,700	475,000	488,900	507,400	525,100

- Grants are approved in the budget without respect to fiscal year – the unused portion may be rolled forward to the next year
- Undesignated amounts create capacity

TIF System Capital Improvements (CIP)

	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
DDA General (TIF) Fund (248)										
Main St Irrigation	120,848									
People Friendly Sts 2 Design	32,744									
Miller Catherine Bikeway Ext	13,045	75,000	75,000							
4th Ave (Liberty to William) Tr Enh	125,181	529,800	400,000	2,200,000						
Sidewalk Repairs & Tree Maintenance	176,098	767,900	450,000	500,000	500,000	550,000	550,000	550,000	550,000	550,000
State Street Streetscape & Sidewalk	374,402	9,900								
Bike/Ped Counters	49,374	33,600								
Downtown Circulation Study	278,080	201,900								
Energy Utility Study		150,000								
Downtown Alley		700,000								
Elevate Public Art		46,100								
Ann St Resurfacing		250,000	186,000	743,000						
Street Light Repairs and Maintenance		450,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Main St Transportation Analysis & Design			160,000	40,000						
4th Ave (Liberty to William) Tr Enh MEDC RAP Grant			400,000	400,000						
Geothermal & Solar Installation			37,000				2,000,000	2,000,000		
Public Restrooms			380,000							
4th Ave (Liberty to William) Tr Enh MDOT SSS Grant				200,000						
Main St Imp							1,000,000	1,000,000		
Undesignated									3,000,000	3,000,000
Total DDA General CIP	1,169,772	3,214,200	2,238,000	4,233,000	650,000	700,000	3,700,000	3,700,000	3,700,000	3,700,000
Public Art Fund										
Elevate Public Art			394,100	157,600	156,900	156,100	155,300	154,500	153,700	152,800
Total Parking Capital Improvements	-	-	394,100	157,600	156,900	156,100	155,300	154,500	153,700	152,800

- The DDA participates City's CIP process
- CIP items are approved in the budget without respect to fiscal year - the unused portion may be rolled forward to the next year
- FY25 – Projected \$3.6M under budget due to project reductions

TIF System Contingency

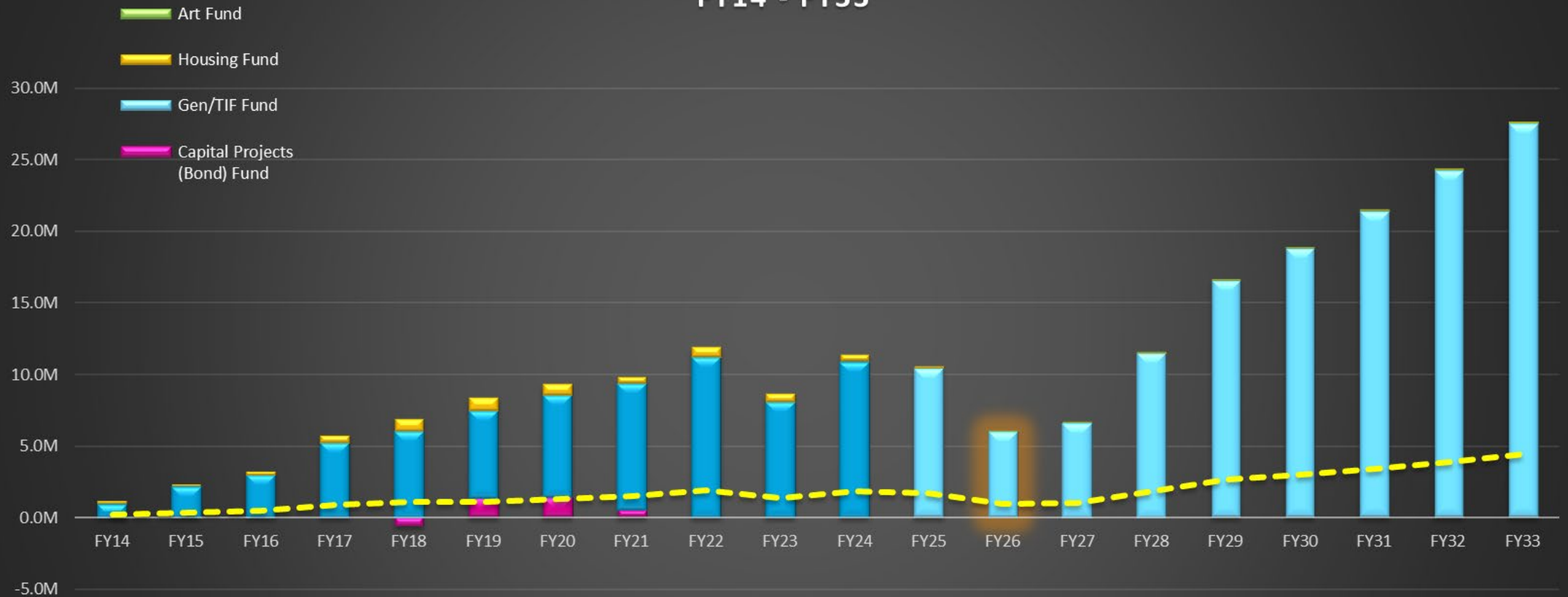
	Actual FY 2024	Projected FY 2025	Budget FY 2026	Budget FY 2027	Estimated FY 2028	Estimated FY 2029	Estimated FY 2030	Estimated FY 2031	Estimated FY 2032	Estimated FY 2033
DDA General (TIF) Fund (248)										
General Contingency		250,000	500,000							
Operating Contingency			1,000,000	1,030,000						
Capital Contingency			6,000,000							
Total DDA Gen/TIF Contingency	-	250,000	7,500,000	1,030,000	-	-	-	-	-	-

