

About the Downtown Development Authority (DDA)

What is the Downtown Development Authority (DDA)?

A component-unit of the City in which it is established.

AUTHORIZATION



Local governments may create a DDA in an area primarily zoned & used for business (only 1 per municipality).

PURPOSE



To correct and prevent the deterioration of a downtown district.

What is Tax Increment Financing (TIF)?

The capture of a portion of taxes within an established district to fund capital improvements.

TIF is the only revenue sharing tool in Michigan to fund downtown infrastructure.

HOW CAN TIF BE USED?



TIF can be spent on projects in approved TIF Plans, with a focus on activities that would not happen without this funding tool.

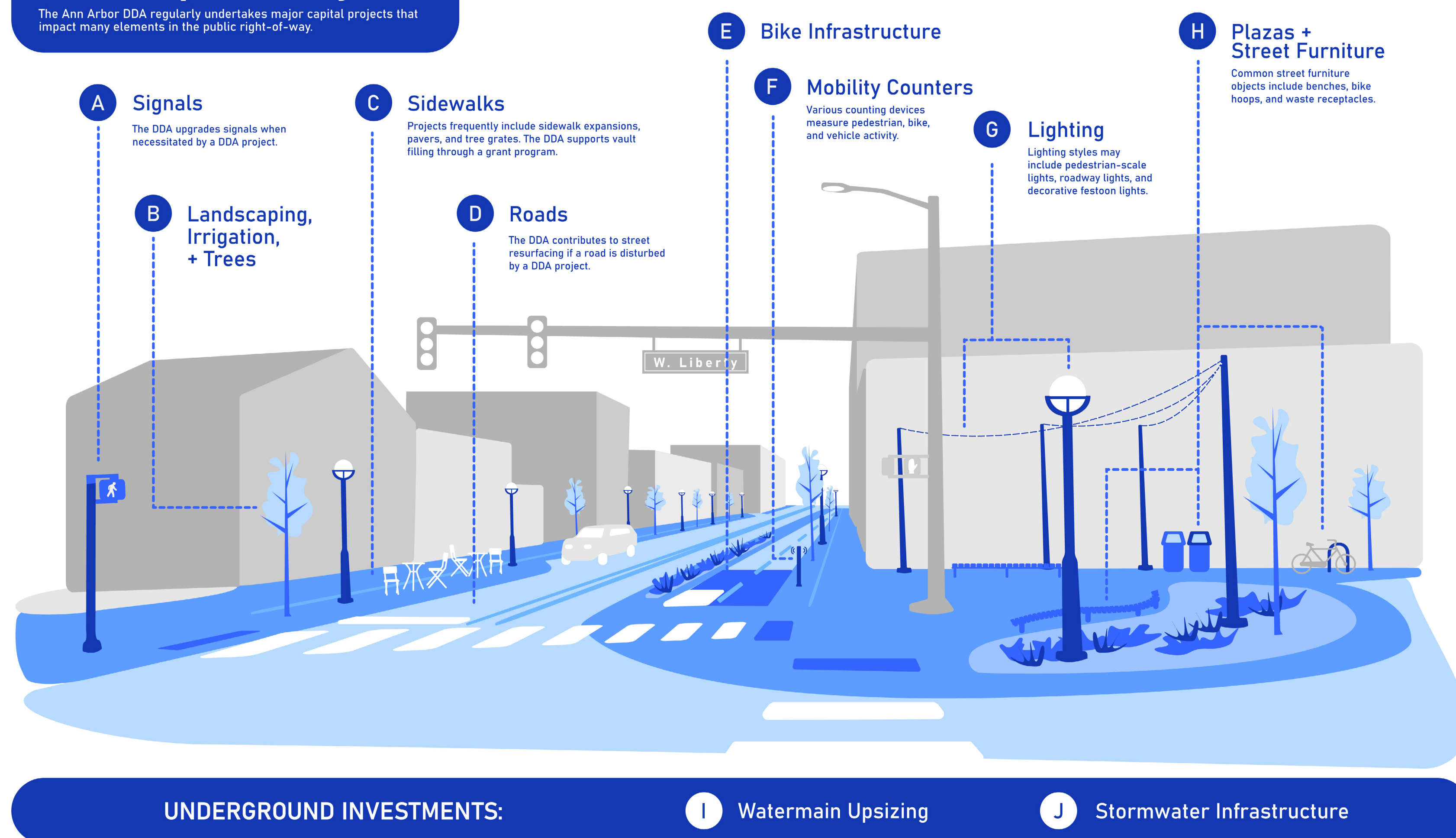


TIF cannot be used for personal benefit of a person or corporation.

DDA Roles

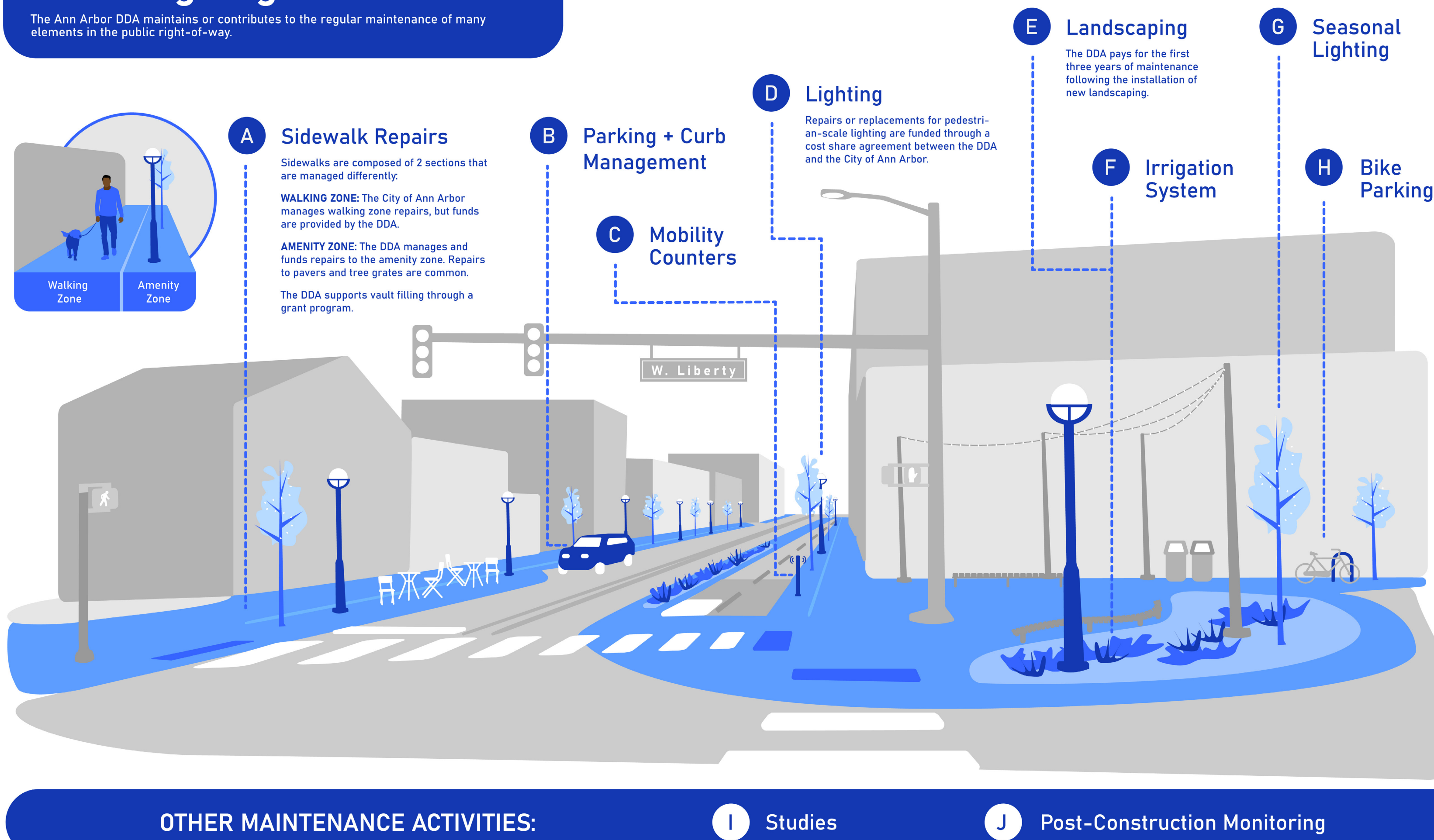
DDA Capital Projects

The Ann Arbor DDA regularly undertakes major capital projects that impact many elements in the public right-of-way.



DDA Ongoing Maintenance

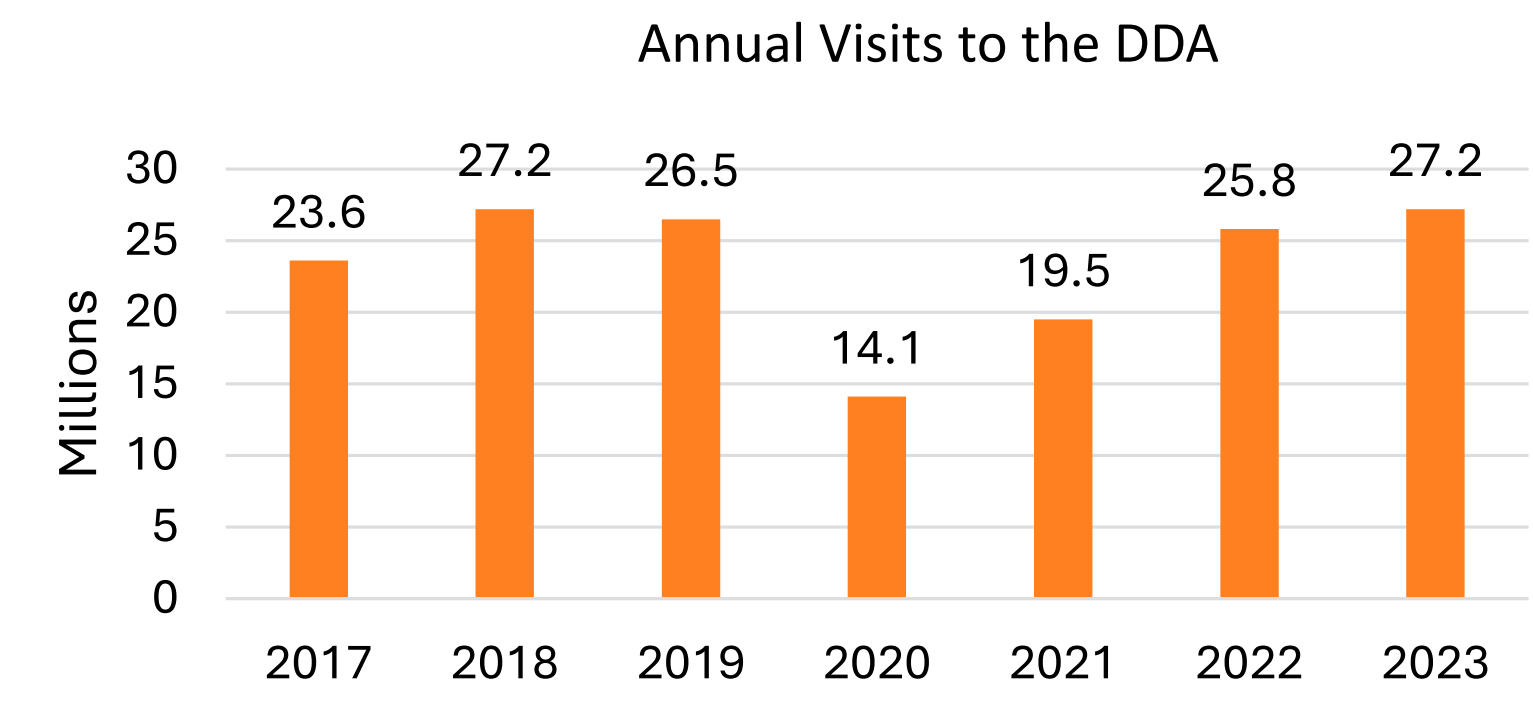
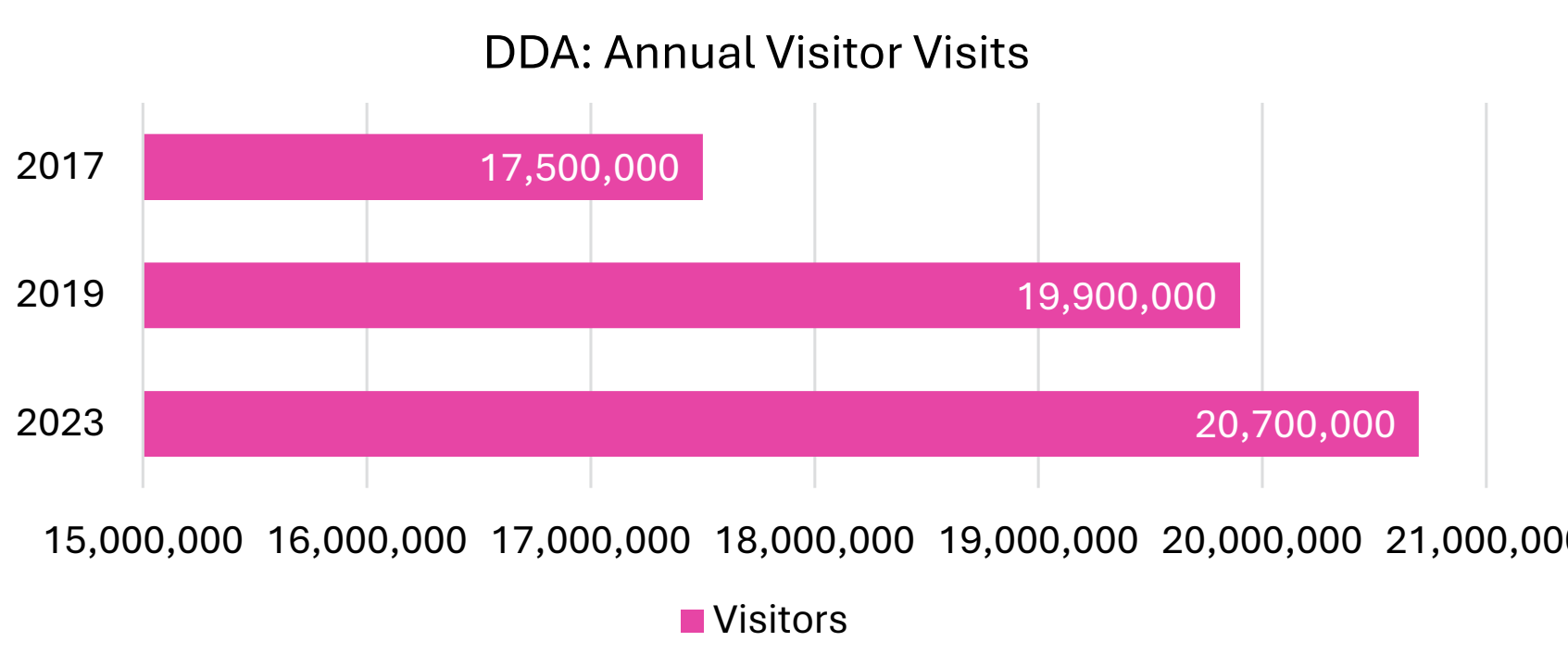
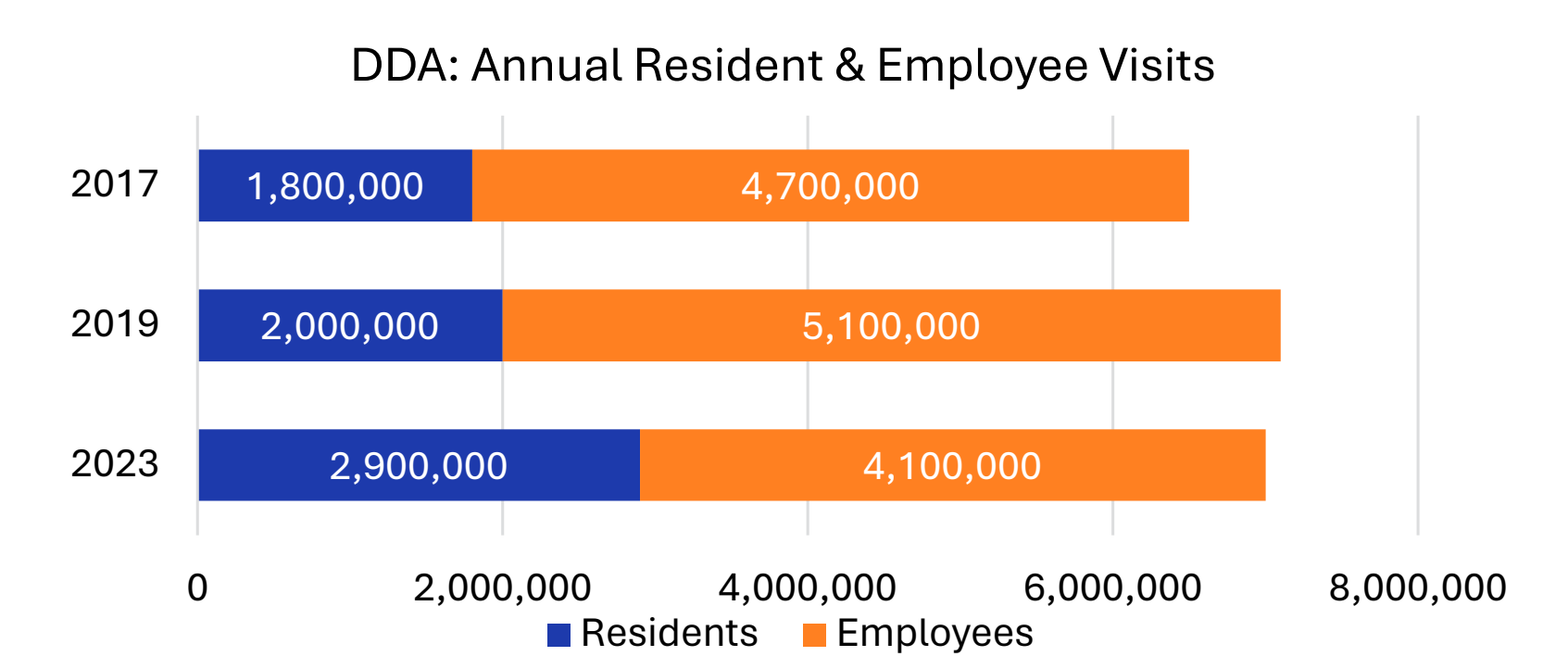
The Ann Arbor DDA maintains or contributes to the regular maintenance of many elements in the public right-of-way.



