



## Legislation Text

---

**File #:** 11-0695, **Version:** 1

---

Resolution Regarding Payments from the Downtown Development Authority for Fiscal Years 2004 Through 2011 Under Chapter 7 of the City Code

Whereas, MCL 125.1665(2) requires the Downtown Development Authority (“DDA”) to return to the respective taxing bodies those tax increment funds that are surplus and Section 1:156(2) of Chapter 7 of the City Code sets out the limitations on DDA’s use of TIF funds and the methodology for the DDA to determine the amount of the TIF funds it must remit to the taxing entities;

Whereas, It was brought to the DDA’s attention that the DDA had not remitted TIF funds to the City and other taxing entities for fiscal years 2004 through 2011 based on City Code Chapter 7 limitations;

Whereas, By Resolution dated May 20, 2011, the DDA Board has determined that it owes the City of Ann Arbor \$711,767 in TIF Funds for the fiscal years 2004 - 2011 and owes amounts to the other taxing entities as follows:

City of Ann Arbor - \$711,737  
Washtenaw County - \$242,179  
Washtenaw Community College - \$156,550  
Ann Arbor District Library - \$74,666

Whereas, The amount determined by the DDA as payable to the City of Ann Arbor is inclusive of all City Funds and the portion of millage funds for those fiscal years collected and disbursed to the Ann Arbor Transportation Authority;

Whereas, The DDA has asked the City to forgive the amount owed to the City in recognition of the past grants given by the DDA to the City during those fiscal years using TIF funds;

Whereas, The City acknowledges receipt of TIF funds from the DDA in the form of DDA contributions to City-owned projects;

Whereas, The City is willing to consider receipt of the foregoing contributions as payment of the DDA’s obligation to return TIF funds to the City, in the amount of \$711,767, for fiscal years 2004 through 2011 on a one time basis and not as a precedent or substitute for the DDA’s obligation in the future to remit TIF funds to the City and other taxing entities under City Code Chapter 7;

Whereas, That the DDA will make payments to the remaining three taxing entities (Washtenaw County, Washtenaw Community College and Ann Arbor District Library) in the amounts shown above by June 30, 2011;and

Whereas, The City shall be responsible for remittance of any funds payable to the Ann Arbor Transportation Authority, included in the remittance amount for the City and not separately proportioned;

RESOLVED, That City Council accepts the grants made to the City in amount of \$711,767.00 by the DDA, using TIF funds, during fiscal years 2003 through 2011 as payment of the \$711,767.00 that the DDA owes the City for fiscal years 2004 through 2011;

RESOLVED, That the City Administrator be authorized and directed to determine what proportionate amount of the acknowledged remittance of \$711,767.00 may be payable to the Ann Arbor Transportation Authority and to make any credit adjustments necessary as part of the City/Ann Arbor Transportation Authority annual reconciliation process; and

RESOLVED, That this resolution shall not be a precedent or substitute for the DDA's obligation in the future to remit TIF funds to the City and other taxing entities under City Code Chapter 7.