- New for FY25 contingency is budgeted/reported as a separate category
- General – Unanticipated expenditures across fund. Payroll liability is approximately \$250K of this.
- Operating – Expanded service team responsibilities \$100K/Yr (dependent on adjustment of TIF Cap)
- Capital – Retractable bollards \$6M (dependent on adjustment of TIF Cap)
- Outlying years – Contingency is not estimated in outlying years due to the cumulative effect on fund balance



TIF System
Fund Balance

FY14 - FY33



TIF System 20-Year Fund Balance Trend

Parking System

- Parking Fund
- Parking CIP Fund





Parking System Revenues

Revenues

- Primary funding source Parking Fees



Transfer to CIP Fund

- Transfers from Parking Fund to Parking CIP Fund are budgeted to maintain an adequate fund balance in both Parking Funds



Rates

- Parking Rate Study established rates for FY25, FY26, FY27

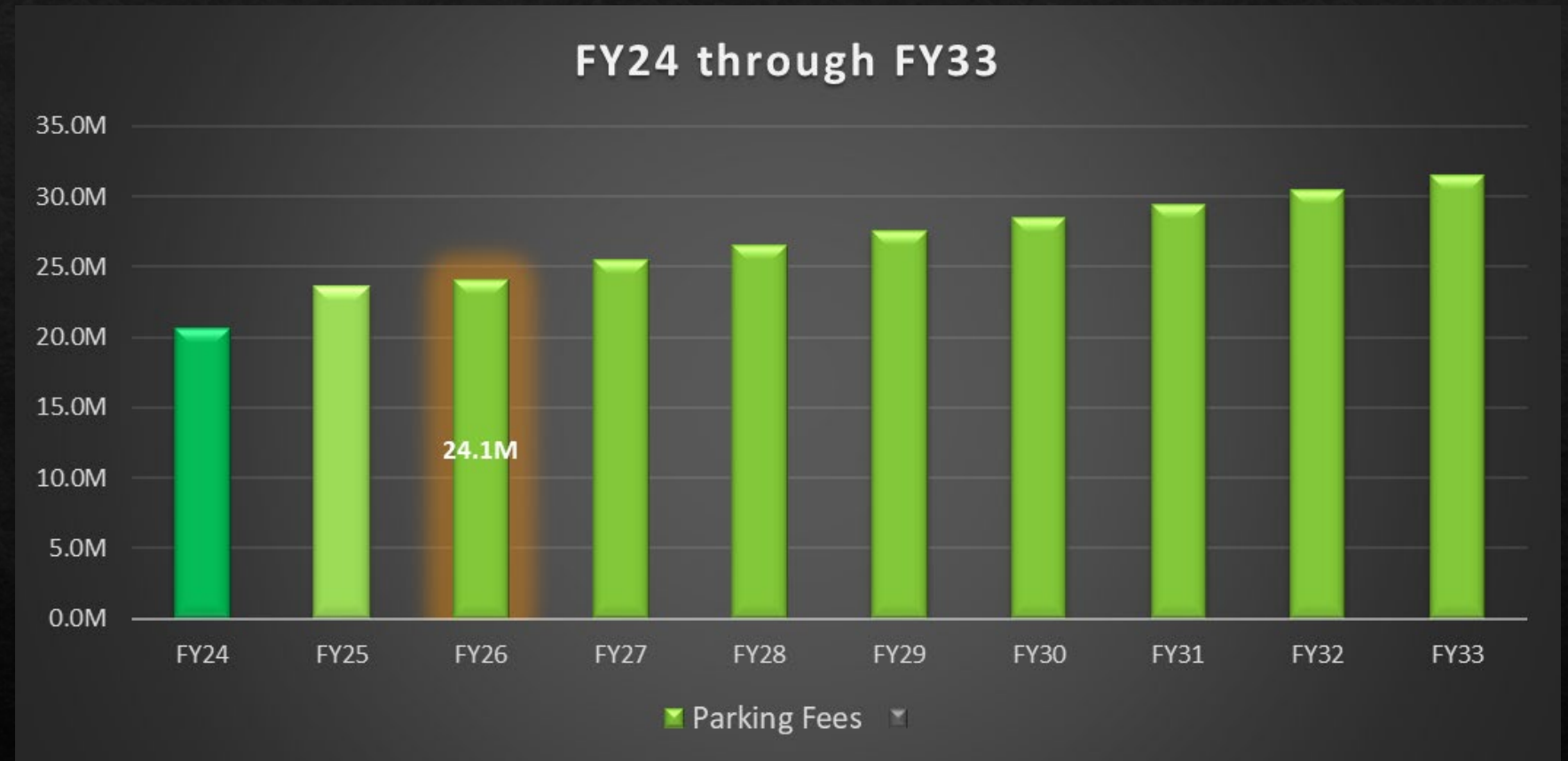
Parking System Fees

Year	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
PARKING RATES										
Structure										
Hourly	1.20	1.50	1.65	1.80	1.95	2.05	2.11	2.17	2.24	2.31
Permit										