Downtown Trends

1

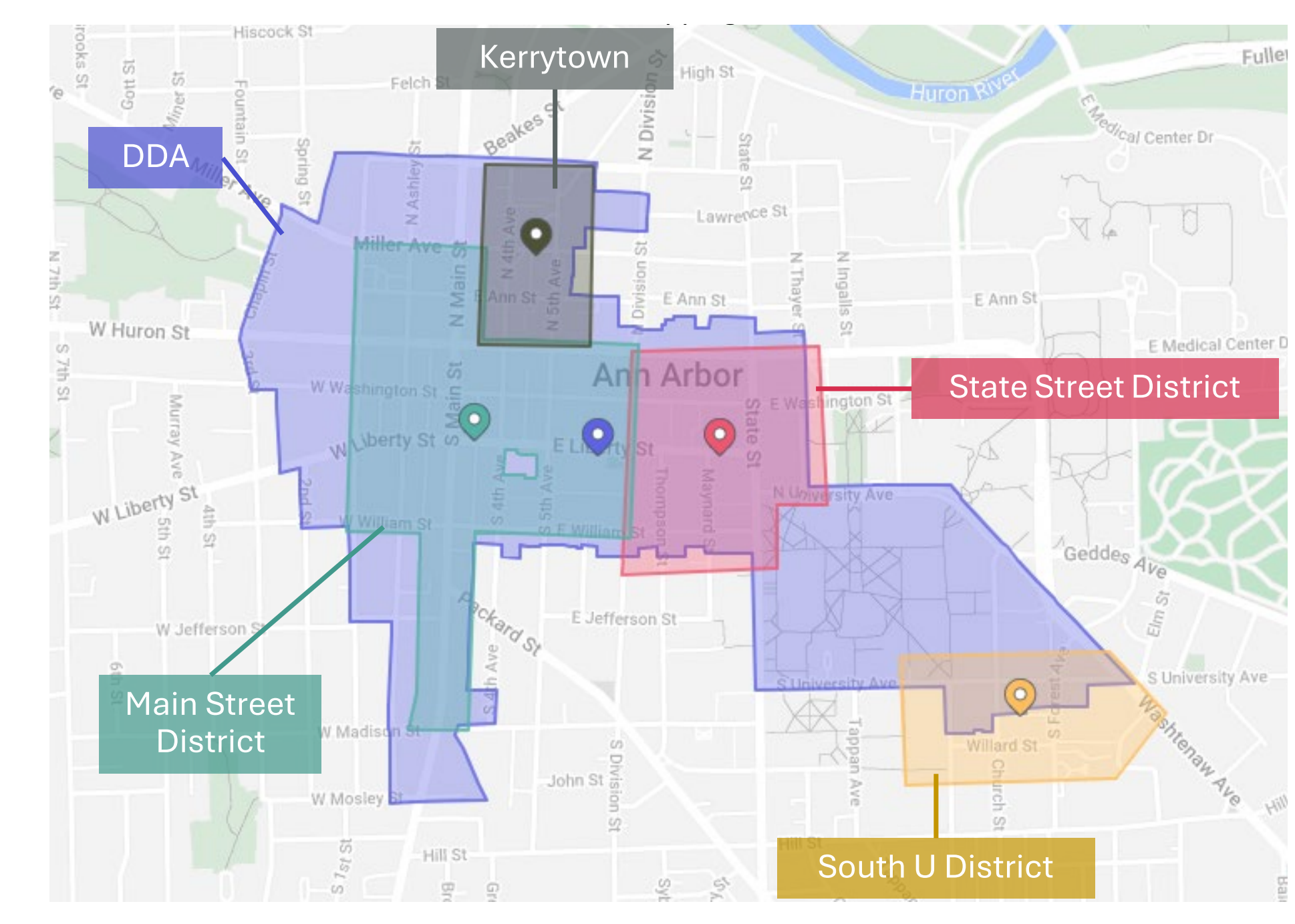
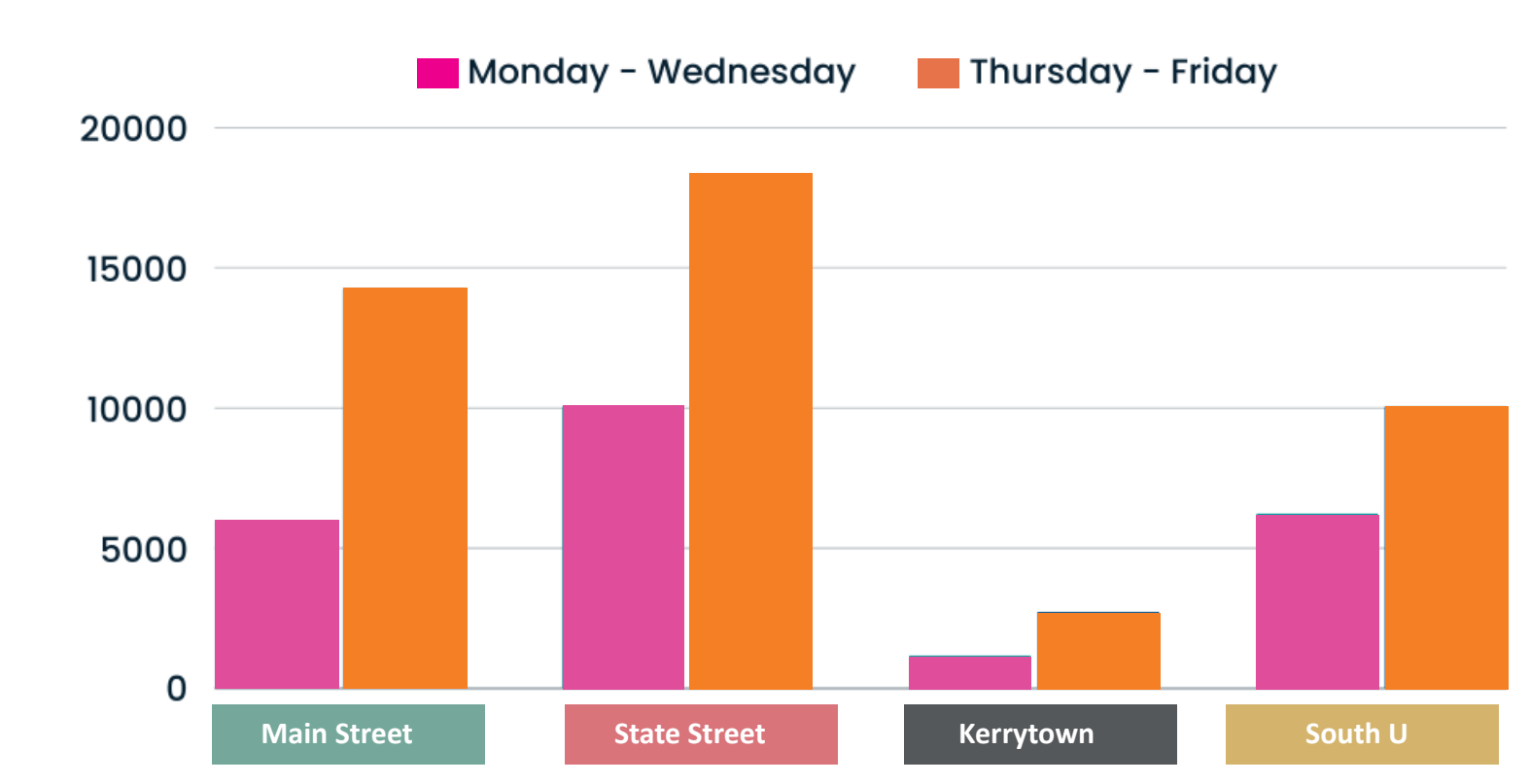
In 2023, visits to the downtown have returned to (and are above) pre-pandemic levels



- Total visits have increased beyond pre-pandemic levels for “visitors” to the downtown
- Slight reduction in Employee Visits post-pandemic, but an increase in Resident Visits as downtown residential population grows

2

Since 2019, downtown shopping districts have seen a significant increase in visits varying by season and day of week



- Day of the week has a significant impact on visitor rates
- Kerrytown has the least number of visitors, potentially correlating with its size

