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Report on DDA Financial Information As Requested by Ann Arbor City Council

On February 17, 2009 City Council approved "Resolution Requesting Financial Information from the Downtown Development Authority" which requested that the "DDA provide the City Council, within thirty (30) days, a financial plan to increase revenue and/or defer projects to ensure adequate contingencies and fund balances for fiscal years 2010 and 2011, and that the proposals may include, but are not limited to, (1) prompt implementation of a demand-based pricing system for parking facilities, (2) increases in fees for "bagging" parking meters, and/or (3) deferring scheduled capital projects."

Per City Council's request, the DDA Operations Committee extensively reviewed its Ten Year Plan which is updated continuously to include all known revenue and expense items. After much review and discussion, the Committee determined that DDA fund balances are adequate to address programs, administration, and obligations as approved by the DDA for fiscal years 2010 and 2011.

As part of this Ten Year Plan review the Operations Committee also recommitted to its plan to increase on and off street parking rates as of July 1, 2009 as part of an overall parking demand management framework, with the average of these rates as reported to City Council on February 17, 2009. It determined that should the DDA need to increase parking revenues, it has tools available including the following (in recommended order):

' Increase the daily cost of meter bags \$5/day from \$15/day to \$20/day (anticipated to increase revenues by \$181,000/year).

' Return to charging for parking by one-hour increments rather than 30-minute increments (anticipated to increase revenues by \$400,000/year). The change to 30-minute increments was made in 2003.

' Increase parking rates in high demand areas at high demand times. This could include on-street meters on S. Main, E. Liberty, and S. State Streets, in the Maynard structure, the First & Huron

parking lot and the 4th & Washington parking structure. The specific locations and the exact amount to be charged will be determined by the DDA Operations Committee.

The Operations Committee brought its assessment to the full DDA, and on March 4, 2009 the DDA unanimously approved DDA "Resolution Reporting on DDA Financial Information As Requested by Ann Arbor City Council". This resolution set forward the following:

RESOLVED, The DDA has determined that DDA fund balances are adequate to address programs, administration, and obligations as approved by the DDA for fiscal years 2010 and 2011;

RESOLVED, The DDA has attached its most updated Ten Year Plan to the City as requested by City Council demonstrating its financial status;

RESOLVED, The DDA looks forward to discussing in detail with Council the elements of this Ten Year Plan in hopes of meeting City Council's goals.

Attached with this memorandum are various Ten Year Plan scenarios, each of which include all approved DDA projects and grants. The scenarios examine the impact caused by the timing of the First & Washington, as well as the financial impact to increasing revenues through charging for parking by the hour instead of the half hour as well as raising daily meter bag fees by \$5/day.

Prepared by: Susan Pollay, Executive Director, Ann Arbor DDA

Approved by: Roger Fraser, City Administrator