Regular Permits	200.00	225.00	245.00	265.00	275.00	290.00	298.70	307.66	316.89	326.40
Open Lot										
Hourly	1.80	2.40	2.50	2.60	2.69	2.79	2.88	2.98	3.09	3.20
Premium Permit	280.00	310.00	340.00	365.00	377.78	391.00	404.68	418.85	433.51	448.68
Art Fair	18.00	20.00	20.00	20.00	20.70	21.42	22.17	22.95	23.75	24.59
Meter Bag	25.00	30.00	30.00	30.00	31.05	31.98	31.98	32.94	32.94	33.93
Meter	2.20	2.40	2.50	2.60	2.69	2.79	2.88	2.98	3.09	3.20
OFF STREET TOTALS										
Transient	8,489,732	10,132,200	10,092,237	10,694,167	11,814,500	12,364,300	12,936,300	13,376,200	13,831,000	14,301,300
Permit	5,987,834	7,146,200	7,117,900	7,542,400	8,332,400	8,720,000	9,123,400	9,433,500	9,754,200	10,085,800
Total Off-Street Revenue	14,477,565	17,278,400	17,210,137	18,236,567	20,146,900	21,084,300	22,059,700	22,809,700	23,585,200	24,387,100
ON STREET TOTALS										
Total On-Street Revenue	6,145,605	6,353,600	6,843,463	7,251,333	6,421,500	6,467,200	6,392,000	6,609,300	6,834,000	7,066,300
TOTALS ALL	20,623,171	23,632,000	24,053,600	25,487,900	26,568,400	27,551,500	28,451,700	29,419,000	30,419,200	31,453,400
% Chg from Previous Yr	4.8%	14.6%	1.8%	6.0%	4.2%	3.7%	3.4%	3.5%	3.5%	3.5%