3

Visits on People Friendly Streets outpace other locations

First & Ashley

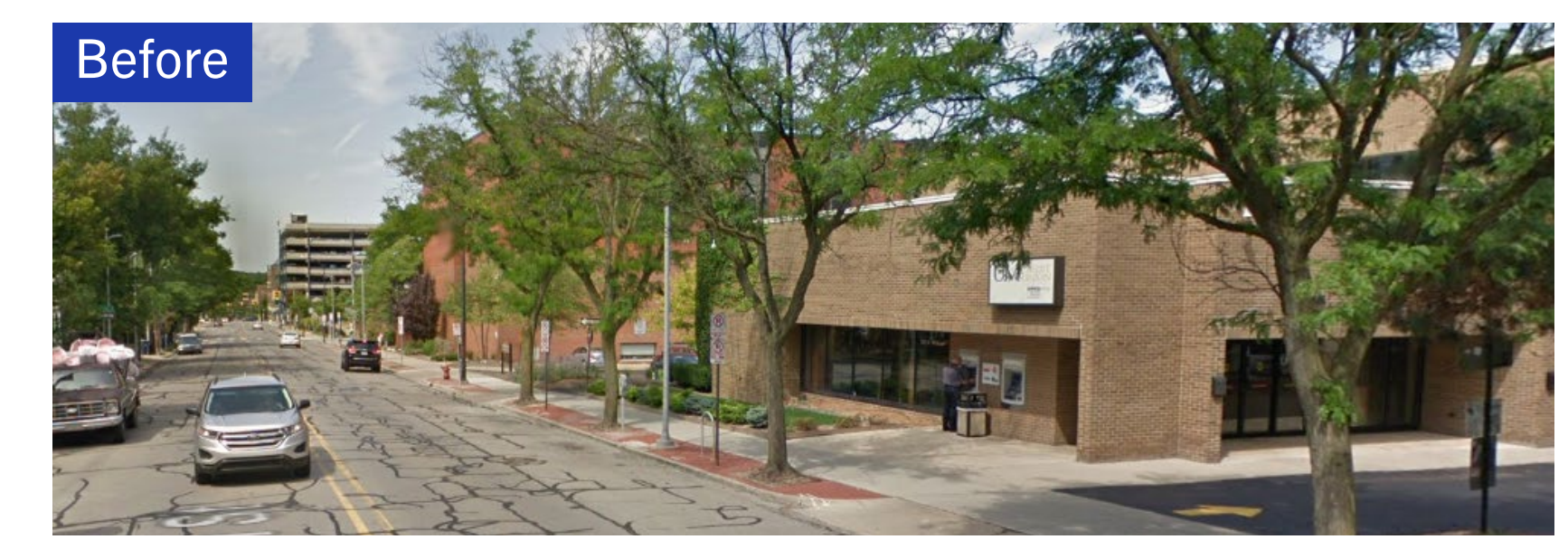
Construction started in 2020
28% visit increase compared to 8% increase for the Main Street area as a whole



Bikeway Projects*

Construction started in 2018

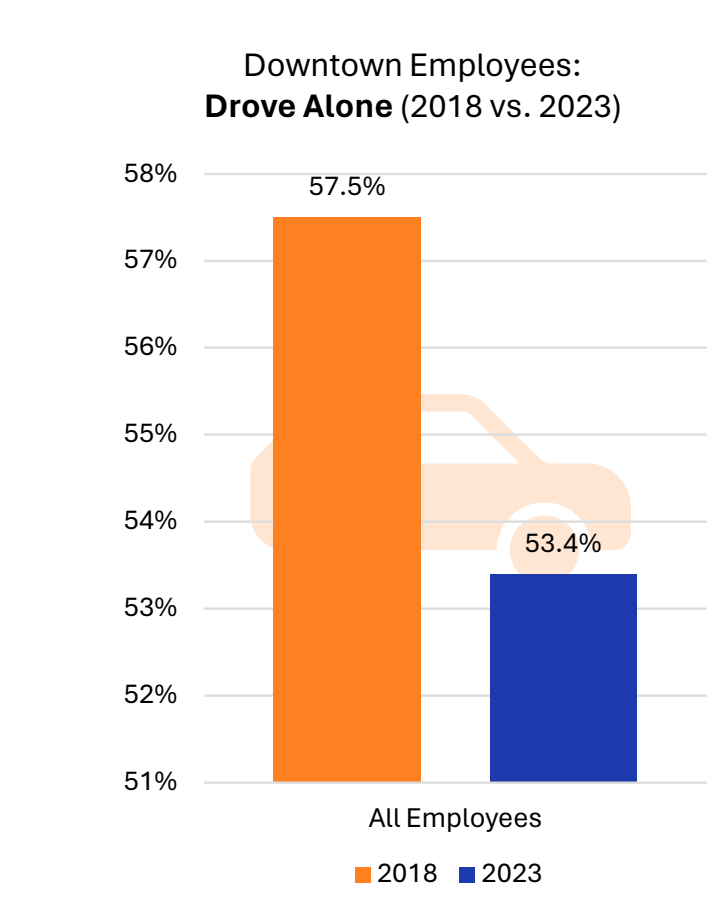
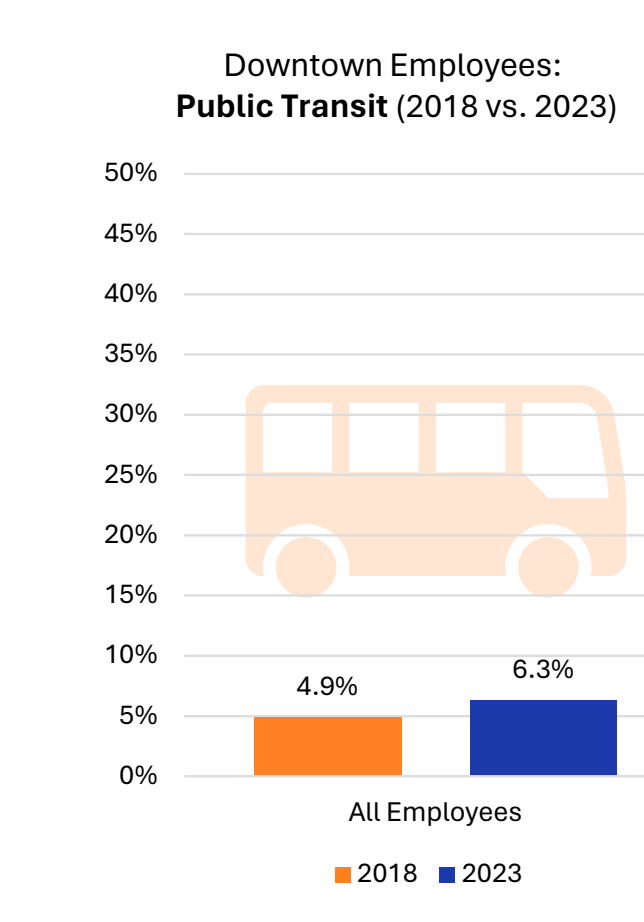
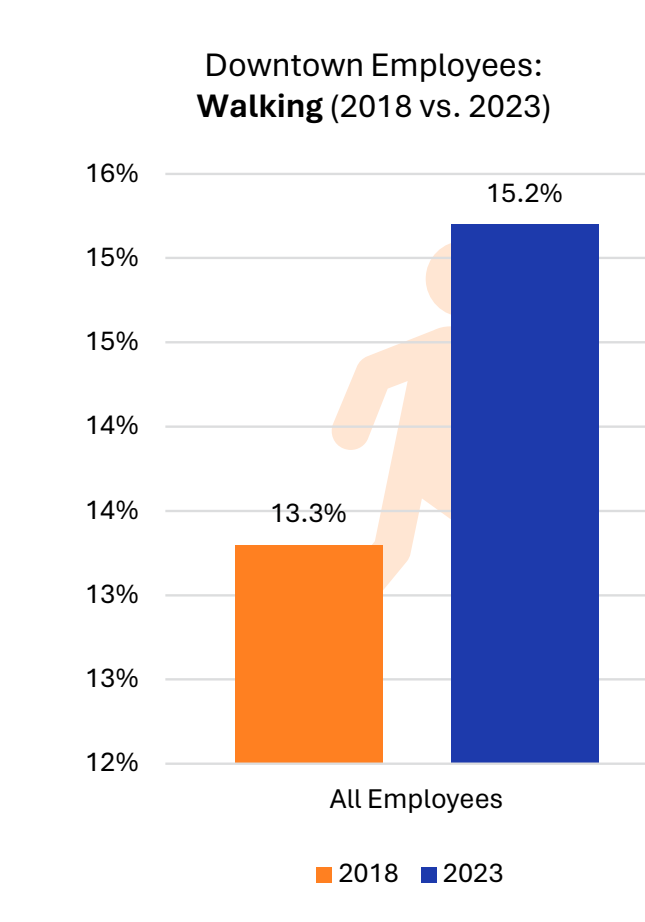
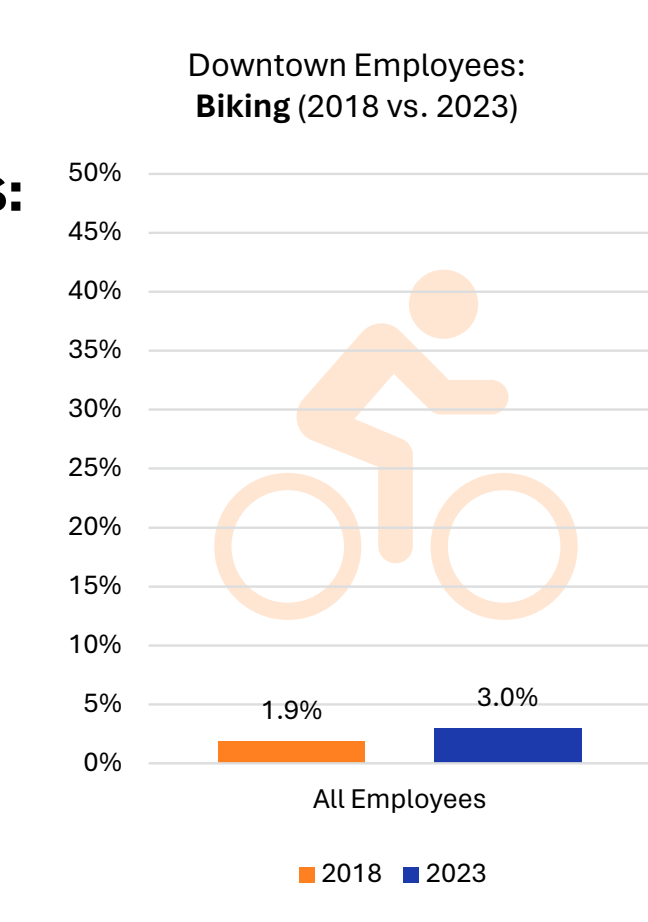
+30% visit increase compared to 8% increase for the Main Street area as a whole