- FY24 – Actual up 4.8% from previous year
- FY25 – Projected up \$1.3M (6%) from budget
- FY26 & FY27 – Budget based on proposed rate increases from rate study
- Outlying years – rate study projections

Parking System Parking Fee Revenue Trend

- FY24 Actual
- FY25 Projected
- FY26 & FY27 Budget (rate study approved rates)
- FY28 – FY33 Estimated based on rate study and 3.5% assumption in outlying years



Parking System Expenditures

City 20%
Debt
Grants
CIP
Contingency



Parking System City 20%

	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
Parking Fund (231)										
Gross Parking Revenues	20,623,171	23,632,000	24,053,600	25,487,900	26,568,400	27,551,500	28,451,700	29,419,000	30,419,200	31,453,400
Parking Lot Rent	132,209	195,000	209,400	221,900	231,300	239,800	247,600	256,000	264,700	273,600
City Percentage	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Subtotal	4,098,192	4,687,400	4,768,800	5,053,200	5,267,400	5,462,300	5,640,800	5,832,600	6,030,900	6,235,900
Adjust to Actual/Projected	27,688	417,600								
City Payment	4,125,880	5,105,000	4,768,800	5,053,200	5,267,400	5,462,300	5,640,800	5,832,600	6,030,900	6,235,900
Percentage of Change	4.9%	23.7%	-6.6%	6.0%	4.2%	3.7%	3.3%	3.4%	3.4%	3.4%

- 20% of parking fees are remitted to the City per the City/DDA Parking Agreement
- FY25 - Projected revenues are up 1.3M from budget. Projecting full contingency amount.
- FY26 & FY27 – Contingency for this line item reclassified to general contingency

Parking System Debt Service

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
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	5,793,898	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

- The DDA's bonded debt is issued by the City
- FY26 – Reallocated \$1.1M from TIF to Parking
- 4th and William part 2 will be paid off in FY27.

Parking System Grants

Grantee/Program	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 FY2032	Estimated FY2033
Parking (231)										
Alternative Transportation	355,374	600,000	800,000	800,000	828,000	857,000	887,000	918,100	950,300	983,600
Total Parking Grants	355,374	600,000	800,000	800,000	828,000	857,000	887,000	918,100	950,300	983,600
Total Grants, All Funds	1,170,032	2,008,700	1,449,100	1,392,700	1,443,000	1,489,900	1,539,800	1,587,400	1,640,900	1,694,700

- Parking grants support AAATA alternative transportation programs
- These are based on a reimbursement model
- Pre-pandemic the annual grant amount was approximately \$800K
- Amounts based on anticipated ongoing recovery

Parking System Capital Improvements (CIP)

	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
Parking System Funds (401)										
Curb Management Study	71,363									
Elevators	119,491	860,500	750,000	800,000	425,000	200,000	200,000	200,000	200,000	200,000
Parking Facility Repairs General	-	732,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Bridge Inspection			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Ann Street			27,000	109,000						
Parking Structure Restoration	1,298,849	3,096,100	3,202,000	3,318,000	3,196,000	3,183,000	3,200,000	3,200,000	3,200,000	3,200,000
Parking Equipment	-	200,000	325,000	325,000	325,000	325,000	325,000	200,000	200,000	200,000
Total Parking Capital Improvements	1,489,702	4,888,600	4,509,000	4,757,000	4,151,000	3,913,000	3,930,000	3,805,000	3,805,000	3,805,000

- The DDA is required to participate in the City's CIP process
- CIP items are approved without respect to fiscal year - the unused portion may be rolled forward to the next year
- FY25 – Projected \$2M below budget due to project timing
- FY26 & FY27 – From CIP, informed by 20-year maintenance plan
- Outlying years - informed by updated 20-year maintenance plan