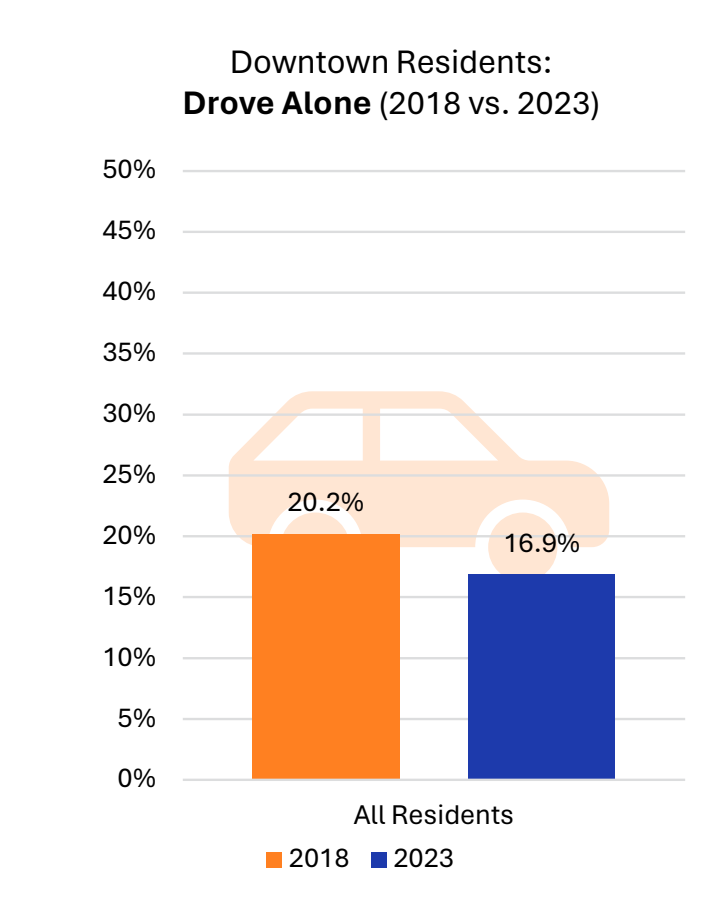
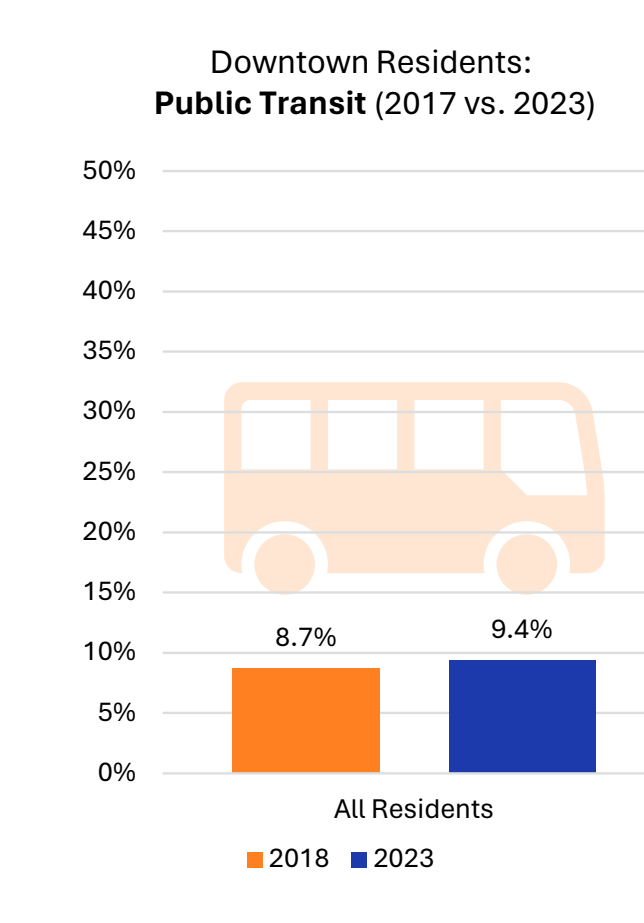
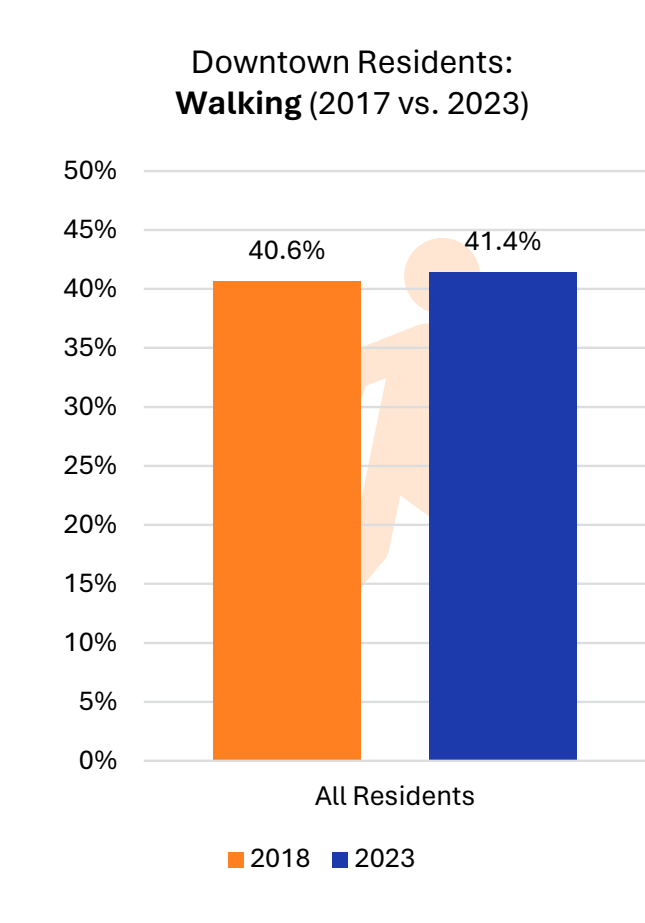
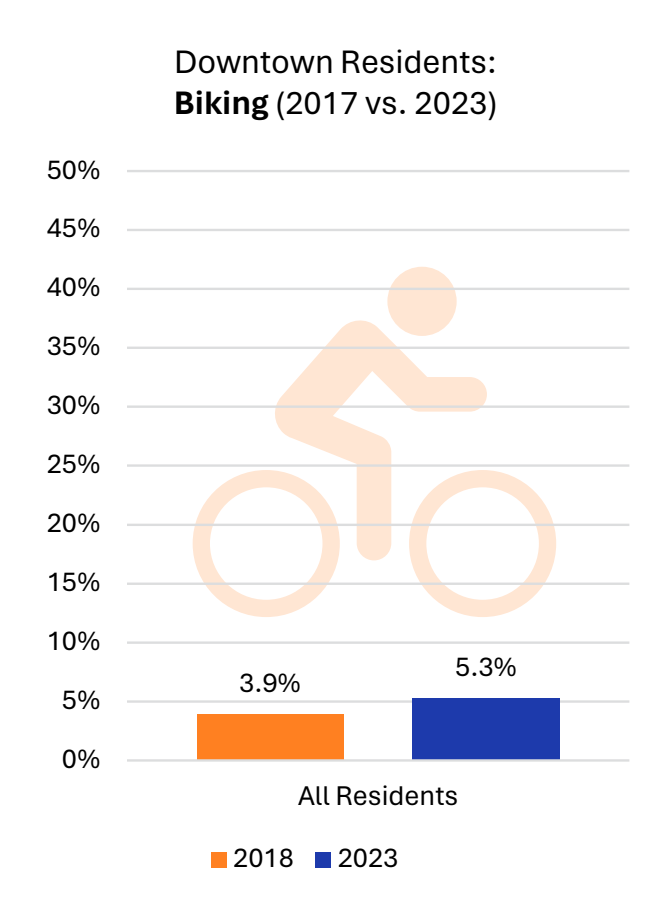
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Walking, biking, and riding transit to get to work is well-above national trends

Downtown Employees: Transport to Work 2018 vs. 2023



Downtown Residents: Transport to Work 2018 vs. 2023

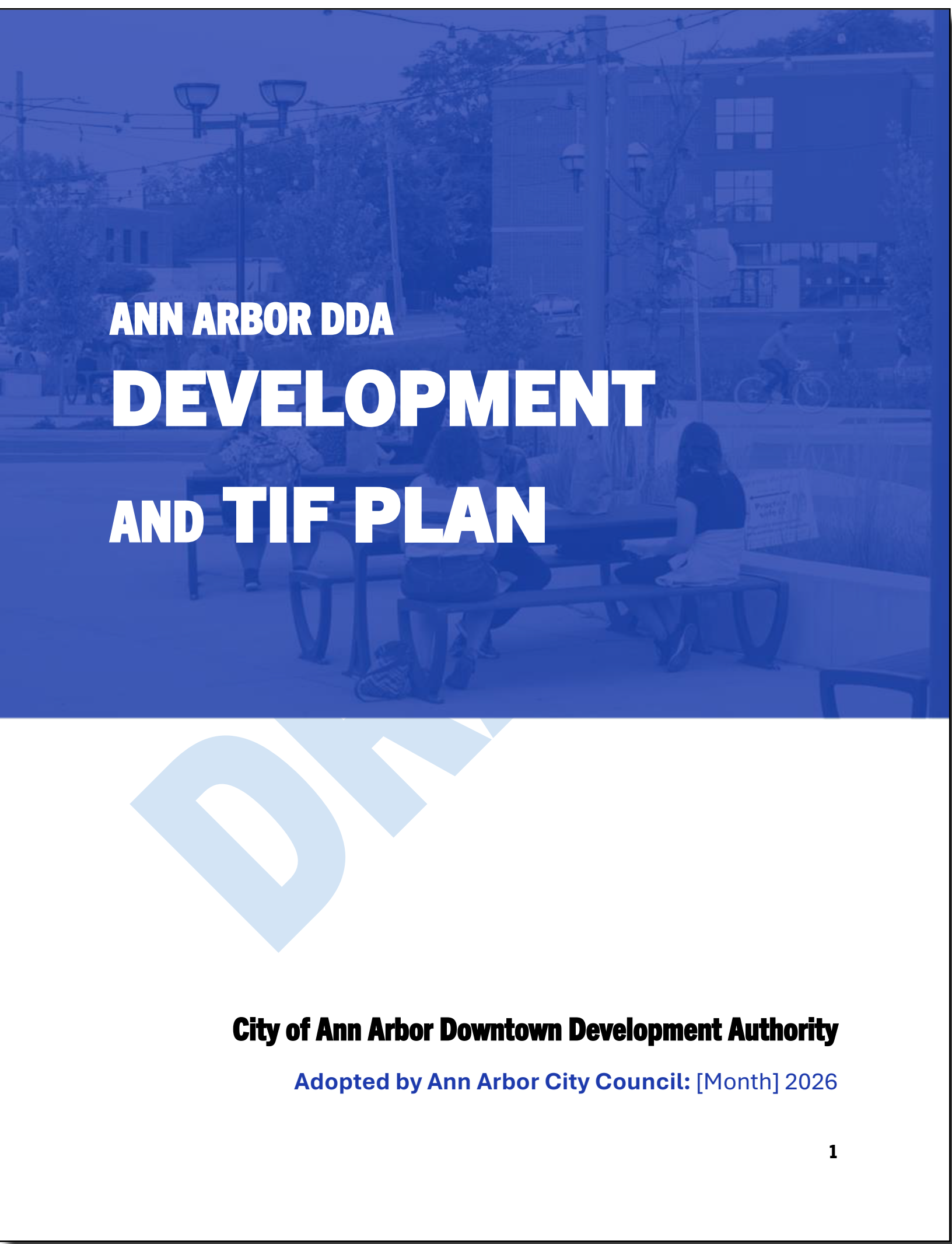


*All the key takeaways on this board are based on data from Placer.ai, as documented in the DDA Post-Pandemic and Demographic Activity Report

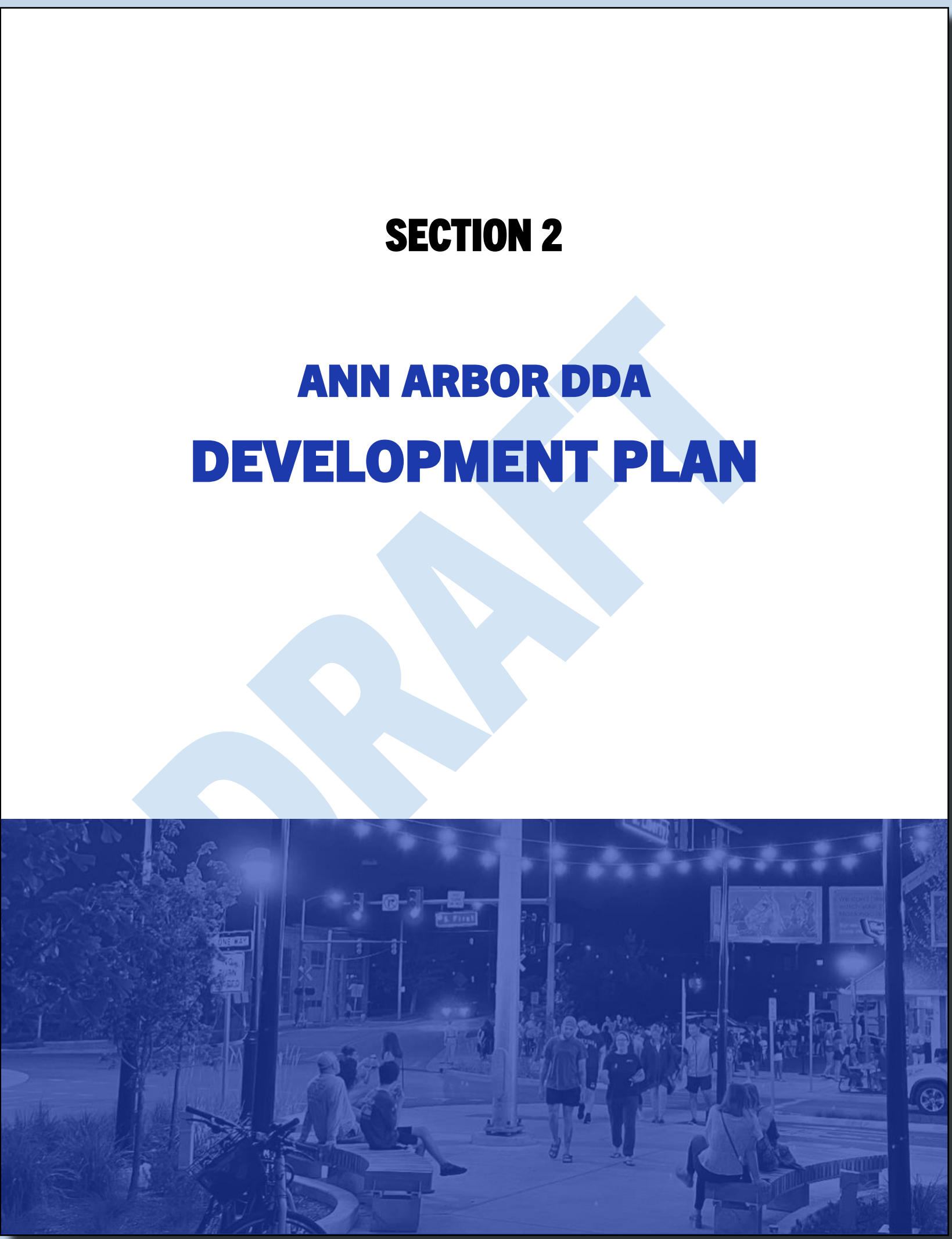
Two Plans, One Vision: DDA Development & TIF

The Legal Foundation

Public Act 57 of 2018 is a Michigan state law that governs how local governments can create and manage **Downtown Development Authorities (DDAs)** and similar entities. It replaced older laws and consolidated them into a single framework called the **Recodified Tax Increment Financing Act**.

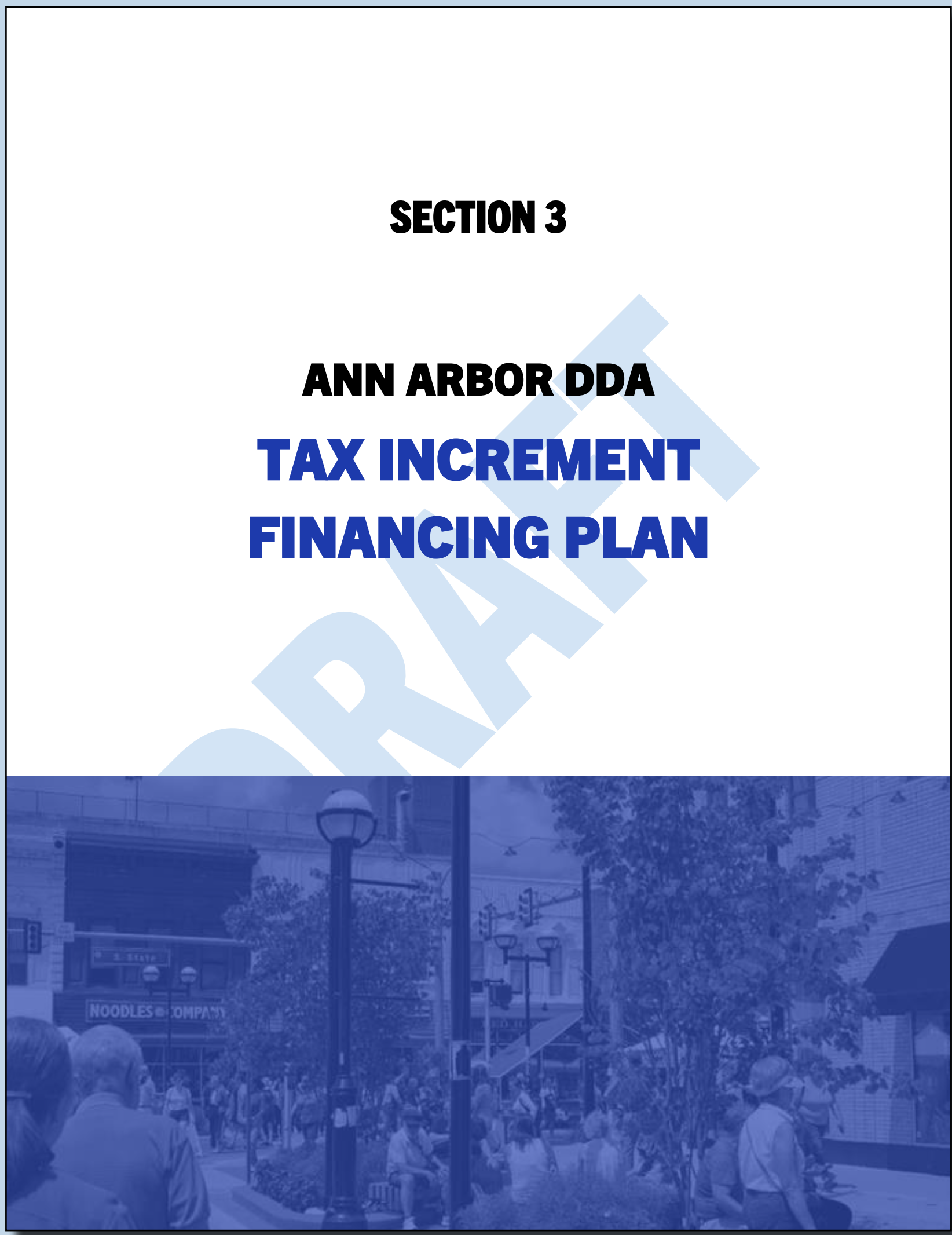


Under this law, DDAs must prepare two plans



Development Plan

- Describes the goals, boundaries, and proposed improvements for the downtown area.
- Includes details like land use, infrastructure upgrades, public spaces, and zoning.



Tax Increment Financing (TIF) Plan

- Explains how the DDA will fund its projects using tax increment financing.
- Includes financial projections, revenue sources, and how funds will be reinvested in the District.

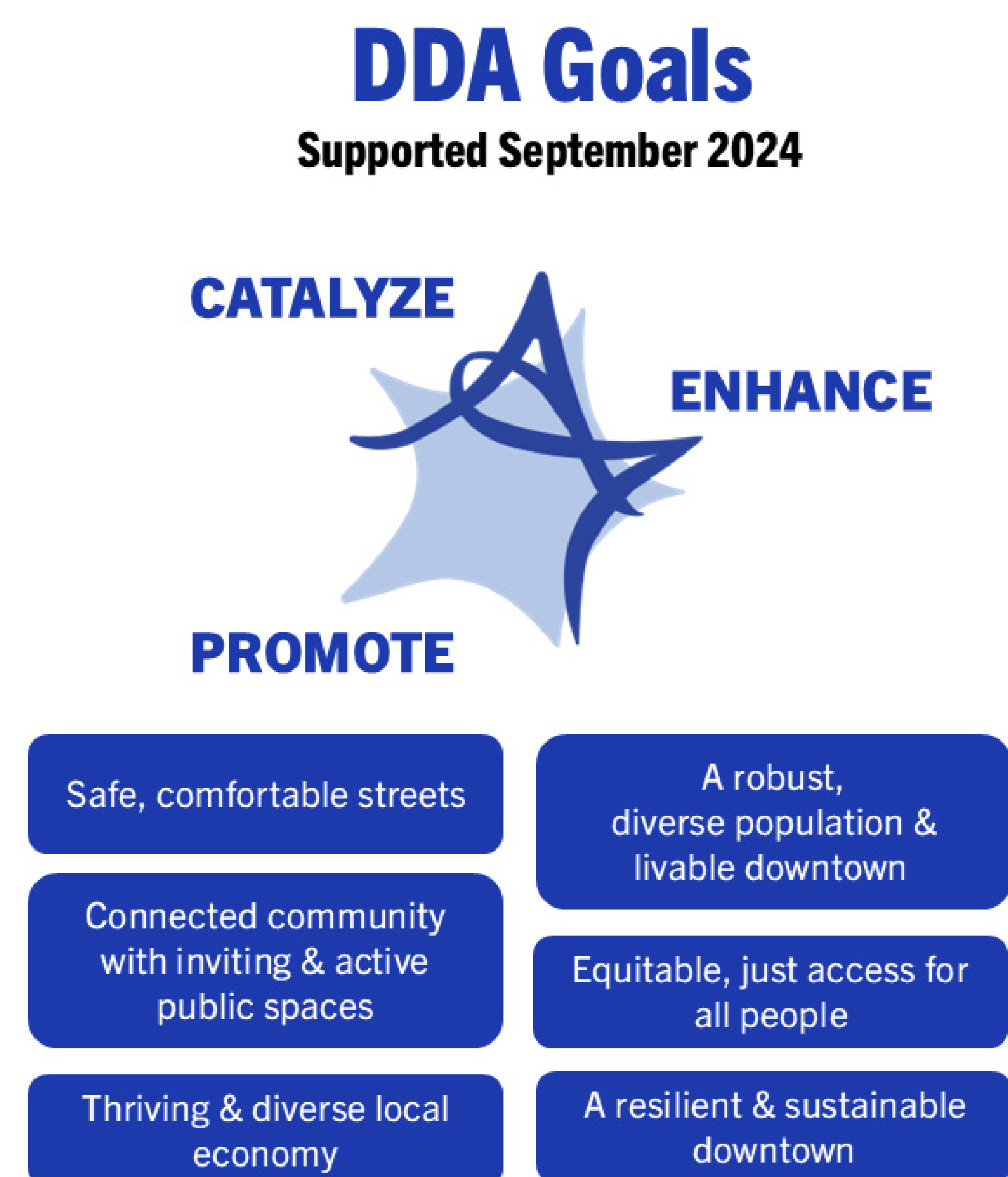
The Development Plan sets the vision, goals, and specific projects for the downtown area, while the TIF Plan outlines how those projects will be funded through tax increment financing.

DDA Plans: Leading with Values, Driven by Goals

Shared Goals & Values

The City of Ann Arbor has defined its core values as Affordable, Equitable, Sustainable, and Dynamic. As the heart of the City, downtown Ann Arbor plays a key role in bringing these values to life. To support this, the Downtown Development Authority (DDA) updated its goals to Catalyze, Enhance, and Promote.

These goals guide how the City's values are implemented downtown and shaped the creation of the Development and TIF Plans.



City Values

AFFORDABLE

We believe that ALL should have the opportunity to call Ann Arbor home and thrive, residents and businesses alike.

EQUITABLE

We aim to ensure community health, safety, and equal access to essential services and amenities for ALL, with additional resources for disinvested communities.

SUSTAINABLE

We are committed to promoting balance between ALL of our natural and human systems to support a healthy and biodiverse ecosystem, today and into the future.

DYNAMIC

We aim to be a vibrant, continuously evolving city to meet the changing needs of ALL its people and communities

To support shared goals and values the DDA will...

- ✓ SUPPORT DOWNTOWN ACTIVITY & VISITATION
- ✓ INVEST IN DOWNTOWN PARKS & AMENITIES
- ✓ IMPROVE SAFETY AND COMFORT
- ✓ INVEST IN PUBLIC UTILITY INFRASTRUCTURE
- ✓ ENHANCE DOWNTOWN ACCESS

- ✓ FUND A DOWNTOWN SERVICE TEAM
- ✓ SUPPORT AFFORDABLE HOUSING
- ✓ MITIGATE CLIMATE CHANGE IMPACTS
- ✓ SUPPORT SUSTAINABLE ENERGY
- ✓ SUPPORT SMALL BUSINESSES

Identifying Potential Projects and Programs

How Projects Were Selected

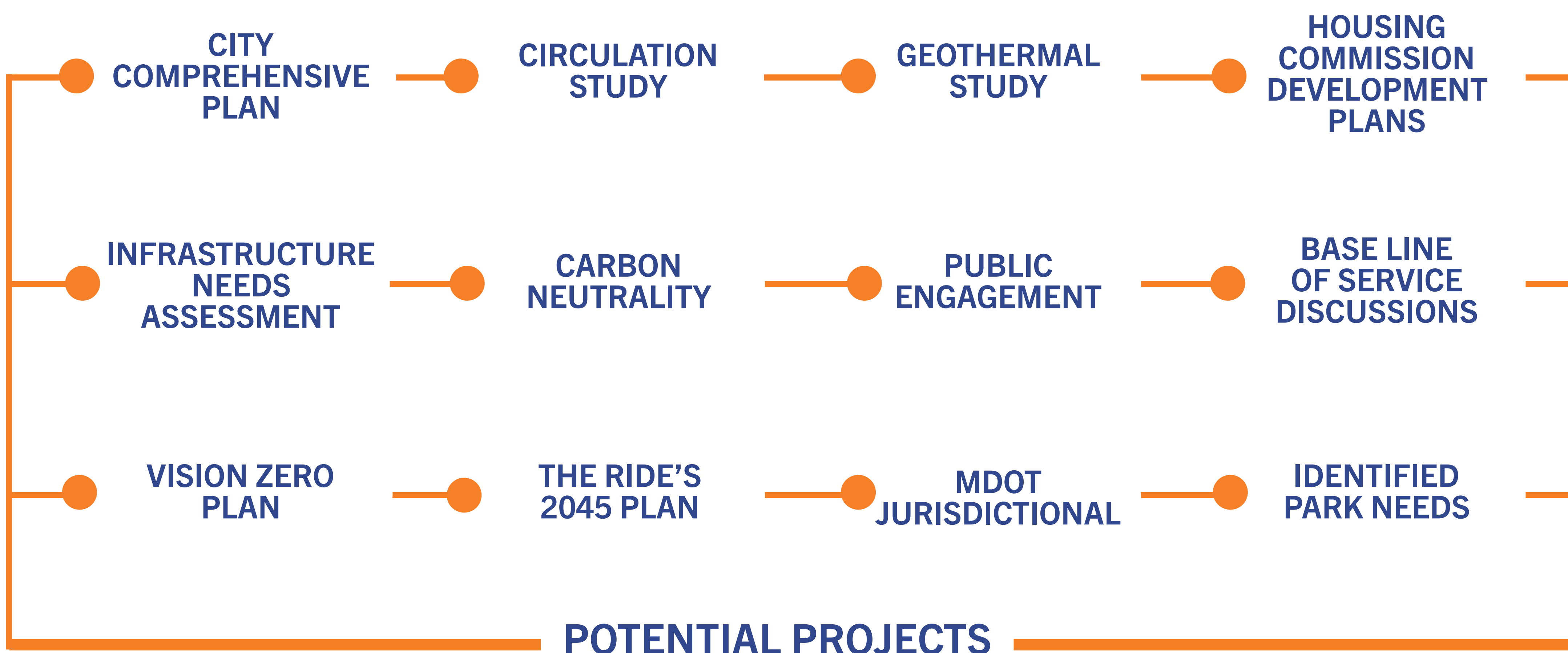
The DDA used a planning process that combined community input, current plans, and value-based scoring.

Public Engagement Feedback from open houses, interviews, and surveys helped identify needs.

Current Plans Existing studies and plans provided project opportunities and identified infrastructure needs.

Value Based Scoring: The City's value-based capital improvement plan process helped score and rank all projects.

Each of these provided project opportunities



Example Project Scoping



REFERENCE PLAN

MDOT JURISDICTIONAL STUDY

N. MAIN TRANSPORTATION OPPORTUNITIES:

- Safety & access improvements
- Active transportation (sidewalks and bike facilities)
- Ownership considerations

OVERLAPPING OPPORTUNITIES

BELOW AND ABOVE GROUND

UTILITIES:

- Water: Undersized mains from 1880's (transmission main)
- Sewer: Needs lining

STORMWATER

- Allen Creek Watershed

SUSTAINABILITY

- Explore geothermal

PLACEMAKING:

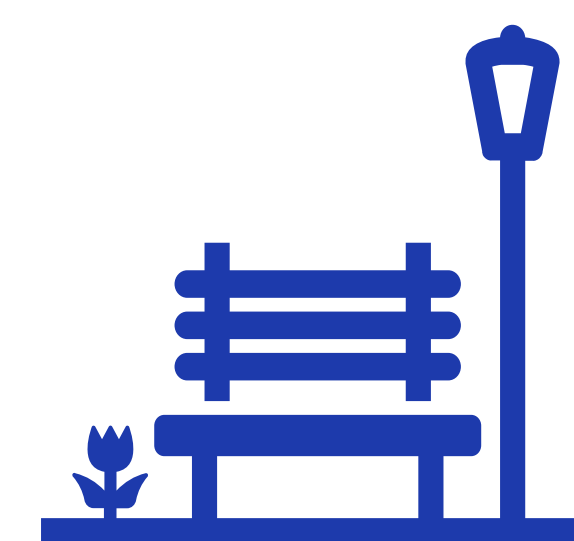
- Streetlights & landscaping

COORDINATING PROJECTS & PARTNERS

- MDOT & City Engineering

DRAFT SCOPE

POTENTIAL SCOPE & ESTIMATED COST ACROSS ALL PROJECT CATEGORIES



THIS SAME PROCESS WAS APPLIED TO ALL 150 PROJECTS!