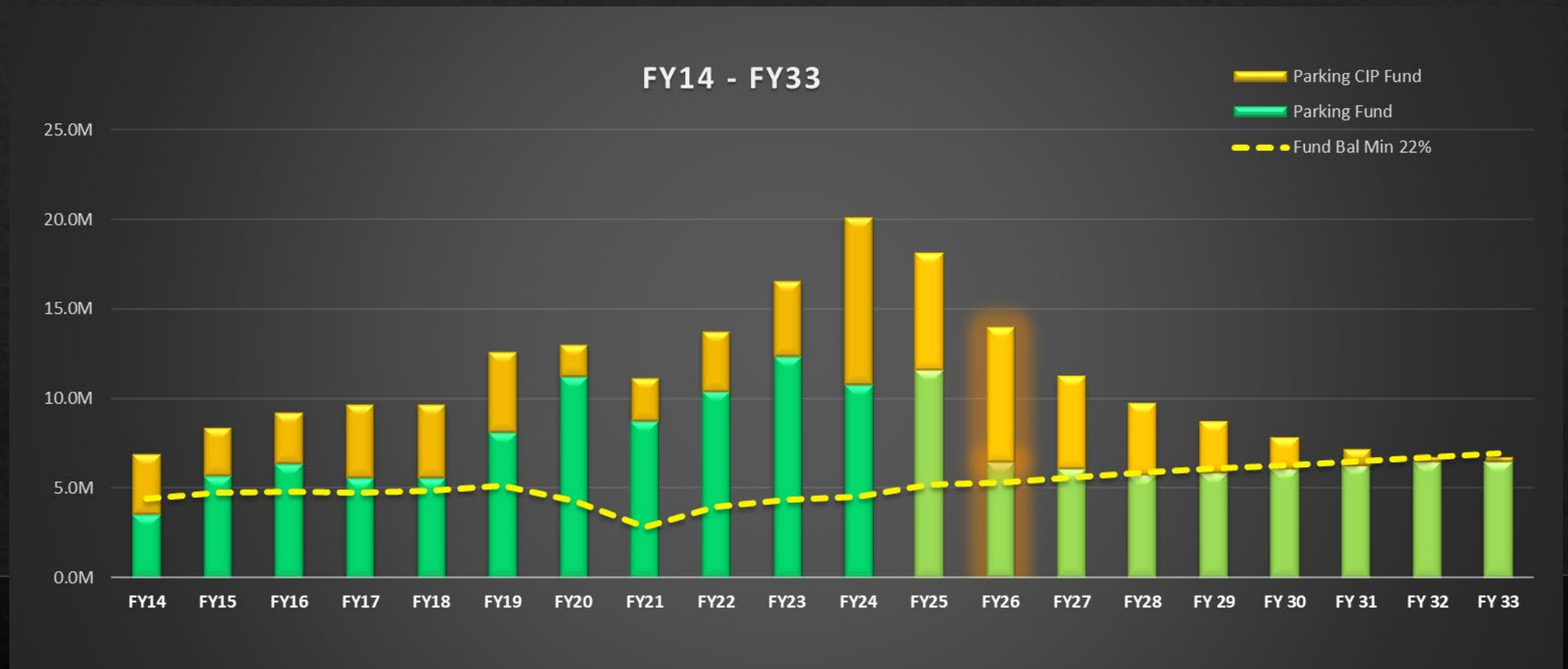
Parking System Contingency

	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
Parking Fund (248)										
General Contingency		250,000	500,000							
City 20% Contingency			400,000							
Total Parking Contingency	-	250,000	900,000	-	-	-	-	-	-	-

- New for FY25 - Contingency is budgeted/reported as a separate category
- General – Unanticipated expenditures across fund. Payroll liability is approximately \$250K of this.
- City 20% – Approximately 12% of this line item to allow for unanticipated revenue increases which affect this calculation
- Outlying years – Contingency is not estimated in outlying years due to the cumulative effect on fund balance