Selecting using Projects Capital Improvement Planning (CIP)

DDA Process



1. Identify needs and scopes within the **PROJECT CATEGORIES**



2. **PROJECTS PRIORITIZED** based on City values



3. **PRIORITY REFINEMENT** based on project urgency

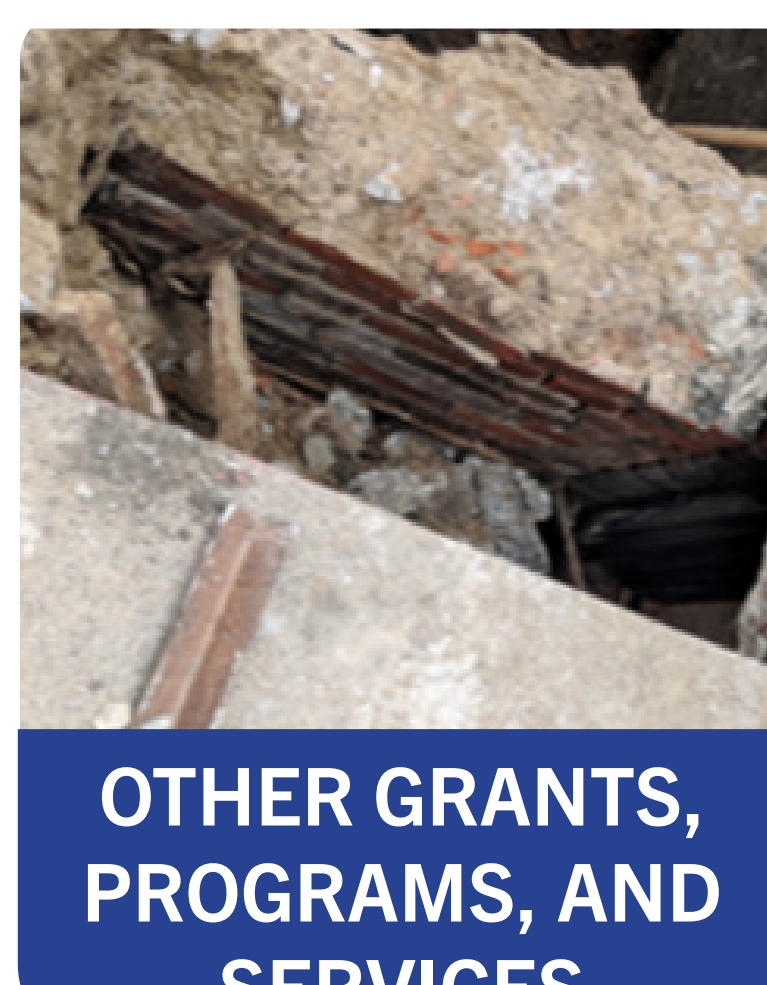
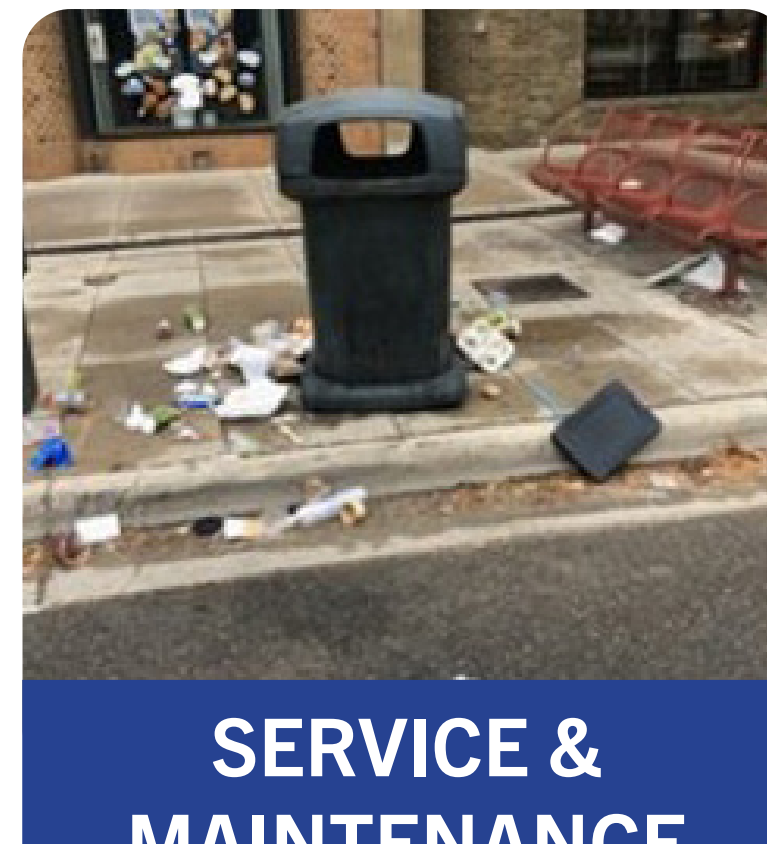
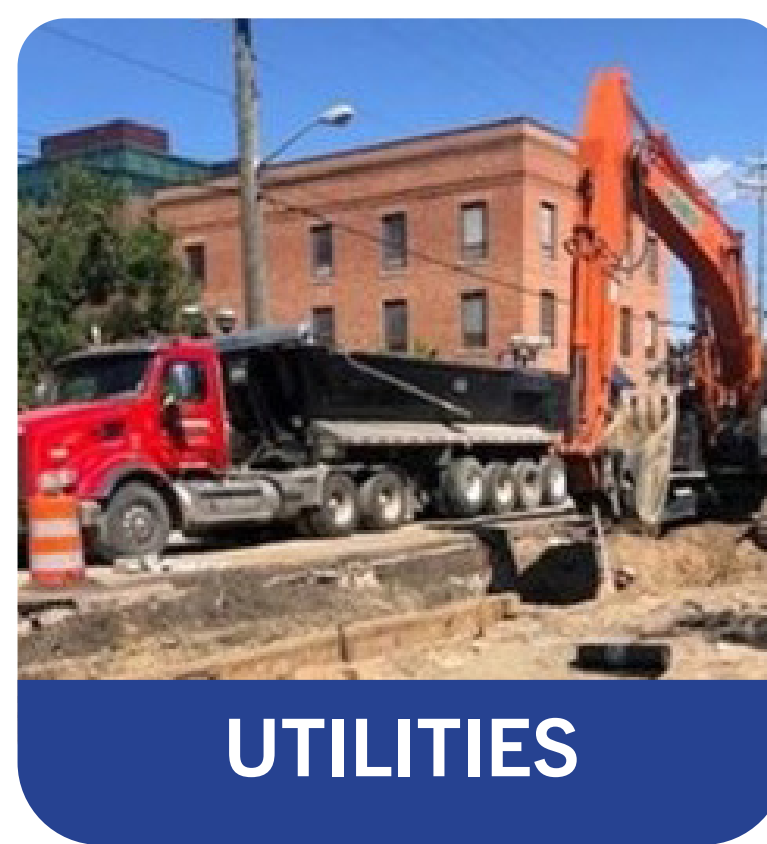


4. **DRAFT DEVELOPMENT PLAN**, including future capital projects organized by category and priority rank.



5. **SHAPE PHASE 1 IMPLEMENTATION** by emphasizing high-ranking projects in each category, and considering project coordination, available funding, and staff capacity

Project Categories



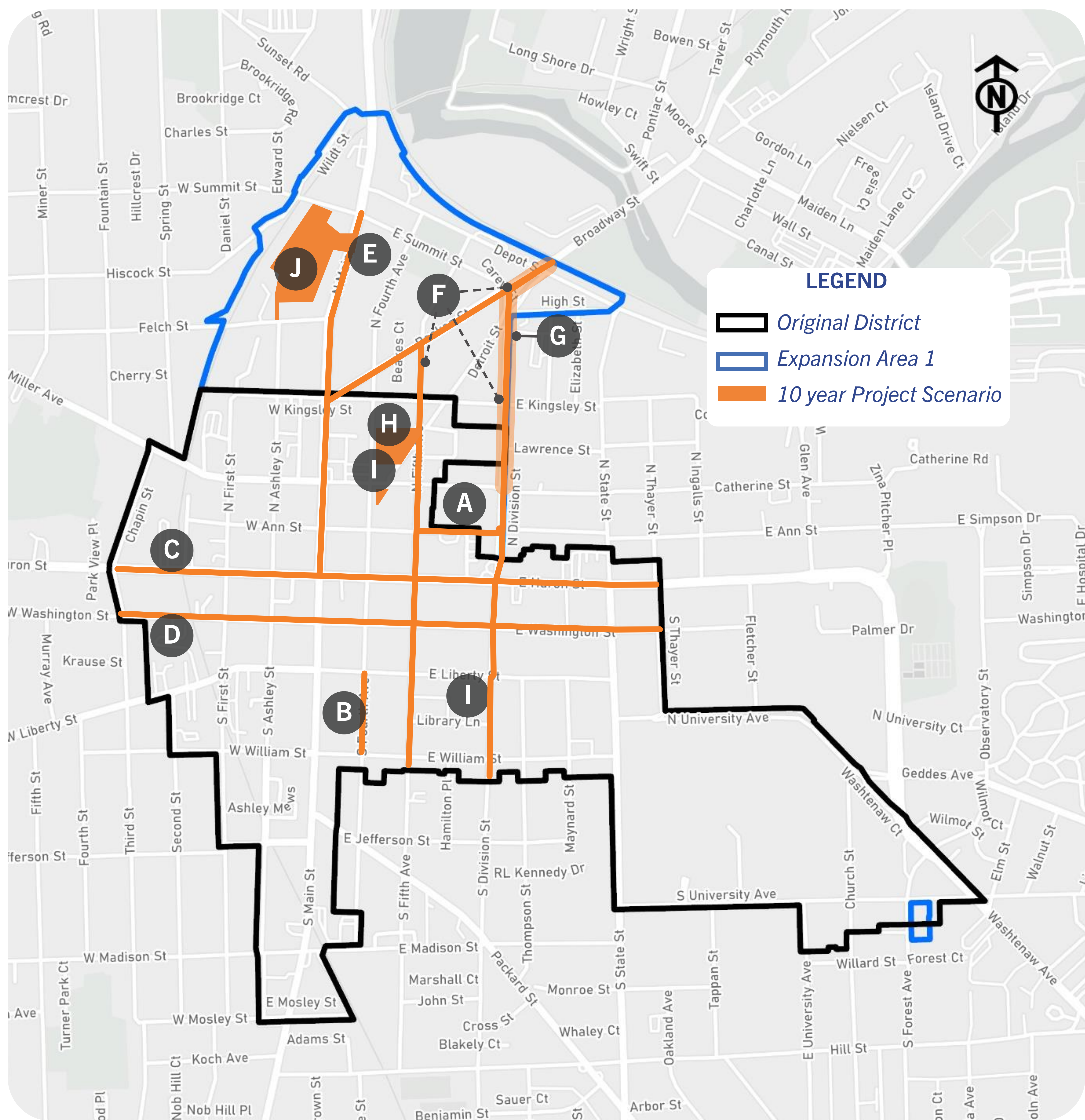
Priority Refinement

Value Rank	STREETS	Example
1	Huron - MDOT Jurisdictional Support	
1	Washtenaw Ave - MDOT Jurisdictional Support	
⌚ 2	Fifth / Division Reconstruction & Bus Rapid Transit includes Broadway Bridge interchange and Beakes	
⌚ 4	Washington Street Streetscape + Reconstruction	

Project timing may be adjusted to address:

- Urgent projects addressing safety and critical infrastructure
- Overlapping opportunities to coordinate projects

Phase 1: Development Plan Implementation



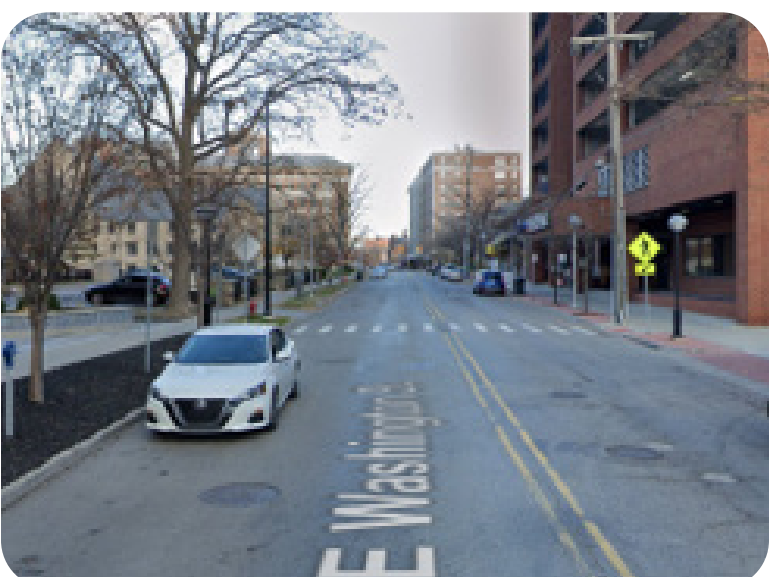
A ANN STREET RECONSTRUCTION & STREETScape

B FOURTH AVE - TRANSIT BLOCK

C EAST/WEST HURON BUS RAPID TRANSIT

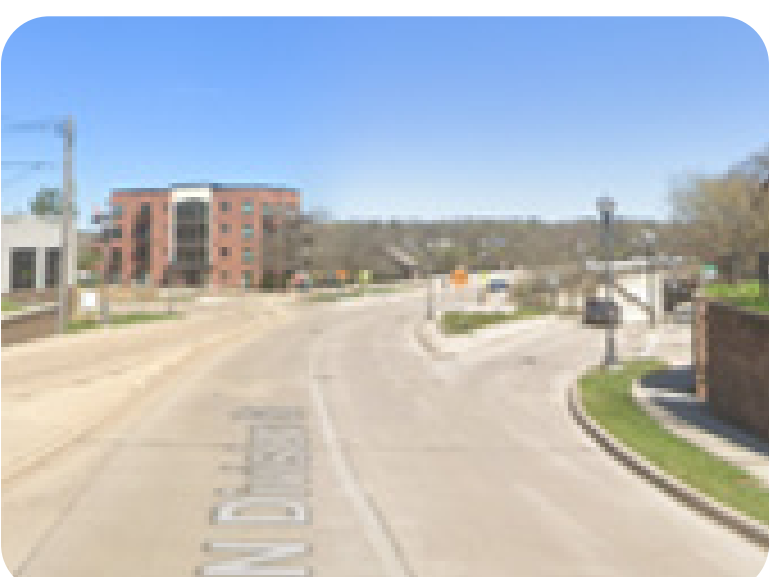


D WASHINGTON STREET RECONSTRUCTION



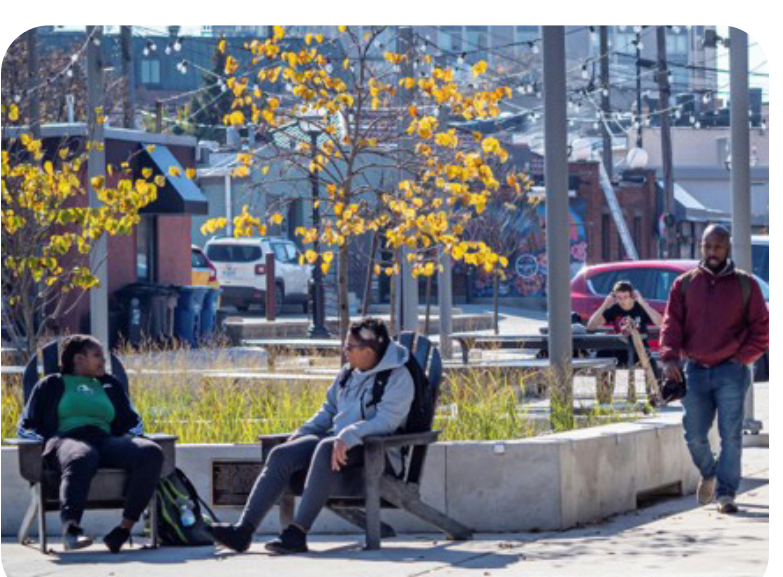
E NORTH MAIN STREET

F A FIFTH/DIVISION NORTH/ SOUTH BUS RAPID TRANSIT (BRT) & RECONSTRUCTION



G DIVISION STREET BIKEWAY EXTENSION

H FARMERS MARKET STUDY & RECONSTRUCTION (CITY PARKS PROPERTY)



I SCULPTURE PLAZA AND LIBERTY PLAZA REPAIRS (CITY PARKS PROPERTY)

J 721 N. MAIN PARK & TRAIL PHASE I (CITY PROPERTY)



CAPITAL IMPROVEMENTS - PHASE I (2026-2035)			
Strategic Value Rank	Project Name	Details	Phase I Estimated DDA Contribution
STREETS, TRANSIT, & UTILITIES			
--	Ann Street Reconstruction & Streetscape	- Partnership with City Public Services and Community Development - Install new sidewalks and streetscape elements – lighting, pavers, seating, landscaping, trees, curbline changes, and public art.	\$ 1,600,000
2	Fourth Avenue Transit Block	- Partnership with City Public Services, the AAATA, and Ann Arbor Housing Commission - Install streetscape and transit elements - lighting, seating, landscaping, trees, curbline changes, public art, transit shelters, and transit lane treatments - Provide stormwater utility support for the A2 Housing Commission's Project at 350 S. Fifth Ave	\$ 5,000,000
1	East/West Huron Bus Rapid Transit	- Partnership with the AAATA - Includes study, design, and construction phases for bus rapid transit on Huron Street - Partner on bus rapid transit elements - transit shelters, travel lanes, and signal treatments - Provide sanitary lining and stormwater infrastructure	\$ 14,000,000
4	Washington Street Reconstruction	- Partnership with City Public Services - Includes design and construction phases for Washington Street reconstruction from Ashley Street to State Street - Install streetscape and Curbless street elements – new sidewalks, lighting and electrical, seating, landscaping, trees, curbline changes, active transportation elements, crossing treatments, and public art - Partner on sanitary lining, water main upsizing, and stormwater infrastructure	\$ 17,500,000
9 & 12	North Main Street	- Partnership with City Public Services - Includes design and construction phases for N Main Street. May include jurisdictional transfer support - Install streetscape elements from Huron to the DDA’s northern boundary – new sidewalks, lighting and electrical, seating, landscaping, trees, curbline changes, active transportation elements, crossing treatments, and public art - Partner on sanitary lining, water main upsizing, and stormwater infrastructure	\$ 6,540,000
2	Fifth/Division North/South Bus Rapid Transit (BRT)& Reconstruction	- Partnership with the AAATA and City Public Services - Includes study, design, and construction phases for two-way restoration and bus rapid transit. - The project construction phase will carry into phase 2 of DDA improvements (post-2035) - Partner on two-way restoration (if feasible), bus rapid transit, and active transportation elements - Install streetscape elements as needed - lighting, seating, landscaping, trees, curbline changes, public art, transit shelters, and travel lane treatments - Partner on sanitary lining, water main upsizing and replacement (including transmission main), and stormwater infrastructure	\$ 17,000,000
PLACEMAKING			
7	Event Bollards	- Partnership with City Public Safety - Includes design and construction phases - Install retractable bollards at intersections frequently closed for special events - Purchase and operate portable vehicle barricades for locations where retractable bollards are infeasible	\$ 6,000,000
26	Elevate Public Art Program	- Includes design and installation phases - Install and maintain public art and placemaking installations - On-going through all DDA implementation phases (2026-2055)	\$ 4,000,000
BIKEWAYS & TRAILS			
6	Division Street Bikeway Extension	- Partnership with City Public Services - Includes design and construction phases - Extend the Division Street two-way separated bikeway to the Broadway Bridge	\$ 1,220,000

CAPITAL IMPROVEMENTS - PHASE I (2026-2035)			
Strategic Value Rank	Project Name	Details	Phase I Estimated DDA Contribution
PARKS & PLAZAS			
11	Farmers Market Study and Reconstruction (City Parks Property)	- Partnership with City Parks Department - Includes study, design, and construction phases - Includes the capacity for a full site reconstruction, including a new market building with public restrooms, site-wide accessibility and functionality improvements, stormwater elements, lighting, landscaping, public art, and sustainable energy elements	\$ 13,000,000
-	Sculpture Plaza and Liberty Plaza Repairs (City Parks Property)	- Partnership with City Parks Department - Includes repairs to address hardscape and landscape conditions and improve accessibility and function	\$ 300,000
10	721 N. Main Park & Trail Phase I (City Property)	Includes remediation, stormwater elements, and landscaping	\$ 8,000,000
SUSTAINABLE ENERGY			
41 & 44	Sustainable Energy	- Partnership with the City Office of Sustainability and Innovation - Includes study, design, and construction phases - Partner to install sustainable energy infrastructure (e.g., geothermal, solar, and wind) - Ongoing through all DDA implementation phases (2026-2055)	\$ 10,000,000
CAPITAL MAINTENANCE & SMALL PROJECTS			
44	Annual DDA Repairs and Small Projects	- Coordination with City Public Services and Parks Department - Includes annual repairs and small projects - Ongoing through all DDA implementation phases (2026-2055)	\$ 7,000,000
66	Annual Streetlight Maintenance Contribution	- Agreement with City Public Services - Includes contribution toward downtown streetlight maintenance - Ongoing through all DDA implementation phases (2026-2055)	\$ 1,500,000
--	Sidewalk Millage Pass Through	- Agreement with City Public Services - Includes millage reimbursement for sidewalk repairs - Ongoing through all DDA implementation phases (2026-2055)	\$ 730,000
UTILITY SUPPORT FOR PUBLIC SITE DEVELOPMENT			
19	Housing Commission Utility and Streetscape Support	- Partnership with the Ann Arbor Housing Commission - Includes water main upsizing, sanitary lining, public utility connections, fire hydrants, and streetscape restoration, as-needed to support affordable housing development - Ongoing through all DDA implementation phases (2026-2055)	\$ 400,000
42	Downtown Library and Utility Support	- Partnership with the Ann Arbor District Library - Includes water main upsizing, sanitary lining, public utility connections, fire hydrants, and streetscape restoration, as-needed to support a new downtown library development	\$580,000
43	City Owned Lot Utility Support	- Partnership with the City Community Development and Economic Development Office - Includes water main upsizing, sanitary lining, public utility connections, fire hydrants, and streetscape restoration, as-needed to support the sale and redevelopment of City-owned lots	\$1,940,000