Parking System
Fund Balance





Parking System 20-Year Fund Balance Trend

Budget Submittal to City

REVENUES BY CATEGORY	Actual FY2023	Actual FY2024	Budget FY2025	Forcasted FY2025	Request FY2026	Request FY2027
GRANT PROCEEDS				24,700	401,900	601,900
CHARGES FOR SERVICES	19,686,924	20,623,170	22,332,000	23,632,000	24,053,600	25,487,900
INVESTMENT INCOME	411,003	1,695,423	47,000	47,000	47,200	47,200
MISCELLANEOUS REVENUE	136,693	143,033	124,000	544,500	127,800	131,800
OPERATING TRANSFERS IN	2,975,700	6,726,400	2,471,100	2,471,100	6,345,600	3,006,300
PRIOR YEAR SURPLUS	-	-	5,223,200		71,600	2,967,500
SALE OF BONDS (PROCEEDS)						
TAX REVENUES	8,152,675	8,727,152	9,028,200	9,522,100	9,855,400	10,200,400
TOTAL REVENUES	31,362,995	37,915,178	39,225,500	36,241,400	40,903,100	42,443,000
EXPENSES BY CATEGORY	Actual FY2023	Actual FY2024	Budget FY2025	Forcasted FY2025	Request FY2026	Request FY2027
PERSONNEL SERVICES	816,184	729,710	1,465,000	843,800	951,200	951,500
PAYROLL FRINGES	334,466	379,972	480,900	480,900	528,000	543,200
EMPLOYEE ALLOWANCES	6,066	6,186	7,200	7,200	5,800	5,800
MATERIALS & SUPPLIES	236,503	276,664	749,200	700,500	754,000	673,500
OTHER SERVICES	12,316,569	13,692,623	17,756,100	17,717,400	17,374,300	18,153,200
OTHER CHARGES	1,148,357	1,031,331	2,063,500	1,851,800	4,159,600	2,878,600
GRANT/LOAN RECIPIENTS	710,849	1,170,032	2,253,700	2,008,700	1,449,100	1,392,700
CAPITAL OUTLAY	7,338,230	1,793,312	12,098,600	7,371,100	12,612,100	8,676,100
PASS THROUGHs	8,942,138	12,520,298	8,135,000	8,135,000	11,637,200	8,328,100
TOTAL EXPENSES	31,849,362	31,600,128	45,009,200	39,116,400	49,471,300	41,602,700

Budget City Format by Category

REVENUES BY FUND	Actual FY2023	Actual FY2024	Budget FY2025	Forcasted FY2025	Request FY2026	Request FY2027
DDA HOUSING FUND	385,506	429,345	800,700	403,600	489,100	432,100
DDA GENERAL (TIF) FUND	8,310,994	9,389,281	9,048,200	9,566,800	10,277,500	11,426,000
DDA PARKING CIP FUND	2,672,820	6,639,923	6,904,600	2,078,500	5,510,000	4,774,200
DDA PARKING FUND	19,993,675	21,456,629	22,472,000	24,192,500	24,197,200	25,635,300
DDA ART FUND					429,300	175,400
TOTAL REVENUES	31,362,995	37,915,178	39,225,500	36,241,400	40,903,100	42,443,000
EXPENSES BY FUND	Actual FY2023	Actual FY2024	Budget FY2025	Forcasted FY2025	Request FY2026	Request FY2027
DDA HOUSING FUND	523,011	549,028	800,700	800,700	489,100	430,600
DDA GENERAL (TIF) FUND	11,434,626	6,546,813	12,898,600	10,018,000	14,727,500	10,219,400
DDA PARKING CIP FUND	1,837,064	1,502,779	6,904,600	4,904,600	4,525,600	4,774,200
DDA PARKING FUND	18,054,661	23,001,508	24,405,300	23,393,100	29,317,300	26,020,600
DDA ART FUND					411,800	157,900
TOTAL EXPENSES	31,849,362	31,600,128	45,009,200	39,116,400	49,471,300	41,602,700

Budget City Format by Fund

Budget Questions