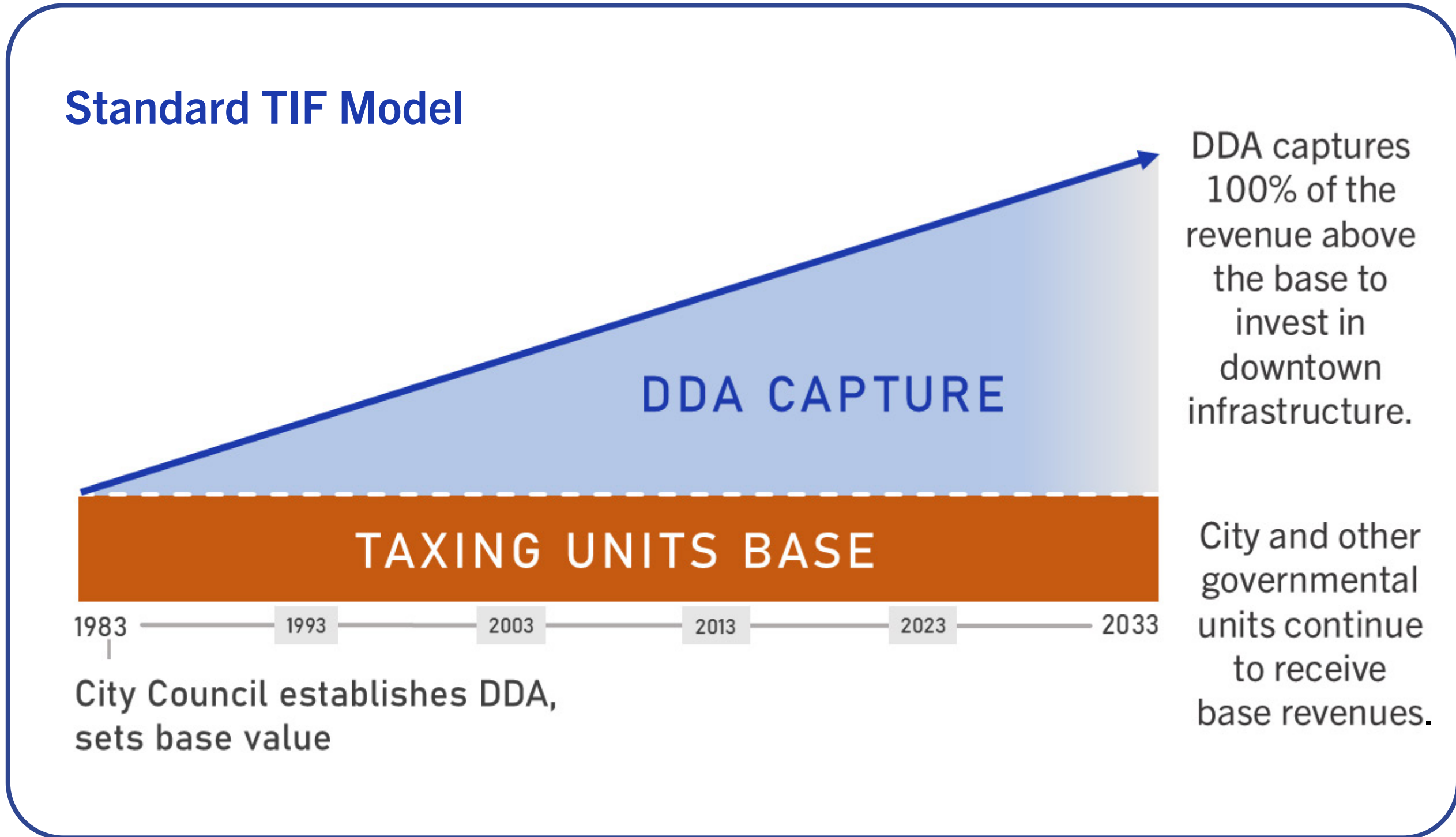
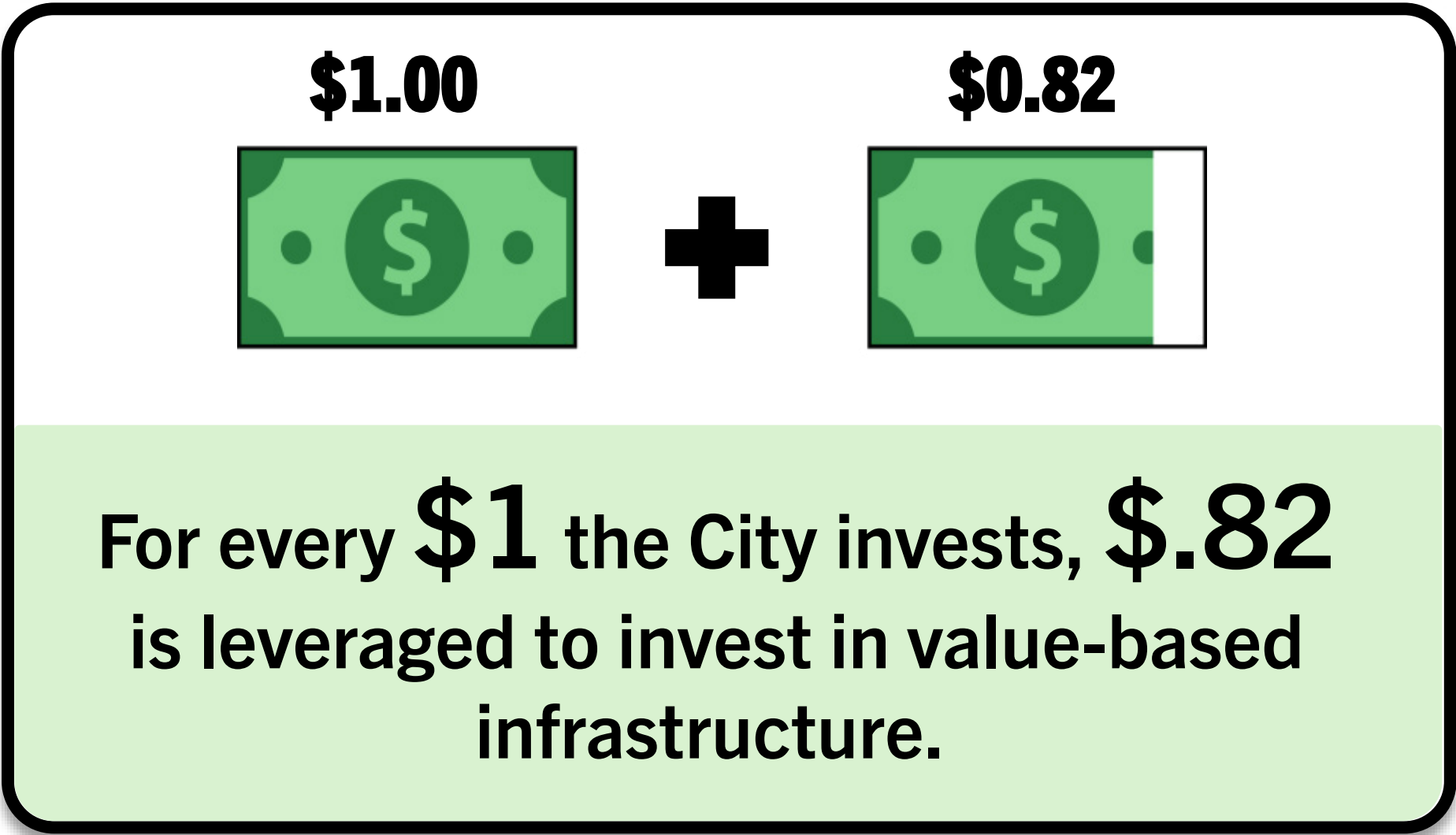
CAPITAL IMPROVEMENTS - PHASE I (2026-2035)			
Strategic Value Rank	Project Name	Details	Phase I Estimated DDA Contribution
ADMINISTRATIVE AND ANCILLARY IMPROVEMENTS			
--	Plans & Studies	- Continue consultant services to support the capital improvement function of the DDA. - Ongoing through all DDA implementation phases (2026-2055)	\$ 3,000,000
--	Sidewalk Millage Reimbursement	- Partnership with Public Services - Continue City reimbursement for the Sidewalk Millage dollars to enable City Engineering to oversee repairs - Ongoing through all DDA implementation phases (2026-2055)	\$ 730,000
--	Equipment for Downtown Services & Events	- Partnership with the City of Ann Arbor to address equipment needs that are unique to downtown and the work of the DDA. - Includes replacing public waste receptacles throughout downtown and may include additional equipment if immediate needs arise. - Ongoing through all DDA implementation phases (2026-2055)	\$ 1,000,000
PROGRAMS, GRANTS, & SERVICES - PHASE I (2026-2035)			
Project Name		Details	Phase I Estimated DDA Contribution
SERVICE & MAINTENANCE			
Downtown Service Team		- Coordination with City Public Services, Community Development, and Social Services - Implement a Downtown Service Team in the Original District - Monitor for need and the capacity to expand the Downtown Service Team in Expansion Area 1 - Ongoing through all DDA implementation phases (2026-2055)	\$ 12,000,000
Downtown Public Restroom Service Contract		- Partner with City Community Development Services - Monitor usage, benefit, and the need for permanent public restrooms - Ongoing through all DDA implementation phases (2026-2055)	\$ 1,700,000
PROGRAMS, GRANTS, & SERVICES			
Housing Grants		- Partnership with the Ann Arbor Housing Commission and housing non-profits - Continue supporting affordable housing development and maintenance as defined in City Ordinance Ch. 7. - Ongoing through all DDA implementation phases (2026-2055)	\$ 13,000,000
Other Grants		- Focused partnerships with property owners, local governmental entities, non-profits, and economic development organizations - Continue grant support for the Ann Arbor Art Fair and Spark - Continue grant program to encourage vault filling - Ongoing through all DDA implementation phases (2026-2055)	\$ 800,000
Data Support		- Continue providing data reports regarding downtown activity - Ongoing through all DDA implementation phases (2026-2055)	\$ 200,000
Retail Incubator Exploration		- Explore the benefits, focus, and potential implementation of a retail incubator - Focus exploration on goods or services that are not available or that are underserved in the downtown	\$ 200,000

Paying for Value Based Projects - Tax Increment Financing

TIF Leveraging Investment

Regional contributions from the County, Library, AAATA, and WCC help fund capital projects and maintenance in a regional downtown.

Without this investment tool in place, all future infrastructure projects and maintenance costs would be the responsibility of the City alone.



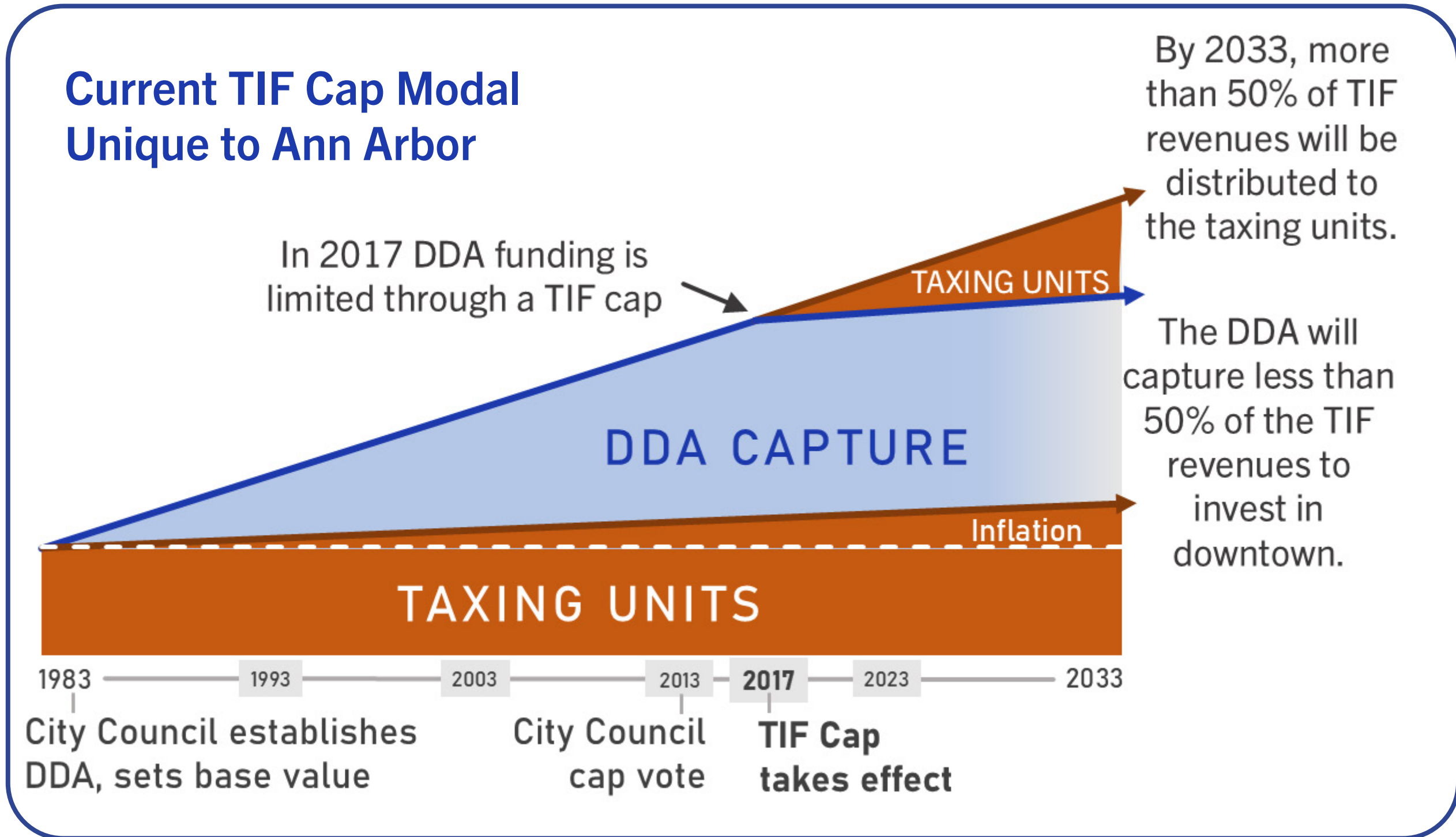
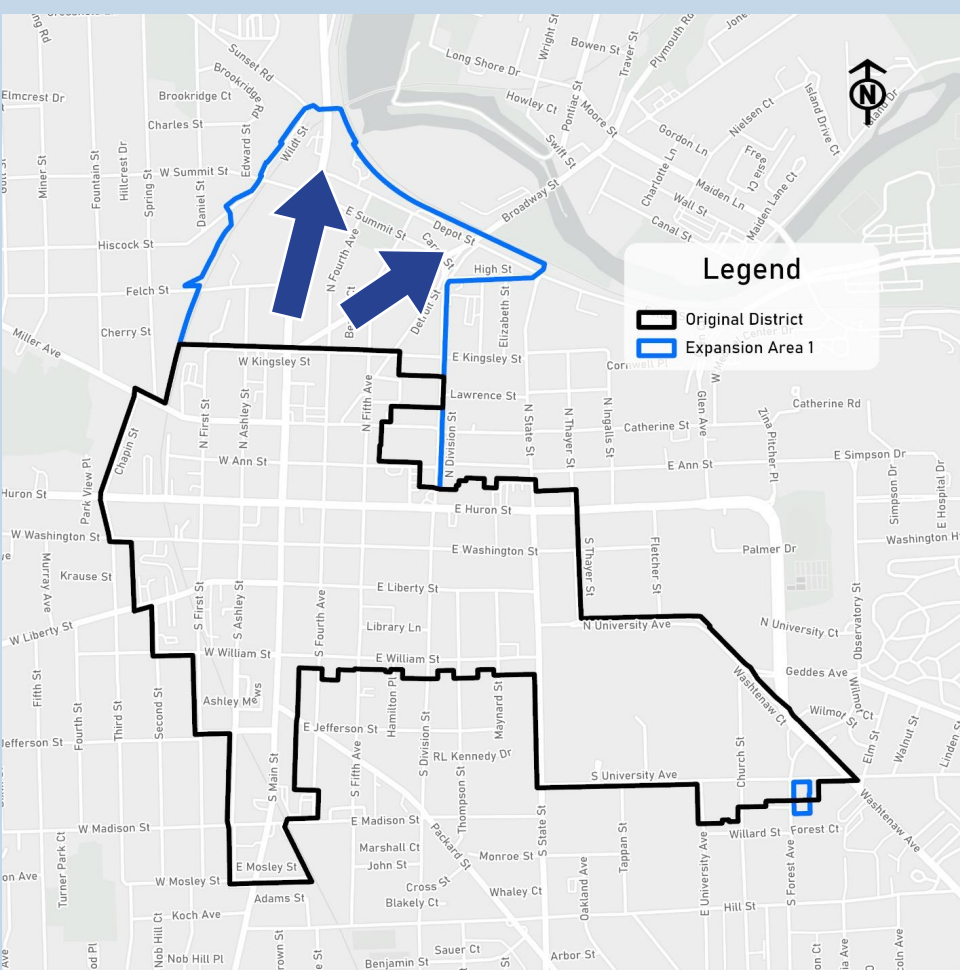
Infrastructure Funding Tool

The State St. Project (2023) addressed multiple needs, such as transportation safety, accessibility, streetscape, stormwater, and utilities.



Where TIF can be used and DDA Boundary expansion

- TIF dollars can only be spent on projects inside the DDA boundary
- Boundary expansion is uncommon in Ann Arbor but common for other DDAs
- The Grand Rapids DDA has expanded 16 times
- Boundary expansion responds to evolving needs and goals



RECOMMENDED GAINSHARE MODEL

